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# CMG MANAGED HIGH YIELD BOND PROGRAM

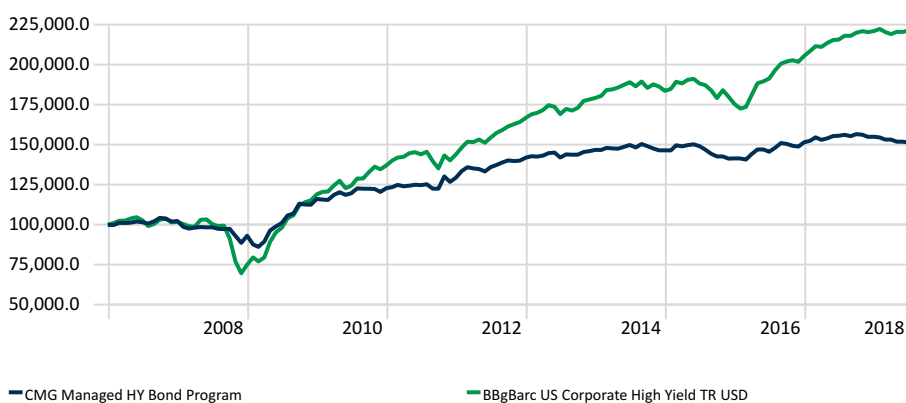
## Strategy Description

The CMG Managed High Yield Bond Program trades high yield mutual funds and/or ETFs using a proprietary quantitative buy/sell/hold investment process. The model identifies opportunities where the short-term and intermediate-term direction of the U.S. high yield market can be predicted with high probability. The strategy looks at daily data such as price, volume, yield spreads and default rates to identify trends. This composite only contains data derived from separately managed accounts. The investment objective is growth and income with downside protection.

## Strategy Strengths

- 1) Long-term track record
- 2) Designed to minimize interest rate risk and economic risk with less volatility and drawdown than the index
- 3) Seeks high income and price appreciation in up trending environments
- 4) Ability to move to cash in down trending environments
- 5) Fully transparent, managed account structure with daily liquidity

## Growth of \$100,000.00



## Strategy Information

|                            |   |
|----------------------------|---|
| <b>Strategy Inception:</b> | January 2007                            |
| <b>Return Date:</b>        | June 2018                               |
| <b>Benchmark:</b>          | Barclays US Corporate High Yield TR USD |

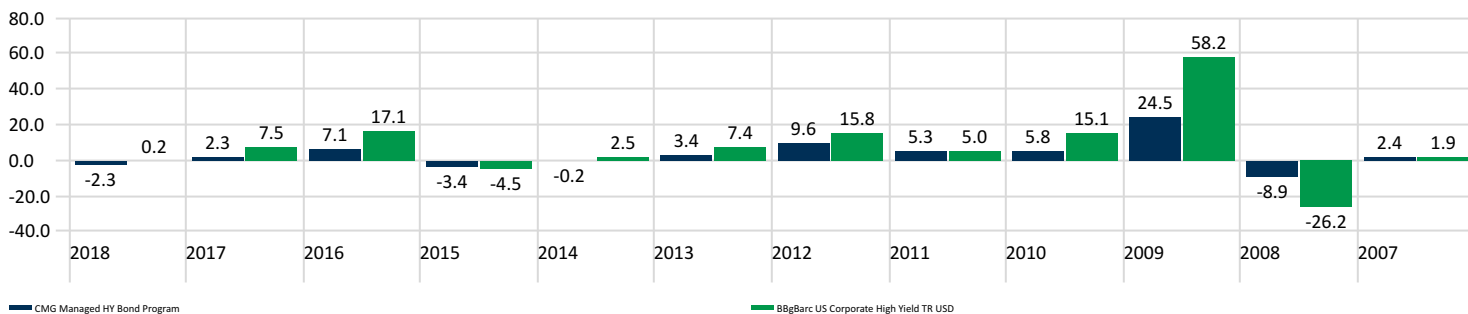
## Risk Statistics

|                           | Strategy | Bench  |
|---------------------------|----------|--------|
| <b>Std Dev</b>            | 6.19     | 10.05  |
| <b>Max Drawdown</b>       | -17.31   | -33.31 |
| <b>Sharpe Ratio</b>       | 0.48     | 0.66   |
| <b>Best Month</b>         | 7.64     | 12.10  |
| <b>Worst Month</b>        | -5.85    | -15.91 |
| <b>Cumulative Return</b>  | 51.30    | 120.95 |
| <b>Alpha</b>              | 0.03     | 0.00   |
| <b>Beta</b>               | 0.45     | 1.00   |
| <b>Correlation</b>        | 0.73     | 1.00   |
| <b>R2</b>                 | 53.11    | 100.00 |
| <b>Up Capture Ratio</b>   | 48.26    | 100.00 |
| <b>Down Capture Ratio</b> | 45.66    | 100.00 |

## Performance Summary (Net of Fees)

|                  | Strategy | Bench |
|------------------|----------|-------|
| <b>1 Month</b>   | -0.30    | 0.40  |
| <b>3 Month</b>   | -1.15    | 1.03  |
| <b>YTD</b>       | -2.28    | 0.16  |
| <b>1 Year</b>    | -2.67    | 2.62  |
| <b>3 Years</b>   | 0.51     | 5.53  |
| <b>5 Years</b>   | 1.29     | 5.51  |
| <b>10 Years</b>  | 4.39     | 8.19  |
| <b>Inception</b> | 3.67     | 7.10  |

## Yearly Returns (Net of Fees)



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# CMG MANAGED HIGH YIELD BOND PROGRAM - SUPPLEMENTAL PERFORMANCE

## Supplemental Disclosure Information \*\*\*

The supplemental information provided supplements the CMG Managed High Yield Bond Program Composite presentation on page 1. Please note that the performance represents results from a blend of continuously managed CMG managed accounts, which are historically representative of the trading signals for CMG's High Yield Bond Program during the corresponding time period – October 1993 through December 2006. All supplemental performance is presented net of the highest advisor fee for the program, 2.50%, paid quarterly in arrears.

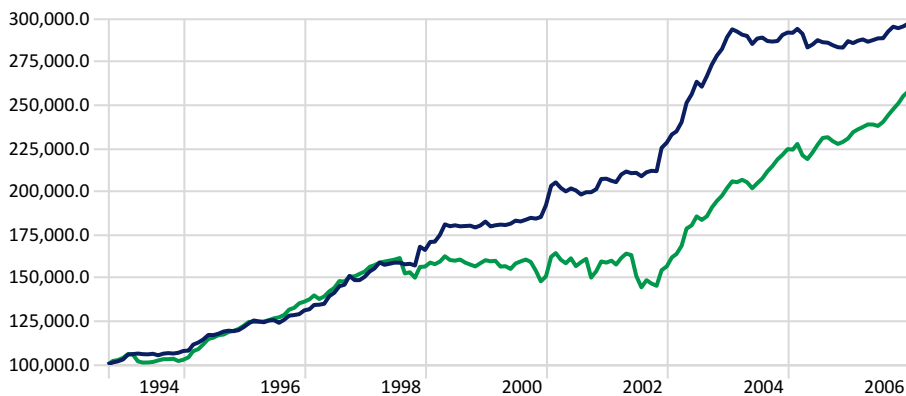
## Strategy Information

|                            |   |
|----------------------------|---|
| <b>Strategy Inception:</b> | October 1993                            |
| <b>Return Date:</b>        | December 2006                           |
| <b>Benchmark:</b>          | Barclays US Corporate High Yield TR USD |

## Risk Statistics \*\*\*

|                    | Strategy | Bench  |
|--------------------|----------|--------|
| Std Dev            | 4.92     | 6.70   |
| Max Drawdown       | -3.69    | -12.04 |
| Sharpe Ratio       | 0.88     | 0.50   |
| Best Month         | 6.90     | 7.49   |
| Worst Month        | -2.70    | -7.37  |
| Cumulative Return  | 197.20   | 158.01 |
| Alpha              | 2.70     | 0.00   |
| Beta               | 0.49     | 1.00   |
| Correlation        | 0.67     | 1.00   |
| R2                 | 44.40    | 100.00 |
| Up Capture Ratio   | 72.85    | 100.00 |
| Down Capture Ratio | 17.94    | 100.00 |

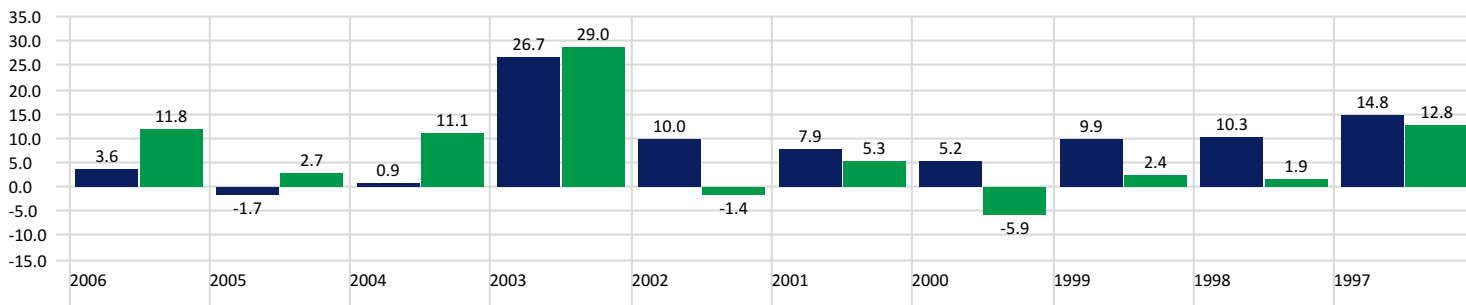
## Growth of \$100,000.00 \*\*\*



## Performance Summary \*\*\* (Net of Fees)

|           | Strategy | Bench |
|-----------|----------|-------|
| 1 Year    | 3.55     | 11.85 |
| 3 Years   | 0.90     | 8.49  |
| 5 Years   | 7.46     | 10.18 |
| 10 Years  | 8.52     | 6.59  |
| Inception | 8.57     | 7.03  |

## Yearly Returns \*\*\* (Net of Fees)



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# CMG MANAGED HIGH YIELD BOND PROGRAM

## CMG Capital Management Group, Inc. Disclosure Statement

CMG Capital Management Group, Inc. ("CMG" or the "Advisor") is an SEC registered investment adviser located in the Commonwealth of Pennsylvania. CMG claims compliance with the Global Investment Performance Standards (GIPS®). The verification report, annual disclosure presentation, and list of composite descriptions are available upon request by contacting CMG at [info@cmgwealth.com](mailto:info@cmgwealth.com) or by calling 610-989-9090.

The CMG Managed High Yield Program composite creation date is September 2015 and inception date is January 2007. Net performance composite results are presented in US dollars, reflect the deduction of investment advisory fees, transaction costs, custodial fees, administrative fees and reflect the reinvestment of dividends and capital gains. From inception to January 2017, the investment management fee schedule for the composite is 2.50%. From February 2017 to present, the investment management fee schedule for the composite is 2.25%, the highest fee paid by a client. Actual fees may vary based on, among other factors, account size and custodial relationship. Individual returns may vary substantially from those presented due to differences in the timing of contributions and withdrawals, account start dates and actual fees paid.

The Barclays Corporate US High Yield Total Return Index ("Barclays HY") is a total return performance benchmark for fixed income securities that are U.S. dollar denominated, noninvestment grade, fixed rate, taxable corporate bonds classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1, BB+ or BB+ or below. The historical performance results of the Barclays HY (and those of all other indices) do not reflect the deduction of transaction and custodial charges, nor the deduction of an investment management fee, the incurrence of which would have the effect of decreasing indicated historical performance results. **For example**, the deduction of the combined annual advisory and transaction fees of 1.00% over a 10 year period would decrease a 10% gross return to an 8.9% net return. The Barclays HY is not an index into which an investor can directly invest. The historical performance results (and those of all other indices) are provided exclusively for comparison purposes only, so as to provide general comparative information to assist an individual client or prospective client in determining whether the performance of a CMG portfolio performance meets, or continues to meet, his/her investment objective(s). It should not be assumed that CMG program holdings will correspond directly to any such comparative index.

Past performance may not be indicative of future results. Therefore, no current or prospective client should assume that future performance will be profitable, or equal to the past performance results reflected or any corresponding historical index. In the event that there has been a change in a client's investment objectives or financial situation, he/she/it is encouraged to advise CMG immediately. Different types of investments and/or investment strategies involve varying levels of risk, and there can be no assurance that any specific investment or investment strategy (including the investment strategies devised or undertaken by CMG) will be profitable for a client's or prospective client's portfolio. Information pertaining to CMG's advisory operations, services, and fees is set forth in CMG's current disclosure statement, a copy of which is available from CMG upon request (or on CMG's website, [www.cmgwealth.com/disclosures/advs](http://www.cmgwealth.com/disclosures/advs)).

The strategy invests primarily in exchange traded funds (ETFs) or mutual funds which are offered by prospectus only. Please carefully read each exchange traded fund (ETFs) or mutual fund prospectus(s) before investing. Investors should consider the underlying funds investment objectives, risk, charges and expenses carefully before investing. Past performance cannot predict or guarantee future success. This is not an offer to buy or sell any security and/or variable annuity contract. Due to the various minimum holding periods among these mutual funds, redemption penalties may be incurred.

## PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE

## Description of Technical Terms in this Report

**Standard Deviation:** A measure of the degree to which an individual probability value varies from the distribution mean. The higher the number, the greater the risk.

**Sharpe Ratio:** A reward of a portfolio's excess return relative to the total variability of the portfolio. The ratio is calculated using the 3 month US Treasury T-Bill auction average rate as a proxy for the risk-free rate

**Cumulative Return (since inception):** A rate of return that has been compounded for more than one year.

**Alpha:** The premium an investment portfolio earns above a certain benchmark. A positive alpha indicates that the investor earned a premium over that index.

**Beta:** A measurement of the investments sensitivity to market movements. Beta compares an investments excess return over treasury bills to the benchmarks return over treasury bills. A beta of 1.10 shows that the investment has performed 10% better than its benchmark in up markets and 10% worse in down markets, assuming all other factors remain constant.

**Correlation:** The degree to which the fluctuations of one variable are similar to those of another.

**R<sup>2</sup>:** A correlation term describing the variance in the dependent variable that can be explained by the independent or explanatory variable. The coefficient of determination (R<sup>2</sup>) is a pure number ranging 0 to 100, with 100 giving perfect correlation and 0 giving perfect non-correlation. It is often used to describe the amount of investment risk in portfolios that can be associated with market risk.

**Up-Capture Ratio:** The ratio is the measure of an investment's compound return when the benchmark was up, divided by the benchmark's compound return when the benchmark was up. The greater the value, the better relative to the benchmark.

**Down-Capture Ratio:** The ratio is a measure of an investment's compound return when the benchmark was down, divided by the benchmark's compound return when the benchmark was down. The smaller the value, the better relative to the benchmark.