



CMG Mauldin Smart Core Strategy

ETF Trading Strategy Diversification

WEALTH THROUGH INGENUITY.



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About CMG

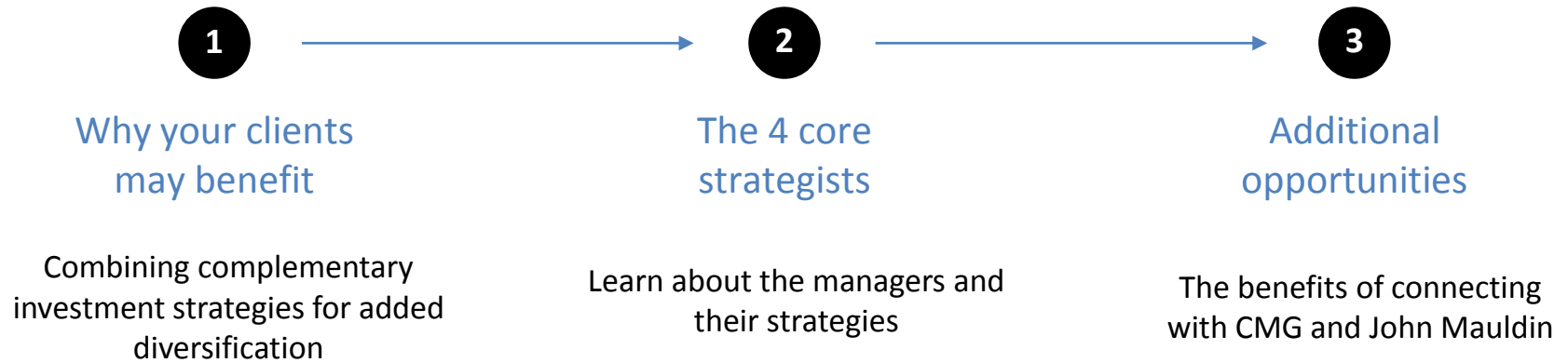


- Founded in 1992, CMG is a Registered Investment Adviser located in King of Prussia, Pennsylvania.
- Since inception, CMG has embraced the application of tactical investments as part of a progressive diversification strategy – Enhanced Modern Portfolio Theory.
- In addition to our managed account and mutual fund offerings, we provide advisers with resources to illustrate the necessity of tactical strategies as a component of any portfolio.
- CMG is compliant with Global Investment Performance Standards (GIPS) and has been verified by a third-party firm (ACA Performance Services).



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Investors Need a Smarter Core





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John Mauldin



John Mauldin joined CMG Capital Management Group, Inc. in 2018 and serves as Chief Economist and co-portfolio manager of the Mauldin Smart Core Strategy.

Mr. Mauldin is a noted financial expert, a *New York Times* best-selling author, a pioneering online commentator and the publisher of one of the first publications to provide investors with free, unbiased investment information and guidance – *Thoughts from the Frontline*.

Together with Mauldin Economics, Mr. Mauldin proudly hosts the Strategic Investment Conference, an annual gathering of some of the world's most brilliant economists and analysts. Additionally, John's books have appeared on the *New York Times* best-seller list four times and include *Endgame: The End of the Debt SuperCycle and How It Changes Everything*, *Bull's Eye Investing*, *Code Red* and *Just One Thing*.

Best-selling author, analyst and financial writer John Mauldin has long been helping individual investors and institutions better understand the forces driving the global economy and financial markets.



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Endgame and the Great Reset

The major themes John Mauldin is watching today:

- **Endgame:** The end of the “Debt SuperCycle.”
- **Excessive equity valuations and low bond yields:** They pose a challenge to traditional passive, “60/40” and buy-and-hold portfolios.
- **The Great Reset:** Longer term, we expect the debt crisis to be resolved, a new recession and a significant market correction leading to a market “reset” and better long-term investment opportunities.
- **Diversify Trading Strategies, Not Assets:** Investors need to think differently about their core portfolio holdings.



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Investment Philosophy

- Smart Core is an opportunistic, multi-ETF Strategist portfolio with a strong bias toward volatility reduction and downside protection.
- Philosophically, we believe the best way to manage the risk associated with the unknown future sources of volatility is to diversify among trading strategies in addition to diversifying among asset classes.
- Our investment approach is diversified across multiple risk management dimensions by combining distinct tactical strategies, including Trend Following, Momentum/Relative Strength, Global Multi Asset Hedge and Risk Budgeting.
- Managers are monitored to ensure legitimacy of their strategy through a combination of operational, qualitative and quantitative perspectives.



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Why your clients can benefit from a **Smart Core**

- CMG Mauldin Smart Core provides access to **multiple trading strategies** in a single core investment for your clients.
- By diversifying via trading strategies—in addition to asset classes—we believe we can enhance diversification and provide clients with **more muted downside** and opportunities for relative outperformance over time.
- A **nimble approach** is well suited to an environment of increased market volatility, high equity valuations and ultra-low bond yields.
- There is always a **bull market somewhere** in the world—investing in complementary trading strategies offers the potential to capture it.
- Advisers who **partner with CMG and John Mauldin** have regular access to John Mauldin’s insights.



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3Edge Asset Management

▪ **3EDGE Asset Management, LP**

- Portfolio Manager(s): Steve Cucchiaro (President and CIO) & Fritz Folts III (Chief Investment Strategist)
- Recognized as the most successful ETF Strategist ever by CNBC, Mr. Cucchiaro has over 35 years experience in studying the global capital markets and managing investment portfolios. Mr. Cucchiaro founded Windward in 1994 and oversaw its growth to \$4B in AUM before its acquisition by Schwab as Windhaven, where he continued to manage the strategy while expanding to \$20B in AUM. Mr. Cucchiaro founded 3Edge in in 2016.

▪ **3EDGE Total Return Strategy**

- Strategy seeks to blend scientific methodology with sound judgment and practical experience. A top-down, global tactical allocation that exploits macro-inefficiencies to identify undervalued asset classes with the goal of capturing long-term price appreciation.
- A key factor is the use of multi-player game theory to help the strategy adjust to changing market conditions.



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CMG Capital Management Group

■ **CMG Capital Management Group, Inc.**

- Portfolio Manager(s): Steve Blumenthal (CEO/CIO) & Michael Hee (Managing Director, Investment Research)
- Since 1992, CMG has specialized in tactical investment strategies. Mr. Blumenthal writes a weekly newsletter, *“On My Radar”*, with over 25,000 readers and is a periodic writer for *Forbes* and *The Wall Street Journal*. Mr. Blumenthal is also a frequent guest on CNBC, Fox Business News and has been featured in *Barron’s*, *Investment News*, *Investors Business Daily* and other publications.

■ **CMG Opportunistic All Asset Strategy**

- The CMG Opportunistic All Asset Strategy is a rules-based, tactical investment strategy that analyzes a global universe of ETFs to determine an optimal portfolio allocation. With an unconstrained tactical mandate, the strategy seeks to generate positive returns over multiple market cycles.
- The portfolio construction process utilizes a proprietary relative strength ranking system to capitalize on opportunities across US equity, International Equity, Fixed Income Commodity Markets and Cash.
- The portfolio is comprised of up to 11 positions and is designed to serve as an active, risk-managed investment solution to complement other more traditional portfolio positions.



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Peak Capital Management

■ Peak Capital Management, LLC

- Portfolio Manager(s): Brian Lockhart (CEO/CIO) & Clint Pekar (Chief Equity Strategist/Head of Research)
- Mr. Lockhart is a frequent contributor to *Barron's*, *Forbes* and *Fortune*, and has developed ETF strategies for nearly a decade, making PCM an early adopter of ETFs. Mr. Pekar (formerly of Curian Capital) has over 16 years of industry experience and is responsible for the development and implementation of the firm's quantitatively driven strategies.

■ Dynamic Risk Hedged – US Growth Portfolio

- The strategy's primary objective is long-term growth of capital. In general, the strategy will allocate capital to U.S. equities and Treasuries based on a Risk Budget.
- Roughly 95% of total portfolio risk is allocated evenly to five U.S. equity factors – momentum, value, size, quality and volatility. Roughly 5% of total portfolio risk is allocated to U.S. Treasuries.
- The strategy dynamically allocates as the correlations and volatilities of the underlying exposures changes over time.



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Tectonic Advisors

■ **Tectonic Advisors, LLC**

- Portfolio Manager(s): A. Haag Sherman (CEO/CIO)
- Prior to joining Tectonic Advisors, Mr. Sherman co-founded and grew Salient Partners to \$17B in AUM before its eventual acquisition by a well-known private equity firm. Mr. Sherman then partnered with Darrell Cain (Founding Partner Cain Watters) and George Ball (current Chairman of SMH and former President of EF Hutton and Chairman of Edelman Financial) to form Tectonic Holdings, LLC, the parent company of Tectonic Advisors, LLC.

■ **Tectonic Advisors Moderate ETF Portfolio**

- Portfolio is comprised of over 30 global ETFs (with a US tilt) across equity, fixed income, and commodities. They seek to generally perform in line with their respective benchmarks during periods of "normalcy," but outperform during times of stress using rules-based algorithms to reallocate out of at-risk assets.
- Seek to outperform on a risk-adjusted basis using advanced quantitative algorithms to shift allocation away from at-risk assets based on momentum, volatility, and valuation.



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Diversify Trading Strategies



- Quantitative multi-asset global portfolio
- Seeks to identify undervalued asset classes entering periods of outperformance
- Multi-player game theory (“MPGT”) overlay



- Tactical, unconstrained mandate to capitalize on global opportunities
- Rules based, systematic investment process to determine portfolio allocation
- Proprietary relative strength ranking to identify assets with the highest probability for success



- Factor based U.S. growth portfolio with ability to hedge
- Dynamic allocation changes as correlations and volatilities change
- Risk is allocated across five U.S. equity factors: value, size, quality, momentum and volatility



- Multi-asset portfolio (with a U.S. tilt) following an endowment style
- Volatility targeting with risk weighting to economic regimes
- Designed to keep investors fully invested
- Risk is reduced based on stop-loss triggers tied to sentiment and momentum



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“I don’t want to see another investor suffer through another 40% drawdown, there is a better way.”

John Mauldin



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Accessing Mauldin Smart Core

Mutual Fund

- Available platforms: TD Ameritrade, Fidelity, Interactive Brokers, Pershing, Schwab, SEI, TCA by E*TRADE, LPL

Managed Accounts – SMA/UMA

- Available platform: TCA by E*TRADE

Overlay Platforms – SMA/UMA

- Available platforms: Adhesion (TD Ameritrade, Schwab, Pershing, Fidelity)



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Important Disclosures

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These strategies invest primarily in exchange-traded funds (ETFs), which are offered by prospectus only. **Please carefully read each ETF’s prospectus before investing. Investors should consider the underlying funds investment objectives, risk, charges and expenses carefully before investing.** 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.

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