



Wealth through ingenuity.

# CMG LARGE CAP LONG/FLAT STRATEGY

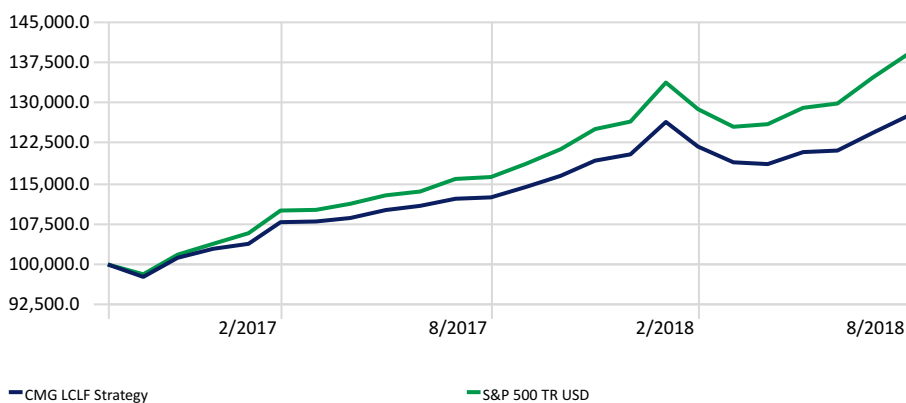
## Strategy Description

The CMG Large Cap Long/Flat Strategy is designed to provide relative outperformance to the S&P 500 over a complete market cycle. The model's signal is generated by combining GICS Industry Groups into an overall cap-weighted composite to determine the current state of the U.S. large cap equity market. This market breadth composite is used to shift portfolio allocations between long equity and short equity positions. When the composite score indicates a bullish state, the Strategy allocates to a long U.S. equity ETF. Potential long portfolio allocations range from 40% to 100% with the remaining allocation (if any) to cash. When the composite score indicates a bearish state, the Strategy allocates 100% to cash (or cash equivalents).

## Strategy Strengths

- 1) Developed by CMG and Ned Davis ResearchTM
- 2) Broad equity exposure, seeks to outperform S&P 500 Index over a complete market cycle
- 3) Managing downside risk by tactically allocating between equities and cash
- 4) Robust methodology based on seven trend-following and counter-trend indicators
- 5) Buy signal when indicators are positive (bullish), sell signal when indicators are negative (bearish)

## Growth of \$100,000.00



## Strategy Information

<b>Strategy Inception:</b>	October 2016
<b>Return Date:</b>	September 2018
<b>Benchmark:</b>	S&P 500 TR USD

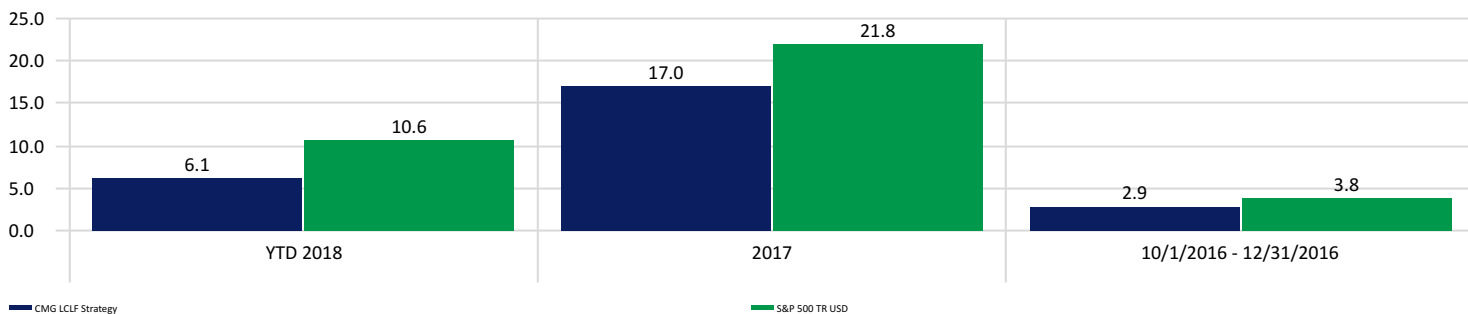
## Risk Statistics

	Strategy	Bench
<b>Std Dev</b>	6.82	7.34
<b>Max Drawdown</b>	-6.18	-6.13
<b>Sharpe Ratio</b>	1.65	2.16
<b>Best Month</b>	4.98	5.73
<b>Worst Month</b>	-3.61	-3.69
<b>Cumulative Return</b>	27.74	39.85
<b>Alpha</b>	-3.33	0.00
<b>Beta</b>	0.92	1.00
<b>Correlation</b>	0.99	1.00
<b>R2</b>	97.72	100.00
<b>Up Capture Ratio</b>	78.74	100.00
<b>Down Capture Ratio</b>	103.14	100.00

## Performance Summary (Net of Fees)

	Strategy	Bench
<b>1 Month</b>	0.12	0.57
<b>3 Month</b>	5.47	7.71
<b>YTD</b>	6.08	10.56
<b>1 Year</b>	11.74	17.91
<b>Inception</b>	13.03	17.50

## Yearly Returns (Net of Fees)



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## CMG LARGE CAP LONG/FLAT STRATEGY

### CMG Capital Management Group, Inc. Disclosure Statement

#### INVESTING INVOLVES RISK. PAST PERFORMANCE DOES NOT GUARANTEE OR INDICATE FUTURE RESULTS.

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 Large Cap Long/Flat Strategy composite creation date is October 2016 and inception date is October 2016. 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 for the composite was 2.25%. From February 2017 to present, the investment management fee for the composite is 1.65%, 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 benchmark for the composite is the S&P 500 Total Return Index. The S&P 500 Total Return Composite Index (the "S&P") is a market capitalization-weighted index of 500 widely held stocks often used as a proxy for the stock market. S&P chooses the member companies for the S&P 500 Index based on market size, liquidity, and industry group representation. Common stocks of industrial, financial, utility, and transportation companies are included in the index. Historical performance results for market 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 S&P 500 Total Return Index is not an index into which an investor can directly invest. The historical S&P 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), 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.

### 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.