

# CMG Capital Management Group, Inc.

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## Brochure

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**This brochure provides information about the qualifications and business practices of CMG Capital Management Group, Inc. (the “Registrant”). If you have any questions about the contents of this brochure, please contact us at (610) 989-9090 or [todd@cmgwealth.com](mailto:todd@cmgwealth.com). The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**Additional information about CMG Capital Management Group, Inc. is also available on the SEC’s website at <https://adviserinfo.sec.gov/>.**

**References herein to CMG Capital Management Group, Inc. as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.**

## **Item 2           Material Changes**

The following is a summary of the material changes made to this Brochure since it was amended on November 26, 2019:

- The Registrant has entered into a new custody arrangement with Orion Portfolio Services (“OPS”). The Registrant has updated Item 5 to provide custody fee information for OPS and has revised Item 5 concerning fee changes for another qualified custodian, E\*TRADE Advisor Services.
- The Registrant has updated investment advisory fees in Item 5.
- The Registrant has updated descriptions of certain investment strategies or programs in Item 4. The Registrant has changed the name of the CMG Opportunistic All Asset Strategy and all variants to the CMG Tactical All Asset Strategy.
- Certain Investment Adviser Representatives (“IARs”) of the Registrant have been licensed to offer limited insurance products (e.g., variable annuities). Such IARs will receive commission-based compensation for these insurance products.

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#### **Item 4 Advisory Business**

- A. The Registrant is a corporation formed on October 26, 1992 in the Commonwealth of Pennsylvania. The Registrant registered with the SEC as an investment adviser in March 1993. Stephen B. Blumenthal is the founder and majority owner of the Registrant. Mr. Blumenthal also serves as the Registrant's Chief Executive Officer.
- B. As discussed below, the Registrant offers investment advisory services utilizing allocation strategies. The Registrant also offers asset management platform services to investment advisers and provides investment management services to various proprietary mutual funds (each a "Fund") registered under the Investment Company Act of 1940, as amended (the "Company Act"). References throughout this Brochure to clients generally refer to the Registrant's separate account clients and investors and not to the Funds.
- C. The Registrant offers investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will discuss specific investment objective(s) and conduct a risk assessment with each client. The Registrant shall allocate each client's investment assets consistent with their risk profile and designated investment objective(s). Clients may, at any time, impose restrictions, in writing, on the Registrant's services.

The Registrant also offers financial planning services to separate account or retail clients. The Registrant does not, however, offer or hold itself out as offering or providing legal, tax, estate planning or accounting services.

#### **INVESTMENT MANAGEMENT SERVICES**

##### **CMG Mauldin Core Fund, CMG Tactical Bond Fund, and CMG Tactical All Asset Strategy Fund**

The Registrant provides investment management services to three affiliated mutual funds: the CMG Mauldin Core Fund (the "Mauldin Core Fund"), the CMG Tactical Bond Fund (the "Bond Fund"), and the CMG Tactical All Asset Strategy Fund (the "All Asset Strategy Fund"). Each is a series of the Northern Lights Fund Trust, an investment company registered under the Company Act. The Registrant receives management fees as the investment adviser to each of the Mauldin Core Fund, the Bond Fund and the All Asset Strategy Fund in the amount of 1.05%, 0.95% and 0.75%, respectively. A complete description of each fund, its strategy, objectives, and costs is set forth in its prospectus, a copy of which is provided to all clients investing in a fund. Disclosure relative to each fund is also set forth in the Investment Advisory Agreement. Pursuant to the terms of the Investment Advisory Agreement, the Registrant has discretion to invest client assets in each fund. If client assets are invested in any fund, Registrant will receive only management fees from an affiliated fund and will not receive any investment advisory fee for the portion of a client's account allocated to the affiliated fund.

## INVESTMENT ADVISORY SERVICES

### **CMG Separate Account Clients, Strategies and Programs**

The Registrant also manages accounts on a discretionary basis. The Registrant generally will recommend that clients invest using one or more of its investment strategies, each of which is listed below and described in detail further below. Please note the strategy and any underlying model is subject to change without prior notice. The fees that the Registrant charges for its services are described in Item 5 and the material risks of investing in its strategies are described in Item 8.

CMG Managed High Yield Bond Program	CMG Tactical Fixed Income Strategy
CMG Managed High Yield ETF	CMG Tactical Equity Strategy
CMG Managed High Yield Annuity Bond	CMG Beta Rotation Strategy
CMG Tactical All Asset Strategy (formerly known as the CMG Opportunistic All Asset Strategy)	CMG Large Cap Long/Short Strategy
CMG Tactical All Asset ETF Strategy (formerly known as the CMG Opportunistic All Asset ETF Strategy)	CMG Large Cap Long/Flat Strategy
CMG Tactical All Asset Variable Annuity Strategy (formerly known as the CMG Opportunistic All Asset Variable Annuity Strategy)	CMG Total Portfolio
CMG Tactical Rotation Strategy	CMG Mid-Cap Long/Flat Strategy
CMG Tactical Rotation Strategy Annuity Program	CMG Mauldin Smart Core Strategy
CMG Strategic Conservative Portfolio	CMG Strategic Moderate Portfolio
CMG Strategic Aggressive Portfolio	CMG Dynamic Portfolio
Mauldin Conservative Portfolio	CMG High and Growing Dividend Portfolio
Mauldin Moderate Portfolio	CMG High and Growing Dividend Risk-Managed ETF Portfolio
Mauldin Growth Portfolio	

The Registrant also offers its management services to other investment advisers and investors through various investment platforms, including E\*TRADE Savings Bank, doing business as E\*TRADE Advisor Services, Charles Schwab & Co., Inc., TD Ameritrade, and Orion Portfolio Solutions.

Certain strategies invest in exchange-traded funds (ETFs), which are offered by prospectus only. Investors are advised to read each ETF's prospectus before investing. Investors are also advised to consider the underlying fund's investment objectives, risk, charges and expenses carefully before investing.

The Registrant may also invest the assets held in the individual investment subdivisions of a variable annuity or life insurance product owned by clients. The Registrant uses the following investment programs when providing this service: CMG Managed High Yield Bond Program, CMG Tactical All Asset Strategy, CMG Large Cap Long/Flat Strategy and CMG Tactical Rotation Strategy. When providing services to these investment products, the client acknowledges that the Registrant is limited to the investment products or securities available and offered by the sponsor of the product.

## **Investment Strategies**

### **CMG Managed High Yield Bond, CMG Managed High Yield ETF and CMG Managed High Yield Annuity Bond Programs**

The CMG Managed High Yield Bond Program trades high yield mutual funds, exchange-traded funds (ETFs) and/or variable insurance trusts (VITs) 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. The investment objective is growth and income with downside protection.

### **CMG Tactical All Asset Strategy and CMG Tactical All Asset ETF Strategy**

The CMG Tactical All Asset Strategy is a rules-based investment trading strategy that analyzes a global universe of ETFs or mutual funds to determine an optimal allocation. The strategy seeks growth opportunities with the ability to defensively position in fixed income asset classes and cash. The investment process analyzes the individual price trends of more than 400 ETFs seeking to capitalize on opportunities across the U.S. equity, International Equity, Fixed Income and Commodity markets. The ETFs are analyzed based on price momentum indicators such as relative strength, trend following and mean reversion. The portfolio allocates to 10 ETFs in the portfolio but fewer than 10 positions may be held if cash is demonstrating the strongest relative strength. The strategy may be appropriate for a portion of an overall investment portfolio and is designed to serve as an active, risk-managed solution.

### **CMG Tactical All Asset Variable Annuity Strategy**

The CMG Tactical All Asset Variable Annuity Strategy is a rules-based investment trading strategy that invests across a global universe of variable investment trusts (VITs) to determine an optimal allocation. The strategy seeks growth opportunities with the ability to defensively position in fixed income asset classes and cash. The investment process analyzes the individual price trends of asset and sub-asset classes seeking to capitalize on opportunities across the U.S. Equity, International Equity, Fixed Income and Commodity markets. Positions are analyzed based on price momentum indicators such as relative strength, trend following and mean reversion. The portfolio allocates to 10 VITs in the portfolio but fewer than 10 positions may be held if cash is demonstrating the strongest relative strength. The strategy may be appropriate for a portion of an overall investment portfolio and is designed to serve as an active, risk-managed solution.

### **CMG Tactical Rotation Strategy and CMG Tactical Rotation Strategy Annuity Program**

The CMG Tactical Rotation Strategy seeks to generate returns in all market conditions based on the concept that various asset classes and sectors experience

bull and bear markets at different times. The strategy utilizes a proprietary tactical investment model that analyzes various technical indicators to determine which asset classes are in a bullish environment and likely to achieve a positive return. The strategy employs an equally-weighted strategic rotation process that allocates the portfolio to the top two asset classes from a universe of six: Domestic Equities, International Equities, Bonds, Commodities, REITs, and Cash/Cash Equivalents. The investment objective is moderate growth with downside protection.

### **CMG Tactical Fixed Income Strategy**

The CMG Tactical Fixed Income Strategy enhances the foundational role of bonds in investment portfolios by employing a disciplined trend-following investment approach to fixed income investing. The strategy follows a rules-based investment process that evaluates a universe of nine fixed income investment options. The following fixed income categories are considered: U.S. Treasury Bills, Investment Grade Corporate bonds, U.S. Treasury bonds, Convertible bonds, High Yield bonds, Emerging Market bonds, International Sovereign bonds, Municipal Bonds and U.S. Treasury Inflation Protected Securities. The process compares daily prices of each constituent and selects the top two fixed income ETFs demonstrating the strongest price trends. The process is a flexible approach to fixed income investing that seeks to maximize income and minimize the risk of loss. The unconstrained process attempts to capitalize on a wider opportunity set than traditional buy-and-hold core fixed income investment approaches and has the ability to position defensively in short-term Treasury Bills.

### **CMG Tactical Equity Strategy**

The CMG Tactical Equity Strategy is an aggressive investment strategy that promotes exposure to global equities in investment portfolios by employing a dynamic approach to investing. The strategy seeks to achieve relative outperformance of the MSCI All Country World Index (ACWI) by investing in certain ETFs while simultaneously employing a risk management approach within the process. The strategy utilizes a rule-based, algorithmic investment process that evaluates a global universe of equity investment options.

### **CMG Beta Rotation Strategy**

The CMG Beta Rotation Strategy seeks to enhance the role of equities in a client portfolio by employing a disciplined process to measure market price trends. The investment objective is to outperform broad equity markets while simultaneously reducing risk. The process invests in the U.S. equity market when the market is demonstrating strong price trend. Otherwise the process invests in the utility sector when utility stocks are demonstrating strong price trend. The Utilities sector is defensive and has exhibited low correlation to broad equity markets. During rare periods of broad-based negative price trends, the process may invest 100% in cash or cash equivalents.

### **CMG Large Cap Long/Short Strategy**

The CMG Large Cap Long/Short Strategy utilizes trend and mean reversion indicators across a broad set of the S&P 500 sector industry groups to determine the overall state of technical health, as measured by the breadth and momentum, of the large cap equity market. The strategy invests in large-cap equity ETF(s) when the weight of technical evidence is bullish (100% long). When the technical evidence is bearish and the composite indicator is falling, the portfolio moves to short-term Treasury Bill ETF(s). If the composite indicator is below a bearish threshold but rising, the strategy has the ability to be 50% invested. The strategy offers a systematic way to raise or lower a portion of a portfolio's overall total equity exposure. The investment objective is aggressive growth with downside protection.

### **CMG Large Cap Long/Flat Strategy**

The CMG Large Cap Long/Flat Strategy utilizes trend and mean reversion indicators across a broad set of the S&P 500 sector industry groups to determine the overall state of technical health, as measured by the breadth and momentum, of the large cap equity market. The strategy invests in large-cap equity ETF(s) when the weight of technical evidence is bullish (100% long). When the technical evidence is bearish and the composite indicator is falling, the portfolio moves to short-term Treasury Bill ETF(s). If the composite indicator is below a bearish threshold but rising, the strategy has the ability to be 50% invested. The strategy offers a systematic way to raise or lower a portion of a portfolio's overall total equity exposure. The investment objective is aggressive growth with downside protection.

### **CMG Mid-Cap Long/Flat Strategy**

The CMG Mid-Cap Long/Flat Strategy utilizes trend and mean reversion indicators across a broad set of the S&P 500 sector industry groups to determine the overall state of technical health, as measured by the breadth and momentum, of the large cap equity market. The strategy invests in mid-cap equity ETF(s) when the weight of technical evidence is bullish (100% long). When the technical evidence is bearish and the composite indicator is falling, the portfolio moves to short-term Treasury Bill ETF(s). If the composite indicator is below a bearish threshold but rising, the strategy has the ability to be 50% invested. The strategy offers a systematic way to raise or lower a portion of a portfolio's overall total equity exposure. The investment objective is aggressive growth with downside protection.

### **CMG Total Portfolio**

The CMG Total Portfolio is an asset allocation portfolio comprised of allocations to traditional (long-only equity and fixed income investments), tactical (momentum-based trading strategies) and alternative asset classes. CMG manages

a portfolio using a diversified blend of its proprietary account strategies and mutual funds and non-proprietary ETFs and mutual funds. CMG monitors and manages the portfolio allocations and evaluates whether to add new strategies, replace existing strategies, rebalance, and change allocation weightings on a quarterly basis.

### **CMG Mauldin Smart Core Strategy**

The CMG Mauldin Smart Core Strategy invests across various asset classes (such as equity, fixed income, commodities and metals) and sectors of the U.S., foreign and emerging markets via ETFs. The principal investment objective of the strategy is capital appreciation. The Registrant evaluates market data and information from various research providers to invest the assets creating a flexible tactical asset allocation portfolio. The portfolio is typically comprised of 30 to 40 ETFs and is designed to serve as an active risk managed investment solution versus traditional buy-and-hold equity investing.

### **Mauldin Conservative Portfolio**

The Mauldin Conservative Portfolio is designed for the investor seeking reasonable returns with minimal drawdowns. The objective is to protect assets in all markets. This portfolio is expressly developed for assets intended to be used for another purpose in the near future—one to five years. The goal of this portfolio is to provide returns that are better than money market and other short-term investment options.

### **Mauldin Moderate Portfolio**

The Mauldin Moderate Portfolio is designed for the long-term investor who wants to be in a lower-volatility portfolio than long equities, but is still interested in achieving reasonable returns. The portfolio seeks growth while maintaining a level of risk protection in down markets. The investment time horizon is at least five years or longer.

### **Mauldin Growth Portfolio**

The Mauldin Growth Portfolio provides higher equity market exposure, but in the areas that are considered reasonably priced given the current market climate. Better opportunities present when stock market valuations are better priced. The portfolio seeks a higher level of return while aiming to balance the risks of potential upside gain with downside protection. The investment time horizon for the Mauldin Growth Portfolio is approximately seven to ten years or longer.



### **CMG High and Growing Dividend Portfolio**

The CMG High and Growing Dividend Portfolio is an actively managed portfolio consisting of a diversified group of select stocks that meet our criteria. The goal is to balance the current yield with the potential growth of dividends. The portfolio is offered by CMG through a research partnership with Greenrock Research.

### **CMG High and Growing Dividend Risk-Managed ETF Portfolio**

The CMG High and Growing Dividend Risk-Managed ETF Portfolio combines a carefully selected portfolio of high and growing dividend ETFs with downside risk management. ETFs are carefully selected that meet our standard for high and growing dividends. Further, the ETF strategy incorporates a straightforward stop-loss risk management process to minimize the risk of loss that present during large market declines generally associated with bear markets.

### **CMG Traditional Asset Allocation Portfolios**

Asset allocation attempts to balance portfolio risk and reward to dovetail with an investor's goals, risk tolerance, and investment time horizon by dividing the portfolio among different asset categories, such as stocks, bonds, and cash. The CMG Traditional Asset Allocation Portfolios invest across varied asset classes (including, but not limited to, U.S. large-cap equity, developed world, U.S. government bonds, and foreign bonds) via ETFs. There are two types of portfolios – strategic and dynamic – available to investors. The strategic portfolios feature three distinct risk-based allocations: conservative (generally 30% equity and 70% fixed income), moderate (generally 60% equity and 40% fixed income), and aggressive (generally 90% equity and 10% fixed income). The strategic portfolios are typically rebalanced and investment decisions made on an annual basis. The dynamic portfolio's construction generally ranges between 50-70% equity allocation and 30-50% fixed income allocation. The dynamic portfolio is generally rebalanced on a quarterly basis.

### **Private Funds**

**Affiliated Private Funds.** Registrant and/or its owners are affiliated with **New Ventures Funds, LLC**, a sponsor/manager of private investment funds. Registrant, on a non-discretionary basis, may recommend that qualified clients consider allocating a portion of their investment assets to one or more of New Ventures' funds. The terms and conditions for participation in any fund are set forth in the fund's Private Offering Memorandum (discussing fees, including fees payable, incentive compensation, conflicts of interest, risk factors, and liquidity constraints), which each investor will receive prior to becoming a fund investor, and correspondingly shall complete and submit a Subscription Agreement to the general partner in order to demonstrate qualification for, and acceptance of the risks associated with, investment in the fund. Registrant's clients are under no

obligation whatsoever to consider or make an investment in such private investment fund(s).

**Please Note:** Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may own, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

**Please Also Note: Conflict of Interest.** Because the Registrant and/or its Investment Adviser Representatives and affiliates can earn compensation from an affiliated private fund (both management fees and/or incentive compensation) that will generally exceed the fee that Registrant would earn under its standard asset-based fee schedule referenced in Item 5 below, the recommendation that a qualified client become a fund investor presents a **conflict of interest**. Given the **conflict of interest**, Registrant advises that clients consider seeking advice from independent professionals (i.e., attorney, accountant, adviser, etc.) of their choosing prior to becoming a fund investor. **No client is under any obligation whatsoever to become a fund investor.** **ANY QUESTIONS: Registrant's Founder and CEO, Stephen Blumenthal, is available to address any questions regarding this conflict of interest.**

**Unaffiliated Private Investment Funds.** Registrant also provides investment advice regarding unaffiliated private investment funds. Registrant, on a non-discretionary basis, may recommend that certain qualified clients consider an investment in unaffiliated private investment funds. **Registrant's clients are under no obligation whatsoever to consider or make an investment in a private investment fund(s).**

**Please Note:** Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may own, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

**Please Also Note: Valuation.** In the event that Registrant references private investment funds owned by the client on any supplemental account reports prepared by Registrant, the value(s) for all private investment funds owned by the client shall reflect the most recent valuation provided by the fund sponsor. However, if subsequent to purchase, the fund has not provided an updated valuation, the valuation shall reflect the initial purchase price. If subsequent to purchase, the fund provides an updated valuation, then the statement will reflect that updated value. The updated value will continue to be reflected on the report until the fund provides a further updated value. **Please Also Note:** As result of the valuation process, if the valuation reflects initial purchase price or an updated value subsequent to purchase price, the current value(s) of an investor's fund holding(s) could be significantly more or less than the value reflected on the report. Unless otherwise indicated, the client's advisory fee shall be based upon the value reflected on the report.

**Please Note: Conflict of Interest.** Registrant may introduce clients to private funds that are affiliated with a minority shareholder in Registrant and/or referral sources, thereby creating a **conflict of interest** relative to Registrant's introduction of the fund. Registrant has an **economic incentive** to introduce the fund to the client (i.e., as result of the introduction, Registrant will assist an existing: (a) client from whom it currently earns, and anticipates it will continue to earn, investment advisory fees; and/or (b) referral source from whom its anticipates that it will receive future introductions). Given the **conflict of interest**, Registrant advises that clients consider seeking advice from independent professionals (i.e., attorney, accountant, adviser, etc.) of their choosing prior to becoming a Fund investor. **No client is under any obligation whatsoever to become a fund investor.**

**ANY QUESTIONS: Registrant's Founder and CEO, Stephen Blumenthal, is available to address any questions regarding this conflict of interest.**

**Affiliated Exchange-Traded Funds.** Registrant intends to utilize exchange-traded funds ("ETFs") sponsored by Syntax, LLC or one of its affiliates, such as Syntax Advisors, LLC, an SEC registered investment adviser. A principal of Syntax and adviser to the ETFs is also a minority owner of Registrant, as well as member of the general partner of Registrant's affiliated private funds referenced above.

**Please Note: Conflict of Interest.** Because Registrant's minority owner and fund general partner can earn compensation from the ETFs, the Registrant's use of the ETFs presents a **conflict of interest**. The Registrant does not receive any compensation from Syntax for utilizing the ETFs. **A client can request a reallocation to another investment strategy if the client does not want to invest in a Syntax ETF. Such requests must be submitted to Registrant in writing.** **ANY QUESTIONS: Registrant's Founder and CEO, Stephen Blumenthal, is available to address any questions regarding this conflict of interest.**

## MISCELLANEOUS DISCLOSURES

**Limitations of Financial Planning and Non-Investment Consulting/Implementation Services.** The Registrant offers certain financial planning services to separate account or retail clients. The Registrant does not, however, offer or hold itself out as offering or providing legal, tax, estate planning or accounting services. The Registrant does not serve as an attorney, accountant, tax advisor or preparer, or insurance agency, and no portion of our services should be viewed as legal, accounting, tax or insurance implementation services. Accordingly, we do not prepare estate planning documents, tax returns or sell insurance products. To the extent requested by a client, we may recommend the services of other professionals for certain non-investment implementation purpose. You are under no obligation to engage the services of any recommended professional. The client retains absolute discretion over all implementation decisions and is free to accept or reject any recommendation that we make. If the client engages any unaffiliated recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

**Variable Annuity and Insurance Products.** The Registrant or its licensed, associated persons can offer and sell insurance products on a commission basis. Additionally, the Registrant provides management services to clients owning variable annuity or life insurance products. From time to time, the Registrant may recommend no-load variable annuities from Nationwide Advisory Solutions (formerly Jefferson National) and Nationwide. In most instances, the Registrant is not involved in the decision-making process on which product that the client should purchase, and the client generally makes this decision with their registered representative or the broker-dealer. In the event that the client purchased the variable annuity product from a registered representative of a broker-dealer that serves as a solicitor for the Registrant, the Registrant will pay that solicitor a referral fee (*See* Disclosure at Item 14.B). After purchasing an insurance product, the Registrant can be engaged by the client to manage proprietary investment strategies contained within the variable annuity product. The Registrant's investment choices are limited to Registrant's investment strategies. Specifics regarding the annuity are found in the annuity prospectus and application documents. The client should review the prospectus carefully before investing.

**Platform Services.** As referenced above, the Registrant offers its management services to clients, investors and other third-party investment advisers through various investment platforms including, but not limited to, E\*TRADE Advisor Services, Envestnet and Orion Portfolio Services. In certain instances, an unaffiliated third-party solicitor, investment adviser or registered representative of a broker-dealer will introduce the Registrant to the investor and will charge separate fees to the investor. In some cases, the total fee charged to the investor may be less (or more) than the Registrant would charge its clients. In addition, the Registrant will generally be unable to negotiate commissions and/or transaction costs when providing services through these investment platforms. The investment platform

will determine the broker-dealer where transactions must be effected and the amount of transaction fees and/or commissions to be charged to the participant investor accounts. When Registrant provides services through a platform, the other adviser or the investor maintains the responsibility for determining whether the initial and ongoing use of the Registrant's investment strategies are suitable and appropriate, and any third-party adviser is responsible for communicating with the client. The Registrant's Chief Compliance Officer, Todd Silbergeld, is available to address any questions concerning the Registrant's investment management services and fees.

**Sub-Advisory Arrangements – Registrant uses Third-Party Adviser.** The Registrant maintains discretionary authority to allocate a portion of client assets to unaffiliated SEC registered investment advisers, where the unaffiliated adviser, as a sub-adviser, maintains day-to-day discretionary management responsibility for the allocated assets. The Registrant monitors the client assets allocated to these advisers on an ongoing and continuous basis. The Registrant compensates these advisers with a portion of the advisory fee paid by the client to Registrant per the fee schedule at Item 5 below. The Registrant's client does not pay a higher advisory fee as result of the sub-advisory arrangement. The Registrant's Chief Compliance Officer, Todd Silbergeld, is available to address any questions concerning the Registrant's sub-advisory arrangements.

**Sub-Advisory Arrangements – Registrant is Engaged by Third-Party Adviser:** The Registrant may also serve as a sub-adviser to unaffiliated registered investment advisers per the terms and conditions of a written Sub-Advisory Agreement. With respect to its sub-advisory services, the unaffiliated investment advisers that engage the Registrant maintain both the initial and ongoing day-to-day relationship with the underlying investor, including initial and ongoing determination of suitability for Registrant's designated investment strategies, and ongoing client communication. If the Registrant is directed to effect account transactions through a specific broker-dealer/custodian, the Registrant will be unable to negotiate commissions and/or transaction costs, and/or seek better execution. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case through alternative brokerage/custody arrangements. Higher transaction costs adversely impact account performance.

**E\*TRADE Savings Bank, doing business as E\*TRADE Advisor Services:** Clients that use E\*TRADE Advisor Services ("EAS") as custodian pay EAS an asset-based custody fee on a quarterly basis. The Registrant does not receive any portion of EAS's custody fee.

<b>E*TRADE Custody Fees</b>	<b>Fee Level</b>
Subject to a minimum fee of \$12.50/quarter	
Asset Levels:	
From \$0 to \$499,999	0.15%
From \$500,000 to \$999,999	0.10%
From \$1,000,000 to \$1,999,999	0.03%
\$2,000,000 and above	0.01%

Clients can also access third-party money managers' strategies via EAS's Money Manager X-Change ("MMX") platform. EAS charges the Registrant a 0.10% fee on the portion of account assets in a strategy on the MMX platform. In the event that the Registrant purchases a mutual fund for the client's account that pays EAS a rule 12b-1 fee (an annual marketing or distribution fee), the amount of the rule 12b-1 fee is used by EAS to offset custody fees. **The Registrant does not receive any portion of the rule 12b-1 fee.** Registrant's Chief Compliance Officer, Todd Silbergeld, remains available to address any questions that a client or prospective client may have regarding rule 12b-1 fees.

CompleteView is an account aggregation tool provided by EAS and is available to clients of the Registrant. CompleteView aggregation reporting services can incorporate all of the client's investment assets, including those investment assets that are not part of the assets managed by the Registrant (the "Excluded Assets"). The client and/or his/her other advisors that maintain trading authority, and not Registrant, shall be exclusively responsible for the investment performance of the Excluded Assets. The Registrant does not maintain any trading authority for the Excluded Assets. Rather, the client and/or the client's designated other investment professional(s) maintain supervision, monitoring and trading authority for the Excluded Assets. A description of the CompleteView offering is set forth in various CompleteView user documents, none of which have been prepared by the Registrant. The client is under absolutely no obligation to utilize CompleteView.

**Retirement Rollovers -- Conflict of Interest:** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Registrant recommends that a client roll over their retirement plan assets into an account to be managed by Registrant, such a recommendation creates a conflict of interest if Registrant will earn an advisory fee on the rolled over assets. No client is under any obligation to roll over retirement plan assets to an account managed by Registrant. Registrant's Chief Compliance Officer, Todd Silbergeld, remains available to address any questions that a client or prospective client may have regarding the conflict of interest presented by a rollover recommendation.

**Introduction from Primary Investment Professional/Solicitors:** The Registrant provides investment management services to investors who are introduced to the Registrant through the investor's primary investment professional. When introduced by a solicitor, the investor will be required to acknowledge and agree that the investment professional serves as the investor's primary investment professional and is responsible for assisting in determining the initial and ongoing suitability of the Registrant's investment strategies. In these relationships, the Registrant does not have any investor interaction and manages the investor's assets consistent with any selected investment strategy. The Registrant will rely on any direction, notice, or instruction that it receives from the investment professional or the investor until it has been notified in writing of any changes. The Registrant has no liability or legal responsibility to the investor for the failure of the investment professional to timely provide notices or instructions to the Registrant. When introduced by a solicitor, the Registrant is permitted to share account-related information with the investment professional until the client notifies the Registrant, in writing, to the contrary. If the Registrant is directed to effect account transactions through a specific broker-dealer/custodian, the Registrant will be unable to negotiate commissions and/or transaction costs, and/or seek better execution. As a result, the client may pay higher commissions and transaction costs, be subject to greater spreads, and as a result receive less favorable pricing than if the Registrant were responsible for selecting broker-dealers. These additional costs and expenses adversely impact account performance. When introduced by a solicitor, an investor may pay a higher combined advisory fee than the fee referenced in its fee schedule at Item 5 below. *Please see* additional disclosure at Item 14 below.

**Conflict of Interest – Mauldin/Sanders Morris Harris, LLC**

- As described above, the Registrant offers investment management services to an affiliated mutual fund, the CMG Mauldin Core Fund (the "Mauldin Core Fund"), a series of Northern Lights Fund Trust, an investment company registered under the Investment Company Act of 1940;
- John F. Mauldin ("Mauldin"), is an independent contractor for the Registrant, and is also the owner, Registered Principal and President of Mauldin Securities, LLC ("MS"), an SEC registered and FINRA member broker-dealer;
- Mauldin, in his separate, individual capacity, and as a principal of Mauldin Economics, is a recognized investment industry author and commentator. The Registrant anticipates that it shall continue to derive an economic benefit from Mauldin's industry status in the form of prospective client introductions and other opportunities;
- Sanders Morris Harris, LLC ("SMH"), is an SEC registered and FINRA member broker-dealer, and its affiliate, Tectonic Advisors LLC ("Tectonic"), is a SEC registered investment adviser that is compensated by the Registrant as a model/research signal provider;
- SMH seeks to engage MS as a referring broker-dealer, pursuant to which SMH shall compensate MS for referrals to SMH, including prospective client

introductions and other sources of compensation as set forth in the agreement between SMH and MS;

- The Registrant shall not receive any portion of the compensation payable by SMH to MS;
- Neither MS nor Mauldin, shall remit any portion of SMH compensation to the Registrant;
- Mauldin shall not participate in any decision to change any current or future allocation to the Tectonic Advisors Moderate ETF Portfolio as part of the Mauldin Core Fund; and
- Mauldin will not be compensated by the Registrant for any client introductions provided to the Registrant that may result in any type of transaction that would be considered a Private Securities Transaction or Outside Business Activity under FINRA Rules 3270 and 3280.

**Conflict of Interest:** The Registrant, given its current engagement of Tectonic as a model/research signal provider and its anticipation that it will receive continued client introductions from Mauldin, has a conflict of interest to permit its employee, Mauldin, via his affiliated entity, MS, to provide, for compensation, lead referrals and client introductions to SMH. Given Mauldin's relationship to the Registrant, and the Registrant's anticipation of continued receipt of client introductions and other financial opportunities from Mauldin, the Registrant has an economic incentive to accommodate Mauldin's request, via MS, to provide lead referrals and client introductions to SMH. In addition, the Registrant has an incentive to continue to engage Tectonic, an SMH affiliate, to avoid causing disruption of Mauldin's economic relationship with SMH.

**Any individual or entity that is considering becoming an investor must consider the above conflict of interest. In addition, a client of the Registrant, in writing, can prohibit the Registrant from exercising its discretionary authority to purchase the Mauldin Core Fund, or limit the amount of any such fund purchase.**

**ANY QUESTIONS: The Registrant's Founder and CEO, Stephen B. Blumenthal, is available to address any questions regarding the above conflict of interest.**

**Tradeaway/Prime Broker Fees:** When beneficial to the client, individual equity and/or fixed income transactions may be effected through broker-dealers other than the account custodian, in which event, the client generally will incur the fee (commission, mark-up/mark-down) charged by the executing broker-dealer and, potentially, a separate "tradeaway" and/or prime broker fee charged by the account custodian.

**Client Obligations:** The Registrant will not be required to verify any information received from the client or from the client's other professionals and is expressly



authorized to rely on the information in its possession. Clients are responsible for promptly notifying the Registrant if there is ever any change in their financial situation or investment objectives so that the Registrant can review, and if necessary, revise its previous recommendations or services.

**Disclosure Statement:** A copy of the Registrant's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement*.

- D. The Registrant does not participate in a wrap fee program.
- E. As of December 31, 2019, the Registrant had \$249.6 million in regulatory assets under management ("AUM") on a discretionary basis and provides investment consulting services for \$53.1 million in assets. In sum, the Registrant consults on investment management relationships consisting of approximately \$302.7 million in assets.

## **Item 5 Fees and Compensation**

- A. The client can determine to engage the Registrant to provide discretionary investment advisory services on a fee-only basis.

The Registrant, in its sole discretion, may charge a lower investment advisory fee based upon certain criteria (e.g., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, competition, type of client, negotiations with solicitor, negotiations with client, etc.). Accordingly:

- Certain clients are grandfathered under (i.e., subject to) the Registrant's prior fee schedules;

- As result of negotiation and competition, fees payable by institutional clients are generally less than those paid by non-institutional clients. In addition, per institutional client directive, the strategies managed for institutional clients may deviate from similar strategies managed for non-institutional clients;

- The majority of the Registrant's clients are introduced to the Registrant by unaffiliated solicitors (i.e., broker-dealers and third-party investment advisers). The Registrant shall pay a portion of the advisory fee payable by the introduced client to the solicitor as a solicitation or referral fee (see disclosure at Item 14 below). The advisory fee payable by the client will generally vary based upon the solicitor. However, the Registrant's portion of the advisory fee will generally remain constant, and in limited events, is subject to decrease.

In its discretion, the Registrant may negotiate the amount and calculation of the investment advisory fee and any other fees charged by the Registrant based on a number of factors, including the type and size of the account, anticipated level of

trading activity, services provided to the account, historical factors, and the scope of the client's relationship with the Registrant. In addition, the Registrant's negotiation of fees is generally subject to certain internal guidelines based on the total value of assets invested, or expected to be invested, by the client across the Registrant's various investment advisory programs.

Fees charged to a client may be higher or lower than the fee the Registrant charges other clients in this or in its other investment advisory programs, and/or the cost of similar services offered through other financial firms.

As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees.

For Asset Management/Platform Services, Registrant requires each investment advisor client to maintain a minimum asset level of \$5 million on the CMG Platform.

The Registrant's Chief Compliance Officer, Todd Silbergeld, is available to address any questions that a client or prospective client may have regarding advisory fees.

## **INVESTMENT ADVISORY SERVICES**

If a client determines to engage the Registrant to provide discretionary investment advisory services on a fee-only basis, annual investment advisory fees shall be as follows:

### **Private Wealth Group (Retail)**

<b>AUM Levels</b>	<b>Retail Fees</b>	<b>Mauldin Portfolios Fees*</b>	<b>CMG Total Portfolio or CMG Mauldin Smart Core Strategy Fees</b>
\$0 to \$250,000	2.25%	N/A	1.65%
\$250,000.01 to \$500,000.00	1.65%	1.65%	1.65%
\$500,000.01 to \$1,000,000.00	1.25%	1.25%	1.25%
\$1,000,000.01 to \$2,000,000.00	1.00%	1.00%	1.00%
\$2 million +	0.75%	1.00%	1.00%
\$5 million +	0.50%	1.00%	0.75%

\* Please Note: Clients invested in the Mauldin Conservative, Mauldin Moderate, or Mauldin Growth Portfolios can select additional investment strategies or programs, such as the CMG High and Growing Dividend Portfolio, that would be subject to an additional fee. The additional advisory fees (for illustration, 15 bps to 80 bps) vary depending upon the strategy/portfolio and third-party adviser, strategist, research signal provider or consultant. Such additional fees will be fully disclosed to the client prior to allocation of any funds.

The CMG Large Cap Long/Flat Strategy is designed to provide relative outperformance to the S&P 500 Index over a complete market cycle. The Strategy is available through one of our qualified custodians, such as EAS. **Please note that an investor can access the Strategy on his/her own from other providers at a lower cost, independent of the investor's engagement of CMG. In such event, the Strategy would not be part of CMG's ongoing investment advisory services to the investor.**

**The Registrant's CEO, Stephen Blumenthal, is available to address any questions regarding the above, including the ability to access the CMG Large Cap Long/Flat Strategy at a lower cost independent of the investor's engagement of CMG.**

CMG and Ned Davis Research ("NDR") have co-licensed the Ned Davis Research CMG US Large Cap Long/Flat Index to VanEck for use in an ETF. The VanEck Vectors<sup>®</sup> NDR CMG Long/Flat Allocation ETF (NYSE: LFEQ) seeks to replicate as closely as possible, before fees and expenses, the price and yield performance of the Ned Davis Research CMG US Large Cap Long/Flat Index. Shares of LFEQ are listed on the New York Stock Exchange and may also be bought and sold on the secondary market through a broker. In most cases, investors will incur customary brokerage commissions and charges and may pay some or all of the spread between the bid and the offered price in the secondary market on each leg of a round trip (purchase and sale) transaction. VanEck Vectors ETF shares will trade at prices that may differ to varying degrees from the closing net asset values of the shares.

### **CMG Asset Management/Platform Services**

There are two types of fees incurred for CMG Asset Management/Platform Services: CMG Platform Fees and CMG Product Fees. CMG Platform Fees are assessed for administrative and operational services provided by CMG. These fees are tiered and generally range between 0.08% and 0.30%, depending upon asset levels on the CMG Platform. CMG Product Fees are imposed on assets invested by advisers in CMG proprietary investment strategies, models, or portfolios, and these fees are tiered and generally range between 0.15% and 0.40%, depending upon asset levels invested. The Registrant requires each third-party investment adviser client to maintain a minimum asset level of \$5 million on the CMG Platform.

For accounts of assets with market values less than \$250,000, the annual investment management fee is 2.25%. For accounts of assets with market values in excess of \$250,000 but less than \$500,000, the annual investment management fee is 1.95%.

Fee Type	Description	Fee Level
CMG Platform Fee	Administrative and operational charges	
From	To	%
\$0.00	\$50,000.00	0.30%
\$50,000.01	\$100,000.00	0.25%
\$100,000.01	\$500,000.00	0.20%
\$500,000.01	\$1,000,000.00	0.15%
\$1,000,000.01	\$5,000,000.00	0.10%
	\$5,000,000.01 and Over	0.08%
CMG Product Fees	Fees for CMG investment strategies, models or portfolios	
	CMG Tactical Strategies	
From	To	%
\$0.00	\$50,000.00	0.40%
\$50,000.01	\$100,000.00	0.35%
\$100,000.01	\$500,000.00	0.30%
\$500,000.01	\$1,000,000.00	0.25%
\$1,000,000.01	\$5,000,000.00	0.20%
	\$5,000,000.01 and Over	0.18%
	CMG Traditional Asset Allocation Portfolios	0.15%
	CMG Mauldin Smart Core Strategy	1.65%*
Adviser Fees	Third-party investment adviser fees for investment advisory services. Subject to Adviser discretion.	~100 bps
Advisor Directed Assets	The CMG Platform Fee schedule will apply to all Advisor directed assets. The Adviser fees will also apply to the client account. CMG's product fee will not apply to Adviser directed assets.	See Platform Fee Schedule Above
Legacy Assets	Legacy assets held in client accounts will be assessed a CMG legacy asset fee. The Adviser fees will not apply to the client account. CMG's product fee will not apply to Legacy assets.	0.10%
Enhanced Cash Management	The CMG Platform Fee Schedule will apply. The Adviser fees will also apply to the client account. CMG's product fee will not apply.	See Platform Fee Schedule Above
E*TRADE Fees	Custody Fees – subject to a minimum fee of \$12.50/quarter	
	From \$0 to \$499,999	0.15%
	From \$500,000 to \$999,999	0.10%
	From \$1,000,000 to \$1,999,999	0.03%
	\$2,000,000 and above	0.01%

For accounts that CMG manages an investment strategy, model or portfolio (each a “CMG Product”), CMG will reduce or waive the Fee to the extent necessary to comply with the requirements of ERISA (the “CMG Product Waiver”). The CMG Product Waiver will cause (i) CMG to waive the CMG Product Fee for assets invested in any affiliated mutual fund or ETF, or (ii) CMG to reduce the CMG Product Fee with respect to each Client account by the amount of investment advisory fees, if any, received by CMG from any affiliated mutual fund or ETF received by CMG or its affiliates. Accounts not subject to ERISA are not entitled to the CMG Product Waiver.

Fees for platform services are payable on a quarterly basis, in arrears, based upon the average daily balance of the account over the entire quarter. CMG Platform Fees do not include custodial fees or certain fees or charges imposed by third parties including, but not limited to, custodial fees, mutual fund fees, commissions,

transaction fees and expenses. For mutual fund and ETF investments, clients are charged internal management fees, distribution fees and other expenses, which are described in each fund's respective prospectus.

- B. The Registrant's advisory fees are deducted from clients' custodial accounts. Both the Registrant's *Investment Advisory Agreement* and the custodial/clearing agreement authorize the custodian to debit the account for the amount of the Registrant's investment advisory fee and to directly remit that advisory/management fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. Unless otherwise indicated in the *Investment Advisory Agreement* between the Registrant and the client, the Registrant shall deduct fees and/or bill clients quarterly in arrears, based upon the average daily market value of the assets during the previous quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, the Registrant generally uses EAS, TD Ameritrade, Orion Portfolio Solutions or Charles Schwab & Co., Inc. ("*Schwab*"), or the specific mutual fund or insurance company that issued the mutual fund or variable life/annuity product, as the broker-dealer/custodian for client assets. Broker-dealers may charge broker-dealer/custodian custody fees, brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain mutual funds, commissions are charged for individual equity transactions, and mark-ups and mark-downs are charged for fixed income transactions). In addition, client accounts may invest in mutual funds (including money market funds) and ETFs that have various internal fees and expenses (i.e., management fees), which are paid by these funds but ultimately borne by clients as a fund shareholder. These internal fees and expenses are in addition to the fees charged by the Registrant.
- D. The Registrant's annual investment advisory fee shall be prorated and paid quarterly, in arrears, based upon the average daily market value of the assets during the previous quarter for most custodial platforms. The Registrant generally requires a minimum investment of \$25,000 per account. As indicated above, the Registrant, in its sole discretion, may charge a lower investment management fee and/or reduce or waive its minimum investment requirement based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

The *Investment Advisory Agreement* between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, the Registrant's investment advisory/management fee shall be pro-rated through the date of termination and debited from the client account. Fee refunds will be determined on a pro-rata basis and refunds calculated to be less than \$15 generally

will not be processed or paid due to the administrative costs and operational burdens of processing them. Clients and investors should be guided accordingly and terminate their agreements on a quarter-end to avoid forfeiting any potential refund.

- E. Unless otherwise disclosed herein, neither the Registrant nor its representatives accept compensation from the sale of securities or other investment products.

## **Item 6 Performance-Based Fees and Side-by-Side Management**

On occasion, the Registrant charges advisory clients a performance-based management fee, as opposed to an asset-based management fee. The Registrant negotiates the terms of these performance-based arrangements on a case-by-case basis and includes such terms in the investment management agreement it enters into with the applicable advisory clients. The Registrant only charges performance fees to those advisory clients who are “qualified clients,” as defined under the Investment Advisers Act of 1940, as amended.

A **conflict of interest** exists because the Registrant generally charges advisory clients an asset-based fee for the advisory services it provides, but, in some cases, it charges certain advisory clients performance-based management fees. For those clients to whom the Registrant has agreed to charge performance-based fees, it has an incentive to favor those client accounts so they perform better and, in turn, it receives a greater amount of fees. The Registrant also has an incentive to offer investments that it believes will be more profitable than others to accounts that we charge performance-based fees.

Where the Registrant charges performance-based fees on certain advisory client accounts, those accounts are invested in one or more of the Registrant’s proprietary investment strategies and are treated like other advisory client accounts invested in the same strategy. The Registrant’s Chief Compliance Officer, Todd Silbergeld, is available to address any questions regarding this conflict of interest.

## **Item 7 Types of Clients**

The Registrant’s clients shall generally include individuals, pension and profit sharing plans, trusts, estates and charitable organizations. The Registrant generally requires a minimum investment of \$25,000 per account. The Registrant, in its sole discretion, may charge a lower investment management fee and/or reduce or waive its minimum investment requirement based upon certain criteria (e.g., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

## Item 8            **Methods of Analysis, Investment Strategies and Risk of Loss**

- A. The Registrant may utilize the following methods of security analysis:
- Charting - analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices
  - Fundamental - analysis performed on historical and present data, with the goal of making financial forecasts
  - Technical – analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices
  - Cyclical –analysis performed on historical relationships between price and market trends, to forecast the direction of prices

The Registrant may utilize the following investment strategies when implementing investment advice given to clients:

- Long-Term Purchases (securities held at least a year)
- Short-Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)
- Margin Transactions (use of borrowed assets to purchase financial instruments)
- Options (contract for the purchase or sale of a security at a predetermined price during a specific period of time)
- Futures (A financial contract obligating the buyer to purchase an asset (or the seller to sell an asset), such as a physical commodity or a financial instrument/index at a predetermined future date and price.)

**Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s).

- B. The Registrant’s methods of analysis do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis, the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant’s analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant’s primary investment strategies – Long-Term Purchases, Short-Term Purchases, and Trading -- are fundamental investment strategies. However,

every investment strategy has its own inherent risks and limitations. For example, longer-term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter-term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer-term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will incur higher transaction costs when compared to a short-term investment strategy and substantially higher transaction costs than a longer-term investment strategy.

In addition to the fundamental investment strategies discussed above, the Registrant may also use the following investments or investment strategies: margin, hedging strategies, futures, options, non-US securities and short and inverse market strategies. Each of these strategies has material risks. Each of these investments and their associated risks is described below. In addition, certain of the Registrant's investment strategies involve idle assets and turnover risk, which are described below.

**Margin.** Margin is an investment strategy with a high level of inherent risk. A margin transaction occurs when an investor uses borrowed assets to purchase financial instruments. The investor generally obtains the borrowed assets by using other securities as collateral for the borrowed sum. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin. **Please Note:** To the extent that a client authorizes the use of margin, and margin is thereafter employed by the Registrant in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to the Registrant may be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential *conflict of interest* whereby the client's decision to employ margin *may* correspondingly increase the management fee payable to the Registrant. Accordingly, the decision as to whether to employ margin is left totally to the discretion of the client.

**Options.** The use of options transactions as an investment strategy involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by the Registrant shall be with the intent of offsetting or "hedging" a potential market risk in a client's portfolio. Although the intent of the options-related transactions that may be implemented by the Registrant is to hedge against principal risk, certain of the options-related strategies (i.e., straddles, short



positions, etc.), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct the Registrant, in writing, not to employ any or all such strategies for his/her/their/its accounts.

**Futures (Derivatives).** Investments in derivative instruments, such as futures contracts or forward contracts, require a high degree of leverage, meaning the overall contract value (and, accordingly, the potential for profits or losses in that value) is much greater than the modest deposit used to enter into the derivative contract. Derivative securities can also be highly volatile. The prices of derivative instruments and the investment underlying the derivative instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the client or the Registrant. Further, to the extent that transactions in derivative instruments are not undertaken on recognized exchanges, they will expose the client's account to greater risks than regulated exchange transactions that provide greater liquidity and more accurate valuation of securities.

**Hedging.** There can be no assurance that a particular hedge is appropriate, or that certain risk is measured properly. Further, while the Registrant may enter into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance and increased (rather than reduced) risk for the underlying investment portfolios than if the Registrant did not engage in any such hedging transactions.

**Non-U.S. Securities.** Foreign securities, foreign currencies, and securities issued by U.S. entities with substantial foreign operations can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies, withholding or other taxes; trading, settlement, custodial, and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. All of these factors can make foreign investments, especially those in emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.

**Short and Inverse Market Strategies.** On occasion, certain of the Registrant's strategies, including the CMG Managed High Yield Bond, CMG Managed High Yield ETF and CMG Managed High Yield Bond Annuity Programs, CMG Total Portfolio, CMG Mauldin Smart Core, and the CMG Tactical All Asset Strategy, use inverse mutual funds and ETFs to effectively "short" the equity, treasury, and high-yield bond markets. Inverse mutual funds and ETFs are securities that attempt to replicate the opposite direction of the performance of an underlying financial index, often at a multiple. These securities often use a combination of futures, swaps, short sales, and other derivatives to achieve these objectives. Most inverse-leveraged securities are designed to achieve these results on a daily basis only. This

means that over periods longer than a trading day, the value of these securities can and usually does deviate from the performance of the index they are designed to track. Over longer periods of time or in situations of high volatility, these deviations can be substantial. There can be no assurance that any such security will be profitable or achieve its objective.

**Idle Assets:** At any time and for a substantial length of time we may hold a significant portion of a client's assets in cash or money market mutual funds. Investments in these assets may cause a client to miss out on upswings in the markets. Unless we expressly agree otherwise in writing, account assets consisting of cash and money market mutual funds are included in the value of an account's assets for purposes of calculating our advisory fees.

**Turnover Risk:** Certain of the Registrant's strategies are tactical and can involve substantial shifting of assets among securities and cash. This will result in a taxable event for the client, unless the client is investing through a tax-deferred arrangement.

**The Registrant's Chief Compliance Officer, Todd Silbergeld, is available to address any questions regarding this conflict of interest.**

- C. Currently, the Registrant primarily allocates client investment assets among various mutual fund/ETFs, equities and VITs (including inverse ETFs, mutual funds and/or VITs that are designed to perform in an inverse relationship to certain market indices) allocation strategies, on a discretionary basis in accordance with the client's designated investment objective(s).

## **Item 9           Disciplinary Information**

In 2003, while employed with The (Wilson) Williams Financial Group, **John F. Mauldin**, wrote newsletters regarding investments in hedge funds that allegedly had inadequate risk disclosures and contained exaggerated and unwarranted statements and claims, according to the National Association of Securities Dealers, Inc. ("NASD"). Without admitting or denying the findings, Mr. Mauldin consented to the sanctions and findings and was fined \$35,000 by the NASD and was required to file with the NASD's Advertising and Regulations Department all sales literature except for generic newsletters that do not discuss or otherwise reference specific securities and ads, written, distributed or used at least 10 days prior to first use.

## **Item 10           Other Financial Industry Activities and Affiliations**

- A. John F. Mauldin (an independent contractor of the Registrant) is president and general securities principal of Mauldin Securities, LLC (CRD# 128378), a broker-dealer regulated by FINRA.

- B. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. As fully disclosed in Item 4 (Advisory Business) above, the Registrant and/or its owners are affiliated with New Ventures Funds, LLC, a sponsor or manager of private investment funds. The Registrant, on a non-discretionary basis, may recommend that qualified clients consider allocating a portion of their investment assets to New Ventures' funds. Because the Registrant and/or its affiliates can earn compensation from an affiliated fund that will generally exceed the fee that the Registrant would earn under its standard asset-based fee schedule referenced in Item 5, the recommendation that a qualified client become a fund investor presents a conflict of interest. Given the conflict of interest, the Registrant advises that clients consider seeking advice from independent professionals (i.e., attorney, accountant, adviser, etc.) of their choosing prior to becoming a fund investor. No client is under any obligation whatsoever to become a fund investor.

The Registrant intends to utilize ETFs sponsored by Syntax, LLC or one of its affiliates, such as Syntax Advisors, LLC, an SEC registered investment adviser. A principal of Syntax and adviser to the ETFs is also a minority shareholder of the Registrant, as well as member of the general partner of the Registrant's affiliated private funds referenced above. Because the Registrant's shareholder and fund general partner can earn compensation from the ETFs, the Registrant's use of the ETFs presents a conflict of interest. The Registrant does not receive any compensation from Syntax for utilizing the ETFs. A client can request a reallocation to another investment strategy if the client does not want to invest in a Syntax ETF. Such requests must be submitted to the Registrant in writing.

As fully disclosed in Item 4 (Advisory Business) above, the Registrant engaged Tectonic Advisors, LLC, an SEC registered investment adviser, as a model/research signal provider for the CMG Mauldin Core Fund, a series of Northern Lights Fund Trust, an investment company registered under the Investment Company Act of 1940, as amended, and the CMG Mauldin Smart Core Strategy. John Mauldin ("Mauldin"), is an independent contractor for Registrant, and is also the owner, general securities principal and president of Mauldin Securities, LLC ("MS"), an SEC registered and FINRA member broker-dealer. Sanders Morris Harris, LLC ("SMH"), is an SEC registered and FINRA member broker-dealer and is under common ownership or control with Tectonic Advisors. SMH seeks to engage MS as a referring broker-dealer, pursuant to which SMH shall compensate MS for referrals to SMH, including prospective client introductions and other sources of compensation as set forth in the agreement between SMH and MS. The Registrant shall not receive any portion of the compensation payable by SMH to MS. Additionally, neither MS nor Mauldin, shall remit any portion of SMH compensation to the Registrant. Mauldin shall not participate in any decision to change any current or future allocation to the Tectonic Advisors Moderate ETF Portfolio.

The Registrant, given its current engagement of Tectonic as a model/research signal provider and its anticipation that it will receive continued client introductions from Mauldin, has a conflict of interest to permit its employee, Mauldin, via his affiliated entity, MS, to provide, for compensation, lead referrals and client introductions to SMH. Given Mauldin's independent contractor relationship to the Registrant, and the Registrant's anticipation of continued receipt of client introductions and other financial opportunities from Mauldin, the Registrant has an economic incentive to accommodate Mauldin's request, via MS, to provide lead referrals and client introductions to SMH. In addition, the Registrant has an incentive to continue to engage Tectonic, an SMH affiliate, to avoid causing disruption of Mauldin's economic relationship with SMH. Any individual or entity that is considering becoming an investor must consider the above conflict of interest. In addition, a client of the Registrant, in writing, can prohibit the Registrant from exercising its discretionary authority to purchase the CMG Mauldin Core Fund, or limit the amount of any such fund purchase.

- D. From time to time, the Registrant may refer certain clients to Watkinson Capital Advisors ("WCA"). If a client engages WCA, the Registrant receives a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940. Any referral fee is paid solely from WCA's investment management fee and does not result in any additional charge to the client. The client will receive a copy of WCA's Form ADV Part 2A prior to or at the time of engagement. Additionally, the Registrant leases office space and provides limited information technology access to WCA for compensation. The compensation is not material to the Registrant.

**Item 11            Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

- A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of the Registrant's Code of Ethics, which serves to establish a standard of business conduct for all of the Registrant's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

- B. The Registrant and/or representatives of the Registrant may buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such

activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of the Registrant’s clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant’s “Access Persons.” The Registrant’s securities transaction policy requires that an Access Person of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with periodic (on not less than an annual basis) reports or statements of the Access Person’s current securities holdings

- C. The Registrant and/or representatives of the Registrant may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11 B, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant’s Access Persons.

## **Item 12 Brokerage Practices**

- A. In the event the client requests that the Registrant recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the Registrant to use a specific broker-dealer/custodian), Registrant generally recommends that investment management accounts be maintained at EAS. Prior to engaging the Registrant to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with the Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that the Registrant considers in recommending EAS (or any other broker-dealer/custodian to clients) include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with the Registrant's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer

services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although the Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, the Registrant's investment advisory/management fee. The Registrant's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

#### 1. Soft Dollar Arrangement

In return for effecting securities transactions through a certain designated broker-dealer/custodian, the Registrant will receive certain investment research products or services that may assist the Registrant in its investment decision-making process for the client pursuant to Section 28(e) of the Securities Exchange Act of 1934 (generally referred to as a "soft dollar" arrangement). Investment research products or services received by Registrant may include, but are not limited to, analyses pertaining to specific securities, companies or sectors; market, financial and economic studies and forecasts; financial publications, portfolio management systems, and statistical and pricing services. Although the commissions paid by the Registrant's clients shall comply with the Registrant's duty to seek best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. Although the investment research products or services that may be obtained by the Registrant will generally be used to service all of the Registrant's clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. With respect to investment research products or services obtained by the Registrant that have a mixed use of both a research and non-research (i.e., administrative, etc.) function, the Registrant shall make a reasonable allocation of the cost of the product or service according to its use -- the percentage of the product or service that provides assistance to the Registrant's investment decision-making process will be paid for with soft dollars while that portion that provides administrative or other non-research assistance will be paid for by the Registrant with hard dollars. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee.

**The Registrant's Chief Compliance Officer, Todd Silbergeld, is available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest such arrangement may create.**

## Non-Soft Dollar Research and Additional Benefits

Registrant receives from broker-dealers, custodians, investment platforms, unaffiliated investment managers, vendors, or fund sponsors free or discounted support services and products. Certain of these products and services assist the Registrant to better monitor and service client accounts maintained at these institutions. The support services that the Registrant obtains can include investment-related research; pricing information and market data; compliance or practice management-related publications; discounted or free attendance at conferences, educational or social events; or other products used by the Registrant to further its investment management business operations.

Certain of the support services or products received may assist the Registrant in managing and administering client accounts. Others do not directly provide this assistance, but rather assist the Registrant to manage and further develop its business enterprise.

The Registrant's clients do not pay more for investment transactions effected or assets maintained at the broker-dealers and custodians because of these arrangements. There is no corresponding commitment made by the Registrant to any broker-dealer or custodian or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products because of the above arrangements.

**The Registrant's Chief Compliance Officer, Todd Silbergeld, is available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.**

2. The Registrant does not consider, in selecting or recommending broker-dealers, whether it receives client referrals from a broker-dealer or third party.
3. The Registrant does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client-directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Registrant will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by the Registrant. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

In the event the client directs the Registrant to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher

commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through the Registrant.

**The Registrant's Chief Compliance Officer, Todd Silbergeld, is available to address any questions that a client or prospective client may have regarding the above arrangement.**

- B. To the extent that the Registrant provides investment advisory services to its clients, the transactions for each client account generally will be effected independently, unless the Registrant decides to purchase or sell the same securities for several clients at approximately the same time. The Registrant may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Registrant's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. The Registrant shall not receive any additional compensation or remuneration because of such aggregation.

### **Item 13      Review of Accounts**

- A. Client account reviews are conducted on an ongoing basis by one of the Registrant's investment adviser representatives. All clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review investment objectives and account performance with the Registrant on an annual basis.
- B. The Registrant may conduct account reviews on an other-than-periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided with regular summary account statements directly from the broker-dealer/trust company/mutual fund/custodian for the client accounts. Clients may access account activity reports from the Registrant on a no less than quarterly basis.

### **Item 14      Client Referrals and Other Compensation**

- A. As referenced in Item 12.A.1 above under the sub-heading "Non-Soft Dollar Research and Additional Benefits," the Registrant receives indirect economic benefits from certain broker-dealer/custodians in the form of support services and/or products.



The Registrant's clients do not pay more for investment transactions effected and/or assets maintained at these broker-dealers/custodians because of this arrangement. There is no corresponding commitment made by the Registrant to these broker-dealers/custodians or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products because of the above arrangement.

The Registrant's Chief Compliance Officer, Todd Silbergeld, is available to address any questions that a client or prospective client may have regarding the above arrangement and the conflict of interests these arrangements create.

- B. **Solicitor Introductions/Referral Fees**. If a client is introduced to the Registrant by either an unaffiliated or an affiliated solicitor, the Registrant will pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any referral fee will be paid solely from the Registrant's investment management fee. If the client is introduced to the Registrant by an unaffiliated solicitor, the solicitor will provide each prospective client with a copy of the current version of this Brochure and a separate written disclosure statement disclosing the terms of the arrangement between the Registrant and the solicitor, including the compensation to be paid by the Registrant to the solicitor.

**Solicitor-Continued Obligations**. When indicated on the solicitor written disclosure statement to be provided by the solicitor to the prospective client, the solicitor shall be exclusively responsible for: (a) assisting the referred client in determining the initial and ongoing suitability for the Registrant's investment portfolios and/or strategies; and (1) for receiving/ascertaining the referred client's directions, notices and instructions, and forwarding them to the Registrant, in writing. The Registrant shall be entitled to rely upon any such direction, notice, or instruction (including any information or documentation regarding the referred client's investment objectives, risk tolerances and/or investment restrictions) until it has been duly advised in writing of changes thereto; and (2) The Registrant shall have no liability or responsibility for solicitor's failure to correctly, accurately and/or timely ascertain/forward/communicate any and all such directions, notices and instructions. The solicitor shall indemnify the Registrant in the event of a claim by a client relating to a solicitor's failure to correctly, accurately and/or timely ascertain/forward/communicate any and all such directions, notices and instructions to the Registrant.

The Registrant's Chief Compliance Officer, Todd Silbergeld, remains available to address any questions that a client or prospective client may have regarding the above arrangements and any corresponding conflicts of interest such arrangements may create.

## **Item 15      Custody**

The Registrant does not maintain physical custody of its clients' assets. Client assets are typically held by a qualified custodian pursuant to a separate custody agreement.

The Registrant shall have the ability to have its investment advisory fees for each client debited by the custodian on a quarterly basis. Clients are provided with regular summary account statements directly from the broker-dealer/trust company/mutual fund/custodian for the client accounts. Clients will also receive a report from the custodian summarizing account activity no less than quarterly.

To the extent that the Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by the Registrant with the account statements received from the account custodian. The account custodian does not verify the accuracy of the Registrant's advisory fee calculation.

## **Item 16      Investment Discretion**

The client can determine to engage the Registrant to provide investment advisory services on a discretionary basis. Prior to the Registrant assuming discretionary authority over a client's account, the client shall be required to execute an *Investment Advisory Agreement*, naming the Registrant as the client's attorney and agent in fact, granting the Registrant full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage the Registrant on a discretionary basis may, at any time, impose restrictions, **in writing**, on the Registrant's discretionary authority (e.g., limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Registrant's use of margin, etc.).

## **Item 17      Voting Client Securities**

- A. Except for assets invested in the Funds and accounts managed by sub-advisors (for which the sub-advisor will generally retain proxy voting responsibility), clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.

The Registrant has adopted proxy voting policies and procedures as required by Rule 206(4)-6 of the Investment Advisers Act of 1940. As a matter of policy and as a fiduciary, the Registrant has the responsibility for voting proxies for portfolio securities consistent with the best economic interests of each Fund. The Registrant maintains written policies and procedures as to the handling, research, voting and reporting of proxy voting and makes appropriate disclosures about our firm's proxy policies and practices. The Registrant's policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest, as well as making information available to clients about the voting of proxies for their portfolio securities and maintaining relevant and required records.

- B. Unless set forth in Item 17.A above to the contrary, clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

**Item 18      Financial Information**

- A. The Registrant does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Registrant has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: Registrant's Chief Compliance Officer, Todd Silbergeld, is available to address any questions regarding this Part 2A.**

## Item 1 Cover Page

A.

### **Stephen B. Blumenthal**

CMG Capital Management Group, Inc.

Brochure Supplement  
Dated: November 26, 2019

Contact: Todd Silbergeld, Chief Compliance Officer  
10 Valley Stream Parkway, Suite 202  
Malvern, PA 19355  
(610) 989-9090

B.

**This brochure supplement provides information about Stephen B. Blumenthal that supplements the CMG Capital Management Group, Inc. brochure. You should have received a copy of that brochure. Please contact Todd Silbergeld, Chief Compliance Officer, if you did *not* receive CMG Capital Management Group's brochure or if you have any questions about the contents of this supplement.**

**Additional information about Stephen B. Blumenthal is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## Item 2 Education Background and Business Experience

Stephen B. Blumenthal was born in 1961. Mr. Blumenthal graduated from Pennsylvania State University in 1983, with a Bachelor of Science degree in Accounting. Mr. Blumenthal has served as Chief Executive Officer and Chief Investment Officer of CMG Capital Management Group, Inc. since 2012.

## Item 3 Disciplinary Information

None.

## Item 4 Other Business Activities

A. The supervised person is not actively engaged in any other investment-related businesses or occupations.

- B. The supervised person is not actively engaged in any non-investment-related business or occupation for compensation.

### **Item 5 Additional Compensation**

None.

### **Item 6 Supervision**

The Registrant offers investment advisory and supervisory services in accordance with the Registrant's policies and procedures manual. The primary purpose of the Registrant's Rule 206(4)-7 policies and procedures is to comply with the requirements of supervision requirements of Section 203(e)(6) of the Investment Advisor's Act ("*Act*"). The Registrant's Chief Compliance Officer, Todd Silbergeld, is primarily responsible for the implementation of the Registrant's policies and procedures and overseeing the activities of the Registrant's supervised persons. Should an employee or investment adviser representative of the Registrant have any questions regarding the applicability/relevance of the *Act*, the Rules thereunder, any section thereof, or any section of the policies and procedures, he/she should address those questions with the Chief Compliance Officer. Should a client have any questions regarding the Registrant's supervision or compliance practices, Mr. Silbergeld can be reached at (610) 989-9090.

## Item 1 Cover Page

A.

**John F. Mauldin**

CMG Capital Management Group, Inc.

Brochure Supplement  
Dated: November 26, 2019

Contact: Todd Silbergeld, Chief Compliance Officer  
10 Valley Stream Parkway, Suite 202  
Malvern, PA 19355  
(610) 989-9090

B.

**This brochure supplement provides information about John F. Mauldin that supplements the CMG Capital Management Group, Inc. brochure. You should have received a copy of that brochure. Please contact Todd Silbergeld, Chief Compliance Officer, if you did *not* receive CMG Capital Management Group’s brochure or if you have any questions about the contents of this supplement.**

**Additional information about John F. Mauldin is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## Item 2 Education Background and Business Experience

John F. Mauldin, born in 1949, earned a Bachelor of Arts degree from Rice University and a Master of Divinity degree from Southwestern Baptist Theological Seminary. Mr. Mauldin joined Registrant in 2018. In 2012, Mr. Mauldin co-founded Mauldin Economics, LLC, a publisher of economic newsletters and host of industry conferences and events. From 2002-2004, Mr. Mauldin was associated with The (Wilson) Williams Financial Group, a broker-dealer. In 1999, Mr. Mauldin founded Mauldin Securities, LLC, a broker-dealer, and has served as its president and general securities principal since 2004.

## Item 3 Disciplinary Information

A. In 2003, while employed with The (Wilson) Williams Financial Group, John F. Mauldin, wrote newsletters regarding investments in hedge funds that allegedly had inadequate risk disclosures and contained exaggerated and unwarranted statements and claims, according to the National Association of Securities Dealers, Inc. (“NASD”). Without admitting or denying the

findings, Mr. Mauldin consented to the sanctions and findings and was fined \$35,000 by the NASD and was required to file with the NASD's Advertising and Regulations Department all sales literature except for generic newsletters that do not discuss or otherwise reference specific securities and ads, written, distributed or used at least 10 days prior to first use.

#### **Item 4 Other Business Activities**

A. (1) Mr. Mauldin is the president and general securities principal of Mauldin Securities, LLC, a broker-dealer. Mauldin Securities receives compensation for referrals from other investment-related businesses. The Registrant has no business relationship or any business dealings with Mauldin Securities. (2) Mr. Mauldin is a registered financial advisor for Absolute Return Partners LLP ("ARP"), an investment advisory business based in London, England. Mr. Mauldin receives compensation from ARP for client referrals. The Registrant has no business relationship or any business dealings with ARP. (3) Mr. Mauldin is the non-executive chairman of Mauldin Economics, LLC. Mauldin Economics is a publisher of financial newsletters and economic/investment analysis. Mr. Mauldin writes articles that are published by Mauldin Economics and speaks at events organized by the company. The Registrant is a subscriber to the company's newsletters and publications. Notwithstanding the foregoing, the Registrant has no business relationship or any business dealings with Mauldin Economics.

B. Mr. Mauldin is the managing member of Mauldin Management Company, LLC ("MMC"). MMC is a privately held company that provides administrative services to Mauldin Securities and John F. Mauldin. The Registrant has no business relationship or any business dealings with MMC.

#### **Item 5 Additional Compensation**

None.

#### **Item 6 Supervision**

The Registrant offers investment advisory and supervisory services in accordance with the Registrant's policies and procedures manual. The primary purpose of the Registrant's Rule 206(4)-7 policies and procedures is to comply with the requirements of supervision requirements of Section 203(e)(6) of the Investment Advisor's Act ("Act"). The Registrant's Chief Compliance Officer, Todd Silbergeld, is primarily responsible for the implementation of the Registrant's policies and procedures and overseeing the activities of the Registrant's supervised persons. Should an employee or investment adviser representative of the Registrant have any questions regarding the applicability/relevance of the Act, the Rules thereunder, any section thereof, or any section of the policies and procedures, he/she should address those questions with the Chief Compliance Officer. Should a client have any questions regarding the Registrant's supervision or compliance practices, Mr. Silbergeld can be reached at (610) 989-9090.

## Item 1 Cover Page

A.

**Avi J. Rutstein**

CMG Capital Management Group, Inc.

Brochure Supplement  
Dated: November 26, 2019

Contact: Todd Silbergeld, Chief Compliance Officer  
10 Valley Stream Parkway, Suite 202  
Malvern, PA 19355  
(610) 989-9090

B.

**This brochure supplement provides information about Avi J. Rutstein that supplements the CMG Capital Management Group, Inc. brochure. You should have received a copy of that brochure. Please contact Todd Silbergeld, Chief Compliance Officer, if you did *not* receive CMG Capital Management Group's brochure or if you have any questions about the contents of this supplement.**

**Additional information about Avi J. Rutstein is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## Item 2 Education Background and Business Experience

Avi J. Rutstein was born in 1975. Mr. Rutstein graduated from Pennsylvania State University in 1997, with a Bachelor of Science degree in Management. Mr. Rutstein served as Vice President of Business Development of CMG Capital Management Group, Inc. from 2006 to 2015. Mr. Rutstein has served as Managing Director, Sales since July 2015.

## Item 3 Disciplinary Information

None.

## Item 4 Other Business Activities

A. The supervised person is not actively engaged in any other investment-related businesses or occupations.



- B. The supervised person is not actively engaged in any non-investment-related business or occupation for compensation.

### **Item 5 Additional Compensation**

None.

### **Item 6 Supervision**

The Registrant offers investment advisory and supervisory services in accordance with the Registrant's policies and procedures manual. The primary purpose of the Registrant's Rule 206(4)-7 policies and procedures is to comply with the requirements of supervision requirements of Section 203(e)(6) of the Investment Advisor's Act ("*Act*"). The Registrant's Chief Compliance Officer, Todd Silbergeld, is primarily responsible for the implementation of the Registrant's policies and procedures and overseeing the activities of the Registrant's supervised persons. Should an employee or investment adviser representative of the Registrant have any questions regarding the applicability/relevance of the *Act*, the Rules thereunder, any section thereof, or any section of the policies and procedures, he/she should address those questions with the Chief Compliance Officer. Should a client have any questions regarding the Registrant's supervision or compliance practices, Mr. Silbergeld can be reached at (610) 989-9090.

## Item 1 Cover Page

A.

### **Brian Schreiner**

CMG Capital Management Group, Inc.

Brochure Supplement  
Dated: November 26, 2019

Contact: Todd Silbergeld, Chief Compliance Officer  
10 Valley Stream Parkway, Suite 202  
Malvern, PA 19355  
(610) 989-9090

B.

**This brochure supplement provides information about Brian Schreiner that supplements the CMG Capital Management Group, Inc. brochure. You should have received a copy of that brochure. Please contact Todd Silbergeld, Chief Compliance Officer, if you did *not* receive CMG Capital Management Group's brochure or if you have any questions about the contents of this supplement.**

**Additional information about Brian Schreiner is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## Item 2 Education Background and Business Experience

Brian Schreiner was born in 1975. Mr. Schreiner has a Bachelor of Science degree in Business Administration from Widener University. He joined CMG Capital Management Group, Inc. in July 2015 as Senior Vice President of the Private Wealth Group. From August 1999 to June 2015, Mr. Schreiner was President and Chief Operations Officer of Schreiner Capital Management, Inc., a Registered Investment Adviser that specialized in managing tactical investments.

## Item 3 Disciplinary Information

None.

## Item 4 Other Business Activities

A. The supervised person is not actively engaged in any other investment-related businesses or occupations.

- B. The supervised person is not actively engaged in any non-investment-related business or occupation for compensation.

### **Item 5 Additional Compensation**

None.

### **Item 6 Supervision**

The Registrant offers investment advisory and supervisory services in accordance with the Registrant's policies and procedures manual. The primary purpose of the Registrant's Rule 206(4)-7 policies and procedures is to comply with the requirements of supervision requirements of Section 203(e)(6) of the Investment Advisor's Act ("*Act*"). The Registrant's Chief Compliance Officer, Todd Silbergeld, is primarily responsible for the implementation of the Registrant's policies and procedures and overseeing the activities of the Registrant's supervised persons. Should an employee or investment adviser representative of the Registrant have any questions regarding the applicability/relevance of the *Act*, the Rules thereunder, any section thereof, or any section of the policies and procedures, he/she should address those questions with the Chief Compliance Officer. Should a client have any questions regarding the Registrant's supervision or compliance practices, Mr. Silbergeld can be reached at (610) 989-9090.