



Wealth through ingenuity.

# CMG Capital Management Group, Inc.

## Who we are

CMG Capital Management Group, Inc. is a Registered Investment Advisor (RIA) that offers other RIAs, financial planners and institutions managed accounts, mutual funds and variable annuities. CMG constructs portfolios, funds and strategies with the objective of managing risk, mitigating volatility and smoothing the investment return stream over time.

CMG strongly believes in the necessity of tactical strategies as a central component in any modern portfolio.



## How we're different

As an alternative to the traditional 60/40 portfolio construction, CMG favors 33/33/34, three buckets represented by equity, fixed income and tactical investment strategies.

CMG defines this concept of converting the traditional 60/40 portfolio to 33/33/34 as “Enhanced Modern Portfolio Theory (EMPT) and represents what a “balanced” portfolio should look like in today’s market. The objective of EMPT is to smooth the return stream over time, instead of being whipsawed by volatile markets.

CMG investment strategies seek to enhance portfolio diversification, lower correlation and manage risk. Woven into investment portfolios, tactical investment strategies complement core holdings. CMG’s tactical strategies can be used as a stand-alone investment or as a complement to traditional investment exposure.

## Steve Blumenthal, Founder & CEO, CMG Capital Management Group, Inc.



Steve Blumenthal founded CMG Capital Management Group, Inc. in 1992 and acts as its Chief Executive Officer. He has been responsible for the company’s growth, development and performance since its inception in 1992.

With over 30 years of investment management and industry experience, Mr. Blumenthal is involved in all aspects of professional money management, specializing in tactical investment strategies.

Mr. Blumenthal is a regular Forbes contributor and has experience speaking at various industry events and conferences. His extensive knowledge on market conditions, investing and tactical money

management has also gained him recognition in many different financial publications.

Mr. Blumenthal is the former Chairman and President of NAAIM – The National Association of Active Investment Managers. NAAIM member firms manage in excess of \$15 billion.

Prior to founding CMG Capital Management Group, Inc., Mr. Blumenthal was Vice President of Investments for Prudential Securities and was employed as an institutional and retail investment advisor at Merrill Lynch. Mr. Blumenthal graduated with a Bachelor of Science degree in Accounting from Pennsylvania State University in 1983.

**Forbes**

Follow Steve in *Forbes* at <http://blogs.forbes.com/people/steveblumenthal>

## CMG in the News



<http://www.cmgwealth.com/ri-category/news/>



WSJ Live' Money Beat with Paul Vigna  
*Markets Consider Fed's Interest-Rate Increase*  
February 20, 2014

Steve talked to Paul Vigna on WSJ Live's MoneyBeat about the possibility of the Fed raising interest rates and the effects we might see in the markets as a result of this decision. As the Fed winds down QE and about a trillion dollars worth of bond purchases and hikes interest rates over the next couple of years, Steve foresees a couple of years of indigestion for investors. His call is to hedge long equity exposure for the coming times.



TheStreet.com with Gregg Greenberg  
*"Don't Trust the Traditional 60/40 Split"*  
February 20, 2014

Steve joined Gregg Greenberg at TheStreet.com once again for a discussion on the overvaluation of the market after last year's rally and how to optimize a portfolio allocation despite these ever-changing market conditions.



*How Much Weight Should EMs Have In Your Portfolio? More Than MSCI ACWI's 8%.*

By Shuli Ren  
November 25, 2013

Steve shared his take on emerging markets and their place in a portfolio. Steve discussed the holdings in the CMG Global Equity Strategy as an example: *CMG's Global Equity Strategy portfolio has about 20% of its holdings in emerging market stocks, more than the MSCI ACWI index. This stock selection method (StockRate Invest Globale Aktier Udb SRIGAU) has 6 years of audited history and a 5 star rating from Morningstar.*



*For near-term boost, go with high-yield fixed income*  
By Jeff Benjamin  
October 24, 2013

Excerpt: *"Right now, the spread between high yield and Treasuries is close to the lows of the 1990s and 2006, and the problem is those spreads can blow out to 800 basis points in a hurry," Mr. Blumenthal said. "We saw it happen at the height of the crisis in 2008, when those spreads blew out to 1,500 basis points."*



Voices: *Steve Blumenthal, on Talking to Clients About Benchmarks*  
October 9, 2013



*It's Time to Enhance Modern Portfolio Theory*  
By Steve Blumenthal  
August 29, 2013



*The New Modern Portfolio Theory*  
By Steve Blumenthal  
June 14, 2013

Excerpt: *As human beings we're competitive and we want what's best. So when clients see the S&P outperforming their portfolio they want to know what they can change to keep up. But as advisors we have to explain to them that the S&P is not a good benchmark for a broadly diversified portfolio that combines a lot of different risks.*

Excerpt: *The conversation you should have with your clients is not that modern portfolio theory (MPT) is wrong, rather that it's time to question whether 60/40 remains the best way to optimize the risk-reward relationship. This asset mix is simply too narrow in the current low-dividend-yield, low-inflation, low-interest-rate environment.*

Steve on the stock selection process of the CMG Global Equity Portfolio: *"We rank global companies based on their financial strength and earnings strength, their consistency of margin and their ability to constantly produce good earnings."*



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*Download CMG's White Paper, "Understanding Tactical Investment Strategies" today!*

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### What is Tactical?

*Tactical simply means planning and positioning to accomplish a purpose. Tactical investment strategies are trading strategies that seek to capitalize on identified investment opportunities.*

## Top strategies at a glance:

**CMG Tactical Rotation Strategy:** This strategy uses a technical indicator to determine the top two of six asset classes: Domestic Equities, International Equities, Bonds, Commodities, REITs and Cash. Once the top two are determined, other technical indicators are applied to these two asset classes to confirm the selection. The result is one of the following three allocations: 100% invested, 50% invested or 100% cash.

**CMG Opportunistic All Asset Strategy:** The CMG Opportunistic All Asset Strategy is a quantitative investment strategy that analyzes a broad universe of mutual funds or exchange traded funds (ETFs) to determine a portfolio allocation with the goal of generating positive returns over multiple market cycles. The portfolio construction process utilizes proprietary mathematical and technical indicators to identify mutual funds or ETFs with emerging price trends across asset classes and market sectors. The portfolio is typically comprised of up to 11 positions that are designed to serve as an active risk managed solution versus traditional buy-and-hold equity investing.



### IMPORTANT DISCLOSURE INFORMATION

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