



# CMG LONG/SHORT FUND

## **Morningstar Category:**

Long/Short Equity

## **Investment Objective:**

Generate capital appreciation in rising and falling markets

## **Fund Advisor:**

CMG Capital Management Group, Inc.

## **Fund Details:**

SCOTX A - Share CUSIP 66537Y439

SCOIX I - Share\* CUSIP 66537Y421

**\*Class A share minimum investment is \$5,000 and the Class I share minimum investment is \$15,000 - see Fund prospectus**

## **Gross Expense Ratio:**

	<b>Class A</b>	<b>Class I</b>
Management Fee	1.00%	1.00%
Distribution Fees	0.40%	0.10%
Other Expenses	1.97%	1.97%
Acquired Fund Fees	0.39%	0.39%
Total Expenses	3.76%	3.36%

**An investor should consider the Fund's investment objective, risks, charges, and expenses carefully before investing. This and other information about the CMG Long/Short Fund is contained in the Fund's prospectus, which can be obtained by calling 866-CMG-9456. Please read the prospectus carefully before investing. The CMG Long/Short Fund is distributed by Northern Lights Distributors, LLC. Member FINRA/SIPC. NOT FDIC INSURED. MAY LOSE VALUE. NO BANK GUARANTEE. CMG Capital Management Group, Inc. is not affiliated with Northern Lights Distributors, LLC.**

3727-NLD-10/04/2016

## **FUND OBJECTIVE**

The Fund seeks to generate capital appreciation in rising and falling markets.

## **INVESTMENT PROCESS**

The Fund seeks to generate capital appreciation in rising and falling markets using a model-based long/short strategy that invests primarily in exchange-traded funds, inverse exchange-traded funds and other mutual funds that are representative of various U.S. large-cap equity indices.

The Fund's investment adviser utilizes a model in pursuing the Fund's investment objective. The model produces long or short signals by using technical analysis that attempts to gauge the direction of the overall market by determining market breadth. Market breadth is a technique used in technical analysis that seeks to determine overall market direction by analyzing the number of companies/sectors advancing relative to the number declining or which companies/sectors are exhibiting positive vs. negative momentum.

The model uses a multi-step process in portfolio construction:

- ) The model analyzes GICS (Global Industry Classification Standard) industry groups over multiple time frames using a combination of trend following and mean reversion indicators with each industry group determined to be bullish or bearish.
- ) Industry groups are then cap-weighted to generate the overall composite score that will determine a bullish or bearish market state.
- ) Market states can move between bullish and bearish market states based on the direction and magnitude of change in the overall composite score.
- ) The Advisor uses these signals in determining portfolio allocations between long and short equity positions. These components are combined in a rules-based framework that determines allocations of 100% long or 100% short positions in U.S. large-cap equity indices. The Fund does not short securities but invests in inverse exchange-traded funds in implementing its "short" strategy.

## **ABOUT THE FUND ADVISOR**

Founded in 1992, CMG Capital Management Group, Inc. is a Registered Investment Advisor specializing in tactical investment solutions. CMG has over 28 years of tactical and alternative investment experience. The CMG Family of Funds was created to deliver institutional level tactical and alternative investment solutions within a liquid 40 Act mutual fund structure.

**Definitions of Terms and Indices: Long: Buying a security such as a stock, commodity or currency, with the expectation that the asset will rise in value. Short: Any sale that is completed by the delivery of a security borrowed by the seller. Short sellers assume they will be able to buy the stock at a lower amount than the price at which they sold short. Large-cap: Large-cap ETFs typically invest in larger companies whose market capitalization is over \$10 billion.**

***Mutual Funds involve risk including the possible loss of principal. ETFs are subject to investment advisory and other expenses, which will be indirectly paid by the Fund. Debt issuers may not make interest and principal payments on securities held by the Fund, resulting in losses to the Fund. In addition, the credit quality of securities held by the Fund may be lowered if an issuer's financial condition deteriorates. The value of the Fund's investments in fixed income securities will fluctuate with changes in interest rates. Typically, a rise in interest rates causes a decline in the value of fixed income securities owned by the Fund. The Fund has a greater potential to realize losses upon the occurrence of adverse events affecting a particular issuer.***