CMG Absolute Return Strategies
R-Squared (Coefficient of Determination)
vs. Major Indices
July 2010

October 1993 to July 2010	Anchor Capital Long/Short High Yield	Anchor Capital Stratus Program	Bandon Directional Interest Rate	CMG Managed HY Bond Program	Cook S&P 500 ETF Trading Strategy	Heritage Capital Gold Strategy	Howard Capital Sector Rotation	Scotia Growth S&P Plus Program	System Research Treasury Bond Program	Nasdaq 100 Index	S&P 500 TR	Russell 2000 Index	Dow Jones Industrial Average	Barclays Aggregate Bond Index	Barclays High Yield Credit Bond Index
CMG Alternative Investment Correlations:															
Anchor Capital Long/Short High Yield Program	**1.000**	0.069	0.032	0.345	0.108	0.004	0.027	0.065	0.018	0.138	0.176	0.144	0.166	0.057	0.134
Anchor Capital Stratus Program	0.069	**1.000**	0.000	0.047	0.046	0.006	0.196	0.005	0.013	0.161	0.127	0.165	0.096	0.030	0.048
Bandon Directional Interest Rate Program	0.032	0.000	**1.000**	0.059	0.146	0.017	0.008	0.008	0.026	0.034	0.043	0.034	0.042	0.002	0.010
CMG Managed HY Bond Program	0.345	0.047	0.059	**1.000**	0.023	0.000	0.084	0.002	0.025	0.134	0.269	0.320	0.235	0.041	0.451
Cook S&P 500 ETF Trading Strategy	0.108	0.046	0.146	0.023	**1.000**	0.029	0.314	0.095	0.093	0.000	0.000	0.000	0.000	0.049	0.000
Heritage Capital Gold Strategy	0.004	0.006	0.017	0.000	0.029	**1.000**	0.002	0.083	0.026	0.007	0.002	0.000	0.000	0.004	0.001
Howard Capital Sector Rotation Program	0.027	0.196	0.008	0.084	0.314	0.002	**1.000**	0.001	0.021	0.304	0.236	0.291	0.227	0.017	0.059
Scotia Partners Growth S&P Plus Program	0.065	0.005	0.008	0.002	0.095	0.083	0.001	**1.000**	0.010	0.006	0.017	0.000	0.022	0.001	0.006
System Research Treasury Bond Program	0.018	0.013	0.026	0.025	0.093	0.026	0.021	0.010	**1.000**	0.004	0.002	0.000	0.003	0.292	0.000
Index Correlations:															
Nasdaq 100 Index	0.138	0.161	0.034	0.134	0.000	0.007	0.304	0.006	0.004	**1.000**	0.657	0.579	0.473	0.000	0.238
S&P 500 TR	0.176	0.127	0.043	0.269	0.000	0.002	0.236	0.017	0.002	0.657	**1.000**	0.627	0.886	0.008	0.363
Russell 2000 Index	0.144	0.165	0.034	0.320	0.000	0.000	0.291	0.000	0.000	0.579	0.627	**1.000**	0.497	0.000	0.384
Dow Jones Industrial Average	0.166	0.096	0.042	0.235	0.000	0.000	0.227	0.022	0.003	0.473	0.886	0.497	**1.000**	0.003	0.286
Barclays Aggregate Bond Index	0.057	0.030	0.002	0.041	0.049	0.004	0.017	0.001	0.292	0.000	0.008	0.000	0.003	**1.000**	0.051
Barclays High Yield Credit Bond Index	0.134	0.048	0.010	0.451	0.000	0.001	0.059	0.006	0.000	0.238	0.363	0.384	0.286	0.051	**1.000**

Description Of R-Squared

The coefficient of determination (R-Squared) serves as an indication of the "fit' of the data points to the regression line. Regression models are used to predict one variable based on the observations of another variable. For our purposes, the independent variable is a market index return (i.e. S&P 500) and the dependent variable is the performance of a fund or strategy. Visually, the monthly results of each are plotted on a scatter graph, each point representing an "x" value equal to the index return and a "y" value equal to the fund return for the same month. A "least-squares" linear regression line is calculated as a "best-fit" to represent the data points.

An R-squared of 1.00 would indicate that each data point was located on the regression line; in other words, a perfect fit. An r-squared near zero would indicate that the regression line is essentially meaningless - date points appear random and do not strongly support the regression line. **A low r-squared is generally appealing when seeking an investment which acts independently of the market index.**

Note: Starting date of data range is based off the inception of the CMG Managed HY Bond Program.
Barclays Aggregate Bond Index was formerly known as the Lehman Brothers Aggregate Bond Index. Barclays High Yield Credit Bond Index was formerly known as the Lehman Brothers High Yield Credit Bond Index.

CMG Absolute Return Strategies
Correlation Coefficient
vs. Major Indices
July 2010

October 1993 to July 2010	Anchor Capital L/S High Yield	Anchor Capital Stratus Program	Bandon Directional Interest Rate	CMG Managed HY Bond Program	Cook S&P 500 ETF Trading Strategy	Heritage Capital Gold Strategy	Howard Capital Sector Rotation	Scotia Growth S&P Plus Program	System Research Treasury Bond Program	Nasdaq 100 Index	S&P 500 TR	Russell 2000 Index	Dow Jones Industrial Average	Barclays Aggregate Bond Index	Barclays High Yield Credit Bond Index
CMG Alternative Investment Correlations:															
Anchor Capital L/S High Yield Program	**1.000**	0.263	(0.180)	0.587	(0.328)	(0.060)	0.164	(0.255)	0.135	0.372	0.420	0.380	0.407	0.240	0.367
Anchor Capital Stratus Program	0.263	**1.000**	(0.012)	0.217	(0.214)	0.076	0.443	(0.069)	(0.115)	0.401	0.357	0.407	0.309	(0.172)	0.220
Bandon Directional Interest Rate Program	(0.180)	(0.012)	**1.000**	(0.244)	0.383	(0.128)	(0.091)	0.088	0.162	(0.185)	(0.208)	(0.185)	(0.204)	(0.041)	(0.098)
CMG Managed HY Bond Program	0.587	0.217	(0.244)	**1.000**	(0.152)	(0.010)	0.289	0.047	0.159	0.366	0.519	0.565	0.484	0.202	0.671
Cook S&P 500 ETF Trading Strategy	(0.328)	(0.214)	0.383	(0.152)	**1.000**	0.170	(0.561)	0.308	0.304	0.020	(0.003)	(0.007)	0.008	0.221	(0.010)
Heritage Capital Gold Strategy	(0.060)	0.076	(0.128)	(0.010)	0.170	**1.000**	0.048	0.288	(0.160)	(0.083)	(0.044)	(0.001)	0.008	(0.065)	(0.034)
Howard Capital Sector Rotation Program	0.164	0.443	(0.091)	0.289	(0.561)	0.048	**1.000**	(0.024)	(0.144)	0.551	0.486	0.540	0.477	(0.132)	0.242
Scotia Partners Growth S&P Plus Program	(0.255)	(0.069)	0.088	0.047	0.308	0.288	(0.024)	**1.000**	0.098	(0.076)	(0.129)	(0.006)	(0.150)	(0.024)	0.079
System Research Treasury Bond Program	0.135	(0.115)	0.162	0.159	0.304	(0.160)	(0.144)	0.098	**1.000**	(0.063)	0.041	0.012	0.054	0.540	(0.006)
Index Correlations:															
Nasdaq 100 Index	0.372	0.401	(0.185)	0.366	0.020	(0.083)	0.551	(0.076)	(0.063)	**1.000**	0.811	0.761	0.688	(0.012)	0.488
S&P 500 TR	0.420	0.357	(0.208)	0.519	(0.003)	(0.044)	0.486	(0.129)	0.041	0.811	**1.000**	0.792	0.941	0.091	0.603
Russell 2000 Index	0.380	0.407	(0.185)	0.565	(0.007)	(0.001)	0.540	(0.006)	0.012	0.761	0.792	**1.000**	0.705	(0.003)	0.620
Dow Jones Industrial Average	0.407	0.309	(0.204)	0.484	0.008	0.008	0.477	(0.150)	0.054	0.688	0.941	0.705	**1.000**	0.054	0.534
Barclays Aggregate Bond Index	0.240	(0.172)	(0.041)	0.202	0.221	(0.065)	(0.132)	(0.024)	0.540	(0.012)	0.091	(0.003)	0.054	**1.000**	0.226
Barclays High Yield Credit Bond Index	0.367	0.220	(0.098)	0.671	(0.010)	(0.034)	0.242	0.079	(0.006)	0.488	0.603	0.620	0.534	0.226	**1.000**

Description Of Correlation

Correlation, represented by the correlation coefficient (R), measures the extent of linear association of two variables, and ranges between -1 and +1. Perfect positive correlation (a correlation co-efficient of +1) implies that as one security moves, either up or down, the other security will move in lockstep, in the same direction. Alternatively, perfect negative correlation (correlation co-efficient of -1) means that if one security moves in either direction the security that is perfectly negatively correlated will move by an equal amount in the opposite direction. If the correlation is 0, the movements of the securities is said to have no correlation. It is completely random. For example, if one security moves up or down there is as good a chance that the other will move either up or down, but the way in which they move is totally random. A correlation between -0.50 and 0.50 signifies a weak relationship between a strategy and either its peers or the general markets. We believe incorporating non-correlating strategies into a portfolio is essential for diversification.

Note: Starting date of data range is based off the inception of the CMG Managed HY Bond Program.
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