

The CMG Jefferson National High Yield Annuity Program trades high yield mutual funds using a proprietary quantitative buy/sell/hold model. 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 model looks at daily data such as price, volume, yield spreads and default rates to generate “buy”, “sell” and “hold” signals.

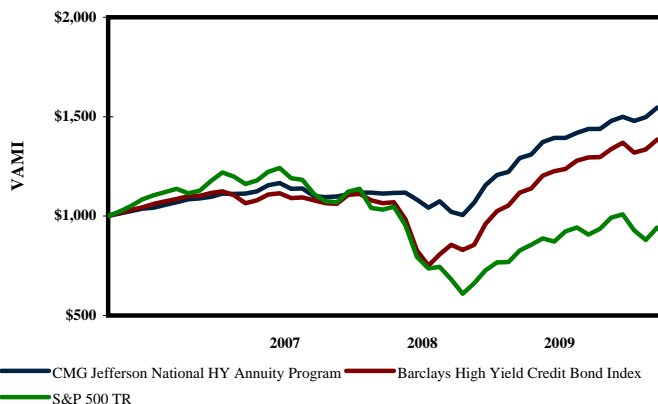
Monthly Performance (%) Net of Fees***

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2010	1.36%	0.10%	2.74%	1.41%	-1.38%	1.26%	3.15%	0.08%					8.97%
2009	-4.92%	-1.63%	6.27%	8.12%	4.45%	1.31%	5.68%	1.36%	4.85%	1.45%	0.04%	1.80%	31.96%
2008	-3.49%	-0.43%	0.40%	0.93%	0.74%	0.08%	-0.51%	0.33%	0.07%	-3.12%	-3.69%	3.08%	-5.68%
2007	1.18%	1.30%	0.56%	0.71%	1.38%	-0.08%	0.21%	1.00%	2.61%	1.06%	-2.56%	0.25%	7.80%
2006								1.38%	1.12%	1.27%	0.34%	1.48%	5.71%

Returns

	Jefferson	BHY	S&P
Compound ROR	11.25%	8.28%	-2.59%
Annualized Standard Deviation	8.30%	15.00%	18.78%
Annualized Down Deviation (3.0%)	4.50%	10.93%	15.10%
Worst Drawdown	-13.83%	-33.31%	-50.95%
Annualized Sharpe (3.0%)	0.97	0.41	-0.20
% Positive Months	79.59%	73.47%	59.18%
Best Month	8.12%	12.10%	9.57%
Worst Month	-4.92%	-15.91%	-16.80%
Cumulative Return	54.56%	38.39%	-10.17%
Cumulative VAMI	\$ 1,546	\$ 1,384	\$ 898

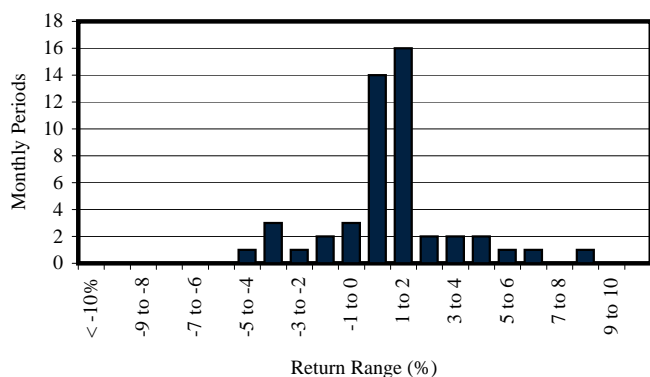
Growth of Initial \$1000



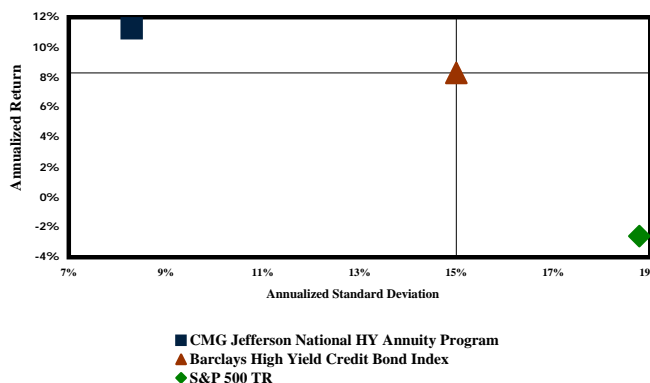
Comparison To Benchmark(s)

	BHY	S&P
Alpha (monthly)	0.63%	0.94%
Annualized Alpha	7.85%	11.94%
Beta	0.38	0.34
Correlation	0.69	0.77
R-Squared	0.47	0.59

Distribution of Returns



Risk vs. Return



***Please see Page 2 for important performance disclosure information.

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Summary of Terms

Inception Date	October 1, 1993	Management Fee	2.50%
Minimum Investment	\$100,000	Custodian	TCA
Subscriptions	Daily	Legal Counsel	Stark & Stark
Redemptions	Daily		

Description Of The Technical Terms Used In This Report

Returns:

Compound ROR: The annualized rate of return that has been compounded since inception.

Standard Deviation: A measure of the degree to which an individual probability value varies from the distribution mean. The higher the number, the greater the risk.

Down Deviation (3.00%): A value representing the potential loss that may arise from risk as measured against a minimum acceptable return. Downside deviation aims to isolate the negative portion of volatility.

Sharpe Ratio (3.00%): A reward of a portfolio's excess return relative to the total variability of the portfolio.

Cumulative Return (since inception): A rate of return that has been compounded for more than one year.

Cumulative VAMI (growth of \$1000): The Value Added Monthly Index reflects the growth of a hypothetical \$1,000 in a given investment over time.

Benchmarks: The benchmarks used in this report are the Barclays High Yield Credit Bond Index (BHY) and the S&P 500 Total Return Index (S&P).

Correlation To Benchmark(s):

Alpha: The premium an investment portfolio earns above a certain benchmark. A positive alpha indicates that the investor earned a premium over that index.

Beta: The measurement of a dependent variable's (fund's) volatility relative to an independent variable (benchmark). Beta is the percent change in the price of the dependent variable given a 1% change in the independent variable. This reveals if the dependent variable moves in step with the independent variable; where a beta of 1 indicates perfect alignment.

Correlation: The degree to which the fluctuations of one variable are similar to those of another.

R-Squared: A correlation term describing the variance in the dependent variable that can be explained by the independent or explanatory variable. The coefficient of determination (R-Squared) is a pure number ranging 0 to 1, with 1 giving perfect correlation and 0 giving perfect non-correlation. It is often used to describe the amount of investment risk in portfolios that can be associated with market risk.

CMG Capital Management Group, Inc. Disclosure Statement

CMG Capital Management Group, Inc. ("CMG") is an SEC registered investment adviser located in the Commonwealth of Pennsylvania. CMG serves as the advisor to the Tactical Investment Strategy.

Performance Disclosure

CMG Capital Management Group, Inc. ("CMG") composite performance results represents performance results from a blend of continuously managed CMG accounts, which are historically representative of the trading signals for CMG's high yield bond program during the corresponding time period. Performance from January 2007 through the present is based off a blend of accounts managed by CMG and held at Jefferson National. Performance results from January 2007 to the present were compiled solely by CMG, are unaudited, and have not been independently verified. CMG maintains all information supporting the performance results in accordance with regulatory requirements. For reasons including: variances in portfolio account holdings (i.e. different high yield mutual funds/variable annuity sub-divisions), variances in the investment management fee incurred, market fluctuation, the date on which a client engaged CMG's investment management services, and any account contributions or withdrawals, the performance of a specific CMG client's account may have varied substantially from the indicated composite portfolio performance results. In addition, the underlying individual mutual funds/variable annuity sub-divisions that comprise, and will continue to comprise, the high yield program are subject to change at the discretion of CMG and/or the variable annuity sponsor.

The performance results reflect the reinvestment of dividends and other account earnings, and are net of applicable account transaction and, net of the current management fee of 2.50% and any separate fees assessed directly by each unaffiliated mutual fund holding that comprised the account. Performance is not net of custodial fees. Different client accounts will generally be comprised of different high yield mutual funds pursuant to which CMG exchanges client assets between the high yield bond mutual funds (or sub-divisions) and money market based upon CMG's trading signals. Historical and current information pertaining to the underlying mutual funds/variable annuity sub-divisions and changes thereto is available from CMG and/or the variable annuity sponsor upon request.

Past performance may not be indicative of future results. Therefore, no current or prospective client should assume that future performance will be profitable, or equal to any corresponding historical index. The composition/percentage weighting of each corresponding CMG index (i.e. S&P 500 Total Return or Barclays High Yield Credit Bond Index) is also disclosed. For example, the S&P 500 Composite Index (the "S&P") is a market capitalization-weighted index of 500 widely held stocks often used as a proxy for the stock market. Standard & Poor's chooses the member companies for the S&P based on market size, liquidity, and industry group representation. Included are the common stocks of industrial, financial, utility, and transportation companies. The historical performance results of the S&P (and those of or all indices) do not reflect the deduction of transaction and custodial charges, nor the deduction of an investment management fee, the incurrence of which would have the effect of decreasing indicated historical performance results. The S&P is not an index into which an investor can directly invest. The historical S&P performance results (and those of all other indices) are provided exclusively for comparison purposes only, so as to provide general comparative information to assist an individual client or prospective client in determining whether the performance of CMG's portfolio meets, or continues to meet, his/her investment objective(s). A corresponding description of the other comparative index, the Barclays High Yield Credit Bond Index (i.e., a fixed income index) is available from CMG upon request. It **should not** be assumed that CMG program holdings will correspond directly to any such comparative index. The CMG performance results do not reflect the impact of taxes.

In the event that there has been a change in a client's investment objectives or financial situation, he/she/it is encouraged to advise CMG immediately. Different types of investments and/or investment strategies involve varying levels of risk, and there can be no assurance that any specific investment or investment strategy (including the investment strategies devised or undertaken by CMG) will be profitable for a client's or prospective client's portfolio. All performance results have been compiled solely by CMG and have not been independently verified. Information pertaining to CMG's advisory operations, services, and fees is set forth in CMG's current disclosure statement, a copy of which is available from CMG upon request (or on CMG's website, www.cmgfunds.net).

Data for the Barclays High Yield Credit Bond Index and S&P 500 Total Return indices was calculated using PerTrac Financial Solutions, LLC. It should not be assumed that CMG account holdings will correspond directly to any such comparative index.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE