Strategy Profile

Total Return Municipal

Objective

Actively managed high-quality municipal bond account with a total return objective that seeks to provide income and preserve the client's principal over multiple interest rate cycles.

Highlights

- Separately managed accounts
- High credit quality securities & surveillance
- Institutional market access & trading
- Active total return fixed income management
- Boutique service & portfolio team access

Investment Philosophy

Cumberland Advisors manages tax-free municipal bond portfolios through a full interest rate cycle.

- Active approach to maturities & durations in response to market changes, credit quality and federal reserve policy.
- Portfolios are managed to meet individual client objectives taking into account state of residence and effective tax rates.
- Our firm utilizes a disciplined approach to select high quality ('A' or better) investment grade liquid issues. We employ a proprietary credit scoring system to monitor developments.

Portfolio Managers

John R. Mousseau, CFA
CEO & Director of Fixed Income

Georgetown University,
BA Economics
Brown University, MA Economics

Portfolio Characteristics

- Average Maturity: 12 - 20 years
- Average Number of Holdings (Per $1MM Account): 10 - 15
- Average Duration: 3 - 8 years
- Average Credit Rating: AA

Disclosure: Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product (including the investment strategies recommended of undertaken by Cumberland Advisors), equal any corresponding indicated historical performance level(s), be suitable for your portfolio or individual situation, or prove successful. Bonds have the following known risks: credit, default, liquidity and interest rate. Credit risk involves the creditworthiness of the issuer affecting their ability to pay their debt obligations and take on additional debt at favorable rates. Default risk increases with a management failure, inadequate revenue streams to cover the debt service, or fraud. Liquidity risk impacts the ability to move out of a security while actively rebalancing portfolio durations to meet strategy adjustments. Interest rate risk comes from rising inflation eroding the real value of a bond's principal and the buying power of the interest payments. Given the tax benefits, the interest rate for municipal bonds is usually lower than on taxable fixed-income securities, such as corporate bonds. The benefit of investing in tax-free municipal bonds vs. taxable fixed income securities diminishes as your tax bracket declines. The portfolio discussed above does not use leverage. It is not our intention to state or imply in any manner that past results and profitability are an indication of future performance. This does not constitute an offer to sell or the solicitation or recommendation of an offer to buy or sell any securities directly or indirectly herein.

Benchmark: Bloomberg Municipal Bond Index. The Bloomberg Municipal Bond Index is a rules-based, Market-value weighted index engineered for the long-term tax-free bond market. To be included in the index, bonds must be rated investment-grade (Baa3/BBB- or higher) by at least two of the following ratings agencies: Moody's, S&P, Fitch. If only two of the three agencies rate the security, the lower rating is used to determine index eligibility. If only one of the three agencies rates a security, the rating must be investment-grade. They must have an outstanding par value of at least $7 million and be issued as part of a transaction of at least $75 million. The bonds must be fixed rate, have a dated-date after December 31, 1990, and must be at least one year from their maturity date. Remarketed issues taxable municipal bonds, bonds with floating rates , and derivatives, are excluded from the benchmark. The index has four main sectors: general obligation bonds, revenue bonds, insured bonds (including all insured bonds with a Aaa/AAA rating), and pre-refunded bonds. Most of the index has historical data to January 1980. In addition, sub-indices have been created based on maturity, state, sector, quality, and revenue source, with inception dates later than January 1980.