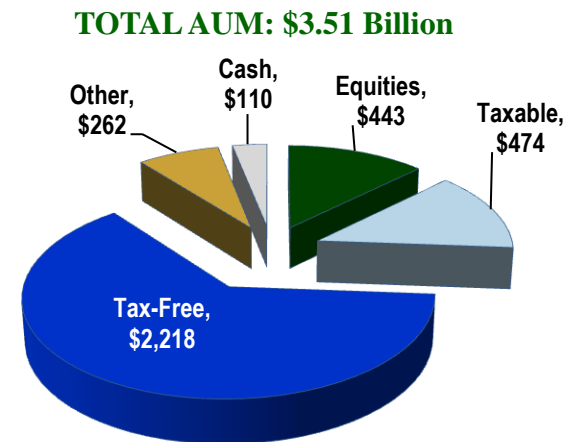


U.S. Balanced

Company Profile

- ✓ Managing client portfolios since 1973
- ✓ Over \$3.5 billion total assets under management
 - Individuals
 - Institutions
 - Retirement plans
 - Government entities
 - Cash management portfolios
 - Foundations and Charitable Accounts
- ✓ Team-based approach with average team member investment experience of over 25 years
- ✓ Clients located throughout the US and abroad
- ✓ Offices
 - Headquartered in Sarasota, Florida
 - Branch office in Vineland, New Jersey



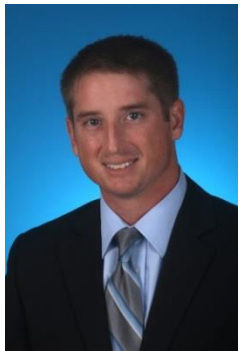
Investment Team



David R. Kotok cofounded Cumberland Advisors in 1973 and has been its Chief Investment Officer since inception. He holds a B.S. in economics from The Wharton School of the University of Pennsylvania, an M.S. in organizational dynamics from The School of Arts and Sciences at the University of Pennsylvania, and an M.A. in philosophy from the University of Pennsylvania. Mr. Kotok's articles and financial market commentaries have appeared in The New York Times, The Wall Street Journal, Barron's, and other publications. He is a frequent contributor to Bloomberg TV and Bloomberg Radio, Yahoo Finance TV, and other media. Mr. Kotok has served as Program Chairman and currently serves as a Director of the Global Interdependence Center (GIC), www.interdependence.org, whose mission is to encourage the expansion of global dialogue and free trade in order to improve cooperation and understanding among nation states, with the goal of reducing international conflicts and improving worldwide living standards. Mr. Kotok chaired its Central Banking Series and organized a five-continent dialogue held in Cape Town, Hong Kong, Hanoi, Milan, Paris, Philadelphia, Prague, Rome, Santiago, Shanghai, Singapore, Tallinn, and Zambia (Livingstone). He has received the Global Citizen Award from GIC for his efforts. Mr. Kotok is a member of the National Business Economics Issues Council (NBEIC), the National Association for Business Economics (NABE) and served on the Research Advisory Board of BCA Research. Mr. Kotok has served as a Commissioner of the Delaware River Port Authority (DRPA) and on the Treasury Transition Teams for New Jersey Governors Kean and Whitman. He has also served as a board member of the New Jersey Economic Development Authority and as Chairman of the New Jersey Casino Reinvestment Development Authority. He has authored or co-authored four books, including the second edition of *From Bear to Bull with ETFs* and *Adventures in Muniland*.



John Mousseau, CFA joined the firm in September 2000. He is currently President and Chief Executive Officer, and the Director of Fixed Income at Cumberland Advisors. In this capacity, Mr. Mousseau is a portfolio manager and has overall responsibility for portfolio construction, management, analysis, trading, and research for all tax-free and taxable bond accounts. Mr. Mousseau has over 30 years of investment management experience. Prior to Cumberland, he was the Director of Municipal Bond Investments for Lord Abbett & Company. He also worked previously for Shearson Lehman Brothers and E.F. Hutton. His comments and analyses have appeared in The Bond Buyer, Barron's, the Wall Street Journal, Bloomberg, Forbes, The Philadelphia Inquirer, and New York Times. In addition, he has appeared Bloomberg Television and Radio, Reuters, CNBC, and on Sarasota-Manatee's local media for commentary on fixed-income and the broader financial markets. He continues to speak at various industry conferences, and has been a guest lecturer at Florida International University. Mr. Mousseau holds an A.B. in economics from Georgetown University and an M.A. in economics from Brown University, and he is a Chartered Financial Analyst. He is a member of the Philadelphia Council for Business Economics (PCBE), the National Federation of Municipal Analysts (NFMA), the National Association of Business Economics (NABE), the Washington Association of Money Managers (WAMM), and the National Economists Club (NEC). He is a member, and past chair of the Municipal Bond Buyers Conference. He has also served as an instructor at the New York Institute of Finance and Bond Market Association. Mr. Mousseau resides in Sarasota, Florida, is active in alumni affairs at Georgetown University, and is President of the Rotary Club of Sarasota Bay. He is a member of the Tampa Bay chapter of the CFA Institute. Mr. Mousseau co-authored the book, *Adventures in Muniland*.



Daniel Himelberger Daniel Himelberger, joined Cumberland Advisors in July 2013 after graduating Cum Laude from the University of South Florida with a B.A. in Finance. He is a Portfolio Manager and Analyst for the Fixed Income Department. His responsibilities include assisting the Fixed Income Department. Mr. Himelberger participates in the management of taxable accounts, trading of taxable bonds and manages client requests. Mr. Himelberger was born and raised in Lakeland, Florida. Prior to joining Cumberland Advisors he worked for a local construction company while attending college.

Investment Team



Dr. Robert A. Eisenbeis serves as Cumberland Advisors' Vice Chairman and Chief Monetary Economist. In this capacity, he advises Cumberland's asset managers on developments in US financial markets, the domestic economy and their implications for investment and trading strategies. Dr. Eisenbeis was formerly Executive Vice-President and Director of Research at the Federal Reserve Bank of Atlanta, where he advised the bank's president on monetary policy for FOMC deliberations and was in charge of basic research and policy analysis. Prior to that, he was the Wachovia Professor of Banking at the Kenan-Flagler School of Business at the University of North Carolina at Chapel Hill. He has also held senior positions at the Federal Reserve Board and FDIC. He is currently a member of the Shadow Financial Regulatory Committee and Financial Economist Roundtable and a fellow member of both the National Association of Business Economics and Wharton Financial Institutions Center. He holds a Ph.D. and M.S. degree from the University of Wisconsin and a B.S. degree from Brown University. Dr. Eisenbeis moved to Lakewood Ranch, Florida with his wife and daughter in 2012.



Matthew McAleer serves as the Executive Vice President and Director of Equity Strategies at Cumberland Advisors. He is responsible for overseeing all aspects of Cumberland Advisors' equity group including portfolio management, research and trading. With a focus on quantitative research, Mr. McAleer uses detailed trend, price and relative strength analysis to manage portfolio construction and to identify investment opportunities across multiple asset classes. Mr. McAleer began as an investment advisor in 1994 analyzing bonds, stocks, mutual funds and eventually exchange-traded funds at Wheat First Securities. At Wheat First Securities, he began developing the portfolio management style that has become his hallmark management style that focuses on tactical asset allocation using trend and relative strength analysis. McAleer has over 25 years of investment management experience and previously led the tactical asset allocation strategies at Hudson Canyon Investment Counselors and Classic Asset Management. He holds a B.S. degree in marketing/economics from Rider University, where he also competed for the wrestling team.

Why Balanced Portfolios?

Active Fixed Income Management

- ✓ High-credit quality separately managed accounts using individual bonds
- ✓ Duration targeting and adjustment manages interest rate risk and portfolio return over complete business cycle

Active Equity Management using ETFs

- ✓ Active ETF model construction covers the broad market, industries, and sectors within the US
- ✓ Uses both fundamental (macro) inputs as well as technical inputs in management, analysis and purchase

Active Allocation Management within the Portfolio

- ✓ The balanced portfolio allocation between bonds and equities is flexible based on the market conditions (benchmark against 50/50 allocation)

US Balanced Portfolio Style

Investment Objective

- ✓ Match or exceed the performance of the benchmark with lower volatility over a market cycle.

Investment Philosophy & Approach

- ✓ Macroeconomic factors and fundamentals drive asset class returns
- ✓ Allocation techniques help stabilize the returns while reducing overall risk
- ✓ Attention to risk management is as important as return management over time
- ✓ Employ individual bonds with exchange-traded funds (ETFs) to blend active management of investments in an active, balanced allocation portfolio

Active US ETF Management

Inputs include Macroeconomic Environment, Federal Reserve Policy, Interest Rate Cycle, Geopolitical Environment, ETF Construction, Historical Total Return

Construction of ETF Portfolio in the Balanced Account

- ✓ 10 to 25 ETFs
- ✓ Actively managed sector allocation across 10 sectors, including multiple sub-sectors of US market

Sell Discipline

- ✓ Relative total return to benchmark, technical breakdown, changes in macroeconomic views, better opportunities

Active Bond Management

Investment Objective

- Cumberland Advisors' objective is to design customized fixed income portfolios utilizing our long-standing partnerships with fixed income investment professionals to source appropriate bonds in portfolios.
- Maintain our disciplined, proven investment philosophy and process that aims to match or beat guided benchmarks while also managing risk of loss to portfolios.
 - Use indices as guides, not absolutes to our overall portfolio expectations

Investment Philosophy

- Actively manage client portfolios by strategically taking advantage of undervalued opportunities and purchasing high quality bonds in portfolios.
- Tactically extend or reduce durations when compelling opportunities are presented in the market; enter markets in periods of hysteria and look to exit markets in periods of euphoria.
- Provide opportunities to outperform guided benchmarks over a full market cycle with emphasis on long-lasting relationships and continued dialogue among clients, tax advisors, accountants, and estate planners.

5-Stage Bond Model Process

1. Evaluate Markets, Economic Data, and Outlook

2. Design Fixed Income Strategy

3. Strategic Bond Selection

4. Survey & Monitor Bonds

5. Tactically Adjust Strategy to Market Environment

Portfolio Summary

Type of Investment Structure

- ✓ Individual Account

Portfolio Objective

- ✓ Match or beat benchmark with less volatility in returns

Returns

- ✓ Short-term and long-term capital gains

Rebalancing Frequency

- ✓ Opportunistic

Recent Developments

- The Federal Reserve instituted four policy changes in 2018 consisting of 25 basis point moves each. In 2019 they have cut the federal funds rate twice with the current range for the federal funds rate at 1.75% – 2.00%.
 - Short-term muni/treasury yield ratios closer to historic norms of 70%
 - Long-term muni/treasury yield ratios have dropped below 100%
- Core inflation has picked up from 2.2% to 2.4%.
- Real yields* rose into November 2018 to over 1% on the 10 year bond but has come down significantly as overall interest rates have moved lower.
- Current real yield* on the 10 year treasury is -0.73%
- Federal Reserve has softened interest rate hike language and balance sheet shrinkage has slowed.

*Real yield is the nominal yield of a bond minus the rate of inflation

Recent Developments

Continued

- Hurricane season 2019 - Dorian soaked the Carolinas after battering the Bahamas and is responsible for major damage and lost lives. Storm Imelda soaked parts of Texas with estimates of over 40 inches of rain in 72 hours. A federal disaster was declared for the six affected counties which entitled them to FEMA and other aid.
- The receipt of FEMA aid is important in the recovery of areas affected by natural disasters.
- 2019 volume is expected to be \$400 billion, much higher than beginning of the year estimates of \$340 billion, as issuers rush to market with taxable municipal bonds to refund outstanding higher cost tax-exempt bonds.
- High tax states such as California, New York, and New Jersey have seen increased demand because new SALT provisions of tax bill make owning out of state munis expensive.

Disclosure

Composites: Cumberland Advisors reserves the right to waive the minimum account size or impose a higher account size. Additional information regarding policies for calculating and reporting returns and/or a complete list and description of Cumberland Advisors' composites, is available by contacting your account executive at (800) 257-7013, or write to Cumberland Advisors, One Sarasota Tower, 2 N. Tamiami Trail, Suite 303, Sarasota, FL 34236.

ETFs: Due to the rebalancing methodology strategy used for ETF strategies, positions may be sold or closed in the very short-term (within 30 days). Also, the same security may be bought for some accounts, while being sold for others. This may result in increased commissions for some clients. This rebalancing methodology does not take into consideration any tax implications that may result from this type of trading. Exchange traded funds may not correlate to designated indices and, may have additional fees and expenses, including the possible duplication of management fees. Indices are provided for comparative purposes only as you cannot invest directly in an index.

Past Performance: Past performance is not an indication or guarantee of future performance..