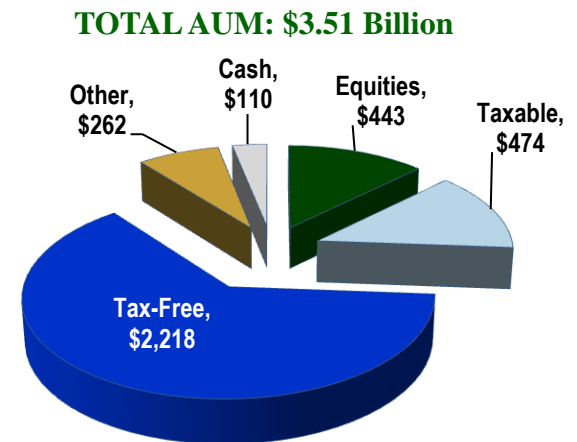


Sector Alpha

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



ETF 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*.



Dr. Leo Chen joined Cumberland Advisors as a consultant in 2014 and became a portfolio manager in 2016. Dr. Chen is an investment adviser representative. Dr. Chen holds a Ph.D. in finance from the University of South Florida and a B.A. in economics from the University of Rochester. In 2010, he was a research scholar in mathematics at the Fields Institute for Research in Mathematical Sciences. Dr. Chen specializes in quantitative analysis, particularly in time-series empirical research. He also works in areas such as stochastic calculus and Brownian motion. His research utilizes quantitative methods to examine market returns and underlying volatilities. Dr. Chen provides applications of mathematics targeted at improving risk adjusted returns relative to benchmarks. Dr. Chen's research has been quoted by the Wall Street Journal, Barron's, Morningstar, Bloomberg Radio, MarketWatch, Business Insider, Yahoo!, and various international media in Asia and Europe.

ETF Team



Matthew McAleer serves as the Executive Vice President and Director of Equity Strategies. 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.



Dr. Robert A. Eisenbeis serves as Cumberland Advisors' 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 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.

Why CA & Actively Managed ETFs?

Blend of disciplined, quantitative process with fundamental analysis

Proprietary Approach to Create Alpha

- ✓ Quantitative analysis into the equity market
- ✓ Conviction based active sector selection
- ✓ Disciplined rotational process

Portfolio Style

Investment Objective

- ✓ Match or exceed the performance of the benchmark S&P 500 with lower volatility over a market cycle

Investment Philosophy

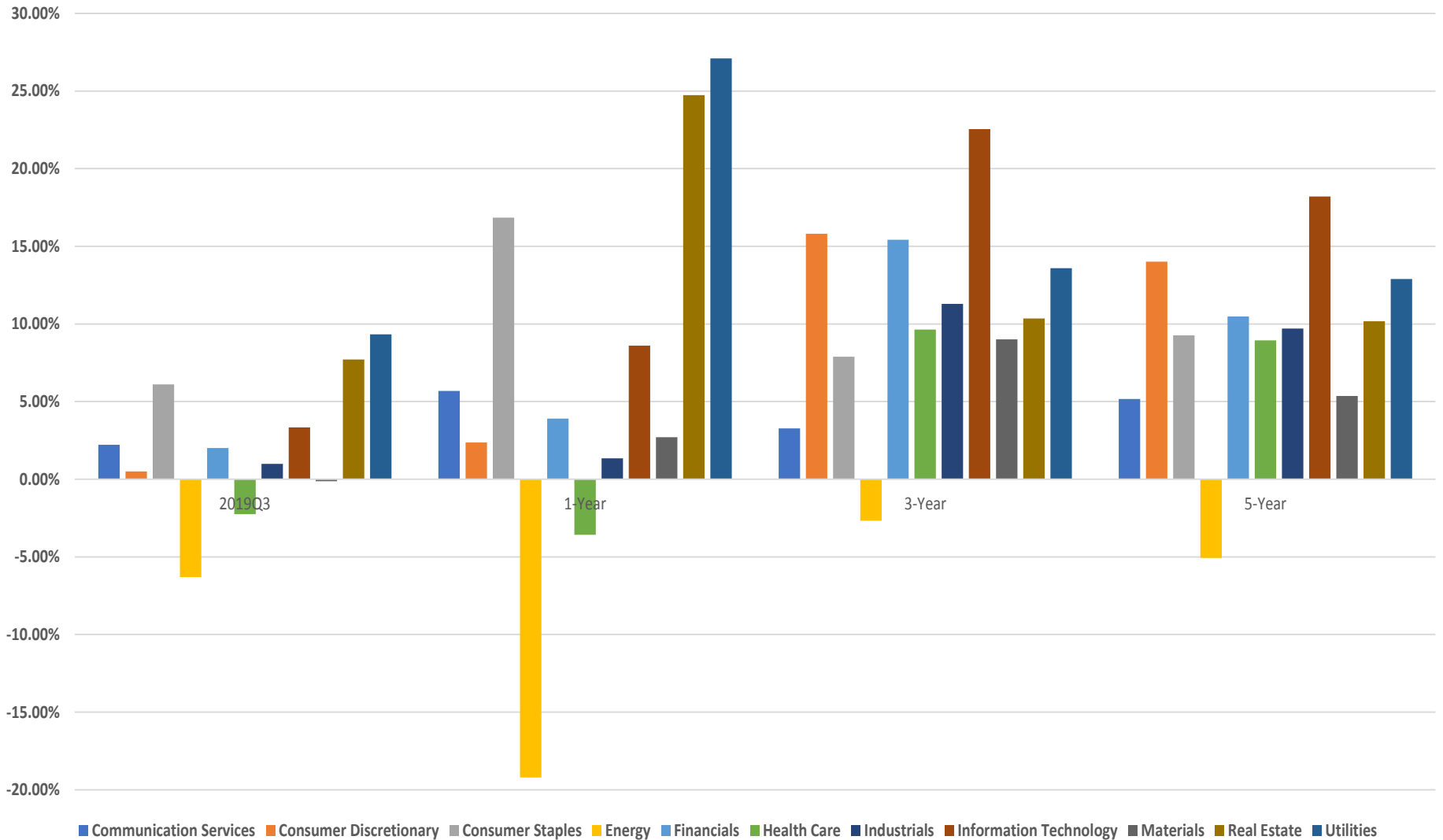
- ✓ Sectors tend to perform differently throughout market cycles
- ✓ Top-down approach to discover sectors demonstrating the highest relative strength in each market cycle using quantitative analysis
- ✓ Rotate between cyclical and defensive sectors corresponding to market conditions

Investment Approach

- ✓ Actively manage a broad-based U.S. equity portfolio by holding sector ETFs

Sector Performance

Sector Performance



Source: Bloomberg

Model Process

1. Identify Market Cycle

Detect bullish and bearish trends in the market using quantitative analysis



2. Sector Selection

Equal-weight the top-3 cyclical sectors upon a bullish signal; Equal-weight the top-3 defensive sectors upon a bearish signal



3. Active Rotation

Quantitative analysis determines the rotation into cyclical and defensive sectors



4. Portfolio Construction

Constant holding of 3 ETFs
Quantitative approach based on fundamental data
Disciplined rotation

Dynamic Modeling

Quantitative Indicators

- ✓ Multi-factor model using quantitative analysis to determine market condition
- ✓ Daily model updates using live data
- ✓ Bayes' theorem as the foundation of the model structure
- ✓ Constant sector monitoring to identify the top 3 cyclical and top 3 defensive sectors

Sector Rotation

- ✓ Continuous quantitative analysis on each sector in the S&P 500 index
- ✓ Combine broad-market and individual sector analyses to determine sector holding
- ✓ Quantitative approach allows holding to adjust promptly

Portfolio Advantages

- ✓ Focus on both absolute and risk-adjusted performance
- ✓ Active management between cyclical and defensive positions
- ✓ Quantitative methodology incorporates large number of data points into analysis
- ✓ Daily analysis of both macro and micro indicators
- ✓ Baseline model includes data from equity, fixed income, derivative markets
- ✓ Numerical analysis of market events
- ✓ Market history as background study

Portfolio Summary

Type of Investment Structure

- ✓ Individual Account (not a pooled instrument)

Portfolio Objective

- ✓ Match or beat benchmark portfolio with less volatility in returns

Returns

- ✓ Short-term and long-term capital gains and losses
- ✓ Dividends

Holdings

- ✓ Sector ETFs

Disclosure

Calculation Methodology: All performance data is calculated in US dollars. Quarterly and year to date time-weighted returns are calculated by linking monthly returns. Alpha Sector does not use leverage. Due to different entry and exit dates, individual accounts may vary in performance.

Returns consider interest income only on an accrual basis; dividends are considered on a cash basis. All calculations are based on trade date. Securities traded on a national exchange are valued based on closing prices on the exchange; data is provided by major pricing services. Stocks traded on the over the counter market are valued based upon prices provided by major pricing services. Fixed income securities that do not trade on a national exchange are valued based upon estimates provided by a variety of services including major pricing services. The above figures do not represent any single or model portfolio. Accounts may at times include cash equivalents. Performance is on a total return basis. Internal dispersion is calculated using the dollar-weighted standard deviation of all portfolios that were included in the composite for the entire period

Benchmark: The benchmark for the Alpha Sector style is the S&P 500 Index. The S&P 500 Index consists of 500 stocks chosen for market size, liquidity and industry group representation. It is a market value-weighted index and one of the most widely used benchmarks of U.S. stock performance.

Past Performance: Although the back tested results do not possess any loss, the possibility of loss exists. Past performance is not an indication or guarantee of future performance. No alterations of the composite as presented here have occurred because of changes in personnel or other reasons at any time.

Due to the rebalancing methodology 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. Due to different entry and exit dates, individual accounts may vary in performance. 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.