

Item 1 – Cover Page

ADV Part 2 A

CUMBERLAND ADVISORS®

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This brochure provides information about the qualifications and business practices of Cumberland Advisors Inc. (Cumberland Advisors®). If you have any questions about the contents of this brochure, please contact us at 800-257-7013, extension 350. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Cumberland Advisors is also available on the SEC’s website at www.adviserinfo.sec.gov. In addition, the SEC’s website provides information about any persons affiliated with Cumberland Advisors who are registered, or required to be registered, as investment adviser representatives. Cumberland Advisors is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

[Please review this information and acknowledge receipt of this brochure where and if indicated.]

[If obtaining this brochure electronically, please print a copy and retain it for your future reference.]

ITEM 2 – MATERIAL CHANGES

The following is a summary of material changes which have occurred from the last update dated December 31, 2017 through the current date:

There are no material changes that have occurred since the December 31, 2017 update.

Clients and prospective clients may obtain a copy of the entire brochure, free of charge, by contacting Timothy J. Lyle, Compliance Officer, at 800-257-7013 ext. 350; or by visiting our website www.cumber.com.

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ITEM 4 – ADVISORY BUSINESS

Cumberland Advisors is a registered investment advisory firm headquartered in Sarasota, FL (with a branch office in Vineland, NJ). Originally founded in 1973, the firm has clients in approximately 49 states, the District of Columbia, and several foreign countries. The firm has a bias toward portfolio allocations that minimize risks associated with adverse market movements and a conservative investment orientation with respect to returns. Cumberland Advisors is 70.2% owned by employees, with Chairman David Kotok being the largest shareholder.

As of 12/31/17, the firm had assets under management of \$3.00 billion. This included fixed income accounts (municipal bond and taxable fixed-income securities) as well as equity accounts (using exchange-traded funds only). Cumberland Advisors had (i) discretionary assets under management in the amount of \$2,976,068,948 and (ii) nondiscretionary assets under management of \$7,448,579. Our clients include high net worth individuals, institutions, investment companies, public and corporate retirement plans, corporations, foundations and government entities (direct clients as well as managed money through financial advisors). For most investment styles, our stated minimum “household” investable asset size is \$1,000,000, with account sizes that range up to multi-digit millions.

Cumberland Advisors has numerous investment styles designed to meet the investment needs of a wide variety of clients. Please see **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**, for information on some of these styles.

Our portfolio management emphasizes long-lasting relationships. Cumberland Advisors tailors its advisory services to individual clients’ needs and objectives by having continuous personalized discussions among clients, their consultants, tax advisors, and the assigned portfolio management contact at Cumberland Advisors. Clients may impose cash restrictions and asset allocation restrictions.

Cumberland Advisors is registered with the Municipal Securities Rulemaking Board (MSRB) as a Municipal Advisor and assists state and local governments with interest-rate forecasting, financial market analysis, and issuance of debt financing, economic analysis, negotiations of private activity financing, structuring Urban Enterprise Zone loans, economic structuring of landfill escrows, and other special services of this nature.

Cumberland Advisors provides financial advisory and consulting services to state and local governments and furnishes advice with respect to investments on a non-managed, non-discretionary basis. This advice is provided through consulting agreements with state and local governmental units for special-purpose funds, including reserves or pension funds. Cumberland Advisors also provides external credit analysis, and assists with credit reviews through consulting arrangements with banks. Consulting services are usually provided to individuals or institutions where investment advice is provided to the client and acted upon by the client, rather than at the discretion of Cumberland Advisors.

Cumberland Advisors provides asset management services through both wrap-fee programs and traditional management programs. Wrap-fee programs, which are described in more detail in the applicable disclosure brochures published by their respective sponsors, bundle or “wrap” investment advisory, trade execution and custodial services into a package for which the client pays a single fee to the sponsor based on a percentage of the assets enrolled in the service. Cumberland Advisors does not sponsor a wrap-fee program. In addition, consulting services such as asset allocation and market advice may also be provided by Cumberland Advisors to the wrap client. Program sponsors pay our investment advisory fee. Clients who participate in a wrap fee program should consider whether the program’s fees may exceed the aggregate cost of such services if they were to be provided separately. Clients should take into account the level of the fee charged

by the sponsor, the amount of portfolio activity in the account, and the value of the custodial and other services, which are provided under the program.

Cumberland Advisors provides services through traditional management programs for an investment management fee, with transaction services billed separately on a per-transaction basis and custodial services billed by an unaffiliated custodian. From a management perspective, there is not a fundamental difference in the way Cumberland Advisors manages wrap-fee accounts versus traditional management accounts. The only significant difference is the way in which transaction and custodial services are paid.

Cumberland Advisors provides investment management services to the Virtus Cumberland Municipal Bond ETF (“CUMB”) and is governed by the provisions of the applicable prospectus. Cumberland Advisors can make decisions on the underlying portfolio allocation and securities selection for the fund, while operating within any restrictions that the prospectus may impose upon it. The ETF has an underlying benchmark index, but Cumberland Advisors does not seek to replicate the underlying index and may change sector allocations, or deviate from the index as it sees fit. As a result, investment returns will not perfectly mirror the underlying index. The ETF will seek to conform to the stated investment objective as described in the ETF’s prospectus.

ITEM 5 – FEES AND COMPENSATION

A. Advisory Fees and Compensation

Investment Advisory Fees

Cumberland Advisors charges an advisory fee (the “Advisory Fee”) to its direct investment advisory clients, in accordance with the fee schedules set forth below.

The investment management fees that Cumberland Advisors charges are typically negotiated with each client. Cumberland Advisors takes into account the complexity and type of securities portfolios the client is interested in when considering the amount of fee charged. The fees stated below represent the maximum fee that may be charged for each type of portfolio. The fee that Cumberland Advisors and the client agree upon can be found in the documents in Cumberland Advisors’ client files. Cumberland Advisors also manages money as a subadvisor through other firm’s platforms and programs. The fees charged in these programs can be found in the disclosure documents for each program.

Cumberland Advisors’s Investment Management Fees:

- Exchange-Traded Fund (ETF) and Balanced Portfolios – Maximum Annual Fee Charged – 100 basis points (1.00%)
- Fixed Income Portfolios, Master Limited Partnership (MLP) Portfolios, Active/Passive Portfolios
Maximum Annual Fee Charged – 75 basis points (.75%)
- International Currency Hedged Exchange-Traded Fund (ETF Portfolios) – Maximum Annual Fee Charged is negotiable.

ETF Sub-Advisory Services

Cumberland Advisors receives investment management fees from the ETF’s adviser that is assessed on the basis of assets under management at rates specified in the ETF’s prospectus. Such fees are not negotiable, but Cumberland Advisors may contractually agree to waive a portion of its fees for a specified period of time. The Funds (and therefore indirectly, shareholders) will incur additional fees which are detailed in each Fund’s prospectus. Actively managed ETFs will generally have higher transaction/brokerage costs than passively managed ETFs.

Consulting Services Fees

Consulting Services fees are usually based on the following hourly rates (time is billed in quarter-hour increments). However, the Consulting Services fees may also be based on a fixed negotiated fee. Certain consulting services are available to qualified end users through soft dollar agreements between the end user and their brokerage firm.

Managing Director Consultation	\$1000/hour plus out of pocket expenses or per diem \$4000
Computer programming, operation and running time	\$400/hour
Clerical and Administration staff	\$200/hour

Miscellaneous Fees

When acting as an Expert Witness or when requested by the client to testify on their behalf, Cumberland Advisors will charge \$1000 per hour plus traveling expenses.

Financial planning fees – Fees for preparation analysis and discussion of a financial plan, or selected financial planning modules can be either a fixed, negotiated fee, or an hourly rate that does not exceed \$500 per hour.

B. Payment of Fees

Investment advisory clients are typically billed in advance for advisory fees on a quarterly basis in the first month of each quarter. Accounts billed in arrears are an exception, and determined by custodian rules. Generally, new accounts that are opened during the quarter are billed when released for trading and additional deposits during the quarter generate interim invoices. Accounts that are closed during the quarter generate interim credit invoices or refunds. [Set forth below is additional detail related to Cumberland Advisors' quarterly billing process]:

Quarterly bills for existing accounts

There are three types of accounts for billing purposes:

1. Direct-bill accounts – Our Accounting Department uses the fee calculated by the portfolio and client management system, based on the market value on the last day of the prior quarter.
2. Wrap accounts – Custodian bills for Cumberland Advisors' services and generates a fee report for Cumberland Advisors' use.
3. Wrap Accounts – Cumberland Advisors generates the custodian billing. Accounts are invoiced by Cumberland Advisors, based on the market value of the account on the last day of the prior quarter. The Accounting Department prepares a report of fees that is uploaded to the custodian.

Based on billing instructions for each, custodians will be notified of amounts owed by fax, email, or uploaded online. With the exception of direct bill accounts, fees are posted in APX when they are deducted from client accounts by the custodian and copies of all direct-bill invoices will be electronically stored.

Debit reports are generated in a portfolio and client management system for Wrap accounts, by custodian. Fees are posted to Cumberland Advisors' accounting system when custodian reports are received. In cases where the custodian reports are not received in a timely manner, Cumberland Advisors will estimate the amount to be received, based on prior-quarter ending market value, and will post the estimate to our internal accounting system until the actual fee report is received, at which time the accounts will be adjusted in the accounting system. A copy of all debit reports will be electronically stored.

New accounts opened during the billing period

The New Accounts Department will determine if it is a direct-bill client, a wrap account for which Cumberland Advisors generates an invoice or a wrap account on which the custodian bills.

If the account is a direct-bill or wrap account for which Cumberland Advisors generates an invoice, the Accounting Department will calculate a prorated fee. Direct bill clients will be sent notification of the fee amount to be paid. Wrap account fees notices will be sent to the custodian. Invoices are due upon receipt.

New direct-bill accounts or wrap accounts for which Cumberland Advisors generates an invoice will not be charged a fee in the last month of the quarter for any amounts less than \$200.00. Invoices or notifications generated will be posted to a portfolio and client management system and our accounting system and a copy will be stored electronically.

Charges for wrap accounts for which the custodian calculates Cumberland Advisors' fee, will be posted in Cumberland Advisors' portfolio and client management system when the fee is deducted from the account. Wrap accounts that open in the current quarter may not be charged until the following quarter, depending on custodian rules. Any debit reports received or generated for wrap accounts will be stored electronically.

Additional deposits to an account during the billing quarter

There will be no additional fees charged in the quarter in which a deposit is made to an existing account, unless the deposit is used to fund the initial account opening or the fee amount for the remainder of the quarter is greater than \$200. If it is determined that an interim invoice is required, the invoice will be generated manually and will be posted in the portfolio and client management system and Cumberland Advisors' accounting system, and a copy of the invoice will be stored electronically. Wrap accounts for which the custodian generates the charges will be posted when the fee is deducted from the client's account.

Withdrawals to an account during the billing quarter

On direct-bill and Wrap accounts for which Cumberland Advisors generates the invoice; There will be no credits issued in the quarter in which a withdrawal is made to an existing account, unless the fee amount for the withdrawal is greater than \$200. If it is determined that a credit is required, a credit invoice will be generated manually and will be applied against any outstanding balance in the client account and will be posted to the portfolio and client management system and our accounting system. If there is no outstanding balance remaining, the fee amount will be refunded either directly to the client by check, or to the client's account. On Wrap accounts that the custodian bills, withdrawal refunds on Cumberland Advisors' fees are determined by custodian rules.

Accounts that close during the billing quarter

When notice is received by email from the Operations Department that a direct-bill or Wrap account for which Cumberland Advisors generates the invoice, is closing, the Accounting Department will calculate a prorated interim credit. Closed accounts will not be credited or refunded in the quarter, for any amounts less than \$200. Interim credits will be posted in the portfolio and client management system and our accounting system and a copy of the credit invoice will be stored electronically. Accounts that are paid in full but have an outstanding credit balance will be refunded with a Cumberland Advisors check through accounts payable within approximately 45 days of closing. On Wrap accounts that the custodian bills, closed account refunds on Cumberland Advisors' fees are determined by custodian rules.

C. Additional Fees and Expenses

In addition to the Advisory Fees paid to Cumberland Advisors, investment advisory clients will sign separate agreements with an unaffiliated custodian and pay a fee for their custodial services to that custodian. These fees may include an account set-up fee, an annual basic fee, and early closure fee, in addition to the basic quarterly fee charged by the custodian. Additional fees and expenses that may be charged to investment advisory clients include the following:

- As part of our investment advisory services to you, we invest, or recommend that you invest, in exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses.
- Clients investing in Exchanged Traded Funds (ETFs) securities will pay a commission per share to the broker executing these trades. See Item 12, Brokerage Practices.
- Clients investing in bond accounts may be charged a “mark-up” or “mark-down” fee or, if trade is done on an agency basis, they may be charged a commission which is paid to the broker executing the fixed-income securities trade.

D. Termination

Investment advisory clients are typically billed in advance for fees incurred on a quarterly basis in the first month of each quarter. The client may terminate the investment contract with Cumberland Advisors at any time, by a telephone call followed by a written notice. In the event of termination by the client, and upon written request from the client, prepaid fees for the current quarter will be refunded on a prorated basis.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE BY SIDE MANAGMENT

Cumberland Advisors does not charge its client’s performance-based fees. (i.e. fees based on a share of capital gains or capital appreciation of the assets of a client). Side by Side Management is not applicable to Cumberland Advisors.

ITEM 7 – TYPES OF CLIENTS

Our clients include high net worth individuals, institutions, investment companies, public and corporate retirement plans, corporations, foundations and government entities (direct clients as well as managed money through financial advisors).

Non-Profit Organizations

Our investment professionals can use a blend of 13 investment styles to reflect the short and long–range financial goals of an organization. The portfolio is rebalanced when necessary to maintain target asset allocations and adhere to any restrictions that the client may have requested to be imposed on the account.

Generally, Cumberland Advisors requires a minimum “household” investable asset size of \$1,000,000; however, Cumberland Advisors reserves the right to waive the minimum account or to impose a higher minimum. Minimum account sizes are as follows:

Fixed Income Investment Styles: \$500,000

Market Volatility/Leveraged Market Volatility Styles: \$100,000

Equity and Balanced Investment Styles: \$250,000

International Currency Hedged Exchange-Traded Fund (ETF Portfolios): \$5,000,000

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Firm Philosophy, Method of Analysis, and Investment Strategies

Cumberland Advisors seeks capital preservation as its overriding investment priority. We manage risk as well as return. We strive to offset the erosion of financial assets by inflation, and to realize appreciation so that the real value of assets is maintained. We construct portfolios of bonds, stocks, or both. Investing in securities involves a risk of loss that clients should be prepared to bear.

Cumberland Advisors' portfolio managers work as a team to develop investment strategies. Each client works primarily with one investment adviser or portfolio manager.

Cumberland Advisors' portfolios reflect our clients' varying needs. Some clients are families with assets to be conserved and enhanced. Some are institutions seeking prudent supervision for retirement, endowment, or cash management. The objectives range from growth-oriented total return to current income.

We offer our investment management service to individuals and institutions either directly or through certain financial institutions and advisors (wrap accounts). We focus on preservation and prudent growth of client money. We have multiple portfolio strategies to help do this.

All of our portfolio styles are in separately managed accounts only. This means that Cumberland Advisors does not manage a pooled investment vehicle where clients own “part” of the invested whole. Rather, our main strategies (known as portfolio styles) use individual bonds and investment funds to construct individual accounts based on specific objectives. Our main portfolio styles are:

- Tax-Free Municipal Bonds
- Taxable Bonds
- Market-Based Exchange-Traded Funds (ETFs) – US/ International/Global/Tactical Trend Allocation
- Master Limited Partnership

Core Concepts

Since its founding in 1973, Cumberland Advisors' investment strategy has been based upon the following critical economic concepts:

- *The value of stocks and bonds is linked to interest rates.*
- *The nominal interest rate has three parts: a "real" interest rate, an expectation of inflation, and a risk premium.*
- *Opportunities in the markets are present at all times, especially in the midst of euphoria or hysteria.*

Fixed-Income Risks:

Investing in any securities involves a risk of loss that the investor should be prepared to bear. Bonds have the following known risks:

- *Credit:* Creditworthiness of issuers impacts ability to pay.
- *Default:* Due to poor revenue, management failure, or fraud
- *Interest rate:* Rising inflation erodes real value of the bonds.

Notes:

1. *High Investment-Grade Bias:* We specialize in seeking highest-quality, investment-grade bonds for individual client accounts. The client owns specific bonds, chosen to satisfy the client account's specific requirements, usually with revenue-generating and general-obligation (GO) properties. We employ our own proprietary rating system and analysts to determine suitability of bonds for our conservative portfolios.
2. *Active Bond Management:* We actively manage the individual portfolios through the entire business cycle, lengthening or shortening durations, maturities, and features based on our market outlook. We do not construct laddered portfolios.

General Exchange-Traded Fund (ETF) Risks:

Investing in equity securities involves a risk of loss that the investor should be prepared to bear. Except for the Tactical Trend Allocation style, we use exchange-traded funds (ETFs) exclusively for our separately managed accounts equity accounts. Relative to mutual funds, ETFs are more transparent, trade efficiently throughout the day on stock exchanges, have better tax scenarios, give pure market access to global markets and asset classes, and are significantly less expensive on the whole. ETFs have the following risks:

- *Transaction costs:* Can erase or erode gains.
- *Lack of liquidity:* New or non-supported funds can rise bid/ask spread costs and impede quick exits.
- *Fund closure:* ETF sponsor can close fund (inconvenient).
- *Trading intricacy:* Due to market exchange mechanism, trading can be more complex.
- *Rebalancing:* Due to the rebalancing 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 strategy does not take into consideration any tax implications that may result from this type of trading.

General Exchange-Traded Notes (ETNs) Risks:

ETNs are different. Instead of being an independent pool of securities, an ETN is a bond issued by a financial institution. That company promises to pay ETN holders the return on some index over a certain period of time and return the principal of the investment at maturity. However, if something happens to that company (such as bankruptcy) and it's unable to make good on its promise to pay, ETN holders could be left with a worthless investment (just like anyone else who had lent the company money).

- *Credit Risk.* ETNs are unsecured debt obligations of the issuer.
- *Market Risk.* As an index's value changes with market forces, so will the value of the ETN in general. This can result in a loss of principal to investors.
- *Liquidity Risk.* Although ETNs are exchange-traded, a trading market may not develop.
- *Price-Tracking Risk.* Investors should be wary of buying at a price that varies significantly from closing and intraday indicative values.
- *Holding-Period Risk.* Some leveraged, inverse and inverse leveraged ETNs, are designed to be short-term trading tools, and the performance of these products over long periods can differ significantly from the stated multiple of the performance (or inverse of the performance) of the underlying index or benchmark during the same period.
- *Call, Early Redemption and Acceleration Risk.* Some ETNs are callable at the issuer's discretion.

- *Conflicts of Interest.* The issuer of the notes may engage in trading activities that are at odds with investors who hold the notes (shorting strategies, for instance).

Cash Management in Accounts

We use cash as a strategic asset in tactically managing equity portfolios. As market uncertainty increases, we will raise cash levels by degrees in the accounts. A 30-50% cash level is an extreme position, signifying that we are significantly cautious about current market prospects. We are unlikely to raise cash levels beyond 50%, even in our most cautious market view. Most cash positions range from fully invested (0% cash) to 25% cash.

TOTAL RETURN TAX-FREE MUNICIPAL BOND PORTFOLIO STYLE

Description

We construct tax-free municipal bond portfolios for individual clients based on each investor's specific requirements. The service caters to clients who benefit from the tax-free nature of municipal bonds. We emphasize quality, investment-grade bonds coupled with active management through the full interest-rate cycle. Bonds that have revenue streams against them (such as water, utility, sewer, and toll-road) are preferred. Due to the large size of our tax-free municipal bond practice, we can purchase large bond lot sizes at aggressive prices and pass the advantage through to the individual accounts.

Method of Analysis and Investment Strategy

The investment decisions for the Tax-Free Municipal Bond Portfolio Style bring together Cumberland Advisors' investment strategy for the global markets with actively managed municipal bonds.

- Individual client account objectives govern investment procedures.
- Portfolios are managed over the full interest-rate cycle, taking advantage of opportunities in market fluctuations.
- We take an active approach to maturities and duration while managing market changes as well as shifts in credit values.
- Trading frequency in each account varies widely based on market outlook. A properly constructed account may not need daily or monthly adjustments, but maturity and market changes may prompt trading.
- We seek to employ the account funds in suitable bonds at most times. Cash that is not employed does not generate value for the client.

Our Advantages

Large Dealer Network – Cumberland Advisors has trading arrangements with almost 100 different municipal bond dealers. This allows us access to the best in new-issue and secondary bond activity.

Market Inefficiencies – Municipals are traded in the over-the-counter market. There is not a central exchange, and there are over a million different municipal securities opportunities on both the buy and sell sides.

“Under The Hood” Credit Monitoring – Cumberland Advisors looks beyond the simple published rating and/or bond insurance. We look at underlying credits to minimize credit risk to investors, using our own proprietary ratings.

Customized Investing – When structuring for clients in “hard-to-find” bond states or providing a specified income stream, Cumberland Advisors can build portfolios to match individual needs.

Active Fixed-Income Investment Process:

1. Forecast interest rates
 - a) Global context
2. Macroeconomic conditions
 - a) Consider inflation / real interest rates
 - b) Consider political and legislative environment
 - c) Gauge tax-free bond market supply
 - d) Gauge tax-free bond market demand
3. Analyze national and state-specific tax-exempt markets
4. Select bonds
5. Seek high-quality credit
6. Structure appropriate to rate forecast
 - a) Discount/premium
 - b) Current coupon
 - c) Call features
 - d) Put features

Risk of Loss

Investing in any securities involves a risk of loss that the investor should be prepared to bear. Bonds have the following known risks:

- *Credit*: Creditworthiness of issuers impacts ability to pay.
- *Default*: Due to poor revenue, management failure, or fraud
- *Interest rate*: Rising inflation erodes real value of the bonds

We seek to manage these risks by:

- Specializing in high-quality, investment-grade bonds as the investable universe
- Emphasizing revenue-based bonds as well as general-obligation credits
- Monitoring the portfolio bond issues to detect potential risks that could indicate a potential for default
- Selling any bonds that we detect may have factors that could impact their value
- Studying closely monetary policy that impacts interest rates

DURATION NEUTRAL TAX-FREE MUNICIPAL BOND STYLE

Description

Traditionally, high-grade, tax-free municipal bonds have yielded less than U.S. Treasury bonds, due to the existence of the federal income tax. At times of high marginal tax rates, the ratio of tax-exempt yields to US Treasury yields tends to be low. At times of lower marginal tax rates, the ratio tends to be higher. Many factors can affect these ratios. When yields on tax-free bonds have risen above US Treasury yields, it has usually been for a short period of time and usually reflected either legislative efforts to change the tax structure or periods of unusually heavy supply of tax-free municipal bonds.

The goal is to provide a better-than-money-market return in a fully hedged (duration-offset position). Absolute returns can be higher when yield spreads narrow (when municipal yields fall faster than Treasury yields or go up less than Treasury yields). Absolute returns can be lower when the opposite occurs (when Treasury yields are falling faster than municipal bond yields or are going up slower than municipal bond yields).

Method of Analysis and Investment Strategy

The investment decisions for this Tax-Free Municipal Bond Portfolio Style bring together Cumberland Advisors' investment strategy for the global markets with actively managed municipal bonds.

We employ a strategy that uses municipal bonds combined with inverse Treasury ETFs such as PST and TBT (other similar ETFs may be used). These two inverse ETFs strive to give two times (2x) the inverse performance of the Barclays 7-10 year US Treasury index and the Barclay's 20+ year US Treasury index. By employing the inverse Treasury ETFs the overall duration risk of an account is reduced. The opportunities come when municipal bond yields narrow compared to US Treasury yields.

Risks of Loss

Investing in any securities involves a risk of loss that the investor should be prepared to bear. Bonds have the following known risks:

- *Credit:* Creditworthiness of issuers impacts ability to pay.
- *Default:* Due to poor revenue, management failure, or fraud
- *Interest rate:* Rising inflation erodes real value of the bonds.

These ETFs, when purchased as long securities in the portfolio, are expected to give twice the inverse return of the respective US Treasury indices. These ETFs, such as PST and TBT entail certain risks, including inverse correlation, leverage, market price variance, and short-sale risks.

The risk is when municipal bond yields widen relative to US Treasury yields. In a portfolio where inverse treasuries are purchased to offset the overall duration on an account, in theory the account is protected from a parallel shift up in interest rates. However, when Treasury yields move lower than municipal bond yields, the strategy can perform poorly, as the inverse treasury ETFs will lose value more quickly than the municipal bonds gain value. These risks can increase volatility and decrease performance.

We look to manage the risk of losses by measuring the relative cheapness/richness of municipal bonds and finding periods when municipal securities are trading cheap on a relative basis to US Treasuries. We use ongoing analyses of the US Treasury and municipal bond markets to ascertain points that will provide value and limit downside risk.

We seek to manage these risks by:

- Specializing in high-quality, investment-grade bonds as the investable universe
- Emphasizing revenue-based bonds as well as general-obligation credits
- Monitoring the portfolio bond issues to detect potential risks that could indicate a potential for default
- Selling any bonds that we detect may have factors that could impact their value
- Studying closely monetary policy that impacts interest rates

Again, the goal is to provide a better-than-money-market return in a fully hedged (duration-offset) position. Absolute returns can be higher when yield spreads narrow (when municipal yields fall faster than Treasury yields or go up less than Treasury yields). Absolute returns can be lower when the opposite occurs, (when Treasury yields are falling faster than municipal bond yields or are going up slower than municipal bond yields).

TACTICAL HEDGE TAX-FREE MUNICIPAL BOND STYLE

Description

A tactical hedge strategy is similar to the above except that the amount of inverse Treasuries bought to offset interest-rate risk may be less or more than 100%, depending on the strategy of the portfolio manager. For example, if the portfolio manager believes that a temporary underperformance or outperformance of one of the two markets is going to occur, the amount of inverse Treasuries to be bought or sold may be adjusted to less than fully hedged, fully hedged, or over hedged. Most of the time, the tactical hedge will have less than 100% hedge and more in municipal bonds.

PUERTO RICO INSURED BOND STYLE**Description**

The underlying principles guiding portfolio decisions will be to capitalize on opportunities in the Commonwealth of Puerto Rico municipal bond market. These will include potential gains as well as income.

Method of Analysis and Investment Strategies

The market for Puerto Rico municipal bonds is under severe pressure due to a number of market and financial developments. These include ongoing deficits in the Commonwealth of Puerto Rico's general budget and also include underfunded pension obligations for the Commonwealth. It also includes some reductions in cash flows for the Commonwealth's agencies as well as its government development bank. Press coverage of Puerto Rico's financial difficulties has also heightened direct selling of Puerto Rico debt as well as some bond fund redemptions in those funds that own Puerto Rico debt. This has caused overall yields to rise significantly which we believe has created potential opportunity.

The portfolio will be comprised of insured Commonwealth of Puerto Rico bond issues including but not limited to: General Obligation bonds, Public Building Authority, CoFina Sales & Uses Tax Bonds (Senior, First (second or third if issued) subordinated lien), Public Finance Corporation (Commonwealth Appropriation bonds), Government Development Bank, Pension Obligation bonds, Aqueduct and Sewerage bonds, Electric Power Authority bonds, Highway and Transportation bonds, Infrastructure Finance Authority bonds, Children's Trust bonds, Housing Finance Authority, Municipal Finance Agency, University of Puerto Rico, Convention Center District Authority bonds and Industrial Development bonds. Bonds will generally be rated "BBB" or lower. Most issues will be of longer maturity nature. The portfolio may include discount bonds, premium bonds and /or zero coupon bonds. It is expected that the majority of bonds will be in the discounted bond structure. Some bonds may include bond insurance on them as well.

This investment style may have a higher turnover rate than a total return municipal bond account as it will be a very actively managed portfolio. Bonds would be bought when Cumberland feels the price justifies the risk and sold either to take a profit or cut losses where we deem necessary. Leverage will not be used in this strategy.

Risk of Loss

Investing in Puerto Rico securities involves a risk of loss that investors should be prepared to bear. This strategy will have the following risks:

Credit: Puerto Rico debt is widely considered to bear substantial credit risk. Poor financial performance will likely lead to downgrades by ratings agencies, which will reduce the market's perceived value of these securities. A downgrade to below-investment grade on any classes of debt will reduce the number eligible buyers for these securities, possibly resulting in illiquidity.

Default: Puerto Rico's high indebtedness and cash flow difficulties could result in nonpayment on its debt securities. Some market analysts have predicted that the Commonwealth will be insolvent within the next two years. A missed payment will reduce the market value and cash flows generated by the securities

purchased in this strategy. A downgrade to below-investment grade on any classes of debt will trigger termination payments on the Commonwealth's outstanding derivative instruments, which could lead to nonpayment on its outstanding debt.

Interest rate: Rising inflation erodes the real value of all bonds. Puerto Rico bonds are no exception; however we expect the values of these securities to largely be based on the market's perception of the Commonwealth's creditworthiness.

There is also a significant risk due to liquidity, possible bankruptcy and risk of market access due to downgrades of Puerto Rico – the Commonwealth as well as its agencies. Because of the concentration of credit risk in a single area, overall risk is increased. There is also significant risk of what we call “headline risk”. That is, risk from unfavorable press coverage of the Commonwealth and its finances. Headline risk has contributed to the volatility in Puerto Rico bond prices.

Cumberland will seek to manage these risks by:

- Performing continual surveillance on the finances of the Commonwealth and evaluate breaking developments as they occur.
- Selecting undervalued Puerto Rico securities to manage the potential risk of loss
- Evaluate headline risk potential in the municipal bond market to determine attractive entry and exit points

TOTAL RETURN TAXABLE FIXED INCOME PORTFOLIO STYLE

Description

We construct taxable bond portfolios for individual clients and institutions. We emphasize highest-quality bonds coupled with active management throughout the full interest-rate cycle. We actively manage bonds by constantly monitoring both bond and stock markets and rebalancing client portfolios as needed in times of fluctuation. We extend or reduce duration when we see compelling opportunities. We look to exit markets in periods of euphoria and to enter markets in periods of hysteria. We emphasize long-lasting relationships and continuous dialogue among clients, their consultants, tax advisors, accountants, and estate planners.

Method of Analysis and Investment Strategy

The investment decisions for the Taxable Bond Portfolio Style bring together Cumberland Advisors' investment strategy for the global markets with actively managed taxable bonds. We believe that value is realized by holding bonds for the proper duration in a given interest-rate environment. We think it is unwise to limit opportunities based on narrowly defined bond portfolio parameters. Consequently, Cumberland Advisors has developed expertise in identifying and managing bond portfolios throughout the complete interest-rate cycle while considering credits, relative yields, and durations.

Cumberland Advisors Taxable Fixed-Income Universe

To accomplish duration exposure objectives in the portfolio, we assess the relative attractiveness of spreads between the following alternatives.

- U.S. Treasury bonds
- Federal agency debt
- Taxable municipal bonds
- Mortgage-backed securities
- Investment-grade corporate bonds
- Preferred Exchange Traded Funds

Niche bonds, such as taxable municipals, add value to portfolios by providing unique cash-flow characteristics, inefficient pricing opportunities, and high credit quality. Preferred exchange traded funds may also be used.

Investment Strategies

Rising-Rate Environments

- Bonds with substantial redemption or call features
- Bonds with higher coupons
- Bonds with shorter durations

Falling-Rate Environments

- Bonds with deeper discounts
- Bonds with lower premiums
- Bonds with longer maturities
- Non-callable bonds

Risk of Loss

Investing in any securities involves a risk of loss that the investor should be prepared to bear. Bonds have the following known risks:

- *Credit:* Creditworthiness of issuers impacts ability to pay.
- *Default:* Due to poor revenue, management failure, or fraud
- *Interest rate:* Rising inflation erodes real value of the bonds.
- *Prepayment Risk (Mortgage-Backed Securities):* The possibility that the mortgages underlying the security are repaid faster or more slowly than expected contracting or extending investment average life.

We seek to manage these risks by:

- Specializing in high-quality, investment-grade bonds as the investable universe
- Selecting taxable bonds by relative attractiveness to other types of taxable fixed-income securities
- Monitoring the portfolio bond issues to detect potential risks that could indicate a potential for default
- Selling any bonds that we detect may have factors that could impact their value
- Closely monitoring monetary policy that impacts interest rates

TACTICAL HEDGE TAXABLE FIXED INCOME STYLE

Description

We construct taxable-bond portfolios for individual clients and institutions. We emphasize highest-quality bonds coupled with active management throughout the full interest-rate cycle. We actively manage bonds by constant monitoring both bond and stock markets, rebalancing client portfolios as needed in times of fluctuation. We extend or reduce duration when we see compelling opportunities. Cumberland Advisors employs the use of inverse fixed-income exchange-traded funds (ETFs) to reduce the duration or price sensitivity of a bond portfolio. We look to exit markets in periods of euphoria and to enter markets in periods of hysteria.

Method of Analysis and Investment Strategy

The investment decisions for the Taxable Bond Tactical Portfolio Style bring together Cumberland Advisors' investment strategy for the global markets with actively managed taxable bonds. We believe that value is realized by holding bonds for the proper duration in a given interest-rate environment. We think it is unwise to limit opportunities based on narrowly defined bond portfolio parameters. Consequently, Cumberland Advisors has developed expertise in identifying and managing bond portfolios throughout the complete interest-rate cycle while considering credits, relative yields, and durations. Our use of leveraged inverse bond ETFs is strictly for the purpose of dampening the price volatility of the overall portfolio with a minimal amount of decrease in yield. We continually monitor the duration of the individual bonds in the portfolio and measure the portfolio duration versus the duration of the position held in inverse bond ETFs.

Cumberland Advisors Taxable Tactical Hedge Universe

To accomplish duration exposure objectives in the portfolio, we assess the relative attractiveness of spreads between the following alternatives.

- US Treasury bonds
- Federal agency debt
- Taxable municipal bonds
- Mortgage-backed securities
- Investment-grade corporate bonds
- Inverse and leveraged inverse fixed-income ETFs
- Preferred Exchange Traded Funds

Niche bonds, such as taxable municipals, add value to portfolios by providing unique cash-flow characteristics, inefficient pricing opportunities, and high credit quality.

Investment Strategies

Rising-Rate Environments

- Bonds with substantial redemption or call features
- Bonds with higher coupons
- Bonds with shorter durations
- Addition of inverse and leveraged inverse fixed-income ETFs

Falling-Rate Environments

- Bonds with deeper discounts
- Bonds with lower premiums
- Bonds with longer maturities
- Non-callable bonds
- Reduce or eliminate inverse or leveraged inverse bond ETFs

Risk of Loss

Investing in any securities involves a risk of loss that the investor should be prepared to bear. Bonds have the following known risks:

- *Credit:* Creditworthiness of issuers impacts ability to pay.
- *Default:* Due to poor revenue, management failure, or fraud
- *Interest rate:* Rising inflation erodes real value of the bonds.

Inverse and leveraged inverse bond ETFs, have the following risks:

- *Tracking error*: Due to the structure of these securities, they may not closely track the index as designed.
- *Interest rate*: Rising bond prices may cause a decline in price or principal of the position.

We seek to manage the risk of losses by:

- Specializing in high-quality, investment-grade bonds as the investable universe
- Selecting taxable bonds by relative attractiveness to other types of taxable fixed-income securities
- Monitoring the portfolio bond issues to detect potential risks that could indicate a potential for default
- Selling any bonds that we detect may have factors that could impact their value
- Monitoring closely monetary policy that impacts interest rates
- Measuring and recalibrating the portfolio hedge position

MARKET-BASED EXCHANGE TRADED FUND STRATEGIES

U.S.EQUITY ETF; INTERNATIONAL EQUITY ETF; GLOBAL EQUITY ETF STYLES

Description

Cumberland Advisors has a wealth-preservation orientation to balance risks as well as returns. The market-based equity portfolio styles offer clients and institutions one single investment account that holds multiple exchange-traded funds (ETFs) and provides highly diversified regional investment options. Broader market diversification provides market exposure as well as risk reduction, decreasing risk that any individual stock may carry in a portfolio.

Method of Analysis and Investment Strategies

The firm takes a top-down macroeconomic perspective to assess relative attractiveness among markets, sectors, regions, and asset classes. Exchange-traded funds (ETFs) allow for the implementation of Cumberland Advisors' macroeconomic and sector-specific judgments through a single investment vehicle. Multiple ETFs can then be tactically adjusted as Cumberland Advisors evaluates current market opportunities and risks.

Cumberland Advisors' Equities Management Philosophy:

- *Risk management* is as important as return management.
- *Asset-allocation* techniques help stabilize returns and reduce risk.
- *Macroeconomic factors* and fundamentals drive asset-class returns.
- *Portfolio managers* add value by size, sector, subsector, style, region, and country choices, and NOT through individual stock picking.
- ETFs are the most flexible, efficient, and low-cost implementation method.

Crafting the Portfolios

Managed ETF portfolios provide active management of investments in a core and satellite approach. Broad-based, diversified ETFs form the core, while country, region, sector, subsector, and style ETFs form the satellites. This strategy provides extensive diversification, low cost, and tax efficiency. It also controls strategic sector, style, industry, country, and region exposure, with no "style drift." ETFs are chosen based

on liquidity, sponsor support, and cost. The core positions usually consist of 3-8 broad-based diversified ETFs, while the satellite positions usually consist of 7-20 country, region, sector, subsector and/or style ETFs.

Examples of Exchange-Traded Funds by Category

Size (Market Cap.)	Large-cap, Mid-cap, Small-cap funds
Sector (Industry)	Finance, Technology, Health Care
Sub-sector (Industry)	Semiconductors, Drugs, Homebuilders
Style	Growth, Value
Multi-Country	Advanced Economies, Euro Zone, Emerging Markets
Country	U.S., Germany, U.K., Japan, China, Chile, etc.

Managing the Portfolio

Cumberland Advisors’ investment team continually monitors and analyzes economic and financial-market developments, together with the performance of assets in the portfolio. Model weights and ETF selections are made for core and satellite positions, and then tactically adjusted and rebalanced to each account based on strategy changes and market developments.

Non-US Exchange Traded Funds may be used in the US ETF style. These would technically be global ETFs but with a large part of the holdings held in the US and the ETF would be incorporated and trade in the US. This type of security provides exposure to U.S. sectors that are not necessarily available in US Exchange traded Funds.

Exchange-Traded Fund Portfolio Risks

Investing in equity securities involves a risk of loss that the investor should be prepared to bear. We use exchange-traded funds (ETFs) exclusively for our separately managed accounts equity practice. Relative to mutual funds, ETFs tend to: be transparent, be traded throughout the day on stock exchanges, have different tax implications than mutual funds, potentially be less expensive for the investor own. ETFs have the following risks:

- *Transaction costs:* Can erase or erode gains. Need monitoring.
- *Lack of liquidity:* New or non-supported funds can raise bid/ask spread costs and impede quick exits.
- *Fund closure:* ETF sponsor can close fund (inconvenient).
- *Trading intricacy:* Due to market exchange mechanism, trading can be more complex.
- *Rebalancing:* Due to the rebalancing strategy used for ETF strategies, positions may be sold or closed in a very short time frame (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 strategy does not take into consideration any tax implications that may result from this type of trading

Cash Management in Accounts

We use cash as a strategic asset in tactically managing equity portfolios. As market uncertainty increases, we will raise cash levels by degrees in the accounts. A 30-50% cash level is an extreme position, signifying that we are significantly cautious about current market prospects. We are unlikely to raise cash levels beyond 25%, even in our most cautious market view. Most cash positions range from fully invested (0% cash) to 25% cash.

TACTICAL TREND STYLE

Description

The primary objective of this style is to generate investment appreciation through the tactical asset allocation of capital. The asset allocation will be at Cumberland Advisors' discretion.

Method of Analysis and Investment Strategies

The strategy utilizes trend following, relative strength, and price research to identify favorable investment opportunities across six general asset classes: domestic equities, international equities, fixed-income, commodities, currencies and cash. The strategy may include short or inverse positions when deemed appropriate for downside risk protection in the portfolio. The exposure levels to the six primary asset classes identified above can range from 0% - 100%. Short or inverse exposure will generally not exceed a 30% allocation.

Managing the Portfolio

The strategy will mainly include exchange-traded funds (including commodity and currency ETFs). Exchange-traded notes (ETNs) can also be used if deemed appropriate. The portfolio may also include any individual equity, fixed-income security (including Treasury bills), or money market instruments when the individual security is advantageous versus the exchange-traded products that are available. Any one exchange-traded product security will not exceed 25% of the total portfolio at the time of initial purchase. Positions may subsequently exceed the 25% threshold due to market appreciation. When positions are held in individual stocks or bonds, no individual stock or bond instrument will exceed 10% of the portfolio at the time of initial purchase. Positions may subsequently exceed the 10% threshold due to market appreciation. Cash that has not been invested yet will be held in a money market instrument until required for the purchase of securities.

The methods of analysis fall within the general framework of technical analysis, specifically the use of trend analysis, relative strength and momentum tools. The investment goal is to achieve price appreciation by monitoring the supply and demand of specific ETFs over various market periods. Turnover in the account could range from extremely low to excessively high depending on market movements. However, the fundamentals of trend analysis and momentum investing include finding entry points for emergent trends and then sticking with the successful trades. In such conditions turnover in the account would remain quite low. Both short-term and long-term capital gains will be generated in the portfolio style. The portfolio style follows a multi-asset framework which allows the manager to invest in multiple asset classes depending on risk/reward opportunities and potential returns.

MARKET VOLATILITY STYLE

Description

We closely monitor the U.S. equity market volatility and underlying regime change in market movement. We use our proprietary quantitative research to time the market by identifying an oversold market condition. One main goal of this portfolio is to take advantage of market overreaction. Therefore, we focus on relatively short-term investment horizon. We also strive to preserve capital by avoiding extreme market downturns.

Method of Analysis

This portfolio employs a purely quantitative methodology to analyze the U.S. equity market. The main criteria include the following:

- Underlying market volatility

- Recent market conditions
- Possibility for extremely negative events
- Investor behavioral changes

Our research updates our analysis daily and monitors the ongoing market with latest data. By utilizing only a quantitative method, the portfolio seeks to keep human biases out of the investment process.

Investment Strategies

- Monitor market condition on a daily basis
- Measure the depth of market selloff
- Identify oversold market
- Use quantitative criteria to decide exit point

Risk of Loss

- Systematic risk exposed to economy: equity market is exposed to the prospect of economic development in both U.S. and global economies
- Unpredictability of market selloff: the duration of an oversold market may vary and affect the holding period
- Black swan events: albeit with low probability, unexpected rare events may happen and negatively impact overall returns

What we do to manage these risks:

- Analyze market conditions by enforcing strict investment rules with only quantitative criteria
- Closely follow changes in market volatility to minimize investment risk
- Set up return target to avoid holding a position for unnecessarily lengthy period

We purchase the same security for all accounts in the same portfolio. For the same account (or different accounts), purchases on different days will result in different selling dates per holding period requirement. Therefore individual performance will vary.

LEVERAGED MARKET VOLATILITY STYLE

Description

We closely monitor the U.S. equity market volatility and underlying regime change in market movement. We use our proprietary quantitative research to time the market by identifying an oversold market condition. In addition, we utilize leverage to maximize overall returns. This portfolio attempts to take advantage of market overreactions while preserving capital by attempting to avoid extreme market downturns.

Method of Analysis

This portfolio employs a purely quantitative methodology to analyze the U.S. equity market. The main criteria include the following:

- Underlying market volatility
- Recent market conditions
- Possibility for extremely negative events
- Investor behavioral changes

Our research updates our analysis daily and monitors the ongoing market with latest data. By utilizing only quantitative method, the portfolio keeps human biases out of our investment process.

Investment Strategies

- Monitor market condition on a daily basis
- Measure the depth of market selloff
- Identify oversold market
- Adopt leverage to maximize returns
- Use quantitative criteria to decide exit point

Risk of Loss

- Systematic risk exposed to economy: equity market is exposed to the prospect of economic development in both U.S. and global economies
- Unpredictability of market selloff: the duration of an oversold market may vary and affect the holding period
- Leverage: risk is increased proportionately with higher returns recognized by leverage
- Black swan events: albeit with low probability, unexpected rare events may happen and negatively impact overall return

What we do to manage these risks:

- Analyze market conditions by enforcing strict investment rules with only quantitative criteria
- Closely follow changes in market volatility to minimize investment risk
- Set up return target to avoid holding a position for unnecessarily lengthy period

We purchase the same security for all accounts in the same portfolio. For the same account (or different accounts), purchases on different days will result in different selling dates per holding period requirement. Therefore, individual performance will vary.

Leverage can be created through options, futures, margin and other financial instruments. Leverage is used to increase the potential for gains. However, it comes with greater risk. If an investor uses leverage to make an investment and the investment moves against the investor, their loss is much greater than it would have been if the investment had not been leveraged - leverage magnifies both gains *and* losses. The maximum loss that could be incurred by an investor in the *Leveraged Market Volatility ETF* strategy is the client's total investment.

Due to the use of leverage giving potential for increased risk for the Cumberland Advisors' Leveraged Market Volatility ETF strategy, we have decided to make this investment style available to investors who meet the criteria of an "Accredited Investor". An Accredited Investor is a person with a minimum annual income of \$200,000 for individual or \$300,000 jointly with spouse, or a minimum net worth of \$1,000,000. An entity is an accredited investor if it is a private business development company or an organization with assets exceeding \$5 million. Also, if an entity consists of equity owners who are accredited investors, the entity itself is an accredited investor.

In 2016, the U.S. Congress modified the definition of an accredited investor to include registered brokers and investment advisors. Also, if a person can demonstrate sufficient education or job experience showing his professional knowledge of unregistered securities, he is considered an accredited investor.

ACTIVE TAXABLE BONDS/PASSIVE EQUITY; ACTIVE TAX-FREE BONDS/PASSIVE EQUITY STYLE

Description

The diversified portfolio objective is to have long-term capital gains, low turnover, high risk-adjusted returns, and low fees. This portfolio style suits investors or institutions that understand the value of active bond management and want to avoid exposure to bond mutual funds or other pooled fixed-income investments. This portfolio style may also be suitable for investors who (for tax or philosophical reasons) want to pursue almost exclusively transactions that generate long-term capital gains for the equity portion of the investments.

Method of Analysis and Investment Strategies

- Follows Modern Portfolio Theory assumptions (60% Equity/40% Fixed Income) in Buy/Hold/Rebalance management style.
- Offers active bond management and passive equity exposure. Passive exchange-traded funds (ETFs) are used for equity exposure. Individually selected and actively managed, high credit-quality bonds are employed for fixed income exposure.

Managing the Portfolio

Individual bonds are purchased to be held in the account according to the overall investment strategy of the portfolio management team's judgment. The bonds are investment grade securities managed in a total return manner to maximize value over the full interest rate cycle. The bond portion of the account is actively managed although the actual turnover in the bonds will be low. The bonds may be either taxable or tax-free depending on the

The equity portion of the account contains two broad-based exchange-traded funds that efficiently give the investor passive access to a majority of the US equity market. Forty-two (42%) percent of the portfolio contains the exchange-traded fund SPY, the S&P 500 ETF. The remaining eighteen percent (18%) of the portfolio contains the exchange-traded fund MDY, the mid-cap ETF containing the next 400 stocks beyond the S&P 500 companies.

The accounts are reviewed quarterly and are rebalanced back to the original percentage when the mix between equities and bonds vary significantly from the 60/40 mandate.

MASTER LIMITED PARTNERSHIP STYLE (INCLUDES K-1 PARTNERSHIPS)

Description

The strategy seeks to enable investors to invest in Master Limited Partnerships (MLPs) to obtain attractive returns offered by many of these instruments. With the assistance of a sub-advisor, Cumberland Advisors will provide investment advice to invest in MLPs. The advisor will attempt to invest in partnerships which have stable or increasing distributions to provide investors attractive cash returns; research will focus on providing investors with an attractive risk adjusted return on their investments. Many of the partnerships invest in energy related assets that require large amounts of capital. As a result these partnerships may offer the investor tax advantaged returns. This strategy will generally require investors to file tax forms related to k-1 partnership distributions. The research sub-advisor for MLPs is RSD Advisors. Cumberland Advisors has an agreement with Plush Smith PA in Sarasota, FL. to provide advice on the tax considerations on MLPs.

Method of Analysis and Investment Strategy

The manager will use fundamental research methods utilizing publications from various resources, including reports by securities firms and other research providers. Cumberland Advisors also has a sub-advisor agreement with RSD Advisors, LLC to provide research and trading assistance on this strategy. The manager will assess the various sub industries in the Master Limited Partnership universe including but not limited to upstream, downstream and midstream energy partnerships. Due to the costs incurred from frequent trading in these instruments, including bid/ask spreads, direct transaction costs, and tax consequences of frequent trading; the manager does not anticipate the strategy will have a high turnover rate.

The following provides Sub-Advisory Research Services on the Master Limited Partnership style.

Richard Daskin CFA, CFP® is the CIO for RSD Advisors, LLC, a registered investment advisor based in New York City. Mr. Daskin has over 30 years experience on both the "buy" and "sell" side of Wall Street in fixed income and investment management and has been a research analyst, trader, portfolio manager, and salesperson. Mr. Daskin formerly worked at the Goldstein Capital hedge fund, as well as First Albany Capital, DLJ, Alex Brown, Lazard Frères, Chemical Bank and US Trust Company of New York. He wrote a chapter for the book, "Investing in the High Yield Municipal Market: How to Profit from the Current Credit Crisis and earn Attractive Tax Exempt Interest Income". Mr. Daskin has a B.A. in Economics from the University at Albany. He is a holder of a Chartered Financial Analyst designation and is a member of the New York Society of Securities Analysts. He has also obtained a Certified Financial Planner designation and a life and health insurance broker's license. <http://www.rsdadvisors.net>.

Risk of Loss

Master Limited Partnerships have business risk. The risks to investing in these securities include but are not limited to corporate governance, tax changes by government entities, financial leverage, continued access to markets for funding the partnerships, liquidity risks, geographic risks, commodity price risks, and market risk.

We seek to manage the risk of loss by analyzing financial metrics and risks of the partnerships including corporate structure and governance. The analysis will focus on business prospects and sustainability of the partnerships and take into account fundamental financial metrics of the partnerships.

INTERNATIONAL CURRENCY HEDGED ETF STYLE

Description

The portfolio style is ideal for US investors who are looking to minimize the erosion of international (non-US) investment gains due to currency conversions in a strengthening US dollar scenario. Any currency-hedged ETF can be included in the investment selection for the portfolio. This includes any start-up ETFs or any country, region, or sector-hedged ETFs that focus on investments outside the US.

Method of Analysis and Investment Strategies

The firm takes a top-down macroeconomic perspective to assess relative attractiveness among markets.

Currency-hedged ETFs are a small but growing investment option for international investing. Companies such as WisdomTree, Deutsche Bank, First Trust, Direxion, and ProShares are currently sponsoring a variety of currency-hedged ETFs. The offerings span the sectors of international fixed-income, Japan large- and small-cap, developed non-US markets (Europe, Australasia, Far-East), emerging markets, Germany, Brazil, United Kingdom, Eurozone, South Korea, and developed-market mergers. Future currency-hedged sponsors and currency-hedged ETFs will provide greater choices for selection in the portfolio.

Managing the Portfolio

Multiple ETFs may be tactically adjusted as Cumberland Advisors evaluates current market opportunities and risks. The portfolio may contain currency hedged ETFs that focus on specific international country exposure, a broad international exposure or specific or broad international geographic region.

Due to the rebalancing strategy used for ETF accounts, positions may be sold or closed in the very short term (within 30 days). In addition, 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 strategy does not take into consideration any tax implications that may result from this type of trading. Social investing restrictions cannot be adhered to when investing in ETF securities. Cash that has not been invested will be held in a money market account until required for the purchase of securities.

Risks of Loss

International market risks include (but are not limited to) currency risks (via a weakening US dollar) and political, trading, liquidity, and settlement risks, particularly for those ETFs that are newly created with smaller overall assets under management (AUM).

Investments in currency involve additional special risks, such as credit risk, interest rate fluctuations, and derivative investments that can be volatile and may be less liquid than other securities as well as more sensitive to the effects of varying economic conditions. A weakening US dollar would reduce the performance of the portfolio. Changes in currency exchange rates and the relative value of non-US currencies may affect the value of a fund's investments and the value of your fund shares and expose your portfolio to risk of losses due to foreign currency fluctuations or to political or economic instability.

ITEM 9 – DISCIPLINARY INFORMATION

There is no disciplinary information to report.

ITEM 10 – OTHER FINANCIAL ACTIVITIES AND AFFILIATIONS

A. Broker-Dealer Registration Status

Neither Cumberland Advisors nor any of its management persons is registered, or have an application to register, as a broker-dealer or a registered representative of a broker-dealer.

B. Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Adviser Registration Status

Neither Cumberland Advisors nor any of its management persons is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities.

C. Material Relationships or Arrangements with Related Parties which are Industry Participants

Neither Cumberland Advisors nor any of its management persons has any relationship or arrangement that is material to its advisory business or to its clients with any related person who is a broker-dealer, municipal securities dealer, or government securities dealer or broker; investment company or other pooled investment vehicle (including a mutual fund, close-end investment company, unit investment trust, private investment company or “hedge fund” and offshore fund); other investment adviser or financial planner; futures commission merchant, commodity pool operator, or commodity trading adviser; banking or thrift institution; accountant or accounting firm; lawyer or law firm, insurance company or agency; pension consultant; real estate broker or dealer; or sponsor or syndicator of limited partnerships.

D. Material Conflicts of Interest Relating to Other Investment Advisers

Cumberland does not recommend or select other investment advisers for its clients.

E. Municipal Advisor Conflicts of Interest

Cumberland is registered as a municipal advisor with the Municipal Securities Rulemaking Board (“MSRB”). As such, Cumberland Advisors would like to make clients, and potential clients that are municipalities aware of the following conflicts. Cumberland Advisors does not:

- have any affiliates that provide any advice, service or product to, or on behalf of, a client that is directly related to the municipal advisory activities to be performed by Cumberland Advisors ;
- act as a solicitor in relation to municipal advisory activities. Therefore, Cumberland Advisors does not receive any payments from a third party to enlist Cumberland Advisors’ recommendation to the client of its services including the transaction of any municipal financial product;
- participate in any fee-splitting arrangements involving with any provider of investments or services to a municipal client;
- have any compensation arrangements where payment for municipal advisory activities to be performed is contingent on the size or successful closing of a transaction; and.
- make any payments, directly or indirectly, to obtain or retain an engagement to perform municipal advisory activities for a municipal advisory client.

F. Miscellaneous

Cumberland Advisors provides Sub-Advisory services to Marlin Financial, Delray Beach Fl.

Cumberland Advisors makes charitable contributions or underwrites or sponsors charitable events at the request of others. Such contributions generate a conflict to the extent that they create an incentive for the recipient or beneficiary of the payment to use, recommend or include Cumberland Advisors in a preferred list of advisors or refer clients to Cumberland Advisors. Contributions are subject to Cumberland Advisors’ internal review and approval procedures.

Cumberland Advisors Publishing was established in Florida on August 1, 2014. It is a wholly-owned subsidiary of Cumberland Advisors. The sole purpose of this company is to publish industry related books written by Cumberland Advisors’ staff.

Cumberland Consulting, LLC, is a limited liability company organized under the laws of the State of Florida, filed on April 15, 2010. David Kotok is the sole member. The company has not transacted any business since inception.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

Cumberland Advisors has adopted a Code of Ethics that covers personal securities transactions by its employees and associated persons. The Code of Ethics also describes Cumberland Advisors' standards of business conduct, compliance with federal securities laws, and Cumberland Advisors' fiduciary duty to its clients. A copy of our Code of Ethics is available, free of charge, to any client or prospective client upon request by calling 800-257-7013, extension 350.

While Cumberland Advisors believes that the individual investment activities of its employees and associated persons should be encouraged, it seeks to avoid conflicts of interest (or even the appearance of conflicts) surrounding the advisory services it provides to its clients and the personal investments of its employees and associated persons. Pursuant to the Code of Ethics, certain restrictions apply to the investment activities of persons associated with Cumberland Advisors. In general, in any situation where the potential for a conflict exists, transactions for clients must take precedence over personal transactions of such employees or associated persons. Should any situation arise which is not specifically governed by this Code of Ethics, this general intent shall govern the resolution of the matter.

Both employees of Cumberland Advisors and the firm's proprietary account may invest in the same securities as those in clients' managed accounts. This may present a conflict of interest, in that Cumberland Advisors or its employees may obtain a better execution on a trade than a managed client. In order to address this potential conflict, Cumberland Advisors has the following rules in effect.

1. All employees must request and receive approval prior to any trading being done in their non-managed personal securities accounts.

2. **Employee Equity Trades**

The Portfolio Manager of each particular style is responsible for the frequency and selection of securities traded in each portfolio. Some securities may be simultaneously traded by different portfolio managers in a number of different styles. Employee trades may be completed the same day as Managed Account trading as long as all Managed account trading in the particular style has been completed. This may result in employee trades completed in "XYZ" security in Global (or other style) accounts being executed the day before trades for "XYZ" are completed in a Managed account in the Tactical Trend or other styles.

3. **Employee Fixed Income Trades**

Employee and Cumberland Advisors proprietary account fixed-income trade orders may be included with or traded on the same day as fixed-income trade orders in the same securities that are traded for managed accounts. If a fixed-income trade order is not completely filled, the employee and/or Cumberland Advisors proprietary account trade orders will be the first orders dropped out of the allocation procedure. One or more ERISA Accounts may be dropped based upon the parameters described herein. Each ERISA Account will be evaluated based upon the actual duration of the account in comparison to the [target] duration selected by the plan's fiduciary. An ERISA Account will have priority over another ERISA Account to the extent that is further from its target duration from the other ERISA Accounts.

4. There is no blackout period or prior approval needed when employee or Cumberland proprietary accounts trade mutual funds.

ITEM 12 – BROKERAGE PRACTICES

A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions

When choosing a broker to execute a trade for a client's account, Cumberland Advisors seeks to obtain the best execution for the client while taking the following into consideration: the price at which the trade will be executed, cost of effecting the transaction, the ease and speed of execution, the reliability of the broker

through past experience, and the ability to work a large order without negatively affecting the market. In the case of fixed-income securities, we may also consider whether the broker provides Cumberland with liquidity and competitive pricing on smaller lots of bonds, as well as who is the lead manager on a new issue.

1. Research and other Soft Dollar Benefits - Subject to its general policy of seeking quality execution at reasonably competitive rates, and unless instructed by a client to use a particular broker dealer(s), Cumberland Advisors may execute transactions for any account through broker-dealers including trades that include commissions received from riskless principal transactions eligible for soft dollar credits under Section 28(e) of the Securities Exchange Act of 1934, as amended (“the 1934 Act”) and the allocation of principal business and portfolio brokerage and the acquisition of securities in underwritings. A portion of the commission paid by the client will be used to provide Cumberland Advisors with research and other services designed to assist in the furnishing of investment advice to its client accounts.

When client brokerage commissions are used to obtain research or other products or services, Cumberland Advisors receives a benefit, because we do not have to pay for these services directly. This could provide an incentive for Cumberland Advisors to select a broker-dealer based on our interest in receiving the research or other products or services, rather than on the best interest of our client in receiving the most favorable execution. Commissions (or markups or markdowns) charged by brokers providing soft-dollar services may be higher than those charged by brokers not providing these services.

Soft dollar services are used to benefit all of our client accounts. Services are not allocated proportionately to the soft dollar credits each account generates. Receipt of these services, in exchange for soft dollars, benefits Cumberland Advisors by, among other things, allowing Cumberland Advisors to (i) supplement its own research and analysis activities and (ii) receive the views and information of individuals and research staff of other securities firms having special expertise on certain companies, industries and areas of the economy and market factors without having to produce or pay directly for such research, products or services.

Research services provided by brokers may include information on the economy, industries, groups of securities, individual companies, statistical information, accounting and tax law interpretations, political developments, legal developments affecting portfolio holdings, technical market action, pricing and appraisal services, credit analysis, measurements analysis, performance analysis and analysis of corporate responsibility issues. Such research services are received primarily in the form of written reports, access to various computer generated data and research software.

Cumberland Advisors has soft-dollar arrangements with LEK Securities, Wallach Beth Capital LLC, BTIG, Cantor Fitzgerald, Convergenx and Academy Securities. With the exception of Academy Securities, equity trades are done through these firms at 4 cents per share and 3.992 cents of that is accrued for research services. Cumberland Advisors has an agreement with Academy Securities where Cumberland Advisors decides the commission on Agency fixed-income trades and 50% of the commission is credited to soft dollars.

BTIG provides the following services: Capital Economics, macroeconomic research; Makoto Japan Research, Japanese macroeconomic and sector strategy; MRB Partners.

Cantor Fitzgerald provides the following services: Kinsale Trading, macro economic coverage of all asset classes.

Convergex provides the following services: Action Economics, economic and market research reports and updates; BCA research services, research reports on equity markets, global and European investment strategies and US bond strategies; Bloomberg research and pricing data; Source Media “The Bond Buyer”, fixed-income market and interest-rate forecasts research; Robert Brusca-FAO Opinions, research on the economy, global trends, and political changes; Dorsey Wright Associates, global technical research; the Gartman Letter, daily commentary on global capital markets; Grant’s Interest Rate Observer, fixed-income market and interest-rate forecasts research; Haver Analytics, macro economic research; Moody’s, fixed-income and interest rate research; IRC Securities – Fundstrat, fundamental market and sector strategy; Ned Davis economic research reports; Oxford Economics, economic data and forecasts; Standard and Poors Capital IQ, desktop research, screening, real-time market data, back-testing, portfolio management, valuations; Stratfor, geopolitical commentary; Strategas, macro global economic research and capital markets.

Wallach Beth Capital LLC provides the following services: Bloomberg Live; Global Market Drivers, daily global equity, fixed income, currency and commodity market commentary; Barclay’s, Arbor Research & Trading, macro investment analysis integrated qualitative and quantitative overviews of the economy and the fixed-income, equity, currency and commodity markets; and Data Trek, contrarian, value analysis.

While there are no soft-dollar agreements in place with the following brokers, we have executed trades through these brokers and received proprietary economic and fixed-income market research material from them during 2016: Morgan Stanley; Goldman Sachs; Citibank; Barclays; Morgan Keegan; BMO; Merrill Lynch; JP Morgan; Piper Jaffray; Wells Fargo; Citigroup; Stifel, Nicolaus & Company and Loop.

The majority of our equity trades in 2017 were done through Convergex. Convergex has provided electronic connectivity with our order management system. The connectivity gives Cumberland a portal by which we are able to enter orders with direct access to the market. Orders are executed quickly and efficiently. In some cases, where entering a large order all at once would negatively affect the market, we have the ability to work larger orders in pieces in an efficient manner. Convergex also has the ability to create baskets for illiquid ETFs. When necessary, in trading an illiquid security, Convergex can combine direct and wrap accounts. This allows the system to execute transactions in both account types at the same price. Wrap account transactions would be done as step-outs in this situation and not charged any commission fees.

2. Brokerage for client referrals – not applicable

3. Directed brokerage – In some cases, a client may be allowed to direct trades to a particular broker. This is determined on a case by case basis. When a client directs Cumberland to use a specific broker for executing a securities transaction, Cumberland may be unable to achieve the most favorable execution of the client’s transaction. For example, we may not be able to aggregate trades with other accounts, which could result in higher transaction costs to the client.

Cumberland serves as a portfolio manager in several wrap-fee programs. These wrap fee programs are arrangements in which investment advisory services, brokerage execution services and custody are provided by a sponsor for a single predetermined "wrap" fee (regardless of the number of trades completed by a client) Generally, clients participating in a wrap-fee program (“Wrap Program Clients”) pay this single, all-inclusive fee quarterly to the program sponsor, based on the net assets under management. Cumberland receives from the program sponsor a portion of the wrap fee for the portfolio management services it provides. Each program sponsor has prepared a brochure which contains detailed information about its wrap-fee program, including the wrap fee charged. Copies of each brochure are available from the program sponsor upon request. Wrap Program Clients should

note that we may execute transactions for their accounts through the wrap sponsor if directed by the client or wrap sponsor. Transactions executed through a wrap sponsor may be less favorable in some respects than Cumberland's clients whose trades are not executed through the wrap sponsor. This is because we may not have the ability to negotiate price or take advantage of combined orders or volume discounts. Cumberland may be constrained in obtaining best execution for Wrap Program Clients by sending trades to the wrap program sponsor.

B. Order Aggregation

When executing client transactions, where the accounts involved are held at the same custodian, trades may be bunched (or aggregated) with other clients' trades. This increases the average size of orders to brokers and can result in a better execution. Small odd-lot-sized trades can result in a negative price difference to the client. Accounts held at different custodians cannot be bunched together.

C. Services provided by Schwab Advisor Services

Schwab makes available to us products and services that may benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. Schwab makes available software and other technology that:

- Provides access to client account data,
- Facilitates trade execution and order processing,
- Facilitate payment of our fees from our clients' accounts, and
- Assists us with back-office functions, recordkeeping and reporting.

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events,
- Technology, compliance, legal, and business consulting, and
- Publications and conferences on practice management and business succession. Schwab may discount or waive fees for some of these services or pay all or part of a third party's fees.

D. Non-cash compensation

From time to time, custodians and other investment advisors with which Cumberland Advisors has a relationship will invite Cumberland Advisors personnel to education and training meetings that are primarily focused on current industry topics and issues. We find these meetings valuable in assisting us in keeping up on current industry issues. Cumberland Advisors personnel may be offered complimentary admission to these events creating a non-cash compensation issue and a possible conflict of interest.

Cumberland Advisors has created supervisory policies and procedures to ensure that the participation in these meetings is valuable to the firm and performed within industry guidelines.

ITEM 13 – REVIEW OF ACCOUNTS

A. Frequency and Nature of Review of Client Accounts or Financial Plans

All accounts are reviewed quarterly by the investment adviser representative with staff assistance or client service representative assigned to such accounts. Such representative may also be the portfolio manager assigned to such account. Such representatives typically review the account to confirm that the account is invested according to its investment policy. Accounts are also reviewed on a random basis by the Compliance Department to confirm that the account is invested properly.

B. Factors Prompting Review of Client Accounts Other than a Periodic Review

Client accounts are also reviewed on a non-periodic basis, specifically when investments with respect to such accounts are being bought or sold. In addition, clients may request a review of their accounts by the portfolio manager assigned to their account at any time. Accounts are also reviewed on a random basis by Cumberland Advisors' Compliance Department to determine/confirm whether accounts are invested properly.

C. Content and Frequency of Account Reports to Clients

Clients receive from Cumberland Advisors written quarterly and annual reports regarding their accounts. These reports include the previous and current market value of the account and the performance of such accounts for the period in question. In addition, the reports list the assets that comprise the account and their respective market values. Clients may also request additional reports from Cumberland Advisors including confirms, gain and loss reports, and customized reports.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

A. Economic Benefit for Providing Services to Clients

Cumberland Advisors has a client who has their broker pay Cumberland Advisors for Cumberland Advisors' services provided to the client. Cumberland Advisors has no affiliation with and does not trade through said broker.

C. Compensation to Non-Supervised Persons for Client Referrals

Cumberland Advisors has agreements in place with various solicitors who receive a percentage of the annual investment Advisory Fee charged to clients on accounts that were introduced to Cumberland Advisors by such solicitor. The fee paid to these solicitors is deducted from the Advisory Fee received by Cumberland Advisors from its clients, and therefore, is part of and not additional to the Advisory Fee charged to Cumberland Advisors' clients. This arrangement remains in place for the life of the account as long as the solicitor agreement remains in effect.

D. Schwab Advisor Network®

Cumberland Advisors receives client referrals from Charles Schwab & Co., Inc. ("Schwab") through Cumberland Advisors' participation in the Schwab Advisor Network® (The Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of, and unaffiliated with Cumberland Advisors. Schwab does not supervise Cumberland Advisors and has no responsibility for Cumberland Advisors' management of client's portfolios, Cumberland Advisors' other advice or services. Cumberland Advisors pays Schwab fees to receive client referrals through the Service. Cumberland Advisors' participation in the Service may raise potential conflicts of interest described below.

Cumberland Advisors pays Schwab a participation fee on all referred clients' accounts that are maintained at Schwab. The participation fee paid by Cumberland Advisors is a percentage of the fees the client pays to Cumberland Advisors, or a percentage of the value of the assets in the client's account, subject to a minimum participation fee. Cumberland Advisors has agreed to pay Schwab the participation fee for so long as the referred clients' account remains managed by Cumberland Advisors and in the custody of Schwab. The participation fee is billed to Cumberland Advisors quarterly and may be increased, decreased or waived by Schwab from time to time. The participation fee is paid by Cumberland Advisors and not directly by the client. Cumberland Advisors has agreed not to charge clients referred through the service fees or costs greater than the fees or costs Cumberland Advisors charges clients with similar portfolios who were not referred through the service.

Cumberland Advisors has an incentive to encourage household members of clients, referred through the Service, to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit Cumberland Advisors' fees directly from the accounts. This is true, even if there may be other custodial arrangements available to Cumberland Advisors that could allow the client to pay lower custodial fees. For accounts of Cumberland Advisors' clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from Cumberland Advisors' clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab will also receive a fee (generally lower than the applicable commission trades it executes) for clearance and settlement of trades executed at other broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, Cumberland Advisors may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. Cumberland Advisors nevertheless, acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for Cumberland Advisors' other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker dealers.

ITEM 15 – CUSTODY

Cumberland Advisors will send a report to State Street Bank, TD Ameritrade, Charles Schwab and Co., and U.S. Bank for investment advisory fees. The custodians will then debit the accounts and forward the funds to Cumberland Advisors. If a client has designated one of these banks as the custodian for their account, the client will receive quarterly statements (monthly if there is any activity) from the bank. Clients should carefully review these statements. They should also compare these statements with the quarterly reports received from Cumberland Advisors. Clients sign a separate custodial services agreement with a qualified custodian of their choice.

ITEM 16 – DISCRETION

When opening an account, Cumberland Advisors requires that each client sign a limited power of attorney that gives Cumberland Advisors discretion over the management of the account, subject to the investment parameters designated by the client and Cumberland Advisors to meet the client's investment objectives. In addition, clients may impose certain restrictions on their accounts such as cash restrictions, maturity restrictions, and in some cases, asset-allocation restrictions.

ITEM 17 – VOTING CLIENT SECURITIES

Cumberland Advisors shall vote proxies related to all managed and non-managed securities. The authority to vote proxies is established in the client's Client Services Agreement or comparable documents. In accordance with our fiduciary duties and SEC Rule 206(4)-6, we have adopted policies and procedures that we believe are reasonably designed to ensure that proxies are voted in the best interests of our clients. We use Glass Lewis research to assist in voting decisions and vote through a third party vendor. Should a conflict of interest arise between Cumberland Advisors and the client's best interest, the proxy will be voted in accordance with the recommendation of Glass Lewis. Clients may obtain information on how a proxy on a security held in their account was voted and/or a copy of our proxy voting policy and procedures by calling 800-257-7013, extension 350.

ITEM 18 – FINANCIAL INFORMATION

A. Cumberland Advisors does not require or solicit prepayment of more than \$600 in fees per client, six months or more in advance.

- B. There are no financial conditions that are reasonably likely to impair Cumberland Advisors' contractual commitments to clients.
- C. Cumberland Advisors has never been the subject of a bankruptcy petition.