

Cumberland Advisors Market Commentary – 3Q2019 Review: Tactical Trend

A flexible investment strategy that strives to analyze multiple asset classes, Tactical Trend strives to provide long term capital appreciation while focusing on risk vs. reward opportunities. Capital is deployed in the primary asset classes exhibiting strong relative strength vs. indexes and peers. These asset classes include domestic equities, international equities, fixed income and commodities.



US equity continues to be the most attractive asset class from a performance standpoint. While overweighting US stocks on an asset class level, our index and sector focus continues to favor large cap and growth vs. value. It is worth noting that value has narrowed the underperformance gap vs. growth through Q3. Technology represents a 30% allocation and is represented by securities such as RYT (S&P Tech), QQQ (Nasdaq 100) and MSFT (Microsoft). From a value standpoint, capital was added to both KIE (Insurance Index) and BRK.B (Berkshire Hathaway).

While it is difficult to handicap the week to week political headline risk in the market, the current interest rate environment lends a constructive supply/demand scenario for equities. The equity markets got a strong bid in late August when the 30 yr. Treasury dipped below the dividend yield on the S&P 500. This is a rare occurrence and historically identified attractive entry points for equities going forward. With a cash cushion of 15%, we will continue to seek to identify strong trends and take advantage of pullbacks or dislocations.

Matthew McAleer

Executive Vice President & Director of Equity Strategies

[Email](#) | [Bio](#)

Cumberland Advisors invites you to join Matt each Friday on YouTube and hear about Cumberland's week in trading. Visit and/or [subscribe](#) here:
<https://www.YouTube.com/CumberlandAdvisors>

In addition to Matt, it's that time of year when the rest of the [Team at Cumberland Advisors](#) provide their Q3 Reviews. We may discuss what we favor, cash positions, warning signs, and what we see as opportunities. Read more Q3 Reviews to learn about the thinking behind our positioning of portfolios and how we execute strategies at our website:
<https://www.cumber.com/2019-q3-reviews/>