



Market Volatility

Objective

Match or exceed the benchmark's performance (S&P 500) with lower volatility.

Investment Approach

Actively manage index portfolio with focus on market volatilities by using one exchange traded fund (ETF), either SPY or IVV.

Highlights

- Low beta
- Binary trading positions—all invested vs. all cash
- Contrarian market-timing strategy

Investment Philosophy

- Market tends to overreact in volatile environments and generates downward momentum.
- Market behavior demonstrates mean reversal pattern throughout long-term history.
- Discover critical periods of market overreaction representing buying opportunities, using quantitative analysis, in order to capture upside reversal of returns.

Portfolio Manager



David R. Kotok
Chairman &
Chief Investment Officer

Wharton School, BS Economics
University of Pennsylvania,
MS Organizational Dynamics

Investment Process

- Quantitative screening process based on 10 to 15 indicators to sort market variables.
- When indicators hit the buying threshold, the portfolio will become fully invest.
- Ongoing market surveillance and exit rules determine the holding period.

Consultant



Leo Chen, Ph.D.
Quantitative Strategy Consultant

USF, Ph.D. in Finance
Rochester, BA Economics

Disclosure: Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product (including the investment strategies recommended or undertaken by Cumberland Advisors), equal any corresponding indicated historical performance level(s), be suitable for your portfolio or individual situation, or prove successful. The portfolio discussed above does not use leverage. It is not our intention to state or imply in any manner that past results and profitability are an indication of future performance. This does not constitute an offer to sell or the solicitation or recommendation of an offer to buy or sell any securities directly or indirectly herein.

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