



Active Taxable Bonds / Passive Equity

Objective

To achieve a total return for clients through a combination of income and long term capital gains in both the fixed income and equity markets.

Highlights

- Separately managed account
- Balanced, diversified core allocation
- Actively managed bonds
- Passive equity exposure
- Low overall portfolio turnover

Portfolio Managers



John R. Mousseau, CFA
CEO & Director of Fixed Income

Georgetown University,
BA Economics
Brown University, MA Economics



Matt McAleer
President &
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Rider University,
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Investment Approach

A balanced strategy that combines actively managed, high-quality taxable bonds managed for total return with efficient exposure to U.S. domestic markets using two broad-based ETFs.

Fixed Income: 40% is allocated to a custom portfolio of high credit quality bonds managed for total return over a full interest rate cycle.

Equity: Two broad based ETFs provide efficient exposure to over 900 publicly traded companies.

- 42% of the portfolio is invested in SPY, the S&P 500 ETF.
- 18% of the portfolio is invested in MDY, for mid-cap exposure.

Rebalanced quarterly if the 60/40 allocation drifts by 5% or more.

Investment Philosophy

- Follows Modern Portfolio Theory assumptions (60% Equity/40% Fixed Income) in Buy/Hold/Rebalance management style.

Benchmark

40% Bloomberg Intermediate Gov't/Credit and 60% S&P 500 Index.

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 of 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 Active Passive Taxable style is the Active Passive Taxable Blend Benchmark. The Active Passive Taxable Blend Benchmark is comprised of 40% Bloomberg Intermediate Gov't/Credit and 60% S&P 500 Index, rebalanced monthly. The Bloomberg Capital U.S. Intermediate Government / Credit Index is the Intermediate component of the US Government/Credit index. It consists of securities in the intermediate maturity range of the Government/Credit Index. Securities must have a maturity from 1 up to (but not including) 10 years. 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.