CUMBERLAND ADVISORS
Serving Investors Since 1973

Active Gov/Credit 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

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.

Philosophy

- Follows Modern Portfolio Theory assumptions (60% Equity/40% Fixed Income) in Buy/Hold/Rebalance management style.
- Rebalancing is systematic and driven by market activity.

Process

Systematic market driven rebalancing vs. calendar rebalancing attempts to create less trading and tax friction.

Customized Portfolio Construction

Continuous integration of firm views, risk oversight, trading expertise, and independent research.

Investment Committee: Debate and discuss current events, economic and market themes to determine conviction for opportunistic action. Establish targets for strategies.

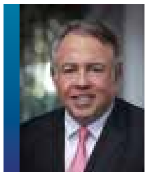
Risk: Ongoing analysis of downside market risk with particular emphasis on relative strength.

Portfolio Management: Align portfolios to investment committee targets. Apply weighting criteria. Monitor accounts and oversee investments.

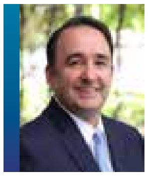
Research: Identify market opportunities through detailed focus on money flows, trend analysis, and valuation.

Trading: Assess relative value and liquidity. Define optimal position size. Leverage technology for seamless execution and account allocation. Opportunistically harvest tax loses.

Portfolio Managers



John R. Mousseau, CFA – EVP | Chief Investment Officer: John Mousseau has over 40 years of investment management experience and serves as Chief Investment Officer and Portfolio Manager on various Cumberland fixed income strategies. Prior to joining Cumberland in 2000, he was the Director of Municipal Bond Investments for Lord Abbett & Company. He also held roles at Shearson Lehman Brothers and E.F. Hutton. His comments and analyses have appeared in The Bond Buyer, Barron's, The Wall Street Journal, Bloomberg News, Bloomberg Magazine, Forbes, The Philadelphia Inquirer, The Herald Tribune, The New York Times, and the Municipal Finance Journal. In addition, he has shared his insights on Bloomberg Television and Radio, Reuters, and CNBC.

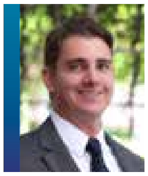


Matthew C. McAleer - EVP | President of Private Wealth Management: Matthew C. McAleer brings over 25 years of investment management experience to his role overseeing all aspects of Cumberland Advisors' equity group, including portfolio management, research, and trading. He serves as a member of Cumberland's Executive Committee while managing portfolios for various equity strategies.

With a focus on quantitative research, Matt uses detailed trend, price, and relative strength analysis to guide portfolio construction and identify investment opportunities across multiple asset classes. Before joining Cumberland Advisors in April 2014, he served as a portfolio manager at Hudson Canyon Investment Counselors and Classic Asset Management.

Matt earned a B.S. degree in marketing/economics from Rider University and holds a certificate in Investment Management Theory & Practice from the Yale School of Management Executive Education program.

Supporting Leadership



Charles W. Metzler, CFP®, CFA® - Equity Analyst: Charles Metzler supports clients through portfolio risk analysis and helps align investment objectives with Cumberland's strategies and serves as an Investment Advisor Representative. He joined the firm in 2020 after working at RiverSource Life Insurance Company/Ameriprise Financial.

Charles holds a Bachelor of Arts from the University of Missouri and is a CFP® Professional, CFA® charterholder, and member of the CFA Society of Tampa Bay.

Behind these leads, Cumberland has a robust supporting team of analysts, traders, and client service professionals. We emphasize a team approach – our experts collaborate on investment decisions, ensuring that each portfolio benefits from the full breadth of our team's knowledge.

Disclosure

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 Active Passive Gov/Credit Blend Benchmark is comprised of 40% Bloomberg U.S. Aggregate Gov/Credit and 60% S&P 500 Index. The Bloomberg US Aggregate Government/Credit Bond Index is a broad-based benchmark that measures the non-securitized component of the U.S. Aggregate Index. The index includes investment grade, U.S. dollar-denominated, fixed-rate treasuries, government-related and corporate securities. 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.