



**CUMBERLAND**  
ADVISORS

Serving Investors Since 1973

# Total Return Municipal Strategy

## Objective

The Cumberland Total Return Municipal Strategy focuses on federally tax-exempt municipal bonds and seeks to provide risk-adjusted outperformance versus the Bloomberg Municipal Bond Index through disciplined sector allocation, security selection, curve management, and duration targeting.

## Approach

- Portfolios can be customized to reflect client state residence.
- Tax loss harvesting is implemented year-round to capture losses
- Active management seeks both tax-efficient income and long-term capital appreciation.
- While portfolios are constructed with investment-grade, federally tax-exempt municipals, portfolio managers may also incorporate U.S. Treasuries, agencies, taxable municipals, and other investment grade securities when market conditions warrant.

## Portfolio Construction

**Full Curve:** 1-30 years

**Ratings:** Investment Grade with Higher-Quality Bias

**Index:** Bloomberg Municipal Bond Index

**Duration:** Incremental with maximum 2 Year Delta From Index

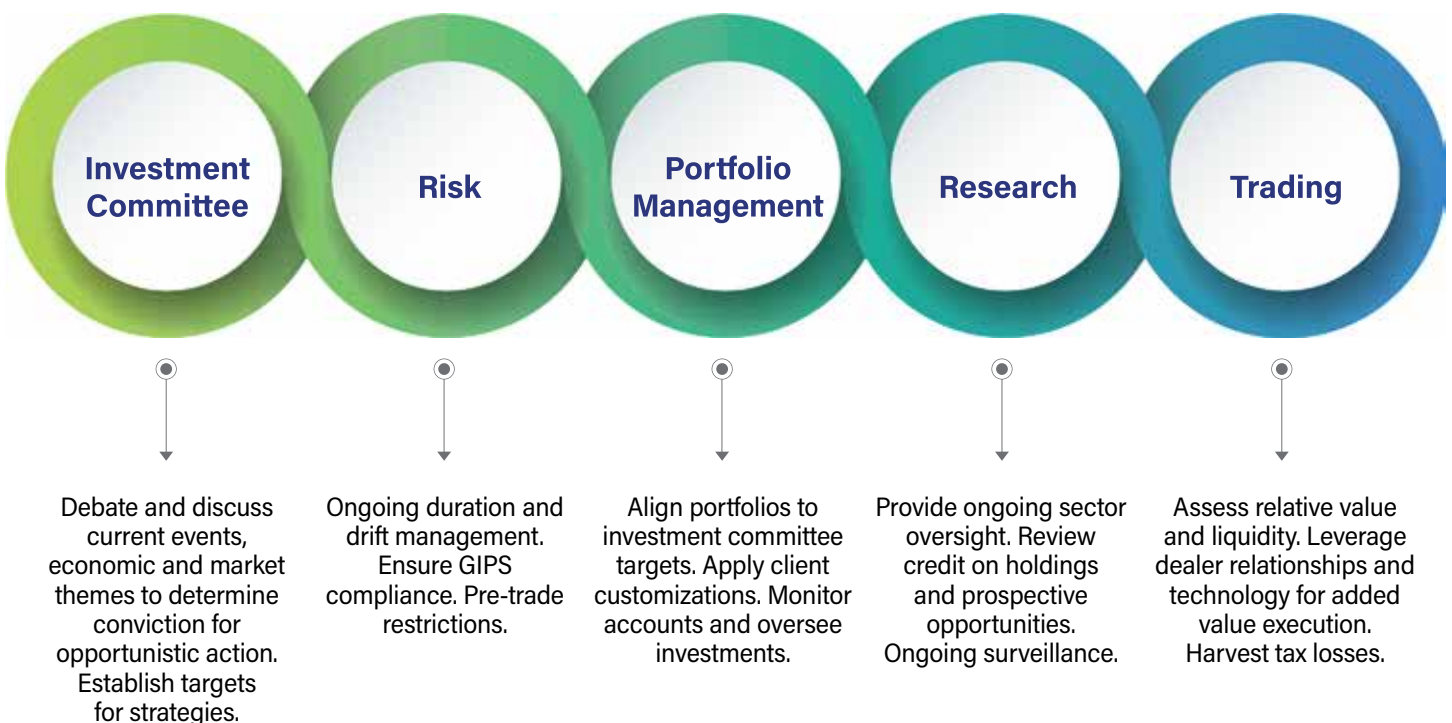
**Customization:** State and Client Restrictions Available

## Investment Philosophy

We believe that rigorous top-down analysis of the economy and evolving macroeconomic themes provides the best foundation for generating risk-adjusted alpha through thoughtful portfolio structuring. To complement this, we apply proprietary bottom-up research and broad diversification to help mitigate unsystematic risk. For more than 50 years, our philosophy has centered on the conviction that duration management, curve positioning, sector rotation, security selection, and risk management are essential to building resilient portfolios.

## Customized Bond-By-Bond Portfolio Construction

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



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## 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.



**Benjamin C. Pease - EVP | President of Asset Management:** Ben Pease has over 25 years experience within fixed income trading and portfolio management. Ben joined the firm in 2023 with prior experience that included roles at Breckinridge Capital, TD Asset Management, and Fidelity Investments. In addition to being a portfolio manager, Ben is a member of the Investment Committee and leads the Asset Management unit. Ben's extensive experience spans hands-on trading, investment management, process improvement, strategy oversight, and risk management. Ben holds a BS in Economics and Finance and an MBA from Southern New Hampshire University, and continuing professional education in the areas of leadership from Cornell University.

## Supporting Leadership



**David W. Berson, Ph.D., CBE - SVP | Chief Economist:** David W. Berson, Ph.D. is Chief Economist at Cumberland and previously worked as Senior Vice President and Chief Economist at Nationwide Insurance, as well as Senior Vice President, Chief Economist, and Head of Risk Analytics at the PMI Group and VP and Chief Economist at Fannie Mae. He has served as President of the National Business Economic Issues Council (NBEIC) since 2000 and continues to be a frequent speaker to media and industry groups on the economy, housing, and financial markets. David holds a B.A. in History and Economics from Williams College, a Master of Public Policy and a Ph.D. in Economics from the University of Michigan, and has a Certified Business Economist® (CBE) designation from NABE.



**Patricia Healy, CFA - SVP | Director of Fixed Income Research:** Patricia Healy provides macro, sector, and individual credit research with over 30 years of experience spanning many sectors. Patty joined the firm in 2016. She was previously Senior Director for BayernLB, where she oversaw the public finance portfolio as well as the firm's tender option bond liquidity program. Patty also served as a credit analyst at TD Securities and at Offitbank. She has experience within the credit rating agencies as well. At Standard & Poor's she focused on utilities, and at Fitch she focused on infrastructure and financial guaranty companies. Patty holds a B.S. in Finance from the State University of New York at New Paltz, and she is a holder of the Chartered Financial Analyst® (CFA) designation.



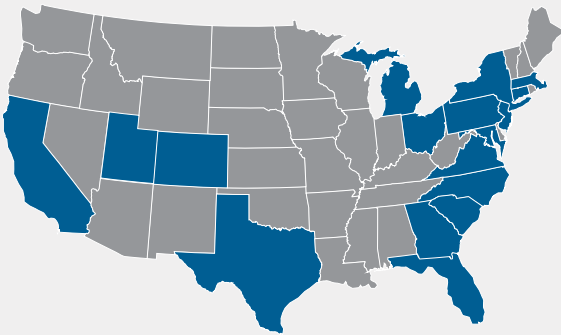
**Shaun Burgess - PM Strategist:** Shaun Burgess serves as a PM Strategist in Cumberland Advisors' Asset Management division, helping shape and communicate the firm's fixed income strategy. He brings extensive experience as a senior fixed income trader and portfolio manager and is a frequent resource for advisors, consultants, and institutional investors navigating bond markets.

Shaun holds a B.A. in Finance from the University of South Florida and maintains a Series 65 license.

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.

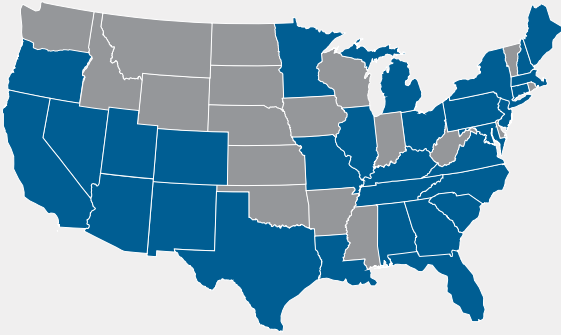


# Customizations Available For Tax-Exempt SMA Accounts:



## State Focus (80-100% Target)<sup>1</sup>

California	New York
Colorado	North Carolina
Connecticut	Ohio
Florida <sup>3</sup>	Pennsylvania
Georgia	South Carolina
Maryland	Texas <sup>3</sup>
Massachusetts	Utah <sup>2</sup> (UT or states with reciprocity)
Michigan	Virginia
New Jersey	



## State Bias (50% + Target)

Alabama	Maine	New York
Arizona	Maryland	N. Carolina
California	Mass	Ohio
Colorado	Michigan	Oregon
Connecticut	Minnesota	Pennsylvania
Florida <sup>3</sup>	Missouri	S. Carolina
Georgia	Nevada <sup>3</sup>	Tennessee
Illinois	New Hampshire	Texas <sup>3</sup>
Kentucky	New Jersey	Utah <sup>2</sup>
Louisiana	New Mexico	Virginia

<sup>1</sup> Cumberland Advisors will focus on purchasing in-state bonds. Cumberland Advisors may still buy out-of-state bonds if the after-tax yield-to-worst of the purchased bond (adjusted for the highest in-state tax bracket) is expected to exceed the eligible in-state opportunities currently available. However, if state of issuance takes precedent over after-tax return, or if the client's tax situation differs, clients may 'opt-out' of purchasing out-of-state bonds in State Focus Tax Efficient portfolios by contacting their advisor.

<sup>2</sup> UT includes states with reciprocity agreement.

<sup>3</sup> Cumberland Advisors offers these state customizations to meet specific client requests. However, this state customization provides no economic tax benefit and may reduce diversification versus a national, state-agnostic portfolio. Contact Cumberland Advisors to discuss the client request, tax situation, and customization requirements.



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## 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. Bonds have the following known risks: credit, default, liquidity and interest rate. Credit risk involves the creditworthiness of the issuer affecting their ability to pay their debt obligations and take on additional debt at favorable rates. Default risk increases with a management failure, inadequate revenue streams to cover the debt service, or fraud. Liquidity risk impacts the ability to move out of a security while actively rebalancing portfolio durations to meet strategy adjustments. Interest rate risk comes from rising inflation eroding the real value of a bond's principal and the buying power of the interest payments. Given the tax benefits, the interest rate for municipal bonds is usually lower than on taxable fixed-income securities, such as corporate bonds. The benefit of investing in tax-free municipal bonds vs. taxable fixed income securities diminishes as your tax bracket declines. 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.

**Benchmark:** Bloomberg Municipal Bond Index. The Bloomberg Municipal Bond Index is a rules-based, Market-value weighted index engineered for the long-term tax-free bond market. To be included in the index, bonds must be rated investment-grade (Baa3/BBB- or higher) by at least two of the following ratings agencies: Moody's, S&P, Fitch. If only two of the three agencies rate the security, the lower rating is used to determine index eligibility. If only one of the three agencies rates a security, the rating must be investment-grade. They must have an outstanding par value of at least \$7 million and be issued as part of a transaction of at least \$75 million. The bonds must be fixed rate, have a dated-date after December 31, 1990, and must be at least one year from their maturity date. Remarketed issues taxable municipal bonds, bonds with floating rates, and derivatives, are excluded from the benchmark. The index has four main sectors: general obligation bonds, revenue bonds, insured bonds (including all insured bonds with a Aaa/AAA rating), and pre-refunded bonds. Most of the index has historical data to January 1980. In addition, sub-indices have been created based on maturity, state, sector, quality, and revenue source, with inception dates later than January 1980.

