



Sector Alpha

Objective

Match or exceed the performance of the benchmark (S&P 500 Total Return Index) with lower volatility over a market cycle.

Investment Approach

Actively manages a broad-based U.S. equity portfolio by holding sector ETFs.

Highlights

- A sector rotational strategy between offense and defense
- Constantly ranks the S&P 500 sectors on a dynamic basis
- Combines Quantitative process with fundamental analysis

Investment Philosophy

- Sectors tend to perform differently throughout market cycles.
- Top-down approach using quantitative analysis to discover sectors demonstrating the highest relative strength in each market cycle.
- Rotate between cyclical and defensive sectors.

Portfolio Managers



Leo Chen, Ph.D.
Quantitative Analyst &
Portfolio Manager

USF, Ph.D. in Finance
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Chairman &
Chief Investment Officer

Wharton School, BS Economics
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Investment Process

- Identify the market cycle using quantitative analysis to detect bullish or bearish trends in the market.
- Select sectors based on the market cycle:
 - Equal weight the top-3 cyclical sectors for a bullish signal
 - Equal weight the top-3 defensive sectors for a bearish signal
- Construct portfolio model of 3 equal weighted sector ETFs.
- Disciplined active rotation from cyclical to defensive sectors based on quantitative analysis.

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.

Benchmark: The benchmark for the Sector Alpha style is the S&P 500 Total Return Index. The S&P 500 Total Return 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.