

Item 1 – Cover Page

ADV Part 2 A

CUMBERLAND ADVISORS®

2 N. Tamiami Trail, Suite 303
Sarasota, Florida 34236

800-257-7013
www.cumber.com

Revised 12/20/2020

This brochure provides information about the qualifications and business practices of Cumberland Advisors Inc. (Cumberland Advisors®). If you have any questions about the contents of this brochure, please contact us at 800-257-7013, extension 350. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Cumberland Advisors is also available on the SEC’s website at www.adviserinfo.sec.gov. In addition, the SEC’s website provides information about any persons affiliated with Cumberland Advisors who are registered, or required to be registered, as investment adviser representatives. Cumberland Advisors is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

[Please review this information and acknowledge receipt of this brochure where and if indicated.]

[If obtaining this brochure electronically, please print a copy and retain it for your future reference.]

ITEM 2 – MATERIAL CHANGES

The following is a summary of material changes which have occurred since the last annual update dated December 31, 2019:

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

01/01 - Cumberland Advisors no longer participates in the Schwab Advisor referral program.

ITEM 18 – FINANCIAL INFORMATION

04/15 - Due to the economic uncertainties surrounding the COVID-19 pandemic, the firm received a Paycheck Protection Program (“PPP”) loan in the amount of \$691,100, some or all of which may be eligible to be forgiven, through the U.S. Small Business Administration, which was part of the economic relief provided under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

ITEM 5 – FEES AND COMPENSATION

10/01 - Cumberland has eliminated a \$200 de minimis fee adjustment level for new account opening and interim deposits or withdrawals of securities and/or cash within an account. The fee adjustment will be reflected in the billing for the following quarter.

.

ITEM 3 – TABLE OF CONTENTS

	Page#
1. Cover Page	1
2. Material Changes	2
3. Table of Contents	3
4. Advisory Business	4
5. Fees and Compensation	5
6. Performance Based Fees and Side by Side Management	8
7. Types of Clients	8
8. Methods of Analysis, Investment Strategies, and Risk of Loss	8
9. Disciplinary Information	21
10. Other Financial Activities and Affiliations	21
11. Code of Ethics, Participation or Interest in Client Transactions And Personal Trading	23
12. Brokerage Practices	24
13. Review of Accounts	27
14. Client Referrals and Other Compensation	27
15. Custody	28
16. Discretion	28
17. Voting Client Securities	28
18. Financial Information	28

ITEM 4 – ADVISORY BUSINESS

Cumberland Advisors is a registered investment advisory firm headquartered in Sarasota, FL (with a branch office in Vineland, NJ). Originally founded in 1973, the firm has clients in approximately 49 states, the District of Columbia, and several foreign countries. Cumberland Advisors is 65.6% owned by employees.

As of 12/31/19, the firm had assets under management of \$3.56 billion. This included fixed income accounts (municipal bond and taxable fixed-income securities) as well as equity accounts (using exchange-traded funds only). Cumberland Advisors had (i) discretionary assets under management in the amount of \$3,552,680,247 and (ii) nondiscretionary assets under management of \$12,705,749. Our clients include high net worth individuals, institutions, investment companies, public and corporate retirement plans, corporations, foundations and government entities (direct clients as well as managed money through financial advisors). For most investment styles, our stated minimum “household” investable asset size is \$1,000,000, with account sizes that range up to multi-digit millions.

Cumberland Advisors has numerous investment styles designed to meet the investment needs of a wide variety of clients. Please see **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**, for information on some of these styles.

Our portfolio management emphasizes long-lasting relationships. Cumberland Advisors tailors its advisory services to individual clients’ needs and objectives by having personalized discussions among clients, their consultants, tax advisors, and the assigned portfolio management contact at Cumberland Advisors. Clients may impose cash restrictions and asset allocation restrictions.

Cumberland Advisors is registered with the Municipal Securities Rulemaking Board (MSRB) as a Municipal Advisor and assists state and local governments with interest-rate forecasting, financial market analysis, and issuance of debt financing, economic analysis, negotiations of private activity financing, structuring Urban Enterprise Zone loans, economic structuring of landfill escrows, and other special services of this nature.

Cumberland Advisors provides financial advisory and consulting services to state and local governments and furnishes advice with respect to investments on a non-managed, non-discretionary basis. This advice is provided through consulting agreements with state and local governmental units for special-purpose funds, including reserves or pension funds. Cumberland Advisors also provides external credit analysis and assists with credit reviews through consulting arrangements with banks. Consulting services are usually provided to individuals or institutions where investment advice is provided to the client and acted upon by the client, rather than at the discretion of Cumberland Advisors.

Cumberland Advisors provides asset management services through both wrap-fee programs and traditional management programs. Wrap-fee programs, which are described in more detail in the applicable disclosure brochures published by their respective sponsors, bundle or “wrap” investment advisory, trade execution and custodial services into a package for which the client pays a single fee to the sponsor based on a percentage of the assets enrolled in the service. Cumberland Advisors does not sponsor a wrap-fee program. In addition, consulting services such as asset allocation and market advice may also be provided by Cumberland Advisors to the wrap client. Program sponsors pay our investment advisory fee. Clients who participate in a wrap fee program should consider whether the program’s fees may exceed the aggregate cost of such services if they were to be provided separately. Clients should take into account the level of the fee charged by the sponsor, the amount of portfolio activity in the account, and the value of the custodial and other services, which are provided under the program.

Cumberland Advisors provides services through traditional management programs for an investment management fee, with transaction services billed separately on a per-transaction basis and custodial services billed by an unaffiliated custodian. From a management perspective, there is not a fundamental difference in the way Cumberland Advisors manages wrap-fee accounts versus traditional management accounts. The only significant difference is the way in which transactional and custodial services are paid.

ITEM 5 – FEES AND COMPENSATION

A. Advisory Fees and Compensation

Investment Advisory Fees

Cumberland Advisors charges an advisory fee (the “Advisory Fee”) to its direct investment advisory clients, in accordance with the fee schedules set forth below.

The investment management fees that Cumberland Advisors charges are typically negotiated with each client. Cumberland Advisors takes into account the complexity and type of securities portfolios the client is interested in when considering the amount of fee charged. The fees stated below represent the maximum fee that may be charged for each type of portfolio. The fee that Cumberland Advisors and the client agree upon can be found in the documents in Cumberland Advisors’ client files. Cumberland Advisors also manages money as a subadvisor through other firm’s platforms and programs. The fees charged in these programs can be found in the disclosure documents for each program.

Investment Management Fees:

- Exchange-Traded Fund (ETF) Portfolios – Maximum Annual Fee Charged – 100 basis points (1.00%)
- Balanced Portfolios – Maximum Annual Fee Charged – 75 basis points (0.75%)
- Fixed Income Portfolios, Master Limited Partnership (MLP) Portfolios, Active/Passive Portfolios
Maximum Annual Fee Charged – 52.5 basis points (.525%)

Model Delivery Fees

Cumberland Advisors may charge fees for the delivery of portfolio construction and/or buy and sell signals to certain customers or other investment advisors. The fees for this service will be individually negotiated with the other party and will be billed quarterly in advance.

Municipal Advisory Fees

When Cumberland Advisors acts as a Municipal Advisor, the fees are individually negotiated and contractual. The fees reflect the perceived scope of work and any budgetary or fiscal constraints the municipality may have.

Financial Planning Fees

Fees for preparation, analysis and discussion of a financial plan or selected financial planning modules can be either a fixed, negotiated fee, or an hourly rate that does not exceed \$500 per hour.

B. Payment of Fees

Investment advisory clients are typically billed in advance for advisory fees on a quarterly basis in the first month of each quarter. Accounts billed in arrears are an exception and determined by custodian rules. Generally, new accounts that are opened during the quarter are billed when released for trading and additional deposits during the quarter generate interim invoices. Accounts that are closed during the quarter generate interim credit invoices or refunds. [Set forth below is additional detail related to Cumberland Advisors’ quarterly billing process]:

Quarterly bills for existing accounts

There are three types of accounts for billing purposes:

1. Direct-bill accounts – Our Accounting Department uses the fee calculated by the portfolio and client management system, based on the market value on the last day of the prior quarter.
2. Wrap accounts - Custodian bills for Cumberland Advisors' services and generates a fee report for Cumberland Advisors' use.
3. Wrap accounts – Cumberland Advisors generates the custodian billing. Accounts are invoiced by Cumberland Advisors, based on the market value of the account on the last day of the prior quarter. The Accounting Department prepares a report of fees that is uploaded to the custodian.

Based on billing instructions for each, custodians will be notified of amounts owed by fax, email, or uploaded online. With the exception of direct bill accounts, fees are posted in our internal accounting system when they are deducted from client accounts by the custodian and copies of all direct-bill invoices will be electronically stored.

Debit reports are generated in a portfolio and client management system for Wrap accounts, by custodian. Fees are posted to Cumberland Advisors' accounting system when custodian reports are received. In cases where the custodian reports are not received in a timely manner, Cumberland Advisors will estimate the amount to be received, based on prior-quarter ending market value, and will post the estimate to our internal accounting system until the actual fee report is received, at which time the accounts will be adjusted in the accounting system. A copy of all debit reports will be electronically stored.

New accounts opened during the billing period

The New Accounts Department will determine if the new account needs to be direct-billed, is a wrap account for which Cumberland Advisors generates an invoice or, is a wrap account on which the custodian bills. If the account is a direct-bill account for which Cumberland Advisors generates an invoice, the Accounting Department will calculate a prorated fee. Direct bill clients will receive an invoice for the fee amount to be paid. Invoices are due upon receipt. If the account is a wrap account for which Cumberland Advisors calculates the fee, debit reports will be sent to the custodian and the fee amount will be paid directly from the clients' account. Invoices are due upon receipt.

Fees for new direct-bill accounts or wrap accounts for which Cumberland Advisors generates an invoice will be posted to a portfolio and client management system, our accounting system, and a copy will be stored electronically. Charges for wrap accounts for which the custodian calculates Cumberland Advisors' fee, will be posted in Cumberland Advisors' portfolio and client management system when the fee is deducted from the account. Wrap accounts that open in the current quarter may not be changed until the following quarter, depending on custodian rules. Any debit reports received or generated for wrap accounts will be stored electronically.

Additional deposits to an account during the billing quarter

There will be additional fees charged on all contributions of cash or equivalent value of "in kind" securities at the time the contribution is made to the portfolio, pro-rated through the end of the quarter. The fee will be included with the next quarter billing. If it is determined that an interim fee is required, an invoice will be generated in the portfolio and client management system and recorded in Cumberland Advisors' accounting system, and a copy of the invoice will be stored electronically. Fees on wrap accounts for which the custodian generates the charges will be posted when the fee is deducted from the clients' account.

Withdrawals to an account during the billing quarter

On direct-bill and Wrap accounts for which Cumberland Advisors generates the invoice, there will be credits issued on withdrawals of cash or equivalent market value of “in kind” securities at the time the withdrawal is made to the portfolio, pro-rated through the end of the quarter. If it is determined that a credit is required, a create invoice will be generated in the portfolio and client management system and the fee will be applied against any outstanding balance in the client account and will be posted to the portfolio and client management system and our accounting system. The refund will be applied against the next quarter billing. If there is no outstanding balance remaining, the fee amount will be refunded to the client, or to the client’s transferred account. On Wrap accounts that the custodian bills, withdrawal refunds on Cumberland Advisors’ fees are determined by custodian rules.

Accounts that close during the billing quarter

When notice is received by email from the Operations Department that a direct-bill or Wrap account for which Cumberland Advisors generates the invoice, is closing, the Accounting Department will calculate a prorated interim credit of prepaid fees for the period from the date of termination through the end of the then-current quarter based on the number of days remaining in that quarter. Interim credits will be posted in the portfolio and client management system and our accounting system and a copy of the credit invoice will be store electronically. Accounts that are paid in full but have an outstanding credit balance will be refunded by Cumberland Advisors within approximately 45 days of closing. On Wrap accounts that the custodian bills, closed account refunds on Cumberland Advisors’ fees are determined by custodian rules.

C. Additional Fees and Expenses

In addition to the Advisory Fees paid to Cumberland Advisors, investment advisory clients will sign separate agreements with an unaffiliated custodian and pay a fee for their custodial services to that custodian. These fees may include an account set-up fee, an annual basic fee, and early closure fee, in addition to the basic quarterly fee charged by the custodian. Additional fees and expenses that may be charged to investment advisory clients include the following:

- As part of our investment advisory services to you, we invest, or recommend that you invest, in exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses.
- Clients investing in Exchanged Traded Funds (ETFs) securities will pay a commission per share to the broker executing these trades. See Item 12, Brokerage Practices.
- Clients investing in bond accounts may be charged a “mark-up” or “mark-down” fee or, if trade is done on an agency basis, they may be charged a commission which is paid to the broker executing the fixed-income securities trade.

D. Termination

Investment advisory clients are typically billed in advance for fees incurred on a quarterly basis in the first month of each quarter. The client may terminate the investment contract with Cumberland Advisors at any time, by a telephone call followed by a written notice. In the event of termination by the client, and upon written request from the client, prepaid fees for the current quarter will be refunded on a prorated basis.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE BY SIDE MANAGEMENT

Cumberland Advisors does not charge its client's performance-based fees. (i.e. fees based on a share of capital gains or capital appreciation of the assets of a client). Side by Side Management is not applicable to Cumberland Advisors.

ITEM 7 – TYPES OF CLIENTS

Our clients include high net worth individuals, institutions, investment companies, public and corporate retirement plans, corporations, foundations and government entities (direct clients as well as managed money through financial advisors).

Non-Profit Organizations

Our investment professionals can use a blend of 13 investment styles to reflect the short and long-range financial goals of an organization. The portfolio is rebalanced when necessary to maintain target asset allocations and adhere to any restrictions that the client may have requested to be imposed on the account.

Generally, Cumberland Advisors requires a minimum "household" investable asset size of \$1,000,000; however, Cumberland Advisors reserves the right to waive the minimum account or to impose a higher minimum. Minimum account sizes are as follows:

Fixed Income Investment Styles: \$500,000

Market Volatility/Leveraged Market Volatility Styles: \$100,000

Equity and Balanced Investment Styles: \$250,000

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Firm Philosophy, Method of Analysis, and Investment Strategies

Cumberland Advisors seeks to manage risk as well as return. We strive to offset the erosion of financial assets by inflation, and to realize appreciation so that the real value of assets is maintained. We construct portfolios of bonds, stocks, or both. Investing in securities involves a risk of loss that clients should be prepared to bear.

Cumberland Advisors' portfolio managers work as a team to develop investment strategies. Each client works primarily with one investment advisor representative or portfolio manager.

Cumberland Advisors' portfolios reflect our clients' varying needs. Some clients are families with assets to be conserved and enhanced. Some are institutions seeking prudent supervision for retirement, endowment, or cash management. The objectives range from growth-oriented total return to current income.

We offer our investment management services to individuals and institutions either directly or through certain financial institutions and advisors (wrap accounts). We focus on preservation and prudent growth of client money. We have multiple portfolio strategies to help do this.

All of our portfolio styles are in separately managed accounts only. This means that Cumberland Advisors does not manage a pooled investment vehicle where clients own "part" of the invested whole. Rather, our main strategies (known as portfolio styles) use individual bonds and investment funds to construct individual accounts based on specific objectives. Our main portfolio styles are:

- Tax-Free Municipal Bonds
- Taxable Bonds
- Market-Based Exchange-Traded Funds (ETFs) – US/ International/Global/Tactical Trend Allocation
- Master Limited Partnership

Core Concepts

Since its founding in 1973, Cumberland Advisors' investment strategy has been based upon the following critical economic concepts:

- *The value of stocks and bonds is linked to interest rates.*
- *The nominal interest rate has three parts: a "real" interest rate, an expectation of inflation, and a risk premium.*
- *Opportunities in the markets are present at all times, especially in the midst of euphoria or hysteria.*

Fixed-Income Risks:

Investing in any securities involves a risk of loss that the investor should be prepared to bear. Bonds have the following known risks:

- *Credit:* Creditworthiness of issuers impacts ability to pay.
- *Default:* Due to poor revenue, management failure, or fraud
- *Interest rate:* Rising inflation erodes real value of the bonds.

Notes:

1. *High Investment-Grade Bias:* We specialize in seeking highest-quality, investment-grade bonds for individual client accounts. The client owns specific bonds, chosen to satisfy the client account's specific requirements, usually with revenue-generating and general-obligation (GO) properties. We employ our own proprietary rating system and analysts to determine suitability of bonds for our conservative portfolios.
2. *Active Bond Management:* We actively manage the individual portfolios through the entire business cycle, lengthening or shortening durations, maturities, and features based on our market outlook. We do not construct laddered portfolios.

General Exchange-Traded Fund (ETF) Risks:

Investing in equity securities involves a risk of loss that the investor should be prepared to bear. Except for the Tactical Trend Allocation style, we use exchange-traded funds (ETFs) exclusively for our separately managed accounts equity accounts.

Relative to mutual funds, ETFs are more transparent, trade efficiently throughout the day on stock exchanges, have better tax scenarios, give pure market access to global markets and asset classes, and are significantly less expensive on the whole. ETFs have the following risks:

- *Transaction costs:* Can erase or erode gains.
- *Lack of liquidity:* New or non-supported funds can rise bid/ask spread costs and impede quick exits.
- *Fund closure:* ETF sponsor can close fund (inconvenient).
- *Trading intricacy:* Due to market exchange mechanism, trading can be more complex.

- *Rebalancing:* Due to the rebalancing strategy used for ETF strategies, positions may be sold or closed in the very short-term (within 30 days). Also, the same security may be bought for some accounts, while being sold for others. This may result in increased commissions for some clients. This rebalancing strategy does not take into consideration any tax implications that may result from this type of trading.

General Exchange-Traded Notes (ETNs) Risks:

ETNs are different. Instead of being an independent pool of securities, an ETN is a bond issued by a financial institution. That company promises to pay ETN holders the return on some index over a certain period of time and return the principal of the investment at maturity. However, if something happens to that company (such as bankruptcy) and it's unable to make good on its promise to pay, ETN holders could be left with a worthless investment (just like anyone else who had lent the company money).

- *Credit Risk.* ETNs are unsecured debt obligations of the issuer.
- *Market Risk.* As an index's value changes with market forces, so will the value of the ETN in general. This can result in a loss of principal to investors.
- *Liquidity Risk.* Although ETNs are exchange-traded, a trading market may not develop.
- *Price-Tracking Risk.* Investors should be wary of buying at a price that varies significantly from closing and intraday indicative values.
- *Holding-Period Risk.* Some leveraged, inverse and inverse leveraged ETNs, are designed to be short-term trading tools, and the performance of these products over long periods can differ significantly from the stated multiple of the performance (or inverse of the performance) of the underlying index or benchmark during the same period.
- *Call, Early Redemption and Acceleration Risk.* Some ETNs are callable at the issuer's discretion.
- *Conflicts of Interest.* The issuer of the notes may engage in trading activities that are at odds with investors who hold the notes (shorting strategies, for instance).

Cash Management in Accounts

We use cash as a strategic asset in tactically managing equity portfolios. As market uncertainty increases, we will raise cash levels by degrees in the accounts. A 30-50% cash level is an extreme position, signifying that we are significantly cautious about current market prospects. We are unlikely to raise cash levels beyond 50%, even in our most cautious market view. Most cash positions range from fully invested (0% cash) to 25% cash.

TOTAL RETURN TAX-FREE MUNICIPAL BOND STYLE

Description

We construct tax-free municipal bond portfolios for individual clients based on each investor's specific requirements. The style is suitable for clients who benefit from the tax-free nature of municipal bonds. We emphasize investment-grade bonds coupled with active management through the full interest-rate cycle. Bonds that have revenue streams against them (such as water, utility, sewer, and toll-road) are preferred. Due to the large size of our tax-free municipal bond practice, we can purchase large bond lot sizes at aggressive prices and pass the advantage through to the individual accounts.

Method of Analysis and Investment Strategy

The investment decisions for the Tax-Free Municipal Bond Portfolio Style bring together Cumberland Advisors' investment strategy for the global markets with actively managed municipal bonds.

- Individual client account objectives govern investment procedures.
- Portfolios are managed over the full interest-rate cycle, taking advantage of opportunities in market fluctuations.
- We take an active approach to maturities and duration while managing market changes as well as shifts in credit values.
- Trading frequency in each account varies widely based on market outlook. A properly constructed account may not need daily or monthly adjustments, but maturity and market changes may prompt trading.
- We seek to employ the account funds in suitable bonds at most times. Cash that is not employed does not generate value for the client.

Risk of Loss

Investing in any securities involves a risk of loss that the investor should be prepared to bear. Bonds have the following known risks:

- *Credit:* Creditworthiness of issuers impacts ability to pay.
- *Default:* Due to poor revenue, management failure, or fraud
- *Interest rate:* Rising inflation erodes real value of the bonds

We seek to manage these risks by:

- Specializing in high-quality, investment-grade bonds as the investable universe
- Emphasizing revenue-based bonds as well as general-obligation credits
- Monitoring the portfolio bond issues to detect potential risks that could indicate a potential for default
- Selling any bonds that we detect may have factors that could impact their value
- Studying closely monetary policy that impacts interest rates

DURATION NEUTRAL TAX-FREE MUNICIPAL BOND STYLE

Description

Traditionally, high-grade, tax-free municipal bonds have yielded less than U.S. Treasury bonds, due to the existence of the federal income tax. At times of high marginal tax rates, the ratio of tax-exempt yields to US Treasury yields tends to be low. At times of lower marginal tax rates, the ratio tends to be higher. Many factors can affect these ratios. When yields on tax-free bonds have risen above US Treasury yields, it has usually been for a short period of time and usually reflected either legislative efforts to change the tax structure or periods of unusually heavy supply of tax-free municipal bonds.

The goal is to provide a better-than-money-market return in a fully hedged (duration-offset position). Absolute returns can be higher when yield spreads narrow (when municipal yields fall faster than Treasury yields or go up less than Treasury yields). Absolute returns can be lower when the opposite occurs (when Treasury yields are falling faster than municipal bond yields or are going up slower than municipal bond yields).

Method of Analysis and Investment Strategy

The investment decisions for this Tax-Free Municipal Bond Portfolio Style bring together Cumberland Advisors' investment strategy for the global markets with actively managed municipal bonds.

The goal of this style is to provide a better-than-money-market return in a hedged (duration-offset) position. Absolute returns can be higher when yield spreads narrow (when municipal yields fall faster than Treasury yields or go up less than Treasury yields). Absolute returns can be lower when the opposite occurs, (when Treasury yields are falling faster than municipal bond yields or are going up slower than municipal bond yields). We employ a strategy that uses municipal bonds combined with inverse Treasury ETFs such as PST and TBT (other similar ETFs may be used). These two inverse ETFs strive to give two times (2x) the inverse performance of the Barclays 7-10 year US Treasury index and the Barclay's 20+ year US Treasury index. By employing the inverse Treasury ETFs the overall duration risk of an account is reduced. The opportunities come when municipal bond yields narrow compared to US Treasury yields.

Risks of Loss

Investing in any securities involves a risk of loss that the investor should be prepared to bear. Bonds have the following known risks:

- *Credit:* Creditworthiness of issuers impacts ability to pay.
- *Default:* Due to poor revenue, management failure, or fraud
- *Interest rate:* Rising inflation erodes real value of the bonds.

These ETFs, when purchased as long securities in the portfolio, are expected to give twice the inverse return of the respective US Treasury indices. These ETFS, such as PST and TBT entail certain risks, including inverse correlation, leverage, market price variance, and short-sale risks.

The risk increases when municipal bond yields widen relative to US Treasury yields. In a portfolio where inverse treasuries are purchased to offset the overall duration on an account, in theory the account is hedged from a parallel shift up in interest rates. However, when Treasury yields move lower than municipal bond yields, the strategy can perform poorly, as the inverse treasury ETFs will lose value more quickly than the municipal bonds gain value. These risks can increase volatility and decrease performance.

We look to manage the risk of losses by measuring the relative cheapness/richness of municipal bonds and finding periods when municipal securities are trading cheap on a relative basis to US Treasuries. We use ongoing analyses of the US Treasury and municipal bond markets to ascertain points that will provide value and limit downside risk.

We seek to manage these risks by:

- Restricting portfolio investments to high-quality, investment-grade bonds as the investable universe
- Emphasizing revenue-based bonds as well as general-obligation credits
- Monitoring the portfolio bond issues to detect potential risks that could indicate a potential for default
- Selling any bonds that we detect may have factors that could impact their value
- Studying closely monetary policy that impacts interest rates

TACTICAL HEDGE TAX-FREE MUNICIPAL BOND STYLE

Description

A tactical hedge strategy is similar to the above except that the amount of inverse Treasuries bought to offset interest-rate risk may be less or more than 100%, depending on the strategy of the portfolio manager. For example, if the portfolio manager believes that a temporary underperformance or outperformance of one of the two markets is going to occur, the amount of inverse Treasuries to be bought or sold may be adjusted to

less than fully hedged, fully hedged, or over hedged. Most of the time, the tactical hedge will have less than 100% hedge and more in municipal bonds.

TOTAL RETURN TAXABLE FIXED INCOME STYLE

Description

We construct taxable bond portfolios for individual clients and institutions. We emphasize highest-quality bonds coupled with active management throughout the full interest-rate cycle. We actively manage bonds by constantly monitoring both bond and stock markets and rebalancing client portfolios as needed in times of fluctuation. We extend or reduce duration when we see compelling opportunities. We look to exit markets in periods of euphoria and to enter markets in periods of hysteria. We emphasize long-lasting relationships and continuous dialogue among clients, their consultants, tax advisors, accountants, and estate planners.

Method of Analysis and Investment Strategy

The investment decisions for the Taxable Bond Portfolio Style bring together Cumberland Advisors' investment strategy for the global markets with actively managed taxable bonds. We believe that value is realized by holding bonds for the proper duration in a given interest-rate environment. We think it is unwise to limit opportunities based on narrowly defined bond portfolio parameters. Consequently, Cumberland Advisors has developed expertise in identifying and managing bond portfolios throughout the complete interest-rate cycle while considering credits, relative yields, and durations.

Cumberland Advisors Taxable Fixed-Income Universe

To accomplish duration exposure objectives in the portfolio, we assess the relative attractiveness of spreads between the following alternatives.

- U.S. Treasury bonds
- Federal agency debt
- Taxable municipal bonds
- Mortgage-backed securities
- Investment-grade corporate bonds
- Preferred Exchange Traded Funds

Niche bonds, such as taxable municipals, add value to portfolios by providing unique cash-flow characteristics, inefficient pricing opportunities, and high credit quality. Preferred exchange traded funds may also be used.

Investment Strategies

Rising-Rate Environments

- Bonds with substantial redemption or call features
- Bonds with higher coupons
- Bonds with shorter durations

Falling-Rate Environments

- Bonds with deeper discounts
- Bonds with lower premiums
- Bonds with longer maturities
- Non-callable bonds

Risk of Loss

Investing in any securities involves a risk of loss that the investor should be prepared to bear. Bonds have the following known risks:

- *Credit*: Creditworthiness of issuers impacts ability to pay.
- *Default*: Due to poor revenue, management failure, or fraud
- *Interest rate*: Rising inflation erodes real value of the bonds.
- *Prepayment Risk (Mortgage-Backed Securities)*: The possibility that the mortgages underlying the security are repaid faster or more slowly than expected contracting or extending investment average life.

We seek to manage these risks by:

- Restrict purchases to in high-quality, investment-grade bonds as the investable universe
- Selecting taxable bonds by relative attractiveness to other types of taxable fixed-income securities
- Monitoring the portfolio bond issues to detect potential risks that could indicate a potential for default
- Selling any bonds that we detect may have factors that could impact their value
- Closely monitoring monetary policy that impacts interest rates

TACTICAL HEDGE TAXABLE FIXED INCOME STYLE

Description

We construct taxable-bond portfolios for individual clients and institutions. We emphasize highest-quality bonds coupled with active management throughout the full interest-rate cycle. We actively manage bonds by constant monitoring both bond and stock markets, rebalancing client portfolios as needed in times of fluctuation. We extend or reduce duration when we see compelling opportunities. Cumberland Advisors employs the use of inverse fixed-income exchange-traded funds (ETFs) to reduce the duration or price sensitivity of a bond portfolio. We look to exit markets in periods of euphoria and to enter markets in periods of hysteria.

Method of Analysis and Investment Strategy

The investment decisions for the Taxable Bond Tactical Portfolio Style bring together Cumberland Advisors' investment strategy for the global markets with actively managed taxable bonds. We believe that value is realized by holding bonds for the proper duration in a given interest-rate environment. We think it is unwise to limit opportunities based on narrowly defined bond portfolio parameters. Consequently, Cumberland Advisors has developed expertise in identifying and managing bond portfolios throughout the complete interest-rate cycle while considering credits, relative yields, and durations. Our use of leveraged inverse bond ETFs is strictly for the purpose of dampening the price volatility of the overall portfolio with a minimal amount of decrease in yield. We continually monitor the duration of the individual bonds in the portfolio and measure the portfolio duration versus the duration of the position held in inverse bond ETFs.

Cumberland Advisors Taxable Tactical Hedge Universe

To accomplish duration exposure objectives in the portfolio, we assess the relative attractiveness of spreads between the following alternatives.

- US Treasury bonds
- Federal agency debt

- Taxable municipal bonds
- Mortgage-backed securities
- Investment-grade corporate bonds
- Inverse and leveraged inverse fixed-income ETFs
- Preferred Exchange Traded Funds

Niche bonds, such as taxable municipals, add value to portfolios by providing unique cash-flow characteristics, inefficient pricing opportunities, and high credit quality.

Investment Strategies

Rising-Rate Environments

- Bonds with substantial redemption or call features
- Bonds with higher coupons
- Bonds with shorter durations
- Addition of inverse and leveraged inverse fixed-income ETFs

Falling-Rate Environments

- Bonds with deeper discounts
- Bonds with lower premiums
- Bonds with longer maturities
- Non-callable bonds
- Reduce or eliminate inverse or leveraged inverse bond ETFs

Risk of Loss

Investing in any securities involves a risk of loss that the investor should be prepared to bear. Bonds have the following known risks:

- *Credit:* Creditworthiness of issuers impacts ability to pay.
- *Default:* Due to poor revenue, management failure, or fraud
- *Interest rate:* Rising inflation erodes real value of the bonds.

Inverse and leveraged inverse bond ETFs, have the following risks:

- *Tracking error:* Due to the structure of these securities, they may not closely track the index as designed.
- *Interest rate:* Rising bond prices may cause a decline in price or principal of the position.

We seek to manage the risk of losses by:

- Specializing in high-quality, investment-grade bonds as the investable universe
- Selecting taxable bonds by relative attractiveness to other types of taxable fixed-income securities
- Monitoring the portfolio bond issues to detect potential risks that could indicate a potential for default
- Selling any bonds that we detect may have factors that could impact their value
- Monitoring closely monetary policy that impacts interest rates
- Measuring and recalibrating the portfolio hedge position

MARKET-BASED EXCHANGE TRADED FUND STRATEGIES

U.S.EQUITY ETF; INTERNATIONAL EQUITY ETF; GLOBAL EQUITY ETF STYLES

Description

Cumberland Advisors has a wealth-preservation orientation to balance risks as well as returns. The market-based equity portfolio styles offer clients and institutions one single investment account that holds multiple exchange-traded funds (ETFs) and provides highly diversified regional investment options. Broader market diversification provides market exposure as well as risk reduction, decreasing risk that any individual stock may carry in a portfolio.

Method of Analysis and Investment Strategies

The firm takes a top-down macroeconomic perspective to assess relative attractiveness among markets, sectors, regions, and asset classes. Exchange-traded funds (ETFs) allow for the implementation of Cumberland Advisors' macroeconomic and sector-specific judgments through a single investment vehicle. Multiple ETFs can then be tactically adjusted as Cumberland Advisors evaluates current market opportunities and risks.

Cumberland Advisors' Equities Management Philosophy:

- *Risk management* is as important as return management.
- *Asset-allocation* techniques help stabilize returns and reduce risk.
- *Macroeconomic factors* and fundamentals drive asset-class returns.
- *Portfolio managers* add value by size, sector, subsector, style, region, and country choices, and NOT through individual stock picking.
- ETFs provide a flexible, efficient, and low-cost implementation method.

Crafting the Portfolios

Managed ETF portfolios provide active management of investments in a core and satellite approach. Broad-based, diversified ETFs form the core, while country, region, sector, subsector, and style ETFs form the satellites. These strategies provide diversification, low cost, and tax efficiency. They also control strategic sector, style, industry, country, and region exposure, with limited "style drift." ETFs are chosen based on liquidity, sponsor support, and cost. The core positions usually consist of 3-8 broad-based diversified ETFs, while the satellite positions usually consist of 7-20 country, region, sector, subsector and/or style ETFs.

Examples of Exchange-Traded Funds by Category

Size (Market Cap.)	Large-cap, Mid-cap, Small-cap funds
Sector (Industry)	Finance, Technology, Health Care
Sub-sector (Industry)	Semiconductors, Drugs, Homebuilders
Style	Growth, Value
Multi-Country	Advanced Economies, Euro Zone, Emerging Markets
Country	U.S., Germany, U.K., Japan, China, Chile, etc.

Managing the Portfolio

Cumberland Advisors' investment team continually monitors and analyzes economic and financial-market developments, together with the performance of assets in the portfolio. Model weights and ETF selections

are made for core and satellite positions, and then tactically adjusted and rebalanced to each account based on strategy changes and market developments.

Non-US Exchange Traded Funds may be used in the US ETF style. These would technically be global ETFs but with a large part of the holdings held in the US and the ETF would be incorporated and trade in the US. This type of security provides exposure to U.S. sectors that are not necessarily available in US Exchange traded Funds.

Exchange-Traded Fund Portfolio Risks

Investing in equity securities involves a risk of loss that the investor should be prepared to bear. We predominantly use exchange-traded funds (ETFs) for our separately managed accounts equity practice. Relative to mutual funds, ETFs tend to: be transparent, be traded throughout the day on stock exchanges, have different tax implications than mutual funds, potentially be less expensive for the investor own. ETFs have the following risks:

- *Transaction costs:* Can erase or erode gains. Need monitoring.
- *Lack of liquidity:* New or non-supported funds can raise bid/ask spread costs and impede quick exits.
- *Fund closure:* ETF sponsor can close fund (inconvenient).
- *Trading intricacy:* Due to market exchange mechanism, trading can be more complex.
- *Rebalancing:* Due to the rebalancing strategy used for ETF strategies, positions may be sold or closed in a very short time frame (within 30 days). Also, the same security may be bought for some accounts, while being sold for others. This may result in increased commissions for some clients. This rebalancing strategy does not take into consideration any tax implications that may result from this type of trading

Cash Management in Accounts

We use cash as a strategic asset in tactically managing equity portfolios. As market uncertainty increases, we will raise cash levels by degrees in the accounts. A 30-50% cash level is an extreme position, signifying that we are significantly cautious about current market prospects. We are unlikely to raise cash levels beyond 25%, even in our most cautious market view. Most cash positions range from fully invested (0% cash) to 25% cash.

TACTICAL TREND STYLE

Description

The primary objective of this style is to generate investment appreciation through the tactical asset allocation of capital. The asset allocation will be at Cumberland Advisors' discretion.

Method of Analysis and Investment Strategies

The strategy utilizes trend following, relative strength, and price research to identify favorable investment opportunities across six general asset classes: domestic equities, international equities, fixed-income, commodities, currencies and cash. The strategy may include short or inverse positions when deemed appropriate for downside risk protection in the portfolio. The exposure levels to the six primary asset classes identified above can range from 0% - 100%. Short or inverse exposure will generally not exceed a 30% allocation.

Managing the Portfolio

The strategy will mainly include exchange-traded funds (including commodity and currency ETFs). Exchange-traded notes (ETNs) can also be used if deemed appropriate. The portfolio may also include any individual equity, fixed-income security (including Treasury bills), or money market instruments when the

individual security is advantageous versus the exchange-traded products that are available. Any one exchange-traded product security will not exceed 25% of the total portfolio at the time of initial purchase. Positions may subsequently exceed the 25% threshold due to market appreciation. When positions are held in individual stocks or bonds, no individual stock or bond instrument will exceed 10% of the portfolio at the time of initial purchase. Positions may subsequently exceed the 10% threshold due to market appreciation. Cash that has not been invested yet will be held in a money market instrument until required for the purchase of securities.

The methods of analysis fall within the general framework of technical analysis, specifically the use of trend analysis, relative strength and momentum tools. The investment goal is to achieve price appreciation by monitoring the supply and demand of specific ETFs over various market periods. Turnover in the account could range from extremely low to excessively high depending on market conditions. However, the fundamentals of trend analysis and momentum investing include finding entry points for emergent trends and then sticking with the successful trades. In such conditions turnover in the account would remain quite low. Both short-term and long-term capital gains will be generated in the portfolio style. The portfolio style follows a multi-asset framework which allows the manager to invest in multiple asset classes depending on risk/reward opportunities and potential returns.

QUANTITATIVE-BASED EXCHANGE TRADED FUND STRATEGIES

MARKET VOLATILITY, LEVERAGED MARKET VOLATILITY, SECTOR ALPHA

MARKET VOLATILITY STYLE

Description

We closely monitor the U.S. equity market volatility and underlying regime change in market movement. We use our proprietary quantitative research to time the market by identifying oversold market conditions. The main goal of this portfolio is to take advantage of market overreaction. Therefore, we focus on a relatively short-term investment horizon. We also strive to limit downward exposure by staying in cash during extreme market downturns.

Method of Analysis

This portfolio employs a purely quantitative methodology to analyze the U.S. equity market. The main criteria include the following:

- Underlying market volatility
- Recent market conditions
- Possibility for extremely negative events
- Investor behavioral changes

We monitor market movements daily. The results of this monitoring effort are used to perform a daily update to our analysis model. By utilizing a quantitative method, the portfolio seeks to minimize human bias in the investment process.

Investment Strategies

- Monitor market conditions on a daily basis
- Measure the depth of market selloff
- Identify oversold market
- Use quantitative criteria to decide exit point
- Binary investment process of either being 100% invested or 100% in cash or cash equivalents

Risk of Loss

- Systematic risk exposed to economy: equity market is exposed to the prospect of economic development in both U.S. and global economies
- Unpredictability of market selloff: the duration of an oversold market may vary and affect the holding period
- Black swan events: albeit with low probability, unexpected rare events may happen and negatively impact overall returns

What we do to manage these risks:

- Analyze market conditions by enforcing strict investment rules with only quantitative criteria
- Closely follow changes in market volatility to minimize investment risk
- Set up return target to avoid holding a position for unnecessarily lengthy period

We purchase the same securities for all accounts in the same portfolio. Purchases that occur on different days will result in different holding period requirements. Therefore, individual performance will vary.

LEVERAGED MARKET VOLATILITY STYLE

Description

The strategy employs the same methodology as the Market Volatility style with the exception that the ETF used is a 3X the market movement index product. Increased risk is incorporated into this style proportionate with the potential higher returns that can be created by the leveraged ETF.

We purchase the same security for all accounts in the same portfolio style. Each different purchase will result in different selling dates per the holding period requirement. Therefore, individual performance will vary.

Leverage is used to increase the potential for gains. However, it comes with greater risk. If an investor uses leverage to make an investment and the investment moves them, their loss is much greater than it would have been if the investment had not been leveraged - leverage magnifies both gains *and* losses. The maximum loss that could be incurred by an investor in the *Leveraged Market Volatility ETF* strategy is the client's total investment.

Due to the use of leverage giving potential for increased risk for the Cumberland Advisors' Leveraged Market Volatility ETF strategy, we have decided to make this investment style available to investors who meet the criteria of an "Accredited Investor". An Accredited Investor is a person with a minimum annual income of \$200,000 for individual or \$300,000 jointly with spouse, or a minimum net worth of \$1,000,000. An entity is an accredited investor if it is a private business development company or an organization with assets exceeding \$5 million. Also, if an entity consists of equity owners who are accredited investors, the entity itself is an accredited investor.

In 2016, the U.S. Congress modified the definition of an accredited investor to include registered brokers and investment advisors. Also, if a person can demonstrate sufficient education or job experience showing his professional knowledge of unregistered securities, he may be considered an accredited investor.

SECTOR ALPHA STYLE

Description

The strategy uses the same research-generated buy/sell signals that are generated as the basis for trading the Market Volatility and Leveraged Market Volatility styles. The difference in the Sector Alpha style is that rather than being binary (100% cash or securities), this style uses the same signals to switch between the three most aggressive categories in the S&P 500 when a buy signal is produced, and moving to the three most defensive sectors of the S&P 500 when a sell signal is produced. Since this style is always invested it has the potential to produce a higher level of risk than the Market Volatility style. The Sector Alpha style does not use leveraged ETFs.

ACTIVE TAXABLE BONDS/PASSIVE EQUITY; ACTIVE TAX-FREE BONDS/PASSIVE EQUITY STYLE

Description

The diversified portfolio objective is to have long-term capital gains, low turnover, high risk-adjusted returns, and low fees. This portfolio style suits investors or institutions that understand the value of active bond management and want to avoid exposure to bond mutual funds or other pooled fixed-income investments. This portfolio style may also be suitable for investors who (for tax or philosophical reasons) want to pursue almost exclusively transactions that generate long-term capital gains for the equity portion of the investments.

Method of Analysis and Investment Strategies

- Follows Modern Portfolio Theory assumptions (60% Equity/40% Fixed Income) in Buy/Hold/Rebalance management style.
- Offers active bond management and passive equity exposure. Passive exchange-traded funds (ETFs) are used for equity exposure. Individually selected and actively managed, high credit-quality bonds are employed for fixed income exposure.

Managing the Portfolio

Individual bonds are purchased to be held in the account according to the overall investment strategy of the portfolio management team's judgment. The bonds are investment grade securities managed in a total return manner to maximize value over the full interest rate cycle. The bond portion of the account is actively managed although the actual turnover in the bonds will be low. The bonds may be either taxable or tax-free depending on the

The equity portion of the account contains two broad-based exchange-traded funds that efficiently give the investor passive access to a majority of the US equity market. Forty-two (42%) percent of the portfolio contains the exchange-traded fund SPY, the S&P 500 ETF. The remaining eighteen percent (18%) of the portfolio contains the exchange-traded fund MDY, the mid-cap ETF containing the next 400 stocks beyond the S&P 500 companies.

The accounts are reviewed quarterly and are rebalanced back to the original percentage when the mix between equities and bonds vary significantly from the 60/40 mandate.

MASTER LIMITED PARTNERSHIP STYLE (INCLUDES K-1 PARTNERSHIPS)

Description

The strategy seeks to enable investors to invest in Master Limited Partnerships (MLPs) to obtain attractive returns offered by many of these instruments. With the assistance of a sub-advisor, Cumberland Advisors will provide investment advice to invest in MLPs. The advisor will attempt to invest in partnerships which

have stable or increasing distributions to provide investors attractive cash returns; research will focus on providing investors with an attractive risk adjusted return on their investments. Many of the partnerships invest in energy related assets that require large amounts of capital. As a result, these partnerships may offer the investor tax advantaged returns. This strategy will generally require investors to file tax forms related to k-1 partnership distributions. The research sub-advisor for MLPs is RSD Advisors. Cumberland Advisors has an agreement with Plush Smith PA in Sarasota, FL. to provide advice on the tax considerations on MLPs.

Method of Analysis and Investment Strategy

The manager will use fundamental research methods utilizing publications from various resources, including reports by securities firms and other research providers. Cumberland Advisors also has a sub-advisor agreement with RSD Advisors, LLC to provide research and trading assistance on this strategy. The manager will assess the various sub industries in the Master Limited Partnership universe including but not limited to upstream, downstream and midstream energy partnerships. Due to the costs incurred from frequent trading in these instruments, including bid/ask spreads, direct transaction costs, and tax consequences of frequent trading; the manager does not anticipate the strategy will have a high turnover rate.

The following provides Sub-Advisory Research Services on the Master Limited Partnership style.

Richard Daskin CFA, CFP® is the CIO for RSD Advisors, LLC, a registered investment advisor based in New York City. Mr. Daskin has over 30 years experience on both the "buy" and "sell" side of Wall Street in fixed income and investment management and has been a research analyst, trader, portfolio manager, and salesperson. Mr. Daskin formerly worked at the Goldstein Capital hedge fund, as well as First Albany Capital, DLJ, Alex Brown, Lazard Frères, Chemical Bank and US Trust Company of New York. He wrote a chapter for the book, "Investing in the High Yield Municipal Market: How to Profit from the Current Credit Crisis and earn Attractive Tax Exempt Interest Income". Mr. Daskin has a B.A. in Economics from the University at Albany. He is a holder of a Chartered Financial Analyst designation and is a member of the New York Society of Securities Analysts. He has also obtained a Certified Financial Planner designation and a life and health insurance broker's license.

Risk of Loss

Master Limited Partnerships have business risk. The risks to investing in these securities include but are not limited to corporate governance, tax changes by government entities, financial leverage, continued access to markets for funding the partnerships, liquidity risks, geographic risks, commodity price risks, and market risk.

We seek to manage the risk of loss by analyzing financial metrics and risks of the partnerships including corporate structure and governance. The analysis will focus on business prospects and sustainability of the partnerships and take into account fundamental financial metrics of the partnerships.

ITEM 9 – DISCIPLINARY INFORMATION

There is no disciplinary information to report.

ITEM 10 – OTHER FINANCIAL ACTIVITIES AND AFFILIATIONS

A. Broker-Dealer Registration Status

Neither Cumberland Advisors nor any of its management persons is registered, or have an application to register, as a broker-dealer or a registered representative of a broker-dealer.

B. Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Adviser Registration Status

Neither Cumberland Advisors nor any of its management persons is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities.

C. Material Relationships or Arrangements with Related Parties which are Industry Participants

Neither Cumberland Advisors nor any of its management persons has any relationship or arrangement that is material to its advisory business or to its clients with any related person who is a broker-dealer, municipal securities dealer, or government securities dealer or broker; investment company or other pooled investment vehicle (including a mutual fund, close-end investment company, unit investment trust, private investment company or “hedge fund” and offshore fund); other investment adviser or financial planner; futures commission merchant, commodity pool operator, or commodity trading adviser; banking or thrift institution; accountant or accounting firm; lawyer or law firm, insurance company or agency; pension consultant; real estate broker or dealer; or sponsor or syndicator of limited partnerships.

D. Material Conflicts of Interest Relating to Other Investment Advisers

Cumberland does not recommend or select other investment advisers for its clients.

E. Municipal Advisor Conflicts of Interest

Cumberland is registered as a municipal advisor with the Municipal Securities Rulemaking Board (“MSRB”). As such, Cumberland Advisors would like to make clients, and potential clients that are municipalities aware of the following conflicts. Cumberland Advisors does not:

- have any affiliates that provide any advice, service or product to, or on behalf of, a client that is directly related to the municipal advisory activities to be performed by Cumberland Advisors;
- act as a solicitor in relation to municipal advisory activities. Therefore, Cumberland Advisors does not receive any payments from a third party to enlist Cumberland Advisors’ recommendation to the client of its services including the transaction of any municipal financial product;
- participate in any fee-splitting arrangements involving with any provider of investments or services to a municipal client;
- have any compensation arrangements where payment for municipal advisory activities to be performed is contingent on the size or successful closing of a transaction; and
- make any payments, directly or indirectly, to obtain or retain an engagement to perform municipal advisory activities for a municipal advisory client.

F. Miscellaneous

Cumberland Advisors makes charitable contributions or underwrites or sponsors charitable events at the request of others. Such contributions generate a conflict to the extent that they create an incentive for the recipient or beneficiary of the payment to use, recommend or include Cumberland Advisors in a preferred

list of advisors or refer clients to Cumberland Advisors. Contributions are subject to Cumberland Advisors' internal review and approval procedures.

Cumberland Advisors Publishing was established in Florida on August 1, 2014. It is a wholly-owned subsidiary of Cumberland Advisors. The sole purpose of this company is to publish industry related books written by Cumberland Advisors' staff.

Cumberland Consulting, LLC, is a limited liability company organized under the laws of the State of Florida, filed on April 15, 2010. David Kotok is the sole member. The company has not transacted any business since inception.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

Cumberland Advisors has adopted a Code of Ethics that covers personal securities transactions by its employees and associated persons. The Code of Ethics also describes Cumberland Advisors' standards of business conduct, compliance with federal securities laws, and Cumberland Advisors' fiduciary duty to its clients. A copy of our Code of Ethics is available, free of charge, to any client or prospective client upon request by calling 800-257-7013, extension 350.

While Cumberland Advisors believes that the individual investment activities of its employees and associated persons should be encouraged, it seeks to avoid conflicts of interest (or even the appearance of conflicts) surrounding the advisory services it provides to its clients and the personal investments of its employees and associated persons. Pursuant to the Code of Ethics, certain restrictions apply to the investment activities of persons associated with Cumberland Advisors. In general, in any situation where the potential for a conflict exists, transactions for clients must take precedence over personal transactions of such employees or associated persons. Should any situation arise which is not specifically governed by this Code of Ethics, this general intent shall govern the resolution of the matter.

Both employees of Cumberland Advisors and the firm's proprietary account may invest in the same securities as those in clients' managed accounts. This may present a conflict of interest, in that Cumberland Advisors or its employees may obtain a better execution on a trade than a managed client. In order to address this potential conflict, Cumberland Advisors has the following rules in effect.

1. All employees must request and receive approval prior to any trading being done in their non-managed personal securities accounts.

2. **Employee Equity Trades**

The Portfolio Manager of each style is responsible for the frequency and selection of securities traded in each portfolio. Some securities may be simultaneously traded by different portfolio managers in several different styles. Employee trades may be completed the same day as Managed Account trading as long as all Managed account trading in the particular style has been completed. This may result in employee trades completed in "XYZ" security in Global (or other style) accounts being executed the day before trades for "XYZ" are completed in a Managed account in the Tactical Trend or other styles.

3. **Employee Fixed Income Trades**

Employee and Cumberland Advisors proprietary account fixed-income trade orders may be included with or traded on the same day as fixed-income trade orders in the same securities that are traded for managed

accounts. If a fixed-income trade order is not completely filled, the employee and/or Cumberland Advisors proprietary account trade orders will be the first orders dropped out of the allocation procedure. One or more ERISA Accounts may be dropped based upon the parameters described herein. Each ERISA Account will be evaluated based upon the actual duration of the account in comparison to the [target] duration selected by the plan's fiduciary. An ERISA Account will have priority over another ERISA Account to the extent that is further from its target duration from the other ERISA Accounts.

4. There is no blackout period or prior approval needed when employee or Cumberland proprietary accounts trade mutual funds.

ITEM 12 – BROKERAGE PRACTICES

A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions

When choosing a broker to execute a trade for a client's account, Cumberland Advisors seeks to obtain the best execution for the client while taking the following into consideration: the price at which the trade will be executed, cost of effecting the transaction, the ease and speed of execution, the reliability of the broker through past experience, and the ability to work a large order without negatively affecting the market. In the case of fixed-income securities, we may also consider whether the broker provides Cumberland with liquidity and competitive pricing on smaller lots of bonds, as well as who is the lead manager on a new issue.

1. Research and other Soft Dollar Benefits - Subject to its general policy of seeking quality execution at reasonably competitive rates, and unless instructed by a client to use a particular broker dealer(s), Cumberland Advisors may execute transactions for any account through broker-dealers including trades that include commissions received from riskless principal transactions eligible for soft dollar credits under Section 28(e) of the Securities Exchange Act of 1934, as amended ("the 1934 Act") and the allocation of principal business and portfolio brokerage and the acquisition of securities in underwritings. A portion of the commission paid by the client will be used to provide Cumberland Advisors with research and other services designed to assist in the furnishing of investment advice to its client accounts.

When client brokerage commissions are used to obtain research or other products or services, Cumberland Advisors receives a benefit, because we do not have to pay for these services directly. This could provide an incentive for Cumberland Advisors to select a broker-dealer based on our interest in receiving the research or other products or services, rather than on the best interest of our client in receiving the most favorable execution. Commissions (or markups or markdowns) charged by brokers providing soft-dollar services may be higher than those charged by brokers not providing these services.

Soft dollar services are used to benefit all of our client accounts. Services are not allocated proportionately to the soft dollar credits each account generates. Receipt of these services, in exchange for soft dollars, benefits Cumberland Advisors by, among other things, allowing Cumberland Advisors to (i) supplement its own research and analysis activities and (ii) receive the views and information of individuals and research staff of other securities firms having special expertise on certain companies, industries and areas of the economy and market factors without having to produce or pay directly for such research, products or services.

Research services provided by brokers may include information on the economy, industries, groups of securities, individual companies, statistical information, accounting and tax law interpretations, political developments, legal developments affecting portfolio holdings, technical market action, pricing and appraisal services, credit analysis, measurements analysis,

performance analysis and analysis of corporate responsibility issues. Such research services are received primarily in the form of written reports, access to various computer-generated data and research software.

Cumberland Advisors has soft-dollar arrangements with WallachBeth Capital LLC, BTIG, Cantor Fitzgerald, Convergenx and Academy Securities. Except for Academy Securities, equity trades are done through these firms at 4 cents per share and 3.992 cents of that is accrued for research services. Cumberland Advisors has an agreement with Academy Securities where Cumberland Advisors decides the commission on Agency fixed-income trades and 50% of the commission is credited to soft dollars.

During 2019, the following research services were paid using soft dollars:

- Action Economics, economic and market research reports and updates;
- Arbor Research & Trading, macro investment analysis integrated qualitative and quantitative overviews of the economy and the fixed-income, equity, currency and commodity markets;
- BCA research services, research reports on equity markets, global and European investment strategies and US bond strategies;
- Bloomberg research and pricing data;
- Robert Brusca - FAO Opinions, research on the economy, global trends, and political changes;
- Dorsey Wright Associates, global technical research;
- The Gartman Letter, daily commentary on global capital markets;
- Moody's, Rating Delivery Service & Credit View, fixed-income and interest rate research;
- Standard and Poors, Global Market Intelligence
- Source Media "The Bond Buyer", fixed-income market and interest-rate forecasts research;
- Stratfor, geopolitical commentary;
- Data Trek, contrarian, value analysis.

While there are no soft-dollar agreements in place with the following brokers, we have executed trades through these brokers and received proprietary economic and fixed-income market research material from them during 2019: Morgan Stanley; Goldman Sachs; Citibank; Barclays; Morgan Keegan; BMO; Merrill Lynch; JP Morgan; Piper Jaffray; Wells Fargo; Citigroup; Stifel, Nicolaus & Company and Loop.

The majority of our equity trades in 2019 were done through Convergenx. Convergenx has provided electronic connectivity with our order management system. The connectivity gives Cumberland a portal by which we are able to enter orders with direct access to the market. Orders are executed quickly and efficiently. In some cases, where entering a large order all at once would negatively affect the market, we have the ability to work larger orders in pieces in an efficient manner. Convergenx also has the ability to create a basket of illiquid ETFs. When necessary, in trading an illiquid security, Convergenx can combine direct and wrap accounts. This allows the system to execute transactions in both account types at the same price. Wrap account transactions would be done as step-outs in this situation and not charged any commission fees.

2. Brokerage for client referrals – not applicable
3. Directed brokerage – In some cases, a client may be allowed to direct trades to a particular broker. This is determined on a case by case basis. When a client directs Cumberland to use a specific broker for executing a securities transaction, Cumberland may be unable to achieve the most favorable

execution of the client's transaction. For example, we may not be able to aggregate trades with other accounts, which could result in higher transaction costs to the client.

Cumberland serves as a portfolio manager in several wrap-fee programs. These wrap fee programs are arrangements in which investment advisory services, brokerage execution services and custody are provided by a sponsor for a single predetermined "wrap" fee (regardless of the number of trades completed by a client). Generally, clients participating in a wrap-fee program ("Wrap Program Clients") pay this single, all-inclusive fee quarterly to the program sponsor, based on the net assets under management. Cumberland receives from the program sponsor a portion of the wrap fee for the portfolio management services it provides. Each program sponsor has prepared a brochure which contains detailed information about its wrap-fee program, including the wrap fee charged. Copies of each brochure are available from the program sponsor upon request. Wrap Program Clients should note that we may execute transactions for their accounts through the wrap sponsor if directed by the client or wrap sponsor. Transactions executed through a wrap sponsor may be less favorable in some respects than Cumberland's clients whose trades are not executed through the wrap sponsor. This is because we may not have the ability to negotiate price or take advantage of combined orders or volume discounts. Cumberland may be constrained in obtaining best execution for Wrap Program Clients by sending trades to the wrap program sponsor.

B. Order Aggregation

When executing client transactions, where the accounts involved are held at the same custodian, trades may be bunched (or aggregated) with other clients' trades. This increases the average size of orders to brokers and can result in a better execution. Small odd-lot-sized trades can result in a negative price difference to the client. Accounts held at different custodians cannot be bunched together.

C. Services provided by Schwab Advisor Services

Schwab makes available to us products and services that may benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. Schwab makes available software and other technology that:

- Provides access to client account data,
- Facilitates trade execution and order processing,
- Facilitate payment of our fees from our clients' accounts, and
- Assists us with back-office functions, recordkeeping and reporting.

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events,
- Technology, compliance, legal, and business consulting, and
- Publications and conferences on practice management and business succession. Schwab may discount or waive fees for some of these services or pay all or part of a third party's fees.

D. Non-cash compensation

From time to time, custodians and other investment advisors with which Cumberland Advisors has a relationship will invite Cumberland Advisors personnel to education and training meetings that are primarily focused on current industry topics and issues. We find these meetings valuable in assisting us in keeping up on current industry issues. Cumberland Advisors personnel may be offered complimentary admission to these events creating a non-cash compensation issue and a possible conflict of interest. Cumberland Advisors has created supervisory policies and procedures to ensure that the participation in these meetings is valuable to the firm and performed within industry guidelines.

ITEM 13 – REVIEW OF ACCOUNTS

A. Frequency and Nature of Review of Client Accounts or Financial Plans

All accounts are reviewed quarterly by the investment adviser representative with staff assistance or client service representative assigned to such accounts. Such representative may also be the portfolio manager assigned to such account. Such representatives typically review the account to confirm that the account is invested according to its investment policy. Accounts are also reviewed on a random basis by the Compliance Department to confirm that the account is invested properly.

B. Factors Prompting Review of Client Accounts Other than a Periodic Review

Client accounts are also reviewed on a non-periodic basis, specifically when investments with respect to such accounts are being bought or sold. In addition, clients may request a review of their accounts by the portfolio manager assigned to their account at any time. Accounts are also reviewed on a random basis by Cumberland Advisors' Compliance Department to determine/confirm whether accounts are invested properly.

C. Content and Frequency of Account Reports to Clients

Clients receive from Cumberland Advisors written quarterly and annual reports regarding their accounts. These reports include the previous and current market value of the account and the performance of such accounts for the period in question. In addition, the reports list the assets that comprise the account and their respective market values. Clients may also request additional reports from Cumberland Advisors including confirms, gain and loss reports, and customized reports.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

A. Economic Benefit for Providing Services to Clients

Cumberland Advisors has a client who has their broker pay Cumberland Advisors for Cumberland Advisors' services provided to the client. Cumberland Advisors has no affiliation with and does not trade through said broker.

B. Compensation to Non-Supervised Persons for Client Referrals

Cumberland Advisors has agreements in place with various solicitors who receive a percentage of the annual investment advisory fee charged to clients on accounts that were introduced to Cumberland Advisors by such solicitor. The fee paid to these solicitors is deducted from the advisory fee received by Cumberland Advisors from its clients, and therefore, is part of and not additional to the advisory fee charged to Cumberland Advisors' clients. This arrangement remains in place for the life of the account as long as the solicitor agreement remains in effect.

ITEM 15 – CUSTODY

Cumberland Advisors will send a report to State Street Bank, TD Ameritrade, Charles Schwab and Co., and U.S. Bank for investment advisory fees. The custodians will then debit the accounts and forward the funds to Cumberland Advisors. If a client has designated one of these banks as the custodian for their account, the client will receive quarterly statements (monthly if there is any activity) from the bank. Clients should carefully review these statements. They should also compare these statements with the quarterly reports

received from Cumberland Advisors. Clients sign a separate custodial services agreement with a qualified custodian of their choice.

ITEM 16 – DISCRETION

When opening an account, Cumberland Advisors requires that each client sign a limited power of attorney that gives Cumberland Advisors discretion over the management of the account, subject to the investment parameters designated by the client and Cumberland Advisors to meet the client's investment objectives. In addition, clients may impose certain restrictions on their accounts such as cash restrictions, maturity restrictions, and in some cases, asset-allocation restrictions.

ITEM 17 – VOTING CLIENT SECURITIES

Cumberland Advisors shall vote proxies related to all managed and non-managed securities. The authority to vote proxies is established in the client's Client Services Agreement or comparable documents. In accordance with our fiduciary duties and SEC Rule 206(4)-6, we have adopted policies and procedures that we believe are reasonably designed to ensure that proxies are voted in the best interests of our clients. We use Glass Lewis research to assist in voting decisions and vote through a third-party vendor. Should a conflict of interest arise between Cumberland Advisors and the client's best interest, the proxy will be voted in accordance with the recommendation of Glass Lewis. Clients may obtain information on how a proxy on a security held in their account was voted and/or a copy of our proxy voting policy and procedures by calling 800-257-7013, extension 350.

ITEM 18 – FINANCIAL INFORMATION

- A. Cumberland Advisors does not require or solicit prepayment of more than \$600 in fees per client, six months or more in advance.
- B. There are no financial conditions that are reasonably likely to impair Cumberland Advisors' contractual commitments to clients.
- C. Cumberland Advisors has never been the subject of a bankruptcy petition.

Due to the economic uncertainties surrounding then COVID-19 pandemic, on April 15, 2020 the firm received a Paycheck Protection Program ("PPP") loan in the amount of \$691,100, some or all of which may be eligible to be forgiven, through the U.S. Small Business Administration, which was part of the economic relief provided under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

CUMBERLAND ADVISORS®
ADV PART 2B
Revised 12/31/2019
Table of Contents

	Page #
David R. Kotok	2
John R. Mousseau	4
Robert Eisenbeis	6
William Witherell	8
Michael McNiven	10
Matthew C. McAleer	12
Shaun Burgess	14
Daniel Himmelberger	16
Gaole “Leo” Chen	18
Gabriel Hament	20
Patricia M. Healy	22
Michael Blackmon	24
Therese Pantalone	26
Todd E. Engelhardt	28
William R. Hannan	30

CUMBERLAND ADVISORS®
ADV PART 2B

ITEM 1 – TITLE - Chairman, CIO, & Portfolio Manager

- A.
1. DAVID R. KOTOK, 2 N. Tamiami Trail, Suite 303, Sarasota, FL 34236, 800-257-7013, extension 320
 2. Cumberland Advisors, 2 N. Tamiami Trail, Suite 303, Sarasota, FL 34236
 3. Supplement dated 01/25/2017
- B. This brochure supplement provides information about David R. Kotok that supplements the Cumberland Advisors brochure (ADV Part 2A). You should have received a copy of that brochure. Please contact Timothy J. Lyle, 800-257-7013, extension 350 if you did not receive Cumberland's brochure or if you have any questions about the contents of this supplement. Additional information about David R. Kotok is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2 – Educational Background and Business Experience

David R. Kotok co-founded Cumberland Advisors in 1973 and has been its Chief Investment Officer since inception. He holds a B.S. in Economics from The Wharton School of the University of Pennsylvania, an M.S. in Organizational Dynamics from The School of Arts and Sciences at the University of Pennsylvania, and a Masters in Philosophy from the University of Pennsylvania. His date of Birth is 3/3/1943.

ITEM 3 – Disciplinary Information

There is no disciplinary information to report on this person.

ITEM 4 – Other Business Activities

Mr. Kotok's articles and financial market commentary have appeared in The New York Times, The Wall Street Journal, Barron's, and other publications. He is a frequent contributor to Bloomberg TV and radio, Fox Business, and other media.

As CIO, Mr. Kotok is co- manager on all portfolio styles. Mr. Kotok has served as Program Chairman of the Global Interdependence Center (GIC) (www.interdependence.org), whose mission is to encourage the expansion of global dialogue and free trade in order to improve cooperation and understanding among nation states, with the goal of reducing international conflicts and improving worldwide living standards. Mr. Kotok chaired its Central Banking Series and organized a five-continent dialogue held in Philadelphia, Paris, Zambia (Livingstone), Hanoi, Singapore, Prague, Cape Town, Shanghai, Hong Kong, Rome, Milan, Tallinn, and Santiago, Chile. He has received the Global Citizen Award from GIC for his efforts.

Mr. Kotok is a member of the National Business Economics Issues Council (NBEIC), the National Association for Business Economics (NABE) and served on the Research Advisory Board of BCA Research. Mr. Kotok has served as a Commissioner of the Delaware River Port Authority (DRPA) and on the Treasury Transition Teams for New Jersey Governors Kean and Whitman. He has also served as a board member of the New Jersey Economic Development Authority and as Chairman of the New Jersey Casino Reinvestment Development Authority. He has authored or co-authored four books, including: "From Bear to Bull with ETFs," and "Adventures in Muniland."

ITEM 5 - Additional Compensation

No one who is not a client provides an economic benefit to Mr. Kotok for providing advisory services.

ITEM 6 – Supervision

Day-to-day oversight of Mr. Kotok will be performed by President John Mousseau and CCO Timothy Lyle. They can be reached at: 800-257-7013. Mr. Kotok is also supervised by the Board of Directors of Cumberland Advisors. A Compliance Officer reviews and monitors individual accounts to ensure that they match the investment objective of each particular client. A CO also reviews marketing literature and e-mail sent to and from clients. Each of the supervised persons is bound by Cumberland's Code of Ethics, which, among other things, sets forth certain policies and procedures aimed at preventing abusive practices by Cumberland's supervised persons. In addition, each of the supervised persons has received a copy of (and reviewed) Cumberland's Investment Adviser Policies and Procedures Manual, which was reasonably designed to prevent any violation of the Advisers Act or the rules that the SEC has adopted there under. Cumberland believes that the Code of Ethics and Policies and Procedures Manual are useful tools for monitoring the advice that its supervised persons give to its clients.

CUMBERLAND ADVISORS®
ADV PART 2B

ITEM 1 – TITLE – President, Chief Executive Officer & Director of Fixed Income

- A. 1. JOHN R. MOUSSEAU, CFA,¹ President, CEO, 2 N. Tamiami Trail, Suite 303, Sarasota, FL, 34236, 800-257-7013, extension 307
 2. Cumberland Advisors, 2 N. Tamiami Trail, Suite 303, Sarasota, FL 34236
 3. Supplement dated 01/25/17.
- B. This brochure supplement provides information about John R. Mousseau that supplements the Cumberland Advisors brochure (ADV Part 2A). You should have received a copy of that brochure. Please contact Timothy J. Lyle, 800-257-7013, extension 350, if you did not receive Cumberland's brochure or if you have any questions about the contents of this supplement. Additional information about John R. Mousseau is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2 – Educational Background and Business Experience

Mr. Mousseau joined Cumberland in 2000 and is the Executive Director of the Fixed Income department. In this capacity, John and his team manage portfolio construction, management, analysis, trading, and research for both tax-free and taxable bond accounts. From 1993 to 2000 John was Portfolio Manager and Director of Municipal Bond Investments for Lord Abbett & Company. Prior to that, he served as First Vice President and Director of Municipal Portfolio Analysis for Shearson Lehman Brothers and E.F. Hutton, from 1981 to 1993. Mr. Mousseau holds an A.B. degree in economics from Georgetown University and an M.A. degree in economics from Brown University. His date of birth is 9/18/1956.

ITEM 3 – Disciplinary Information

There is no disciplinary information to report on this person.

ITEM 4 – Other Business Activities

A holder of the Chartered Financial Analyst® designation, Mr. Mousseau is a member of the Philadelphia Council for Business Economists (PCBE), the National Federation of Municipal Analysts (NFMA), the National Association of Business Economics (NABE), the Washington Area Money Managers (WAMM), and the National Economists Club

¹ The Chartered Financial Analyst® designation is an international professional certification offered by the CFA Institute (formerly AIMR) to financial analysts who complete a series of three examinations. To become a CFA® Charter holder candidates must pass each of three six-hour exams, possess a bachelor's degree from an accredited institution (or have equivalent education or work experience) and have 48 months of qualified, professional work experience. CFA® charter holders are also obligated to adhere to a strict Code of Ethics and Standards governing their professional conduct.

(NEC). He is also a member of the New York Society of Securities Analysts, where he served on the Society's High Net-Worth Investors Committee, and is a past chair of the Municipal Bond Buyers Conference. In addition, he has served as an instructor at the New York Institute of Finance and Bond Market Association.

His comments and analyses have appeared in The Bond Buyer, Barron's, the Wall Street Journal, Bloomberg, Forbes, the New York Times, the San Francisco Chronicle, and the Newark Star-Ledger. In addition, he has appeared on Bloomberg Radio and Television, Reuters, and CNBC for commentary on fixed-income markets. He has also been a speaker at various industry conferences, and a guest lecturer at Florida International University.

Mr. Mousseau resides in Sarasota, FL, and is active in alumni affairs at Georgetown University.

ITEM 5 - Additional Compensation

No one who is not a client provides an economic benefit to Mr. Mousseau for providing advisory services.

ITEM 6 – Supervision

The person responsible for supervising Mr. Mousseau is Chairman David R. Kotok. He can be reached at: 800-257-7013, extension 320. A Compliance Officer (“CO”) reviews and monitors individual accounts to ensure that they match the investment objective of each particular client. A CO also reviews marketing literature and e-mail sent to and from clients. Each of the supervised persons is bound by Cumberland’s Code of Ethics, which among other things, sets forth certain policies and procedures aimed at preventing abusive practices by Cumberland’s supervised persons. In addition, each of the supervised persons has received a copy of and reviewed Cumberland’s Investment Adviser Policies and Procedures Manual, which was reasonably designed to prevent any violation of the Advisers Act or the rules that the SEC has adopted there under. Cumberland believes that the Code of Ethics and Policies and Procedures Manual are useful tools for monitoring the advice that its supervised person gives to its clients.

CUMBERLAND ADVISORS®
ADV PART 2B

ITEM 1 – TITLE –Vice Chairman, Chief Monetary Economist

- A.
1. ROBERT EISENBEIS, 2 N. Tamiami Trail, Suite 303, Sarasota, FL 34236, 800-257-7013, ext. 311
 2. Cumberland Advisors, 2 N. Tamiami Trail, Suite 303, Sarasota, FL 34236
 3. Supplement dated 01/25/2017.

B. This brochure supplement provides information about Robert Eisenbeis that supplements the Cumberland Advisors brochure (ADV Part 2A). You should have received a copy of that brochure. Please contact Timothy J. Lyle, 800-257-7013, extension 350 if you did not receive Cumberland's brochure or if you have any questions about the contents of this supplement. Additional information about Robert Eisenbeis is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2 – Educational Background and Business Experience

Dr. Robert A. Eisenbeis joined the firm in 2007 and serves as Vice Chairman and Cumberland Advisors' Chief Monetary Economist. In this capacity, he advises Cumberland's asset managers on developments in US financial markets, the domestic economy and their implications for investment and trading strategies.

Dr. Eisenbeis was formerly Executive Vice-President and Director of Research at the Federal Reserve Bank of Atlanta until 2007. Prior to joining the Atlanta Fed in May 1996, Dr. Eisenbeis was the Wachovia Professor of Banking at the Kenan-Flagler School of Business at the University of North Carolina at Chapel Hill. Previously, he was Senior Deputy Associate Director in the Division of Research and Statistics at the Board of Governors of the Federal Reserve System and served as Assistant Director of Research and Chief of the Financial and Economic Research Section at the FDIC. He holds a Ph.D. and M.S. degree from the University of Wisconsin and a B.S. degree from Brown University. His date of birth is 4/7/41.

ITEM 3 – Disciplinary Information

There is no disciplinary information to report on this person.

ITEM 4 – Other Business Activities

Dr. Eisenbeis' research has focused on monetary policy and issues pertaining to credit scoring, banking, and finance. His more than 100 articles have appeared in such leading publications as the Journal of Finance; the Journal of Financial Services Research; the Journal of Money, Credit, and Banking; the Journal of Banking and Finance; Banking Law Journal; and the Journal of

Regulatory Economics. His work has also appeared in several Federal Reserve Bank publications, as well as the Journal of Retail Banking Services and other trade journals. Dr. Eisenbeis has coauthored and/or edited five books on banking and statistics and contributed chapters to other books and was the executive editor of the Journal of Financial Services Research. He presently serves on the editorial boards of several scholarly journals. Current research has focused on the development of methods for evaluating the forecasting performance of economic forecasters, which is being used by USA Today and the Wall Street Journal, and on the implications for financial stability of the regulatory framework being implemented in the United States and European Union. In 2004 he was named a Fellow by the National Association for Business Economics. He is also a Fellow of the Wharton Financial Institutions Center, a member of the Shadow Financial Regulatory Committee and the Financial Economists Roundtable. Most recently he has appeared frequently on Fox Business, CNBC and Bloomberg TV and radio commenting on current economic policy developments.

ITEM 5 - Additional Compensation

No one who is not a client provides an economic benefit to Dr. Eisenbeis for providing advisory services.

ITEM 6 – Supervision

The person responsible for supervising Dr. Eisenbeis is David Kotok. He can be reached at: 800-257-7013, extension 320. A Compliance officer (“CO”) reviews and monitors individual accounts to ensure that they meet the investment objective of each particular client. A CO also reviews marketing literature and e-mail sent to and from clients. Each of the supervised persons is bound by Cumberland’s Code of Ethics, which, among other things, sets forth certain policies and procedures aimed at preventing abusive practices by Cumberland’s supervised persons. In addition, each of the supervised persons has received a copy of and reviewed Cumberland’s Investment Adviser Policies and Procedures Manual, which was reasonably designed to prevent any violation of the Advisers Act or the rules that the SEC has adopted there under. Cumberland believes that the Code of Ethics and the Policies and Procedures Manual are useful tools for monitoring the advice

CUMBERLAND ADVISORS®
ADV PART 2B

ITEM 1 – TITLE – Chief Global Economist

- A. 1. WILLIAM (BILL) WITHERELL, 2 N. Tamiami Trail, Suite 303, Sarasota, FL 34236, 800-257-7013, extension 338.
 2. Cumberland Advisors, 2 N. Tamiami Trail, Suite 303, Sarasota, FL 34236
 3. Supplement dated 01/25/2017.

B. This brochure supplement provides information about William Witherell that supplements the Cumberland Advisors brochure (ADV Part 2A). You should have received a copy of that brochure. Please contact Timothy J. Lyle, 800-257-7013, extension 350 if you did not receive Cumberland's brochure or if you have any questions about the contents of this supplement. Additional information about William Witherell is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2 – Educational Background and Business Experience

Dr. Bill Witherell joined Cumberland Advisors in November 2005 as the Chief Global Economist. Dr. Witherell is a graduate of Colby College and holds an M.A. and a Ph.D. in Economics from Princeton University. Dr. Witherell began his career as a business economist with Exxon and Esso Eastern (1967-73), where he held positions in the economics, treasury and corporate planning functions. He moved to the international economic and financial relations field in 1973 with positions first in the U.S. Department of State and then in the Department of the Treasury (1974-77) as Director of the Office of Financial Resources and Energy Finance. He joined the Secretariat of the OECD in Paris, France, in 1977. From 1989 through September 2005 he was OECD's Director for Financial and Enterprise Affairs. His date of birth is 3/29/1941.

ITEM 3 – Disciplinary Information

There is no disciplinary information to report on this person.

ITEM 4 – Other Business Activities

He is a past Chairman of the International Roundtable of the National Association for Business Economics, a member of the Boston Economic Club and the Westborough MA Rotary.

ITEM 5 - Additional Compensation

No one who is not a client provides an economic benefit to Dr. Witherell for providing advisory services.

ITEM 6 – Supervision

The person responsible for supervising Dr. Witherell is Senior Vice President Dr. Michael McNiven. He can be reached at: 800-257-7013, extension 316. A Compliance Officer (“CO”), reviews and monitors individual accounts to ensure that they meet the investment objective of each particular client. A CO also reviews marketing literature and e-mail sent to and from clients. Each of the supervised persons is bound by Cumberland’s Code of Ethics, which, among other things, sets forth certain policies and procedures aimed at preventing abusive practices by Cumberland’s supervised persons. In addition, each of the supervised persons has received a copy of and reviewed Cumberland’s Investment Adviser Policies and Procedures Manual, which was reasonably designed to prevent any violation of the Advisers Act or the rules that the SEC has adopted there under. Cumberland believes that the Code of Ethics and Policies and Procedures Manual are useful tools for monitoring the advice that its supervised persons give to its clients.

CUMBERLAND ADVISORS®
ADV PART 2B

ITEM 1 – TITLE – Senior Vice President Business Development

- A. 1. MICHAEL D. MCNIVEN, 2 N. Tamiami Trail, Suite 303, Sarasota FL 34236
 2. Cumberland Advisors, 2 N. Tamiami Trail, Suite 303, Sarasota, FL 34236
 3. Supplement dated 01/25/2017.

B. This brochure supplement provides information about Michael D. McNiven that supplements the Cumberland Advisors brochure (ADV Part 2A). You should have received a copy of that brochure. Please contact Timothy J. Lyle, 800-257-7013, extension 350 if you did not receive Cumberland's brochure or if you have any questions about the contents of this supplement. Additional information about Michael D. McNiven is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2 – Educational Background and Business Experience

Dr. Michael D. McNiven serves as Senior Vice President Business Development and Investment Advisor Representative. He joined Cumberland Advisors in April of 2009.

Dr. McNiven was formerly a university professor at Rowan University prior to joining Cumberland Advisors. He has taught courses and assisted at Rowan University, University of Georgia, Utah Valley University, and Brigham Young University. He began his career at the Financial Times in New York working in market research, business development and advertising sales. He is a graduate of Brigham Young University in Provo, Utah for both B.A. and M.A. degrees, and also holds a Ph.D. from the University of Georgia in Athens. His date of birth is 8/15/1973.

ITEM 3 – Disciplinary Information

There is no disciplinary information to report on this person.

ITEM 4 – Other Business Activities

Dr. McNiven is not involved in any other business activities.

ITEM 5 - Additional Compensation

No one who is not a client provides an economic benefit to Dr. McNiven for providing advisory services.

ITEM 6 – Supervision

The person responsible for supervising Dr. McNiven is President John Mousseau. He can be reached at: 800-257-7013, extension 320. A Compliance Officer (“CO”), reviews and monitors individual accounts to ensure that they reflect the investment objective of each particular client. A CO also reviews marketing literature and e-mail sent to and from clients. Each of the supervised persons is bound by Cumberland’s Code of Ethics, which, among other things, sets forth certain policies and procedures aimed at preventing abusive practices by Cumberland’s supervised persons. In addition, each of the supervised persons has received a copy of and reviewed Cumberland’s Investment Adviser Policies and Procedures Manual, which was reasonably designed to prevent any violation of the Advisers Act or the rules that the SEC has adopted there under. Cumberland believes that the Code of Ethics and the Policies and Procedures Manual are useful tools for monitoring the advice that its supervised persons give to its clients.

CUMBERLAND ADVISORS®
ADV PART 2B

ITEM 1 – TITLE – Executive Vice President, Director of Equity Strategies & Portfolio Manager

- A.
1. MATTHEW C. McALEER 2 N. Tamiami Trail, Suite 303, Sarasota, FL 34236, 800-257-7013, ext. 346
 2. Cumberland Advisors, 2 N. Tamiami Trail, Suite 303, Sarasota, FL 34236
 3. Supplement dated 01/25/2017

B. This brochure supplement provides information about Matthew C. McAleer that supplements the Cumberland Advisors brochure (ADV Part 2A). You should have received a copy of that brochure. Please contact Timothy J. Lyle, 800-257-7013, extension 350 if you did not receive Cumberland's brochure or if you have any questions about the contents of this supplement. Additional information about Matthew C. McAleer is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2 – Educational Background and Business Experience

Mr. McAleer joined Cumberland in February, 2014. He serves as Executive Vice President and Director of Equity Strategies for all US and International Equity ETF styles. With a focus on quantitative research, Mr. McAleer uses detailed trend and relative strength analysis to manage portfolio construction and identify investment opportunities across multiple asset classes. Matt has over 20 years of investment management experience and previously led the tactical asset allocation strategies at Hudson Canyon Investment Counselors and Classic Asset Management. Mr. McAleer holds a BS degree in marketing/economics from Rider University, where he also competed for the wrestling team. His date of birth is 04/19/1965.

ITEM 3 – Disciplinary Information

There is no disciplinary information to report on this person.

ITEM 4 – Other Business Activities

Mr. McAleer is not involved in any other business activities.

ITEM 5 - Additional Compensation

No one who is not a client provides an economic benefit to Mr. McAleer for providing advisory services.

ITEM 6 – Supervision

The person responsible for supervising Mr. McAleer is President John Mousseau. He can be reached at: 800-257-7013, extension 307. A Compliance Officer (“CO”), reviews and monitors individual accounts to ensure that they meet the investment objective of each particular client. A CO also reviews marketing literature and e-mail sent to and from clients. Each of the supervised persons is bound by Cumberland’s Code of Ethics, which, among other things, sets forth certain policies and procedures aimed at preventing abusive practices by Cumberland’s supervised persons. In addition, each of the supervised persons has received a copy of and reviewed Cumberland’s Investment Adviser Policies and Procedures Manual, which was reasonably designed to prevent any violation of the Advisers Act or the rules that the SEC has adopted there under. Cumberland believes that the Code of Ethics and Policies and Procedures Manual are useful tools for monitoring the advice that its supervised persons give to its clients.

CUMBERLAND ADVISORS®
ADV PART 2B

ITEM 1 – TITLE – Fixed Income Portfolio Manager and Research Analyst

- A.
1. SHAUN BURGESS 2 N. Tamiami Trail, Suite 303, Sarasota, FL 34236, 800-257-7013, ext. 319
 2. Cumberland Advisors, 2 N. Tamiami Trail, Suite 303, Sarasota, FL 34236
 3. Supplement dated 01/25/2017

B. This brochure supplement provides information about Shaun Burgess that supplements the Cumberland Advisors brochure (ADV Part 2A). You should have received a copy of that brochure. Please contact Timothy J. Lyle, 800-257-7013, extension 350 if you did not receive Cumberland's brochure or if you have any questions about the contents of this supplement. Additional information about Shaun Burgess is available on the SEC's website at: www.adviserinfo.sec.gov.

ITEM 2 – Educational Background and Business Experience

Mr. Burgess joined Cumberland in June 2013. His responsibilities include analysis of prospective tax exempt and taxable portfolios, trading of tax exempt securities on Cumberland's fixed income desk, and assisting in department operations. Additionally, he is responsible for updating research material for Cumberland's fixed income and equity trading desks and also assists with credit research relating to current and prospective tax exempt bond holdings. Mr. Burgess holds a BA in Finance from the University of South Florida and his date of birth is 12/21/1981.

ITEM 3 – Disciplinary Information

There is no disciplinary information to report on this person.

ITEM 4 – Other Business Activities

Mr. Burgess is not involved in any other business activities.

ITEM 5 - Additional Compensation

No one who is not a client provides an economic benefit to Mr. Burgess for providing advisory services.

ITEM 6 – Supervision

The person responsible for supervising Mr. Burgess is President John Mousseau. He can be reached at: 800-257-7013, extension 307. A Compliance Officer (“CO”), reviews and monitors individual accounts to ensure that they reflect the investment objective of each particular client. A CO also reviews marketing literature and e-mail sent to and from clients. Each of the supervised persons is bound by Cumberland’s Code of Ethics, which, among other things, sets forth certain policies and procedures aimed at preventing abusive practices by Cumberland’s supervised persons. In addition, each of the supervised persons has received a copy of and reviewed Cumberland’s Investment Adviser Policies and Procedures Manual, which was reasonably designed to prevent any violation of the Advisers Act or the rules that the SEC has adopted there under. Cumberland believes that the Code of Ethics and Policies and Procedures Manual are useful tools for monitoring the advice that its supervised persons give to its clients.

CUMBERLAND ADVISORS®
ADV PART 2B

ITEM 1 – TITLE – Taxable Fixed Income Portfolio Manager and Trader

- A.
1. DANIEL HIMELBERGER- 2 N. Tamiami Trail, Suite 303, Sarasota, FL 34236, 800-257-7013, ext. 343
 2. Cumberland Advisors, 2 N. Tamiami Trail, Suite 303, Sarasota, FL 34236
 3. Supplement dated 01/25/2017

B. This brochure supplement provides information about Daniel Himelberger that supplements the Cumberland Advisors brochure (ADV Part 2A). You should have received a copy of that brochure. Please contact Timothy J. Lyle, 800-257-7013, extension 350 if you did not receive Cumberland's brochure or if you have any questions about the contents of this supplement. Additional information about Daniel Himelberger is available on the SEC's website at: www.adviserinfo.sec.gov.

ITEM 2 – Educational Background and Business Experience

Mr. Himelberger joined Cumberland in July, 2013. His responsibilities include assisting with the management of taxable accounts, trading of taxable bonds on Cumberland's fixed income desk, and assisting with department operations. Additionally, he assists with client requests and logging trading history. Mr. Himelberger holds a BA in Finance from the University of South Florida. His date of birth is 4/13/1985.

ITEM 3 – Disciplinary Information

There is no disciplinary information to report on this person.

ITEM 4 – Other Business Activities

Mr. Himelberger is not involved in any other business activities.

ITEM 5 - Additional Compensation

No one who is not a client provides an economic benefit to Mr. Himelberger for providing advisory services.

ITEM 6 – Supervision

The person responsible for supervising Mr. Himelberger is President John Mousseau. He can be reached at: 800-257-7013, extension 307. A Compliance Officer ("CO"), reviews and monitors individual accounts to ensure that they reflect the investment objective of each particular client. A CO also reviews marketing literature and e-mail sent to and from clients. Each of the supervised persons is bound by Cumberland's Code of Ethics, which, among other things, sets forth certain

policies and procedures aimed at preventing abusive practices by Cumberland's supervised persons. In addition, each of the supervised persons has received a copy of and reviewed Cumberland's Investment Adviser Policies and Procedures Manual, which was reasonably designed to prevent any violation of the Advisers Act or the rules that the SEC has adopted there under. Cumberland believes that the Code of Ethics and Policies and Procedures Manual are useful tools for monitoring the advice that its supervised persons give to its clients.

CUMBERLAND ADVISORS®
ADV PART 2B

ITEM 1 – TITLE – Market Volatility/Leveraged Market Volatility ETF Portfolio Manager

- A.
1. GAOLE “LEO” CHEN- 2 N. Tamiami Trail, Suite 303, Sarasota, FL 34236, 800-257-7013, ext. 312
 2. Cumberland Advisors, 2 N. Tamiami Trail, Suite 303, Sarasota, FL 34236
 3. Supplement dated 01/25/2017

B. This brochure supplement provides information about Gaole “Leo” Chen that supplements the Cumberland Advisors brochure (ADV Part 2A). You should have received a copy of that brochure. Please contact Timothy J. Lyle, 800-257-7013, extension 350 if you did not receive Cumberland’s brochure or if you have any questions about the contents of this supplement. Additional information about Gaole “Leo” Chen is available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2 – Educational Background and Business Experience

Dr. Leo Chen joined Cumberland Advisors as a consultant in 2014 and became a quantitative analyst for the firm in November 2015. Dr. Chen is an investment adviser representative. He is also an assistant professor of finance at the University of Southern Mississippi. He was born in Mainland China. Prior to coming to the United States, he studied in Italy.

Dr. Chen specializes in quantitative analysis, particularly in time-series empirical research. He also works in areas such as stochastic calculus and Brownian motion. His research utilizes quantitative methods to examine market returns and underlying volatilities. His studies span both equity and fixed income markets.

Dr. Chen holds a Ph.D. degree in finance from the University of South Florida and a B.A. degree in economics from the University of Rochester. He is currently a CFA® Level II candidate. In 2010, he was a research scholar in mathematics at the Fields Institute for Research in Mathematical Sciences. His date of birth is 10/18/86.

ITEM 3 – Disciplinary Information

There is no disciplinary information to report on this person.

ITEM 4 – Other Business Activities

Dr. Chen is an assistant professor at the University of South Florida.

ITEM 5 - Additional Compensation

No one who is not a client provides an economic benefit to Dr. Chen for providing advisory services.

ITEM 6 – Supervision

The person responsible for supervising Dr. Chen is Executive Vice President Matt McAleer. He can be reached at 800-257-7013, extension 346. A Compliance Officer ("CO"), reviews and monitors individual accounts to ensure that they reflect the investment objective of each particular client. A CO also reviews marketing literature and e-mail sent to and from clients. Each of the supervised persons is bound by Cumberland's Code of Ethics, which, among other things, sets forth certain policies and procedures aimed at preventing abusive practices by Cumberland's supervised persons. In addition, each of the supervised persons has received a copy of and reviewed Cumberland's Investment Adviser Policies and Procedures Manual, which was reasonably designed to prevent any violation of the Advisers Act or the rules that the SEC has adopted there under. Cumberland believes that the Code of Ethics and Policies and Procedures Manual are useful tools for monitoring the advice that its supervised persons give to its clients.

CUMBERLAND ADVISORS®
ADV PART 2B

ITEM 1 – TITLE – Foundations and Charitable Accounts

- A. 1. GABRIEL HAMENT- 2 N. Tamiami Trail, Suite 303, Sarasota, FL 34236, 800-257-7013, ext. 345
 2. Cumberland Advisors, 2 N. Tamiami Trail, Suite 303, Sarasota, FL 34236
 3. Supplement dated 01/25/2017

B. This brochure supplement provides information about Gabriel Hament that supplements the Cumberland Advisors brochure (ADV Part 2A). You should have received a copy of that brochure. Please contact Timothy J. Lyle, 800-257-7013, extension 350 if you did not receive Cumberland's brochure or if you have any questions about the contents of this supplement. Additional information about Gabriel Hament is available on the SEC's website at: www.adviserinfo.sec.gov.

ITEM 2 – Educational Background and Business Experience

Mr. Hament joined Cumberland in late 2015 to assist with the firm's Charitable and Foundation Accounts. He is an investment adviser representative. In addition to servicing the firm's nonprofit clients, Mr. Hament works with Financial Advisors in the Sarasota-Manatee region explaining Cumberland's investment philosophy and portfolio management options.

Mr. Hament was previously a political consultant in the Sarasota area where he supervised and coordinated campaign messaging, fundraising and field outreach programs. A native of Sarasota, he earned his B.A. in political science with a minor in history as a John V. Lombardi Scholar at the University of Florida. Mr. Hament is a graduate of the Connect Florida Institute, a sister organization of Leadership Florida. The mission of Connect Florida is to educate, engage and inspire the state's top emerging leaders.

Mr. Hament is a member of the Sarasota Tiger Bay Club, which promotes community understanding of current political and social issues, through public discourse and the free exchange of ideas. The Sarasota Tiger Bay Club is a non-partisan political organization established in 1982. His date of birth is 6/6/92.

ITEM 3 – Disciplinary Information

There is no disciplinary information to report on this person.

ITEM 4 – Other Business Activities

Mr. Hament is not involved in any other business activities.

ITEM 5 - Additional Compensation

No one who is not a client provides an economic benefit to Mr. Hament for providing advisory services.

ITEM 6 – Supervision

The person responsible for supervising Mr. Hament is President John Mousseau. He can be reached at: 800-257-7013, extension 307. A Compliance Officer (“CO”), reviews and monitors individual accounts to ensure that they reflect the investment objective of each particular client. A CO also reviews marketing literature and e-mail sent to and from clients. Each of the supervised persons is bound by Cumberland’s Code of Ethics, which, among other things, sets forth certain policies and procedures aimed at preventing abusive practices by Cumberland’s supervised persons. In addition, each of the supervised persons has received a copy of and reviewed Cumberland’s Investment Adviser Policies and Procedures Manual, which was reasonably designed to prevent any violation of the Advisers Act or the rules that the SEC has adopted there under. Cumberland believes that the Code of Ethics and Policies and Procedures Manual are useful tools for monitoring the advice that its supervised persons give to its clients.

CUMBERLAND ADVISORS®
ADV PART 2B

ITEM 1 – TITLE – Sr. Vice President, Fixed Income Research and Portfolio Manager

- A. 1. PATRICIA HEALY, CFA² - 2 N. Tamiami Trail, Suite 303, Sarasota, FL 34236, 800-257-7013, ext. 349
 2. Cumberland Advisors, 2 N. Tamiami Trail, Suite 303, Sarasota, FL 34236
 3. Supplement dated 01/25/2017

B. This brochure supplement provides information about Patricia Healy that supplements the Cumberland Advisors brochure (ADV Part 2A). You should have received a copy of that brochure. Please contact Timothy J. Lyle, 800-257-7013, extension 350 if you did not receive Cumberland's brochure or if you have any questions about the contents of this supplement. Additional information about Gabriel Hament is available on the SEC's website at: www.adviserinfo.sec.gov.

ITEM 2 – Educational Background and Business Experience

Ms. Healy joined Cumberland in July 2016 as Sr. Vice President of Research and Fixed Income Portfolio Manager. Previously Ms. Healy was Sr. Director-Financial Institutions and Sovereigns with Bayern LB, New York. She earned her B.S. in Finance at the State University of New York. She earned her CFA® designation in 2000. Her date of birth is 4/1/1961.

ITEM 3 – Disciplinary Information

There is no disciplinary information to report on this person.

ITEM 4 – Other Business Activities

Ms. Healy is not involved in any other business activities.

ITEM 5 - Additional Compensation

No one who is not a client provides an economic benefit to Ms. Healy for providing advisory services.

² The Chartered Financial Analyst® (CFA) designation is an international professional certification offered by the CFA Institute (formerly AIMR) to financial analysts who complete a series of three examinations. To become a CFA® Charterholder candidates must pass each of three six-hour exams, possess a bachelor's degree from an accredited institution (or have equivalent education or work experience) and have 48 months of qualified, professional work experience. CFA® charterholders are also obligated to adhere to a strict Code of Ethics and Standards governing their professional conduct.

ITEM 6 – Supervision

The person responsible for supervising Ms. Healy is President John Mousseau. He can be reached at: 800-257-7013, extension 307. A Compliance Officer (“CO”), reviews and monitors individual accounts to ensure that they reflect the investment objective of each particular client. A CO also reviews marketing literature and e-mail sent to and from clients. Each of the supervised persons is bound by Cumberland’s Code of Ethics, which, among other things, sets forth certain policies and procedures aimed at preventing abusive practices by Cumberland’s supervised persons. In addition, each of the supervised persons has received a copy of and reviewed Cumberland’s Investment Adviser Policies and Procedures Manual, which was reasonably designed to prevent any violation of the Advisers Act or the rules that the SEC has adopted there under. Cumberland believes that the Code of Ethics and Policies and Procedures Manual are useful tools for monitoring the advice that its supervised persons give to its clients.

CUMBERLAND ADVISORS®
ADV PART 2B

ITEM 1 – Title – Regional Director of Investments, IA Representative

- A. 1. **MICHAEL G. BLACKMON, CFA³** - 2 N. Tamiami Trail, Suite 303, Sarasota, FL 34236, 800-257-7013, ext. 349
 2. Cumberland Advisors, 2 N. Tamiami Trail, Suite 303, Sarasota, FL 34236
 3. Supplement dated 01/25/2017

B. This brochure supplement provides information about Michael G. Blackmon that supplements the Cumberland Advisors brochure (ADV Part 2A). You should have received a copy of that brochure. Please contact Timothy J. Lyle, 800-257-7013, extension 350 if you did not receive Cumberland's brochure or if you have any questions about the contents of this supplement. Additional information about Michael G. Blackmon is available on the SEC's website at: www.adviserinfo.sec.gov.

ITEM 2 – Educational Background and Business Experience

Mr. Blackmon joined Cumberland in October, 2016 as Regional Director of Investments. Previously he was CIO of Banyan Partners, Palm Beach Gardens, Florida. He earned his B.S. in Business Administration from the University of North Carolina in 1977. He earned his CFA® designation in 1985. His date of birth is 03/25/1955.

ITEM 3 – Disciplinary Information

There is no disciplinary information to report on this person.

ITEM 4 – Other Business Activities

Mr. Blackmon is not involved in any other business activities.

³ The **Chartered Financial Analyst®** (CFA) designation is an international professional certification offered by the CFA Institute (formerly AIMR) to financial analysts who complete a series of three examinations. To become a CFA® Charter holder candidates must pass each of three six-hour exams, possess a bachelor's degree from an accredited institution (or have equivalent education or work experience) and have 48 months of qualified, professional work experience. CFA® charter holders are also obligated to adhere to a strict Code of Ethics and Standards governing their professional conduct.

ITEM 5 - Additional Compensation

No one who is not a client provides an economic benefit to Mr. Blackmon for providing advisory services.

ITEM 6 – Supervision

The person responsible for supervising Mr. Blackmon is Senior Vice President, Dr. Michael McNiven. He can be reached at 800-257-7013, extension 316. A Compliance Officer (CO) reviews and monitors individual accounts to ensure that they match the investment objective of the particular client. A CO also reviews marketing literature and e-mail sent to and from clients. Each of the supervised persons is bound by Cumberland's Code of Ethics, which, among other things, sets forth certain policies and procedures aimed at preventing abusive practices by Cumberland's supervised persons. In addition, each of the supervised persons has received a copy of and reviewed Cumberland's Investment Adviser Policies and Procedures Manual, which was reasonably designed to prevent any violation of the Advisers Act or the rules that the SEC has adopted there under. Cumberland believes that the Code of Ethics and Policies and Procedures Manual are useful tools for monitoring the advice that its supervised persons give to its clients.

CUMBERLAND ADVISORS®
ADV PART 2B

ITEM 1 – Title – Investment Advisor Representative

- A. 1. THERESE M. PANTALIONE - 614 Landis Ave, Vineland, NJ 08360 800-257-7013, ext. 315
 2. Cumberland Advisors, 2 N. Tamiami Trail, Suite 303, Sarasota, FL 34236
 3. Supplement dated 01/18/2017

B. This brochure supplement provides information about Therese M. Pantalione that supplements the Cumberland Advisors brochure (ADV Part 2A). You should have received a copy of that brochure. Please contact Timothy Lyle, 800-257-7013, extension 350 if you did not receive Cumberland's brochure or if you have any questions about the contents of this supplement. Additional information about Therese M. Pantalione is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2 – Educational Background and Business Experience

Mrs. Pantalione joined Cumberland in May 1986 and has performed Municipal Research, and assisted with the Consulting services to municipalities. Since 1998, she has been the Compliance Officer in the firm as well as a managing director. Currently she provides investment advisory services to Cumberland's clients in our New Jersey office as well as acting as a compliance consultant. Her date of birth is 03/23/1951.

ITEM 3 – Disciplinary Information

There is no disciplinary information to report on this person.

ITEM 4 – Other Business Activities

Mrs. Pantalione is not involved in any other business activities.

ITEM 5 - Additional Compensation

No one who is not a client provides an economic benefit to Mrs. Pantalione for providing advisory services.

ITEM 6 – Supervision

The person responsible for supervising Mrs. Pantalone is Senior Vice President Dr. Michael McNiven. He can be reached at 800-257-7013, extension 316. A Compliance Officer (CO) reviews and monitors individual accounts to ensure that they match the investment objective of the particular client. A CO also reviews marketing literature and e-mail sent to and from clients. Each of the supervised persons is bound by Cumberland's Code of Ethics, which, among other things, sets forth certain policies and procedures aimed at preventing abusive practices by Cumberland's supervised persons. In addition, each of the supervised persons has received a copy of and reviewed Cumberland's Investment Adviser Policies and Procedures Manual, which was reasonably designed to prevent any violation of the Advisers Act or the rules that the SEC has adopted there under. Cumberland believes that the Code of Ethics and Policies and Procedures Manual are useful tools for monitoring the advice that its supervised persons give to its clients.

CUMBERLAND ADVISORS®
ADV PART 2 B

ITEM 1 – Title – Regional Director of Investments

- A. 1. **TODD E. ENGELHARDT**, Regional Director of Investments, 2 N. Tamiami Trail, Suite 303, Sarasota, FL, 34236, 800-257-7013, extension 371.
 2. Cumberland Advisors, 2 N. Tamiami Trail, Suite 303, Sarasota, FL 34236
 3. Supplement dated 12/10/2019
- B. This brochure supplement provides information about Todd Engelhardt that supplements the Cumberland Advisors brochure (ADV Part 2A). You should have received a copy of that brochure. Please contact Timothy Lyle, 800-257-7013, extension 350 if you did not receive Cumberland's brochure or if you have any questions about the contents of this supplement. Additional information about Todd Engelhardt is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2 – Educational Background and Business Experience

Mr. Engelhardt serves as Regional Director of Investments for southwest Florida. Prior to joining Cumberland, Todd held senior positions in distribution and marketing with FleetBoston, Manning & Napier Advisors, and Fifth Third. While at Fleet, he served as National Sales Director in Fleet's Columbia Management Group subsidiary, with responsibility for Endowment and Foundation business development. Todd also assisted in Columbia's integration of Boston-based Liberty Asset Management, as well as a host of smaller bank investment unit acquisitions. He began his career with the management information systems consulting practice of Arthur Andersen & Co. in New York City. Todd received an MBA from Rensselaer Polytechnic Institute in 1984. His date of birth is 10/21/1960.

ITEM 3 – Disciplinary Information

There is no disciplinary information to report on this person.

ITEM 4 – Other Business Activities

Mr. Engelhardt is not involved in any other business activities.

ITEM 5 - Additional Compensation

No one who is not a client provides an economic benefit to Mr. Engelhardt for providing advisory services.

ITEM 6 – Supervision

The person responsible for supervising Mr. Engelhardt is Matthew C. McAleer. Matt can be reached at 800-257-7013, extension 346. The Chief Compliance Officer (CCO), reviews and monitors individual accounts to ensure that they meet the investment objective of the particular client. The CCO also reviews marketing literature and e-mail sent to and from clients. The CCO then reports to the CEO. Each of the supervised persons is bound by Cumberland's Code of Ethics, which, among other things, sets forth certain policies and procedures aimed at preventing abusive practices by Cumberland's supervised persons. In addition, each of the supervised persons has received a copy of and reviewed Cumberland's Investment Adviser Compliance Manual, which was reasonably designed to prevent any violation of the Advisers Act or the rules that the SEC has adopted thereunder. Cumberland believes that the Code of Ethics and the Compliance Manual are useful tools for monitoring the advice that its supervised persons give to its clients.

CUMBERLAND ADVISORS®
ADV PART 2 B

ITEM 1 – TITLE – INVESTMENT ADVISOR REPRESENTATIVE

- A.
1. WILLIAM R HANNAN - 614 Landis Ave., Vineland, NJ 08360; 34236, 800-257-7013, ext. 351
 2. Cumberland Advisors, 2 N. Tamiami Trail, Suite 303, Sarasota, FL 34236
 3. Supplement dated 08/30/2016
- B. This brochure supplement provides information about William R. Hannan that supplements the Cumberland Advisors brochure (ADV Part 2A). You should have received a copy of that brochure. Please contact Timothy Lyle, 800-257-7013, extension 350 if you did not receive Cumberland's brochure or if you have any questions about the contents of this supplement. Additional information about William Hannan is available on the SEC's website at: www.adviserinfo.sec.gov.

ITEM 2 – Educational Background and Business Experience

Mr. Hannan rejoined Cumberland in January 2020 as an Investment Advisory Representative. Since June of 2018, Mr. Hannan has worked for Hamptons Risk Management. Mr. Hannan previously worked for Cumberland between August 2016 and June of 2018, as a Regional Director of Investments. Mr. Hannan will be working in the Greater Northeast region particularly in the New York and New England areas. Previously, Mr. Hannan was a Principal, Institutional Sales with Piper Jaffray, a senior VP, Institutional sales with Ziegler Capital Mkts., and First VP, Institutional Sales with Morgan Keegan. He was also associated with JP Morgan Chase and Raymond James and Associates.

Mr. Hannan has an MPH from Johns Hopkins University, an MLA in American Studies from Columbia University, an MBA in Finance from Fordham University and a BS in Economics and Public Administration from New York University. His date of birth is 6/18/59.

ITEM 3 – Disciplinary Information

There is no disciplinary information to report on this person.

ITEM 4 – Other Business Activities

Mr. Hannan is not involved in any other business activities.

ITEM 5 - Additional Compensation

No one who is not a client provides an economic benefit to Mr. Hannan for providing advisory services.

ITEM 6 – Supervision

The person responsible for supervising Mr. Hannan is Michael McNiven. He can be reached at: 800-257-7013, extension 316. A Compliance Officer (“CO”), reviews and monitors individual accounts to ensure that they reflect the investment objective of each particular client. A CO also reviews marketing literature and e-mail sent to and from clients. The CO then reports to the CC. Each of the supervised persons is bound by Cumberland’s Code of Ethics, which, among other things, sets forth certain policies and procedures aimed at preventing abusive practices by Cumberland’s supervised persons. In addition, each of the supervised persons has received a copy of and reviewed Cumberland’s Investment Adviser Compliance Manual, which was reasonably designed to prevent any violation of the Advisers Act or the rules that the SEC has adopted thereunder. Cumberland believes that the Code of Ethics and the Compliance Manual are useful tools for monitoring the advice that its supervised persons give to its clients.

Cumberland Advisors Form CRS

Item 1 Introduction

06/20/2020

Cumberland Advisors is registered with the Securities and Exchange Commission as an Investment Adviser.

Brokerage and investment advisory services and fees differ and it is important for you to understand the differences. The SEC offers free and simple tools to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/crs) which also provides information tailored to educate retail investors about financial professionals.

Item 2 Relationships and Services

What investment services and advice can you provide me?

Our firm offers the following principal investment advisory services to retail investors.

Our firm provides investment discretion for the following services. If you invest on a discretionary basis, our firm will buy and sell investments in your accounts without requiring your pre-approval on an ongoing basis until you notify us in writing to switch.

- Portfolio management—monitored continuously as part of our standard service.
- Buying and selling securities—monitored continuously as part of our standard service.
- Investment recommendations—monitored continuously as part of our standard service.

\$250,000 for Equity accounts, \$500,000 for Fixed Income accounts.

For additional information including minimum investment amounts, please see www.cumber.com or <https://www.adviserinfo.sec.gov/IAPD/default.aspx> for our Form ADV, 2A brochure (Items 4 and 7 of Part 2A or Items 4.A. and 5 of Part 2A Appendix 1).

Conversation starters. Ask your financial professional:

– *Given my financial situation, should I choose an investment advisory service? Why or why not? How will you choose investments to recommend to me?*

– *What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

Item 3 Fees, Costs, Conflicts and Standard of Conduct

What fees will I pay?

Our fees can be assessed quarterly and are disclosed in our Form ADV Part 1A, Item 5.E. and more fully described in our Form ADV Part 2A, Items 5.A., B., C., and D. Some fees create a conflict of interest described below and in more detail in our Firm's Part 2A.

- If our firm charges you asset based fees, more assets in the account will cause you to pay more in fees and therefore we may have an incentive to encourage you to increase the amount of money invested in those accounts.

Additional Information:

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

For more detailed information about our fees and costs please review our Form ADV, Part 2A brochure (specifically Items 5.A., B., C., and D.) which can be found at www.cumber.com or <https://www.adviserinfo.sec.gov/IAPD/default.aspx>.

Conversation starters. Ask your financial professional:

– Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are examples to help you understand what this means.

- Our firm makes money by offering products and services to you that we in turn earn money on and therefore have an incentive to sell these products to you.

Conversation starters. Ask your financial professional:

– How might your conflicts of interest affect me, and how will you address them?

Additional information:

For more detailed information about our fees and costs please review our Form ADV, Part 2A brochure (specifically Items 5.A., B., C., and D.) which can be found at www.cumber.com or <https://www.adviserinfo.sec.gov/IAPD/default.aspx>.

How do your financial professionals make money?

- Our professionals are compensated based on the amount of assets they service and therefore earn higher compensation for investing more of your money.
- Base salary.

Item 4 Disciplinary History

Do you or your financial professionals have legal or disciplinary history?

Our firm has no disciplinary history. Visit Investor.gov/CRS for a free and simple search tool to research our firm and our financial professionals.

Conversation Starters. Ask your financial professional:

– As a financial professional, do you have any disciplinary history? For what type of conduct?

Item 5 Additional Information

You can find additional information about our services and request a copy of the relationship summary by visiting www.cumber.com; emailing at tim.lyle@cumber.com or calling us at: 1.800.257.7013.

Conversation starters. Ask your financial professional:

– Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?



Privacy Disclosure Statement

At Cumberland Advisors we appreciate the trust you have placed in us and we want to maintain that trust. Keeping customer information secure is a top priority. Please review our Privacy Statement below so that you can understand how we handle any personal information about you that we may collect.

To conduct regular business, we may collect nonpublic personal information from sources such as:

- Information reported by you on applications or other forms you provide to us,
- Information about your transactions with us, our affiliates, or others.

As Cumberland Advisors shares nonpublic information solely to service our client accounts, we do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law.

To provide the utmost in service, we may disclose the following information regarding customers and/or former customers, as necessary to companies to perform certain services on your behalf (e.g. custodial banks or brokers) or as required by law.

- Information Cumberland Advisors receives from clients on applications (name, social security number, address, assets, etc.)
- Information about client transactions with our firm or others (account information, payment history, parties to transactions, etc.)

Information Safeguarding

Cumberland Advisors will internally safeguard your nonpublic personal information by restricting access to only those employees who provide services to you or those who need access to your information to service your account. In addition, we will maintain physical, electronic, and procedural safeguards that meet federal and/or state standards to guard your nonpublic personal information.

CHAPTER XIII

CUMBERLAND ADVISORS PROXY VOTING POLICY AND PROCEDURES SUMMARY

Cumberland Advisors, Inc. (the “Adviser”) shall vote proxies related to securities for which we serve as the investment adviser in the best interest of our clients. All references in these Proxy Voting Policies and Procedures are limited solely to clients for which we have agreed to vote such proxies. A client may reserve to itself the right to vote proxies.

The Adviser’s authority to vote the proxies of certain clients is established by advisory contracts or comparable documents. In addition to requirements of the Securities and Exchange Commission (“SEC”) governing advisers, our proxy voting policies reflect the fiduciary standards and responsibilities for ERISA accounts.

The Investment Advisers Act of 1940, as amended (the “Advisers Act”), requires us to act solely in the best interest of our clients at all times. We have adopted and implemented these Proxy Voting Policies and Procedures, which we believe, are reasonably designed to ensure that proxies are voted in the best interest of clients, in accordance with our fiduciary duties and Rule 206(4)-6 under the Advisers Act.

GUIDELINES

Reflecting a basic investment philosophy that good management is shareholder focused, proxy votes will generally be cast in support of management on routine corporate matters and in support of any management proposal that is plainly in the interest of all shareholders.

Specifically, proxy votes generally will be cast in favor of proposals that:

- maintain or strengthen the shared interests of stockholders and management;
- increase shareholder value; and
- maintain or increase shareholder rights generally.

Proxy votes will generally be cast against proposals having the opposite effect of the above. Where we perceive that a management proposal, if approved, would tend to limit or reduce the market value of the company’s securities, we will generally vote against it. We believe that the means for ensuring management accountability to shareholders, in the rare cases where it is threatened, must not be compromised.

We generally support shareholder rights and recapitalization measures undertaken unilaterally by boards of directors properly exercising their responsibilities and authority, unless such measures could have the effect of reducing shareholder rights or potential shareholder value. In cases where shareholder proposals challenge such actions, our voting position will generally favor not interfering with the directors’ proper function in the interest of all shareholders.

We believe that proposals addressing strictly social or political issues are irrelevant to the goal of maximizing the return on funds under our management. We will generally vote against such

proposals, but will consider supporting proposals that seek to protect shareholder rights or minimize risks to shareholder value.

CA generally delegates our responsibilities under these Proxy Voting Policies and Procedures to a third party, Broadridge, to use their Proxyedge proxy voting system. CA understands that we retain final authority and fiduciary responsibility for proxy voting. We monitor the delegate's compliance with these Proxy Voting Policies and Procedures. The resulting reports of our voting statistics is shared and discussed with the CEO at each annual procedure/risk meeting with the CCO. Proxy and Meeting notices are sent via email to CA's CCO as they occur. Broadridge will vote CA's client interests in a prudent and timely fashion. CA has contracted Glass Lewis to review the available materials and vote our preferences for us. In the cases where securities are being held in the client's portfolio in such a way as we are unable to vote them (non-managed/non-discretionary assets), the Portfolio Manager will be expected to review the information and render an opinion to the CCO as to how to vote the securities. In some of these instances, the client will be solicited directly by the entity involved with the company's proxy distribution system. In those cases, the client will be responsible to vote their shares.

Each proxy action will be reviewed to assess the extent, if any, to which there may be a material conflict between the interests of our clients on the one hand and our interests (including those of our affiliates, directors, officers, employees and other similar persons) on the other hand (a "potential conflict"). We perform this assessment on a proposal-by-proposal basis, and a potential conflict with respect to one proposal in a proxy shall not indicate that a potential conflict exists with respect to any other proposal in such proxy. If we determine that a potential conflict may exist, it shall be reported to the CCO. The CCO shall determine whether a potential conflict exists and is authorized to resolve any such conflict in a manner that is in the collective best interests of our clients (excluding any client that may have a potential conflict). Without limiting the generality of the foregoing, the CCO may resolve a potential conflict in any of the following manners:

- If the proposal that is the subject of the proposed conflict is specifically addressed in these Proxy Voting Policies and Procedures, we may vote the proxy in accordance with such pre-determined policies and guidelines; provided that such pre-determined policy involves little discretion on our part;
- We may disclose the potential conflict to our clients and obtain the consent of a majority in interest of our clients before voting in the manner approved by a majority in interest of our clients;
- We may engage an independent third-party to determine how the proxy should be voted; or
- We may establish an ethical wall or other informational barriers between the person(s) that are involved in the potential conflict and the person(s) making the voting decision in order to insulate the potential conflict from the decision maker.

CA will use commercially reasonable efforts to determine whether a potential conflict may exist, and a potential conflict shall be deemed to exist if and only if one or more of our senior portfolio managers actually knew or reasonably should have known of the potential conflict.

We may abstain from voting a client proxy if we conclude that the effect on shareholders' economic interests or the value of the portfolio holding is indeterminable or insignificant.

We may abstain from voting a client proxy for cost reasons (*e.g.*, costs associated with voting proxies of non-U.S. securities). In accordance with our fiduciary duties, we will weigh the costs and benefits of voting proxy proposals and make an informed decision with respect to whether voting a given proxy proposal is prudent. Our decision takes into account the effect that the vote of our clients, either by itself or together with other votes, is expected to have on the value of our client's investment and whether this expected effect would outweigh the cost of voting.

We will abstain from voting proxies on non-managed securities.

Unless otherwise directed by a client in writing, we are responsible for voting all proxies related to securities (except for proxies pertaining to mutual funds or unit investment trusts) that we manage for clients with respect to which we have accepted proxy voting responsibility in writing. A client may from time to time direct us in writing to vote proxies in a manner that is different from the guidelines set forth in these Proxy Voting Policies and Procedures. We will follow such written direction for proxies received after our receipt of such written direction. Cumberland will not be responsible for voting proxies on non-managed or non-discretionary securities.

We shall maintain certain records required by applicable law in connection with proxy voting activities and shall provide proxy voting information to a client for which we are responsible for voting proxies upon written request. Clients should contact our Compliance Department, 2 N. Tamiami Trail, Suite 303, Sarasota, FL 34236 to make such a request.

Our Proxy Voting Procedures and Policy will be reviewed annually. The Proxy Policy Committee will review present procedures and past decisions with the aim of developing the most coherent and understandable proxy voting policy possible. We believe that a careful and continually evolving policy is indispensable to the task of discharging our fiduciary duties as an investment advisor.

B: PROCEDURE

Fixed Income Securities:

Custodians notify CA of any call, puts, reorganizations notices etc. on fixed income securities. Where a decision on actions are necessary, they are made by the fixed income portfolio manager responsible for the account involved.

Equities:

Custodians are notified to send all proxies on managed Equity securities to Cumberland Advisors or third party record keeper.

Proxies on ETFs will be voted by the appropriate Portfolio Manager.

As a courtesy to a client, Cumberland may hold specific common stocks as managed equities. Proxies on these securities will be voted by the IA or Portfolio Manager assigned to the account.

Person voting the proxy will review Proxy material and any other necessary available research. Proxies will then be voted in accordance with the Proxy Policy guidelines.

A spreadsheet will be kept detailing what proxy was voted and client(s) for which it was voted or record will be retrieved from the third party system.