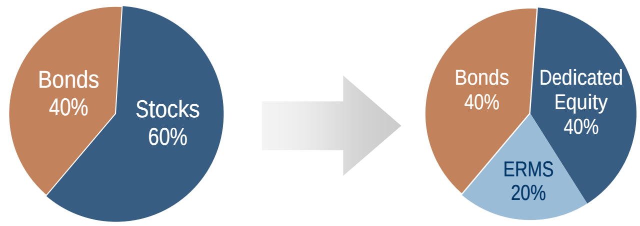
Equity Risk Management Strategy (ERMS)

January 2018

Tactical allocation strategy that seeks to adjust a portfolio's equity exposure to potentially provide downside protection and volatility control

- Incorporating the Risk Management Strategy involves carving out a portion of an equity portfolio for tactical allocation (could range from one-third to a maximum of 50% of the portfolio).
- The Risk Management Strategy would be fully invested to track the S&P 500 when market conditions are favorable.
- When conditions are deemed unfavorable, the Risk Management Strategy is shifted to cash or inverse (short).



This example assumes a 60% stock / 40% bond allocation with 33% of the equity allocation invested in the Equity Risk Management Strategy.

How It Works

The Risk Management Strategy analyzes technical and fundamental indicators to determine the current market condition and recommends the appropriate tactical allocation.

- The fundamental indicator tracks the trend in changes of expected earnings for the S&P 500. Two or more consecutive months of declining expectations increases the risk of large market losses and is considered unfavorable, while two or more consecutive months of increasing expectations is considered favorable.
- The technical indicator determines the market favorability based on the current level of the Dow Jones Industrial Average (Dow).
- This strategy may invest in inverse ETFs.

Status of Fundamental and Technical Indicators	Market Condition	ERMS Action	Equity Allocation
• Fundamental (earnings expectations) indicators positive • Technical conditions positive	Favorable	Fully Invested	95% –100% S&P 500
Either Fundamental OR Technical indicators are negative	Caution	Reduce Equity Exposure	5% – 100% Cash 0% – 95% S&P 500
Both Fundamental AND Technical indicators are negative	Unfavorable	Hedge Equity Exposure	55% – 90% Inverse S&P 500 45% –10% Cash

Current Allocation (as of January 1, 2018)

Fundamental Indicator: POSITIVE

S&P 500 Forward 12M EPS estimates rose 1.7% to $145.80 in December, capping a year that saw estimates increase 11 of 12 months. Estimates are 10% higher than they were at the end of 2016. The Fundamental Indicator remains positive.

Technical Indicator: POSITIVE

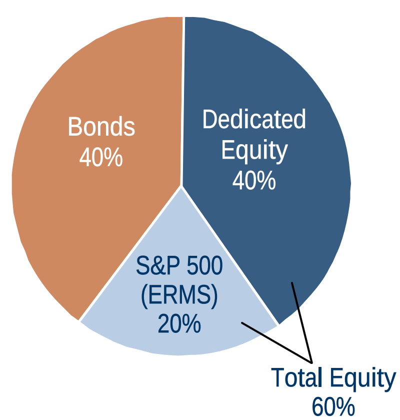
The Dow rose 1.8% in December to finish the year at 24,719.22, posting a 25.1% gain in 2017. The index hit eight new closing highs in December and 71 for the year. The Technical Indicator remains favorable.

Risk Management Strategy Allocation

100% S&P 500

(Unchanged)

Effective Portfolio Allocation



About EquityCompass Strategies

EquityCompass Strategies is a research and investment advisory unit of Choice Financial Partners, Inc., an SEC registered investment adviser offering a comprehensive range of investment portfolios and products to institutional and individual investors primarily through Stifel Financial Advisors.

Subsidiary of Stifel Financial Corp.

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- As a Stifel company, we are able to leverage the resources and global infrastructure of our parent for risk management oversight, trading, record keeping, reporting, and risk control, while still maintaining the autonomy and service of a pure investment firm.

A Rules-Based Approach to Investment Management

We employ a structured and fully-transparent investment process that combines traditional fundamental analysis with sophisticated quantitative modeling.

Extensive Experience

- The EquityCompass investment team has been providing quantitative-based strategies for equity portfolios for more than 5 years
- We have been publishing investment research, analysis, and advice for more than 10 years
- The investment team is led by Richard Cripps, CIO
    - Former Managing Director of Portfolio Strategy at Stifel and former Chief Market Strategist and Co-Chairman of the investment committee at Legg Mason Wood Walker, Inc.

About Stifel

Founded in 1890, Stifel Financial Corp. is one of the leading financial services firms in the U.S. providing full-service wealth management and investment banking services. Stifel is a leading underwriter and advisor for companies and a top provider of trade execution and securities distribution with nationally recognized research and a suite of asset management strategies.

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Strategy Specific Risks: Any investment involves risks, including the risk of a loss of principal. The Equity Risk Management Strategy invests primarily in ETFs, which are subject to the risk that the values will fluctuate with the value of the underlying investments or indices the ETFs are tracking. ***Exchange Traded Funds (ETFs) represent a share of all stocks in a respective index. ETFs trade like stocks and are subject to market risk, including the potential for loss of principal, and may trade for less than their net asset value. The value of ETFs will fluctuate with the value of the underlying securities. Inverse ETFs are considered risky and are not suitable for all investors. Typically, these products have one-day investment objectives, and investors should monitor such funds on a daily basis. Inverse ETFs are constructed by using various derivatives for the purpose of profiting from a decline in the value of an underlying benchmark. Investing in inverse ETFs is similar to holding various short positions, or using a combination of advanced investment strategies to profit from falling prices. Investors should review the prospectus and consider the ETF's investment objectives, risks, charges, and expenses carefully before investing. Prospectuses are available through your Financial Advisor and include this and other important information.*** Short selling incurs significant risk. Theoretically, securities sold short have unlimited risk.

Description of Benchmark(s): The Equity Risk Management Strategy performance and/or characteristics are compared to the S&P 500. The S&P 500 index is a broad market index that tracks the performance of 500 stocks from major industries of the U.S. economy. The Dow Jones Industrial Average is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the Nasdaq. Indices are unmanaged, do not reflect fees and expenses, and it is not possible to invest directly in an index.

There is no guarantee that the figures or opinions forecasted in this report will be realized or achieved. Past performance is no guarantee of future results.

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