EquityCompass Strategies

Global Leaders Portfolio **GLP**

As of 3/31/2018

Strategy Profile

Focused portfolio of leading global companies positioned to benefit from the unprecedented growth in worldwide consumer demand

Portfolio Manager Commentary

At year-end 2017, we signed off optimistically about the global synchronized growth story that was powering both developed and developing economies. Strong economic data around the world had substantiated the belief that globalization is a driving force for multinational companies and stock markets. Global trade volume grew by 4.5% in 2017, which was the fastest rate of annual growth in five years and faster than the overall growth of Global GDP, which closed the year +3.7%. Put differently, global economics appear to be stronger than domestic economics.

Global stock markets around the world began 2018 with strong positive numbers only to see the momentum fail in March, following the second major decline of the broad U.S. averages in the first quarter. The principal explanation for the turnabout in global markets was the U.S. administration's sudden move to introduce tariffs on imports. It began first with steel and aluminum tariffs and soon spread to other goods exported most notably from China, who with the U.S. has accumulated its largest trade deficit.

Markets do not like trade wars. No matter if it is only saber rattling, simply the idea of a trade war frightens investors; particularly those who have signed on to the global growth story. Despite the heightened rhetoric, the MSCI All Country World Total Return Index finished down only 1.00% for the quarter. The Global Leaders Portfolio finished the quarter flat 0.06% (-0.06% net).

Portfolio Outlook

As long-term global investors, we have decades of experience. We have seen a good number of trade spats in the past. Most begin with strong words of condemnation, only to typically end with negotiated settlements. Although this most recent trade spat has started out particularly harsh and confrontational, we are comforted knowing there are no winners in a trade war. Negotiation is the only rational solution. China, with its socioeconomic pressures, has as much to lose as the U.S., and perhaps more.

Highlights

Invests globally to benefit from the economic expansion of developing countries and the potentially unprecedented growth in worldwide consumer demand

- By 2025, global consumers are estimated to reach 4.2 billion people with purchasing power of $64 trillion — termed the "biggest growth opportunity in the history of capitalism" by McKinsey & Company†
- Seeks to manage risks associated with investing directly in foreign markets, especially emerging markets, by investing in globally operating, developed market companies

Invests in "great" companies which we define as:

- High and sustainable returns on invested capital, intangible assets, and influential insider ownership
- Stable and consistent returns, potentially compounding shareholder returns over the long term

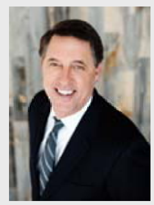
Portfolio tactics that seek to maximize risk-adjusted return

- High conviction portfolio with equal-weight positions in 24 stocks
- Keep a long-term investment horizon to capture the power of economic compounding that great companies provide

General Info

Inception	July 2014
Category	Global Large Cap Core Equity
Benchmark	MSCI All Country World Index
Number of Holdings	24
Minimum Investment	$50,000
How to Invest	Separately Managed Account in the Stifel Opportunity Program

Portfolio Management Team



Robert G. Hagstrom, CFA
Senior Portfolio Manager

More than 30 years of investment experience

- Portfolio Manager of the Growth Equity Strategy at Legg Mason Capital Management for 14 years; managed more than $7 billion in assets
- Author of *The Warren Buffett Way* (1994, 2003, 2013)
- Author of the first book on concentrated investing entitled, *The Warren Buffett Portfolio: Mastering the Power of the Focus Investment Strategy* (1999)

Bernard J. Kavanagh III, CMT®
Senior Portfolio Manager

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† *Winning The $30 Trillion Decathlon: Going for Gold in Emerging Markets*, McKinsey & Company, August 2012.

Past performance is no guarantee of future results.

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Performance Summary

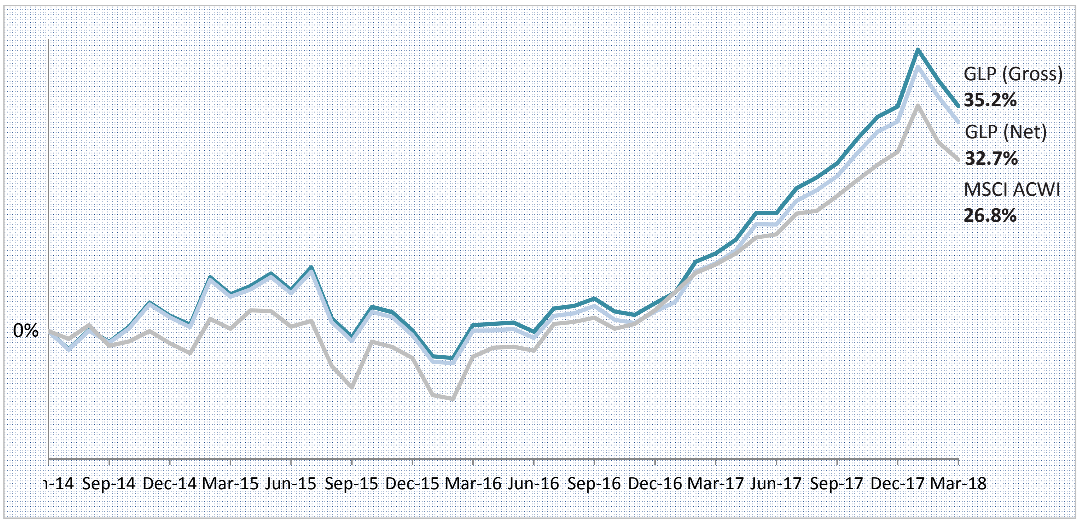
June 30, 2014 — March 31, 2018 | Monthly Data | Includes Dividends | Source: Bloomberg

	Total Returns					Annualized			
As of 3/31/2018	**Mar-2018**	**3-Month**	**6-Month**	**2018 YTD**	**Inception** (06/30/2014)	**1-Year**	**2-Year**	**3-Year**	**Inception** (06/30/2014)
Global Leaders (Gross)	-2.91%	0.06%	7.11%	0.06%	35.25%	20.59%	15.74%	8.53%	8.38%
Global Leaders (Net)	-2.91%	-0.06%	6.84%	-0.06%	32.73%	19.99%	15.16%	7.99%	7.84%
MSCI ACWI	-2.14%	-0.96%	4.71%	-0.96%	26.85%	14.85%	14.94%	8.12%	6.55%

Net of fee calculated net of 50 bps manager fee only

Cumulative Returns Since Inception

June 30, 2014 — March 31, 2018 | Past performance is no guarantee of future results.



Top Portfolio Holdings by Weight

Symbol	Company Name
LVMUY	LVMH Moët Hennessy Louis Vuitton SE
AAPL	Apple, Inc.
MA	Mastercard, Inc.
PYPL	PayPal Holdings, Inc.
SLB	BlackRock, Inc.
BA	Boeing Co. (The)
EL	Estee Lauder Cos., Inc.
TEL	TE Connectivity Ltd.
BRK.B	Berkshire Hathaway, Inc.
BABA	Alibaba Group Holding Ltd.

Key Portfolio Statistics

Number of Holdings	24
Market Cap. (USD Billions)	$185.4
Beta	0.9
Dividend Yield	2.0%
Price/Earnings (P/E)	22.2x
Earnings Growth (Est.)	17.0%

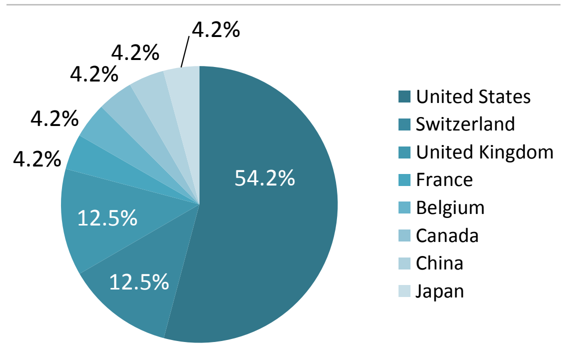
Represents Weighted Averages

Sector Allocation

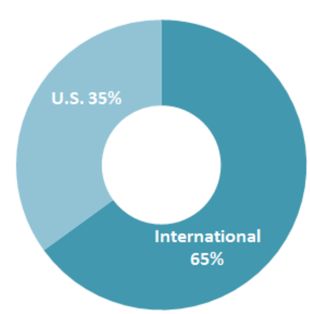
Information Technology	32.8%
Consumer Staples	22.3%
Financials	13.3%
Consumer Discretionary	13.1%
Industrials	12.3%
Materials	3.4%
Energy	2.8%
Health Care	--
Real Estate	--
Telecomm. Svcs.	--
Utilities	--

For illustrative purposes only and not intended as personalized recommendations. Holdings are subject to change. It should not be assumed that any holdings included in these materials were or will prove to be profitable, or that recommendations or decisions that the firm makes in the future will be profitable or will equal the investment performance of the securities discussed herein.

Global Leaders Holdings Geographic Breakdown



Geographic Exposure by Revenue



To learn more about the Global Leaders Portfolio, please contact your Stifel Financial Advisor.

EQUITYCOMPASS STRATEGIES | Investment Portfolios & Products

About EquityCompass Strategies

EquityCompass Strategies is the business name of Choice Financial Partners, Inc., a registered investment adviser and wholly owned subsidiary of Stifel Financial Corp. We offer a broad range of portfolio strategies based on our research-driven, rules-based investment process, which merges traditional investment theory with quantitative techniques. As of March 31, 2018, EquityCompass Strategies provided portfolio strategies with respect to model programs of approximately $3.8 billion.

Description of Terms

Beta

Beta is a measure of the systematic risk of a security or portfolio. Beta measures the historical sensitivity of portfolio or security excess returns to movement in the excess return of the market index. The value for Beta is expressed as a percentage of the market where the market Beta is 1.0. A security or portfolio with a Beta above the market has volatility greater than the market. If the Beta of a security was 1.3, a 1% increase in the market return resulted, on average, in a 1.3% increase in the security's return. A security or portfolio with Beta below the market has lower volatility than the market and the return on the security will move less than the market return. If the Beta of the security was 0.9, a 1% decrease in the market resulted in only a 0.9% decrease in the security's return.

Return On Invested Capital

Return On Invested Capital (ROIC) is a percentage metric used to determine a company's investment quality and potential, by assessing returns generated through past capital allocations to operating activities. Comparing return on invested capital with a company's cost of capital (WACC), reveals whether invested allocations were distributed effectively. ROIC is calculated by taking operating profit, less taxes, divided by total capital, (where total capital includes long term debt, common, and preferred stock).

Important Disclosures

Opinions expressed are subject to change without notice and do not take into account the particular investment objectives, financial situation, or needs of individual investors. The information contained herein has been prepared from sources believed to be reliable but is not guaranteed and is not a complete summary or statement of all available data nor is it considered an offer to buy or sell any securities referred to herein. There is no assurance that any securities discussed herein will remain in any account's portfolio at the time you receive this report or that securities sold have not been repurchased. The specific securities identified and described herein do not represent all of the securities purchased, sold, or recommended to advisory clients, and the reader should not assume that investments in the securities identified and discussed were or will be profitable. A complete list of all recommendations made by the firm is available upon request. EquityCompass Strategies is a research and investment advisory unit of Choice Financial Partners, Inc., a wholly owned subsidiary and affiliated SEC registered investment adviser of Stifel Financial Corp. Portfolios based on EquityCompass Strategies are available primarily through Stifel, Nicolaus & Company, Incorporated. Affiliates of EquityCompass Strategies may, at times, release written or oral commentary, technical analysis, or trading strategies that differ from the opinions expressed within. Opinions expressed are subject to change without notice and do not take into account the particular investment objectives, financial situation, or needs of individual investors. The Global Leaders Portfolio is available through Stifel's Opportunity Program. The Stifel Opportunity Program is a fee-based program that requires a $50,000 minimum investment. Ask a Stifel Financial Advisor for a Disclosure Brochure, which further outlines the fees, services, exclusions, and other costs associated with Stifel advisory programs. You should consider all terms and conditions before deciding whether the Stifel Opportunity Program is appropriate for you. For information about Stifel's advisory programs, including fee structures, please contact your Financial Advisor to request a copy of the Stifel ADV Part 2A or equivalent disclosure brochure.

Any investment involves risk, including the risk of a loss of principal. Rebalancing may have tax consequences, which should be discussed with your tax advisor. 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. This index is generally considered representative of the U.S. large capitalization market. MSCI All Country World Index captures large and mid cap representation across 23 Developed Markets and 21 Emerging Markets countries. The index returns are presented on a total return basis, which assume reinvestment of all cash distributions (such as dividends). With 2,434 constituents, the index covers approximately 85% of the global investable equity opportunity set. The MSCI Emerging Markets Index designed to measure equity market performance in global emerging markets. It is a float-adjusted market capitalization index that consists of indices in 21 emerging economies. Foreign investments are subject to risks not ordinarily associated with domestic investments, such as currency, economic and political risks, and different accounting standards. There are special considerations associated with international investing, including the risk of currency fluctuations and political and economic events. Investing in emerging markets may involve greater risk and volatility than investing in more developed countries. The volatility of the indices identified in this report may be materially different from the volatility of the model portfolios presented by EquityCompass Strategies. Indices are unmanaged, do not reflect fees and expenses, and it is not possible to invest directly in an index.

PAST PERFORMANCE CANNOT AND SHOULD NOT BE VIEWED AS AN INDICATOR OF FUTURE PERFORMANCE.