



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

Portfolio Manager Commentary

The first three months of 2017 saw a sharp rotation in performance trends from the fourth quarter of 2016. Investors shifted from the Trump trade focusing on potential infrastructure spending, deregulation, and tax cuts to visible signs of an improving economy. Global stocks were a beneficiary of the latest rotation with gains that generally outpaced domestic U.S. stocks. For the quarter, the **Global Leaders Portfolio (GLP)** gained 7.5% (gross of fees) versus its benchmark return of 6.9%.

GLP is a focused portfolio of 24 stocks that own established multinational companies positioned to benefit from global economic growth. The companies are selected based on their ability to generate excess return over their cost of capital and compound these returns over time. Economic compounding is the source of intrinsic value that creates long-term shareholder wealth. This type of investing has gone out-of-favor in the rush to passive indexing and hyper-quant trading. In 2016, globally focused companies with high quality, growth characteristics endured their worst relative performance since the Financial Crisis. However, we believe the tide may be turning.

Analysts at FactSet Research are noting that in the first quarter of 2017, companies within the S&P 500 with more than 50% of their revenue sourced outside the U.S. are expected to grow earnings by 15.0% versus 6.0% for companies with less than 50% in foreign sales. The faster earnings abroad are rooted in expectations that world GDP will expand by 3.5% in 2017 versus about 3% for the U.S. Longer-term, we believe an emerging middle class of consumers in developing countries will provide a compelling growth opportunity for the multinational companies that are the focus of GLP.

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 1, 2014
Category	Global Large Cap Core Equity
Benchmark	MSCI All Country World Index
Minimum	\$35,000
Number of Holdings	24
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
- “Honorable Mention” as Morningstar’s U.S. Equity Manager of the Year in 2007
- Author of *The Warren Buffett Way* (1994, 2003, 2013), *The New York Times* best-selling book on Warren Buffett; considered the definitive book on how Warren Buffett analyzes stocks and makes investment decisions, has sold more than one million copies worldwide, and has been translated into 17 languages
- Author of the first book on concentrated investing entitled, *The Warren Buffett Portfolio: Mastering the Power of the Focus Investment Strategy* (1999), a *BusinessWeek* best seller and recommended reading by Charlie Munger, Vice Chairman of Berkshire Hathaway; ranked as one of the top five “Best Personal Finance Books” of 1999 by *Money* magazine



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Portfolio Manager

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As of 3/31/2017

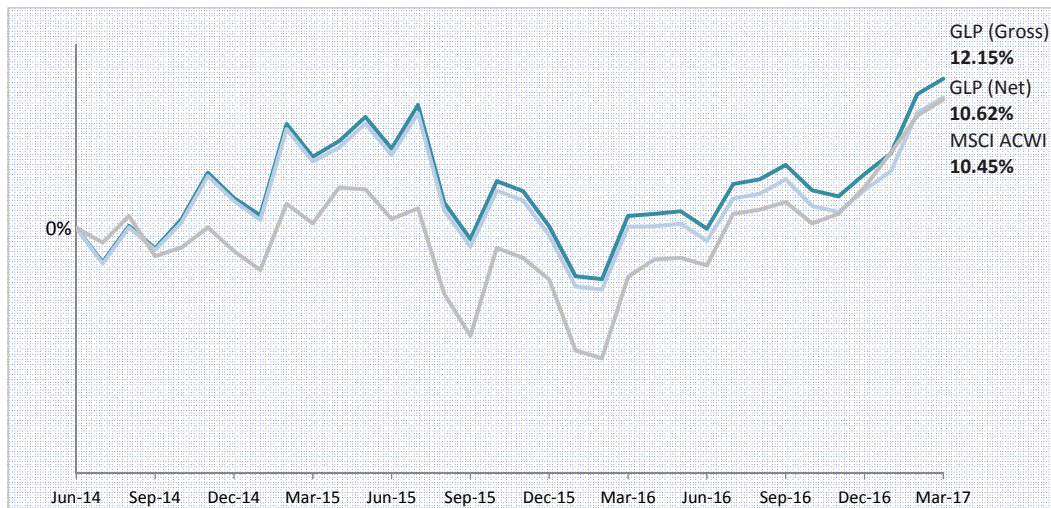
Performance Summary

June 30, 2014—March 31, 2017 | Monthly Data | Includes Dividends | Source: Bloomberg

As of 03/31/2017	Total Returns					Annualized		
	Mar-2017	3-Month	6-Month	2017 YTD	Inception (06/30/2014)	1-Year	2-Year	Inception (06/30/2014)
Global Leaders (Gross)	1.15%	7.46%	6.70%	7.46%	12.15%	11.07%	2.96%	4.26%
Global Leaders (Net)	1.15%	7.32%	6.43%	7.32%	10.62%	10.52%	2.45%	3.74%
MSCI ACWI	1.22%	6.91%	8.18%	6.91%	10.45%	15.04%	4.91%	3.68%

Cumulative Returns Since Inception

June 30, 2014—March 31, 2017



Past performance is no guarantee of future results.

Top Portfolio Holdings by Weight

Symbol	Company Name
AAPL	Apple, Inc.
LVMUY	LVMH Moët Hennessy Louis Vuitton SE
BA	The Boeing Co.
BRK.B	Berkshire Hathaway, Inc.
PM	Philip Morris International, Inc.
BAM	Brookfield Asset Management, Inc.
BLK	BlackRock, Inc.
TEL	TE Connectivity Ltd.
UL	Unilever Plc
MA	Mastercard, Inc.

Key Portfolio Statistics

Number of Holdings	24
Market Cap. (USD Billions)	\$122.1
Beta	0.9
Dividend Yield	2.0%
Price/Earnings	21.6x
ROIC	17.0%
Earnings Growth (Est.)	13.0%

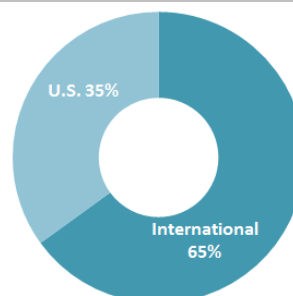
Represents Weighted Averages

Sector Allocation

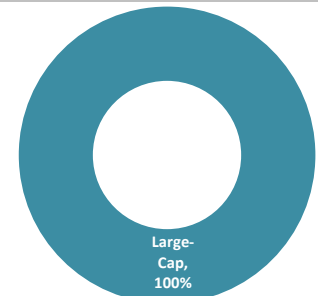
Information Technology	25.5%
Consumer Staples	22.7%
Consumer Discretionary	19.0%
Financials	13.5%
Industrials	8.7%
Materials	3.9%
Energy	3.5%
Health Care	--
Real Estate	--
Telecomm. Services	--
Utilities	--

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.

Geographic Exposure by Revenue



Holdings by Market Cap



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



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, 2017, EquityCompass Strategies provided portfolio strategies with respect to model programs of approximately \$3.0 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. 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 EAFE (Europe, Australasia, Far East) Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada. The MSCI EAFE Index consists of the following 22 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom. 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.

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