

Research Opportunity Portfolio



Fact Sheet

As of 09/30/2018

Highlights

Leverages Stifel's and KBW's award-winning, nationally recognized equity research

- ▶ Largest U.S. equity research platform ⁽¹⁾
 - ▶ Largest provider of U.S. small-cap equity coverage ⁽¹⁾
 - ▶ Largest provider of U.S. equity research ⁽¹⁾
 - ▶ Analysts with superior industry experience and knowledge
- ▶ Thomson Reuters Analyst Awards*

Seeks excess return from opportunistic stock selection

- ▶ Stock selection will reflect portfolio manager's familiarity with fundamental equity research, extensive capital market experience, and focus on timely opportunities
- ▶ Primary insights for stock selection include intrinsic value analysis, relative value comparison, and non-consensus views to identify undervalued and mispriced securities

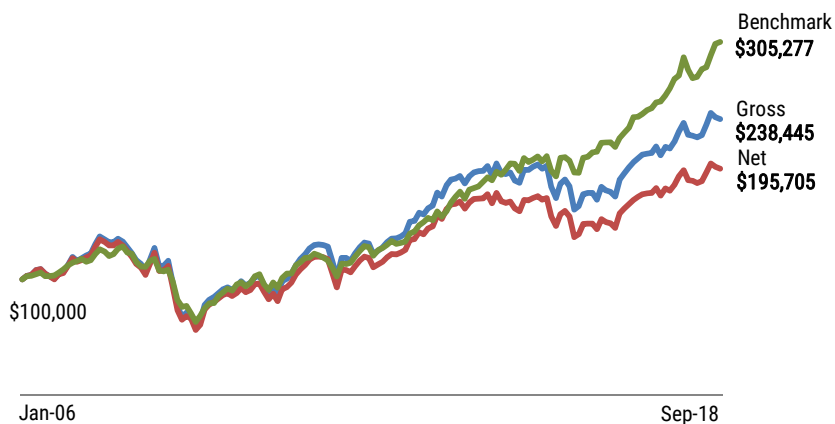
Portfolio tactics to maximize risk-adjusted return potential

- ▶ Portfolio holdings diversified across industries and market capitalizations
- ▶ Individual security exposure is controlled; portfolio holds positions in an optimized number of stocks
- ▶ Sell criteria based on achievement of target price, deteriorating fundamentals/stock performance, and availability of compelling replacements

Performance Overview

Stifel SMA Performance | December 31, 2005—September 30, 2018

Growth of a \$100,000 investment



Objective

An opportunistic investment approach based on insights from fundamental equity research

Portfolio Characteristics

Inception	January 2006
Number of Holdings	28
Benchmark	S&P 500
Dividend Yield (%)	2.0
Avg. Market Cap. (\$ Billion)	50.3
Price / Earnings (1-year forecast)	13.8
Annual Turnover - 2017 (%)	233.4

Risk Statistics (3-Year, Monthly)

	Portfolio	Benchmark
Standard Deviation (%)	12.88	9.18
Sharpe Ratio	0.87	1.69
Beta	1.10	1.00
R-Squared	61.07	100.00
Alpha	-5.87	0.00
Batting Average (%)	41.67	100.00
Up-Market Capture (%)	85.69	100.00
Down-Market Capture (%)	134.66	100.00

All risk measures are based on a 3-year time period using monthly returns.

	Total Returns			Annualized Returns					Calendar-Year Returns									
	3-Mos	6-Mos	YTD	1-yr	3-yr	5-yr	10-yr	Incp.	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Gross %	2.04	6.43	4.65	11.21	11.89	5.65	9.38	7.05	-42.01	38.20	14.32	3.43	20.38	35.48	-2.01	-2.78	6.12	19.07
Net %	1.73	5.75	3.63	9.71	10.20	4.02	7.65	5.41	-42.99	35.89	12.45	1.81	18.45	33.38	-3.60	-4.32	4.40	17.25
Benchmark %	7.71	11.41	10.56	17.91	17.31	13.95	11.97	9.15	-37.00	26.46	15.06	2.11	16.00	32.39	13.69	1.38	11.96	21.83

The performance returns presented have been calculated based on the performance of separately managed accounts invested in the strategy in the Stifel Opportunity Program. The returns were calculated by Stifel, in accordance with their calculation procedures. In this instance, EquityCompass is a model provider only and does not have discretion over implementing portfolio decisions.

(1) Includes KBW

*Source: StarMine 2017. For more information on the Thomson Reuters Analyst Awards, see www.stifel.com/research.

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Holdings by Market Cap

	%
Large Cap - > \$8 bn (%)	60.59
Mid Cap - \$2 - \$8 bn (%)	33.14
Small Cap - < \$2 bn (%)	6.27

Top Portfolio Holdings by Weight

	%
QUALCOMM, Inc.	6.61
Philip Morris International, Inc.	5.24
Anadarko Petroleum Corp.	5.06
Allergan Plc	5.03
Alaska Air Group, Inc.	4.65
Wells Fargo & Co.	4.61
Hanesbrands, Inc.	4.30
Cimarex Energy Co.	4.30
Celgene Corp.	4.09
Franklin Resources, Inc.	4.04

For illustrative purposes only and not intended as personalized recommendations. The yield information included is as of the period indicated and should not be considered a recommendation to purchase, hold, or sell any particular security. There is no assurance that any of the yields noted will remain and may vary over time. 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.

Investment Process

1) Universe Definition

Approximately 1,360 U.S. stocks covered by Stifel & KBW Equity Research

2) Stock Selection

Bottom-up analysis to determine intrinsic value and relative value; fundamental analyst opinion



Portfolio Candidates

Undervalued/mispriced stocks rated Buy and Hold by Stifel & KBW fundamental analysts

3) Portfolio Construction

Maximize risk adjusted returns



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Positions in 20-30 stocks; Invests across styles and market capitalizations

4) Implementation

Adherence to portfolio objectives; risk monitoring



Stocks are removed based on deterioration in fundamentals, analyst downgrades or availability of more attractive replacements

Investment Strategy

- Invests in stocks covered by Stifel and KBW fundamental analysts
- Portfolio manager selects 20-30 positions based on stock selection criteria
- Sector maximum of 20%
- Portfolio is continually monitored for position performance and sell criteria

Sector Allocation

	%
Consumer Discretionary	16.95
Financials	16.82
Consumer Staples	15.67
Health Care	15.38
Information Technology	12.88
Industrials	10.43
Energy	9.36
Real Estate	2.52

Portfolio Management Team



Thomas P. Mulroy
Senior Portfolio Manager

About EquityCompass

EquityCompass is a Baltimore-based SEC registered investment adviser offering a broad range of portfolio strategies and custom plans for individuals, financial intermediaries, and institutional clients in the U.S. and Europe. Formally organized in 2008, EquityCompass provides portfolio strategies with respect to total assets over \$4.2 billion as of September 30, 2018.[†]

The EquityCompass team of professionals represents deep industry experience in security analysis, capital markets, and portfolio management. We are committed to a consistent investment process that relies on enduring principles, sound empirical reasoning, and the recognition of a dynamic investment environment with a global reach.

DESCRIPTION OF TERMS**Alpha**

The relationship between the performance of the strategy and its beta over a three-year period of time.

Batting Average

A measure of a manager's ability to beat the market consistently, the Batting Average is calculated by dividing the number of quarters in which the manager beat or matched an index by the total number of quarters in the period. For example, a manager who meets or outperforms the market every quarter in a given period would have a batting average of 100. A manager who beats the market half of the time would have a batting average of 50.

Beta

A measure of the volatility, or systematic risk, of a security or a portfolio relative to the market as a whole. A beta of one is considered as risky as the benchmark and is therefore likely to provide expected returns approximate to those of the benchmark during both up and down periods. A portfolio with a beta of two would move approximately twice as much as the benchmark.

Down-Market Capture Ratio

Down-Market Capture Ratio is a measure of managers' performance in down markets relative to the market itself. A down market is one in which the market's quarterly return is less than zero. The lower the manager's down-market capture ratio, the better the manager protected capital during a market decline. A value of 90 suggests that a manager's losses were only 90% of the market loss when the market was down. A negative down-market capture ratio indicates that a manager's returns rose while the market declined. For example, if the market fell 8% while the manager's returns rose 2%, the down-market capture ratio would be -25%.

R-Squared

R-Squared is a statistic that measures the reliability of alpha and beta in explaining the manager's return as a linear function of the market. If you are searching for a manager with a particular style, for example a growth manager, you would expect that manager to have an R-Squared that is high relative to a growth index if the manager has a diversified portfolio. If the manager's return is explained perfectly, the R-Squared would equal 100, while an R-Squared of 0 would indicate that no relationship exists between the manager and the linear function. Higher R-Squared values indicate more reliable alpha and beta statistics and are useful in assessing a manager's investment style.

Sharpe Ratio

Sharpe Ratio is one of two alternative, yet similar, methods of measuring excess return per unit of risk. (The other method is the Treynor Ratio.) In the case of the Sharpe Ratio, risk is measured using the standard deviation of the returns in the portfolio. The Sharpe Ratio relates the difference between the portfolio return and the risk-free rate to the standard deviation of that difference for a given time period.

Standard Deviation

Standard Deviation is a gauge of risk which measures the spread of the difference of returns from their average. The more a portfolio's returns vary from its average, the higher the standard deviation. It is important to note that higher-than-average returns affect the standard deviation just as lower-than-average returns. Thus, it is not a measure of downside risk. Since it measures total variation of return, standard deviation is a measure of total risk, unlike beta, which measures market risk.

Up-Market Capture Ratio

Up-Market Capture Ratio is a measure of managers' performance in up markets relative to the market itself. An up market is one in which the market's quarterly return is greater than or equal to zero. The higher the manager's up-market capture ratio, the better the manager capitalized on a rising market. For example, a value of 110 suggests that the manager captured 110% of the up market (performed 10% better than the market) when the market was up. A negative up-market capture ratio indicates that a manager's returns fell while the market rose. For example, if the market gained 8% while a manager's returns fell 2%, the up-market capture ratio would be -25%.

DISCLOSURES

This material is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such.

Securities discussed in this material were selected because they had dividend increases or decreases in the most recent period and not based on any measurement of performance of the underlying security. Any projections, targets, or estimates in this report are forward looking statements and are based on EquityCompass Strategies' research, analysis, and assumptions made by the Adviser. Changes in market conditions or a company's financial condition may impact a company's ability to continue to pay dividends. Companies may also choose to discontinue dividend payments. Due to their narrow focus, sector-based investments typically exhibit greater volatility and are generally associated with a high degree of risk. Rebalancing may have tax consequences, which should be discussed with your tax advisor.

Actual performance for a client may differ due to such factors as timing, economic and market conditions, cash flows, and client constraints. Performance information has been provided by Morningstar Direct.

† Total assets combines both Assets Under Management and Assets Under Advisement as of September 30, 2018. Assets Under Management represents the aggregate fair value of all discretionary and non-discretionary assets, including fee paying and non-fee paying portfolios. Assets Under Advisement represent advisory-only assets where the firm provides a model portfolio and does not have trading authority over the assets.

The performance and statistics shown in this profile are calculated based on composite performance beginning January 1, 2006 and ending with the date shown on this profile. Performance is based upon the asset-weighted performance of all client accounts invested in this strategy (accounts having investment restrictions may be removed from the composite for performance calculation purposes) and is shown on a gross and net of fee basis. Gross of fees means that the figures do not reflect any deductions for investment management fees, trading costs, taxes, or any other costs associated with a managed account. Net of fees means that the figures reflect deductions for investment management fees and trading costs, but do not reflect taxes. As depicted in the benchmark index performance herein, market returns were generally consistent with strategy returns, although some disparities exist from time to time. Significant disruptions in market or economic conditions may impact the results portrayed. Any projections, targets, or estimates in this report are forward looking statements and are based on EquityCompass Strategies' research, analysis, and assumptions made by the Adviser.

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 and is generally considered representative of the U.S. large capitalization market. Indices are unmanaged, do not reflect fees and expenses, and are not available for direct investment.

This portfolio, a part of the Stifel Opportunity Program, is a proprietary product developed by EquityCompass Strategies, which is a research and investment advisory unit of Choice Financial Partners, a wholly owned subsidiary and affiliated SEC Registered Investment Adviser of Stifel Financial Corp. Please note that the decisions to purchase, hold, and sell securities in these strategies are based on a combination of fundamental, technical, and/or quantitative analysis and may differ from the fundamental analysis used by a Stifel research analyst. Due to the potential for extreme levels of volatility, the Score strategy mentioned herein may only be appropriate for investors with a high tolerance for risk. An investment in this strategy is subject to market risk, including possible loss of the principal amount invested. The Research Opportunity Portfolio requires a \$35,000 minimum investment.

More information on the Opportunity Program is included in the Stifel Consulting Services Disclosure Brochure and Part 2A of the Manager's Form ADV, which may be obtained from your Financial Advisor and which further outlines the fees, services, exclusions, and disclosures associated with this program. The information contained herein is believed to be reliable and representative of the portfolios available through Stifel; however, the accuracy of this information cannot be guaranteed. Investors should consider all terms and conditions before deciding whether the Opportunity Program is appropriate for their needs. **Past performance does not guarantee future performance or investment results.**

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