

An opportunistic investment approach based on insights from Stifel's and KBW's fundamental equity research

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

Highlights

Leverage the insights of Stifel's award-winning, nationally recognized equity research

- Largest U.S. equity research platform¹
 - Largest provider of U.S. small-cap equity coverage¹
 - Largest provider of U.S. equity research¹
 - Analysts with superior industry experience and knowledge
- Thomson Reuters Analyst Awards*
 - #1 out of 167 qualifying U.S. firms with a combined 23 awards
 - 11th consecutive year in the Top 10*

Seeking 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

(1) Includes KBW

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

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

Research Opportunity Portfolio

Positions in 20–30 stocks
Invests across styles and market capitalizations

4 Portfolio Implementation

Adherence to portfolio objectives;
Risk monitoring

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

General Information:

How to Invest: Wrap Program

Minimum Initial Investment: \$35,000

Inception: January 2006

Category: U.S. Equity All-Cap Blend

Portfolio Management:



Thomas P. Mulroy

Senior Portfolio Manager

Key Portfolio Stats: Represents Weighted Averages

Number of Holdings	27
Market Cap (\$ Billion)	\$40.4
Dividend Yield	2.4%
Price / Earnings (Trailing 12-Month)	12.9x
Earnings Growth (3-Year)	16.0%

Sector Allocation:

Consumer Staples	18.6%
Information Technology	15.9%
Health Care	14.6%
Financials	14.4%
Consumer Discretionary	13.7%
Industrials	9.1%
Energy	8.9%
Real Estate	4.9%

Portfolio Holdings: (as of 6/30/2018)

Symbol	Company Name
ALK	Alaska Air Group, Inc.
AGN	Allergan Plc
APC	Anadarko Petroleum Corp.
ADI	Analog Devices, Inc.
ACGL	Arch Capital Group Ltd.
CELG	Celgene Corp.
XEC	Cimarex Energy Co.
CRUS	Cirrus Logic, Inc.
COTY	Coty, Inc.
XRAY	DENTSPLY SIRONA, Inc.
DFS	Discover Financial Services
RE	Everest Re Group Ltd.
HBI	Hanesbrands, Inc.
HSIC	Henry Schein, Inc.
IBM	International Business Machines Cp.
LEG	Leggett & Platt, Inc.
TAP	Molson Coors Brewing Co.
MNST	Monster Beverage Corp.
OHI	Omega Healthcare Investors, Inc.
PM	Philip Morris International, Inc.
QCOM	QUALCOMM, Inc.
SBRA	Sabra Health Care REIT, Inc.
SBUX	Starbucks Corp.
TGT	Target Corp.
THS	TreeHouse Foods, Inc.
UAL	United Continental Holdings, Inc.
WFC	Wells Fargo & Co.

About EquityCompass

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.

Subsidiary of Stifel Financial Corp.

We are a wholly owned subsidiary and affiliated SEC registered investment adviser of Stifel Financial Corp. (NYSE: SF)

- As a Stifel company, we are able to leverage the resources and global infrastructure of our parent and/or affiliates 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 Strategies investment team has been offering portfolios on the Stifel platform since 2006
- We have been publishing investment research since 2001 — previously on behalf of Legg Mason and subsequently Stifel
- 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 Financial Corp.

Founded in 1890, Stifel 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.

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 June 30, 2018, EquityCompass Strategies provided portfolio strategies with respect to total assets (Assets Under Management and Assets Under Advisement) over \$4.0 billion.

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To learn more about the Research Opportunity Portfolio, please contact your Stifel Financial Advisor.