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Goals-based investing employed in the Core Retirement Portfolio (CRP) allocates assets to meet the paramount objective needed to address the income withdrawals of retirees over the long term. In goals-based investing, investors take advantage of financial market returns in order to build and maintain wealth for future income needs. This approach differs from standard portfolio management in that success in retirement is not measured by how well investments perform against the market averages in the short run, but by how well an investor is able to meet their financial objectives to provide for immediate and future income withdrawals as well as long-term aspirations.

Core Retirement Portfolio

A Goals-Based Retirement Road Map

Phase Transition: *Moving from Accumulation to Decumulation*

New retirees have spent their entire adult life accumulating wealth—working, saving, and investing—to build a retirement nest egg for financial support once employment ends and the golden years have begun. It's important to understand an **accumulation** investment approach—the standard portfolio strategy employed throughout an investor's younger years—can differ from the portfolio strategy required to provide income during retirement years—referred to as a **decumulation** investment approach.

During the accumulation phase, the standard portfolio management strategy seeks to optimize two central factors: **portfolio return** relative to **portfolio volatility**. Typically, investors are asked to answer a risk tolerance questionnaire to reveal their attitude towards price volatility, defined as risk. Responses to the risk questionnaire work to determine an appropriate portfolio allocation which, in turn, impacts future investment returns. In other words, an individual's ability to emotionally handle short-term price volatility dictates the asset allocation which will drive the portfolio's future rate of return.

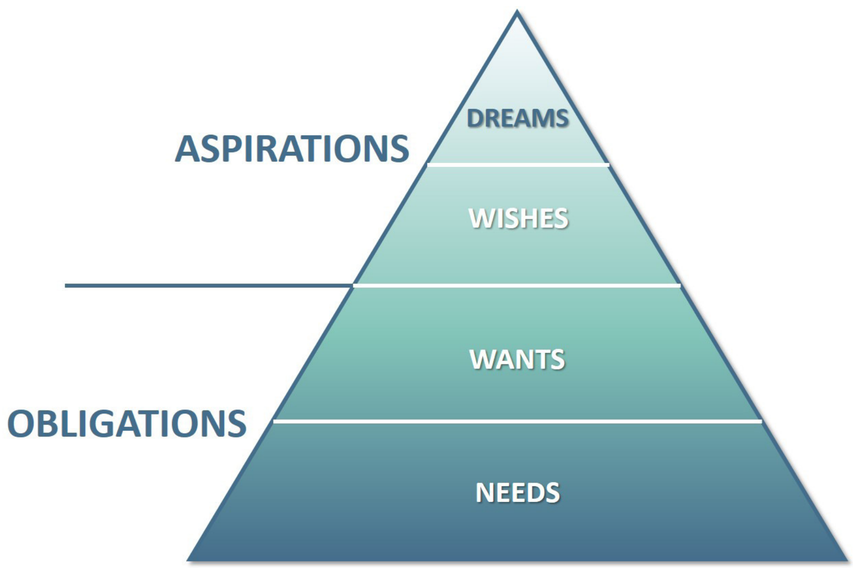
Comparatively, entering the decumulation period, an investor's diversified portfolio should be designed in pursuit of financial goals—specifically, to provide for current and future income needs. The risk to a portfolio in the decumulation phase is not short-term price volatililty, but the inability to achieve the retiree's established income goals.

It is necessary to recognize the crossover from **accumulation of assets** to **decumulation for income** is a paradigm shift for investors. No longer is the investment strategy driven by low-correlating assets attempting to outpace the market over the short-run, but instead a new road map unfolds taking a new direction. The paramount objective of a decumulation investment approach seeks to provide income for retirees, not only for the next several years, but the next several decades.

Goals-Based Investing: What is the Financial Goal of the Retiree?

For many retirees, their greatest fear is not mortality, but running out of money. Perhaps no goal is more important than being able to live financially independent—parents do not want to become a financial burden to their children.

However, for retirees, goals-based investing is not just simply spending the wealth they have accumulated. It is more complex. Goals-based investing recognizes a retiree has several different financial goals that will occur over different time horizons. In his book *Goals-Based Portfolio Theory*, Franklin J. Parker thoughtfully outlines the myriad of financial goals that are important to a retiree.[1]



Maslow-Brunel Hierarchy of Goals

Parker begins by identifying the most important goals, what he calls ***Obligation Goals***. These include the ***Needs*** for monthly income and the ***Wants*** to have enough income to cover unexpected expenses, medical and otherwise, along with hedging against longevity risk. For a retiree, there is an increasing likelihood that life will persist well into their 90s, requiring an income stream to last 30 years or more.

In addition to obligation goals, Parker points out retirees also have ***Aspirational Goals***. For many retirees there is a ***Wish*** to provide an inheritance for their children or perhaps money for their grandchildren's college savings account. To this, retirees also have ***Dreams*** to leave money for their favorite charity or endowment.

Without question, the most important goal for retirees is to design a portfolio that provides enough income to address the obligational goals. However, in today's capital markets, there is also an opportunity to pursue wealth to support aspirational goals, thereby fulfilling wishes and dreams.

Rethinking Asset Allocation

For years, the standard asset allocation model for retired investors was to combine a hefty amount of fixed income securities—bonds—with an equal or lesser portion of common stocks. Generally, a portfolio of 50% bonds and 50% stocks was considered a sensible first step in managing a retirement portfolio; over time, as a retiree aged, a percentage of the equity portfolio may then be sold and reinvested in bonds.

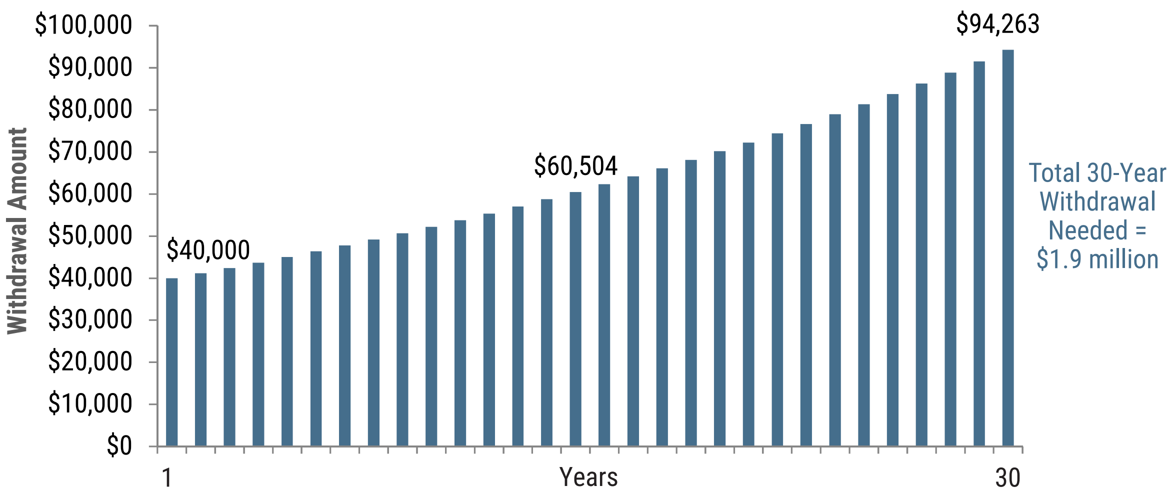
That was yesterday.

Today, with individual life expectancy on the rise, coupled with increasing longevity, retirees may need to overweight equities relative to fixed income. To this, we can add the desire many retirees have in wanting to achieve their aspirational goals which may require equities to play a larger role within the portfolio allocation to provide necessary growth. As such, the target allocation of the Core Retirement Portfolio is 75% equity and 25% fixed income.

The Core Retirement Portfolio seeks to address the essential financial needs for investors who are in their retirement years by employing three distinct objectives: (1) income, (2) growth, and (3) stability, united in the pursuit of a long-term 4% sustainable withdrawal rate adjusted for inflation that can last for 30 years or more.

Annual Withdrawal Example

$1,000,000 initial investment, 4% initial withdrawal rate increases by 3% per year | Source: EquityCompass

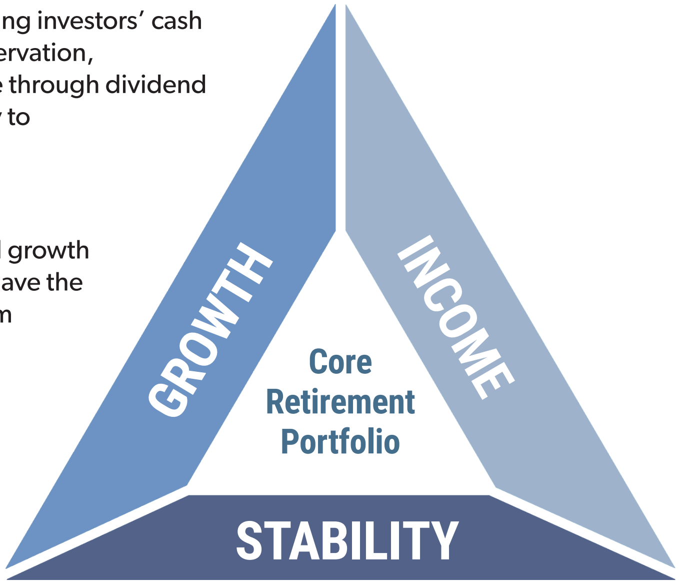


For illustrative purposes only. This hypothetical example does not reflect actual investment results, nor is it a guarantee of future results.

The Core Retirement Portfolio seeks to address three distinct needs.

1) Income for Today *(Current Withdrawals)*

High-dividend stocks provide a compelling alternative for meeting investors' cash flow goals. Dividends pursue three goals: (1) provide asset preservation, (2) generate attractive income, and (3) growth in current income through dividend increases. The Core Retirement Portfolio allocates 25% of equity to high dividend-paying stocks.



2) Growth for Tomorrow *(Future Withdrawals)*

Large cap growth companies that are in a position to compound growth by reinvesting cash profits back into high returning businesses have the ability to generate more future growth essential for the long-term capital appreciation needed to fund income withdrawals over a 30-year period. This compounding may also help retirees in the pursuit of aspirational goals. The Core Retirement Portfolio allocates 25% of equity to quality, secularly-advantaged growth companies.

3) Stability to Counteract Volatility and Supplement Income

To address longevity risk and stability, CRP allocates one quarter of the portfolio to fixed income securities and another 25% to a flexible tactical allocation that can shift between cash, bonds, and stocks dependent on market conditions. The tactical portfolio can provide the additional equity exposure necessary to support the sustainable withdrawals that may be required over a 30-year retirement. It also provides an active approach to help mitigate risk with the ability to move to more conservative investments during periods of heightened volatility. CRP's active, high credit quality fixed income allocation seeks to provide reliable cash flow and ballast during periods of stock market volatility. The portfolio's fixed income and tactical equity prioritize stability and risk mitigation over return maximization.

Longevity Risk

Investors often confuse "life expectancy" and "longevity risk." Life expectancy is a simple measure of the average years someone is expected to live given their age. Longevity is a different measure, taking into account how long one might live assuming nothing goes wrong.

It is important to understand life expectancy is determined from a sample size of both healthy and unhealthy individuals while longevity is calculated assuming only a healthy lifestyle—such as a non-smoker who exercises regularly and maintains a sensible diet.

By example, a married couple in good health, retiring at age 65, has a 46% chance that at least one spouse will live to the age of 95—or 30 years.[2]

How would you invest differently if you knew you would live to be 100?

We believe a retirement portfolio offering a higher equity allocation relative to fixed income could be the best answer to help compound growth essential to fund income withdrawals over a 30-year period.

Too often, when retirees attempt to estimate the length of time they will need a sustainable income stream, they default to life expectancy estimates, ignoring the risk they could live longer. Increasing the odds an individual could have a long retirement can also hasten the likelihood of running out of money.

These factors—increased longevity and lower future capital market returns—are notably different compared to the 1990s, suggesting the mathematics of William Bengen's 4% withdrawal rate may no longer suffice. As a result, some financial planners have discarded the 4% goal for retirement plans, while others have proposed retirees accept lower annual withdrawal rates or even postpone retirement altogether to set aside more money.

At EquityCompass, we do not share this pessimistic viewpoint. We believe a sustainable 4% annual withdrawal rate, adjusted for inflation, is still achievable—even for retirees who may live 30 years or more. In our opinion what is needed is not to reorient one's life, but to embrace a new asset allocation approach to retirement investing—one that seeks to provide a sustainable cash flow after a life of hard work.

Core Retirement Portfolio — Not Just For Retirement

"Retirement" is clearly in the portfolio's name and originated for that specific need, but CRP can certainly apply beyond traditional retirement accounts. There are numerous scenarios in which CRP could provide a compelling solution for investors needing to take income withdrawals.

The income withdrawal strategy for the Core Retirement Portfolio can be customized according to an individual's needs. Investors can take monthly, quarterly, or annual distributions. Distributions can also be forgone, thus allowing the income and capital appreciation to compound until which time it is needed.

The Core Retirement Portfolio could also be useful in helping to address the following client circumstances.

- Foundations and endowments that have defined distribution requirements
- Special needs children or young adults with disabilities who rely on an income stream to fund medical expenses and care
- Elderly individuals facing ongoing nursing home or long-term care costs
- Life changes (e.g., widow/widower) in need of supplemental income
- Any long-term funding requiring sustainable income

Alternative Performance Benchmark

It's not new or surprising that investors focus on investment performance. Keeping score measures not only progress, but also the value of the progression. However, there is more than one way to judge performance.

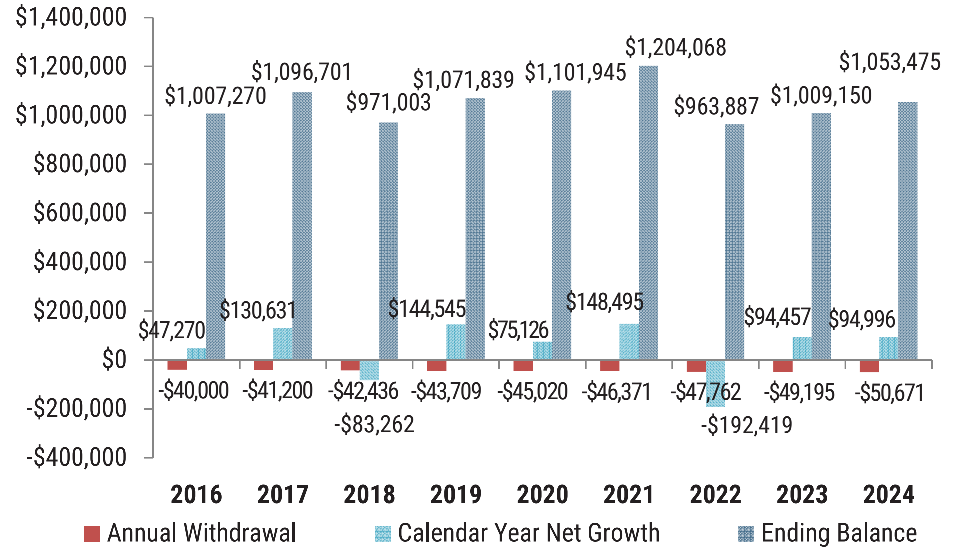
A common method for measuring performance is price return. The portfolio's percentage gain or loss in market price compared to the starting value is typically what investors rely on. But there is another method for evaluating performance. Instead of focusing solely on the short-term relative price return of one's portfolio relative to an index or benchmark, investors would be well-served by tabulating the economic return of their portfolio as well.

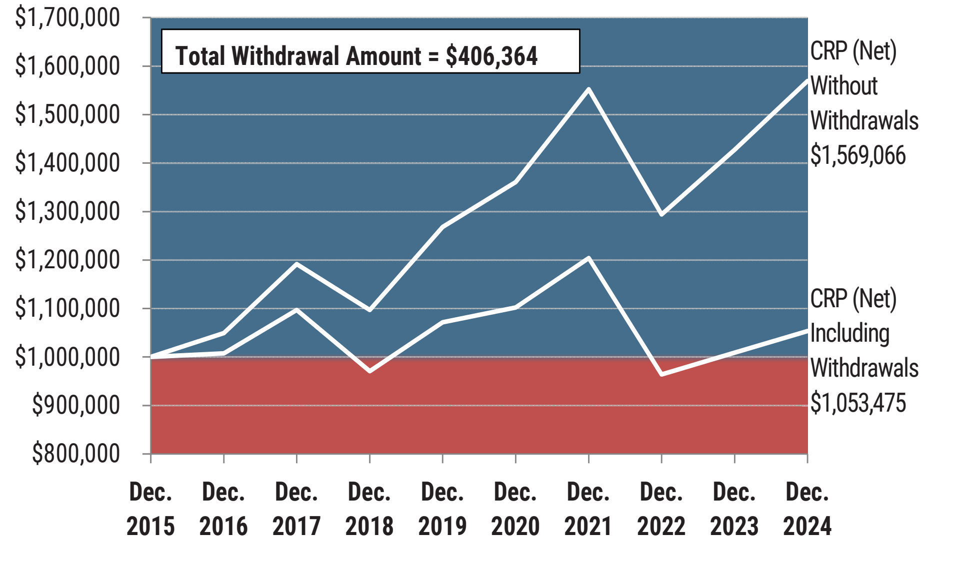
What is the economic objective of the Core Retirement Portfolio?

The economic objective of the Core Retirement Portfolio is to achieve a sustainable 4% annual withdrawal rate,* adjusted each year for inflation, which will last for 30 years. As a goals-based investment approach, the paramount objective for CRP investors is not how well the portfolio is performing on a relative price basis over the short-term, but rather its ability to achieve its ***economic goal***—the distribution of income over time.

Although CRP has performed well historically relative to its blended benchmark, the most important goal will always be how well it has performed in achieving its 4% annual withdrawal objective—***its economic goal***. At the end of 2024, nine years since an initial $1 million investment in CRP, an investor could have elected to receive nine annual distributions (based on a 4% withdrawal rate and 3% annual inflation adjustment) of $40,000, $41,200, $42,436, $43,709, $45,020, $46,371, $47,762, $49,195, and $50,671—$406,364 in total withdrawals. Despite this cumulative withdrawal and factoring in a maximum possible fee of 3% annually, the 2024 year-end portfolio value would have been $1,053,475.

Core Retirement Portfolio Calendar-Year Growth





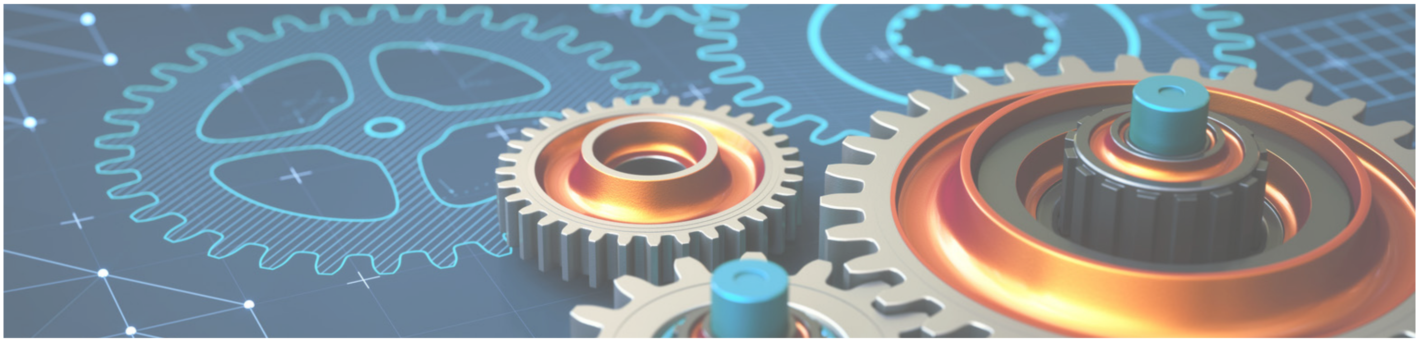
The calendar-year growth and accumulation charts presented are for illustrative purposes only. Based on a $1,000,000 initial investment at 1/1/2016 and assuming a hypothetical withdrawal of 4% at the beginning of each calendar year and increasing the initial withdrawal by 3% per year going forward. Growth shown net of 3.00% combined maximum potential wrap fee. Time Period: 1/1/2016—12/31/2024. Any results shown above may not represent the actual experience of individual investors, nor is it a guarantee of future results. Individual account performance may differ due to, e.g., account size, cash flows, investment restrictions, economic factors, and fees. *Note: The 4% withdrawal rate is used for illustrative purposes and is not mandated by the strategy.

It is important to note that, in this situation, the Core Retirement Portfolio was able to withstand a bear market which saw stocks and bonds drop double-digits in addition to a 7% annual deduction (4% distribution +3% maximum potential fees) over the course of nine years, and CRP's ending account value after calendar year 2022 barely dipped into the initial principal investment. This was achieved during a period when the equity markets were frequently challenged and experienced the worst bond market returns in over 40 years.

When an investor takes an annual income distribution, a portion is funded by common stock dividends, supplemented by fixed income payments, with the remaining amount provided by the underlying growth of the portfolio. Inevitably, there will be years when CRP's total price return is higher than the assumed 4% withdrawal rate and years when the price return is less than the withdrawal rate or even negative for the year. The decline in both stocks and bonds in 2022 contributed to a drawdown in the portfolio, but the rise in yields associated with declining bond prices does have a positive implication looking ahead. Historically, CRP's yield has been close to 2%, but the increase in bond yields in 2022 helped bring the portfolio yield up to approximately 3%. The 4% distribution value in 2023 grew to $49,195, and the 3% yield covered nearly 60% of that withdrawal amount simply in yield alone! In 2024, the yield remained close to 3%, again covering nearly 60% of the $50,671 withdrawal amount for that calendar year. This higher level of current income can help reduce the need for price appreciation going forward to cover withdrawals and prevent capital erosion.

Over time, the sequence of the Core Retirement Portfolio's annual returns will be above or below the 4% annual withdrawal rate. Therefore, CRP investors should not exclusively focus on any one year's price performance, but instead on whether the portfolio is achieving its long-term objective—its goal of providing a sustainable 4% annual withdrawal rate.

When viewed through the lens of its economic objective, we believe CRP's last nine years of performance have demonstrated its ability to fund a current distribution stream and provide the growth necessary to pursue its longer-term financial goals.



A Holistic Approach to Retirement Investing

Often a great deal of time is spent thinking about investing ***for*** retirement—the wealth accumulation phase—without full appreciation for the challenges of investing ***in*** retirement—the wealth decumulation phase. Once investors transition from accumulation to decumulation in life, not only does the investment objective change, so too does the portfolio management approach.

Investors who move from the standard investment approach to a goals-based approach think differently. For goals-based retirees, portfolio management is no longer focused on managing short-term returns, but instead the paramount objective of sustaining income withdrawals over the long-term. In fact, short-termism can be an impediment for a goals-based investor.

The Core Retirement Portfolio is a holistic, long-term investment approach whereby the whole is indeed greater than the sum of its parts. Individuals who apply a holistic investment approach understand it is best to analyze the portfolio as a "whole"—the ability of the entire portfolio to attain stated financial goals. Holistic investors believe it is far more important to examine how investments work in unison than obsess over the short-term performance of any one "part."

Retirees want to enjoy their well-deserved retirement years without being consumed with worry over outliving their income. At EquityCompass we believe investors can still achieve a 4% sustainable withdrawal rate lasting 30 years. But what is required is a different approach to investing in retirement. At the heart of the Core Retirement Portfolio lies a goals-based, holistic investment approach that seeks to alleviate uncertainty while attempting to provide a fulfilling life richly deserved.

Core Retirement Portfolio

As of 12/31/2024

EquityCompass

Highlights

A Differentiated Approach

- Traditional retirement strategies may be ill-equipped to generate the growth and income needed throughout a retiree's lifetime
- Designed to address the wealth decumulation phase of retirement

Holistic and Goals-Based

- Targets the objectives of income, growth, and stability to meet the overall goal of funding a retirement that could last 30 years or more
- Comprehensive allocation to address both the Obligation goals (wants and needs) as well as the Aspirational goals (wishes and dreams)
- Seeks to fund current withdrawals with high dividend-paying stocks and future withdrawals with secularly-advantaged growth companies
- Invests in fixed income exchange-traded funds (ETFs) to seek capital preservation and supplemental income

Balanced

- Diversified by investment approach, geographic exposure, sector, and style in efforts to provide both income and growth potential no matter the economic landscape
- Exposure to stocks and bonds to seek stability without sacrificing potential growth

Flexible

- Target portfolio allocation can be flexibly adjusted based on corporate fundamentals, technical measures, and economic conditions
- Seeks to offset unfavorable market conditions, low interest rate scenarios, and the financial challenges associated with increased longevity
- Responsive to evolving market conditions and longer term trends recognizing that a 30–year retirement time horizon is likely to experience various economic environments

Objective

A goals-based investment approach designed to fund long-term retirement withdrawals by addressing three distinct needs: income, growth, and stability

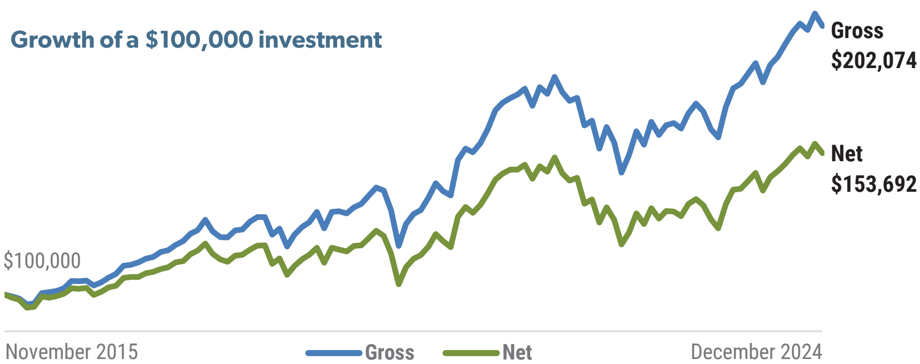
Portfolio Characteristics

Inception	November 1, 2015
Number of Holdings	65
Benchmark	
25% S&P 500 Low Volatility High Dividend Index	
25% MSCI ACWI Index	
25% HFRI Equity Hedge Index	
25% Bloomberg U.S. Intermed. Agg. Bond Index	
Total Portfolio Yield (%)	2.9
Annual Turnover - 2024 (%)	22.3

Performance Overview

October 31, 2015 — December 31, 2024 | Past performance is no guarantee of future results.

Growth of a $100,000 investment



Risk Statistics

	Portfolio	Benchmark
Standard Deviation (%)	13.21	11.86
Sharpe Ratio	0.38	0.34
Beta	1.09	1.00
R-Squared	0.95	1.00
Alpha (%)	0.45	0.00
Batting Average (%)	56.67	100.00
Up-Market Capture (%)	114.56	100.00
Down-Market Capture (%)	109.25	100.00

All risk measures are based on a 5-year time period using monthly returns.

The growth of $100,000 chart presented herein is for illustrative purposes only. The chart illustrates the growth of $100,000 had it been invested at the time of inception and includes reinvestment of dividends. It assumes no withdrawals or contributions. Any results shown may not represent the actual experience of individual investors. Individual account performance may differ due to, for example, account size, cash flows, investment restrictions, economic factors, and fees.

	Total Returns			Annualized Returns				Calendar-Year Returns								
	3-Mos	6-Mos	YTD	1-year	3-year	5-year	Inception	2016	2017	2018	2019	2020	2021	2022	2023	2024
Gross %	-0.45	6.17	13.29	13.29	3.42	7.51	7.98	8.14	16.95	-5.08	19.05	10.53	17.48	-14.09	13.65	13.29
Benchmark %	-1.22	6.16	12.61	12.61	4.00	6.55	7.01	9.41	12.76	-5.26	16.91	7.72	13.35	-9.20	10.02	12.61
Net %	-1.20	4.59	9.91	9.91	0.36	4.35	4.80	4.92	13.52	-7.90	15.59	7.32	14.07	-16.64	10.33	9.91

As of 12/31/2024; Inception — November 1, 2015; Benchmark = 25% S&P 500 Low Volatility High Dividend Index / 25% MSCI ACWI Index / 25% HFRI Equity Hedge Index / 25% Bloomberg U.S. Intermediate Aggregate Bond Index, rebalanced monthly.

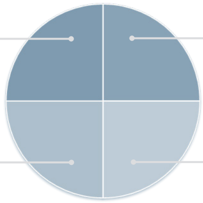
Net returns reflect the deduction of the potential maximum managed account fee of 3.00% which includes the wrap sponsor fee and EquityCompass investment management fees. Actual fees may vary.

Core Retirement Portfolio

As of 12/31/2024

EquityCompass

Portfolio Allocation as of 12/31/2024



Quality Dividend 25%

Global Large Cap Equity 25%

Tactical Equity 25%
Current Allocation
50% Equities
50% Cash / Short-Term Bonds

Fixed Income 25%

Holdings By Market Cap—Equities

	%
Large Cap - > $10 bn (%)	95.87
Mid Cap - $3.5 - $10 bn (%)	3.54
Small Cap - < $3.5 bn (%)	0.58

Top Equity Holdings By Weight

	%
SPDR S&P 500 ETF Trust	7.40
Invesco Russell 1000 Equal Weight ETF	5.91
Apple Inc.	1.92
Amazon.com, Inc.	1.74
Microsoft Corp.	1.55
AbbVie, Inc.	1.54
NVIDIA Corp.	1.54
Alphabet Inc. Class A	1.51
Int'l. Business Machines Corp.	1.41
Philip Morris International Inc.	1.34

For illustrative purposes only and not intended as personalized recommendations. 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.

Equity Sector Allocation

	%
Information Technology	24.00
Financials	14.57
Consumer Discretionary	12.77
Health Care	11.39
Consumer Staples	8.14
Energy	8.13
Industrials	8.12
Communication Services	5.89
Utilities	3.94
Real Estate	1.99
Materials	1.07

Fixed Income Stats

	Portfolio	Benchmark
Effective Duration	4.60	3.67
Weighted Average Life	5.72	4.21
Invest. Grade or Above (%)	99.60	99.11

All charts and tables are calculated by EquityCompass using data provided by FactSet Research Systems, Inc.

*The EquityCompass Core Retirement Portfolio provides a comprehensive approach that is holistic, balanced, and flexible. The portfolio seeks to address essential income needs by employing the three distinct investment objectives of income, growth, and stability necessary to provide for a 30-year retirement throughout challenging investment cycles. In our video titled, **"Is Your Retirement Strategy Designed to Last a Lifetime?"** EquityCompass Chief Investment Officer, Robert Hagstrom, and Portfolio Manager, Lauren Loughlin, review the importance of having a retirement plan that provides flexibility and the necessary balance between **income for today** and **growth for tomorrow**.*

Portfolio Management Team

Robert G. Hagstrom, CFA
Chief Investment Officer
Senior Portfolio Manager

Robert is Chief Investment Officer of EquityCompass Investment Management, LLC and Senior Portfolio Manager of the Global Leaders Portfolio. He joined EquityCompass in April 2014 and launched the Global Leaders Portfolio in July 2014. Robert was appointed Chief Investment Officer in March 2019.

Robert has more than 40 years of investment experience. Prior to joining EquityCompass, for 14 years he was the Senior Portfolio Manager of the Growth Equity Strategy at Legg Mason Capital Management led by Bill Miller who was the portfolio manager of the Legg Mason Value Trust. Robert received "Honorable Mention" recognition in Morningstar's Domestic-Stock Fund Manager of the Year in 2007 while with Legg Mason.§

Robert is the author of seven investment books including The New York Times Best Seller, *The Warren Buffett Way*, widely considered the definitive book on investment approach and strategies of Warren Buffett. The book, now a *Wiley Investment Classics*, has sold over one million copies worldwide and is translated into 18 foreign languages.† In addition, Robert wrote *The Warren Buffett Portfolio: Mastering the Power of the Focus Investment Strategy*, the first book to examine concentrated, low-turnover portfolio management. Robert also wrote *Investing: The Last Liberal Art*, a multi-discipline examination of investing and decision making.

Robert earned his Bachelor's and Master's of Arts degrees from Villanova University. He is a Chartered Financial Analyst, a member of the CFA Institute, and the CFA Society of Philadelphia.

Timothy M. McCann
Senior Portfolio Manager

Tim is a Senior Portfolio Manager for the Core Balanced Portfolio and the Equity Risk Management Strategy. He is also responsible for the firm's extensive investment research and new product development. Tim joined the Legg Mason equity marketing department in 2002 as a quantitative analyst and arrived at Stifel as part of the acquisition of Legg Mason's Capital Markets Group in December 2005. He led the efforts to develop, refine, and implement the EquityCompass proprietary quantitative models and rules-based investment strategies. He was appointed Portfolio Manager in 2006 and promoted to Senior Portfolio Manager in 2008 overseeing all EquityCompass multi-strategy portfolios. Previously, he worked for Morgan Stanley and UBS Securities (via PaineWebber) in various positions. Tim has a B.A. in business from The College of Notre Dame of Maryland.

James J. DeMasi, CFA
Senior Portfolio Manager

Jim joined EquityCompass in July 2019 as a Senior Portfolio Manager for the Core Fixed Income Portfolio, Municipal Income Enhanced Portfolio, and co-manager of the High-Dividend Portfolio. Prior to joining the team, Jim served as the Chief Fixed Income Strategist at Stifel, Nicolaus & Company, Incorporated for 12 years. At Stifel, Jim created investment portfolio and risk management strategies for the firm's institutional fixed income clients. He published several periodic strategy reports on the fixed income markets, including Bond Market Weekly and Alpha Advisor. Previously, he spent five years at Legg Mason as a fixed income strategist and 13 years at the Federal Deposit Insurance Corporation (FDIC) in bank supervision. His FDIC career included roles as a bank examiner, bond analyst, and senior capital markets specialist. Jim has a B.S.B.A. in Finance from West Virginia University. He is also a CFA charter holder and member of the Baltimore Security Analyst Society.

§ Established in 1988, the Morningstar Fund Manager of the Year award recognizes portfolio managers who demonstrate excellent investment skill and the courage to differ from the consensus to benefit investors. To qualify for the award, managers' funds must have not only posted impressive returns for the year, but the managers also must have a record of delivering outstanding long-term risk-adjusted performance and of aligning their interests with shareholders'. Managers' funds must currently have a Morningstar Analyst Rating™ of Gold or Silver. A list of current Morningstar Medalists is available here to Morningstar.com Premium members. The Fund Manager of the Year award winners are chosen based on research and in-depth qualitative evaluation by Morningstar's Manager Research Group. For more information about Morningstar Awards, visit https://go.morningstar.com/Morningstar-Awards.

† Source: www.wiley.com

Footnotes:

1. Parker, Franklin J., *Goals-Based Portfolio Theory*, John Wiley & Sons: Hoboken, NJ, 2023, p. 16.
2. Zumbrun, Josh, "You Might Live Longer Than You Think. Your Finances Might Not," *The Wall Street Journal*, February 10, 2023.

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%.

Investment Performance Disclosure

CORE RETIREMENT PORTFOLIO WRAP COMPOSITE (11/01/2015 – 12/31/2023)

Year-End	Gross-of-Fees Return*	Net-of-Fees Return**	Custom Benchmark Return	Composite 3 Yr. Ex Post Std. Dev.	Custom Benchmark 3 Yr. Ex Post Std. Deviation	Composite Number of Portfolios	Internal Dispersion	Portfolios With Bundled Fees	Composite Assets (USD Mil.)	Strategy Assets (USD Mil.)†	Firm & Advisory Assets (USD Mil.)
2015 §	-1.6%	-2.1%	-0.8%	N/A	N/A	24	N/A	100%	$9	$9	$2,217
2016	8.1%	4.9%	9.4%	N/A	N/A	849	0.1%	100%	$404	$455	$2,714
2017	16.9%	13.5%	12.8%	N/A	N/A	<6	N/A	100%	$1	$1,066	$3,785
2018	-5.1%	-7.9%	-5.3%	7.3%	6.5%	<6	N/A	100%	$1	$1,269	$3,831
2019	19.1%	15.6%	16.9%	8.2%	7.2%	<6	N/A	100%	$1	$1,552	$4,294
2020	10.5%	7.3%	7.7%	13.2%	12.4%	<6	N/A	100%	$11	$1,528	$4,012
2021	17.5%	14.0%	13.3%	12.5%	11.7%	18	0.1%	100%	$14	$1,908	$5,038
2022	-14.1%	-16.6%	-9.2%	15.1%	13.4%	21	0.2%	100%	$11	$1,592	$4,469
2023	13.6%	10.3%	10.0%	12.9%	10.7%	30	0.1%	100%	$17	$1,685	$4,707

** Supplemental information. Please see Fees section for details. ** Net returns are calculated by subtracting the highest applicable wrap fee (3.00% on an annual basis) from the gross composite return. † Supplemental Information. § Returns are for the period 11/01/2015 through 12/31/2015.*

EquityCompass Investment Management, LLC ("EquityCompass") claims compliance with the Global Investment Performance Standards ("GIPS®") and has prepared and presented this report in compliance with the GIPS standards. EquityCompass has been independently verified for the periods 06/01/2014-12/31/2023. The verification report is available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

Definition of the Firm
EquityCompass is registered as an investment adviser with the Securities and Exchange Commission. The firm provides a broad range of investment strategies to individuals, financial intermediaries, and institutions in the United States. EquityCompass, a wholly owned subsidiary of Stifel Financial Corp., was organized as an entity in 2007, and has been registered with the SEC since May 5, 2008. SEC Registration does not imply a certain level of skill or training. Please refer to the firm's ADV Part 2 for additional disclosures regarding the firm and its practices. To obtain a GIPS Report or a list of our composite descriptions and/or policies for valuing investments, calculating performance, and preparing GIPS reports, please call (443) 224-1231 or send an e-mail to info@equitycompass.com.

Composite Description
The performance results displayed herein represent the investment performance record for the Core Retirement Portfolio Wrap Composite. The composite includes wrap and non-wrap accounts that are invested in the composite strategy and managed on a discretionary basis by EquityCompass. Core Retirement Portfolio strategy is an actively managed, integrated multi-strategy approach that seeks to address retirement needs by providing income, capital appreciation, stability, and risk management. It is available in wrap fee programs through third-party intermediaries (each, a "Sponsor") that have engaged EquityCompass to manage client accounts on a discretionary basis or to provide non-discretionary investment recommendations in the form of model portfolios. The composite was created in January 2017 and the inception date is November 1, 2015. A sub-advisor was used to manage the strategy's fixed income allocation from the composite's inception until 12/31/2018.

Benchmark Description
As of 10/1/2022, the benchmark composition was retroactively changed for all presented periods to a custom benchmark comprising 25% S&P 500 Low Volatility High Dividend Index / 25% MSCI ACWI Index / 25% HFRI Equity Hedge Index / 25% Bloomberg U.S. Intermediate Aggregate Bond Index, rebalanced monthly. The S&P 500 Low Volatility High Dividend Index measures the performance of the 50 least-volatile high dividend-yielding stocks in the S&P 500. The index is designed to serve as a benchmark for income-seeking investors in the U.S. equity market. MSCI ACWI Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets around the globe, including the United States. MSCI ACWI Index returns are presented net of withholding taxes. The HFRI Equity Hedge Index is a fund-weighted index of strategies that maintain positions both long and short in primarily equity and equity derivative securities. The Bloomberg U.S. Intermediate Aggregate Bond Index measures the performance of the U.S. investment-grade bond market while removing the longer maturity portions of the broad market benchmarks. The index invests in a wide spectrum of public, investment-grade, taxable, fixed income securities in the U.S.— including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities, all with maturities of more than one year. All benchmark returns are shown on a total return basis and assume that all cash distributions, such as dividends, are reinvested. The volatility of the indices identified in this report may be materially different from the volatility of the model portfolios presented by EquityCompass. Indices are unmanaged, do not reflect fees and expenses, and are not available for direct investment.

Fees
Gross-of-fees returns, are gross of portfolio management fees, custody fees and withholding taxes and net of all actual transaction costs in the case of non-wrap accounts and those wrap accounts traded by EquityCompass. If the wrap account trades are executed by the Sponsor, transaction costs are bundled with the wrap fee and therefore not deducted from gross-of-fee return calculation. Net returns are calculated by subtracting the highest applicable wrap fee (3.00% on an annual basis, or 0.75% quarterly) from the gross composite return. The EquityCompass management fee schedule per annum is 0.35% on up to 1,000,000, 0.32% on 1,000,000–2,500,000 million, 0.28% on 2,500,000–5,000,000, 0.25% on 5,000,000–10,000,000, and negotiable over 10,000,000. Clients are typically charged a wrap fee which includes, in addition to the manager fee, trading expenses, as well as custody and administrative fees. The wrap fee schedule varies by Sponsor, who will make it available upon request.

Reporting Currency
Valuations are computed and performance reported in U.S. dollars (USD).

Annualized Standard Deviation
The three-year annualized ex post standard deviation measures the variability of the monthly returns of the composite (gross-of-fee) and the benchmark over the preceding 36-month period; it is not presented for periods of less than three years.

Internal Dispersion
Internal dispersion is calculated using the asset-weighted standard deviation of annual gross returns of all accounts that were in the composite for the entire year; it is not presented for periods less than one year or when there were fewer than five accounts in the composite for the entire year.

Assets
Strategy Assets include all discretionary and non-discretionary accounts invested in the Core Retirement Portfolio strategy. Accounts that are excluded from the composite because of significant cash flows or for other reasons are also included in Strategy Assets. This is presented as supplemental information.

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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. Due to their narrow focus, sector-based investments typically exhibit greater volatility and are generally associated with a high degree of risk. Changes in market conditions or a company's financial condition may impact the company's ability to continue to pay dividends. Companies may also choose to discontinue dividend payments. High-dividend paying stocks may carry elevated risks and companies may lower or discontinue dividends at any time.

Exchange Traded Funds (ETFs) are subject to market risk, including the possible loss of principal, and may trade for less than their net asset value. ETFs trade like a stock, and there will be brokerage commissions associated with buying and selling exchange traded funds unless trading occurs in a fee-based account. Investors should consider an ETF's investment objective, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other important information, is available from your Financial Advisor and should be read carefully before investing.

Past performance does not guarantee future performance or investment results.

Additional Information Available Upon Request

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About EquityCompass

EquityCompass Investment Management, LLC ("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. Formally organized in 2008, EquityCompass provides portfolio strategies with respect to total assets over $5.3 billion as of January 31, 2025. EquityCompass is a wholly owned subsidiary of Stifel Financial Corp.

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.

*Total assets combines both Assets Under Management and Assets Under Advisement as of January 31, 2025. 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.