Equity Risk Management Strategy (ERMS)

Fact Sheet
As of 3/31/2025

EquityCompass

Highlights

Seeks to avoid large market losses

- When incorporated into a diversified portfolio, the tactically allocated strategy seeks to help mitigate exposure to equity markets during a downturn. During favorable market conditions, the tactical allocation would be fully invested in equities. When conditions are deemed unfavorable, the tactical allocation can be shifted to cash, cash equivalents, money market funds, and/or short-term fixed income exchange-traded funds (ETFs).
- Large losses make investors vulnerable to ill-timed investment decisions that can, in turn, undermine the pursuit of financial goals.
- ERMS seeks to reduce portfolio volatility and provide risk mitigation from extended market declines, helping investors to stay invested during periods of market turbulence.

Addresses the shortfalls of traditional risk mitigation techniques

- ERMS has the flexibility to assess multiple risk factors including, but not limited to:
  - **Fundamental** – Evaluate trends in earnings expectations
  - **Technical** – Identify fast-developing anomalous equity activity, implied volatility, and credit spreads
  - **Economic** – Analyze the level and direction of high-frequency economic data
  - **Valuation** – Compare risk-adjusted returns across multiple asses classes

Quantitatively-Guided Allocation

- Changes to our tactical allocation are heavily guided by empirical studies, back-testing, and validation. We employ proprietary models to evaluate security and market characteristics with continuous study and research on alternative approaches to address risk and opportunity.

Objective

Tactical allocation strategy that seeks to adjust a portfolio's equity exposure to potentially provide downside risk mitigation and volatility control

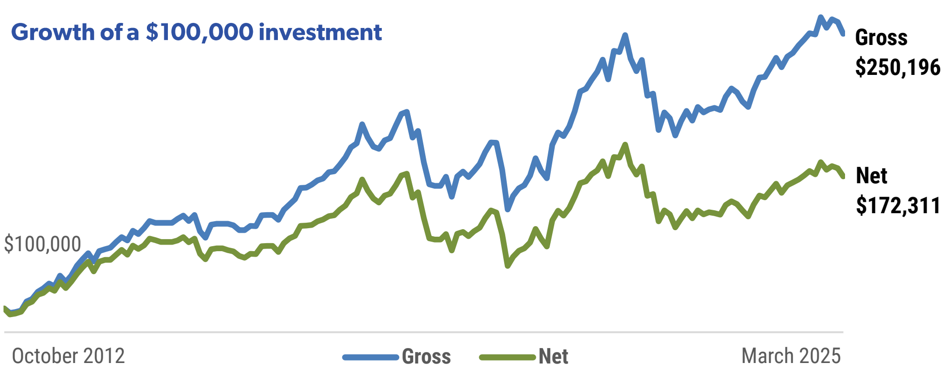
Current Allocation

The **Equity Risk Management Strategy (ERMS)** remained in a neutral position during the first quarter, as it has throughout the past several quarters—allocated between 50% equities and 50% cash and short-term 1–3 month U.S. Treasury Bills. Corporate earnings expectations, while upward trending, have begun to reflect some uncertainty created by the potential ramifications of evolving trade policies. Although earnings expectations suggest a more favorable growth outlook in the back half of the year, companies have begun to temper those expectations. We will continue to monitor those trends to see if the heightened uncertainty materializes into a reduced outlook for corporate earnings. From an economic perspective, high-frequency data confirms a mixed picture for corporate earnings and the near-term economic outlook. Attractive yields in short-duration bonds provide comfort in our positioning until the bond/equity risk-reward tradeoff becomes more distinctly favorable.

Performance Overview

September 30, 2012—March 31, 2025 | Past performance is no guarantee of future results.

Growth of a $100,000 investment



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 does not assume withdrawals or contributions. Any results shown above may not represent the actual experience of individual investors. Individual account performance may differ due to, e.g., account size, cash flows, investment restrictions, economic factors and fees.

Portfolio Management Team

Christopher M. Mutascio
Senior Managing Director

Timothy M. McCann
Senior Portfolio Manager

	Total Returns			Annualized Returns					Calendar-Year Returns									
	3-Mos	6-Mos	YTD	1-year	3-year	5-year	10-year	Incp.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Gross %	-1.34	-0.16	-1.34	5.56	1.98	10.17	5.47	7.61	-0.41	7.32	21.24	-5.45	5.97	2.91	27.15	-18.75	11.60	12.04
Benchmark %	-1.28	0.06	-1.28	5.05	4.94	11.24	5.95	6.33	-0.97	5.47	13.29	-7.14	13.71	17.89	11.67	-10.13	11.37	11.87
Net %	-2.07	-1.64	-2.07	2.43	-1.03	6.93	2.37	4.45	-3.31	4.15	17.70	-8.25	2.82	-0.10	23.50	-21.19	8.33	8.71

As of 3/31/2025; Inception – October 1, 2012; Benchmark = HFRI Equity Hedge Index
ERMS performance represents the standalone Separately Managed Account (SMA) strategy on Stifel's Custom Advisory Portfolio platform.
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.

Important Disclosures

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 of approximately $5.2 billion as of March 31, 2025.* 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.

EquityCompass Overview: 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. EquityCompass Investment Management, LLC is a wholly owned subsidiary and affiliated SEC registered investment adviser of Stifel Financial Corp. SEC registration does not imply a certain level of skill or training. Affiliates of EquityCompass 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. 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.

Strategy Specific Risks: The information contained in this report is based on sources believed to be reliable, but is not guaranteed and not necessarily complete. All investments involve risk, including loss of principal, and there is no guarantee that investment objectives will be met. It is important to review your investment objectives, risk tolerance, and liquidity needs before choosing an investment style or manager. Equity investments are subject generally to market, market sector, market liquidity, issuer, and investment style risks, among other factors to varying degrees. Fixed Income investments are subject to market, market liquidity, issuer, investment style, interest rate, credit quality, and call risks, among other factors to varying degrees. The Equity Risk Management Strategy invests primarily in ETFs, which are subject to the risk that the values will fluctuate with the value of the underlying investments or indices the ETFs are tracking.

Exchange Traded Funds (ETFs) represent a share of all stocks in a respective index. ETFs trade like stocks and are subject to market risk, including the potential for loss of principal, and may trade for less than their net asset value. The value of ETFs will fluctuate with the value of the underlying securities. Investors should review the prospectus and consider the ETF's investment objectives, risks, charges, and expenses carefully before investing. Prospectuses are available through your Financial Advisor and include this and other important information.

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. Indices are unmanaged, do not reflect fees and expenses, and it is not possible to invest directly in an index. Diversification (or asset allocation) does not ensure a profit or protect against loss. All index returns are shown on a total return basis and assume that all cash distributions, such as dividends, are reinvested.

*Total assets combines both Assets Under Management and Assets Under Advisement as of March 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.

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

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