

Municipal Income Enhanced Portfolio (MIEP)



Fact Sheet

As of 9/30/2021

Highlights

Actively Managed For Challenging Fixed Income Environment

- Designed to meet the unique challenges presented by today's historically low interest rates
- Emphasis on credit risk and interest rate risk management
- Prioritizes absolute return over relative return versus a benchmark

Highly Liquid and Efficient Exposure to Municipal Bond Market

- Consists primarily of municipal fixed income ETFs, which provide efficient exposure to multiple underlying sectors of the investment-grade U.S. municipal bond market
- While not without their own unique risks, compared to a portfolio consisting of individual bonds, municipal ETFs provide clear advantages with regard to diversification, liquidity, trading execution, and price transparency
- Active management overlay includes fund selection, weighting, and rebalancing to achieve the desired targets for yield, duration, curve positioning, and sector allocations

Opportunity to Earn Enhanced Income

- The utilization of modest leverage can add a multiplier effect to the portfolio that will magnify income, total returns, and losses
- According to a March 2021 Blackrock research report, leveraged municipal CEFs have outperformed comparable unleveraged funds in 15 out of the last 20 years¹
- The maximum allocation to CEFs is 20% to control total portfolio leverage and limit overall price volatility

Performance Overview

December 31, 2016–September 30, 2021 | 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 since the time of inception on 12/31/2016 net of a 0.15% manager fee. It does not assume cash flows or mandate changes. 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.

Objective

Municipal fixed income strategy utilizing exchange-traded funds (ETFs) and closed end funds (CEFs) to seek capital preservation, return stability, and tax-advantaged income as part of a diversified investment portfolio

Portfolio Characteristics

Inception	January 1, 2017
Number of Holdings	13
Benchmark	Bloomberg Muni. Bond Index
Wgted. Avg. Mkt. Cap.	\$4.9 Bln.
Annual Turnover - 2020	26.0%

Risk Statistics

	Portfolio	Benchmark
Standard Deviation (%)	5.12	4.00
Sharpe Ratio	0.89	0.98
Beta	1.22	1.00
R-Squared	0.91	1.00
Alpha (%)	-0.46	0.00
Batting Average (%)	66.67	100.00
Up-Market Capture (%)	118.17	100.00
Down-Market Capture (%)	122.76	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	Inception	2017	2018	2019	2020
Gross %	-0.53	1.52	1.26	3.82	5.68	4.44	6.52	-1.55	11.26	4.05
Net %	-0.56	1.44	1.15	3.67	5.52	4.29	6.36	-1.70	11.10	3.89
Benchmark %	-0.27	1.15	0.79	2.63	5.06	4.24	5.45	1.28	7.54	5.21

As of 9/30/2021; Inception—January 1, 2017; Benchmark = Bloomberg Municipal Bond Index

Net returns are presented after the deduction of the manager fee of 0.15%. There will be additional wrap fees that includes trading expenses, as well as custody and administrative fees and will vary by wrap sponsor.

(1) Spotlight on Leverage in Closed-end Funds, Blackrock, March 2021.

Municipal Income Enhanced Portfolio (MIEP)



Fact Sheet

As of 9/30/2021

Top Five Portfolio Holdings by Weight

Description	ETF	%
VanEck Intermediate Muni ETF	ITM	11.64
iShares National Muni Bond ETF	MUB	10.31
PIMCO Intermed. Muni. Bd. Active ETF	MUNI	10.30
iShares Short-Term Nat'l. Muni. Bond ETF	SUB	10.30
SPDR Nuveen Bloomberg Short-Term Muni ETF	SHM	10.28

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.

Statistics for Underlying Bond Portfolio (%)

	Portfolio (%)	Benchmark (%)
Yield to Maturity	2.01	2.16
Yield to Worst	1.05	0.99
Coupon Rate	4.60	4.58
Wtd. Avg. Life	5.95	5.84
Effective Duration	5.03	4.98
Average Credit Quality	Aa3	Aa3

Top Five Municipal Sector Allocation by Weight (%)

	Portfolio (%)	Benchmark (%)
Transportation	14.95	19.96
Various Purpose	14.67	20.24
TaxRevenue	14.16	19.19
Utility	12.43	15.89
Health	8.56	0.00

Portfolio Management



James J. DeMasi, CFA
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. Formally organized in 2008, EquityCompass provides portfolio strategies with respect to total assets of approximately \$4.7 billion as of September 30, 2021.*

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

INVESTMENT PERFORMANCE DISCLOSURE

MUNICIPAL INCOME ENHANCED PORTFOLIO (01/01/17 – 12/31/20)

Year-End	Gross-of-Fees Return	Net-of-Fees Return*	Benchmark Return	Composite		Number of Portfolios	Internal Dispersion (%)	% of Non-Fee Paying Assets	Composite		Total Firm Assets
				3 Yr. Ex Post Std. Dev.	Benchmark 3 Yr. Ex Post Std. Dev.				Assets (USD millions)	Strategy Assets (USD millions)**	
2017	6.5%	6.5%	5.4%	N/A	N/A	<6	N/A	100%	\$0.21	\$0.03	\$3,785
2018	-1.6%	-1.6%	1.3%	N/A	N/A	<6	N/A	100%	\$0.21	\$0.03	\$3,831
2019	11.3%	11.3%	7.5%	N/A	N/A	<6	N/A	100%	\$0.22	\$0.03	\$4,294
2020	4.0%	4.0%	5.2%	5.4%	4.0%	<6	N/A	100%	\$0.49	\$0.06	\$4,012

* Net returns are calculated by subtracting the highest applicable wrap fee (3.00% on an annual basis) from the gross composite return. ** Supplemental information.

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 06/01/14-12/31/20. 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 portfolio 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 Municipal Income Enhanced Composite. The composite includes wrap and non-wrap accounts that are invested in the composite strategy and managed on a discretionary basis by EquityCompass. Municipal Income Enhanced strategy utilizes exchange-traded funds to seek capital preservation, return stability, and supplemental income as part of a diversified investment portfolio. 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 2018 and the inception date is January 1, 2017.

Benchmark Description

The benchmark is Bloomberg U.S. Municipal Bond Index. The Bloomberg Municipal Bond Index measures the performance of the U.S. municipal bond market. It is composed of approximately 1,100 bonds; 60% of which are revenue bonds and 40% of which are state government obligations.

Fees

Gross-of-fees returns, are gross of portfolio management and custody fees and net of all trading costs in the case of non-wrap accounts and those wrap-accounts traded by EquityCompass. Trading costs are not deducted from gross-of-fee return calculation if the wrap-account trades are executed by the Sponsor. 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 per annum is 0.15%. 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 vary by wrap sponsor and are available upon request from the respective wrap sponsor.

Reporting Currency

Valuations are computed and performance reported in U.S. dollars.

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 Municipal Income Enhanced 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.

Trademark Disclosures

GIPS[®] is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

GENERAL DISCLOSURES

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. 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.

Leverage magnifies the potential for gain and loss on monies invested. In a leveraged fund, an investor will bear a greater share of the losses and a greater share of the gains in a particular investment than would be the case in an unleveraged investment fund.

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.

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. Closed-end funds are subject to market risk, and the amount you receive upon sale may be more or less than the amount you paid. Investors should consider a fund's investment objective, risks, charges, and expenses carefully before investing. No representation is made that any Strategy, model, or model mix will achieve results similar to those shown in these materials. Diversification (or asset allocation) does not ensure a profit or protect against loss. Rebalancing may have tax consequences, which should be discussed with your tax advisor.

*Total assets combines both Assets Under Management and Assets Under Advisement as of September 30, 2021. 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.

DESCRIPTION OF TERMS**Alpha**

Alpha is a measure of performance vs. a benchmark on a risk-adjusted basis. A positive alpha of 1.0 means the portfolio has outperformed its benchmark index by 1%. Correspondingly, a similar negative alpha would indicate an underperformance of 1%.

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

Measures the sensitivity of an investment to the movement of its benchmark. A beta higher than 1.0 indicates the investment has been more volatile than the benchmark and a beta of less than 1.0 indicates that the investment has been less volatile than the benchmark.

Down-Market Capture Ratio

Measures the manager's overall performance to the benchmark's overall performance, considering only quarters that are negative in the benchmark. A down-market capture ratio of less than 1.0 indicates a manager who outperforms the relative benchmark in the benchmark's negative quarters and protects more of a portfolio's value during down markets.

R-Squared

Measures the strength of the linear relationship between a fund and its benchmark. R-squared at 1.00 implies perfect linear relationship and zero implies no relationship exists.

Sharpe Ratio

Sharpe Ratio is a risk-adjusted measure, calculated using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe ratio, the better a portfolio's historical risk-adjusted performance.

Standard Deviation

Measures the risk or volatility of an investment's return over a particular time period; the greater the number, the greater the risk.

Up-Market Capture Ratio

Measures the manager's overall performance to the benchmark's overall performance, considering only quarters that are positive in the benchmark. An up-market capture ratio of more than 1.0 indicates a manager who outperforms the relative benchmark in the benchmark's positive quarters.

Past performance does not guarantee future performance or investment results.

© 2021 EquityCompass Investment Management, LLC, One South Street, 16th Floor, Baltimore, Maryland 21202. All rights reserved.