EquityCompass Core Retirement Portfolio

Four Integrated Strategies,
One Comprehensive Retirement Program

The Challenge of Retirement Income Planning

Retirees want to enjoy their retirement years without being consumed by worry they will outlive their income. In this decumulation phase, retirement assets may need to fund withdrawals for 10, 20, and 30 years or more, while also absorbing asset erosion from downside volatility and increasing inflation-adjusted income.

Traditional retirement approaches, generally including a significant fixed income portion, may be ill-equipped to generate the growth and income needed throughout a retiree's lifetime. This reliance on fixed income, when bond yields are at generational lows with scenarios of prolonged low or rising interest rates, poses a clear and present threat to income longevity.

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In addition, retirees often may choose to segment their investment assets according to their expected withdrawal dates with specific allocations to short-, intermediate-, and longer-term time frames. However, this common approach does not factor in the reality of potentially lackluster fixed income yields over extended periods coupled with heightened equity volatility that can quickly erode assets.

A Different Approach May Be Needed

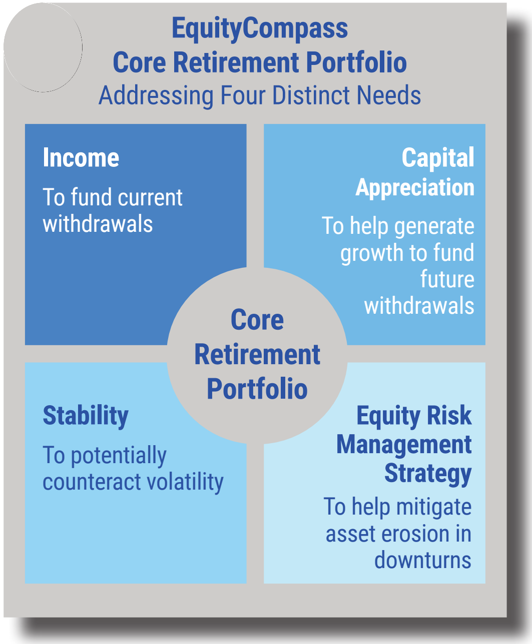
At EquityCompass, we believe a more comprehensive and coordinated approach should be considered that focuses on retirees' needs to combine an investment strategy with an efficient withdrawal strategy.

A Comprehensive Needs-Based Approach

The EquityCompass Core Retirement Portfolio seeks to address the essential retirement needs in the following ways:

INCOME – *To fund current withdrawals*

The need for current income can be addressed by an income strategy that focuses on **high-dividend-yielding stocks rather than low-yielding bonds.**



CAPITAL APPRECIATION – *To generate growth to fund future withdrawals*

Invests in globally operating, developed-market companies trading at a discount to their long-term intrinsic value and characterized by high cash generation, returns on invested capital above the cost of capital, and the opportunity to compound this increasing shareholder value over the long term.

STABILITY – *To potentially counteract volatility*

While the current environment of extremely low interest rates has undermined the income objective for bonds, **fixed income still has an important role in a retirement portfolio** to potentially help preserve purchasing power, provide stability, and modest income.

EQUITY RISK MANAGEMENT STRATEGY – *To help mitigate asset erosion in downturns*

We believe a preset strategy to shift to a defensive cash position when stock market conditions deteriorate is the most effective way to help **mitigate asset erosion from downside exposure.**

Not Just For Retirement

The Core Retirement Portfolio (CRP) was launched in 2015 based on the realization that in the current economic environment, investing for retirement is difficult. The challenge of creating a reliable income stream to last a lifetime is complicated by increased longevity, rising medical costs, historically low interest rates, and heightened market volatility. With 10,000 baby boomers turning 65 each day over the next 15 years, the need for a comprehensive retirement investment strategy was evident.

The obvious goal of retirement investing is to provide sustainable income that covers withdrawals to fund lifestyle expenses. At the top of the list of a retiree's greatest fears is running out of money. An investment strategy must balance the desire to maintain a consistent lifestyle with the preservation of assets for a retirement that could last over 30 years. CRP addresses this by investing in four distinct sleeves that seek to provide income, growth, stability, and risk mitigation. By combining these objectives, and after stress-testing the allocation in a number of ways, we feel confident in CRP’s ability to provide a comprehensive retirement solution for clients.

“Retirement” is clearly in the portfolio’s name, and the portfolio originated for that specific need, but it can certainly apply beyond traditional IRA or retirement accounts. There are numerous scenarios in which CRP could provide a compelling solution for clients needing to take distributions:

- Foundations and endowments that have defined distribution requirements
- Elderly individuals facing ongoing nursing home or long-term care costs
- Special needs children or young adults with disabilities who rely on an income stream to fund medical expenses
- Life changes including marriage separation or widowers looking for supplemental income
- Any long-term funding required for sustainable income

Distributions are not mandatory. The withdrawal strategy for CRP can be customized according to individual client needs or set up with no distributions at all. The portfolio seeks to conservatively grow and mitigate risk to wealth prior to retirement. The distinct, multi-strategy allocation, intended for the application of taking withdrawals, is something almost all clients could need at some point.

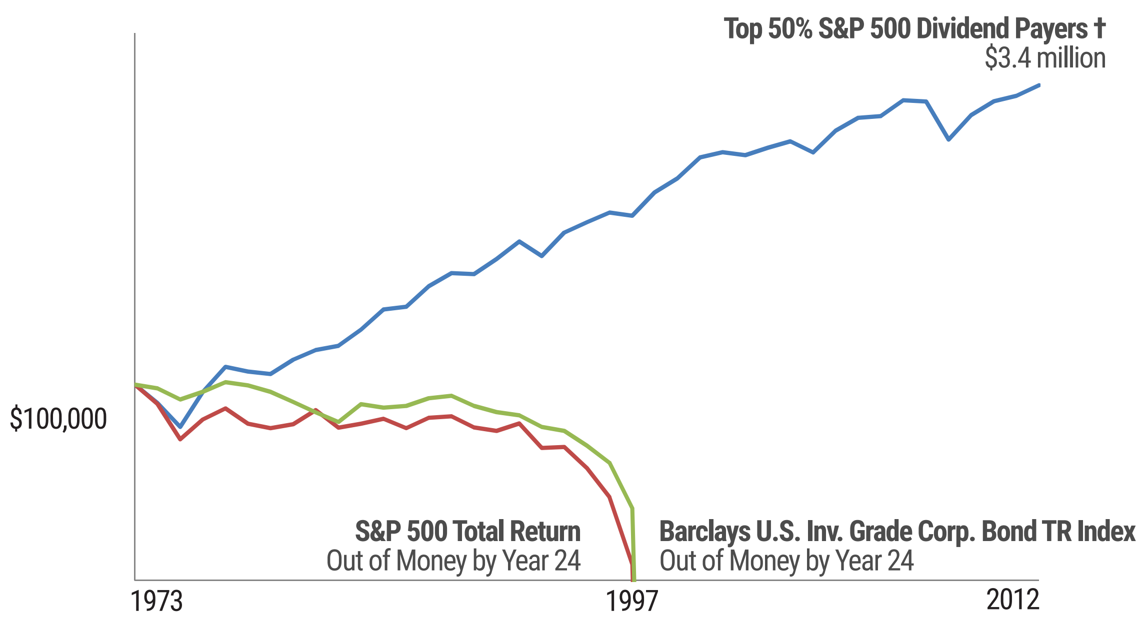
Income To Fund Current Withdrawals

The Quality Dividend Strategy seeks to provide the highest possible dividend yield within the constraints of quality, capital preservation, and diversification in an effort to provide income-seeking investors a superior alternative to investing in bonds.

The strategy has three goals: (1) provide asset preservation, (2) generate attractive current income, and (3) develop growth in current income.

Performance of High-Yield Stocks in Decumulation

For Illustrative Purposes Only | 12/31/1972 – 12/31/2012 | Source: Ned Davis Research | Annual withdrawals starting at 4.5% and increasing with inflation | Includes Dividends | Monthly Data | Net of 1% Fees



† Represents the top 50% of dividend paying stocks in the S&P 500 by yield. The list is reconstituted annually and is equally weighted.

Top dividend payers were identified with the benefit of hindsight; the identification of future top dividend payers may be inaccurate. Past performance does not guarantee future results. Bonds offer fixed payment of interest and repayment of principal upon maturity, while stock dividends fluctuate and are not guaranteed.

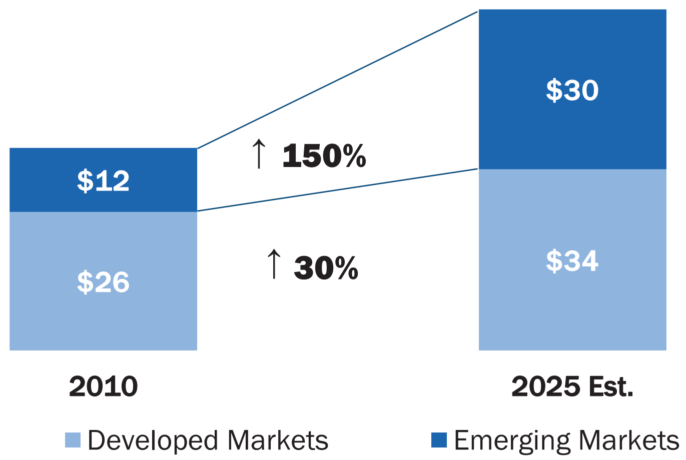
Capital Appreciation To Fund Future Withdrawals

The Global Leaders Portfolio seeks to address risks associated with investing directly in foreign markets, especially emerging markets, by investing in globally operating, developed market companies. The strategy invests globally to benefit from the economic expansion of developing countries and the potentially unprecedented growth in worldwide consumer demand. By 2025, global consumers are estimated to reach 4.2 billion people with purchasing power of $64 trillion — termed the "biggest growth opportunity in the history of capitalism" by McKinsey & Company.*

The strategy invests in "great" companies which we define as those that: (1) produce cash in excess of operating needs that generate a return on invested capital above the cost of capital and (2) provide stable and consistent returns with the opportunity to compound shareholder value over the long term. The portfolio maintains a long-term investment horizon to capture the power of economic compounding that great companies provide.

Global Consumption Demand

$ Trillions | Source: McKinsey & Company | August 2012



Emerging market consumer purchasing power is expected to increase 150% over the next 10 years and account for nearly half of global spending.

* Atsmon, Child, Dobbs and Narasimhan, Winning The $30 Trillion Decathalon: Going For Gold in Emerging Markets, McKinsey & Company, August 2012.

Stability To Potentially Counteract Volatility

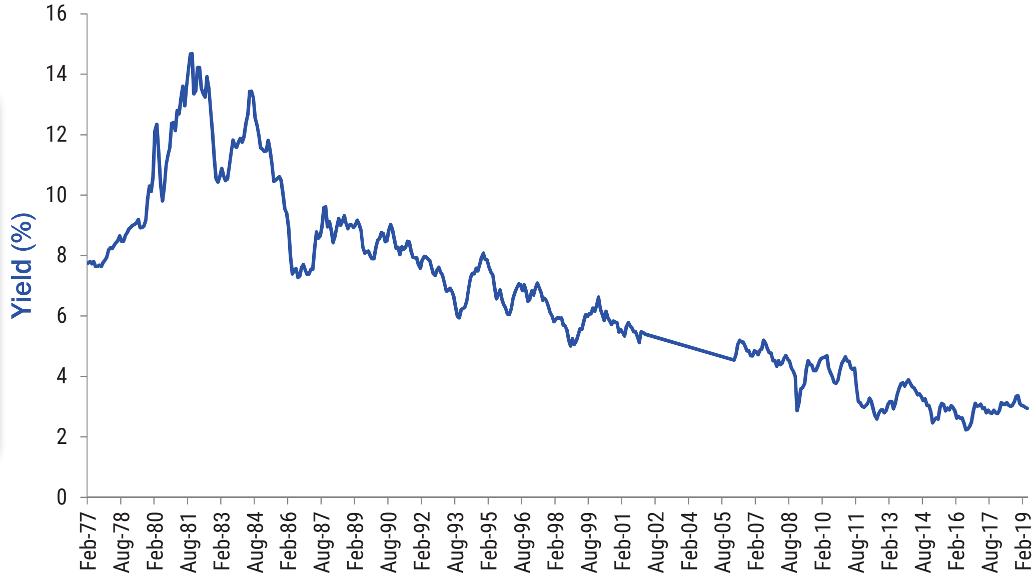
The role of long-term bonds as a haven for income and perceived safety has been eroded with a 40-year fixed income bull market. With current interest rate levels at generational lows, the traditional role of fixed income in a retirement portfolio needs to be rethought. In particular, we feel current levels of long-term rates have too much risk for them to be included as a substantial portion of a retiree's fixed income allocation. However, fixed income does have an important role in providing stability to counteract volatile financial markets.

Our approach centers on using only intermediate-term maturity securities to allow for continual reinvestment at higher yields over time and incorporates an allocation to securities that helps protect against the eroding effects of inflation. With a focus on income, we constantly analyze opportunities available in the mortgage and corporate bond markets and will tactically adjust our allocation across these asset categories as they arise.

Yields on long-term Treasury bonds have declined from 15% in the early 1980s to less than 3% today, eroding the income and perceived safety that bonds have historically provided.

30-Year Treasury Yield

February 1977 – April 2019 | Source: Federal Reserve



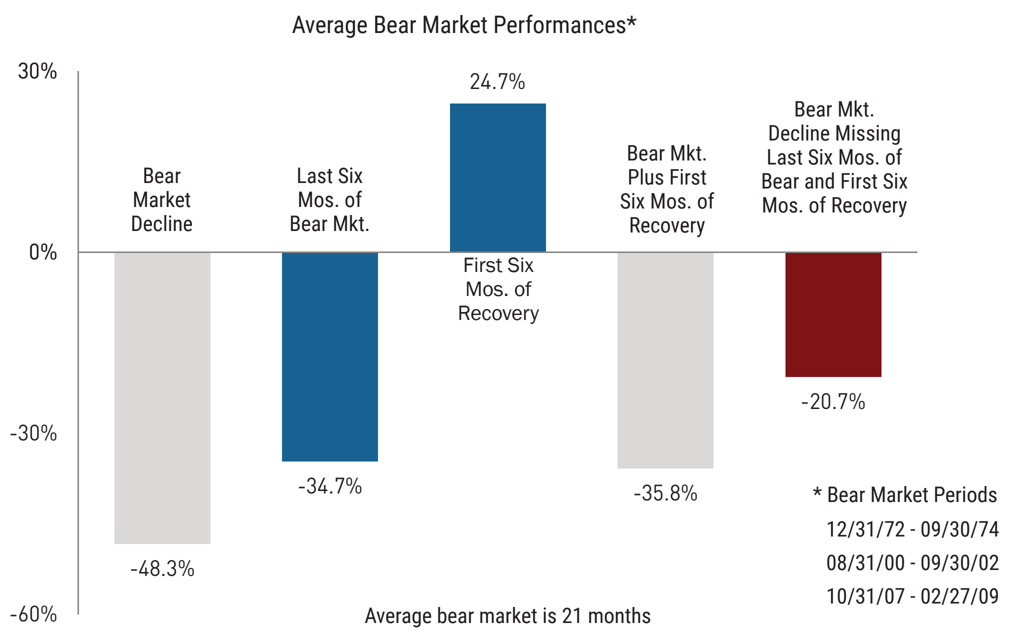
Equity Risk Management Strategy to Help Mitigate Asset Erosion

Investors' emotional response to market volatility can lead to ill-timed investment decisions. Tactical equity seeks to reduce equity exposure only during periods of unfavorable market conditions. When conditions return to being favorable, the strategy reverts to being fully invested in equities, enabling investors to stay invested during periods of market turbulence.

Our tactical strategy for risk management addresses the shortfalls of traditional risk management techniques by seeking risk control during periods of market stress when the performance of various asset classes becomes highly synchronized and the traditional risk management approach of asset class diversification alone is less effective.

The Cost / Benefit of Avoiding Bear Market Bottoms

Cumulative Performances | Dividends excluded | Source: EquityCompass



Past performance is not indicative of future results.

EquityCompass Core Retirement Portfolio

Addressing Four Distinct Needs

INCOME

TO FUND CURRENT WITHDRAWALS

The Quality Dividend Portfolio seeks to provide attractive current income, income growth, and lower volatility through investment in dividend-paying stocks.

CAPITAL APPRECIATION

TO GENERATE GROWTH TO FUND FUTURE WITHDRAWALS

The Global Leaders Portfolio invests in globally operating, developed market companies and is used to seek capital appreciation through exposure to unprecedented growth in worldwide consumer demand.

STABILITY

TO POTENTIALLY COUNTERACT VOLATILITY

The Fixed Income Stability Portfolio is used to help provide stability and a modest degree of income by investing in high-quality, intermediate-term securities, including ETFs.

EQUITY RISK MANAGEMENT STRATEGY

TO HELP MITIGATE ASSET EROSION IN DOWNTURNS

Tactically allocated equity portion uses ETFs to help reduce equity exposure when there are signs of market deterioration and restores it as signs of improvement emerge.

Three Key Highlights

1) A growth-oriented asset allocation
   - Targets a 75/25 stock/bond allocation for higher growth prospects than available through generationally low bond yields
2) Equity allocation that focuses on high-quality large-cap stocks to seek income and growth with lower volatility
   - Seeks to generate income through high-dividend-paying stocks
   - Provides capital appreciation opportunity through global equity exposure
3) Tactical equity allocation helps mitigate the impact of large stock market declines by reducing equity exposure
   - Helps to be responsive to market conditions and longer-term trends

Details

Account minimum: $300,000

Contact your Financial Advisor to learn more

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 $4.0 billion as of August 31, 2019.*

IMPORTANT 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. EquityCompass Investment Management, LLC ("EquityCompass") is a wholly owned subsidiary and affiliated SEC registered investment advisor of Stifel Financial Corp. 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.

*Total assets combines both Assets Under Management and Assets Under Advisement as of August 31, 2019. 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 does not guarantee future performance or investment results.

Any investment involves risks, including a possible loss of principal. Rebalancing may have tax consequences, which should be discussed with your tax advisor.

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.

The Fixed Income Stability Portfolio will be managed by Ziegler Capital Management, LLC. EquityCompass and Ziegler Capital Management, LLC (“ZCM”) are wholly owned subsidiaries and affiliated SEC Registered Investment Advisers of Stifel Financial Corp. (“Stifel”). EquityCompass will hire its affiliate, ZCM, to manage this strategy in the portfolio. This will not increase the overall fee for any client.

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. Diversification and/or asset allocation does not ensure a profit or protect against loss.

All performance results presented are done solely for educational and illustrative purposes and are not intended for trading, or to be considered investment advice. No representation is made that any Strategy, model, or model mix will achieve results similar to those shown in these materials.

Index Description(s):

The S&P 500 Index is a broad market index that tracks the performance of 500 leading stocks from major industries of the U.S. economy. The index is generally considered representative of the U.S. large capitalization market. Barclays Capital U.S. Investment Grade Corporate Bond Total Return Index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. corporate investment grade fixed income bond market. Indices are unmanaged, do not reflect fees or expenses, and it is not possible to invest directly in the indices.

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.

It should not be assumed that any holdings included in these materials were or will prove to be profitable, or that recommendations or decisions that the firm makes in the future will be profitable or will equal the investment performance of the securities discussed herein.

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

Additional Information Available Upon Request. Please contact your Financial Advisor.

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