Core Retirement Portfolio

A Goals-Based Retirement Road Map

March 2023

EquityCompass

The Challenge of Retirement Income Planning

- Traditional retirement strategies may be ill-equipped to generate the growth and income needed throughout a retiree's lifetime.
- Retirees often may choose to segment their investment assets according to expected withdrawal dates with specific allocations to short-, intermediate-, and longer-term time frames. However, we feel this common approach does not factor in the reality of **potentially below-average fixed income yields over extended periods** coupled with heightened equity volatility that **can quickly erode assets**.
- The recent increase in bond yields has improved their outlook and **increased the "cash flow."** However, bond yields (as measured by the 10-year U.S. Treasury bond) remain well below their longer-term 30-, 40-, and 50-year historical averages. With expectations of continued volatility in the fixed income markets, we believe **an overweight towards equities is required** to fund an extended retirement period that could last 30 or more years.
- At EquityCompass, **we believe a more comprehensive and coordinated approach should be considered** that focuses on the needs of retirees to combine an investment strategy with an efficient withdrawal strategy.

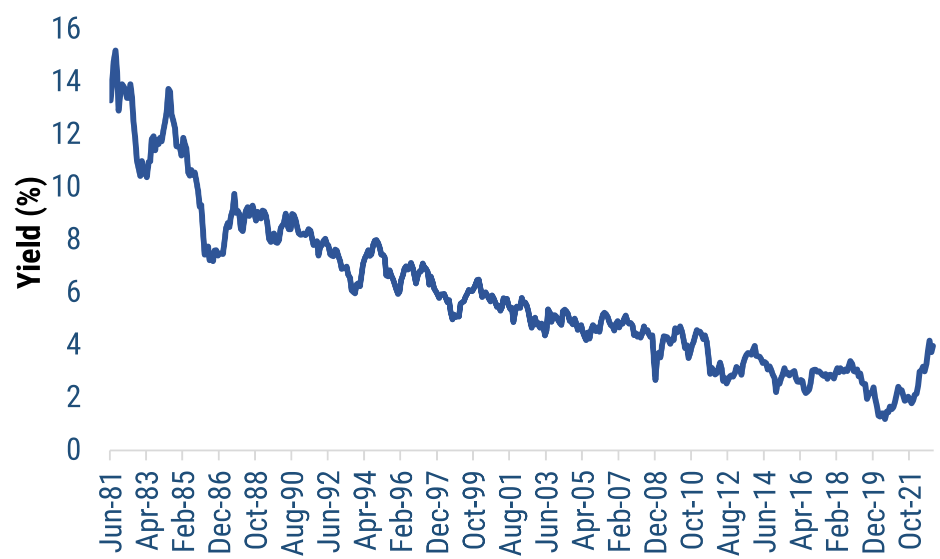
Rethinking Asset Allocation

Traditionally, **a portfolio of 50% bonds and 50% stocks was considered a sensible first step in managing a retirement portfolio.** Over time, as the retiree aged, a percentage of the stock allocation would be sold and reinvested in bonds.

That was yesterday.

30-Year Treasury Yield

6/30/1981 – 12/31/2022 | Source: Federal Reserve



Today, although bond yields have recently risen from their historical lows, the income return provided by bonds remains significantly lower compared to the late 90s and early 2000s. With individual life expectancy on the rise, coupled with increasing longevity, retirees may need to overweight equities relative to fixed income.

Longevity Risk

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

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.[1]

- 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.
- 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.

(1) Zumbrun, Josh, "You Might Live Longer Than You Think. Your Finances Might Not," *The Wall Street Journal*, February 10, 2023.

A Goals-Based Investment Approach

- The goals-based investment approach **allocates assets to meet the paramount objective needed** to address income withdrawals over the long term. In goals-based investing, investors take advantage of the financial market returns in order to build and maintain wealth for future income needs.

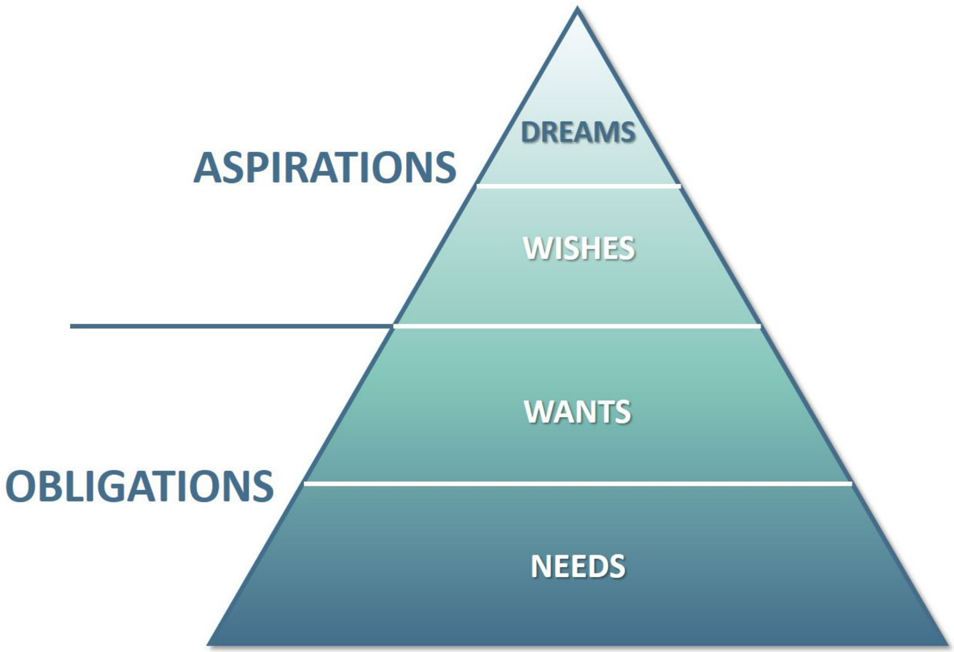
- Goals-based investing differs from standard portfolio management applied during the wealth accumulation period in that success in retirement—the decumulation phase—is **measured by how well an investor is able to meet their long-term financial goals not by how well their investments perform against the market averages over the short term.**

- 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.

- However, for retirees, goals-based investing is not just simply spending the wealth you have accumulated. It is more complex. **Goals-based investing recognizes a retiree has several different financial goals that will occur over different time horizons**.

Hierarchy of Retirement Needs

In his book ***Goals-Based Portfolio Theory***, Franklin J. Parker thoughtfully outlines the myriad of financial goals that are important to a retiree.[2] 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.



Maslow-Brunel Hierarchy of Goals

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.

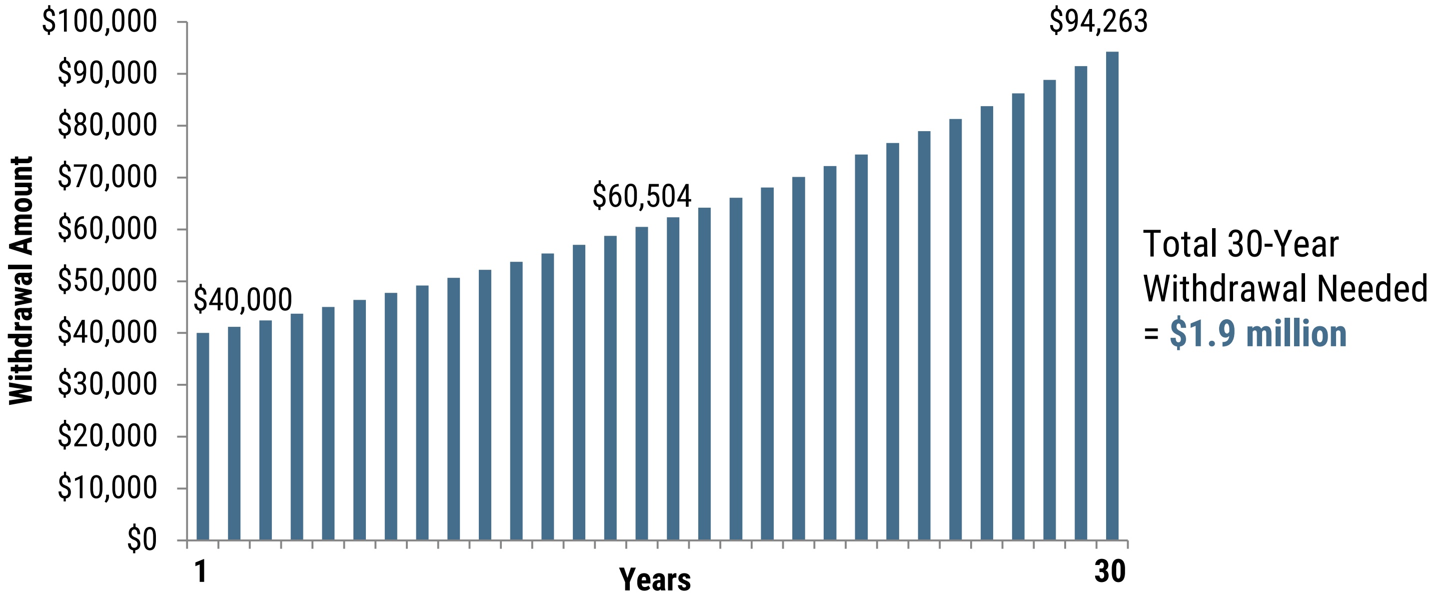
(2) Parker, Franklin J., *Goals-Based Portfolio Theory*, John Wiley & Sons: Hoboken, NJ, 2023, p. 16.

Is The 4% Sustainable Withdrawal Rate Still Applicable?

If you start with $1 million, withdraw 4% the first year, and increase the withdrawal percentage by 3% every year, what is the total dollar amount of 30 years of annual withdrawals? **Answer: $1.9 million.** Thus the initial $1 million portfolio must generate an additional $900,000 in future growth to pay the totality of all the annual withdrawals needed over 30 years. **Fixed income yields, although now adequate for current withdrawals, are lacking in the ability to provide income growth over time.** As such, an investment in common stocks is essential to pursue the growth needed for future withdrawals.

Annual Withdrawal Example

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

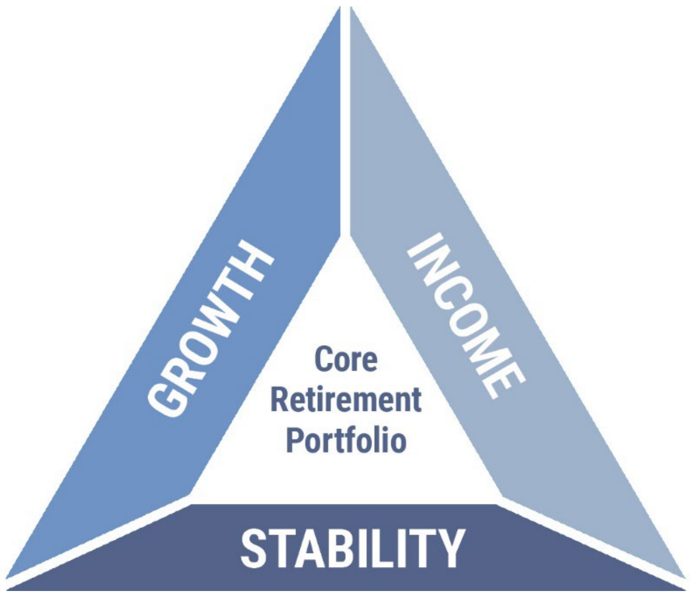


For illustrative purposes only. This hypothetical example does not reflect actual investment results, nor is it a guarantee of future results.

Core Retirement Portfolio: A Holistic Investment Approach

The EquityCompass **Core Retirement Portfolio** is a holistic investment strategy that seeks to address the essential income needs for retirees by employing three distinct objectives.

- **Income** – Investing in high-quality, high dividend-paying stocks with the goal of helping to fund current withdrawals
- **Growth** – Investing in growth companies in an effort to provide capital appreciation to fund future withdrawals
- **Stability** – Investing in fixed income securities for the objectives of capital preservation and supplemental income, while employing a flexible asset allocation strategy designed to mitigate market volatility and enhance both income and growth when economic conditions are favorable



Any investment involves risks, including a possible loss of principal.

Core Retirement Portfolio (CRP) Objective

Seeks to generate income and growth to fund retirement income withdrawals

- In an effort to address the financial challenges associated with increased longevity
- To help offset unfavorable market conditions and low interest rate scenarios

Equity allocation that focuses on high quality, large cap stocks in the pursuit of income and growth with lower volatility that seeks to generate:

- Current income through high-dividend paying stocks
- Future income by owning a diversified portfolio of high-quality, multinational growth stocks

Fixed income securities combined with a tactical asset allocation strategy is designed to provide stability for the portfolio, address longevity risk, and help to mitigate the impact of large stock market declines by reducing equity exposure

- Constructed to be responsive to market conditions and longer-term trends with the ability to enhance both income and growth when economic conditions are favorable

There can be no guarantee that the portfolio's investment objectives will be met.

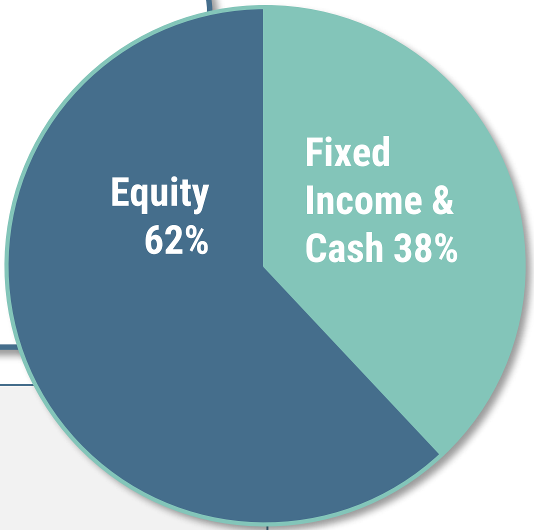
Core Retirement Portfolio (CRP) Highlights

Target portfolio allocation is 75% Equity / 25% Fixed Income when conditions are favorable.

Equity exposure can be tactically adjusted based on fundamental and technical market signals.

Current target portfolio allocation (as of January 1, 2023):

62% Equity / 38% Fixed Income & Cash



- **Broad equity diversification**
  Approximately 50 stocks and two exchange-traded funds (ETFs) with exposure across all eleven sectors and market caps
- **Low turnover**
  Turnover approximates 20% annually
- **Highly experienced Portfolio Managers**
  Portfolio managers each average 27 years of investment experience
- **Moderate risk profile**
  - Diversified by style, strategy, and objective
  - Tactical allocation can reduce equity exposure to approximately 52% when most defensive
- **Portfolio Weighted Average Yield: 2.8%***

*as of 1/31/2023

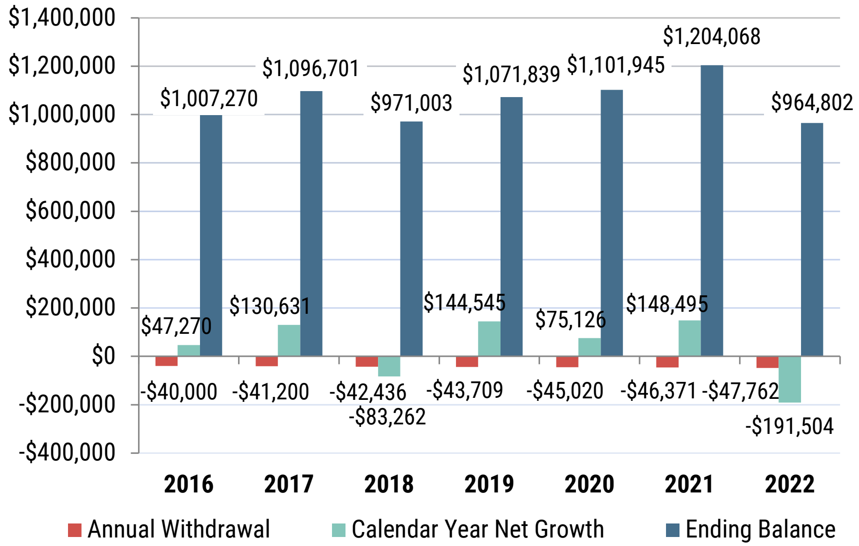
The portfolio risk management process includes an effort to monitor and manage risk, but does not imply low risk.

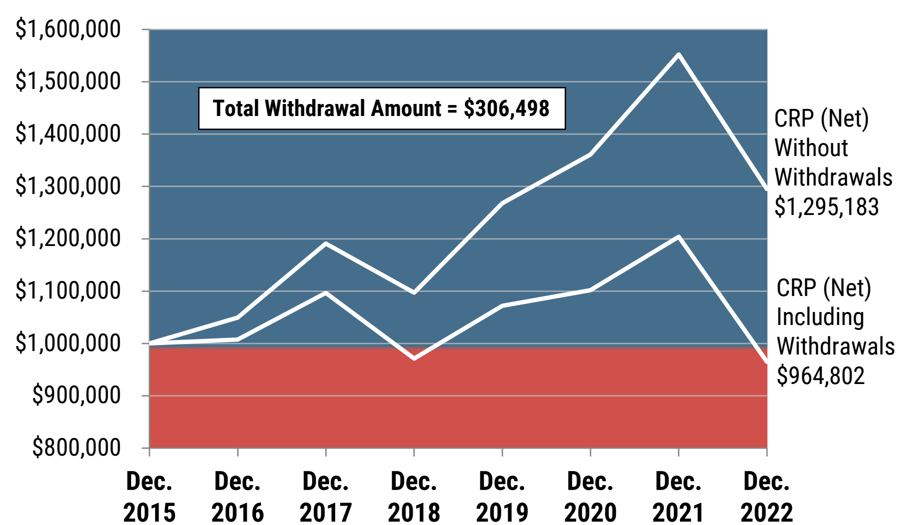
Portfolio Growth During the Decumulation Phase

The adjacent charts illustrate growth of the portfolio over the last seven calendar years while assuming a hypothetical 4% withdrawal, growing at 3% per year, and factoring in a 3.00% maximum managed account fee. **With an initial investment of $1 million at the beginning of 2016, this CRP account would have an ending value of $964,802 at the end of 2022 and would have withdrawn $306,498 over this seven year period.**

It is important to note that in this situation the 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 total fee) over the course of seven years, and **the ending account value after calendar year 2022 barely dipped into the initial principal investment. This was achieved during the worst equity market in over ten years and the worst bond market in over 40 years nonetheless.**

Core Retirement Portfolio Calendar-Year Growth





The calendar-year growth chart presented above is 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% maximum managed account fee. Time Period: 1/1/2016–12/31/2022. The results shown above are hypothetical and, as such, are not representative of the actual returns of any EquityCompass nor are they a guarantee of future results. Individual account performance may differ due to, e.g., account size, cash flows, etc. Source: EquityCompass. *Note: The 4% withdrawal rate is used for illustrative purposes and is not mandated by the strategy.

Core Retirement Portfolio – Not Just For Retirement

"Retirement" is clearly in the portfolio's name and originated for that specific need, but the Core Retirement Portfolio can certainly apply beyond traditional retirement accounts.

There are numerous scenarios in which the Core Retirement Portfolio could provide a compelling solution for investors needing to take income withdrawals

- Foundations and endowments that have defined distribution requirements
- Medical expenses and care relying on a consistent stream of income
- Ongoing nursing home or long-term care costs
- Life changes (i.e., widow/widower) in need of supplemental income
- Any long-term funding requiring sustainable income

The income withdrawal strategy can be customized according to an individual's needs, and distributions can also be foregone, thus allowing the income and capital appreciation to compound until which time it is needed.

7-Year Anniversary Performance – As Expected Results

We continue to believe CRP's equity allocation—a barbell approach equally split between high quality dividend-paying value stocks and some of the world's leading growth companies—provides a favorable balance for retirees who seek not only current income but growth of income throughout their retirement years.

CRP's fixed income allocation is high quality and active to address pressures from the expected increase in bond yields. The portfolio's fixed income and tactical equity prioritize stability and risk mitigation over return maximization.

Core Retirement Portfolio As of 1/31/2023	Gross	Net	Benchmark†
2023 YTD	5.54%	4.79%	4.31%
Annualized Returns			
1-Year	-6.30%	-9.02%	-2.99%
2-Year	3.72%	0.70%	3.25%
3-Year	5.92%	2.84%	5.39%
4-Year	7.81%	4.66%	6.36%
5-Year	5.25%	2.17%	4.67%
6-Year	7.44%	4.30%	6.03%
7-Year	8.08%	4.91%	7.14%
Calendar Year Returns			
2022	-14.01%	-16.56%	-9.20%
2021	17.48%	14.07%	13.35%
2020	10.53%	7.32%	7.72%
2019	19.05%	15.59%	16.91%
2018	-5.08%	-7.90%	-5.26%
2017	16.95%	13.52%	12.76%
2016	8.14%	4.92%	9.41%
Since Inception*			
Cumulative Return	65.77%	32.91%	56.73%
Compounded Annual Return	7.22%	4.00%	6.39%

†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 maximum managed account fee of 3.00% which includes the wrap sponsor fee and EquityCompass investment management fees. Actual fees may vary.

*Portfolio inception November 1, 2015; Past performance should not and cannot be viewed as an indicator of future performance. Indices are unmanaged, do not reflect fees and expenses, and it is not possible to invest directly in an index. This information is supplemental to the GIPS performance presentation at the end of this document.

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 30 years of investment experience. Prior to joining EquityCompass, he was Chief Investment Strategist at Legg Mason Investment Counsel, and before that, the Portfolio Manager of the Growth Equity Strategy at Legg Mason Capital Management for 14 years where he managed $7 billion in assets. Robert is the author of ten investment books including The New York Times Best Seller, *The Warren Buffett Way*, widely considered to be the definitive book on the investment approach and strategies of Warren Buffett. The book has sold over one million copies worldwide and is translated into 17 foreign languages. In addition, Robert wrote, *Investing: The Last Liberal Art*, a multidiscipline examination of investing and decision making. His latest book, published in 2021, is *Warren Buffett: Inside the Ultimate Money Mind*. 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. Robert is also a member of the Global Interdependence Center.

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 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.

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 of approximately $4.7 billion as of January 31, 2023. 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, 2023. 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. Registration with the SEC does not imply a certain level of skill or training.

Investment Performance Disclosures

CORE RETIREMENT PORTFOLIO WRAP COMPOSITE (11/01/15 – 12/31/21)

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. Dev.	Composite Number of Portfolios	Internal Dispersion	Composite Assets (USD Mil.)	Strategy Assets (USD Mil.)†	Total Firm Assets (USD Mil.)
2015 §	-1.6%	-2.1%	-0.8%	N/A	N/A	24	N/A	$9	$9	$2,217
2016	8.1%	4.9%	9.4%	N/A	N/A	849	0.08%	$404	$455	$2,714
2017	16.9%	13.5%	12.8%	N/A	N/A	<6	N/A	$1	$1,066	$3,785
2018	-5.1%	-7.9%	-5.3%	7.3%	6.5%	<6	N/A	$1	$1,269	$3,831
2019	19.1%	15.6%	16.9%	8.2%	7.2%	<6	N/A	$1	$1,552	$4,294
2020	10.5%	7.3%	7.7%	13.2%	12.4%	<6	N/A	$11	$1,528	$4,012
2021	17.5%	14.0%	13.3%	12.5%	11.7%	18	0.1%	$14	$1,908	$5,038

** 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 11/01/15 through 12/31/15.*

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 06/01/14–12/31/21. 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.

Investment Performance Disclosures

Benchmark Description
The composite uses 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. As of 10/1/2022 the benchmark composition was retroactively changed for all presented periods with the 25% allocation to Russell 1000 Value Index replaced by S&P 500 Low Volatility High Dividend Index. 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. 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 1 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 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 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. 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. Diversification and/or asset allocation does not ensure a profit or protect against loss. Any investment involves risks, including a possible loss of principal. Rebalancing may have tax consequences, which should be discussed with your tax advisor.

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

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

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