Equity Risk Management Strategy (ERMS)

Fact Sheet
As of 9/30/2024

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 management techniques

- ERMS seeks to provide risk control during periods of enormous market stress, when the performance of various asset classes becomes highly synchronized, and the traditional risk management approach of asset class diversification alone may not be sufficient.

Rules-driven decision making

- Tactical allocation decisions are based on a predetermined ruleset. This approach helps minimize the subjective biases and imposes discipline and consistency to investment decisions.

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** remained in a neutral position throughout the third quarter split between 50% equity and 50% short-term U.S. Treasuries. With the aggregation of fundamental, technical, and economic considerations neither firmly bullish nor firmly bearish we continue to maintain a neutral posture within the tactical allocation. Fairly attractive yields in short-duration bonds provide comfort in our positioning until the bond/equity risk-reward tradeoff becomes more favorable.

Portfolio Management Team

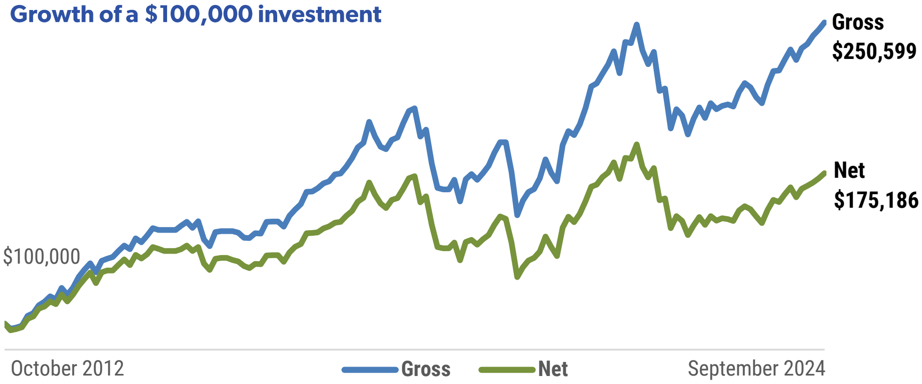
Christopher M. Mutascio
Senior Managing Director

Timothy M. McCann
Senior Portfolio Manager

Performance Overview

September 30, 2012—September 30, 2024 | 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.

	Total Returns			Annualized Returns					Calendar-Year Returns									
	3-Mos	6-Mos	YTD	1-year	3-year	5-year	10-year	Incp.	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Gross %	4.50	5.72	10.72	17.55	3.61	7.42	5.94	7.96	12.82	-0.41	7.32	21.24	-5.45	5.97	2.91	27.15	-18.75	11.60
Benchmark %	3.75	4.79	10.16	17.21	3.53	8.93	6.13	6.58	1.81	-0.97	5.47	13.29	-7.14	13.71	17.89	11.67	-10.13	11.37
Net %	3.73	4.14	8.25	14.05	0.55	4.26	2.83	4.78	9.45	-3.31	4.15	17.70	-8.25	2.82	-0.10	23.50	-21.19	8.33

As of 9/30/2024; 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 $5.3 billion as of September 30, 2024.* 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.

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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 September 30, 2024. 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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