

WASHINGTON CROSSING ADVISORS

INCOME BUILDER PORTFOLIO

Growth and Income (60/40)

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PORTFOLIO PROFILE SHEET

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About Washington Crossing Advisors

Washington Crossing Advisors (WCA) is a wholly owned subsidiary and affiliated SEC Registered Investment Adviser of Stifel Financial Corp. WCA strategies are primarily offered through the Stifel Opportunity Program.

The senior management team has worked together for over 25 years as market strategists and portfolio managers.

The WCA Income Builder Portfolio seeks to invest in companies with rising dividends at attractive valuations. The portfolio uses a fixed income ladder to seek to manage volatility and provide a steady stream of income.

DIVERSIFICATION

Combining the flexibility of a laddered bond portfolio with rising dividends can provide a hedge against inflation, and can be an appropriate addition to a retirement income portfolio. We view a well-constructed portfolio as a triangle. At the base of the triangle are high-quality bonds. Equity investments are then added to provide higher potential return.

60% RISING DIVIDEND EQUITY

We focus our attention on the 1,000 largest, actively traded companies listed on exchanges in the United States. From this starting point, we seek:

STEADILY RISING DIVIDENDS

Portfolio companies must have demonstrated at least five consecutive years of dividend increases. Failure to raise the dividend is grounds for removal from the portfolio.

CONSISTENCY

The watchword for the WCA Income Builder Portfolio strategy is consistency. Therefore, the selection process favors companies with strong balance sheets and consistent earnings that are capable of sustained growth of shareholder capital and income. We believe that chasing yield without regard for capital growth is folly. Therefore, this portfolio seeks companies we believe are capable of growing both the dividend and shareholder capital over time.

40% INVESTMENT-GRADE CORPORATE BONDS

LADDERED BOND

The Laddered Bond component seeks to provide a stream of income while mitigating risk. Bonds are actively chosen and monitored by Washington Crossing Advisors based upon a fundamental evaluation of balance sheet quality, trends in cash flow, interest coverage, and liquidity.

A laddered bond portfolio allows a systematic way of investing a portfolio without constantly guessing about the direction of interest rates. It also allows the income and yield of the portfolio to gradually adapt to a changing interest rate environment and maintains consistency in the average maturity.

DIVERSIFICATION

KEY STATISTICS

Minimum Investment..... \$300,000
Investment-Grade Bonds..... 30
Equity Positions..... 32

Objectives for Stocks

- › Capital Appreciation
- › Growing Income Stream

Objectives for Shorter Bonds

- › Stability of Principal
- › Some Income

Objectives for Longer Bonds

- › Current Income
- › Diversification

**60%
STOCKS**

GOOD QUALITY STOCKS WITH
INCREASING DIVIDENDS.
HIGHER EXPECTED RISK/RETURN.

**40%
LADDERED
CORPORATE BONDS**

INVESTMENT GRADE/INTERMEDIATE DURATION.
GREATER STABILITY/LOWER RETURN.

60% RISING DIVIDEND EQUITY

PORTFOLIO STATISTICS

	Portfolio	S&P500
Market Capitalization (\$Bil)	\$123.6	\$201.3
Return on Assets	6.4%	3.4%
Leverage	3.6	4.4
Enterprise Value to Sales	3.4	4.2
Dividend Yield	2.5%	2.2%
Dividend Growth (5-Year)	7.1%	7.4%
Expected Turnover	10-20%	—

SECTOR EXPOSURE

Consumer Discretionary	8%
Consumer Staples	29%
Financials	3%
Healthcare	19%
Industrials	20%
Materials	4%
Technology	13%
Utilities	3%
Cash	1%

TOP TEN HOLDINGS BY WEIGHT

ACCENTURE PLC.	LINDE PLC.	PFIZER INC.
AUTOMATIC DATA PROC INC.	MERCK & COMPANY INC.	STARBUCKS CORP.
CHURCH & DWIGHT COMPANY	MICROSOFT CORP.	UNITEDHEALTH GROUP INC.
COSTCO WHOLESALE CORP.		

40% INVESTMENT-GRADE CORPORATE BONDS

PORTFOLIO CHARACTERISTICS

Investment Vehicle:	30 Investment-Grade Bonds
Targeted Average Maturity:	5-6 Years
Longest Maturity:	10 Years
Strategy:	Intermediate-Term ladder

PORTFOLIO STATISTICS

Maturity:	5.5 Years
Modified Duration:	4.1 Years
Current Yield:	3.5%
Yield to Worst:	3.7%
Expected Turnover:	10%
Number of Holdings:	30

TOP TEN HOLDINGS BY WEIGHT

ABBVIE INC.	FEDEX CORP.	OCCIDENTAL PETROLEUM CORP.
ALTRIA GROUP INC.	GILEAD SCIENCES INC.	PPG INDUSTRIES INC.
AMAZON.COM INC.	THE HOME DEPOT INC.	QUALCOMM INC.
APPLE INC.	INTEL CORP.	QUEST DIAGNOSTICS INC.
BERKSHIRE HATHAWAY INC.	KRAFT HEINZ CO.	REPUBLIC SERVICES INC.
BLACKROCK INC.	LOCKHEED MARTIN CORP.	SALESFORCE.COM INC.
CATERPILLAR INC.	LOWE'S COMPANIES INC.	STRYKER CORPORATION
CISCO SYSTEMS INC.	MCKESSON CORP.	THERMO FISHER SCIENTIFIC INC.
COMCAST CORP.	NORFOLK SOUTHERN CORP.	WAL-MART STORES INC.
DU PONT (E) AND COMPANY	NORTHROP GRUMMAN CORP.	WALT DISNEY CO.

Source: Bloomberg. The Top 10 holdings are determined by percentage of portfolio allocation and are subject to change at any time, without notice. The holdings presented do not represent all of the securities held by the strategy as of the date presented. A complete list of holdings as of the date noted above will be provided upon request to your Financial Advisor. The above is presented to illustrate the application of the strategy only and not intended as personalized recommendations of any particular security. The securities identified and described above do not represent all of the securities purchased, sold, or recommended for client accounts. You should not assume that an investment in any of the securities identified was or will be profitable. Indices are unmanaged, do not reflect fees and expenses, and are not available for direct investment.

DISCLOSURES

Investing involves risk, including the possible loss of principal. Changes in market conditions or a company's financial condition may impact the company's ability to continue to pay dividends, and companies may also choose to discontinue dividend payments. When investing in bonds, it is important to note that as interest rates rise, bond prices will fall. Other risks include the risk of principal loss should the issuer default on either principal or interest payments. This portfolio invests in bonds that are obligations of corporations, and not the U.S. government, and therefore, carry a higher degree of risk relating to default.

Although the portfolio strategy seeks to maintain an average portfolio rating of investment grade, individual bonds ratings are subject to change from time of purchase. Investment grade means bonds which carry a rating of Baa3 or higher by Moody's or BBB- or higher by Standard & Poor's. Model portfolio average statistics and model holdings are subject to change without notice. You should therefore carefully consider whether interest rate and default risk are suitable for you in light of your financial condition.