

## CONQUEST ALTERNATIVE PORTFOLIOS

### Asset Allocation

[www.washingtoncrossingadvisors.com](http://www.washingtoncrossingadvisors.com)

#### PORTFOLIO PROFILE SHEET

**Kevin R. Caron, CFA**

Senior Portfolio Manager

(973) 549-4051

[kevin.caron@stifel.com](mailto:kevin.caron@stifel.com)

**Chad A. Morganlander**

Senior Portfolio Manager

(973) 549-4052

[chad.morganlander@stifel.com](mailto:chad.morganlander@stifel.com)

**Matthew J. Battipaglia**

Portfolio Manager

(973) 549-4047

[matthew.battipaglia@stifel.com](mailto:matthew.battipaglia@stifel.com)

**Steven J. Lerit, CFA**

Client Portfolio Manager

(973) 549-4028

[lerits@stifel.com](mailto:lerits@stifel.com)

**Suzanne E. Ashley**

Relationship Manager

(973) 549-4168

[ashleys@stifel.com](mailto:ashleys@stifel.com)

**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.

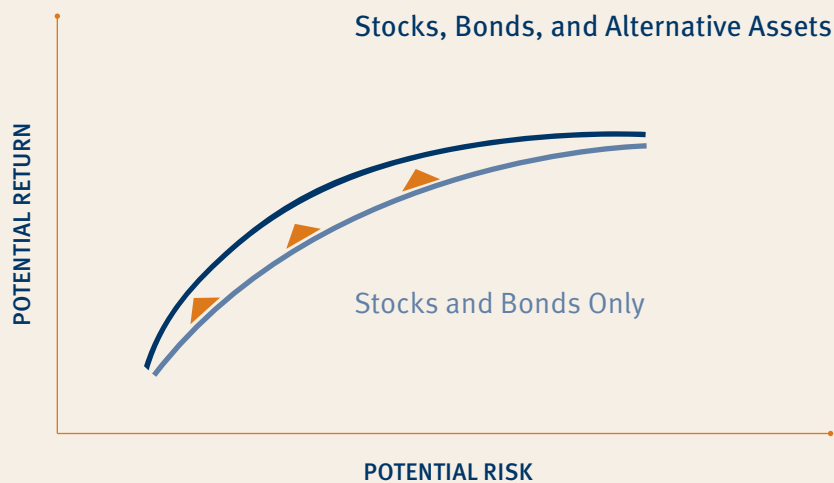
#### THE CONQUEST DIFFERENCE

**CONQUEST Alternative Portfolios** are a suite of professionally managed asset allocation portfolios that seek solid returns above the rate of inflation. Rather than focusing just on stocks or bonds, portfolios access a global opportunity set of traditional and alternative assets.

#### BEYOND STOCKS AND BONDS

Markets can move up and down like a roller coaster, creating both opportunity and risk. Adding alternative assets, such as commodities, hedge funds, and REITs alongside stocks and bonds may improve a portfolio's return and risk profile. This can happen when alternative assets move differently than either stocks or bonds. The addition of alternative investments alongside stocks and bonds can move the risk/reward curve up and to the left, as seen below. So for a given level of return, risk may be lowered, or for a given level of risk, return may be raised.

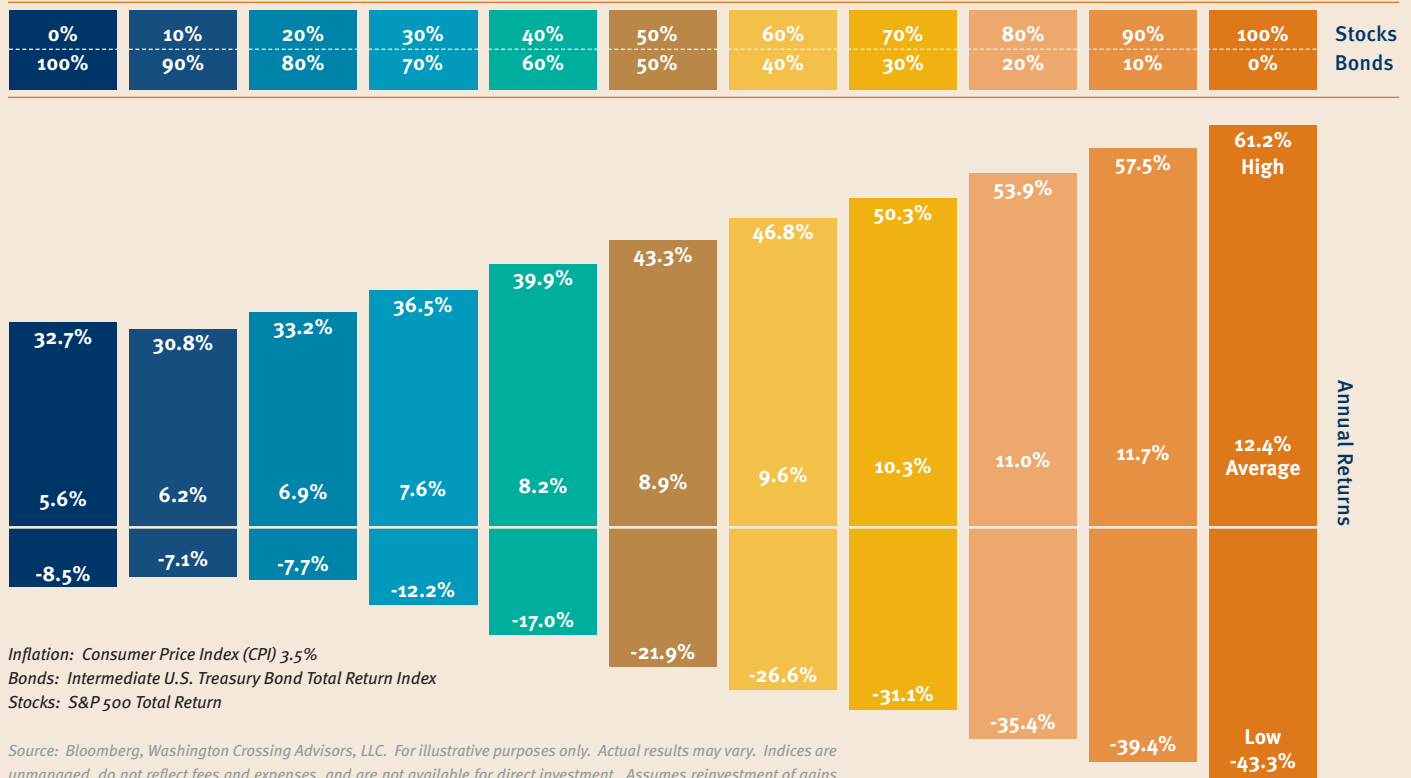
#### MARKOWITZ EFFICIENT FRONTIER\*



\* Harry Markowitz was an economist who received the Nobel Prize in Economics in 1990 for his work on modern portfolio theory.

Illustrative purposes only—not drawn to scale.

## EXAMPLE RETURNS BY ASSET MIX (1946-2019)



## ASSET CLASS RETURNS BY YEAR

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
REITs 25.8%	Gold 17.7%	REITs 20.4%	U.S. Equity 29.8%	REITs 27.8%	U.S. Equity 2.1%	High Yield 14.2%	EM Equity 31.1%	Cash 1.4%	U.S. Equity 31.5%
Gold 23.6%	Fixed Income 7.6%	U.S. Equity 17.0%	DM Equity 18.3%	U.S. Equity 16.0%	REITs 1.1%	U.S. Equity 11.8%	DM Equity 27.2%	Fixed Income -0.2%	REITs 28.2%
EM Equity 18.8%	REITs 5.6%	DM Equity 16.8%	Asset Alloc 6.6%	Asset Alloc 6.8%	Fixed Income 1.0%	EM Equity 9.3%	U.S. Equity 21.8%	Gold -2.1%	DM Equity 22.3%
U.S. Equity 14.1%	High Yield 5.4%	High Yield 15.3%	High Yield 6.0%	Fixed Income 5.5%	Cash 0.6%	Gold 7.6%	Gold 12.7%	High Yield -2.1%	EM Equity 18.2%
High Yield 13.4%	Asset Alloc 3.0%	EM Equity 15.0%	REITs 2.4%	EM Equity 2.4%	Asset Alloc -0.3%	REITs 7.1%	Asset Alloc 12.7%	Asset Alloc -4.4%	Gold 17.9%
Asset Alloc 10.2%	U.S. Equity 2.2%	Asset Alloc 10.5%	Cash 0.4%	High Yield 1.8%	DM Equity -2.5%	Asset Alloc 5.1%	REITs 10.8%	REITs -4.6%	Asset Alloc 16.7%
DM Equity 9.6%	Cash 1.6%	Fixed Income 4.7%	EM Equity -1.7%	Cash 0.6%	High Yield -4.2%	DM Equity 2.5%	High Yield 6.3%	U.S. Equity -5.4%	High Yield 14.1%
Fixed Income 5.5%	DM Equity -11.3%	Gold 2.7%	Fixed Income -1.9%	DM Equity -1.2%	Gold -10.8%	Fixed Income 2.0%	Fixed Income 3.8%	EM Equity -14.6%	Fixed Income 8.5%
Cash 1.9%	EM Equity -17.2%	Cash 0.4%	Gold -27.4%	Gold -1.9%	EM Equity -12.9%	Cash 0.7%	Cash 0.5%	DM Equity -14.9%	Cash 3.4%

*Source: Bloomberg, Washington Crossing Advisors, LLC. Please review the end of this document for important disclosures.*

## CONQUEST ALTERNATIVE PORTFOLIOS

Portfolios include stocks, bonds, mutual funds, closed-end funds, exchange traded funds, and alternative investments and are managed relative to our 3-5 year outlook for asset class performance. The strategy is offered with strategic management for greater tax efficiency, or active management with greater flexibility to respond to fundamental changes in markets and the economy. The CONQUEST Alternative Portfolios, along with their targeted neutral allocations, are shown below.

### MODERATELY AGGRESSIVE GROWTH

This strategy's sole emphasis is pursuing capital appreciation and growth. The portfolio may be appropriate for clients who have long time horizons, a high tolerance for risk, and/or have fixed income allocations in other investment accounts. Alternative investment strategies are utilized in an attempt to dampen equity volatility.

### GROWTH

This strategy's primary emphasis is pursuing capital appreciation. The portfolio may be appropriate for clients who have intermediate to long time horizons and a moderate to high tolerance for risk. Alternative investment strategies, in conjunction with a fixed income allocation, are utilized in an attempt to dampen equity volatility.

### GROWTH AND INCOME

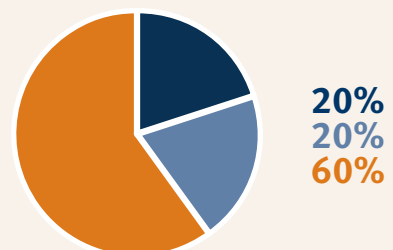
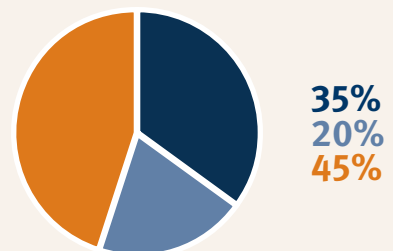
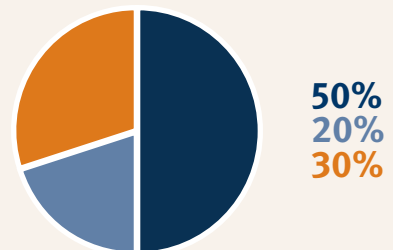
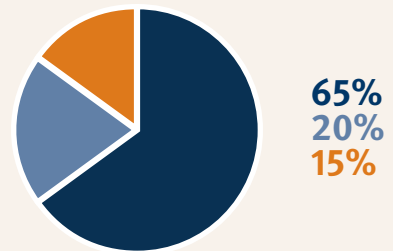
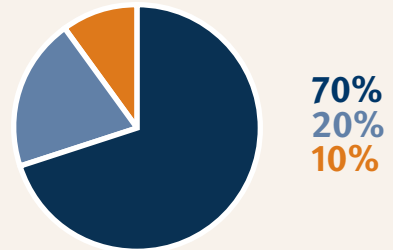
This strategy seeks to balance a capital appreciation approach with income. The portfolio may be appropriate for clients with intermediate to longer time horizons and a moderate tolerance for risk. Alternative investment strategies, in conjunction with a fixed income allocation, are utilized in an attempt to dampen equity volatility.

### INCOME AND GROWTH

This strategy seeks to balance an income approach with capital appreciation. The portfolio may be appropriate for clients who have an intermediate time horizon and a conservative to moderate tolerance for risk. Alternative investment strategies, in conjunction with a fixed income allocation, are utilized in an attempt to dampen equity volatility.

### INCOME

The strategy's primary emphasis is generating income with a secondary emphasis of pursuing capital appreciation. The portfolio may be appropriate for clients with intermediate to longer time horizons with a lower risk tolerance.



■ Stocks ■ Alternatives ■ Bonds

## ANNUALIZED RETURNS

PERIODS ENDING MARCH 31, 2020

## CONQUEST ALTERNATIVE PORTFOLIOS

	Q120*	YTD*	1 Year	3 Year	5 Year	Since Inception
<b>Moderately Aggressive Growth (Gross)</b>	<b>-17.90%</b>	<b>-17.90%</b>	-8.53%	1.15%	2.57%	6.64%
<b>Moderately Aggressive Growth (Net)</b>	<b>-18.07%</b>	<b>-18.07%</b>	-9.31%	0.28%	1.69%	5.79%
Benchmark Index	<b>-18.28%</b>	<b>-18.28%</b>	-9.20%	1.63%	2.53%	6.25%

Benchmark Index: 80% MSCI World Index /20% HFRI Fund of Funds Diversified Index. Inception: January 1, 2012. \*Periodic Return.

<b>Growth (Gross)</b>	<b>-16.56%</b>	<b>-16.56%</b>	-7.35%	1.18%	2.26%	5.82%
<b>Growth (Net)</b>	<b>-16.75%</b>	<b>-16.75%</b>	-8.19%	0.24%	1.37%	4.96%
Benchmark Index	<b>-13.84%</b>	<b>-13.84%</b>	-5.28%	2.53%	2.81%	5.77%

Benchmark Index: 65% MSCI World Index /20% HFRI Fund of Funds Diversified Index /15% Bloomberg Barclays Aggregate Bond Index. Inception: January 1, 2012. \*Periodic Return.

<b>Growth and Income (Gross)</b>	<b>-12.56%</b>	<b>-12.56%</b>	-3.87%	2.15%	2.52%	5.41%
<b>Growth and Income (Net)</b>	<b>-12.79%</b>	<b>-12.79%</b>	-4.88%	1.12%	1.50%	4.44%
Benchmark Index	<b>-9.41%</b>	<b>-9.41%</b>	-1.50%	3.30%	3.01%	5.23%

Benchmark Index: 50% MSCI World /30% Bloomberg Barclays Aggregate Bond Treasury /20% HFRI Fund of Funds Diversified Index. Inception: January 1, 2012. \*Periodic Return.

<b>Income and Growth (Gross)</b>	<b>-8.81%</b>	<b>-8.81%</b>	-0.70%	2.93%	2.62%	4.95%
<b>Income and Growth (Net)</b>	<b>-9.02%</b>	<b>-9.02%</b>	-1.68%	1.94%	1.60%	4.00%
Benchmark Index	<b>-4.97%</b>	<b>-4.97%</b>	2.14%	3.94%	3.12%	4.61%

Benchmark Index: 45% Bloomberg Barclays Aggregate Bond Treasury /35% MSCI World /20% HFRI Fund of Funds Diversified Index. Inception: January 1, 2012. \*Periodic Return.

<b>Income (Gross)</b>	<b>-4.82%</b>	<b>-4.82%</b>	2.49%	3.61%	2.83%	4.48%
<b>Income (Net)</b>	<b>-5.08%</b>	<b>-5.08%</b>	1.42%	2.48%	1.72%	3.38%
Benchmark Index	<b>-0.54%</b>	<b>-0.54%</b>	5.63%	4.44%	3.15%	3.92%

Benchmark Index: 60% Bloomberg Barclays Aggregate Bond Treasury /20% MSCI World /20% HFRI Fund of Funds Diversified Index. Inception: January 1, 2012. \*Periodic Return.

Past performance should not and cannot be viewed as an indicator of future performance. Indices are unmanaged, and it is not possible to invest directly in an index. All benchmark returns presented are provided to represent the investment environment existing during the time periods shown. Actual investment performance will vary due to fees and expenses. For comparison purposes, the benchmarks include the reinvestment of income. The benchmarks are unmanaged and unavailable for direct investment.

Please review the end of this document for important disclosures.

## CALENDAR YEAR RETURNS

### CONQUEST ALTERNATIVE PORTFOLIOS

	2013	2014	2015	2016	2017	2018	2019
<b>Moderately Aggressive Growth (Gross)</b>	20.57%	8.74%	-4.13%	10.65%	16.42%	-7.12%	22.50%
<b>Moderately Aggressive Growth (Net)</b>	19.70%	7.95%	-4.93%	9.71%	15.41%	-7.91%	21.45%
Benchmark Index	20.05%	4.01%	-1.92%	6.38%	20.55%	-8.19%	22.90%

Benchmark Index: 80% MSCI World Index /20% HFRI Fund of Funds Diversified Index. Inception: January 1, 2012.

<b>Growth (Gross)</b>	17.17%	8.26%	-4.44%	9.51%	14.06%	-6.37%	21.48%
<b>Growth (Net)</b>	16.28%	7.36%	-5.15%	8.63%	12.96%	-7.23%	20.41%
Benchmark Index	16.22%	4.15%	-1.44%	5.36%	17.30%	-6.65%	19.94%

Benchmark Index: 65% MSCI World Index /20% HFRI Fund of Funds Diversified Index /15% Bloomberg Barclays Aggregate Bond Index. Inception: January 1, 2012.

<b>Growth and Income (Gross)</b>	13.49%	7.51%	-4.17%	8.16%	11.84%	-4.83%	18.86%
<b>Growth and Income (Net)</b>	12.50%	6.54%	-5.08%	7.09%	10.75%	-5.77%	17.63%
Benchmark Index	12.38%	4.28%	-0.96%	4.33%	14.05%	-5.11%	16.98%

Benchmark Index: 50% MSCI World /30% Bloomberg Barclays Aggregate Bond Treasury /20% HFRI Fund of Funds Diversified Index. Inception: January 1, 2012.

<b>Income and Growth (Gross)</b>	10.34%	7.15%	-3.92%	6.65%	9.62%	-3.30%	16.24%
<b>Income and Growth (Net)</b>	9.51%	6.30%	-4.84%	5.51%	8.56%	-4.20%	15.09%
Benchmark Index	8.55%	4.41%	-0.48%	3.31%	10.80%	-3.57%	14.02%

Benchmark Index: 45% Bloomberg Barclays Aggregate Bond Treasury /35% MSCI World /20% HFRI Fund of Funds Diversified Index. Inception: January 1, 2012.

<b>Income (Gross)</b>	5.10%	6.76%	-2.85%	5.17%	7.43%	-1.94%	13.48%
<b>Income (Net)</b>	4.04%	5.64%	-3.90%	4.06%	6.24%	-3.02%	12.29%
Benchmark Index	4.72%	4.55%	0.00%	2.28%	7.56%	-2.03%	11.06%

Benchmark Index: 60% Bloomberg Barclays Aggregate Bond Treasury /20% MSCI World /20% HFRI Fund of Funds Diversified Index. Inception: January 1, 2012.

Past performance should not and cannot be viewed as an indicator of future performance. Indices are unmanaged, and it is not possible to invest directly in an index. All benchmark returns presented are provided to represent the investment environment existing during the time periods shown. Actual investment performance will vary due to fees and expenses. For comparison purposes, the benchmarks include the reinvestment of income. The benchmarks are unmanaged and unavailable for direct investment.

Please review the end of this document for important disclosures.

## INDEX DESCRIPTIONS

**The Consumer Price Index (CPI)** is a measure of the average change in prices over time for a basket of consumer goods.

**The Standard & Poor's 500 Index** is a capitalization-weighted index that is generally considered representative of the U.S. large capitalization market.

**The ICE U.S. Treasury 1-3 Year Bond Index** is a market value-weighted index designed to measure the performance of U.S. dollar-denominated, fixed rate U.S. Treasury securities with minimum term to maturity greater than one year and less than or equal to three years.

**The Markit iBoxx USD Liquid High Yield Index** consists of liquid USD high yield bonds, selected to provide a balanced representation of the broad USD high yield corporate bond universe.

**The FTSE Developed All Cap ex U.S. Index** is part of a range of indices designed to benchmark international investments. The index comprises large, mid, and small cap stocks from developed markets excluding the U.S.

**The FTSE Emerging Markets All Cap China A Inclusion Index** is a market capitalization-weighted index representing the performance of large, mid, and small cap stocks in emerging markets. The index is comprised of approximately 3,350 securities from 21 countries.

**The Dow Jones U.S. Select REIT Index** intends to measure the performance of publicly traded REITs and REIT-like securities. The index is a subset of the Dow Jones U.S. Select Real Estate Securities Index (RESI), which represents equity real estate investment trusts (REITs) and real estate operating companies (REOCs) traded in the U.S.

**The MSCI World Index** is a free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of developed markets.

**The HFRI Fund of Funds Diversified Index** is designed to be representative of Fund of Funds classified as diversified. Fund of Funds invest with multiple managers through funds or managed accounts. Fund of Funds classified as "diversified" exhibit one or more of the following characteristics: invests in a variety of strategies among multiple managers; historical annual return and/or a standard deviation generally similar to the HFRI Fund of Fund Composite index; demonstrates generally close performance and returns distribution correlation to the HFRI Fund of Fund Composite Index.

**The Bloomberg Barclays U.S. Aggregate Index** is comprised of the Bloomberg Barclays Capital U.S. Government/Credit Index and the Bloomberg Barclays Capital Mortgage-Backed Securities Index. All issues in the index are rated investment grade or higher, have a least one year to maturity, and have an outstanding par value of at least \$100 million.

**The MSCI Emerging Markets Index** is a free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of emerging markets. The MSCI EAFE Index (Europe, Australasia, and the Far East) is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada.

## DISCLOSURES

All performance calculations of indices are calculated on a total return basis (reflecting reinvestment of dividends and other earnings) but do not reflect management fees, expenses, or taxes. Indices are unmanaged, are not available for direct investment. Past performance is no guarantee of future results. Alternative investments are assets that tend to move in a less correlated way with equity markets. Alternative investments may include, but are not limited to: Real Estate Investment Trusts (REITs), Commodities, Futures, Hedge Funds, Venture Capital, Limited Partnerships, as well as mutual funds and/or exchange traded funds that include a portfolio of alternative investments.

**Asset Allocation:** Asset allocation does not ensure a profit or protect against loss.

**Bonds and High-Yield Bonds:** When investing in bonds, it is important to note that as interest rates rise, bond prices will fall. High-yield bonds have greater credit risk than higher-quality bonds.

**Commodities and Futures:** The risk of loss in trading commodities and futures can be substantial. You should therefore carefully consider whether such trading is suitable for you in light of your financial condition. The high degree of leverage that is often obtainable in commodity trading can work against you as well as for you. The use of leverage can lead to large losses as well as gains.

**Hedge Funds:** Investors should be aware that hedge funds often engage in leverage, short-selling, arbitrage, hedging, derivatives, and other speculative investment practices that may increase investment loss. Hedge funds can be highly illiquid, are not required to provide periodic pricing or valuation information to investors, and often charge high fees that can erode performance. Additionally, they may involve complex tax structures and delays in distributing tax information. While hedge funds may appear similar to mutual funds, they are not necessarily subject to the same regulatory requirements as mutual funds.

**International and Emerging Markets Investing:** 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.

**Mutual Funds and Exchange Traded Funds:** The investment return and principal value of funds will fluctuate, and an investor's shares, when redeemed, may be worth more or less than their original cost. ETFs trade throughout the day like a stock and may trade for less than their net asset value.

**Real Estate:** When investing in real estate companies, property values can fall due to environmental, economic, or other reasons, and changes in interest rates can negatively impact the performance.

**Performance Disclosures:** All returns are from the period beginning January 1, 2012, which is the inception date for the program. Past performance is not a guarantee of future results, and investments are not guaranteed or FDIC insured and may lose value. Actual performance for a client may differ due to such factors as timing, economic and market conditions, cash flows, and client constraints. Results are shown on a gross and net of fee basis and do not take into consideration dividends or income. Gross of fees means that the figures do not reflect any deductions for investment management fees, trading costs, taxes, or any other costs associated with a managed account. Net of fees means that the figures reflect deductions for investment management fees and trading costs, but do not reflect taxes. Significant disruptions in market or economic conditions may impact the results portrayed. Please refer to WCA's ADV Part 2 for additional disclosures regarding the firm and its practices.

**Asset Class Returns By Year:** Cash: ICE U.S. Treasury 1-3 Year Bond Index; Fixed Income: Bloomberg Barclays Aggregate Index; High Yield: Markit iBoxx USD Liquid High Yield Index; U.S. Equity: S&P 500; DM Equity: FTSE Developed All Cap ex US Index; EM Equity: FTSE Emerging Markets All Cap China A Inclusion Index; REITs: Dow Jones Select U.S. Real Estate Index; Gold: Gold Spot Price; Asset Alloc: Assumed Asset Allocation Weights: 1% Cash, 20% U.S. Stocks, 17% Foreign Developed Stocks, 3% Emerging Stocks, 50% Diversified Fixed Income, 3% REITs, 3% Gold, 3% High Yield. Assumes annual rebalancing, which may have tax consequences. You cannot invest directly in an index. Assumes reinvestment of gains and dividends. Past performance is not a guarantee of future returns. For illustrative purposes only. Actual results may vary.