

# WASHINGTON CROSSING ADVISORS

## Asset Allocation Delivered More Consistent Performance

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>REITs</b> 27.8%	U.S. Equity 2.1%	High Yield 14.2%	EM Equity 31.1%	Cash 1.4%	U.S. Equity 31.5%	Gold 24.8%	REITs 38.9%	Gold -0.3%	U.S. Equity 26.3%
U.S. Equity 16.0%	<b>REITs</b> 1.1%	U.S. Equity 11.8%	DM Equity 27.2%	Fixed Income -0.2%	<b>REITs</b> 28.2%	U.S. Equity 18.4%	U.S. Equity 28.7%	Cash -3.8%	DM Equity 18.3%
<b>Asset Alloc</b> 6.8%	Fixed Income 1.0%	EM Equity 9.3%	U.S. Equity 21.8%	Gold -2.1%	DM Equity 22.3%	EM Equity 17.0%	DM Equity 11.9%	High Yield -10.7%	REITs 13.9%
Fixed Income 5.5%	Cash 0.6%	Gold 7.6%	Gold 12.7%	High Yield -2.1%	EM Equity 18.2%	<b>Asset Alloc</b> 10.3%	<b>Asset Alloc</b> 8.3%	Fixed Income -13.0%	Gold 13.1%
EM Equity 2.4%	<b>Asset Alloc</b> -0.3%	REITs 7.1%	<b>Asset Alloc</b> 12.7%	<b>Asset Alloc</b> -4.4%	Gold 17.9%	DM Equity 9.7%	High Yield 4.5%	<b>Asset Alloc</b> -14.4%	High Yield 12.9%
High Yield 1.8%	DM Equity -2.5%	<b>Asset Alloc</b> 5.1%	REITs 10.8%	REITs -4.6%	<b>Asset Alloc</b> 16.7%	Fixed Income 7.5%	EM Equity 1.8%	DM Equity -15.3%	<b>Asset Alloc</b> 12.7%
Cash 0.6%	High Yield -4.2%	DM Equity 2.5%	High Yield 6.3%	U.S. Equity -5.4%	High Yield 14.1%	High Yield 4.7%	Cash -0.6%	EM Equity -17.3%	EM Equity 9.9%
DM Equity -1.2%	Gold -10.8%	Fixed Income 2.0%	Fixed Income 3.8%	EM Equity -14.6%	Fixed Income 8.5%	Cash 3.2%	Fixed Income -1.5%	U.S. Equity -18.1%	Fixed Income 5.5%
Gold -1.9%	EM Equity -12.9%	Cash 0.7%	Cash 0.5%	DM Equity -14.9%	Cash 3.4%	REITs -5.3%	Gold -3.5%	REITs -25.9%	Cash 4.2%

Source: Bloomberg, Washington Crossing Advisors, LLC. Past performance is not a guarantee of future returns. Cash: ICE U.S. Treasury 1-3 Year Bond Index; Fixed Income: Bloomberg Barclays U.S. Aggregate Bond Index; High Yield: Markit iBoxx USD Liquid High Yield Index; U.S. Equity: S&P 500; DM Equity: FTSE Developed All Cap ex U.S. 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. For illustrative purposes only. Actual results may vary.

*“Dedicated to advancing the interests of clients and their trusted advisors.”*

# Investment Strategies

We believe that investments should be selected only after clear and quantified measures of value, risk, and potential reward have been made. Our investment approach combines top-down analysis of the macro economy with fundamentally rooted, bottom-up security analysis.

## EQUITY INVESTING

We seek quality businesses with low volatility that are consistently profitable, growing, and well capitalized at reasonable prices.

- **Victory All-Cap Value Portfolio:** The portfolio objective is to buy companies that are growing, profitable, and well capitalized at prices significantly below our assessment of intrinsic value. The portfolio may invest in equities and hold cash whenever candidates cannot be found that meet the strategy's quantitative criteria based on price and fundamentals.
- **Rising Dividend Portfolio:** A rising dividend strategy offers investors a portfolio of quality, dividend-paying companies with strong dividend growth potential. Companies must demonstrate at least five years of dividend increases and appear to be able to sustain a rising dividend in the years ahead based on profitability and payout.

## FIXED INCOME INVESTING

- **Laddered Bond Portfolio:** The strategy seeks to generate a stream of income from a portfolio of 30 investment-grade corporate bonds. Bonds are "laddered" with maturities ranging from one to ten years with an average maturity near 5-6 years. The portfolio's yield will adjust as bonds mature and are replaced.

## BALANCED STRATEGY

- **Income Builder Portfolio:** Combines the Rising Dividend Portfolio and the Laddered Bond Portfolio in a single account with a 60% target equity exposure and a 40% bond exposure.

## ASSET ALLOCATION STRATEGIES

- **Conquest Portfolios:** Asset allocation portfolios seek to balance risk and reward by apportioning portfolio assets according to the investor's goals, risk tolerance, and investment horizon. Portfolios seek strong returns relative to underlying inflation and are constructed with a forward-looking view of financial markets.

## FOR MORE INFORMATION, PLEASE CONTACT US:

- **Kevin R. Caron, CFA**—Senior Portfolio Manager | (973) 549-4051 | [kevin@washingtoncrossingadvisors.com](mailto:kevin@washingtoncrossingadvisors.com)
- **Chad A. Morganlander**—Senior Portfolio Manager | (973) 549-4052 | [chad@washingtoncrossingadvisors.com](mailto:chad@washingtoncrossingadvisors.com)
- **Matthew J. Battipaglia**—Portfolio Manager | (973) 549-4047 | [matt@washingtoncrossingadvisors.com](mailto:matt@washingtoncrossingadvisors.com)
- **Steven J. Lerit, CFA**—Head of Portfolio Risk Management | (973) 549-4028
- **Thomas J. Serzan**—Senior Equity Analyst | (973) 549-4335
- **Suzanne E. Ashley**—Client Relationship Manager | (973) 549-4168 | [suzanne@washingtoncrossingadvisors.com](mailto:suzanne@washingtoncrossingadvisors.com)

## Disclaimers

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

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

**Bloomberg Barclays U.S. Aggregate Bond Index:** The Bloomberg Barclays U.S. Aggregate Bond Index is a broad-based flagship benchmark that measures the investment-grade, U.S. dollar denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), and ABS and CMBS (agency and non-agency).

**Markit iBoxx USD Liquid High Yield Index:** 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.

**FTSE Developed All Cap Ex U.S. Index:** The FTSE Developed All Cap Ex U.S. Index is a market-capitalization weighted index representing the performance of large, mid and small cap companies in developed markets, excluding the USA.

**FTSE Emerging Markets All Cap China A Inclusion Index:** 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.

**Dow Jones U.S. Select REIT Index:** The Dow Jones U.S. Select REIT Index tracks the performance of publicly traded REITs and REIT-like securities and is designed to serve as a proxy for direct real estate investment, in part by excluding companies whose performance may be driven by factors other than the value of real estate.

All performance calculations of indices are calculated on a total return basis (reflecting reinvestment of dividends and other earnings). Indices are unmanaged, are not available for direct investment, and have no associated management fees.

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.

**Dividend-Paying Stocks:** Changes in market conditions or a company's financial condition may impact a company's ability to continue to pay dividends. Companies may also choose to discontinue dividend payments.

**Bonds:** 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. You should therefore carefully consider whether interest rate and default risk are suitable for you in light of your financial condition. Bond laddering does not assure a profit or protect against loss in a declining market. Yields and market values will fluctuate, and if sold prior to maturity, bonds may be worth more or less than the original investment.

International investing involves special considerations, 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. Asset allocation and diversification do not assure a profit and may not protect against loss in declining markets.

Exchange Traded Funds (ETFs) represent a share of all the stocks in their respective index held in a trust. Therefore, ETFs are subject to market risk, including the possible loss of principal. The value of the portfolio will fluctuate with the value of the underlying securities, and ETFs may trade for less than their net asset value. ETFs trade like a stock, and there will be brokerage commissions associated unless trading occurs in a fee-based account. Investors should consider carefully the investment objective, risks, charges, and expenses before investing in an ETF. The prospectus, which contains this and other important information, is available from an investment professional and should be read carefully before investing.

**Description of Indices and Terms:** All performance calculations of indices are calculated on a total return basis (reflecting reinvestment of dividends and other earnings). Indices are unmanaged, are not available for direct investment, and have no associated management fees.

Utilizing alternative investments involves substantial risk and presents the opportunity for significant losses, including in some cases losses which exceed the principal amount invested. Alternative investments have experienced periods of extreme volatility and, in general, are not suitable for all investors.

The information contained herein has been prepared from sources believed to be reliable but is not guaranteed by us 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. 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. There is no guarantee that the figures or opinions forecasted in this report will be realized or achieved. Employees of Stifel, Nicolaus & Company, Incorporated or its affiliates may, at times, release written or oral commentary, technical analysis, or trading strategies that differ from the opinions expressed within. Past performance is no guarantee of future results. Indices are unmanaged, and you cannot invest directly in an index.

Asset allocation and diversification do not ensure a profit and may not protect against loss. 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. Small company stocks are typically more volatile and carry additional risks, since smaller companies generally are not as well established as larger companies. Property values can fall due to environmental, economic, or other reasons, and changes in interest rates can negatively impact the performance of real estate companies. 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. 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.

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.

This commentary may express opinions about the direction of market, investment sector and other trends. The opinions should not be considered predictions of future results. The information contained in this report is based on sources believed to be reliable, but is not guaranteed and not necessarily complete.

Washington Crossing Advisors, LLC is a wholly owned subsidiary and affiliated SEC Registered Investment Adviser of Stifel Financial Corp (NYSE-SF).