

MUTUAL FUND & ETF ADVISOR

FUNDAMENTALS

The Stifel Fundamentals Program (Fundamentals) is an open-end mutual fund and exchange traded fund advisory wrap program that, at the client's determination, may either give Stifel trading authority ("discretionary") or allow the client to retain control ("non-discretionary") over day-to-day portfolio management decisions in the account. Stifel Financial Advisors work with clients to determine which program option best suits their needs and provide ongoing guidance to help ensure that investment objectives are met.

The five-step consultative advisory process



Professional Portfolio Management or Client Involvement

Discretionary Managed Accounts

Clients who do not have the time, interest, or expertise to make day-to-day, ongoing decisions regarding asset allocation, which funds to buy, sell, or hold, and when to rebalance their account will appreciate the convenience gained by choosing professional portfolio management available through Fundamentals' discretionary option.

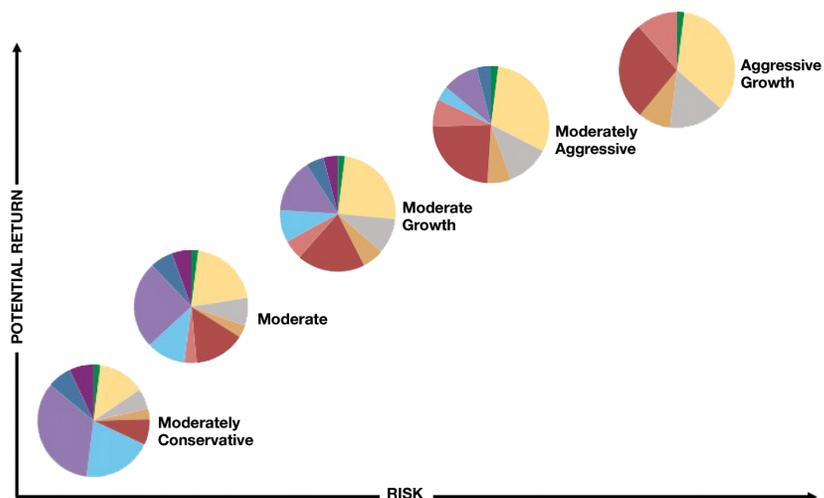
Non-Discretionary Accounts

Clients who prefer to remain more actively involved in the day-to-day decisions regarding their investments will want to select the non-discretionary version of Fundamentals.

Stifel Discretionary Portfolio Management – Model Solutions

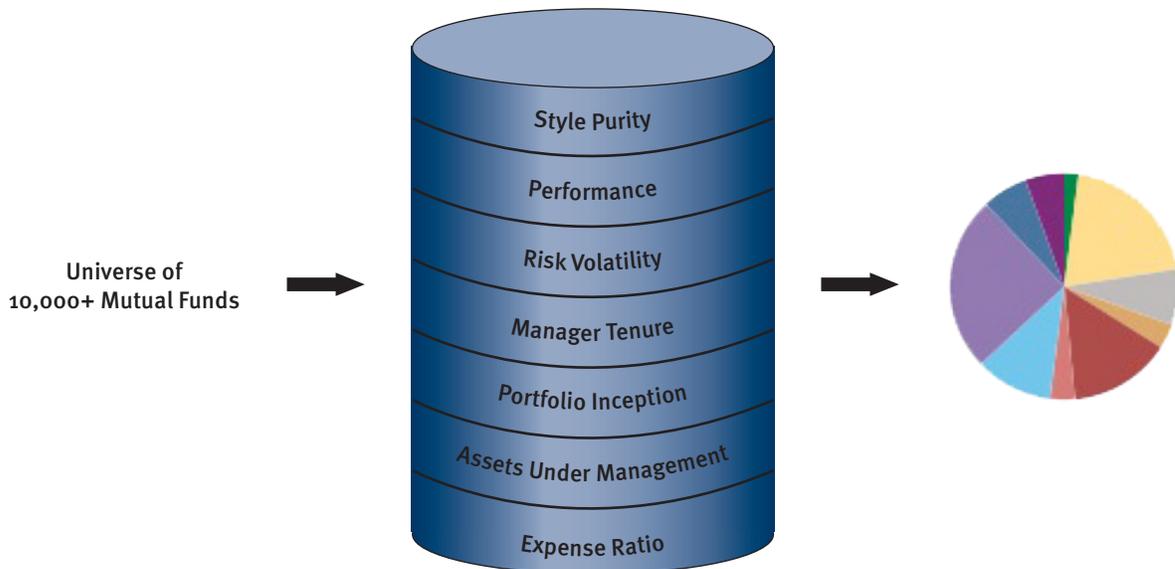
Stifel has developed and actively manages a number of model portfolios for clients who understand the value of professional money management. No matter your age or investment objective, Stifel has a portfolio to suit your individual needs. We will select the portfolio that best meets your requirements for growth or income. Clients can choose between a more "active" investment approach, which uses mutual funds, or a more "passive" approach that uses exchange traded funds. Mutual fund portfolios available include models diversified across a wide variety of families or those with concentration in funds managed by the American Funds Group.

Sample Asset Allocation Portfolios



Research

The Stifel Traditional Products Research Group conducts thorough due diligence reviews, including one-on-one meetings with many mutual fund portfolio managers, as part of its comprehensive multi-factor screening and selection process. Managers are selected for inclusion in Fundamentals discretionary accounts based on a variety of criteria, including manager tenure and risk-adjusted performance. No proprietary mutual funds are used in Fundamentals, ensuring complete objectivity. Stifel research is the building block on which discretionary accounts are managed.



Strategic Asset Allocation

Studies suggest that asset allocation affects the variance in your portfolio's performance more than any other factor, making it even more important than either security selection or market timing. Perhaps most importantly, a proper asset allocation mix can reduce overall portfolio volatility. However, asset allocation does not ensure a profit or protect against loss. As market forces increase or decrease target allocations, Stifel discretionary Fundamentals accounts are automatically rebalanced. This may have tax consequences, which you should discuss with your tax advisor.

Ongoing Monitoring and Performance Reporting

Systematic, ongoing monitoring of your portfolio's progress is another valuable component of Stifel's consulting services process.

On a quarterly basis, we will provide you with a performance report that you and your Financial Advisor can review to monitor your portfolio's performance. Written confirmations will notify you of any and all trading activity taking place in your account. On a monthly basis, Stifel brokerage statements will identify and update all contributions, disbursements, dividends, interest earned, purchases, sales, and total value of your portfolio. In addition, Stifel will provide you with a detailed year-end capital gains and losses report (realized and unrealized) to help you with tax planning and preparation.

Your Stifel Financial Advisor is readily available to assist you in analyzing your quarterly performance report, answer any questions you may have, help you take action when necessary, and most of all, guide you toward your long-term goals.

Asset-Based Fee

Fundamentals clients pay an annual fee for all of Stifel's services, investment management (discretionary accounts only), trading, custody, clearing, performance reporting, and ongoing advice from your Stifel Financial Advisor. The fee is assessed each quarter and can be conveniently and automatically paid directly from your Fundamentals account.



IMPORTANT DISCLOSURE



Investors should consider a fund's investment objective, risks, charges, and expenses carefully before investing. Prospectuses for mutual funds and exchange traded funds (ETFs) offered in the program are available through your Financial Advisor and include this and other important information. You should read the prospectus carefully before investing.

The investment return and principal value 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. Mutual funds charge advisory fees and other internal expenses that are separate and distinct from the annual fee charged by Stifel. There may be other costs associated with this program, including but not limited to exchange fees, transfer taxes, interest expense, and closing costs. Ask your Financial Advisor for a Disclosure Brochure and Client Agreement which further outline the fees, services, and disclosures associated with this program. Investors should consider all terms and conditions before deciding whether this program is appropriate for their needs. \$25,000 minimum investment applies.

The Sample Asset Allocation Portfolios are intended to provide a guide in the allocation of your total financial assets. The Portfolio selected is based upon the written information provided by you and your responses to Stifel's Risk Tolerance Questionnaire. Stifel does not predict nor guarantee actual results of an asset allocation or investments made in connection with a suggested allocation. Stifel encourages you to periodically review your allocation with your Financial Advisor.