Washington Crossing Advisors

Rising Dividend Portfolio
Large Cap Value

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PORTFOLIO PROFILE SHEET

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About Washington Crossing Advisors
WCA strategies are offered through the Stifel Score Program (Research-Driven Portfolios). The management team has worked together for the past 20 years as market strategists and portfolio managers.

About Stifel
Founded in 1890, Stifel is one of the leading financial services firms in the U.S., providing full-service brokerage and investment banking services. Stifel is a leading underwriter and advisor for companies and a top provider of trade execution and securities distribution with nationally recognized research and a suite of asset management strategies.

Score
Research-Driven Portfolios
STIFEL

The **WCA RISING DIVIDEND PORTFOLIO** seeks to access blue-chip companies with rising dividends at attractive valuations. 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 Rising Dividend 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.

YIELD AND CAPITAL GROWTH

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.

DIVERSIFICATION

Because the portfolio does not focus solely on yield, the WCA Rising Dividend Portfolio is free to invest across many sectors and industries. We limit exposure to a single sector to 30%. While diversification does not eliminate the risk of investing, and losses are possible in diversified portfolios, the goal is to increase returns while reducing risk.

PORTFOLIO STATISTICS

	Portfolio	S&P 500
Market Capitalization ($Bil)	$102.0	$150.1
Return on Assets	6.4%	2.6%
Leverage	3.0	4.7
Enterprise Value to Sales	2.9	4.0
Dividend Yield	2.5%	2.2%
Dividend Growth (5-Year)	9.2%	9.0%
Expected Turnover	10-20%	—

Source: Bloomberg

SECTOR EXPOSURE

Consumer Discretionary	13%
Consumer Staples	33%
Energy	0%
Financials	3%
Healthcare	21%
Industrials	16%
Materials	3%
Technology	7%
Utilities	4%
Cash	1%

As of December 31, 2016

Simply buying dividends is not a sufficient reason for owning a portfolio of dividend-paying stocks. However, a portfolio of profitable companies that are generating stable and increasing dividends is an attractive place to start when seeking quality investments that can potentially pay you a rising stream of current income over time.

DIVIDENDS AS A MARK OF QUALITY

Not all companies can build value and grow their dividend at the same time. Those that can, however, often possess a durable competitive advantage that allows them to sustain both objectives over time. They also must have cash on hand in order to pay a dividend, and have some level of confidence that cash will be available in the future if they expect to maintain, or increase, the dividend. Companies with unpredictable earnings or precarious balance sheets, may be less inclined to pay a dividend. Hence, we view consistency in dividends as a potential hallmark of financial health and fundamental quality.

BALANCING DIVIDENDS WITH GROWTH FOR TOTAL RETURN

Between 1925 and 2010, the S&P 500 has provided a total return to investors, including reinvested dividends, of approximately 9.9%. Not counting the historic role of dividends would have lowered the return to 5.5%. Of course, the performance of markets have much to do with other factors that influence the profitability and attractiveness of the overall stock market or specific companies from one period to the next. Often, it is more desirable for a company to grow its equity value through profitable reinvestment in higher returning projects, rather than paying dividends to shareholders. This strategy seeks to balance the desire for a rising stream of cash dividends today with capital appreciation over time through the growth of value in profitable businesses.

DIVIDENDS AND INFLATION

Inflation erodes the value of money over time. Therefore, dollars received earlier have greater value than dollars to be received far in the future. When companies pay dividends, they are returning a portion of profits to shareholders sooner rather than later. This means that current dividends are less affected by the corrosive effects of inflation. Many investors look to their overall financial portfolio as a source of income in retirement. Those investors have come to view dividend-paying companies as one way of generating a higher level of current income compared to some other equity strategies that focus more on future growth.

Investors who are moving from the accumulation phase of the investing cycle and who need to create an income stream to keep up with the cost of living during retirement may find a portfolio of high-quality, dividend-paying stocks a valuable component of their overall investment strategy.

TOP TEN PORTFOLIO HOLDINGS

3M Company	MMM
Becton Dickinson Company	BDX
Medtronic PLC	MDT
Microsoft Corp.	MSFT
Raytheon Company	RTN
Smucker Jam Company	SJM
Stanley Black & Decker	SWK
Sysco Corp.	SYY
United Health Group	UNH
Walgreens Boots Alliance	WBA

As of December 31, 2016

The Top 10 holdings are determined by percentage of portfolio allocation and are subject to change. The above is for illustrative purposes only and not intended as personalized recommendations. The securities identified and described do not represent all of the securities purchased, sold, or recommended for client accounts. You should not assume that an investment in the securities identified was or will be profitable.

ANNUALIZED RETURNS — PERIODS ENDING DECEMBER 31, 2016

	Q416	1 Year	3 Year	5 Year	Since Inception
Rising Dividend Portfolio (Gross of Fees)	0.84%	13.24%	10.77%	14.00%	12.35%
Rising Dividend Portfolio (Net of Fees)	0.47%	11.56%	9.14%	12.29%	10.62%
S&P 500 Index TR	3.82%	11.96%	8.87%	14.66%	11.53%

Inception: May 1, 2011

CALENDAR YEAR RETURNS

	2012	2013	2014	2015	2016
Rising Dividend Portfolio (Gross of Fees)	9.08%	29.86%	17.13%	2.47%	13.24%
Rising Dividend Portfolio (Net of Fees)	7.36%	27.91%	15.41%	0.97%	11.56%
S&P 500 Index TR	16.00%	32.39%	13.69%	1.38%	11.96%

SINCE INCEPTION RISK STATISTICS — PERIODS ENDING DECEMBER 31, 2016

	Standard Deviation	Sharpe Ratio	Batting Average	Up Capture	Down Capture	Beta	R-Squared
Rising Dividend Portfolio	9.89%	1.22	45.59%	86.06%	65.90%	0.78	85.30%
S&P 500 Index TR	11.64%	0.99	100.00%	100.00%	100.00%	1.00	100.00%

Risk statistics calculated using gross of fees performance.

DISCLOSURES

Past performance does not guarantee future performance or investment results. Actual performance for a client may differ due to such factors as timing, economic and market conditions, cash flows, and client constraints. The performance statistics shown in this profile are calculated based on composite performance beginning May 1, 2011 and ending with the date shown on this profile. Performance is based upon the asset-weighted performance of all client accounts invested in this strategy (accounts having investment restrictions may be removed from the composite for performance calculation purposes) and is shown on a gross and net of fee basis. 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. Indices are unmanaged, and it is not possible to invest directly in an index. Significant disruptions in market or economic conditions may impact the results portrayed.

The WCA Rising Dividend Portfolio requires a $35,000 minimum investment. Strategies in the Stifel Score Program are proprietary products developed by Stifel. More information on the Score Program is included in the Stifel Consulting Services Disclosure Brochure and Part II of the Manager's Form ADV, which may be obtained from your Financial Advisor and which further outlines the fees, services, exclusions, and disclosures associated with this program. The information contained herein is believed to be reliable and representative of the portfolios available through Stifel; however, the accuracy of this information cannot be guaranteed. Investors should consider all terms and conditions before deciding whether the Score Program is appropriate for their needs.

Changes in market conditions or a company's financial condition may impact the company's ability to continue to pay dividends. Companies may also choose to discontinue dividend payments.

DESCRIPTION OF TERMS

Batting Average

A measure of a manager's ability to beat the market consistently, the Batting Average is calculated by dividing the number of quarters in which the manager beat or matched an index by the total number of quarters in the period. For example, a manager who meets or outperforms the market every quarter in a given period would have a batting average of 100. A manager who beats the market half of the time would have a batting average of 50.

Beta

Beta measures the risk level of the manager. Beta measures the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. In contrast, alpha measures the nonsystematic return of the portfolio, and standard deviation measures the volatility of a portfolio's returns compared to the average return of the portfolio. A beta equal to one indicates a risk level equivalent to the market. Higher betas are associated with higher risk levels, while lower betas are associated with lower risk levels. Beta is calculated using regression analysis, and can be summarized by the tendency of a security's returns to respond to swings in the market. A beta of 1 indicates that the security's price will move with the market. A beta of less than 1 means that the security will be less volatile than the market. A beta of greater than 1 indicates that the security's price will be more volatile than the market. For example, if a stock's beta is 1.2, it's theoretically 20% more volatile than the market. A beta of greater than 1 offers the possibility of a higher rate of return, but also poses more risk.

Down Market Capture Ratio

Down-Market Capture Ratio is a measure of managers' performance in down markets relative to the market itself. A down market is one in which the market's quarterly return is less than zero. The lower the manager's down-market capture ratio, the better the manager protected capital during a market decline. A value of 90 suggests that a manager's losses were only 90% of the market loss when the market was down. A negative down-market capture ratio indicates that a manager's returns rose while the market declined. For example, if the market fell 8% while the manager's returns rose 2%, the down-market capture ratio would be -25%.

PEG Ratio

PEG Ratio reflects a stock's price/earnings ratio divided by annual earnings per share growth.

R-Squared

R-Squared is a statistic that measures the reliability of alpha and beta in explaining the manager's return as a linear function of the market. If you are searching for a manager with a particular style, for example a growth manager, you would expect that manager to have an R-Squared that is high relative to a growth index if the manager has a diversified portfolio. If the manager's return is explained perfectly, the R-Squared would equal 100, while an R-Squared of 0 would indicate that no relationship exists between the manager and the linear function. Higher R-Squared values indicate more reliable alpha and beta statistics and are useful in assessing a manager's investment style.

S&P 500 Index

The S&P 500 index is a broad market index that tracks the performance of large capitalization U.S. equities. The price return (PR) version does not account for dividends, it only captures the changes in the prices of the index components.

Sharpe Ratio

Sharpe Ratio is one of two alternative, yet similar, methods of measuring excess return per unit of risk. (The other method is the Treynor Ratio.) In the case of the Sharpe Ratio, risk is measured using the standard deviation of the returns in the portfolio. The Sharpe Ratio relates the difference between the portfolio return and the risk-free rate to the standard deviation of that difference for a given time period.

Standard Deviation

Standard Deviation is a gauge of risk which measures the spread of the difference of returns from their average. The more a portfolio's returns vary from its average, the higher the standard deviation. It is important to note that higher than average returns affect the standard deviation just as lower than average returns. Thus, it is not a measure of downside risk. Since it measures total variation of return, standard deviation is a measure of total risk, unlike beta, which measures market risk.

Up Market Capture Ratio

Up-Market Capture Ratio is a measure of managers' performance in up markets relative to the market itself. An up market is one in which the market's quarterly return is greater than or equal to zero. The higher the manager's up-market capture ratio, the better the manager capitalized on a rising market. For example, a value of 110 suggests that the manager captured 110% of the up market (performed ten percent better than the market) when the market was up. A negative up-market capture ratio indicates that a manager's returns fell while the market rose. For example, if the market gained 8% while a manager's returns fell 2%, the up-market capture ratio would be -25%.