

December 2011

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EquityCompass Strategies

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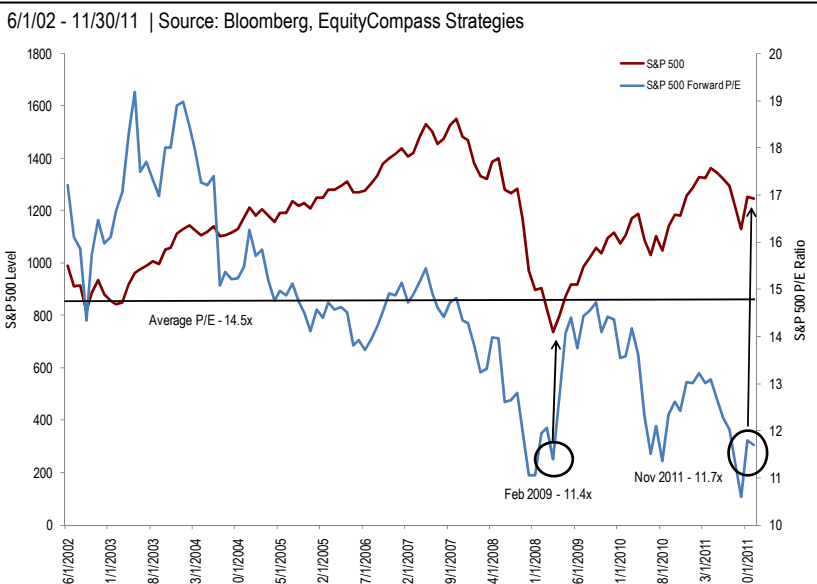
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Highlights:

- To the caveman emerging once a month, the stock market appeared to have dull performance with little change from the prior month. Investors riding the daily roller coaster of financial markets would say it was anything but dull. Maybe we can learn something from the caveman. (see page 6)
- The S&P 500 broke a string of deteriorating earnings expectations, with the first positive monthly increase since July of this year. However, we will need another month of improvement to move our Risk Manager to 100% long. (see page 8)
- Despite the overall bearish sentiment, corporate fundamentals are strong and we outline an equity strategy that focuses on the two most visible methods in which corporations can deliver value to shareholders: dividends and stock buybacks (see page 3)

Chart 1 S&P 500 Price Index and Forward P/E



EquityCompass Strategies is a research and investment advisory unit of Choice Financial Partners, Inc., a wholly owned subsidiary and affiliated SEC registered investment adviser of Stifel Financial Corp.

All relevant disclosures appear on page 20 of this report.

EquityCompass Strategies is a research and investment advisory unit of Choice Financial Partners Inc., an affiliated SEC registered investment adviser and a wholly owned subsidiary of Stifel Financial Corp. (NYSE: SF). EquityCompass leverages its strong research focus, implemented through a series of proprietary quantitative models, to offer a comprehensive range of investment portfolios and products to institutional and individual investors exclusively through its affiliate Stifel, Nicolaus & Company, Incorporated.

Extensive Investment Experience

- Investment portfolios managed using EquityCompass' strategies have been available on the Stifel platform since 2005.
- EquityCompass' investment team has been publishing investment research and stock recommendations since October 2001.
- The investment team is led by Richard Cripps, CIO — former Managing Director of Portfolio Strategy at Stifel and former Chief Market Strategist and Co-Chairman of the investment committee at Legg Mason Wood Walker.

Research-Driven, Risk-Managed Portfolio Strategies

- Incorporate fundamental, technical, and behavioral insights evolving from original research by EquityCompass professionals.
- Portfolios are designed to maximize expected returns by focusing on stock selection while incorporating rigorous risk management.
- The investment team collaborates to leverage ideas, research and expertise in making investment decisions on all strategies.

Portfolio Strategies Available for Investment via Stifel

Global Asset Allocation

Tactical Total Core (TTC)	Stock/bond strategy that seeks to effectively capture market returns while minimizing volatility.
Tactical Total Core—Municipal (MTTC)	

Global Equity

Tactical Core Equity (TCE)	Risk-managed equity portfolio that seeks to achieve returns in excess of the stock market returns while minimizing volatility.
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U.S. Equity

Quality Dividend (QDIV)	Diversified strategy of 25 high-quality, high-yielding stocks that integrates quantitative and qualitative approaches.
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Research Opportunity (ROPP)	Integrates insights from Stifel's award-winning equity research and EquityCompass' quantitative investment process.
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Select Quality (SQLT)	Sector balanced strategy investing in high quality, underpriced stocks with favorable value and price momentum characteristics.
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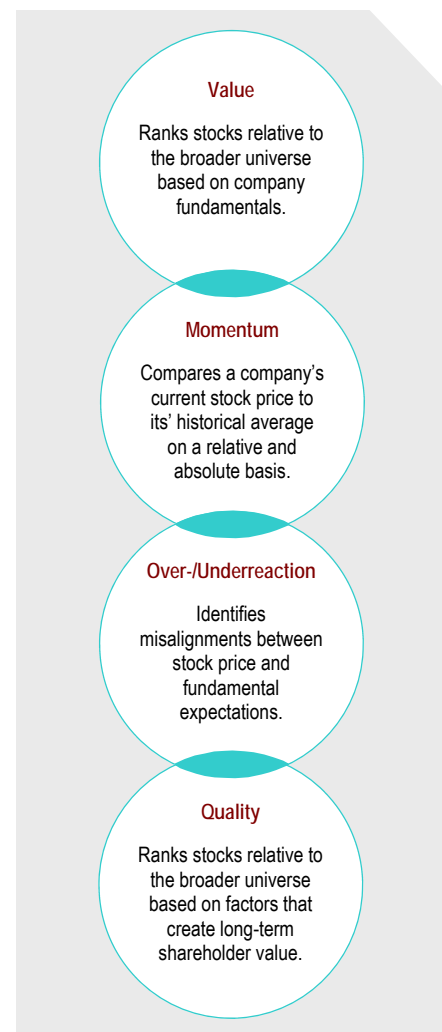
Socially Responsible Select Quality (SRS)	Sector balanced strategy investing in high quality, underpriced stocks with favorable value and price momentum characteristics. Uses socially responsible criteria by RiskMetrics Group.
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Alternative Strategies

Equity Risk Manager (ERM)	Rules-based tactical asset allocation strategy designed to reduce portfolio risk without curtailing the upside.
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A Rules-Based, Quantitative Model-Driven Investment Process

- Rules-based approach helps minimize the subjective biases that often compromise traditional managers' investment decisions.
- Quantitative models are used extensively in stock selection, portfolio construction and risk management.
 - Helps evaluate market and fundamental data with efficiency and consistency on the approximately 3,500 U.S. and 2,000 European stocks currently under coverage
 - Stock selection is based on the following four themes that have demonstrated the ability to contribute to excess returns



The Visible Return Strategy

- Corporate fundamentals are strong and stock prices are depressed, which support companies' efforts to reward shareholders with actions to enhance value
- The most direct and visible efforts to reward shareholders are cash dividends and announced stock buybacks which typically signal the marketplace that shares are undervalued
- Focusing on stocks with high yield and recently announced buybacks is a viable equity strategy for defensive investors

Corporate profits are running at record levels, cash on corporate balance sheets is the highest ever, and stock prices, as measured by forward P/E ratios, are as depressed as they were at the bear market bottom in 2009. These conditions exist because investors are highly risk averse from the continuing global financial crisis. Confidence is low, shortening investment horizons and emphasizing the risk of investing more so than returns. With sentiment abnormally negative, a huge rally could ignite if the global financial problems recede. However, hoping for the best also requires a strategy for a less-friendly scenario involving a protracted period of slow growth as the economy works through the aftermath of the financial crisis. We believe a viable strategy that can produce successful results in an "aftermath" scenario, as well as what may be an opportune time to own stocks, is to focus on what healthy corporate fundamentals are poised to deliver: cash dividends and stock buybacks. Cash dividends provide a tangible investment return and significant share buybacks send a signal to the marketplace that corporate insiders believe their stock is undervalued. Integrating these visible corporate actions to enhance shareholder value provides a viable equity strategy.

The Tangible Benefit of Dividends

According to S&P, 40% of the approximately 7,000 publicly-traded stocks pay a cash dividend. S&P also states that the dividend payout ratio, or the amount of earnings paid to shareholders, is near the

lowest on record. Investors today can assemble a portfolio of high quality dividend-paying stocks that are yielding close to 5% — 2 1/2 times the yield on a 10-Year Treasury bond. Importantly, the strong corporate fundamentals and low dividend payout ratio facilitate growth in the dividend. For example, absent dramatic changes in market conditions, we are expecting better than 5% annual dividend growth in our Quality Dividend strategy in the next year. The combination of cash dividend and growth in dividend theoretically can provide a 10% total return, all else being equal. This strategy is well suited to a scenario of subdued growth with low interest rates. But what if the unexpected occurs and the stock market sustains a big move higher? The high dividend strategy is unlikely to lead the market higher, but that does not mean investors will be entirely left on the sidelines. The Quality Dividend strategy just about matched market returns in 2009 from the bear market low. High dividend-yielding stocks become the most vulnerable to relative underperformance in the latter stages of a bull market — something that does not appear on the immediate horizon. Finally, how about a bearish view with falling stock prices? Assuming that dividend-yielding stocks are of high quality and they maintain their dividend, we expect losses to be likely less than the broader market.

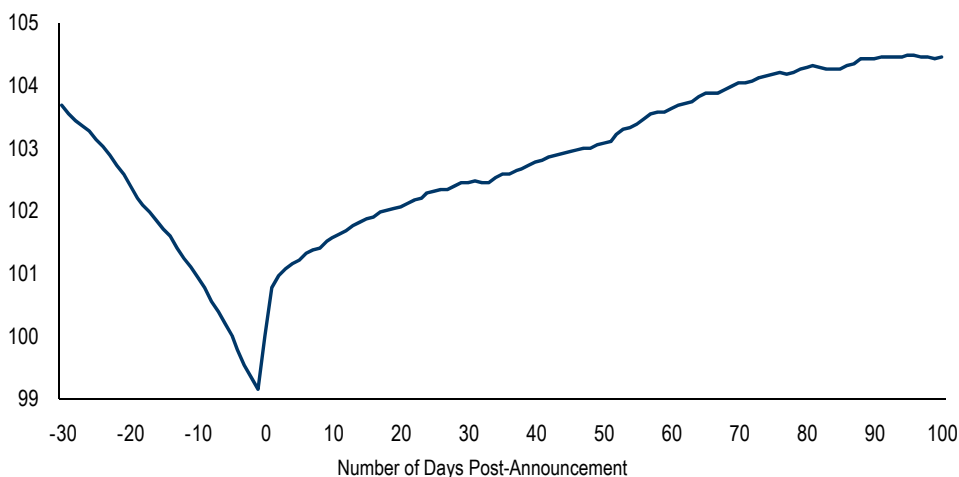
The Signal of Stock Buybacks

In the midst of the caution that pervades financial markets, corporate insiders have been downright bullish. In the most recent quarter, corporate executives have become net buyers of their company stock for only the eighth time in the last 16 years. In terms of board-authorized decisions to repurchase outstanding shares, 2011 is likely to near \$500 billion in announced stock buybacks, twice the amount expected to be paid in cash dividends. By making a significant buyback announcement, we believe corporate insiders are visibly signaling to the marketplace that they believe their stock is undervalued. The opportunity to systematically invest in stock buybacks has been limited. There are several ETFs that focus on stocks that have completed a buyback.¹ However, these approaches

Chart 2

Share Buybacks Cumulative Indexed Relative Returns (vs. S&P 500 Index)*

12/31/95 – 4/30/10 | Source: EquityCompass Strategies, Bloomberg | Dividends Excluded | Index level at announcement day (day 0) = 100



*Based on our research into the stock price performance of companies in the Russell 3000 with buyback announcements relative to the S&P 500 in the 30 days prior to, and 100 days following the announcement. Study included 10,070 unique open market share repurchase announcements during the period 12/31/1995 – 4/30/2010.

do not focus on the more dynamic performance of buybacks, which occurs in the three months after the announcement.

We studied over 10,000 stock buyback announcements going back to 1996 and observed a distinct pattern of relative performance in the three months after the announcement.² Stocks that announce a buyback generally underperform the market in the 30 days prior to announcement and outperform the market in the next three months, more than reversing that underperformance with a further gain which we attribute to increasing confidence in the business and financial conditions facilitating the buyback. Based on our research, we devised a strategy that systematically positions a portfolio of stocks with criteria focused on the recency and the size of the stock buyback. For more information on the EquityCompass Share Buyback Strategy, please contact your Stifel Nicolaus Financial Advisor.

The Visible Return Strategy

The visible return associated with a dividend and the visible signal of a stock buyback are directly tied to the fundamentals of corporations. Historically, high dividend-yield strategies have captured about 80% of the S&P 500 upside against 60% of its downside. We estimate our buyback strategy as having 120% upside versus the S&P 500 against a 95% downside. This suggests that a portfolio of equal parts dividend and buyback would have a 100% upside capture versus about a 78% downside capture. For a more conservative split of 75% dividend and 25% buyback, the upside/downside capture was approximately 90%/70%, respectively. Importantly, we believe an investor pursuing this course would have had a dividend yield almost twice the S&P 500.

The visible benefits directly tied to companies with the fundamentals that support dividends and stock buybacks help investors attach tangible benefits to investing. With confidence low, the connection to fundamentals is not only viable, but substantially more reassuring than forecasts alone.

Richard E. Cripps, CFA
CIO, Senior Portfolio Manager
EquityCompass Strategies

¹ Power Shares Buyback Achievers (PWA), AdvisorShares TrimTabs Float Shrink (ITFS)

² ["Exploiting Excess Returns from Announced Share Buybacks."](#) Whitepaper, June 2010, EquityCompass Strategies

Seven Lean Years

- Empirically, a long period of deleveraging nearly always follows a major financial crisis
- Historic deleveraging episodes have been painful, on average lasting six to seven years and reducing the ratio of debt to GDP by 25%; GDP typically contracts during the first several years and then recovers

In the biblical story (Genesis 41) when Joseph interprets the Pharaoh's dream, he correctly forecasts seven years of plenty followed by seven years of famine. There are parallels in the current global economy: a major financial crisis is almost always followed by a period of deleveraging. There is evidence that deleveraging has followed nearly every major financial crisis in the past half-century. In general, deleveraging leads to slower-than-normal GDP growth, or even a period of declining GDP before a recovery begins.

A recent McKinsey Global Institute report confirmed this scenario. In approximately one-half of the instances, deleveraging followed the "belt tightening scenario" in which credit growth lags behind GDP growth for many years. If today's economies were to follow the deleveraging path, they would experience six to seven years of deleveraging, in which the debt-GDP ratio declines by approximately 25%.

According to the study, (a portion of which is included as Table 1) the sector with the highest likelihood of deleveraging is the Household

sector. The typical offshoot of deleveraging is that consumption will probably grow more slowly than before the crisis.

From 1997 to 2007 household debt jumped from 66% of GDP to 98%. Since then, Americans appear to have grasped the need to delever because household debt was reduced to 89% of GDP by June, 2011. Recent credit card activity also indicates that deleveraging is taking place. Americans closed 103 million credit-card accounts between March 2009 and June 2011. During this same period, credit card payments exceeded purchases by an estimated \$116 billion, further reducing outstanding debt.

This appears to only be an interim point. Two-thirds of Americans polled last summer intend to reduce debt going forward or plan to stop borrowing. Isn't this good news? John Maynard Keynes warned in the 1930s of the "paradox of thrift." That is, when everyone turns frugal, everyone suffers. Synchronized thrift slows the economy, which hobbles income growth to make people stingier in a pernicious cycle.

One sector not needing deleveraging is the corporate sector, which did not participate in the debt boom. The corporate sector is holding more cash than any time in its history. Even in the slow growing economy that this study implies, corporations should have the wherewithal to repurchase shares and increase dividends. We believe this scenario provides another reason to consider dividend-paying stocks for a portion of one's portfolio.

Larry C. Baker, CFA
V.P., Portfolio Manager
 EquityCompass Strategies

Table 1

Sector Debt to GDP (%)			
	2008/09 Peak	2000	Recent
Financial	121%	81%	92%
Household	102%	70%	92%
Government	84%	72%	116%
Corporate (Non-Financial)	51%	47%	49%

Source: U.S. Federal Reserve

A(n) Christmas Equity Market Carol

- Investors must be mindful of the past, realistic about the present and optimistic about the future.
- Fear and uncertainty are keeping investors on the sidelines, as high unemployment and depressed housing prices weigh on economic growth and the European debt crisis threatens global financial stability.
- With near-term downside risk in the U.S. stock market being reduced due to the central banks' liquidity injection, and favorable seasonal factors at play, we believe the late November rally is likely to continue through the remainder of the year.

If you just came out of your cave from a month ago, November appears to have been a pretty normal, if not dull, month for equity markets. The S&P 500 Index began the month at 1253 and finished at 1246, for a modest 0.5% decline. For those of us who fortunately (or unfortunately, depending how you view it) do not live in a cave, November provided yet another wild ride for investors. With focus shifting from Greece to a general lack of liquidity within the European debt markets, stocks fell sharply during the first three weeks of the month, culminating in the worst Thanksgiving week loss since 1932. Those losses were quickly erased during the last three days of the month after the Federal Reserve, along with other central banks, made additional funds available to ease the liquidity strains of European banks. While it remains to be seen if these short-term

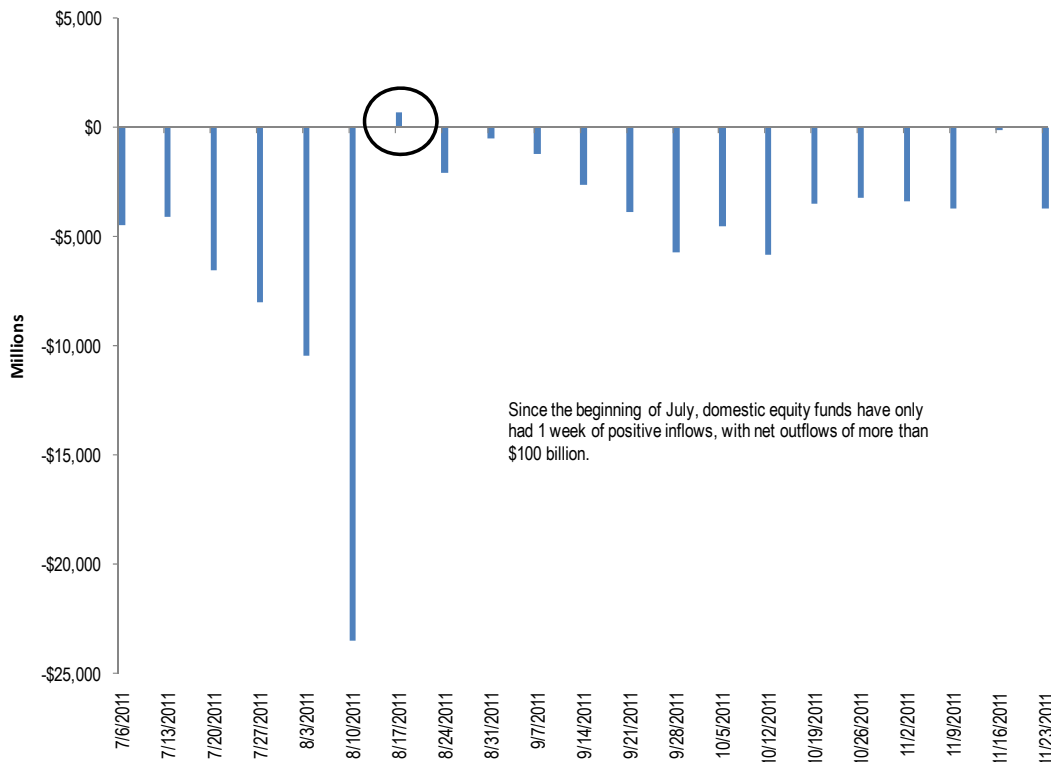
actions will resolve the long-term issues in the Euro zone, the coordinated effort of the central banks seems to have ignited the so-called "Santa Claus" rally. Despite temporarily calming fears, investors' recent attitude toward equity markets has been that of skepticism, distrust, disgust...or simply "Bah Humbug!" (Chart 3)

Charles Dickens' classic novel *"A Christmas Carol"* relates the tale of Ebenezer Scrooge, a selfish, unhappy, old miser, who hates Christmas, and his ideological and emotional transformation after being visited by three ghosts on Christmas Eve. The Ghost of Christmas Past reveals to Scrooge visions of his own past, reminding him of how he ended up the man he is now. The Ghost of Christmas Present takes Scrooge to several radically differing scenes currently playing out. The Ghost of Christmas Yet to Come, harrows Scrooge with dire visions of the future if he does not learn and act upon what he has witnessed. Perhaps a visit from the Ghosts of Equity Markets Past, Present and Yet To Come could help transform investors' attitudes.

The Ghost of Equity Markets Past reveals visions of the bull market of the 80s and 90s, followed by the housing and credit boom of the early 2000s. Everyone is laughing, smiling and having fun, not realizing the good times would not last. The bull market ends with the bursting of the Internet bubble, while the housing and credit boom ends in the worst financial crisis since The Great Depression. As their appetite for risk diminishes, investors' become disenchanted with equity markets.

Chart 3 Domestic Equity Mutual Fund Flows

7/6/11—11/23/11 | Source: Investment Company Institute



The Ghost of Equity Markets Present unveils several differing scenes. Economic data shows the U.S. economy is expanding. Corporations have repaired their balance sheets and profits are at all-time highs. After declining for five consecutive months, 12-month forward earnings estimates for the S&P 500 moved higher in November. Stock valuations are as contracted as they were at the market bottom in 2009 (Chart 1, below & cover). However, fear and uncertainty are keeping investors on the sidelines, as high unemployment and depressed housing prices weigh on economic growth and the European debt crisis threatens global financial stability.

The Ghost of Equity Markets Yet to Come torments us with dire visions of the future if we do not learn and act upon what we have witnessed.

- Over time, equity markets have been shown to be the best creators of wealth, rising the majority of the time. Acute risk aversion has made safe investments almost meaningless for growing wealth. Financial crises eventually run their course and the subsequent slow growth periods are not without opportunities.
- There are pitfalls to not having an active risk management strategy. Just as important as having a strategy to grow wealth,

is implementing a strategy that can protect wealth from the type of devastation that occurred during the financial crisis.

- The best time to invest is when economic conditions are weak but improving, unemployment is high but falling, and investor sentiment is poor.

Historically, December is the best performing month for equity markets, rising 72% of the time, for an average gain of 1.5%. With near-term downside risk in the U.S. stock market being reduced due to the central banks' liquidity injection, and favorable seasonal factors at play, we believe the late November rally is likely to continue through year-end. While the actions of the central banks remove a near-term overhang, the global deleveraging process will continue to be a headwind for the foreseeable future, creating uncertainty for investors. But just as Ebenezer Scrooge woke up on Christmas morning a changed man and exclaimed, "I will live in the Past, the Present, and the Future. The Spirits of all Three shall strive within me. I will not shut out the lessons that they teach," investors must be mindful of the past, realistic about the present and optimistic about the future.

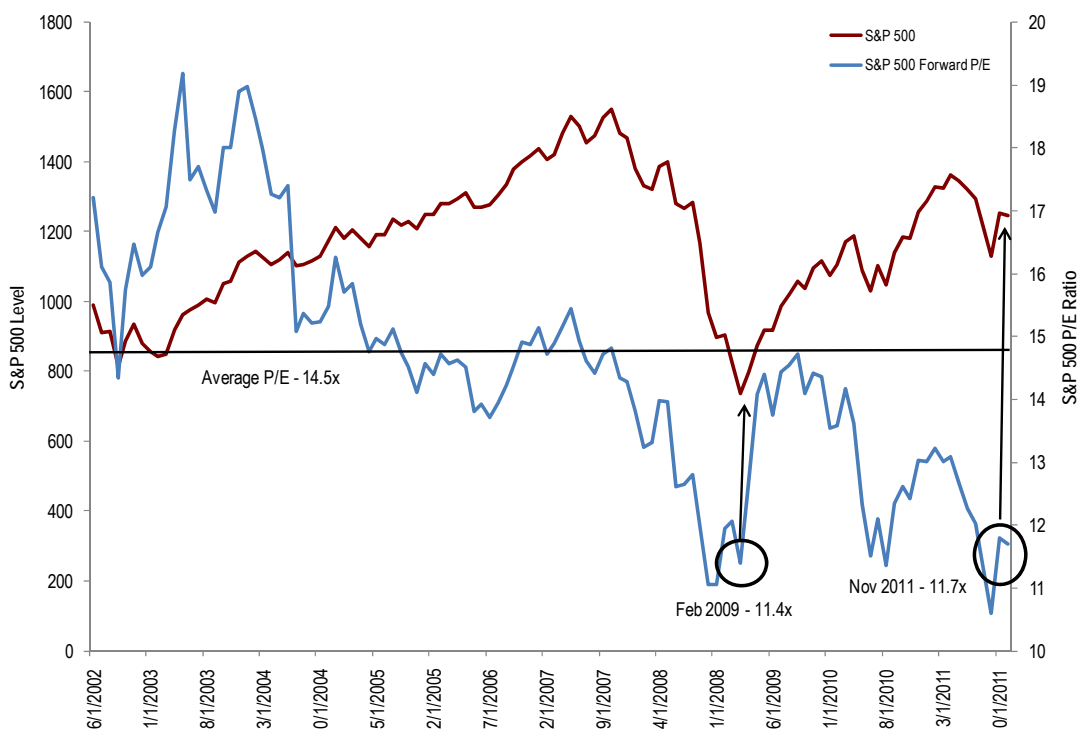
We, at EquityCompass, wish everyone Happy Holidays!

Bernie Kavanagh, CMT
V.P., Portfolio Management
EquityCompass Strategies

Chart 1 (from the cover)

S&P 500 Price Index and Forward P/E

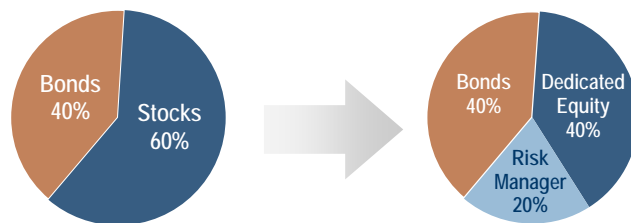
6/1/02 - 11/30/11 | Source: Bloomberg, EquityCompass Strategies



Equity Risk Management Strategy

Tactical allocation strategy that seeks to adjust a portfolio's equity exposure to potentially provide downside protection and volatility control without curtailing the upside.

- Incorporating the Risk Manager involves carving out a portion of an equity portfolio for tactical allocation (could range from one-third to a maximum of 50% of the portfolio).
- Risk Manager would be fully invested in the S&P 500 when market conditions are favorable.
- When conditions are deemed unfavorable, Risk Manager is shifted to cash or inverse (short).



This example assumes a 60% stock / 40% bond allocation with 33% of the equity allocation invested in the Equity Risk Manager.

How It Works

Risk Manager analyzes technical and fundamental indicators to determine the current market conditions and recommends the appropriate tactical allocation

- The fundamental indicator tracks the trend in changes of expected earnings for the S&P 500. Two or more consecutive months of declining expectations increase the risk of large market losses and is considered unfavorable, while two or more consecutive months of increasing expectations is considered favorable.
- The technical indicator determines the market favorability based on the current level of the DJIA.

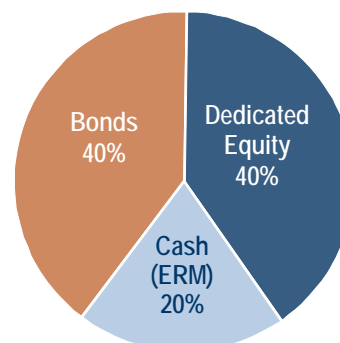
Status of Fundamental and Technical Indicators	Market Condition	Risk Manager Action	Equity Allocation
<ul style="list-style-type: none"> • Fundamental (earnings expectations) indicators positive • Technical conditions positive 	Favorable	Fully Invested	95% – 100% S&P 500
Either Fundamental <u>OR</u> Technical indicators are negative	Caution	Reduce Equity Exposure	5% – 100% Cash 0% – 95% S&P 500
Both Fundamental <u>AND</u> Technical indicators are negative	Unfavorable	Hedge Equity Exposure	55% – 90% Inverse S&P 500 45% – 10% Cash

Current Allocation (as of November 30, 2011)

Fundamental Indicator: NEGATIVE
Earnings estimates increased 0.5% to \$106.77 in November. This ends four consecutive months of declines. The fundamental indicator remains negative this month.
Technical Indicator: POSITIVE
Based on the DJIA level of 11,523 at the end of November. ⁽¹⁾ The technical indicator remains positive this month.

Risk Manager Allocation
100% Cash
(Unchanged)

Effective Portfolio Allocation



(1) Average of the last 5 trading days.

EquityCompass Stock Selection Lists

Stock Selection Lists are intended to demonstrate the prowess of our quantitative model-driven stock selection process. They represent our recommendations by group under various themes and are selected from the approximately 3,500 U.S. stocks in our coverage universe. The themes include favorable analyst opinion, stocks underpriced due to investor over-/underreaction, high levels of fundamental quality, positive relative price strength, or a combination of factors.

It is important to note that the lists are recreated every month, represent stocks that are attractive for purchase now, and are NOT meant to emulate any particular portfolio strategy.

Stock Selection Lists	Description
Stifel Research Focus	Stocks rated "Buy" by Stifel Equity Analysts and identified as underpriced by the EquityCompass over-/underreaction model
Mispriced/Large-Cap Stocks	Stocks in the S&P 500 index that are extremely underpriced due to investor over-/underreaction
Oversold/Quality Stocks	High-quality stocks that we believe are currently "oversold" in the market. Integrates the insights from our Value and Momentum and Quality models
Quality/Momentum Stocks	5 high-quality stocks with positive price momentum from each from 10 GICS sectors
The Candidates List	Companies with the highest likelihood of inclusion in the S&P 500 over the next 12 months
Stock Buyback List	10 most significant share repurchase announcements in the last 30 days
Sector Focus	Classifies the 10 S&P economic sectors as over, under or equal weight based on the level of mispricing of the constituent stocks

EquityCompass Model Portfolios are now available on our company website: www.equitycompass.com.

For a description of EquityCompass analytical ratings please see page 19.

Stifel Research Focus

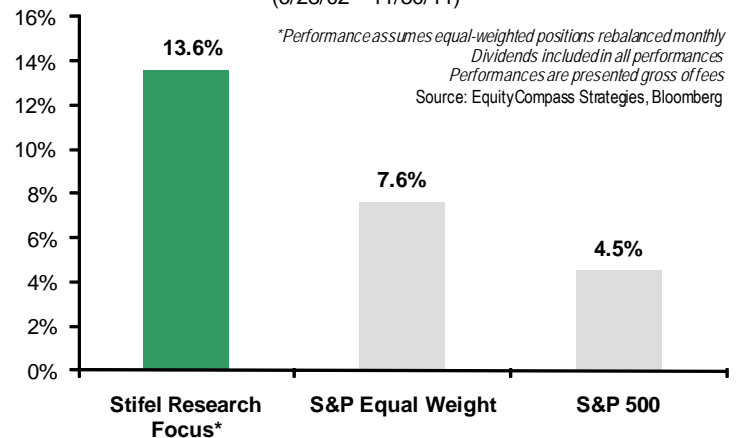
Objective: Identify the most underpriced stocks among those rated "Buy" by Stifel equity analysts

Opportunity: Combination of quantitative and qualitative insights to enhance stock selection. Fundamental analysts incorporate their opinions on management capability, business strategy, industry standing, etc. to determine the intrinsic value of a stock. Disciplined application of quantitative techniques helps to identify and exploit market inefficiencies.

Methodology: EquityCompass Over-/Underreaction model (Redline) identifies stocks that are underpriced from among those rated "Buy" by Stifel equity analysts by measuring the deviation in a stock's current relative value ranking compared to its 12-month average.

Annualized Returns

(6/28/02 - 11/30/11)



December Highlights:

- Verizon Communications (VZ) reported 3Q11 adjusted EPS of \$0.56, a penny above Street consensus and in line with Stifel analyst Chris King's forecast. King believes the current premium commanded by VZ versus other U.S. telecom companies is reasonable given its best-of-breed operational profile and attractive dividend yield, which was at 5.3% at month end. His target price is \$40.
- Quest Software (QSFT) announced 3Q11 revenue of \$220.4 million, topping the consensus forecast of \$215.9 million and Stifel analyst Tim Klasell's forecast for \$218.2 million. Adjusted EPS was \$0.41, above Klasell's forecast for \$0.39 and consensus at \$0.34. Klasell believes EPS growth in 2012 should be solid, and has a \$25 target price.

Current Selections:

Symbol	Company Name	Price 11/30/11	Analyst	Dvd. Yld. (%)	PPS	SVI	Valuation Percentile	12M Avg. Valuation Percentile	Mean Valuation Deviation	Sub Industry
CROX	Crocs Inc.	\$15.51	Duffy	--	2	B	22.7%	54.7%	-32.0%	Footwear
MYRG	MYR Group Inc.	\$17.54	Beach	--	1	C	10.4%	40.6%	-30.2%	Construction & Engineering
QSFT	Quest Software Inc.	\$18.07	Klasell	--	7	B	23.1%	50.5%	-27.5%	Application Software
KGC	Kinross Gold Corp.	\$13.97	Topping	0.86	7	A	48.2%	73.2%	-25.0%	Gold
CME	CME Group Inc. Cl A	\$249.28	Brendler	2.25	7	A	48.9%	70.8%	-21.8%	Specialized Finance
MTZ	MasTec Inc.	\$16.01	Dilts	--	1	C	8.3%	29.3%	-21.1%	Construction & Engineering
IPGP	IPG Photonics Corp.	\$38.33	Pai	--	3	A	50.4%	71.3%	-20.9%	Electronic Manufacturing Svcs.
NFX	Newfield Exploration Co.	\$45.80	Arif	--	7	A	31.2%	51.3%	-20.1%	Oil & Gas Exploration & Prod.
GLW	Corning Inc.	\$13.27	Pai	2.26	7	A	45.5%	64.1%	-18.6%	Electronic Components
ZMH	Zimmer Holdings Inc.	\$50.55	Chon	--	7	B	19.2%	36.2%	-17.0%	Health Care Equip.
EBAY	eBay Inc.	\$29.59	Rohan	--	3	A	53.7%	69.2%	-15.4%	Internet Software & Svcs.
PFS	Provident Financial Services Inc.	\$13.09	Gilbert	3.67	2	A	39.6%	54.9%	-15.2%	Thrifts & Mortgage Finance
SYK	Stryker Corp.	\$48.83	Chon	1.47	7	A	42.0%	55.7%	-13.7%	Health Care Equip.
EMC	EMC Corp.	\$23.01	Rakers	--	5	A	62.8%	75.4%	-12.6%	Computer Storage & Peripherals
ACGL	Arch Capital Group Ltd.	\$37.77	Paisan	--	1	C	13.3%	23.6%	-10.2%	Reinsurance
ENH	Endurance Specialty Holdings Ltd.	\$36.17	Paisan	3.32	5	B	0.7%	9.4%	-8.7%	Reinsurance
VZ	Verizon Communications Inc.	\$37.73	King	5.30	2	C	26.3%	33.6%	-7.3%	Integrated Telecom. Svcs.

Source: EquityCompass Strategies, FactSet Research Systems Inc.

*These stock lists are not strategies available for investment. They are offered for informational purposes only and are subject to change.
For a description of EquityCompass analytical ratings please see page 19.*

Mispriced/Large-Cap Stocks

Objective: Identify stocks in the S&P 500 index that are extremely underpriced due to investor over-/underreaction.

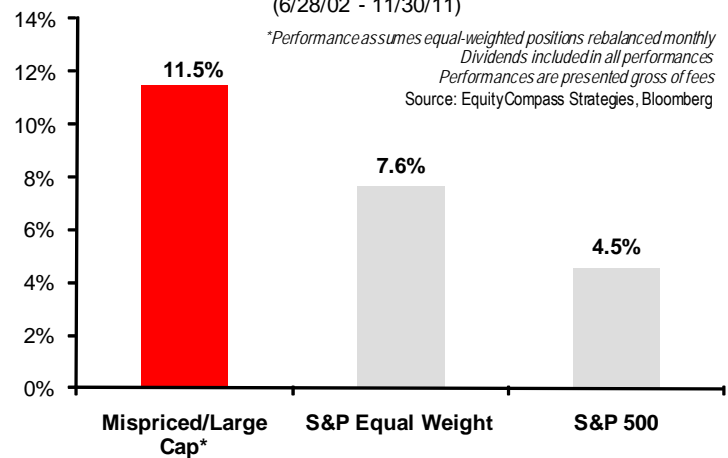
Opportunity: Underpriced stocks provide a short-term outperformance opportunity as the imbalance corrects.

Methodology: EquityCompass' Over-/Underreaction model (Redline) identifies stocks that are underpriced due to investors' over or underreaction. This condition occurs when changes in stock prices are disproportionate when compared to changes in underlying expectations and is measured as the deviation in a stock's current relative value ranking compared to its 12-month average.

Annualized Returns

(6/28/02 - 11/30/11)

**Performance assumes equal-weighted positions rebalanced monthly
Dividends included in all performances
Performances are presented gross of fees
Source: EquityCompass Strategies, Bloomberg*



December Highlights:

- Lazard Capital initiated coverage of Mosaic Co. (MOS) in November with a Buy rating. Lazard stated that with consumption healthy and inventories at historic lows, corn prices are sufficient to prompt farmers to plant record acreages of corn, which would benefit fertilizer companies.
- Thermo Fisher Scientific (TMO) authorized a share repurchase of \$750 million, which is in addition to \$25 million remaining on a previous authorization. The new authorization represents approximately 4% of TMO's market capitalization.

Current Selections:

Symbol	Company Name	Price 11/30/11	52W High	52W Low	Dvd. Yld. (%)	PPS	SVI Grade	Valuation Percentile	12M Avg. Valuation Percentile	Mean Valuation Deviation	Sub Industry
MOS	Mosaic Co.	\$52.76	\$89.24	\$44.86	0.38	6	A	10.9%	47.9%	-37.0%	Fertilizers & Agricultural Chem.
LIFE	Life Technologies Corp.	\$38.73	\$57.25	\$35.30	--	7	A	24.7%	59.5%	-34.9%	Life Sciences Tools & Svcs.
SLM	SLM Corp.	\$12.88	\$17.11	\$10.91	3.11	5	A	45.6%	78.5%	-32.9%	Consumer Finance
BMC	BMC Software Inc.	\$35.66	\$56.55	\$32.91	--	7	A	36.7%	67.7%	-30.9%	Systems Software
NOV	National Oilwell Varco Inc.	\$71.70	\$86.71	\$47.97	0.67	2	B	37.8%	65.2%	-27.4%	Oil & Gas Equip. & Svcs.
SNI	Scripps Networks Interactive CIA	\$39.82	\$53.66	\$33.82	1.00	7	A	44.3%	70.9%	-26.6%	Broadcasting & Cable TV
TMO	Thermo Fisher Scientific Inc.	\$47.25	\$65.86	\$44.29	--	7	A	33.8%	58.7%	-25.0%	Life Sciences Tools & Svcs.
PKI	PerkinElmer Inc.	\$18.92	\$28.75	\$17.45	1.48	7	A	18.6%	43.4%	-24.8%	Life Sciences Tools & Svcs.
CME	CME Group Inc. CI A	\$249.28	\$328.00	\$235.23	2.25	7	A	48.9%	70.8%	-21.8%	Specialized Finance
CVC	Cablevision Systems Corp.	\$15.00	\$38.08	\$14.18	4.00	7	B	28.1%	49.8%	-21.7%	Cable & Satellite
ECL	Ecolab Inc.	\$57.02	\$57.60	\$43.81	1.23	3	A	50.5%	71.8%	-21.3%	Specialty Chem.
CINF	Cincinnati Financial Corp.	\$29.65	\$34.33	\$23.65	5.43	5	B	34.9%	52.6%	-17.7%	Property & Casualty Insurance
ZMH	Zimmer Holdings Inc.	\$50.55	\$69.93	\$47.25	--	7	B	19.2%	36.2%	-17.0%	Health Care Equip.
AAPL	Apple Inc.	\$382.20	\$426.70	\$310.50	--	2	B	32.4%	49.0%	-16.5%	Computer Hardware
BCR	C.R. Bard Inc.	\$87.19	\$113.84	\$80.80	0.87	7	B	44.8%	59.6%	-14.8%	Health Care Equip.

Source: EquityCompass Strategies, FactSet Research Systems Inc.

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For a description of EquityCompass analytical ratings please see page 19.*

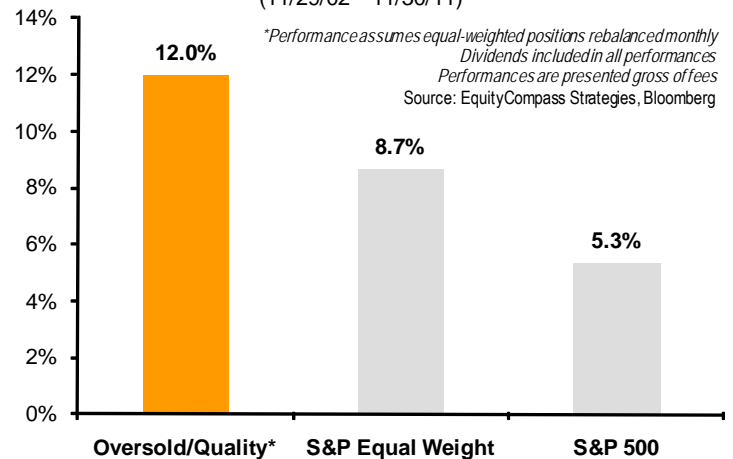
Oversold/Quality Stocks

Objective: Identify high-quality stocks from the S&P 500 that are currently out of favor, but are "oversold" in the market.

Methodology: Integrate the insights from the EquityCompass quantitative models measuring Value, Momentum, Quality, and Over-/Underreaction to select stocks that have high quality (SVI – A), low valuation and negative price momentum (PPS 6–7) and are currently underpriced due to investors' underreaction (Redline Low). A minimum \$10.00 stock price is required for consideration.

Annualized Returns

(11/29/02 - 11/30/11)



December Highlights:

- Stifel analyst Charles Chon recently stated that expectations for Stryker Corp. (SYK), which is trading only 6x his 2012 EBITDA estimate vs. 7x for its peer group, are extremely low despite improved visibility on several growth drivers. He rates the stock Buy and has a \$59 target price.

Current Selections:

Symbol	Company Name	Price 11/30/11	52W High	52W Low	Dvd. Yld. (%)	PPS	SVI	Valuation Percentile	12M Avg. Valuation Percentile	Mean Valuation Deviation	Sub Industry
MOS	Mosaic Co.	\$52.76	\$89.24	\$44.86	0.38	6	A	10.9%	47.9%	-37.0%	Fertilizers & Agricultural Chem.
LIFE	Life Technologies Corp.	\$38.73	\$57.25	\$35.30	--	7	A	24.7%	59.5%	-34.9%	Life Sciences Tools & Svcs.
BMC	BMC Software Inc.	\$35.66	\$56.55	\$32.91	--	7	A	36.7%	67.7%	-30.9%	Systems Software
SNI	Scripps Networks Interactive Cl A	\$39.82	\$53.66	\$33.82	1.00	7	A	44.3%	70.9%	-26.6%	Broadcasting & Cable TV
TMO	Thermo Fisher Scientific Inc.	\$47.25	\$65.86	\$44.29	--	7	A	33.8%	58.7%	-25.0%	Life Sciences Tools & Svcs.
PKI	PerkinElmer Inc.	\$18.92	\$28.75	\$17.45	1.48	7	A	18.6%	43.4%	-24.8%	Life Sciences Tools & Svcs.
CME	CME Group Inc. Cl A	\$249.28	\$328.00	\$235.23	2.25	7	A	48.9%	70.8%	-21.8%	Specialized Finance
NFX	Newfield Exploration Co.	\$45.80	\$77.93	\$34.42	--	7	A	31.2%	51.3%	-20.1%	Oil & Gas Exploration & Prod.
GLW	Corning Inc.	\$13.27	\$23.43	\$11.51	2.26	7	A	45.5%	64.1%	-18.6%	Electronic Components
DVN	Devon Energy Corp.	\$65.46	\$93.56	\$50.74	1.04	7	A	27.1%	43.8%	-16.8%	Oil & Gas Exploration & Prod.
SYK	Stryker Corp.	\$48.83	\$65.21	\$43.73	1.47	7	A	42.0%	55.7%	-13.7%	Health Care Equip.

Source: EquityCompass Strategies, FactSet Research Systems Inc.

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Quality/Momentum Stocks

Objective: Identify high quality stocks with positive momentum

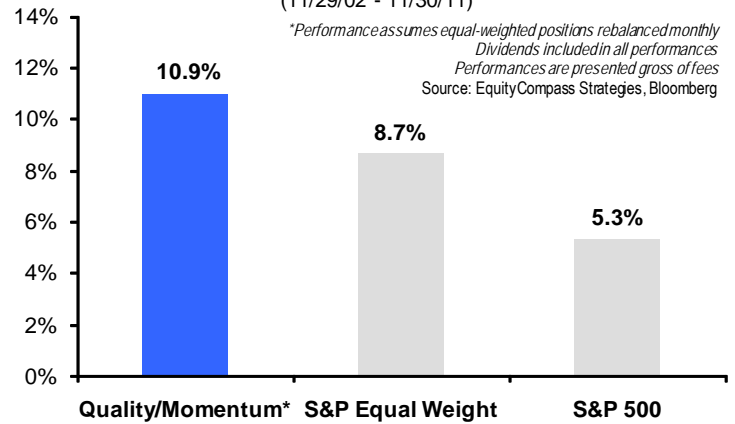
Opportunity: High quality and positive price momentum may contribute to favorable risk-adjusted performance since they exhibit lower volatility and tend to outperform passive market benchmarks.

Methodology: EquityCompass Quality model identifies stocks with the highest quality rating (SVI Grade A). Insights from the Value and Momentum models are combined to indicate positive long-term relative price strength (PPS 1–4). Minimum stock price requirement is \$10. Presented below are the top 5 stocks from each of the 10 GICS sectors.

Annualized Returns

(11/29/02 - 11/30/11)

*Performance assumes equal-weighted positions rebalanced monthly
Dividends included in all performances
Performances are presented gross of fees
Source: EquityCompass Strategies, Bloomberg*



Current Selections:

Symbol	Company Name	Price 11/30/11	Dvd. Yld. (%)	PPS	SVI Score	SVI Grade	Symbol	Company Name	Price 11/30/11	Dvd. Yld. (%)	PPS	SVI Score	SVI Grade
Consumer Discretionary							Industrials						
CMCSK	Comcast Cl A Spec.	\$22.36	2.01	2	100.0%	A	GGG	Graco Inc.	\$42.99	1.95	3	99.2%	A
PII	Polaris Industries Inc.	\$60.10	1.50	2	98.5%	A	CNI	Cdn. Nat'l. Railway	\$77.56	1.65	3	99.0%	A
SBUX	Starbucks Corp.	\$43.48	1.56	3	98.3%	A	TAL	TAL Int'l. Group Inc.	\$26.32	7.90	2	98.7%	A
SIG	Signet Jewelers Ltd.	\$44.28	0.90	1	97.8%	A	UNP	Union Pacific Corp.	\$103.41	2.32	3	98.5%	A
THI	Tim Hortons Inc.	\$50.55	1.35	3	97.6%	A	NSC	Norfolk Southern Cp.	\$75.54	2.28	3	98.2%	A
Consumer Staples							Information Technology						
HLF	Herbalife Ltd.	\$55.30	1.45	3	100.0%	A	ASML	ASML Holding N.V.	\$39.53	0.58	3	100.0%	A
ABV	Comp. de Bebidas	\$34.38	0.06	4	99.2%	A	KLAC	KLA-Tencor Corp.	\$46.10	3.04	3	99.8%	A
EL	Estee Lauder CIA	\$117.98	0.89	3	98.4%	A	TSM	Taiwan Semi. Mfg.	\$12.92	2.82	3	99.6%	A
NUS	Nu Skin Entprs. Cl A	\$47.74	1.34	3	97.6%	A	INTC	Intel Corp.	\$24.91	3.37	2	99.3%	A
ANDE	Andersons Inc.	\$44.29	0.99	3	96.0%	A	CGNX	Cognex Corp.	\$35.67	1.12	4	98.9%	A
Energy							Materials						
RES	RPC Inc.	\$19.52	2.05	1	100.0%	A	AUY	Yamana Gold Inc.	\$16.83	1.19	3	96.2%	A
NBL	Noble Energy Inc.	\$98.39	0.89	3	98.9%	A	NEM	Newmont Mining Cp.	\$68.88	2.03	2	94.9%	A
GLNG	Golar LNG Ltd.	\$43.60	2.75	4	97.8%	A	ECL	Ecolab Inc.	\$57.02	1.23	3	94.3%	A
SM	SM Energy Co.	\$79.49	0.13	3	96.2%	A	BKI	Buckeye Tech. Inc.	\$30.98	0.77	1	93.6%	A
CRR	CARBO Ceramics	\$142.32	0.67	3	95.7%	A	GG	Goldcorp Inc.	\$53.69	0.76	3	91.1%	A
Financials							Telecommunication Services						
PSA	Public Storage	\$131.90	2.88	4	99.6%	A	MIICF	Millicom Int'l. Cellular	\$107.19	1.68	3	98.6%	A
AFSI	AmTrust Fin'l. Svcs.	\$26.51	1.36	2	98.7%	A	IDT	IDT Corp. Cl B	\$13.00	7.08	2	95.7%	A
PRA	ProAssurance Corp.	\$79.61	1.26	3	98.5%	A	DCM	NTT DOCOMO ADS	\$17.76	3.56	1	94.3%	A
RNR	RenaissanceRe	\$73.44	1.42	2	98.3%	A	VIV	Telefonica Brasil ADR	\$26.97	8.53	1	91.4%	A
ORIT	Oritani Financial Cp.	\$13.01	3.84	4	98.1%	A	TLSYY	Telstra Cp. Ltd. ADS	\$16.23	8.14	2	87.1%	A
Health Care							Utilities						
SHPGY	Shire PLC ADS	\$101.32	0.39	4	100.0%	A	CNL	Cleco Corp.	\$36.14	3.46	3	100.0%	A
PRGO	Perrigo Co.	\$97.90	0.33	4	99.7%	A	PNY	Piedmont Natural Gas	\$32.97	3.52	3	98.9%	A
MRX	Medicis Pharm. Cp.	\$32.65	0.98	2	99.3%	A	TE	TECO Energy Inc.	\$18.78	4.58	2	96.7%	A
ELN	Elan Corp. PLC ADS	\$10.82	--	4	98.6%	A	DTE	DTE Energy Co.	\$52.65	4.46	3	95.7%	A
SIRO	Sirona Dental Sys.	\$44.44	--	3	97.9%	A	ITC	ITC Holdings Corp.	\$73.92	1.91	4	94.6%	A

Source: EquityCompass Strategies, FactSet Research Systems Inc.

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The Candidates List

Objective: The list of stocks that we believe meet the parameters for being added to the S&P 500.

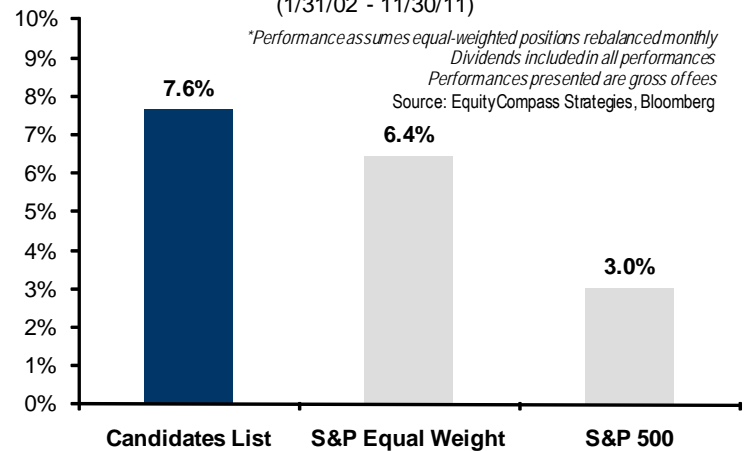
Opportunity: The performance of stocks prior to and shortly after the announced addition to the S&P 500 is often well-above average.

Methodology: The index committee at Standard & Poor's has the responsibility to select replacements for stocks in the S&P 500. We utilize the criteria used by the index committee at Standard & Poor's to identify fundamentally sound, successful companies appropriate for a leading index of market activity.

Annualized Returns

(1/31/02 - 11/30/11)

**Performance assumes equal-weighted positions rebalanced monthly
Dividends included in all performances
Performances presented are gross of fees
Source: EquityCompass Strategies, Bloomberg*



December Highlights:

- Hologic Inc. (HOLX) reported adjusted F4Q11 EPS of \$0.34, topping the analyst consensus estimate of \$0.33 and Stifel analyst Thomas Kouchoukos' \$0.32 estimate. Kouchoukos cites strong management execution, healthy free cash flow generation, attractive valuation, and a compelling new product cycle for his Buy rating and \$20 price target.
- Stifel analyst Stephen Willey recently raised his target price on Alexion Pharmaceuticals (ALXN) from \$70 to \$82 following a solid 3Q11 earnings report. Willey raised his 2012 revenue estimates by 5% – 7% and maintained his Buy rating.

Current Candidates:

Symbol	Company Name	Price 11/30/11	Compass Rating	Industry Group	Mkt.-Cap (Mil)	Symbol	Company Name	Price 11/30/11	Compass Rating	Industry Group	Mkt.-Cap (Mil)
ATVI	Activision Blizzard Inc.	\$12.42	Buy	Software & Services	\$14,211	FOSL	Fossil Inc.	\$89.59	Buy	Cons. Durables & Apparel	\$5,608
AMG	Affiliated Managers Grp.	\$94.57	Neutral	Diversified Financials	\$4,868	GRMN	Garmin Ltd.	\$36.59	Neutral	Cons. Durables & Apparel	\$7,105
ALXN	Alexion Pharmaceuticals	\$68.66	Buy	Pharm. Biotech. & Life Sci.	\$12,712	GGP	General Growth Pptys.	\$14.08	Sell	Real Estate	\$13,170
AWK	American Water Works	\$31.07	Buy	Utilities	\$5,453	GMCR	Green Mountain Coffee	\$52.43	Buy	Food Beverage & Tobacco	\$8,107
AME	Ametek Inc.	\$42.84	Buy	Capital Goods	\$6,859	HSIC	Henry Schein Inc.	\$64.34	Sell	Health Care Equip. & Svcs.	\$5,814
NLY	Annaly Capital Mgmt. Inc.	\$16.07	Buy	Real Estate	\$15,589	HLF	Herbalife Ltd.	\$55.30	Buy	Household & Pers. Products	\$6,433
ACGL	Arch Capital Group Ltd.	\$37.77	Buy	Insurance	\$5,068	HOLX	Hologic Inc.	\$17.61	Sell	Health Care Equip. & Svcs.	\$4,633
ALV	Autoliv Inc.	\$53.28	Buy	Automobiles & Components	\$4,757	IHS	IHS Inc. CI A	\$88.38	Buy	Commercial & Prof. Services	\$5,746
AVT	Avnet Inc.	\$29.79	Sell	Tech. Hardware & Equip.	\$4,420	KSU	Kansas City Southern	\$68.03	Buy	Transportation	\$7,473
BWA	BorgWarner Inc.	\$65.92	Buy	Automobiles & Components	\$7,233	LVS	Las Vegas Sands Corp.	\$46.71	Buy	Consumer Services	\$34,225
BG	Bunge Ltd.	\$62.50	Neutral	Food Beverage & Tobacco	\$9,096	MRVL	Marvell Technology Grp.	\$14.12	Sell	Semi. & Semi. Equipment	\$8,552
CPN	Calpine Corp.	\$15.04	Neutral	Utilities	\$7,337	MXIM	Maxim Integrated Prod.	\$25.65	Buy	Semi. & Semi. Equipment	\$7,482
CE	Celanese Cp. (Ser. A)	\$46.49	Buy	Materials	\$7,257	NYB	NY Community Bancorp	\$12.04	Sell	Banks	\$5,266
CHD	Church & Dwight Co.	\$44.25	Buy	Household & Personal Prod.	\$6,330	VRUS	Pharmasset Inc.	\$130.99	Neutral	Pharm. Biotech. & Life Sci.	\$9,923
CIT	CIT Group Inc.	\$33.86	Sell	Banks	\$6,794	RCL	Royal Caribbean Cruises	\$27.71	Neutral	Consumer Services	\$6,020
CNA	CNA Financial Corp.	\$26.16	Sell	Insurance	\$7,044	SBAC	SBA Communications Cp.	\$40.89	Sell	Telecommunication Services	\$4,472
CNH	CNH Global N.V.	\$39.72	Sell	Capital Goods	\$9,471	SIRI	Sirius XM Radio Inc.	\$1.80	Neutral	Media	\$6,751
CXO	Concho Resources Inc.	\$101.62	Buy	Energy	\$10,534	SCCO	Southern Copper Corp.	\$31.13	Neutral	Materials	\$26,180
CLR	Continental Resources	\$70.59	Buy	Energy	\$12,740	AMTD	TD Ameritrade Hldg. Cp.	\$16.29	Sell	Diversified Financials	\$8,946
CCI	Crown Castle Int'l. Cp.	\$42.32	Neutral	Telecommunication Services	\$12,040	TRI	Thomson Reuters Cp.	\$27.07	Sell	Media	\$22,401
DAL	Delta Air Lines Inc.	\$8.12	Sell	Transportation	\$6,879	TRMB	Trimble Navigation Ltd.	\$43.08	Neutral	Tech. Hardware & Equip.	\$5,312
DG	Dollar General Corp.	\$40.57	Neutral	Retailing	\$13,856	VRSK	Verisk Analytics Inc. CI A	\$39.28	Buy	Commercial & Prof. Services	\$6,424
DLTR	Dollar Tree Inc.	\$81.49	Buy	Retailing	\$9,699	VMW	VMware Inc.	\$96.68	Buy	Software & Services	\$11,812

Source: EquityCompass Strategies, FactSet Research Systems Inc.

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Stock Buyback List

Objective: List of the 10 most significant share repurchase announcements in the preceding 30 days.

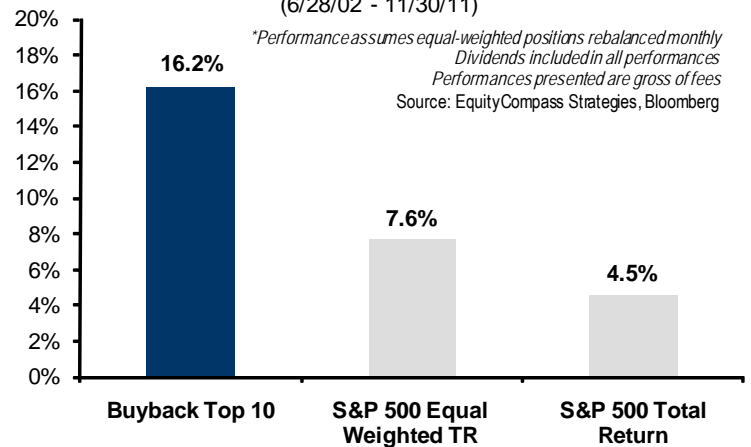
Opportunity: Share buyback announcements provide a compelling signal for short-term post announcement excess returns.

Methodology: Significance is measured as the announced value as a percent of outstanding shares.

Annualized Returns

(6/28/02 - 11/30/11)

**Performance assumes equal-weighted positions rebalanced monthly
Dividends included in all performances
Performances presented are gross of fees
Source: EquityCompass Strategies, Bloomberg*



“Exploiting Excess Returns from Announced Share Buybacks” — A Whitepaper from EquityCompass Strategies

Abstract

- Our research into corporate stock buybacks (share repurchases) dating back to 1996 supports academic research findings that share buyback announcements provide a compelling signal for short-term post-announcement excess returns.
- EquityCompass Strategies presents a rules-based strategy (the “Buyback Strategy”) that seeks to capture the short-term excess returns associated with share repurchase announcements by focusing on the two drivers of excess returns — recency and size of the announcement — while implementing size and liquidity constraints to reduce risk.
- Low correlation with most major asset classes suggests that the Buyback Strategy can be a satellite growth strategy that complements a long-term core investment plan anchored to timeless principles to help build a diversified portfolio.
- For more information contact your Stifel Financial Advisor.

Top 10 Stock Buybacks:

Symbol	Company Name	Price 11/30/11	Dvd. Yld. (%)	Compass Rating	SVI			Sub Industry	Mkt.-Cap. (Mil)	Shares Out (Mil)	Ann. Date	Amount	% Out.
					PPS	Grade	RL						
TVL	Lin TV Corp.	\$3.41	--	Neutral	6	B	L	Broadcasting & Cable TV	\$112	33	11/7/2011	25.000 Mln	22.23%
CECO	Career Education Cp.	\$7.06	--	Neutral	6	D	--	Education Svcs.	\$536	76	11/14/2011	100.000 Mln	18.67%
AEIS	Advanced Energy Indus.	\$9.98	--	Sell	8	A	H	Semiconductor Equip.	\$443	44	11/21/2011	75.000 Mln	16.94%
OVTI	OmniVision Technologies	\$10.79	--	Neutral	6	B	--	Semiconductors	\$644	60	11/7/2011	100.000 Mln	15.54%
QLGC	QLogic Corp.	\$14.92	--	Neutral	7	B	--	Comp. Storage & Periph.	\$1,501	101	11/15/2011	200.000 Mln	13.32%
CRY	CryoLife Inc.	\$4.12	--	Sell	7	D	--	Health Care Equip.	\$116	28	11/1/2011	15.000 Mln	12.94%
DPS	Dr Pepper Snapple Grp.	\$36.53	3.50	Neutral	5	B	--	Soft Drinks	\$7,831	214	11/17/2011	1.000 Bln	12.77%
FICO	Fair Isaac Corp.	\$36.37	0.22	Buy	3	B	--	Application Software	\$1,298	36	11/2/2011	150.000 Mln	11.55%
CHS	Chico's FAS Inc.	\$10.40	1.92	Buy	1	A	L	Apparel Retail	\$1,744	168	11/22/2011	200.000 Mln	11.47%
TWTC	tw telecom inc. Cl A	\$18.79	--	Sell	9	A	--	Alternative Carriers	\$2,806	149	11/21/2011	300.000 Mln	10.69%

Source: EquityCompass Strategies, FactSet Research Systems Inc.

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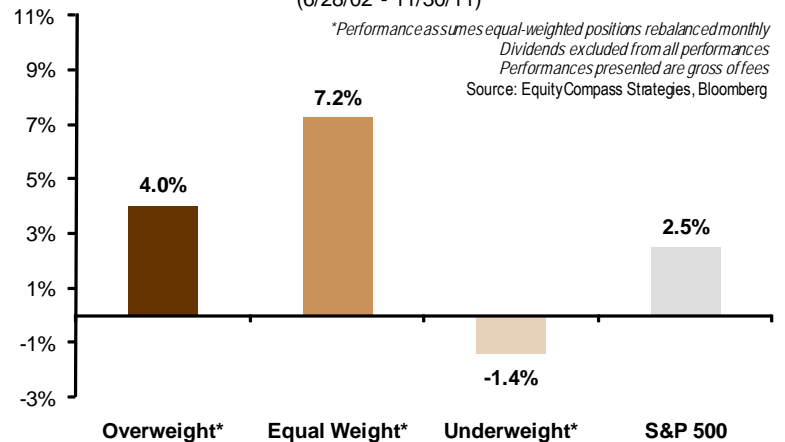
Sector Focus

Objective: Classify the 10 S&P economic sectors as over-, under-, or equal weight based on the level of mispricing of the constituent stocks

Methodology: Overweight opinions are given to the three sectors whose stocks are underpriced the most (greatest aggregate deviation of current relative valuation below their 12-month average). The three Underweight opinions are given to the sectors with the most overpriced stocks (current relative valuation deviation above the 12-month average). The remaining four sectors are assigned Equal Weight opinions.

Annualized Returns

(6/28/02 - 11/30/11)



Dec. 2011 - Short-Term Sector Opinion

S&P GICS Sector	*Average MVD	Opinion
Financials	-5.1%	Overweight
Industrials	-2.7%	Overweight
Information Technology**	-1.9%	Overweight
Telecom Services	-0.7%	Equal Weight
Consumer Discretionary	0.3%	Equal Weight
Materials**	0.4%	Equal Weight
Health Care**	2.7%	Equal Weight
Energy**	4.2%	Underweight
Consumer Staples	6.0%	Underweight
Utilities	11.9%	Underweight

* Market cap weighted

** Change since prior month

Source: EquityCompass Strategies

Historical Short-Term Sector Opinions

Month	Cons.		Health		Info		Telecom		Utilis.		
	Disc.	Staples	Energy	Fin'l	Indus.	Tech	Mat.	Services			
2008	Jan-08	0	U	U	E	0	E	0	E	E	U
	Feb-08	0	U	E	U	E	E	0	E	0	U
	Mar-08	0	U	U	E	E	E	0	U	0	E
	Apr-08	E	U	E	U	0	E	0	E	0	U
	May-08	E	U	E	U	0	E	0	E	0	U
	Jun-08	E	U	E	U	0	E	0	E	0	U
	Jul-08	0	E	U	E	E	E	0	U	0	U
	Aug-08	E	U	0	U	E	E	0	E	0	U
	Sep-08	E	U	0	U	E	E	0	E	0	U
	Oct-08	U	U	0	U	E	E	0	E	E	0
	Nov-08	E	U	0	U	E	0	0	E	U	E
	Dec-08	E	E	U	E	0	0	0	E	U	U
2009	Jan-09	E	0	U	E	E	0	0	U	U	E
	Feb-09	E	0	U	0	E	0	E	U	U	E
	Mar-09	E	0	U	E	0	E	U	U	U	E
	Apr-09	E	0	U	E	E	0	E	U	U	0
	May-09	U	0	U	E	0	E	E	U	E	0
	Jun-09	E	0	U	U	0	E	E	U	E	0
	Jul-09	E	E	U	0	E	E	U	U	0	0
	Aug-09	E	0	U	E	E	E	U	U	0	0
	Sep-09	E	0	E	E	E	U	U	U	0	0
	Oct-09	E	0	E	U	E	U	E	U	0	0
	Nov-09	E	E	U	E	0	U	E	U	0	0
	Dec-09	U	0	E	E	E	U	E	U	0	0
2010	Jan-10	E	0	0	U	E	U	E	U	0	E
	Feb-10	E	U	0	0	U	U	E	0	E	E
	Mar-10	E	U	0	0	U	U	E	0	E	E
	Apr-10	E	U	0	0	U	U	E	0	E	E
	May-10	U	E	0	0	U	U	E	0	E	E
	Jun-10	U	U	0	0	E	E	E	0	E	U
	Jul-10	E	U	0	0	U	E	E	0	E	U
	Aug-10	E	U	0	0	E	E	0	E	U	U
	Sep-10	E	U	0	E	E	0	0	E	U	U
	Oct-10	E	U	0	0	E	0	E	E	U	U
	Nov-10	E	U	0	0	E	0	E	E	U	U
	Dec-10	E	E	U	0	0	0	E	E	U	U
2011	Jan-11	E	0	U	E	0	0	E	U	U	E
	Feb-11	0	0	U	U	0	E	E	E	U	E
	Mar-11	U	0	U	E	0	E	E	E	U	0
	Apr-11	E	0	U	E	E	U	0	E	U	0
	May-11	E	E	U	E	U	E	0	0	U	0
	Jun-11	E	U	E	0	U	0	0	E	U	E
	Jul-11	E	E	E	0	U	0	0	E	U	U
	Aug-11	E	U	E	E	U	0	E	0	0	U
	Sep-11	E	U	E	0	U	0	E	0	E	U
	Oct-11	E	U	E	0	E	0	E	0	U	U
	Nov-11	E	U	E	0	E	0	E	0	U	U

0 = Overweight; E = Equal Weight; U = Underweight
Source: EquityCompass Strategies

EquityCompass Performance Monitor

(Data through 11/30/2011)

Benchmark Indices	1M	3M	6M	YTD	1Y	3Y	5Y	2006	2007	2008	2009	2010
S&P 500	-0.5%	2.3%	-7.3%	-0.8%	5.6%	11.6%	-2.3%	13.6%	3.5%	-38.5%	23.5%	12.8%
S&P 500 Total Return	-0.2	2.9	-6.3	1.1	7.8	14.1	-0.2	15.8	5.5	-37.0	26.5	15.1
S&P 500 Equal Weight	-0.9	1.7	-10.3	-1.9	5.0	20.0	0.0	14.0	0.0	-41.0	43.3	19.8
Dow Jones Ind. Average	0.8	3.7	-4.2	4.0	9.4	10.9	-0.3	16.3	6.4	-33.8	18.8	11.0
S&P 100	-0.3	2.5	-5.9	-0.7	6.1	9.1	-2.9	15.9	3.8	-37.1	19.1	10.1
NASDAQ 100	-2.7	2.4	-3.3	3.5	8.4	24.6	5.1	6.8	18.7	-41.9	53.5	19.2
S&P SmallCap 600	0.5	3.5	-9.5	-1.3	6.2	17.4	0.5	14.1	-1.2	-32.0	23.8	25.0
S&P MidCap 400	-0.5	1.0	-11.6	-2.6	3.7	19.8	1.8	9.0	6.7	-37.3	35.0	24.9
Russell 1000	-0.5	2.1	-8.0	-1.2	5.3	12.7	-2.0	13.3	3.9	-39.0	25.5	13.9
Sector Indices ¹	1M	3M	6M	YTD	1Y	3Y	5Y	2006	2007	2008	2009	2010
S&P 500 Financials	-5.0%	-4.1%	-19.1%	-19.7%	-11.2%	0.5%	-18.4%	16.2%	-20.8%	-57.0%	14.8%	10.8%
S&P 500 Info. Tech.	-1.9	5.6	-2.0	2.3	7.6	22.0	2.8	7.7	15.5	-43.7	59.9	9.1
S&P 500 Health Care	0.7	1.5	-6.1	7.2	11.9	10.5	0.3	5.8	5.4	-24.5	17.1	0.7
S&P 500 Industrials	0.6	3.9	-10.8	-3.8	3.5	12.0	-2.0	11.0	9.8	-41.5	17.3	23.9
S&P 500 Energy	1.7	3.9	-7.7	3.9	13.2	9.3	2.5	22.2	32.4	-35.9	11.3	17.9
S&P 500 Cons. Disc.	-0.9	3.1	-4.2	3.3	7.5	23.7	0.6	17.2	-14.3	-34.7	38.8	25.7
S&P 500 Cons. Staples	2.4	2.9	-1.4	7.9	12.0	9.6	4.5	11.8	11.6	-17.7	11.2	10.7
S&P 500 Telecom. Svcs.	0.8	1.2	-8.2	-2.8	4.6	4.2	-3.3	32.1	8.4	-33.6	2.6	12.3
S&P 500 Utilities	0.5	3.9	4.0	11.5	14.5	5.4	-0.8	16.9	15.8	-31.5	6.8	0.9
S&P 500 Materials	-0.1	-2.0	-12.2	-9.5	-0.3	16.1	0.1	15.7	20.0	-47.0	45.2	19.9
EquityCompass Attribute Indices ¹	1M	3M	6M	YTD	1Y	3Y	5Y	2006	2007	2008	2009	2010
EC High Beta Index	-2.0%	-1.8%	-23.7%	-18.5%	-8.3%	40.1%	2.0%	7.9%	6.5%	-56.1%	124.7%	32.6%
EC Low Beta Index	0.5	3.5	-3.0	10.0	15.8	14.6	2.7	13.7	2.3	-26.1	11.7	20.1
EC Mega Cap Index	0.3	2.9	-6.4	0.0	7.2	12.7	0.1	12.0	8.5	-35.8	24.8	13.9
EC Micro Cap Index	-2.4	1.6	-16.9	-10.9	-0.9	50.3	9.0	16.2	-7.7	-42.9	148.7	31.5
EC High Growth Index	-2.9	-2.9	-23.7	-17.6	-7.7	20.0	-4.2	5.9	13.6	-57.1	60.9	27.4
EC Low Growth Index	-2.6	0.4	-10.9	-0.1	7.2	28.0	4.1	27.3	-4.1	-34.1	54.5	24.6
EC High Financial Quality Index	0.6	5.0	-5.2	3.0	10.1	17.6	1.3	14.3	1.0	-34.0	26.6	21.1
EC Low Financial Quality Index	-2.8	-1.9	-23.2	-12.7	-3.6	34.6	1.2	13.2	1.9	-54.4	110.2	24.2
EC High Fundamental Quality Stocks	-1.2	0.8	-9.4	-1.6	5.0	21.5	3.2	15.6	6.4	-35.9	37.7	25.2
EC Low Fundamental Quality Stocks	-1.8	-2.3	-19.8	-13.8	-4.4	30.1	2.9	19.0	-2.9	-42.8	78.4	33.5
EC High Value Index	-1.1	-1.1	-12.7	-2.7	3.3	21.0	-0.5	7.7	4.1	-46.0	47.6	22.2
EC Low Value Index	-2.1	2.0	-15.6	-5.6	2.5	35.7	2.9	13.7	-4.3	-43.6	73.1	31.3
EC Div. Index	-0.7	1.7	-8.8	-2.9	4.8	20.6	1.8	18.9	2.7	-35.9	35.1	25.2
EC Non Div. Index	-2.5	-2.0	-19.0	-12.6	-4.5	30.1	2.9	17.1	3.2	-46.0	81.2	30.1
EC High Short Interest Index	-1.2	0.6	-11.4	-1.1	5.9	23.8	-0.7	13.2	-8.1	-42.9	56.3	18.6
EC Low Short Interest Index	-1.8	2.2	-12.7	-4.5	3.8	27.8	4.2	18.9	11.0	-42.4	63.4	22.9
EC High Analysts' Rating Index	-1.1	2.9	-9.8	-0.6	5.6	20.4	2.5	14.2	17.0	-41.1	37.6	22.4
EC Low Analysts' Rating Index	-1.3	-0.3	-13.6	-9.0	-1.4	29.1	1.5	16.6	-13.7	-38.3	82.3	20.7
EC High Price Index	0.0	-0.1	-7.9	1.1	7.1	13.8	0.4	13.0	17.6	-41.5	22.0	19.7
EC Low Price Index	-4.3	-3.0	-24.0	-15.3	-5.2	45.9	6.7	17.8	-10.3	-44.2	152.8	27.5
EC High Price Momentum Index	0.0	0.1	-10.2	2.5	7.3	5.6	-1.8	12.3	18.5	-34.5	3.2	10.6
EC Low Price Momentum Index	-2.8	0.7	-18.2	-9.7	7.9	70.4	13.5	17.1	-14.6	-47.0	261.8	24.6
EC Underpriced Stocks Index	-1.2	2.1	-9.3	-2.2	8.1	35.8	5.6	21.6	-4.3	-39.1	62.9	40.4
EC Overpriced Stocks Index	-1.2	-0.5	-10.8	-5.6	0.2	17.9	-2.7	16.5	2.1	-47.2	44.9	16.3
EC Market Cycle Indices ¹	1M	3M	6M	YTD	1Y	3Y	5Y	2006	2007	2008	2009	2010
Early Bull Market Index	-8.6%	-3.4%	-27.9%	-29.3%	-17.2%	48.7%	-1.0%	14.9%	-15.0%	-62.0%	224.0%	27.9%
Mid Bull Market Index	-2.5	-1.8	-20.3	-15.7	-7.2	25.9	-1.6	12.7	9.6	-54.6	70.7	31.2
Late Bull Market Index	-0.4	-1.9	-12.5	-8.2	-4.1	9.1	-2.0	13.6	29.1	-46.0	17.0	21.5
Bear Market Index	0.6	4.8	-2.9	9.4	14.8	12.5	3.3	12.8	11.0	-26.2	13.3	13.2
EquityCompass Stock Screens ¹	1M	3M	6M	YTD	1Y	3Y	5Y	2006	2007	2008	2009	2010
Quality Momentum Stocks	0.2%	-1.0%	-5.8%	6.5%	12.4%	17.8%	5.7%	15.0%	25.7%	-34.5%	24.4%	19.9%
Oversold/Quality Stocks	-1.0	2.5	-6.3	2.4	10.0	28.4	1.8	21.5	-7.3	-39.1	33.7	43.2
Research Focus List	2.9	6.2	-6.1	6.1	17.9	32.8	2.7	16.4	5.5	-50.0	52.2	36.9
Mispriced/Large-Cap Stocks	-0.8	6.7	-4.5	4.5	11.1	24.2	-1.6	8.1	-6.5	-48.4	50.3	25.0
EC Buyback Top 10	1.1	-1.6	-15.3	-12.0	-0.6	26.9	8.2	30.6	-0.1	-20.7	72.0	23.8
EC Candidates List	-1.1	-2.2	-14.8	-6.2	-0.4	17.0	2.2	11.0	11.2	-34.9	26.7	29.5
EC Coverage Universe ¹	-1.6%	-0.2%	-14.3%	-8.0%	-0.1%	25.8%	2.7%	18.3%	2.8%	-40.8%	58.2%	28.1%
EC Coverage Universe (Ex ADRs) ¹	-1.3%	0.4%	-13.6%	-7.1%	1.1%	26.1%	2.7%	16.8%	0.9%	-40.1%	56.9%	29.1%

¹ Assumes equally weighted positions reconstituted and rebalanced monthly; dividends included.
All performances are annualized for periods greater than one year.

Source: EquityCompass Strategies

EquityCompass Valuation Profile

(As of 11/30/2011)

Benchmark Indices ¹	Div (%)	Beta	Short Int.		EV/EBITDA		P/BV		PEG Ratio
			Rate		(NTM)	P/E (NTM)	P/C/F (NTM)	(MRQ)	
S&P 1500	2.11	0.92	1.8		8.5	12.1	7.8	2.2	0.8
S&P 500	2.20	0.90	1.8		8.5	11.9	7.7	2.2	0.9
S&P 100	2.38	0.84	1.7		8.5	11.3	7.5	2.3	0.9
S&P Mid Cap	1.47	1.11	3.9		8.3	13.8	8.6	2.0	0.7
Dow Jones Ind Avg.	3.02	0.78	1.6		8.7	10.5	6.8	2.0	1.1
Nasdaq 100	1.14	0.92	1.3		8.2	10.7	6.5	3.4	0.6
S&P Citi Growth	2.07	0.89	1.8		8.2	12.9	8.8	3.0	0.9
S&P Citi Value	2.63	0.89	1.9		8.3	11.1	6.6	1.7	0.9
Russell 1000	2.12	0.92	1.8		8.5	11.7	7.2	2.2	0.8
Russell 2000	1.38	1.23	6.3		8.2	17.2	8.8	2.0	0.6
Russell 3000	2.06	0.94	1.8		8.5	11.9	7.3	2.2	0.7
Russell Mid Cap	1.72	1.04	2.9		8.5	11.9	6.3	2.0	0.6
S&P 500 Energy Index	1.93	1.25	2.2		4.9	10.3	5.9	2.0	0.8
S&P 500 Materials Index	2.27	1.25	2.0		6.8	11.7	7.8	2.3	0.7
S&P 500 Industrials Index	2.45	1.09	1.7		9.3	12.3	8.2	2.5	0.8
S&P 500 Consumer Disc. Index	1.60	0.92	2.3		8.4	14.1	8.7	3.0	0.7
S&P 500 Consumer Staples Index	3.04	0.43	2.5		9.3	14.1	10.5	3.7	1.6
S&P 500 Health Care Index	2.41	0.66	2.1		7.7	11.1	8.8	2.4	1.5
S&P 500 Financials Index	1.97	1.16	1.3		19.2	9.4	5.6	0.8	0.3
S&P 500 Info. Tech. Index	1.20	0.96	1.3		8.0	11.6	9.2	3.2	0.9
S&P 500 Telecom. Services Index	5.44	0.54	2.3		5.7	16.2	4.4	1.7	1.4
S&P 500 Utilities Index	4.06	0.41	3.3		8.0	14.3	6.4	1.6	3.1
Russell 1000 Val.	2.60	0.88	1.9		8.3	11.1	6.7	1.7	0.8
Russell 1000 Gr.	1.82	0.93	1.9		8.0	12.4	7.9	3.3	0.9
Russell Mid Val.	2.22	1.00	2.7		8.1	12.1	7.0	1.6	0.6
Russell Mid Gr.	1.19	1.10	3.1		8.6	12.1	6.3	3.1	0.6
EquityCompass Indices ¹	Div (%)	Beta	Short Int.		EV/EBITDA		P/BV		PEG Ratio
EC High Beta Index	0.70	1.92	2.3		6.1	11.0	6.7	1.8	0.4
EC Low Beta Index	3.40	0.40	3.0		8.9	15.2	9.6	2.6	1.1
EC Mega Cap Index	2.15	0.90	1.7		8.7	13.1	9.0	3.0	0.9
EC Micro Cap Index	1.41	0.77	12.0		7.8	12.4	6.3	1.5	0.5
EC High Growth Index	1.44	1.26	2.4		18.4	17.3	7.0	1.5	0.2
EC Low Growth Index	2.47	1.17	2.4		5.7	7.2	3.0	1.4	7.2
EC High Financial Quality Index	1.68	0.95	2.2		8.7	14.5	11.4	2.9	0.9
EC Low Financial Quality Index	0.78	1.26	2.8		8.0	7.9	2.5	2.3	0.2
EC High Fundamental Quality Stocks	1.83	1.15	2.3		7.5	14.1	8.8	2.5	0.7
EC Low Fundamental Quality Stocks	1.20	1.29	3.2		11.5	16.3	8.5	1.7	0.4
EC High Value Index	1.24	0.94	3.5		15.1	25.0	18.0	4.3	0.9
EC Low Value Index	1.84	1.32	2.9		4.8	8.0	4.2	1.1	0.3
EC Div. Index	3.13	1.05	2.5		7.3	12.5	7.3	2.0	0.6
EC Non Div. Index	0.00	1.30	3.8		8.7	16.9	9.8	2.4	0.5
EC High Short Interest Index	1.81	0.97	8.5		9.3	10.6	4.3	2.6	0.5
EC Low Short Interest Index	1.60	1.24	1.1		12.2	10.4	6.9	1.7	0.6
EC High Analysts' Rating Index	1.09	1.19	2.1		9.1	12.4	8.6	2.5	0.7
EC Low Analysts' Rating Index	2.95	0.91	3.8		7.2	13.8	7.7	1.8	0.9
EC Underpriced Stocks Index	1.01	1.02	2.4		8.1	16.4	12.2	3.3	0.8
EC Overpriced Stocks Index	1.85	1.39	2.2		14.2	13.0	5.8	1.2	0.4
EC High Price Momentum Index	2.01	0.70	2.8		9.0	17.6	11.9	3.5	1.1
EC Low Price Momentum Index	1.99	1.19	2.1		17.0	7.3	3.0	1.4	0.3
EquityCompass Ratings ²	Div (%)	Beta	Short Int.		EV/EBITDA		P/BV		PEG Ratio
All EC "Buy" Rated Stocks	1.57	1.09	2.9		7.2	14.6	9.4	2.6	0.6
All EC "Neutral" Rated Stocks	1.73	1.16	3.0		7.3	11.9	6.2	1.9	0.4
All EC "Sell" Rated Stocks	1.33	1.32	3.1		8.5	15.5	8.0	1.7	0.4
EquityCompass Focus Lists ²	Div (%)	Beta	Short Int.		EV/EBITDA		P/BV		PEG Ratio
Quality Momentum	2.22	0.94	2.2		6.6	15.4	10.0	2.9	0.7
Oversold Quality	0.90	1.12	1.7		6.4	11.0	7.5	1.2	0.9
Research Focus List	1.13	1.11	2.3		6.3	12.2	7.6	1.2	0.6
Mispriced Large-Cap	1.36	1.01	2.0		7.3	11.5	9.1	1.9	0.7
EC Coverage Universe ²	1.52	1.18	3.0		7.5	14.0	8.2	2.2	0.5
EC Coverage Universe (Ex ADRs)*	1.40	1.18	3.0		8.4	14.2	8.5	2.2	0.5

¹ Market cap weighted averages of the underlying constituents in the EquityCompass Coverage Universe (excluding stocks with missing valuation metrics)² Equal weighted averages (excluding stocks with missing valuation metrics)

Source: EquityCompass Strategies

EquityCompass Investment Analysis

EquityCompass utilizes a quantitative analytical process with the objective of providing insights for stock selection and portfolio management. The quantitative models are designed to discriminate stocks based on their relative valuation, price momentum, quality, and investor over-/underreaction. Below is a brief description of the models.

Compass Rating – An overall opinion of Buy, Neutral, or Sell based on our EquityCompass stock selection models

PPS – Performance Probability Score, a ranking of stocks from 1 (most favorable) to 9 (least favorable) on the basis of relative value and long-term price momentum

SVI – Shareholder Value Index, a quality ranking of stocks from A (most favorable) to D (least favorable) measuring fundamentals that create value and create tangible shareholder benefits relative to sector peers

Valuation Percentile – The percentile ranking of a stock within our universe from 0% (Value) to 100% (Growth) based on 12-month forward estimates of company fundamentals such as earnings, sales, and cash flow

Mean Valuation Deviation – The difference between a stock's current Valuation Percentile ranking and its average over the past 12 months

RL – Redline, a condition of opportunity or risk based on a Valuation Percentile ranking significantly below (Redline Low - L) or above (Redline High - H) its 12-month average valuation percentile ranking

Important Disclosures

EquityCompass Overview:

The information contained herein has been prepared from sources believed to be reliable but is not guaranteed 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. EquityCompass Strategies is a research and investment advisory unit of Choice Financial Partners, Inc., a wholly owned subsidiary and affiliated SEC registered investment adviser of Stifel Financial Corp. Portfolios based on EquityCompass Strategies are available exclusively through Stifel, Nicolaus & Company, Incorporated. Affiliates of EquityCompass Strategies may, at times, release written or oral commentary, technical analysis, or trading strategies that differ from the opinions expressed within. 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.

Strategy Specific Risks:

Any investment involves risks, including a possible loss of principal.

Equity Risk Management Strategy. Some investments involve unique risks, for example, mutual funds and Exchange Traded Funds ("ETFs") are subject to the risk that the values will fluctuate with the value of the underlying investments. ETFs trade like stocks and are subject to market risk, including the potential for loss of principal. The value of ETFs will fluctuate with the value of the underlying securities. Inverse ETFs are considered risky. The use of inverse strategies by a fund increases the risk to the fund and magnifies gains or losses on the investment. You could incur significant losses even if the long-term performance of the underlying index showed a gain. Most inverse ETFs "reset" daily. Due to the effect of compounding, their performance over longer periods of time can differ significantly from the performance (or inverse of the performance) of their underlying index or benchmark during the same period of time. Investors should review the prospectus and consider the ETF's investment objectives, risks, charges, and expenses carefully before investing.

EquityCompass Index Descriptions:

Attribute Indices. The EC Attribute indices measure the returns of stocks with specific characteristics that influence performance. Indices that are identified as High/Low or Mega/Micro are constructed monthly from the top or bottom 10% of the largest 1,000 stocks within the EquityCompass coverage universe (equal weighted and including dividends). The attributes measures include beta, market capitalization, long-term earnings growth, financial quality, valuation, short interest, consensus analyst rating, long-term price momentum, and stock price. The EC Dividend and Non-Dividend indices measure the performance of dividend-payers and non-dividend payers. The Underpriced and Overpriced indices represent stocks scoring favorably/unfavorably in the EC Over-Under-reaction model. This model identifies the 20% of stocks with valuations relative to other stocks at extremes below or above their 12-month average.

Market Cycle Indices. In addition to indices for specific stock attributes, we calculate Market Cycle indices, which group the attributes that have historically been associated with better relative performance in various stages of a market cycle. The Market Cycle indices are equal-weighted and reconstituted monthly, and represent the 100 stocks within the EC coverage universe with the greatest exposure to the attributes selected. The Early Bull Market index represents stocks identified as high beta, low price, lower financial quality, with extreme valuations and negative long-term price momentum. The Mid-Bull Market index represents stocks identified as low valuation, underpriced, high sales growth, improving operating margins, high ROE, and strong implied EPS growth. The Late Bull Market index represents stocks identified with strong long-term relative price momentum, large market capitalization, high sales growth, favorable consensus analyst rating, and low short interest. The Bear Market index represents stocks with low beta, high financial quality, positive long-term price momentum, average valuation, and high share price.

Buy/Neutral/Sell Indices. The Buy, Neutral and Sell indices measures stocks according to our proprietary EquityCompass Investment Opinion. EquityCompass utilizes quantitative models to evaluate 3,000+ stocks to rank them for favorability on four drivers of performance: valuation, long-term price momentum, fundamental quality and over-underreaction. The indices are equally weighted and reconstituted monthly.

Sector Indices. The Standard & Poors Sector Indices are capitalization-weighted indices highlighting the individual sector characteristics as defined by the Global Industry Classification Standard (GICS).

EquityCompass Benchmark Index Descriptions:

The Dow Jones Industrial Average is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the Nasdaq.

The S&P 500 Index is a broad market index that tracks the performance of 500 stocks from major industries of the U.S. economy. This index is generally considered representative of the U.S. large capitalization market.

The S&P 500 Total Return Index tracks both the capital gains of the stocks in the S&P 500 Index over time, and assumes that any cash distributions, such as dividends, are reinvested back into the index. Looking at an index's total return displays a more accurate representation of the index's performance. By assuming dividends are reinvested, you effectively have accounted for stocks in an index that do not issue dividends and instead, reinvest their earnings within the underlying company.

The S&P 500 Equal Weight Index has the same constituents as the capitalization weighted S&P 500 Index, but each company in this index is allocated a fixed weight.

The S&P 100 Index measures the performance of large cap companies in the United States. The index is comprised of 100 major, blue chip companies across multiple industry groups.

The S&P MidCap 400® provides investors with a benchmark for mid-sized companies. The index covers over 7% of the U.S. equity market, and seeks to remain an accurate measure of mid-sized companies, reflecting the risk and return characteristics of the broader mid-cap universe on an on-going basis.

The S&P SmallCap 600 covers approximately 3% of the U.S. equities market. Measuring the small cap segment of the market that is typically renowned for poor trading liquidity and financial instability, the index is designed to be an efficient portfolio of companies that meet specific inclusion criteria to ensure that they are investable and financially viable.

S&P Composite 1500 combines three leading indices, the S&P 500®, the S&P MidCap 400, and the S&P SmallCap 600 to cover approximately 90% of the U.S. market capitalization.

The NASDAQ-100 Index includes 100 of the largest domestic and international non-financial securities listed on The Nasdaq Stock Market based on market capitalization.

The Russell 3000 Index measures the performance of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market.

The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership.

The Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000® Index and includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000 represents approximately 92% of the U.S. market.

The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell Midcap is a subset of the Russell 1000® Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Midcap represents approximately 31% of the total market capitalization of the Russell 1000 companies.

The Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 Index companies with lower price-to-book ratios and lower expected growth values.

The Russell 1000 Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 Index companies with higher price-to-book ratios and higher forecasted growth values.

The Russell Midcap Value Index measures the performance of the mid-cap value segment of the U.S. equity universe. It includes those Russell Midcap Index companies with lower price-to-book ratios and lower forecasted growth values.

The Russell Midcap Growth Index measures the performance of the mid-cap growth segment of the U.S. equity universe. It includes those Russell Midcap Index companies with higher price-to-book ratios and higher forecasted growth values.

The volatility of the S&P 500 Index and any other indices identified in this report may be materially different from the volatility of the model portfolios presented by EquityCompass Strategies. Indices are unmanaged, and it is not possible to invest directly in an index.

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BUY – Stifel expects this stock to outperform the S&P 500 by more than 10% over the next 12 months. For higher-yielding equities such as REITs and Utilities, Stifel expects a total return in excess of 12% over the next 12 months.

HOLD – Stifel expects this stock to perform within 10% (plus or minus) of the S&P 500 over the next 12 months. A Hold rating is also used for those higher-yielding securities where Stifel is comfortable with the safety of the dividend, but believes that upside in the share price is limited.

SELL – Stifel expects this stock to underperform the S&P 500 by more than 10% over the next 12 months and believes the stock could decline in value.

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Additional Information Available Upon Request

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