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EquityCompass Strategies

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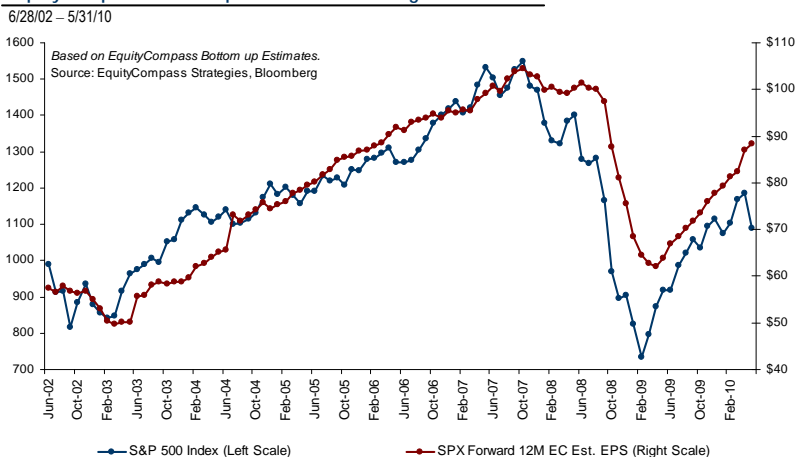
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## Highlights:

- Following the pullback in May, fear has once again pervaded investor decision-making. The “bucket” approach to asset allocation is a pragmatic, real-world approach to asset allocation that recommends segregating assets based on a hierarchy of needs. We believe that this approach would help address investment risk and fear, as well as generate sufficient returns to achieve financial objectives. (see page 3)
- After a 14-month 80% rise, the S&P 500 has experienced its first 10% market correction. However, fundamental expectations remain positive and historical probabilities indicate that the current pullback may be more of a pause than the beginning of another bear market. (see page 4)
- Market corrections often mark transitions in investor preference for attributes that they think drive investment performance. We believe the current pullback will likely shift investor attention from high risk, oversold stocks to those with more enduring fundamental value. (see page 4)
- Our research into corporate share buybacks indicates that markets react positively to share buyback announcements leading to compelling post-announcement excess returns in the short-run. This month we introduce the Buyback Opportunity Portfolio Strategy — a rules-based strategy to capture the excess returns in a risk-managed portfolio which would be a worthy complement to long-term investment plans. (see page 6)

Chart 1 EquityCompass Bottom-Up SPX Forward Earnings Estimate



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 34 of this report.

EquityCompass Strategies is the research and investment advisory unit of Choice Financial Partners, a wholly owned subsidiary and affiliated SEC registered investment adviser of Stifel Financial Corp. (NYSE:SF). EquityCompass professionals have been providing investment research, analysis, and advice for more than 10 years. The firm adheres to a disciplined and rules-based investment process, offering a broad range of benchmark-relative, absolute-return, and risk-management portfolio strategies to individuals, financial intermediaries, and institutional clients. Additionally, EquityCompass has partnered with institutional clients in the U.S. and Europe to develop investment solutions tailored to specific objectives.

## Resources of a Large Firm — Focus of a Specialist

As a Stifel Financial company, EquityCompass is able to leverage the resources and infrastructure of its affiliate, Stifel Nicolaus, one of the leading full-service financial services firms in the U.S., for risk management oversight and a global infrastructure for trading, record keeping, reporting, and risk control, while maintaining the autonomy and service of a pure investment firm.

## Extensive Experience

- For more than 10 years, EquityCompass professionals have been providing stock recommendations and investment research, analysis, and advice to the financial advisors of Legg Mason/Smith Barney and Stifel Nicolaus.
- Senior EquityCompass investment professionals have been working together for more than seven years.
- The Investment team is led by Richard Cripps, Chief Investment Officer and Senior Portfolio Manager
  - Former Managing Director of Portfolio Strategy at Stifel Nicolaus.
  - Former Chief Market Strategist and Co-Chairman of the investment committee at Legg Mason Wood Walker.
  - More than 25 years of experience in developing and monitoring investment opinions, as well as providing market commentary, strategy, and portfolio advice.

## Investment Philosophy

EquityCompass believes that a key component to achieving consistent superior performance that is both explainable and repeatable is the disciplined application of an investment process that has the following characteristics:

- Quantitative and Impartial
  - A rules-based approach that minimizes subjective biases during decision-making.
  - Uses a series of proprietary quantitative models, developed and refined in-house, to systematically filter the market universe of over 3,000 U.S. and 5,000 international stocks.
- Based on sound investment principles and refined over time by rigorous testing and by incorporating investor feedback and capital market insights.
- Transparent and Risk-Managed
  - All EquityCompass quantitative models are fully transparent – i.e., not a “black box” – and incorporate extensive quality control measures to ensure data integrity.
  - Features rigorous risk management to address portfolio and systemic risks.
  - Extensive quality control measures incorporated to ensure data integrity.

## Comprehensive Range of Investment Strategies

### Traditional Equity Strategies

- Seven value/growth investment strategies covering all market capitalization ranges.
- Customized all-equity and asset allocation portfolios offered exclusively through Stifel Nicolaus.

### Alternative Strategies

- Equity Risk Management Strategy: Tactical asset allocation that seeks to provide portfolios with protection from equity market downside risks while retaining the ability to participate in enduring market advances.

## Value-Added Client Resources

- Provides investment advice, financial market commentary, stock selection lists, and portfolio updates.
- Provides comprehensive tools for stock selection and portfolio management.
- Conducts monthly market review conference calls by the CIO, Richard Cripps.



*EquityCompass Strategies: (pictured left to right) Bobby Thomas, V.P.—Strategic Development; Timothy M. McCann—Managing Director; Richard E. Cripps, CFA—CIO, Sr. Portfolio Manager; Larry C. Baker, CFA—V.P., Portfolio Manager; Kenya Overstreet—Business Administrator, and Michael S. Scherer—Principal*

## Investing for Retirement—Reducing Fear by Segregating Risk

- Following the pullback in May, fear has once again pervaded investor decision-making.
- Contrary to conventional asset allocation orthodoxy, individuals respond to risk by segregating assets to address specific needs rather than viewing them holistically.
- The “bucket” approach to asset allocation is a pragmatic real-world solution that advocates segregating assets based on a hierarchy of needs. This approach helps address investment risk and fear, and generates sufficient returns to achieve financial objectives.

Fear, like its counterpart greed, obscures the difference between the potential and the probable. Fear has asserted itself in equity markets over the past four weeks, beginning with the “flash crash” in early May and then driven by uncertainty regarding European sovereign debt and global economic recovery. This fear is amplified by memories of the bear market in 2008, as the still-fresh scars prompt investors to view the current situation through the specter of that event, increasing their perceived likelihood of the worst case scenario.

Just how long investors will be influenced by events in 2008 is hard to say. The Great Depression influenced investment behavior for a generation and the inflationary spiral of the 1970s loomed prominently for 20 years after. The challenge for investing is addressing this fear (or greed) in a program that keeps investors constructively and prudently engaged to achieve their financial objectives.

### Addressing Fear by Reducing Risk

In hindsight, an investment approach is almost always deemed a success or a failure based on its ability to achieve the investment goals. The bumps along the way and luck in timing are given relatively minor roles in the story. The focus is on the big picture. The reality, however, is often more nuanced. Individual investors react to risk more emotionally than institutions for reasons ranging from a desire to sleep at night, to job security. Rather than viewing all of their investments as one big portfolio, individuals tend to segment them. For example, a household emergency account is not viewed as the strategic cash holding portion of the total portfolio and optimized based on risk tolerance and time horizon. The emergency fund is part of a hierarchy that gives a level of confidence to move to successively higher investment goals. The major point is that individuals tend to segment rather than aggregate when it comes to responding to risk.

The recipe for reducing fear is reducing risk. But taking zero risk is unlikely to help achieve financial goals. One example of how investors can confront risk and fear constructively to move toward achieving financial goals is from guidelines for retiring investors from the National Endowment for Financial Education® (NEFE®).<sup>1</sup> This organization is a private, nonprofit, national foundation wholly dedicated to improving the financial well-being of all Americans. In a rather significant departure from orthodoxy, NEFE is advising a more pragmatic approach, recognizing the behavioral idiosyncrasies of

individual investors. This solution — known as the “bucket” approach — breaks down the question of risk by segmenting, or segregating, assets in a hierarchy.

For a new retiree to generate enough income over a 30-year period the plan recommends a 4% annual withdrawal in year one and an annual increase of 3% thereafter. According to the bucket approach, the investment portfolio should be allocated into three buckets.

- Bucket #1 - Funds the income needs for the first five years with investments that have no market risk (CDs and other short-term instruments). At 4% annual withdrawal, this would amount to about 20% of total assets.
- Bucket #2 - Invests 20% of total assets in high quality, intermediate bonds with intermediate maturities (6-10 years).
- Bucket #3 - Contains the remaining 60% of assets to be invested in long-term stocks.

After five years, investors would need to carve out 20% of the long-term bucket assets to become the new intermediate bond bucket, as the original bond bucket is now the near-term bucket.

This is a very pragmatic approach addressing investor risk and fear by segregating assets and removing near-term uncertainty. Not only that, it also positions assets to achieve sufficient investment returns to meet financial objectives. By fulfilling the first hierarchy — secure income for a minimum of 5 years — investors are likely to react with less urgency to market volatility and the risk of ill-timed investment decision-making. Retirement is not the time an investor wants to be faced with critical investment timing decisions.

### The 60/40 Solution

Viewed separately, investors are segregating risk in a manner that better meets their hierarchy of needs. However, viewing the three buckets holistically, the investment allocation is 60% stocks and 40% bonds, which is applicable for investors who do not need current withdrawals as well. This lower volatility investment approach can help investors by making them less susceptible to ill-timed investment decisions in stages of extreme fear or greed. It is also possible to augment the 60/40 mix with alternative investments to better diversify or seek higher returns.

The silver-lining of a fear-driven market is that it helps inculcate a healthy respect for potential loss. This behavior is not optimal for maximizing returns but does emphasize preservation of capital, which will become important when markets turn positive. The real key is positioning assets in a way that reasonably protects, as well as grows, capital to meet financial objectives. Besides its historic ability to capture long-term market returns, a 60/40 allocation helps break down fear and risk into terms investors can connect to their needs which is perhaps its most important feature.

**Richard E. Cripps, CFA**  
Chief Investment Officer  
EquityCompass Strategies

<sup>1</sup> [www.decumulation.org](http://www.decumulation.org)

## Market Correction

- After 14-months and an 80% rise, the S&P 500 experienced its first 10% market correction.
- With few signs of fundamental deterioration, historical probabilities favor that the current pullback is sentiment-related.
- Market corrections often mark transitions in attributes that investors favor. We believe the pullback will likely shift investor attention from high risk, oversold stocks to those with more enduring fundamental value.

A multitude of concerns from the European debt crisis, to the May 6th “flash crash,” to the BP disaster in the Gulf of Mexico weighed on equity markets last month, as stocks suffered their worst losses since February 2009. After rallying 80% from the March 9, 2009 lows through April 23, 2010, the S&P 500 has pulled back as much as 12.3%, its first 10% correction since the bottom. For the month, the S&P 500 retreated 8.2% and the Dow fell 7.9%, its worst percentage loss in the month of May in 70 years.

Energy stocks were the biggest losers for the month, dropping 11.8% as the sector was under attack from multiple fronts. Oil stocks suffered as concerns over the global economy weighed on oil prices, with sweet crude futures dropping 14%. Oil service and exploration companies took a blow from the situation in the Gulf of Mexico, pulling back after President Obama announced a six month ban on new deep water drilling in the Gulf. Other economically sensitive sectors such as Industrials and Materials also experienced disproportionate losses, losing 9.8% and 9.7%, respectively. Telecom Services and the defensive Consumers Staples sector dropped less than the market, losing only 3.9% and 4.7%.

### Risk Trade Receding?

Market corrections can lead to a shift in focus as investors reassess the risk and opportunity available in the market. For instance, investors typically look for the most oversold stocks coming off a bear market bottom which are usually characterized as high risk, small share price, and poor quality (Early Bull). As a bull market becomes established, investors turn their sights to stocks offering sustainable fundamental value (Mid Bull) and later, as the bull matures, momentum forces assert themselves (Late Bull). In the market pullback in May, the biggest casualties were the Early Bull favorites and they were due for correction after their moon shot performance from the bear market low (Table 1).

**Table 1**

EC Market Cycle Indices	2/27/09 - 4/30/10	May 2010
Early Bull Top 100 Index	451.5%	-15.3%
Mid Bull Top 100 Index	114.5%	-9.8%
Late Bull Top 100 Index	41.8%	-6.3%
Bear Top 100 Index	41.8%	-5.8%

Source: EquityCompass Strategies

Investors who are constructively inclined should look to stocks with our Mid Bull market cycle rating. These stocks have below-average valuation with above-average outlook for growth. The next leg in the bull market should be supported by growing signs in the economy that will benefit stocks with attractive fundamentals.

### The May 6 “Flash Crash”

May 6, 2010 witnessed an incredible and historic market event. At approximately 2:42 p.m. the Dow plunged 539 points in a 5-minute period to cap a 1,010 point decline — its largest intraday point decline ever — and then proceeded to recover 651 points to finish the day with a 3.2% loss. While the exact cause of the selloff has yet to be identified, there is some agreement on an explanation for its magnitude. Declining prices triggered computerized program selling at high frequency trading firms, leading to rapid declines. Losses were exacerbated when the NYSE Euronext halted trading for brief periods in certain names, allowing trades to be routed to electronic exchanges. A lack of liquidity on some of these electronic exchanges resulted in sell orders being fulfilled at very low bids, which at their most extreme saw Procter & Gamble drop 37% in 15 minutes and well-known names such as Accenture, Boston Beer Company, and Exelon trade for \$0.01.

While many experts agree that we may never know exactly what sparked the sell-off, there are some important takeaways from the event. It illustrates, with today’s high frequency trading technology, how quickly prices can move, and perhaps brings to light the need to examine potential rule-synchronization among exchanges. The event also highlighted, and amplified, the level of anxiety present in the market — further illustrated by the wide market swings surrounding negative and positive news releases regarding the European debt crisis. The market was ripe for the correction that has occurred.

### Post Correction

Over the last several months we have written extensively about the likelihood of a 10% market correction. With the losses in May this has been accomplished, as the S&P 500 dropped as much as 12.3% from its April 23rd high. The key question facing investors is — what comes next? The bearish camp will argue that the European debt crisis will have a far-reaching impact on our economy and markets, and that the current selling is a precursor to a more significant move lower. The bullish argument states there are ample signs that the U.S. economy is in the midst of a sustainable recovery, and that the current selling is an expected pause before the market resumes its upward trend.

Our investment process is not built on correctly predicting the future, but rather on positioning ourselves for the greatest probability of success. As we wrote last month, two-thirds of 10% corrections are sentiment-related that prove to be buying opportunities. Measures of investor sentiment, such as the American Association of Individual Investors (AAII) survey, suggest that sentiment was becoming overly optimistic in mid-April, with bearish sentiment at only 30% and bullish sentiment at 49%. Those percentages have shifted to 51% bearish as

of May 27 versus only 30% bullish, which could indicate a short-term oversold condition.

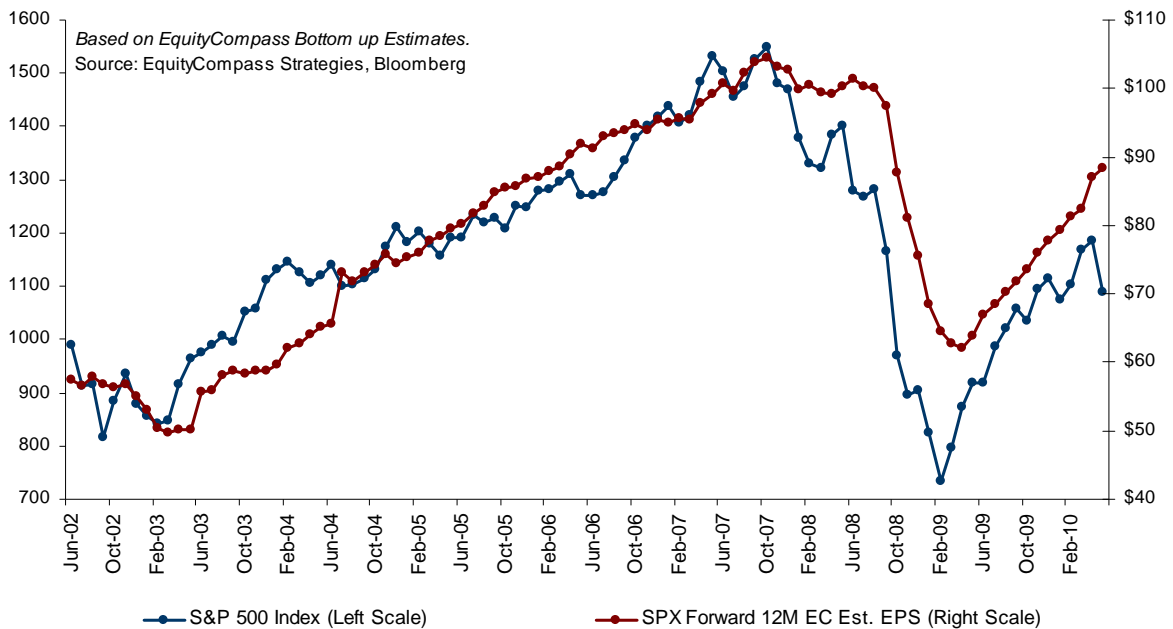
More severe corrections are accompanied by deterioration in fundamentals. The consensus analyst estimate for 12-month forward EPS for the S&P 500 is currently \$88.37, which is up 1.4% from last month and its 13th consecutive monthly increase (Chart 1). We look for this estimate to trend down for two consecutive months as our signal that fundamental deterioration warrants moving away from the

equity market. In addition to the positive trend in earnings, the current market slide has cut the S&P's 12-month forward P/E multiple to 12.3x, which could provide a short-term valuation opportunity. While there are many opinions regarding what will happen in Europe and how that will impact our markets, we will continue to rely upon measurable data, which at this point still supports the case for a sentiment correction followed by a resumption of the upward market trend.

**Chart 1** (from the cover)

### EquityCompass Bottom-Up SPX Forward Earnings Estimate

6/28/02 – 5/31/10



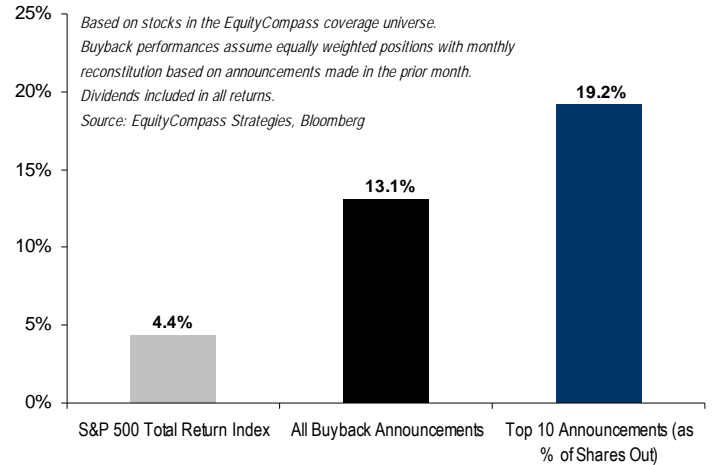
## The Compelling Opportunity in Stock Buyback Announcements: Introducing the Buyback Opportunity Portfolio Strategy

Chart 2

- The announcement of a stock buyback (share repurchase) provides a compelling signal leading to short-term excess returns.
- Two conditions amplify the excess return potential: (1) the recency to the announcement and (2) the size of the share repurchase.
- Based on the above criteria, the Buyback Opportunity Portfolio Strategy invests in 30 stocks that also meet size and liquidity standards. The portfolio is rebalanced monthly.
- In performance simulations using data on 10,070 transactions dating back to 1997, the portfolio strategy outperformed the S&P 500 Total Return Index by 10.35% annually.

### Performance of Stocks with Share Repurchase Announcements

6/28/02 – 4/30/10



The following is extracted from a forthcoming white paper that details the findings of our empirical study.

### Buyback Announcements and Excess Short-Term Returns

Companies that make a decision to repurchase shares believe their stock is trading below its expected value and that there are no better investment opportunities available.<sup>1</sup> The normal procedure is for a company to disclose its intention of a share buyback with a public announcement. Our study is focused on the stock performance post-announcement of an open market share repurchase. There is ample academic research on the performance anomalies of share repurchases, and the conclusions are mixed. In the long-term, and in general, the mere announcement of a share repurchase does not increase long-term shareholder value. Factors such as the amount and completion of the buyback, subsequent share issuance, and the

company's ability to create value from sales and profits will influence long-term returns more than the news of an announcement. In the shorter-term, however, the abnormal returns of share repurchase announcements are more distinct. The perception of increased liquidity and signaling by management of confidence in near-term prospects provides a buying catalyst leading to excess returns.

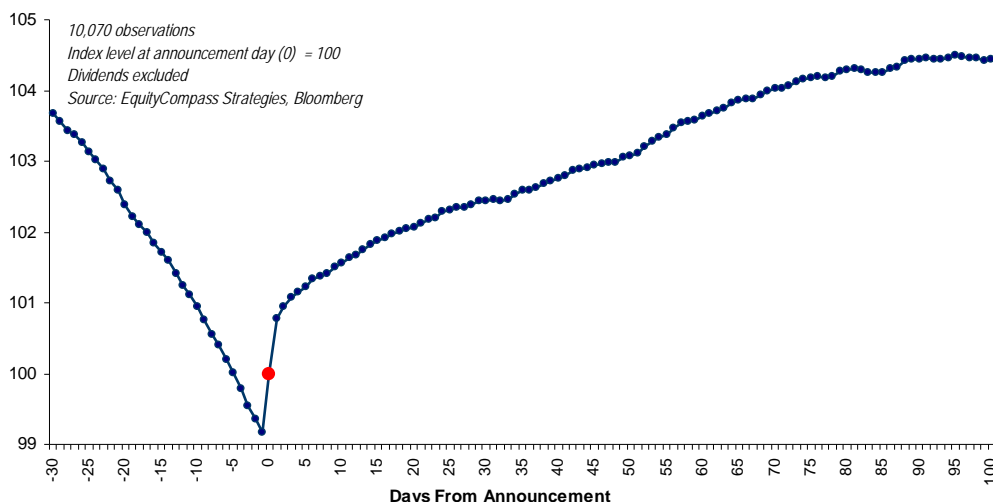
### Drivers of Excess Returns

As a regular monthly feature in the EquityCompass Update & Review, we have been publishing a list of companies announcing a share repurchase within the preceding month (Chart 2). Specifically, we highlight those 10 companies with the most significant share

Chart 3

### Announced Share Buyback Event Study 12/31/95 – 4/30/10

Cumulative Indexed Relative Returns (vs. SPX)



<sup>1</sup> "Clear Thinking about Share Repurchase," Michael J. Mauboussin, January 10, 2006, Legg Mason Capital Management

Chart 4

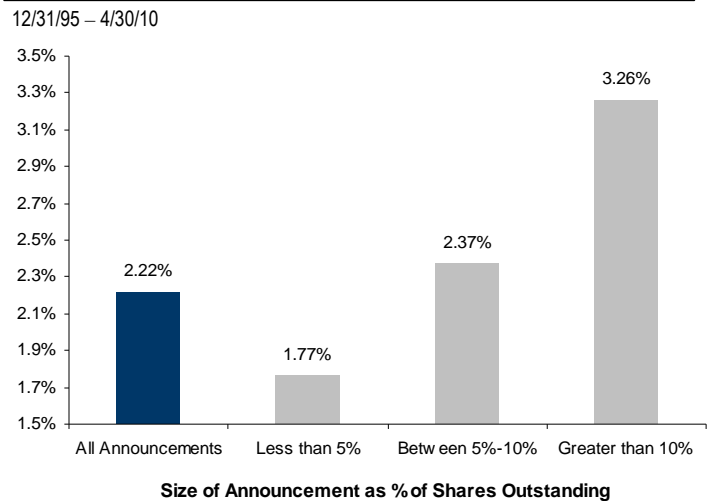
repurchase announcements. For performance monitoring purposes, we measure the equal-weighted average return of each stock (plus dividends) in the list one month forward from the month-end date that the data was derived and subsequently published. This process is repeated every month implying equally-weighted positions with monthly reconstitution and rebalancing. Performances are presented on an annualized basis.

Though the performance of our top 10 names is compelling as an idea list, it faces numerous hurdles for implementation as a practical strategy to exploit potential excess return. Since we only look back at the previous month for share repurchase announcements, nearly all of the positions change on a monthly basis. Many share repurchase announcements are made by small-cap companies with low trading volume, which could significantly reduce the performance advantage due to the market impact effect if a significant amount of the shares are actually purchased. Furthermore, emulating the list as a strategy of 10 stocks does not represent an adequately diversified "portfolio." In order to better validate the performance anomaly surrounding share repurchase announcements we evaluated 10,070 open market share repurchase announcements made by members of the Russell 3000 from Jan. 1, 1997 through Apr. 30, 2010. The study encompassed the relative performance of each stock beginning 30 days prior to the announcement through 100 days after the announcement, relative to the S&P 500 Index. Our findings suggest and confirm a consistent and significant positive abnormal relative return post announcement for up to 100 days after. The strongest relative returns occurred within the first 60 days from the announcement (Chart 3). We further found that companies with higher share repurchase announcements (as a percent of shares outstanding) significantly outperform those with lower announced percentages. (Chart 4).

### An Actively Managed Portfolio to Invest in Buybacks

With insights that the recency to an announced share buyback, as well as the size, are important criteria for portfolio construction, we developed a strategy to capture the outperformance in an actively

Average 1-Month Forward Relative Returns (vs. SPX) Post Announcement



managed, risk-managed portfolio. First, the portfolio candidates are selected from companies that made a share repurchase announcement within the previous three calendar months and meet adequate liquidity and market capitalization requirements. A two-factor ranking model (i.e., recency and size) is then used to determine which 30 stocks from among the portfolio candidates comprise the portfolio for the month. The portfolio is rebalanced to maximize the excess return potential.

In performance simulations using data on 10,070 transactions and for the period 12/31/1997 – 4/30/2010, the Buyback Opportunity Strategy Portfolio outperformed the S&P 500 Total Return Index by 10.35% annually (including dividends, but excluding all other associated and implied costs such as bid/ask slippage, taxes, commissions, market impact, management fees, etc. Risk analysis of the simulation is also favorable) (Table 2). Members of the Buyback Opportunity Portfolio Strategy are shown in Table 3 as of May 31, 2010.

Table 2 Portfolio Simulation of Announced Share Buyback Strategy vs. S&P 500

Return Analysis			Risk Analysis		
	Buyback Strategy	S&P 500		Buyback Strategy	S&P 500
Annualized Return	13.8%	3.4%	Beta	1.01	1.00
YTD (4/30/10)	10.1%	7.1%	Ann. Std. Dev.	20.0%	16.4%
1-Year	37.3%	38.8%	Sharpe	0.57	0.06
3-Year	-1.8%	-5.0%	R-Squared	0.68	1.00
5-Year	8.9%	2.6%	Best Monthly Return	15.6%	9.8%
2009	33.0%	26.5%	Worst Monthly Return	-19.3%	-16.8%
2008	-26.9%	-37.0%	Best Trailing 12 Months	71.9%	53.6%
2007	-2.2%	5.5%	Worst Trailing 12 Months	-24.5%	-38.1%

Dividends included in all returns

Commissions, transaction costs, and management fees excluded from all performances

Buyback Strategy assumes equally weighted positions reconstituted and rebalanced monthly

Source: EquityCompass Strategies, Bloomberg, FactSet Research Systems Inc.

## Where Does the Buyback Opportunity Portfolio Strategy “Fit” in an Investor’s Asset Allocation?

At EquityCompass, we are constantly trying to distinguish *timeless* principles that successfully capture long-term market returns and *timely* opportunities that are created from a changing economy and investor preferences. The core, or base, of a long-term investment plan should be anchored in timeless principles and complemented with flexible and adaptable investments that seek to exploit opportunities from our dynamic marketplace. In the long-term, the mobility and

competitiveness of opportunity-seeking capital work to exploit excess returns. For the moment, the window of opportunity for a share buyback strategy appears wide open and a worthy complement to a comprehensive investment portfolio.

**Tim McCann**  
*Managing Director*  
 EquityCompass Strategies

**Table 3**

### Buyback Opportunity Portfolio Strategy Members as of 5/31/10

Symbol	Company Name	Price 5/31/10	Div. Yield %	Sub Industry	Mkt.-Cap. (Mil)	Shrs. Out (Mil)	Ann. Date	Amount	% Out
EAT	Brinker International Inc.	\$17.78	3.1	Hotels Restaurants & Leisure	\$1,823	102.5	3/26/2010	250.00 Mln \$\$	13.7%
VRX	Valeant Pharmaceuticals Int'l.	\$46.48	--	Pharmaceuticals	\$3,640	78.3	3/30/2010	500.00 Mln \$\$	13.7%
HAS	Hasbro Inc.	\$40.15	2.5	Leisure Equipment & Products	\$5,637	140.4	4/19/2010	625.00 Mln \$\$	11.1%
DOX	Amdocs Ltd.	\$28.50	--	IT Services	\$5,862	205.7	4/22/2010	700.00 Mln \$\$	11.9%
JBHT	J.B. Hunt Transport Svcs. Inc.	\$34.53	1.4	Road & Rail	\$4,397	127.3	4/28/2010	500.00 Mln \$\$	11.4%
K	Kellogg Co.	\$53.43	2.8	Food Products	\$20,303	380.0	4/29/2010	2.500 Bln \$\$	12.3%
DUF	Duff & Phelps Corp. (CI A)	\$13.49	1.8	Capital Markets	\$561	41.6	4/29/2010	50.00 Mln \$\$	8.9%
TIBX	TIBCO Software Inc.	\$11.41	--	Software	\$1,887	165.4	5/3/2010	300.000 Mln \$\$	15.9%
OCR	Omnicare Inc.	\$25.11	0.4	Health Care Providers & Svcs.	\$3,018	120.2	5/3/2010	200.000 Mln \$\$	6.6%
BMJ	Bristol-Myers Squibb Co.	\$23.21	5.5	Pharmaceuticals	\$39,921	1720.0	5/4/2010	3.000 Bln \$\$	7.5%
BMC	BMC Software Inc.	\$37.01	--	Software	\$6,732	181.9	5/5/2010	1.000 Bln \$\$	14.9%
DVN	Devon Energy Corp.	\$63.85	1.0	Oil Gas & Consumable Fuels	\$28,528	446.8	5/5/2010	3.500 Bln \$\$	12.3%
UFS	Domtar Corp.	\$61.20	1.6	Paper & Forest Products	\$2,637	43.1	5/5/2010	150.000 Mln \$\$	5.7%
GENZ	Genzyme Corp.	\$48.65	--	Biotechnology	\$12,965	266.5	5/6/2010	2.000 Bln \$\$	15.4%
RLI	RLI Corp.	\$55.12	2.1	Insurance	\$1,163	21.1	5/6/2010	100.00 Mln \$\$	8.6%
AWH	Allied World Assurance Co.	\$44.91	1.8	Insurance	\$2,266	50.5	5/7/2010	500.000 Mln \$\$	22.1%
SGMS	Scientific Games Corp.	\$10.22	--	Hotels Restaurants & Leisure	\$962	94.1	5/10/2010	200.000 Mln \$\$	20.8%
HS	HealthSpring Inc.	\$17.37	--	Health Care Providers & Svcs.	\$1,006	57.9	5/10/2010	100.000 Mln \$\$	9.9%
LM	Legg Mason Inc.	\$29.72	0.5	Capital Markets	\$4,831	162.6	5/11/2010	1.000 Bln \$\$	20.7%
GILD	Gilead Sciences Inc.	\$35.92	--	Biotechnology	\$32,394	901.8	5/11/2010	5.000 Bln \$\$	15.4%
AMP	Ameriprise Financial Inc.	\$39.79	1.8	Capital Markets	\$10,242	257.4	5/11/2010	1.500 Bln \$\$	14.6%
WRC	Warnaco Group Inc.	\$42.59	--	Textiles Apparel & Luxury Gds.	\$1,891	44.4	5/12/2010	5.000 Mln Shares	11.3%
MHS	Medco Health Solutions Inc.	\$57.65	--	Health Care Providers & Svcs.	\$26,363	457.3	5/13/2010	3.000 Bln \$\$	11.4%
CA	CA Inc.	\$20.25	0.8	Software	\$10,317	509.5	5/13/2010	500.000 Mln \$\$	4.8%
FRX	Forest Laboratories Inc.	\$25.88	--	Pharmaceuticals	\$7,826	302.4	5/18/2010	50.000 Mln Shares	16.5%
FSR	Flagstone Reinsurance Hldgs.	\$11.82	1.4	Insurance	\$946	80.0	5/18/2010	50.000 Mln \$\$	5.3%
UNM	Unum Group	\$23.10	1.4	Insurance	\$7,687	332.8	5/20/2010	500.000 Mln \$\$	6.5%
AN	AutoNation Inc.	\$20.03	--	Specialty Retail	\$3,402	169.9	5/26/2010	250.000 Mln \$\$	7.3%
HRL	Hormel Foods Corp.	\$39.80	2.1	Food Products	\$5,313	133.5	5/26/2010	5.000 Mln Shares	3.7%
IM	Ingram Micro Inc. (CI A)	\$16.96	--	Electronic Equip. Instr. & Comp.	\$2,805	165.4	5/27/2010	100.000 Mln \$\$	3.6%

Source: EquityCompass Strategies, FactSet Research Systems Inc.

## Tactical Total Core (TTC) Strategy

### A review of the EquityCompass approach to risk management

TTC has a two-pronged approach to risk management: Diversification and Decorrelation. It starts with the timeless principle of traditional asset class diversification for protection. It also incorporates the Equity Risk Management Strategy – an innovative decorrelation strategy designed to provide risk control during periods of enormous market stress when the price movement of various asset classes becomes highly synchronized and traditional diversification alone is not sufficient – as witnessed in the bear market of 2008.

#### Diversification:

TTC is diversified across asset classes (stocks and bonds), value/growth investment styles, market-capitalizations, and geographies.

- A 60% stock/40% bond asset mix has historically provided the best risk/reward tradeoff for a 5-year investment horizon and is the base allocation of TTC. This allocation is reviewed annually and adjusted higher or lower when trailing returns are significantly above or below their average. [The 2010 stock/bond allocation is 65%/35%.]
- The equity portion of TTC seeks to reliably capture market returns with lower volatility. A bias to investment style (growth/value), market-cap segment (small/mid/large), or industry segment can increase risk if that specific style, cap class or industry has unfavorable performance. TTC addresses this by being agnostic on investment style (growth/value) and market-cap segments (small/mid/large), including international developed and emerging markets, and equally weighting exposure to each of the 10 S&P economic sectors.
- The objective of the fixed income portion is capital stability. Our research shows that lower quality, longer duration, non-U.S. fixed income securities have shown much higher correlation to stocks in extreme selling events compared to shorter duration, high quality domestic bonds. TTC avoids high yield or foreign bonds. The fixed income portion is comprised of ETFs that invest 100% in investment grade bonds, with 65% of the allocation comprised of U.S. Treasury ETFs. The average duration of the fixed income portfolio is approximately 5.5 years.

#### Decorrelation or the Equity Risk Management Strategy:

The decorrelation or Equity Risk Management Strategy seeks to provide protection from prolonged market declines while allowing participation in enduring market advances.

- This is a rules-based strategy that uses the outputs from fundamental and technical models to determine whether to be fully invested in the S&P 500 or, when conditions are unfavorable, reduce equity exposure by shifting an amount to cash or inverse (short) the S&P 500. [Current allocation of the Equity Risk Management Strategy is 95% long the S&P 500 and 5% cash].
- The fundamental component looks forward and measures consensus analyst earnings estimates for the next 12 months in the S&P 500. As of May 2010, the fundamental outlook is positive with analyst estimates having risen for 13 consecutive months. The rule-set requires two consecutive months of decline in forward estimates for the fundamental outlook to turn negative. The earliest the fundamental model could become defensive would be at the beginning of August (as of 5/24/2010, the estimates for June are trending higher).
- The technical component analyzes past market data to uncover patterns of investor behavior. The rule-set was developed by systematically analyzing data back to 1916 and covering all bear markets since The Great Depression. Per the rules governing the technical model, and based on the current levels, if the DJIA closes below 9900, the equity allocation will increase from the current value of 95% to 100% indicating that price correction is presenting increased opportunity for reward. On the other hand, if the DJIA drops below 9200, the technical model will become defensive and reduce equity exposure.
- If both the fundamental and technical models are negative, the Equity Risk Manager will adjust to 90% inverse (short) and 10% cash. This effectively reduces the allocation to stocks from 65% to 24%.

The TTC risk management approach is based on extensive research and is implemented in a transparent way. For additional details, we recommend the following two whitepapers: (1) “*EquityCompass Equity Risk Management Strategy*,” May 2009 and (2) “*The Blueprint for Core Investing*,” September 2009 available for download at <http://www.equitycompass.com/products/stifel.aspx>. To learn more about the Tactical Total Core Strategy and the portfolios on which it is based, please contact your Stifel Nicolaus Financial Advisor.

## EquityCompass Stock Selection and Model Portfolios

EquityCompass provides stock selection lists and model portfolios to convey and demonstrate the investment value of current and past stock opinions. The stock selection lists are the result of screening the EquityCompass' 3,000 plus coverage universe for U.S. stocks meeting specified criteria at the end of each month. The stock selections are "fresh" in that there are no legacy considerations to being a current list member.

The model portfolios represent ongoing simulations anchored on the EquityCompass Buy/Neutral/Sell opinions and that incorporate constraints of moderate turnover, diversification, and style purity. There are specific rules in portfolio construction and subsequent stock addition/deletions. For more information, please refer to the February 2009 report, "Introducing EquityCompass Model Portfolios" available at [www.equitycompass.com](http://www.equitycompass.com).

The Aggregate List (pp. 28–30) is a compilation of all stocks that are on the selection lists as well as the model portfolios.

### Stock Selection Lists

#### Stifel Research Focus

*Timely stocks with a favorable Stifel analyst rating*

#### Mispriced/Large-Cap Stocks

*Timely stocks in the S&P 500*

#### Oversold/Quality Stocks

*Out-of-favor high-quality value stocks*

#### Quality/Momentum Stocks

*Highest quality stocks with positive price momentum*

#### The Candidates List

*Companies with the highest likelihood of inclusion in the S&P 500 over the next 12 months*

#### Stock Buyback List

*Companies that have announced an intention to repurchase their company's shares*

#### Sector Focus

*Near-term opinions for 10 S&P economic sectors*

### EC Model Portfolios

#### U.S. Large-Cap Growth

#### U.S. Large-Cap Value

#### U.S. Mid-Cap Growth

#### U.S. Mid-Cap Value

#### U.S. Small-Cap Growth

#### U.S. Small-Cap Value

#### U.S. All-Cap Blend

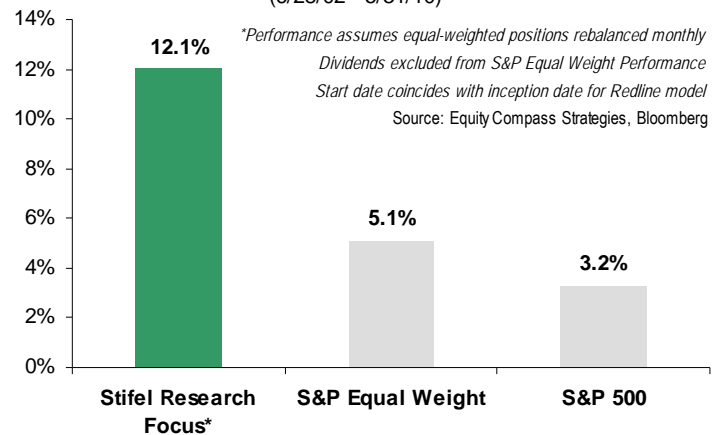
*For a description of EquityCompass analytical ratings please see page 30.*

## Stifel Research Focus

### Selection Criteria:

The objective of the Stifel Research Focus is to combine a favorable opinion derived from fundamental research with the near-term opportunism identified by the EquityCompass Redline model. The Stifel Nicolaus Equity Research Department has 60 senior analysts covering more than 900 individual companies. They perform rigorous and thorough analyses of industries and companies to produce investment recommendations. Each month, we screen the “Buy” recommendations from analysts for stocks that also have an extreme, and therefore potentially opportunistic, over-/underreaction (i.e., Redline Low). This list brings together two complementary, but independent, approaches to stock selection. The performance of this approach to stock selection is shown on the right.

### Annualized Returns (6/28/02 - 5/31/10)



### June Highlights:

- Stifel analyst Patrick Ho recently wrote that shares of Cymer Inc. (CYMI) represent an attractive value for a defensive play in the space. Ho stated shares are trading below 10x his high range for 2011 EPS, and that a multiple of 14x–15x would be more warranted for the stock. His target price is \$46.
- American Eagle Outfitters (AEO) reported 1Q10 EPS of \$0.17, up 50% from a year ago and inline with the estimate of Stifel analyst Richard Jaffe. Jaffe feels the company can deliver improved results in 2H10 and deliver mid-teen operating margins in 2011. His target price is \$21.

### Current Selections:

Symbol	Company Name	Price 5/31/10	Analyst	Dvd. Yld. (%)	PPS	SVI	Valuation Percentile	12M Avg Valuation Percentile	Mean Valuation Deviation	Sub Industry
CYMI	Cymer Inc.	\$30.27	Ho	--	7	B	23.1%	65.6%	-42.5%	Semiconductor Equip.
UAUA	UAL Corp.	\$20.01	Keay	--	2	D	25.6%	66.2%	-40.6%	Airlines
TER	Teradyne Inc.	\$10.98	Ho	--	2	B	19.3%	58.5%	-39.2%	Semiconductor Equip.
BTU	Peabody Energy Corp.	\$38.96	Forward	0.72	2	A	21.7%	58.9%	-37.2%	Coal & Consumable Fuels
JNS	Janus Capital Group Inc.*	\$10.66	Hopson	0.38	5	B	39.0%	72.3%	-33.3%	Asset Mgmt. & Custody Bks.
BAC	Bank of America Corp.	\$15.74	Mutascio	0.25	2	C	30.4%	59.5%	-29.1%	Other Div. Financial Svcs.
ALTR	Altera Corp.	\$23.57	Newton	0.85	5	A	44.1%	70.6%	-26.5%	Semiconductors
TXN	Texas Instruments Inc.*	\$24.42	Ho	1.97	5	A	15.1%	41.1%	-26.1%	Semiconductors
COF	Capital One Financial Corp.	\$41.30	Brendler	0.48	1	B	14.7%	39.5%	-24.9%	Consumer Finance
NVLS	Novellus Systems Inc.	\$25.82	Ho	--	2	C	44.3%	68.8%	-24.5%	Semiconductor Equip.
INTC	Intel Corp.*	\$21.42	Ho	2.94	2	A	17.4%	41.2%	-23.8%	Semiconductors
USB	U.S. Bancorp*	\$23.96	Mutascio	0.83	2	B	24.8%	47.8%	-23.0%	Div. Banks
MFE	McAfee Inc.	\$31.80	Weller	--	7	A	38.0%	59.5%	-21.5%	Systems Software
WFC	Wells Fargo & Co.	\$28.69	Mutascio	0.70	1	A	13.6%	34.5%	-20.8%	Div. Banks
AEO	American Eagle Outfitters*	\$13.10	Jaffe	3.05	6	B	2.6%	21.5%	-18.9%	Apparel Retail
MBFI	MB Financial Inc.*	\$21.85	Davis	0.18	3	D	56.4%	70.8%	-14.3%	Regional Banks
MAT	Mattel Inc.*	\$21.66	Crum	3.46	2	B	24.7%	38.4%	-13.8%	Leisure Products
SYKE	Sykes Enterprises Inc.*	\$17.26	Rosenbaum	--	7	B	20.4%	32.6%	-12.2%	Office Svcs. & Supplies

\*Denotes new additions

Source: EquityCompass Strategies, FactSet Research Systems Inc.

For a description of EquityCompass analytical ratings please see page 30.

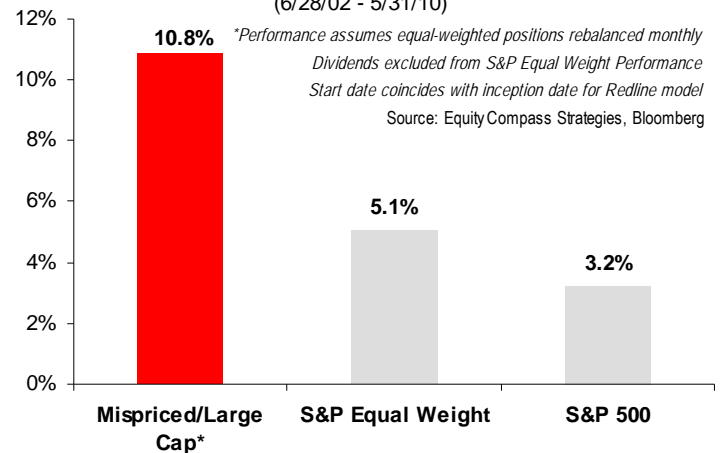
## Mispriced/Large-Cap Stocks

### Selection Criteria:

The objective of the Mispriced/Large-Cap list is to highlight stocks experiencing the most extreme over-/underreaction from within the S&P 500 index. Over-/underreaction occurs when changes in stock prices are disproportionate when compared to changes in underlying expectations (i.e., sales, earnings, cash flow and EBITDA estimates). We believe that this condition produces a short-term performance opportunity as the imbalance corrects. The EquityCompass Redline model utilizes a dynamic relative value ranking incorporating various measures of expectations (i.e., price-to: expected earnings, expected cash flow). The deviation in a stock's current relative value ranking compared to its 12-month average is the basis for Redline. Each month, we screen stocks in the S&P 500 over \$10/share. The 15 stocks with the greatest Redline Low condition are selected and shown below. To the right is a performance analysis of this selection method.

### Annualized Returns

(6/28/02 - 5/31/10)



### June Highlights:

- Following a decline in shares of Teradyne (TER) in early May, Stifel analyst Patrick Ho stated in a note that the pullback made shares “too cheap to ignore” and a tactical short term opportunity. His target price is \$16.
- Stifel analyst Chris Mutascio recently upgraded shares of U.S. Bancorp (USB) to Buy based on his belief that USB will return to normalized earnings much sooner than other large-cap banks under his coverage. His target price is \$34.

### Current Selections:

Symbol	Company Name	Price 5/31/10	52W High	52W Low	Dvd. Yld. (%)	PPS	SVI Grade	Valuation Percentile	12M Avg Valuation Percentile	Mean Valuation Deviation	Sub Industry
TER	Teradyne Inc.	\$10.98	\$13.37	\$5.96	--	2	B	19.3%	58.5%	-39.2%	Semiconductor Equip.
BTU	Peabody Energy Cp.*	\$38.96	\$52.14	\$27.19	0.72	2	A	21.7%	58.9%	-37.2%	Coal & Consumable Fuels
JNS	Janus Capital Group Inc.*	\$10.66	\$16.06	\$9.25	0.38	5	B	39.0%	72.3%	-33.3%	Asset Mgmt. & Custody Bks.
XLNX	Xilinx Inc.	\$24.45	\$28.00	\$18.94	2.62	7	A	33.2%	61.6%	-28.4%	Semiconductors
PH	Parker Hannifin Cp.*	\$61.46	\$72.50	\$39.53	1.69	2	B	31.2%	59.4%	-28.2%	Industrial Machinery
NSM	National Semiconductor Cp.	\$14.05	\$16.20	\$11.60	2.28	7	B	45.7%	73.4%	-27.8%	Semiconductors
GILD	Gilead Sciences Inc.*	\$35.92	\$50.00	\$34.78	--	7	A	45.9%	72.6%	-26.7%	Biotechnology
ALTR	Altera Corp.	\$23.57	\$27.48	\$15.32	0.85	5	A	44.1%	70.6%	-26.5%	Semiconductors
APC	Anadarko Petroleum Cp.*	\$52.33	\$75.07	\$40.28	0.69	5	B	40.7%	66.9%	-26.2%	Oil & Gas Exploration & Prod.
TXN	Texas Instruments Inc.	\$24.42	\$27.44	\$18.59	1.97	5	A	15.1%	41.1%	-26.1%	Semiconductors
MOLX	Molex Inc.	\$21.18	\$23.66	\$14.01	2.88	5	A	14.1%	38.7%	-24.6%	Electronic Manufacturing Svcs.
INTC	Intel Cp.	\$21.42	\$24.37	\$15.15	2.94	2	A	17.4%	41.2%	-23.8%	Semiconductors
USB	U.S. Bancorp	\$23.96	\$28.43	\$16.11	0.83	2	B	24.8%	47.8%	-23.0%	Div. Banks
MWV	MeadWestvaco Cp.	\$23.90	\$29.74	\$14.44	3.85	1	A	13.8%	35.2%	-21.4%	Paper Products
MSFT	Microsoft Cp.*	\$25.80	\$31.58	\$20.05	2.02	5	A	43.6%	61.7%	-18.1%	Systems Software

\*Denotes new additions

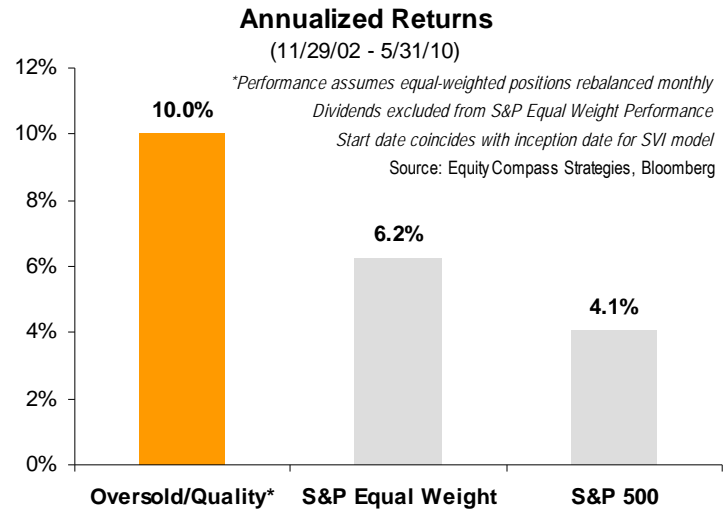
Source: EquityCompass Strategies, FactSet Research Systems Inc.

For a description of EquityCompass analytical ratings please see page 30.

## Oversold/Quality Stocks

### Selection Criteria:

The objective of the Oversold/Quality list is to identify high-quality value stocks that are currently out of favor, but we believe are "oversold" in the market. The EquityCompass measures for valuation by comparing stock prices to expectations (i.e., sales, earnings, cash flow and EBITDA estimates) to produce a relative ranking divided at the median between growth and value. The PPS model combines this relative valuation ranking with a positive or negative determination of long-term relative price strength. The SVI measures for quality in value creation (sales and operating margins) and shareholder rewards (dividend growth, share buybacks, and long-term debt levels). The Redline Low model identifies stocks experiencing an extreme over-/underreaction. Each month, we screen the S&P 500 for stocks over \$10 that have high quality, low valuation, are out of favor, and have a Redline Low condition. Shown at the right is a performance analysis of the selection criteria since inception of all three models.



### June Highlights:

- Gilead Sciences Inc. (GILD) announced plans to repurchase \$5 billion worth of its stocks over the next three years. The value of the buyback plan equates to approximately 16% of the company's market capitalization.

### Current Selections:

Symbol	Company Name	Price 5/31/10	52W High	52W Low	Dvd. Yld. (%)	PPS	SVI	Valuation Percentile	12M Avg Valuation Percentile	Mean Valuation Deviation	Sub Industry
XLNX	Xilinx Inc.	\$24.45	\$28.00	\$18.94	2.62	7	A	33.2%	61.6%	-28.4%	Semiconductors
GILD	Gilead Sciences Inc.	\$35.92	\$50.00	\$34.78	--	7	A	45.9%	72.6%	-26.7%	Biotechnology
MFE	McAfee Inc.	\$31.80	\$45.68	\$31.01	--	7	A	38.0%	59.5%	-21.5%	Systems Software

Source: EquityCompass Strategies, FactSet Research Systems Inc.

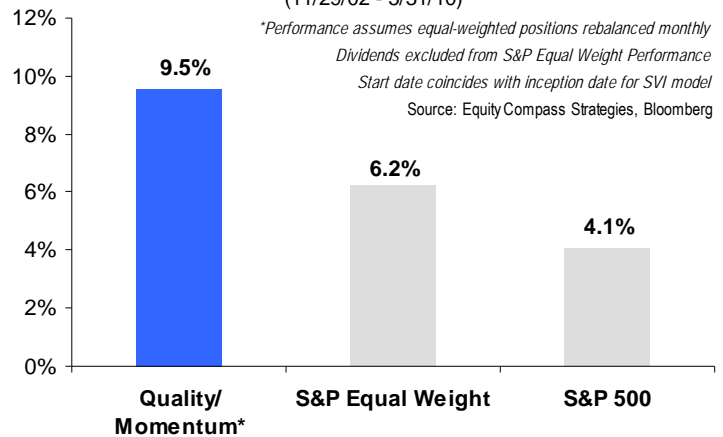
For a description of EquityCompass analytical ratings please see page 30.

## Quality/Momentum Stocks

### Selection Criteria:

The objective of the Quality/Momentum list is to identify stocks with superior risk-adjusted performance attributes. Stocks with high quality and positive long-term relative price strength exhibit lower volatility and tend to outperform passive market benchmarks. The Quality/Momentum utilizes the quality measure of the Shareholder Value Index (SVI) and the indication of positive long-term relative price strength embedded in favorable Performance Probability Scores (PPS 1–4). Specifically, Quality/Momentum selects the five highest-quality stocks above \$10 in each of the 10 S&P sectors from within the EquityCompass universe with a favorable PPS rating. The current list of 50 stocks meeting the selection criteria is shown below. The performance of the selection criteria is shown to the right.

### Annualized Returns (11/29/02 - 5/31/10)



### Current Selections:

Symbol	Company Name	Price 5/31/10	Div. Yld (%)	PPS	SVI Score	SVI Grade
<b>Consumer Discretionary</b>						
PFCB	P.F. Chang's China	\$43.47	--	2	98.3%	A
TJX	TJX Cos.	\$45.46	1.32	2	97.1%	A
MNRO	Monro Muffler Brake	\$39.39	0.91	3	96.7%	A
LULU	Lululemon Athletica*	\$40.86	--	4	96.0%	A
RL	Polo Ralph Lauren*	\$86.86	0.46	3	94.3%	A
<b>Consumer Staples</b>						
ABV	Comp. de Bebidas	\$96.34	1.41	4	100.0%	A
NUS	Nu Skin Ent. (CI A)	\$28.76	1.74	2	99.2%	A
KOF	Coca-Cola Femsa*	\$66.52	1.70	3	97.5%	A
DLM	Del Monte Foods Co.	\$14.58	1.37	2	95.9%	A
CAG	ConAgra Foods Inc.	\$24.18	3.31	2	88.4%	A
<b>Energy</b>						
EOG	EOG Resources Inc.	\$104.84	0.59	3	98.4%	A
BTU	Peabody Energy Cp.	\$38.96	0.72	2	97.8%	A
CRR	Carbo Ceramics Inc.	\$64.70	1.11	3	95.7%	A
REXX	Rex Energy Corp.	\$10.45	--	3	93.0%	A
MEE	Massey Energy Co.*	\$33.12	0.72	1	92.5%	A
<b>Financials</b>						
PSA	Public Storage	\$92.69	3.45	4	99.3%	A
DLR	Digital Realty Trust	\$56.91	3.37	4	98.0%	A
UNM	Unum Group	\$23.10	1.43	1	97.8%	A
MKTX	MarketAxess Hldgs.	\$14.76	1.90	3	96.5%	A
AFL	AFLAC Inc.	\$44.30	2.53	1	96.2%	A
<b>Health Care</b>						
PRGO	Perrigo Co.	\$59.41	0.42	3	100.0%	A
MRX	Medicis Pharm. Cp.	\$23.19	1.03	1	99.4%	A
REGN	Regeneron Pharm.	\$28.57	--	4	95.8%	A
HGSI	Human Genome Sci.	\$24.76	--	4	95.1%	A
VRX	Valeant Pharm. Int'l.*	\$46.48	--	4	94.2%	A
<b>Industrials</b>						
CPA	Copa Hldgs. (CI A)	\$51.00	2.14	2	99.8%	A
TGH	Textainer Grp. Hldgs.	\$24.55	3.91	3	99.5%	A
CNI	Canadian Nat'l. Rail.	\$57.37	1.88	3	99.3%	A
FLS	Flowserve Corp.	\$95.10	1.22	3	97.6%	A
GD	General Dynamics*	\$67.90	2.47	2	96.6%	A
<b>Information Technology</b>						
POWI	Power Integrations	\$33.98	0.59	3	99.6%	A
MMS	Maximus Inc.	\$59.90	0.80	2	98.7%	A
SLH	Solera Holdings Inc.	\$34.68	0.72	4	98.2%	A
JNPR	Juniper Networks Inc.	\$26.62	--	4	97.4%	A
GLW	Corning Inc.*	\$17.43	1.15	3	96.9%	A
<b>Materials</b>						
BHP	BHP Billiton (ADS)	\$64.84	2.56	2	99.3%	A
NEU	NewMarket Corp.	\$102.96	1.46	2	97.9%	A
WLT	Walter Energy, Inc.	\$79.33	0.63	2	97.2%	A
LZ	Lubrizol Corp.	\$88.57	1.63	2	94.3%	A
IPHS	Innophos Hldgs. Inc.	\$28.54	2.38	1	93.6%	A
<b>Telecommunication Services</b>						
RCI	Rogers Com. (CI B)*	\$34.03	3.73	3	96.9%	A
MICC	Millicom Int'l. Cellular	\$79.93	3.30	3	87.5%	A
TEO	Telecom Argentina*	\$16.30	5.30	1	81.3%	A
AMX	America Movil (ADS)	\$47.34	0.96	3	76.6%	A
BCE	BCE Inc.	\$29.21	5.78	2	73.4%	B
<b>Utilities</b>						
ELP	Comp. Paranaense*	\$18.55	0.17	1	93.8%	A
OKE	ONEOK Inc.	\$44.47	3.96	2	87.6%	A
DTE	DTE Energy Co.	\$45.51	4.66	2	78.4%	A
OGE	OGE Energy Corp.	\$36.44	3.98	2	69.1%	B
BKH	Black Hills Corp.	\$28.69	5.02	2	40.2%	C

\*Denotes new additions

Source: EquityCompass Strategies, FactSet Research Systems Inc.

For a description of EquityCompass analytical ratings please see page 30.

## The Candidates List

### Selection Criteria:

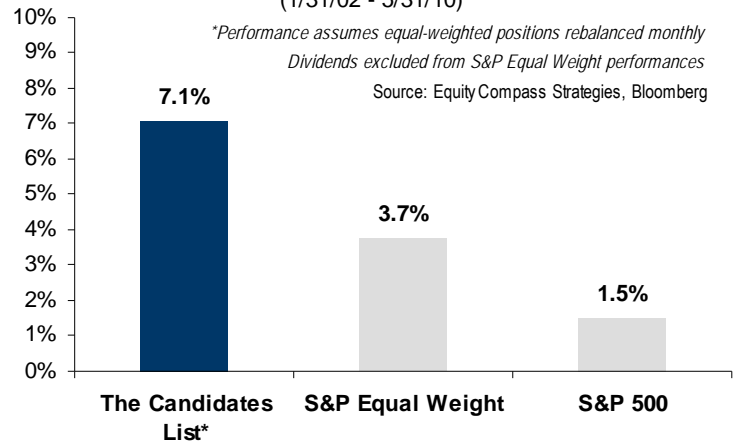
The index committee at Standard & Poor's has the responsibility to select replacements for stocks in the S&P 500. Their criteria is to identify fundamentally sound, successful companies appropriate for a leading index of market activity. The performance of stocks prior to and shortly after the announced addition to the S&P 500 is often well-above average. The Candidates List compiles stocks that we believe meet the parameters for being added to the S&P 500.

### Annualized Returns

(1/31/02 - 5/31/10)

\*Performance assumes equal-weighted positions rebalanced monthly  
Dividends excluded from S&P Equal Weight performances

Source: Equity Compass Strategies, Bloomberg



### June Highlights:

- Stifel analyst George Askew stated recently that the announced closing of all 2,415 Hollywood Video U.S. retail stores should be a substantial positive for Netflix (NFLX). He believes the opportunity could lead to 12% upside to his current estimates for subscribers through 2011. His target price is \$105.
- After recent meetings with the CEO and CFO of NII Holdings (NIHD), Stifel analyst Chris King stated he maintains his high level of confidence in the company's current operations and long-term business strategies. His target price is \$60.

### Current Candidates:

Symbol	Company Name	Price 5/31/10	Compass Rating	Industry Group	Mkt.-Cap. (Mil)	Symbol	Company Name	Price 5/31/10	Compass Rating	Industry Group	Mkt.-Cap. (Mil)
ANSS	Ansys Inc.	\$43.73	Neutral	Software & Services	\$3,953	JEF	Jefferies Group Inc.	\$23.33	Sell	Diversified Financials	\$4,009
BLK	Blackrock Inc.	\$167.88	Neutral	Diversified Financials	\$10,637	JOYG	Joy Global Inc.	\$51.00	Buy	Capital Goods	\$5,250
BUCY	Bucyrus International Inc.	\$53.56	Buy	Capital Goods	\$4,339	KSU	Kansas City Southern	\$38.17	Buy	Transportation	\$3,692
CVC	Cablevision Systems Cp.	\$24.81	Buy	Media	\$7,582	MXIM	Maxim Integrated Prod.	\$17.76	Buy	Semicon. & Semicon. Equip.	\$5,370
CMG	Chipotle Mexican Grill	\$142.28	Buy	Consumer Services	\$4,476	MHK	Mohawk Industries Inc.	\$56.16	Buy	Cons. Durables & Apparel	\$3,851
CHD	Church & Dwight Co.	\$65.81	Sell	Household & Personal Prod.	\$4,661	MOS	Mosaic Co.	\$46.17	Sell	Materials	\$20,561
XEC	Cimarex Energy Co.	\$73.48	Buy	Energy	\$6,164	NFG	National Fuel Gas Co.	\$48.60	Neutral	Utilities	\$3,949
CFR	Cullen/Frost Bankers Inc.	\$54.88	Neutral	Banks	\$3,306	NFLX	Netflix Inc.*	\$111.15	Buy	Retailing	\$5,809
DISH	DISH Network (Cl A)	\$20.85	Buy	Media	\$9,308	NYB	NY Community Bancorp	\$16.05	Buy	Banks	\$6,989
DLB	Dolby Laboratories (Cl A)	\$66.01	Buy	Tech. Hardware & Equip.	\$7,505	NIHD	NII Holdings Inc.	\$36.47	Neutral	Telecommunication Services	\$6,093
DLTR	Dollar Tree Inc.	\$62.59	Buy	Retailing	\$5,308	NST	NSTAR*	\$35.11	Neutral	Utilities	\$3,750
EW	Edwards Lifesciences	\$50.53	Buy	Health Care Equip. & Svcs.	\$5,740	NVR	NVR Inc.	\$685.28	Sell	Cons. Durables & Apparel	\$4,214
ENR	Energizer Holdings Inc.	\$56.19	Sell	Household & Personal Prod.	\$3,935	PRGO	Perrigo Co.	\$59.41	Buy	Pharm. Biotech. & Life Sci.	\$5,427
FFIV	F5 Networks Inc.	\$70.33	Buy	Tech. Hardware & Equip.	\$5,590	PXP	Plains Explor. & Prod.	\$22.10	Sell	Energy	\$3,096
FRT	Federal Rlty. Inv. Trust	\$73.70	Buy	Real Estate	\$4,521	RAH	Ralcorp Holdings Inc.	\$60.07	Neutral	Food Beverage & Tobacco	\$3,297
FAF	First American Corp.*	\$34.03	Sell	Insurance	\$3,534	SLG	SL Green Realty Corp.	\$62.29	Buy	Real Estate	\$4,854
HANS	Hansen Natural Corp.	\$39.05	Sell	Food Beverage & Tobacco	\$3,466	SCCO	Southern Copper Corp.	\$29.48	Buy	Materials	\$25,058
HSIC	Henry Schein Inc.	\$56.41	Sell	Health Care Equip. & Svcs.	\$5,151	VMW	VMware Inc.	\$66.21	Buy	Software & Services	\$26,967
ILMN	Illumina Inc.	\$42.04	Sell	Pharm. Biotech. & Life Sci.	\$5,120	WRB	W.R. Berkley Corp.	\$27.26	Sell	Insurance	\$4,176
JBHT	J.B. Hunt Trans. Svcs.	\$34.53	Sell	Transportation	\$4,397						

\*Denotes new additions

Source: EquityCompass Strategies, FactSet Research Systems Inc.

For a description of EquityCompass analytical ratings please see page 30.

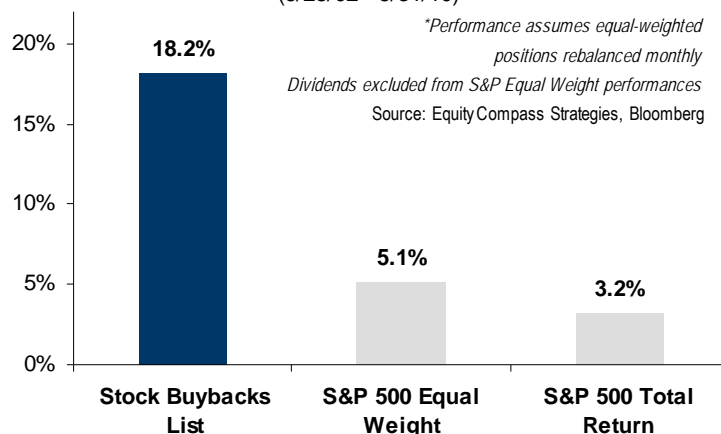
## Stock Buyback List

### Selection Criteria:

The EquityCompass Stock Buyback list is a compilation of 10 companies that have announced, within the preceding 30 days, an intention to repurchase their company's shares in the open market. Specifically, this list highlights the 10 most significant announcements as a percent of outstanding shares. For a comprehensive overview of share repurchase announcements and subsequent performances, please refer to the September 2009 issue of the EquityCompass Update & Review.

### Annualized Returns

(6/28/02 - 5/31/10)



### June Highlights:

- Legg Mason (LM) reported quarterly EPS of \$0.39, topping the analyst consensus of \$0.35. Stifel analyst J. Jeffrey Hopson believes that the strategic restructuring LM has undertaken is significant enough to spark material improvement in operating margins over the next few years. He upgraded shares to Buy from Hold and established a \$36 target price.
- Ameriprise Financial (AMP) reported 1Q10 profit of \$0.81, up 65% from a year ago. Revenue was up 32% to \$2.27 billion.

### Top 10 Stock Buybacks:

Symbol	Company Name	Price 5/31/10	Div. Yield (%)	Compass Rating	PPS	SVI Grade	RL	Sub Industry	Market Cap (Mil)	Shrs. Out (Mil)	Ann. Date	Amount	% Out.
AHCI	Allied Healthcare	\$2.67	--	Sell	5	--	--	Health Care Svcs.	\$121	45	5/18/2010	10.000 Mln \$\$	41.49%
AWH	Allied World Assur.	\$44.91	1.78	Buy	6	A	--	Property & Casualty Ins.	\$2,266	50	5/7/2010	500.000 Mln \$\$	22.06%
SGMS	Scientific Games Cp.	\$10.22	--	Sell	8	C	--	Casinos & Gaming	\$962	94	5/10/2010	200.000 Mln \$\$	20.80%
LM	Legg Mason Inc.	\$29.72	0.54	Sell	5	D	--	Asset Mgmt. & Cust. Bks.	\$4,831	163	5/11/2010	1.000 Bln \$\$	20.70%
FRX	Forest Laboratories	\$25.88	--	Neutral	6	B	--	Pharmaceuticals	\$7,826	302	5/18/2010	50.000 Mln Shrs	16.53%
TIBX	TIBCO Software Inc.	\$11.41	--	Buy	3	A	--	Application Software	\$1,887	165	5/3/2010	300.000 Mln \$\$	15.90%
GILD	Gilead Sciences Inc.	\$35.92	--	Buy	7	A	L	Biotechnology	\$32,394	902	5/11/2010	5.000 Bln \$\$	15.43%
BMC	BMC Software Inc.	\$37.01	--	Sell	8	A	--	Systems Software	\$6,732	182	5/5/2010	1.000 Bln \$\$	14.85%
AMP	Ameriprise Financial	\$39.79	1.81	Buy	1	A	--	Asset Mgmt. & Cust. Bks.	\$10,242	257	5/11/2010	1.500 Bln \$\$	14.65%
NKE	Nike Inc. (Cl B)	\$72.38	1.49	Buy	3	A	--	Footwear	\$35,010	484	5/5/2010	5.000 Bln \$\$	14.28%

Source: EquityCompass Strategies, FactSet Research Systems Inc.

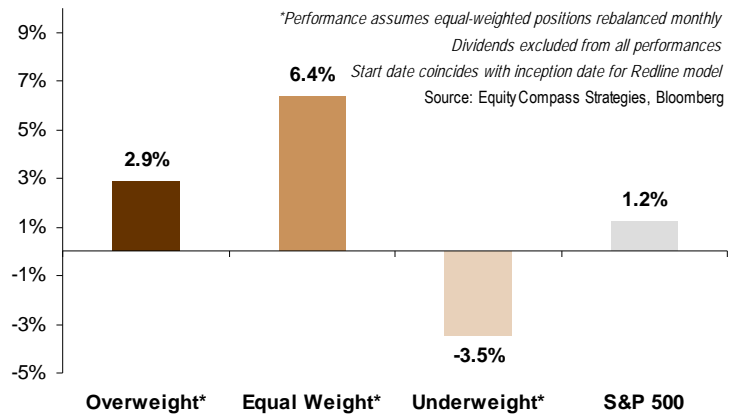
For a description of EquityCompass analytical ratings please see page 30.

## Sector Focus

### Selection Criteria:

The objective of the Sector Focus is to provide near-term opinions for the 10 S&P economic sectors. Opinions reflect the amount of over-/underreaction in the value-weighted sector indices. Specifically, Overweight opinions are given to the three sectors with the greatest aggregate deviation of current relative valuation below their 12-month average. The three Underweight opinions are given to the stocks in the sectors with the greatest current relative valuation above the 12-month average. The remaining four sectors are assigned Equal Weight opinions. Sector opinions are measured with their corresponding performance and are shown at the right.

### Annualized Returns (6/28/02 - 5/31/10)



### June 2010 - Short-Term Sector Opinion

S&P GICS Sector	*Average	
	MVD	Opinion
Financials	-8.9%	Overweight
Energy	-8.0%	Overweight
Materials	-7.9%	Overweight
Information Technology	-5.3%	Equal Weight
Telecom Services	3.7%	Equal Weight
Industrials*	4.3%	Equal Weight
Health Care*	5.6%	Equal Weight
Consumer Discretionary	6.6%	Underweight
Utilities*	7.5%	Underweight
Consumer Staples*	8.3%	Underweight

\* Market cap weighted

\*\* Change since prior month

Source: EquityCompass Strategies

### Historical Short-Term Sector Opinions

Month	Cons.		Energy	Fin'l	Health Care		Indus.	Info Tech	Mat.	Telecom	
	Disc.	Staples			Care	Services				Utils.	
2007	January-07	E	E	O	E	E	O	U	O	U	U
	February-07	U	O	E	O	O	E	U	U	E	E
	March-07	E	O	E	O	O	E	E	U	U	U
	April-07	E	E	E	O	O	O	E	U	U	U
	May-07	E	O	E	O	O	E	E	U	U	U
	June-07	E	O	E	O	O	E	E	U	U	U
	July-07	E	O	U	O	O	E	E	U	U	E
	August-07	O	E	E	O	O	U	E	U	U	E
	September-07	O	E	E	O	O	E	E	U	U	U
	October-07	O	E	U	O	O	E	E	U	U	E
	November-07	O	E	U	O	O	E	E	E	U	U
	December-07	O	U	E	E	E	E	O	U	O	U
2008	January-08	O	U	U	E	O	E	O	E	E	U
	February-08	O	U	E	U	E	E	O	E	O	U
	March-08	O	U	U	E	E	E	O	U	O	E
	April-08	E	U	E	U	O	E	O	E	O	U
	May-08	E	U	E	U	O	E	O	E	O	U
	June-08	E	U	E	U	O	E	O	E	O	U
	July-08	O	E	U	E	E	E	O	U	O	U
	August-08	E	U	O	U	E	E	O	E	O	U
	September-08	E	U	O	U	E	E	O	E	O	U
	October-08	U	U	O	U	E	E	O	E	E	O
	November-08	E	U	O	U	E	O	O	E	U	E
	December-08	E	E	U	E	O	O	O	E	U	U
2009	January-09	E	O	U	E	E	O	O	U	U	E
	February-09	E	O	U	O	E	O	E	U	U	E
	March-09	E	O	U	E	O	O	E	U	U	E
	April-09	E	O	U	E	E	O	E	U	U	O
	May-09	U	O	U	E	O	E	E	U	E	O
	June-09	E	O	U	U	O	E	E	U	E	O
	July-09	E	E	U	O	E	E	U	U	O	O
	August-09	E	O	U	E	E	E	U	U	O	O
	September-09	E	O	E	E	E	U	U	U	O	O
	October-09	E	O	E	U	E	U	E	U	O	O
	November-09	E	E	U	E	O	U	E	U	O	O
	December-09	U	O	E	E	E	U	E	U	O	O
2010	January-10	E	O	O	U	E	U	E	U	O	E
	February-10	E	U	O	O	U	U	E	O	E	E
	March-10	E	U	O	O	U	U	E	O	E	E
	April-10	E	U	O	O	U	U	E	O	E	E
	May-10	U	U	O	O	E	E	E	O	E	U

O = Overweight; E = Equal Weight; U = Underweight

Source: EquityCompass Strategies

# U.S. Large-Cap Growth Portfolio

**Description:** The U.S. Large-Cap Growth is a model portfolio of 30 stocks that are equally balanced in each of 10 S&P sectors. The benchmark for investment style conformity and performance analysis is the Dow Jones Wilshire U.S. Large-Cap Growth Total Return Index.

**Recent Changes:** Removed — AT&T Inc. (T), Google (GOOG), Blackrock Inc. (BLK), Dr. Pepper Snapple (DPS), Mosaic Co. (MOS)  
 (as of 5/31/10) Added — Rogers Commun. Cl B (RCI), Apple Inc. (AAPL), Boston Pptys. (BXP), Wal-Mart (WMT), Int'l. Paper (IP)

## U.S. Large-Cap Growth Model Portfolio (5/31/10)

Symbol	Company Name	Price 5/31/10	52-Wk High	52-Wk Low	Div. Yld. (%)	EC Rating	Sector	Sub Industry	Mkt.-Cap (Mil)	Date Added
AMZN	Amazon.com Inc.	\$125.46	\$151.09	\$75.41	--	Buy	Cons. Disc.	Internet Retail	\$55,955	6/30/2008
COH	Coach Inc.	\$41.11	\$43.84	\$22.94	1.46	Buy	Cons. Disc.	Apparel, Acc. & Luxury Gds.	\$12,504	11/30/2009
SBUX	Starbucks Corp.	\$25.89	\$27.93	\$12.76	1.55	Buy	Cons. Disc.	Restaurants	\$19,371	11/30/2009
CCE	Coca-Cola Enterprises Inc.	\$26.10	\$28.93	\$16.01	1.38	Buy	Cons. Staples	Soft Drinks	\$13,061	3/31/2010
EL	Estee Lauder Cos. (Cl A)	\$58.27	\$71.29	\$30.00	0.94	Buy	Cons. Staples	Personal Products	\$11,591	1/29/2010
WMT	Wal-Mart Stores Inc.	\$50.56	\$56.27	\$47.35	2.39	Buy	Cons. Staples	Hypermarkets & Super Ctrs.	\$191,420	5/28/2010
HAL	Halliburton Co.	\$24.83	\$35.22	\$18.11	1.45	Buy	Energy	Oil & Gas Equip. & Svcs.	\$22,496	2/26/2010
OXY	Occidental Petroleum Corp.	\$82.51	\$90.99	\$58.67	1.84	Buy	Energy	Integrated Oil & Gas	\$67,012	7/31/2009
TLM	Talisman Energy Inc.	\$16.99	\$20.22	\$12.34	1.43	Buy	Energy	Oil & Gas Exploration & Prod.	\$17,313	7/31/2009
BXP	Boston Properties Inc.	\$76.68	\$83.42	\$42.62	2.61	Buy	Financials	Office REITs	\$10,659	5/28/2010
BAM	Brookfield Asset Management (Cl A)	\$23.82	\$26.39	\$15.38	2.18	Buy	Financials	Real Estate Mgmt. & Dev.	\$13,672	2/26/2010
SPG	Simon Property Group Inc.	\$85.03	\$93.59	\$45.00	2.82	Buy	Financials	Retail REITs	\$24,580	3/31/2010
AGN	Allergan Inc.	\$60.19	\$65.87	\$43.01	0.33	Neutral	Health Care	Pharmaceuticals	\$18,323	8/31/2009
ESRX	Express Scripts Inc.	\$100.60	\$106.30	\$60.63	--	Buy	Health Care	Health Care Svcs.	\$27,569	9/30/2009
LIFE	Life Technologies Corp.	\$50.06	\$56.19	\$37.41	--	Buy	Health Care	Life Sciences Tools & Svcs.	\$9,102	4/30/2010
MMM	3M Co.	\$79.31	\$90.52	\$55.23	2.65	Buy	Industrials	Industrial Conglomerates	\$56,553	8/31/2009
ITW	Illinois Tool Works Inc.	\$46.43	\$52.72	\$31.48	2.67	Buy	Industrials	Industrial Machinery	\$23,330	12/31/2009
PCP	Precision Castparts Corp.	\$116.70	\$135.40	\$67.44	0.10	Neutral	Industrials	Aerospace & Defense	\$16,534	9/30/2009
AAPL	Apple Inc.	\$256.88	\$272.46	\$132.03	--	Buy	Info. Tech.	Computer Hardware	\$233,667	5/28/2010
CTSH	Cognizant Technology Solutions Cp.	\$50.04	\$54.35	\$24.44	--	Buy	Info. Tech.	IT Consulting & Other Svcs.	\$14,981	10/30/2009
MSFT	Microsoft Corp.	\$25.80	\$31.58	\$20.05	2.02	Buy	Info. Tech.	Systems Software	\$226,060	5/31/2007
DOW	Dow Chemical Co.	\$26.91	\$32.05	\$14.22	2.23	Buy	Materials	Div. Chem.	\$31,078	3/31/2010
IP	International Paper Co.	\$23.23	\$29.25	\$12.26	2.15	Buy	Materials	Paper Products	\$10,138	5/28/2010
SCCO	Southern Copper Corp.	\$29.48	\$36.98	\$18.46	6.11	Buy	Materials	Div. Metals & Mining	\$25,058	12/31/2009
AMT	American Tower Corp.	\$40.53	\$45.00	\$29.02	--	Neutral	Telecom.	Wireless Telecom. Svcs.	\$16,362	1/29/2010
CCI	Crown Castle International Corp.	\$37.03	\$40.49	\$21.49	--	Buy	Telecom.	Wireless Telecom. Svcs.	\$10,784	10/30/2009
RCI	Rogers Communications Inc. (Cl B)	\$34.03	\$36.80	\$24.20	3.73	Buy	Telecom.	Wireless Telecom. Svcs.	\$19,857	5/28/2010
DTE	DTE Energy Co.	\$45.51	\$49.05	\$29.43	4.66	Buy	Utilities	Multi-Utilities	\$7,664	4/30/2010
PPL	PPL Corp.	\$25.81	\$34.42	\$23.75	5.42	Buy	Utilities	Electric Utilities	\$9,760	7/31/2007
UGI	UGI Corp.	\$26.14	\$27.88	\$23.18	3.83	Buy	Utilities	Gas Utilities	\$2,854	4/30/2010

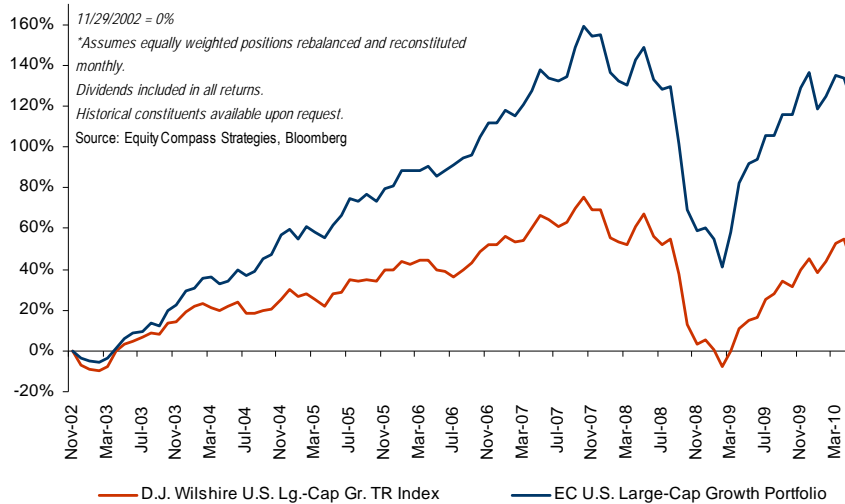
Source: EquityCompass Strategies, FactSet Research Systems Inc.

## Performance Simulation and Risk Analysis

11/29/02 - 5/31/10	D.J. Wilshire U.S. Lg.-Cap Gr. TR Index	EC U.S. Large-Cap Growth Portfolio
Months	90	90
Total Return	41.8%	120.9%
Annualized Return	4.8%	11.1%
Rf Rate (5-Yr. Tsy.)	2.10%	2.10%
Standard Deviation	14.9%	15.2%
Sharpe Ratio	0.18	0.59
Best Monthly Return	11.0%	15.1%
Worst Monthly Return	-17.9%	-16.2%
Best 12-Month Return	56.5%	59.2%
Worst 12-Month Return	-39.9%	-39.3%
YTD	-2.2%	-6.5%
1-Month	-8.2%	-5.4%
3-Month	-1.5%	-1.7%
6-Month	1.8%	-3.5%
1-Year	23.2%	15.2%
2-Year	-7.9%	-5.8%
3-Year	-5.2%	-2.4%
5-Year	2.1%	6.4%
2003	27.5%	34.5%
2004	9.5%	23.3%
2005	7.1%	13.1%
2006	9.1%	17.2%
2007	11.0%	20.2%
2008	-37.5%	-37.0%
2009	37.4%	47.3%

All performances are annualized for periods greater than one year.

### EquityCompass U.S. Large-Cap Growth Portfolio (11/29/02 - 5/31/10)\*



## Portfolio Profile

	Avg. # Monthly Changes	Est. Annual Turnover	Avg. Ind. Divd. Yld. (%)	Median Mkt.-Cap (\$Mil)	Avg. Beta	Ent. Val. / EBITDA (NTM Est.)	Price / Earnings (NTM Est.)	Price / Cash Flow (NTM Est.)	Price / Sales (NTM Est.)	Price / Book Val. (MRQ)	Earnings Growth (5-Yr Est.)	PEG Ratio (NTM Est.)
Large-Cap Growth Portfolio	1.9	74%	1.86	\$17,818	1.05	8.52	16.34	10.92	1.55	3.56	32.98	0.50
Russell 1000 Index	--	--	1.60	\$4,414	1.10	8.96	14.49	8.39	1.06	2.01	29.93	0.48

# U.S. Large-Cap Value Portfolio

**Description:** The U.S. Large-Cap Value is a model portfolio of 30 stocks that are equally balanced in each of 10 S&P sectors. The benchmark for investment style conformity and performance analysis is the Dow Jones Wilshire U.S. Large-Cap Value Total Return Index.

**Recent Changes:** Removed — FPL Group (FPL), Merck & Co. Inc. (MRK)  
 (as of 5/31/10) Added — UGI Corp. (UGI), Gilead Sciences Inc. (GILD)

## U.S. Large-Cap Value Model Portfolio (5/31/10)

Symbol	Company Name	Price			Div. Yld. (%)	EC Rating	Sector	Sub Industry	Mkt.-Cap (Mil)	Date Added
		5/31/10	52-Wk High	52-Wk Low						
BBY	Best Buy Co. Inc.	\$42.25	\$48.83	\$31.25	1.33	Buy	Cons. Disc.	Computer & Electronics Retail	\$17,695	6/30/2005
DTV	DIRECTV	\$37.69	\$38.56	\$21.47	--	Buy	Cons. Disc.	Cable & Satellite	\$34,697	12/31/2009
KSS	Kohl's Corp.	\$50.75	\$60.89	\$40.64	--	Neutral	Cons. Disc.	Department Stores	\$15,580	12/31/2009
CCE	Coca-Cola Enterprises Inc.	\$26.10	\$28.93	\$16.01	1.38	Buy	Cons. Staples	Soft Drinks	\$13,061	1/29/2010
CVS	CVS Caremark Corp.	\$34.63	\$38.27	\$27.38	1.01	Neutral	Cons. Staples	Drug Retail	\$47,478	10/31/2007
WMT	Wal-Mart Stores Inc.	\$50.56	\$56.27	\$47.35	2.39	Buy	Cons. Staples	Hypermarkets & Super Ctrs.	\$191,420	12/31/2009
XOM	Exxon Mobil Corp.	\$60.46	\$76.54	\$58.46	2.91	Buy	Energy	Integrated Oil & Gas	\$284,044	8/29/2003
NOV	National Oilwell Varco Inc.	\$38.13	\$50.17	\$28.76	1.05	Neutral	Energy	Oil & Gas Equip. & Svcs.	\$15,974	2/26/2010
NE	Noble Corp.	\$29.07	\$45.60	\$27.52	0.64	Buy	Energy	Oil & Gas Drilling	\$7,436	12/31/2009
ACE	ACE Ltd.	\$49.16	\$55.64	\$40.00	2.69	Buy	Financials	Property & Casualty Ins.	\$16,646	4/30/2010
L	Loews Corp.	\$32.51	\$39.47	\$25.27	0.77	Buy	Financials	Multi-line Ins.	\$13,646	2/26/2010
MET	MetLife Inc.	\$40.49	\$47.75	\$26.00	1.83	Buy	Financials	Life & Health Ins.	\$33,177	11/28/2008
ABC	AmerisourceBergen Corp.	\$31.28	\$31.96	\$17.38	1.02	Buy	Health Care	Health Care Dist.	\$8,808	4/30/2010
GILD	Gilead Sciences Inc.	\$35.92	\$50.00	\$34.78	--	Buy	Health Care	Biotechnology	\$32,394	5/28/2010
MCK	McKesson Corp.	\$70.00	\$71.11	\$39.71	1.03	Buy	Health Care	Health Care Dist.	\$18,970	6/30/2008
DAL	Delta Air Lines Inc.	\$13.58	\$14.94	\$5.31	--	Buy	Industrials	Airlines	\$10,693	3/31/2010
GD	General Dynamics Corp.	\$67.90	\$79.00	\$49.85	2.47	Buy	Industrials	Aerospace & Defense	\$26,191	11/29/2002
UTX	United Technologies Corp.	\$67.38	\$77.09	\$49.00	2.52	Buy	Industrials	Aerospace & Defense	\$62,871	1/31/2008
HPQ	Hewlett-Packard Co.	\$46.01	\$54.75	\$33.85	0.70	Buy	Info. Tech.	Computer Hardware	\$108,077	8/31/2005
IBM	International Business Machines Cp.	\$125.26	\$134.25	\$99.50	2.08	Neutral	Info. Tech.	Computer Hardware	\$160,627	4/30/2007
TEL	Tyco Electronics Ltd.	\$28.82	\$32.98	\$16.12	2.22	Buy	Info. Tech.	Electronic Mfg. Svcs.	\$13,070	2/26/2010
CLF	Cliffs Natural Resources Inc.	\$55.86	\$76.17	\$19.44	1.00	Buy	Materials	Steel	\$7,565	3/31/2010
IP	International Paper Co.	\$23.23	\$29.25	\$12.26	2.15	Buy	Materials	Paper Products	\$10,138	9/30/2009
PPG	PPG Industries Inc.	\$64.07	\$72.24	\$41.09	3.37	Buy	Materials	Div. Chem.	\$10,657	11/30/2009
T	AT&T Inc.	\$24.30	\$28.73	\$23.19	6.91	Neutral	Telecom.	Integrated Telecom. Svcs.	\$143,589	6/29/2007
RCI	Rogers Communications Inc. (CI B)	\$34.03	\$36.80	\$24.20	3.73	Buy	Telecom.	Wireless Telecom. Svcs.	\$19,857	4/30/2010
VZ	Verizon Communications Inc.	\$27.52	\$34.13	\$26.49	6.90	Neutral	Telecom.	Integrated Telecom. Svcs.	\$77,792	11/30/2005
ED	Consolidated Edison Inc.	\$42.59	\$46.45	\$34.79	5.59	Neutral	Utilities	Multi-Utilities	\$12,001	2/26/2010
PPL	PPL Corp.	\$25.81	\$34.42	\$23.75	5.42	Buy	Utilities	Electric Utilities	\$9,760	7/31/2009
UGI	UGI Corp.	\$26.14	\$27.88	\$23.18	3.83	Buy	Utilities	Gas Utilities	\$2,854	5/28/2010

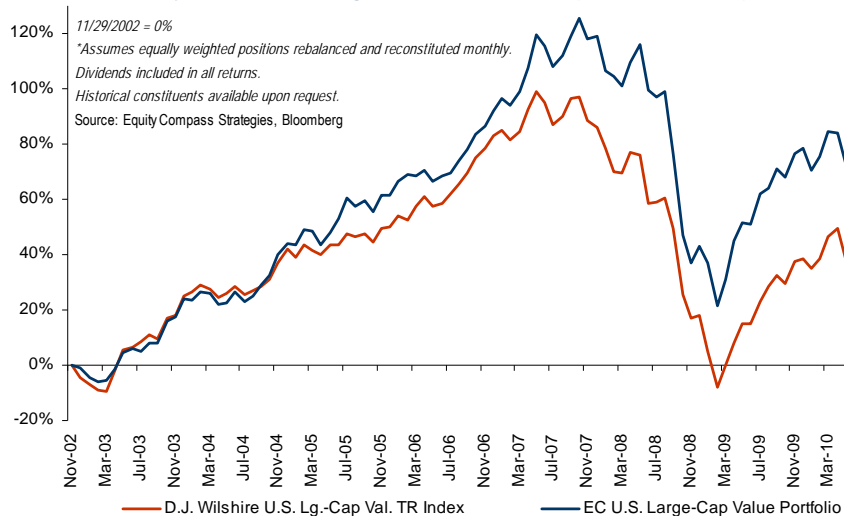
Source: EquityCompass Strategies, FactSet Research Systems Inc.

## Performance Simulation and Risk Analysis

11/29/02 - 5/31/10	D.J. Wilshire U.S. Lg.-Cap Val. TR Index	EC U.S. Large-Cap Value Portfolio
Months	90	90
Total Return	38.1%	72.5%
Annualized Return	4.4%	7.5%
Rf Rate (5-Yr. Tsy.)	2.10%	2.10%
Standard Deviation	14.8%	14.5%
Sharpe Ratio	0.16	0.38
Best Monthly Return	8.9%	10.6%
Worst Monthly Return	-16.1%	-16.7%
Best 12-Month Return	50.7%	44.2%
Worst 12-Month Return	-46.1%	-40.5%
YTD	-0.1%	-3.3%
1-Month	-7.6%	-6.2%
3-Month	-0.1%	-1.7%
6-Month	0.5%	-2.3%
1-Year	19.9%	13.7%
2-Year	-11.4%	-10.7%
3-Year	-11.5%	-7.7%
5-Year	-0.8%	3.1%
2003	30.6%	25.4%
2004	13.5%	16.3%
2005	5.7%	12.1%
2006	21.9%	18.7%
2007	1.8%	14.1%
2008	-36.6%	-34.6%
2009	17.2%	24.5%

All performances are annualized for periods greater than one year.

### EquityCompass U.S. Large-Cap Value Portfolio (11/29/02 - 5/31/10)\*



## Portfolio Profile

	Avg. # Monthly Changes	Est. Annual Turnover	Avg. Ind. Dvd. Yld. (%)	Median Mkt.-Cap (\$Mil)	Avg. Beta	Ent. Val. / EBITDA (NTM Est.)	Price / Earnings (NTM Est.)	Price / Cash Flow (NTM Est.)	Price / Sales (NTM Est.)	Price / Book Val. (MRQ)	Earnings Growth (5-Yr Est.)	PEG Ratio (NTM Est.)
Large-Cap Value Portfolio	1.6	63%	2.23	\$17,171	0.88	5.75	10.34	6.62	0.60	2.05	21.05	0.49
Russell 1000 Index	--	--	1.60	\$4,414	1.10	8.96	14.49	8.39	1.06	2.01	29.93	0.48

# U.S. Mid-Cap Growth Portfolio

**Description:** The U.S. Mid-Cap Growth is a model portfolio of 30 stocks that are equally balanced in each of 10 S&P sectors. The benchmark for investment style conformity and performance analysis is the Dow Jones Wilshire U.S. Mid-Cap Growth Total Return Index.

**Recent Changes:** Removed — Ralcorp Holdings (RAH), AT&T Inc. (T), SBA Communications Cp. (SBAC), J.M. Smucker Co. (SJM)  
 (as of 5/31/10) Added — Whole Foods Market (WFMI), Herbalife Ltd. (HLF), Rogers Commun. Cl B (RCI), Crown Castle Int'l. Cp. (CCI)

## U.S. Mid-Cap Growth Model Portfolio (5/31/10)

Symbol	Company Name	Price			Div. Yld. (%)	EC Rating	Sector	Sub Industry	Mkt.-Cap (Mil)	Date Added
		5/31/10	52-Wk High	52-Wk Low						
HBI	Hanesbrands Inc.	\$27.28	\$31.45	\$13.07	--	Buy	Cons. Disc.	Apparel, Acc. & Luxury Gds.	\$2,608	2/26/2010
SCI	Service Corp. International	\$8.54	\$9.74	\$4.50	1.87	Buy	Cons. Disc.	Specialized Consumer Svcs.	\$2,176	12/31/2009
WYN	Wyndham Worldwide Corp.	\$23.60	\$27.94	\$10.29	2.03	Buy	Cons. Disc.	Hotels, Resorts & Cruise	\$4,242	1/29/2010
GMCR	Green Mountain Coffee Roasters Inc.	\$23.65	\$33.20	\$17.22	--	Buy	Cons. Staples	Packaged Foods & Meats	\$3,111	2/26/2010
HLF	Herbalife Ltd.	\$45.15	\$53.00	\$27.10	1.77	Buy	Cons. Staples	Personal Products	\$2,704	5/28/2010
WFMI	Whole Foods Market Inc.	\$40.43	\$43.18	\$17.16	--	Buy	Cons. Staples	Food Retail	\$6,932	5/28/2010
ATLS	Atlas Energy Inc.	\$30.88	\$40.44	\$15.05	--	Neutral	Energy	Oil & Gas Exploration & Prod.	\$2,418	1/29/2010
CXO	Concho Resources Inc.	\$52.05	\$59.72	\$25.17	--	Buy	Energy	Oil & Gas Exploration & Prod.	\$4,765	6/30/2009
NE	Noble Corp.	\$29.07	\$45.60	\$27.52	0.64	Buy	Energy	Oil & Gas Drilling	\$7,436	3/30/2007
AMG	Affiliated Managers Group Inc.	\$71.65	\$88.01	\$15.95	--	Buy	Financials	Asset Mgmt. & Custody Bks.	\$3,192	3/31/2010
DLR	Digital Realty Trust Inc.	\$56.91	\$60.93	\$32.79	3.37	Buy	Financials	Office REITs	\$4,449	2/29/2008
MXB	MSCI Inc. (Cl A)	\$29.65	\$38.61	\$20.48	--	Buy	Financials	Specialized Finance	\$3,113	1/29/2010
DNDN	Dendreon Corp.	\$43.40	\$57.67	\$21.13	--	Buy	Health Care	Biotechnology	\$5,709	10/30/2009
PRGO	Perrigo Co.	\$59.41	\$64.66	\$25.47	0.42	Buy	Health Care	Pharmaceuticals	\$5,427	11/30/2009
UTHR	United Therapeutics Corp.	\$51.22	\$61.97	\$38.98	--	Neutral	Health Care	Biotechnology	\$2,850	2/26/2010
FLS	Flowserve Corp.	\$95.10	\$119.83	\$60.90	1.22	Buy	Industrials	Industrial Machinery	\$5,264	3/31/2010
HTZ	Hertz Global Holdings Inc.	\$11.36	\$15.60	\$6.14	--	Buy	Industrials	Trucking	\$4,673	4/30/2010
GWW	W.W. Grainger Inc.	\$101.75	\$116.07	\$75.87	2.12	Buy	Industrials	Trading Companies & Dist.	\$7,417	8/31/2009
ANSS	Ansys Inc.	\$43.73	\$46.88	\$28.28	--	Neutral	Info. Tech.	Application Software	\$3,953	5/31/2007
ROVI	Rovi Corp	\$37.34	\$40.06	\$20.76	--	Buy	Info. Tech.	Systems Software	\$3,808	8/31/2009
SLH	Solera Holdings Inc.	\$34.68	\$40.25	\$22.37	0.72	Buy	Info. Tech.	Application Software	\$2,426	9/30/2009
ALB	Albemarle Corp.	\$43.06	\$46.97	\$23.31	1.30	Buy	Materials	Specialty Chem.	\$3,933	11/30/2009
CLF	Cliffs Natural Resources Inc.	\$55.86	\$76.17	\$19.44	1.00	Buy	Materials	Steel	\$7,565	12/31/2009
NLC	Nalco Holding Co.	\$22.66	\$29.25	\$15.19	0.62	Buy	Materials	Specialty Chem.	\$3,133	9/30/2009
CCI	Crown Castle International Corp.	\$37.03	\$40.49	\$21.49	--	Buy	Telecom.	Wireless Telecom. Svcs.	\$10,784	5/28/2010
RCI	Rogers Communications Inc. (Cl B)	\$34.03	\$36.80	\$24.20	3.73	Buy	Telecom.	Wireless Telecom. Svcs.	\$19,857	5/28/2010
TWTC	tw telecom inc. (Cl A)	\$17.49	\$18.80	\$8.55	--	Buy	Telecom.	Alternative Carriers	\$2,653	1/29/2010
NFG	National Fuel Gas Co.	\$48.60	\$54.42	\$31.52	2.76	Neutral	Utilities	Gas Utilities	\$3,949	2/26/2010
OGE	OGE Energy Corp.	\$36.44	\$42.25	\$25.40	3.98	Buy	Utilities	Multi-Utilities	\$3,542	9/30/2009
UGI	UGI Corp.	\$26.14	\$27.88	\$23.18	3.83	Buy	Utilities	Gas Utilities	\$2,854	4/30/2010

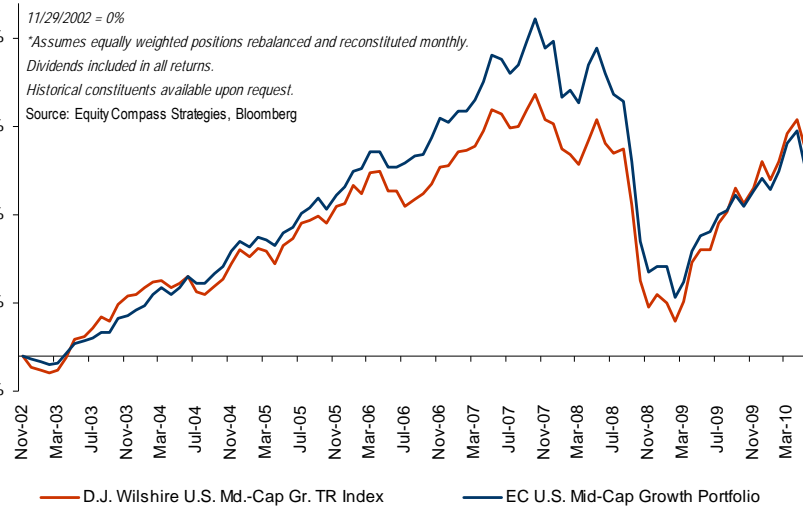
Source: EquityCompass Strategies, FactSet Research Systems Inc.

## Performance Simulation and Risk Analysis

	11/29/02 - 5/31/10	D.J. Wilshire U.S. Mid-Cap Gr. TR Index	EC U.S. Mid-Cap Growth Portfolio
Months	90	90	
Total Return	117.6%	106.3%	
Annualized Return	10.9%	10.1%	
Rf Rate (5-Yr. Tsy.)	2.10%	2.10%	
Standard Deviation	19.2%	17.2%	
Sharpe Ratio	0.46	0.47	
Best Monthly Return	16.9%	12.3%	
Worst Monthly Return	-22.7%	-21.7%	
Best 12-Month Return	75.4%	54.9%	
Worst 12-Month Return	-45.2%	-46.8%	
YTD	3.6%	2.7%	
1-Month	-7.0%	-9.4%	
3-Month	3.5%	0.6%	
6-Month	11.6%	6.4%	
1-Year	35.7%	22.5%	
2-Year	-3.6%	-13.4%	
3-Year	-3.1%	-8.7%	
5-Year	6.0%	4.0%	
2003	43.4%	28.3%	
2004	18.9%	31.5%	
2005	16.7%	18.6%	
2006	11.6%	18.6%	
2007	11.2%	19.9%	
2008	-41.6%	-45.9%	
2009	55.5%	33.2%	

All performances are annualized for periods greater than one year.

### EquityCompass U.S. Mid-Cap Growth Portfolio (11/29/02 - 5/31/10)\*



## Portfolio Profile

	Avg. # Monthly Changes	Est. Annual Turnover	Avg. Ind. Dvd. Yld. (%)	Median Mkt.-Cap (\$Mil)	Avg. Beta	Ent. Val. / EBITDA (NTM Est.)	Price / Earnings (NTM Est.)	Price / Cash Flow (NTM Est.)	Price / Sales (NTM Est.)	Price / Book Val. (MRQ)	Earnings Growth (5-Yr Est.)	PEG Ratio (NTM Est.)
Mid-Cap Growth Portfolio	2.3	92%	1.05	\$3,941	1.20	8.55	15.02	10.19	1.62	3.08	34.96	0.43
Russell 1000 Index	--	--	1.60	\$4,414	1.10	8.96	14.49	8.39	1.06	2.01	29.93	0.48

## U.S. Mid-Cap Value Portfolio

**Description:** The U.S. Mid-Cap Value is a model portfolio of 30 stocks that are equally balanced in each of 10 S&P sectors. The benchmark for investment style conformity and performance analysis is the Dow Jones Wilshire U.S. Mid-Cap Value Total Return Index.

**Recent Changes:** Removed — AT&T Inc. (T), EXCO Resources Inc. (XCO), Windstream Corp. (WIN)  
(as of 5/31/10) Added — tw telecom inc. CI A (TWTC), BCE Inc. (BCE), Whiting Petroleum Corp. (WLL)

### U.S. Mid-Cap Value Model Portfolio (5/31/10)

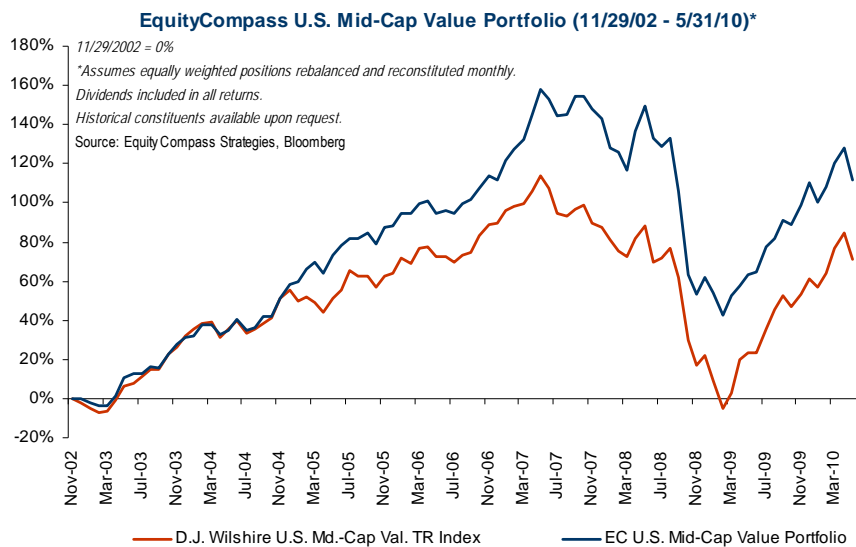
Symbol	Company Name	Price			Div. Yld.		EC Rating	Sector	Sub Industry	Mkt.-Cap (Mil)	Date Added
		5/31/10	52-Wk High	52-Wk Low	(%)	(%)					
GME	GameStop Corp. (CI A)	\$22.79	\$28.62	\$17.12	--	Buy	Cons. Disc.	Computer & Electronics Retail	\$3,484	12/31/2009	
LEG	Leggett & Platt Inc.	\$23.28	\$25.15	\$13.88	4.47	Buy	Cons. Disc.	Home Furnishings	\$3,441	8/29/2008	
TUP	Tupperware Brands Corp.	\$42.49	\$54.15	\$23.15	2.35	Buy	Cons. Disc.	Housewares & Specialties	\$2,672	2/29/2008	
HLF	Herbalife Ltd.	\$45.15	\$53.00	\$27.10	1.77	Buy	Cons. Staples	Personal Products	\$2,704	7/31/2009	
HRL	Hormel Foods Corp.	\$39.80	\$42.68	\$33.64	2.11	Neutral	Cons. Staples	Packaged Foods & Meats	\$5,313	7/29/2005	
SJM	J.M. Smucker Co.	\$55.22	\$63.50	\$39.53	2.90	Neutral	Cons. Staples	Packaged Foods & Meats	\$6,578	5/29/2009	
NFX	Newfield Exploration Co.	\$52.06	\$60.50	\$27.92	--	Buy	Energy	Oil & Gas Exploration & Prod.	\$6,939	10/30/2009	
SUG	Southern Union Co.	\$21.77	\$26.68	\$15.91	2.76	Buy	Energy	Oil & Gas Storage & Trans.	\$2,709	10/30/2009	
WLL	Whiting Petroleum Corp.	\$83.71	\$93.22	\$29.77	--	Buy	Energy	Oil & Gas Exploration & Prod.	\$4,269	5/28/2010	
HCC	HCC Insurance Holdings Inc.	\$25.07	\$29.01	\$23.22	2.15	Buy	Financials	Multi-line Ins.	\$2,882	7/31/2006	
PRE	PartnerRe Ltd.	\$72.95	\$81.80	\$61.24	2.74	Buy	Financials	ReIns.	\$5,837	1/29/2010	
THG	The Hanover Insurance Group Inc.	\$43.50	\$46.39	\$32.90	2.30	Buy	Financials	Property & Casualty Ins.	\$1,940	2/29/2008	
EMS	Emergency Medical Svcs. Cp. (CI A)	\$53.57	\$61.83	\$30.20	--	Neutral	Health Care	Health Care Svcs.	\$2,353	2/26/2010	
UHS	Universal Health Services Inc. (CI B)	\$42.38	\$43.63	\$23.48	0.47	Buy	Health Care	Health Care Facilities	\$4,116	11/29/2002	
WCRX	Warner Chilcott Plc	\$23.12	\$29.24	\$11.96	--	Buy	Health Care	Pharmaceuticals	\$5,828	4/30/2010	
ACM	AECOM Technology Corp.	\$25.38	\$33.20	\$24.03	--	Neutral	Industrials	Construction & Engineering	\$2,874	10/30/2009	
CPA	Copa Holdings S.A. (CI A)	\$51.00	\$63.08	\$32.85	2.14	Buy	Industrials	Airlines	\$2,211	2/26/2010	
UAUA	UAL Corp.	\$20.01	\$23.83	\$3.07	--	Buy	Industrials	Airlines	\$3,351	4/30/2010	
HRS	Harris Corp.	\$46.91	\$54.50	\$26.11	1.88	Buy	Info. Tech.	Communications Equip.	\$6,019	3/31/2008	
MFE	McAfee Inc.	\$31.80	\$45.68	\$31.01	--	Buy	Info. Tech.	Systems Software	\$4,956	4/30/2010	
SWKS	Skyworks Solutions Inc.	\$15.93	\$18.14	\$8.90	--	Buy	Info. Tech.	Semiconductors	\$2,813	1/29/2010	
BLL	Ball Corp.	\$49.25	\$55.65	\$38.18	0.81	Neutral	Materials	Metal & Glass Containers	\$4,541	1/30/2009	
FMC	FMC Corp.	\$60.55	\$65.80	\$40.69	0.83	Neutral	Materials	Div. Chem.	\$4,402	9/30/2008	
GEF	Greif Inc. (CI A)	\$54.80	\$61.02	\$40.18	2.77	Neutral	Materials	Metal & Glass Containers	\$2,580	12/31/2007	
BCE	BCE Inc.	\$29.21	\$31.24	\$19.91	5.78	Buy	Telecom.	Integrated Telecom. Svcs.	\$22,287	5/28/2010	
TDS	Telephone & Data Systems Inc.	\$32.88	\$35.74	\$22.01	1.37	Neutral	Telecom.	Wireless Telecom. Svcs.	\$3,471	7/31/2009	
TWTC	tw telecom inc. (CI A)	\$17.49	\$18.80	\$8.55	--	Buy	Telecom.	Alternative Carriers	\$2,653	5/28/2010	
CMS	CMS Energy Corp.	\$14.68	\$16.67	\$10.92	4.09	Neutral	Utilities	Multi-Utilities	\$3,347	2/27/2009	
DPL	DPL Inc.	\$25.04	\$28.86	\$21.30	4.83	Buy	Utilities	Electric Utilities	\$2,978	9/30/2009	
OGE	OGE Energy Corp.	\$36.44	\$42.25	\$25.40	3.98	Buy	Utilities	Multi-Utilities	\$3,542	9/30/2009	

Source: EquityCompass Strategies, FactSet Research Systems Inc.

### Performance Simulation and Risk Analysis

11/29/02 - 5/31/10	D.J. Wilshire U.S. Mid-Cap Val. TR Index	EC U.S. Mid-Cap Value Portfolio
Months	90	90
Total Return	71.3%	111.8%
Annualized Return	7.4%	10.5%
Rf Rate (5-Yr. Tsy.)	2.10%	2.10%
Standard Deviation	17.8%	15.4%
Sharpe Ratio	0.30	0.55
Best Monthly Return	16.7%	9.1%
Worst Monthly Return	-19.9%	-21.0%
Best 12-Month Return	72.5%	45.5%
Worst 12-Month Return	-45.7%	-38.3%
YTD	6.2%	0.6%
1-Month	-7.3%	-7.2%
3-Month	4.4%	1.9%
6-Month	11.7%	6.6%
1-Year	38.7%	29.8%
2-Year	-4.5%	-7.9%
3-Year	-7.1%	-6.4%
5-Year	2.5%	4.1%
2003	34.9%	31.5%
2004	17.9%	20.8%
2005	5.5%	19.1%
2006	15.7%	12.5%
2007	-1.3%	14.5%
2008	-34.8%	-33.3%
2009	32.0%	30.1%

All performances are annualized for periods greater than one year.



### Portfolio Profile

	Avg. # Monthly Changes	Est. Annual Turnover	Avg. Ind. Dvd. Yld. (%)	Median Mkt.-Cap (\$Mil)	Avg. Beta	Ent. Val. / EBITDA (NTM Est.)	Price / Earnings (NTM Est.)	Price / Cash Flow (NTM Est.)	Price / Sales (NTM Est.)	Price / Book Val. (MRQ)	Earnings Growth (5-Yr Est.)	PEG Ratio (NTM Est.)
Mid-Cap Value Portfolio	1.7	70%	1.75	\$3,456	0.96	5.97	11.29	6.33	0.93	1.88	18.59	0.61
Russell 1000 Index	--	--	1.60	\$4,414	1.10	8.96	14.49	8.39	1.06	2.01	29.93	0.48

# U.S. Small-Cap Growth Portfolio

**Description:** The U.S. Small-Cap Growth is a model portfolio of 30 stocks that are equally balanced in each of 10 S&P sectors. The benchmark for investment style conformity and performance analysis is the Dow Jones Wilshire U.S. Small-Cap Growth Total Return Index.

**Recent Changes:** Removed — AT&T Inc. (T), Cogent Communications (CCOI), UniSource Energy (UNS), Wonder Auto Tech. (WATG)  
 (as of 5/31/10) Added — tw telecom inc. CI A (TWTC), Rogers Commun. CI B (RCI), DPL Inc. (DPL), Monro Muffler Brake (MNRO)

## U.S. Small-Cap Growth Model Portfolio (5/31/10)

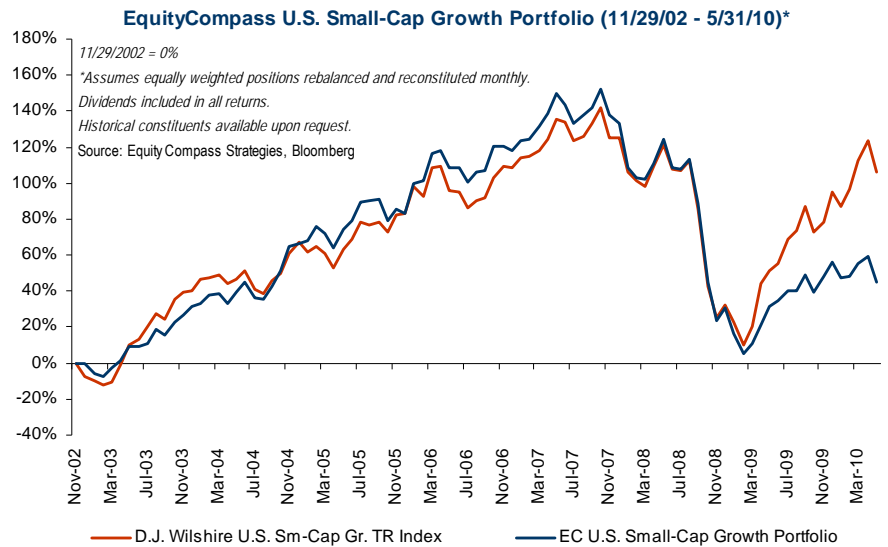
Symbol	Company Name	Price 5/31/10	52-Wk High	52-Wk Low	Div. Yld. (%)	EC Rating	Sector	Sub Industry	Mkt.-Cap (Mil)	Date Added
LOPE	Grand Canyon Education Inc.	\$24.56	\$28.46	\$12.74	--	Buy	Cons. Disc.	Education Svcs.	\$1,122	3/31/10
MNRO	Monro Muffler Brake Inc.	\$39.39	\$39.85	\$22.70	0.91	Buy	Cons. Disc.	Automotive Retail	\$782	5/28/10
SFLY	Shutterfly Inc.	\$23.10	\$25.65	\$11.68	--	Buy	Cons. Disc.	Internet Retail	\$619	2/26/10
BGS	B&G Foods Inc. (CI A)	\$10.60	\$11.22	\$4.15	6.42	Buy	Cons. Staples	Packaged Foods & Meats	\$505	1/29/10
DMND	Diamond Foods Inc.	\$41.45	\$46.36	\$24.85	0.43	Buy	Cons. Staples	Packaged Foods & Meats	\$904	11/30/09
GMCR	Green Mountain Coffee Roasters Inc.	\$23.65	\$33.20	\$17.22	--	Buy	Cons. Staples	Packaged Foods & Meats	\$3,111	4/30/08
KEG	Key Energy Services Inc.	\$9.56	\$11.54	\$4.68	--	Buy	Energy	Oil & Gas Equip. & Svcs.	\$1,199	1/29/10
MMR	McMoRan Exploration Co.	\$10.75	\$18.80	\$4.72	--	Buy	Energy	Oil & Gas Exploration & Prod.	\$1,000	4/30/10
REXX	Rex Energy Corp.	\$10.45	\$15.39	\$4.02	--	Buy	Energy	Oil & Gas Exploration & Prod.	\$460	12/31/09
ELS	Equity Lifestyle Properties Inc.	\$51.80	\$58.52	\$33.32	2.32	Buy	Financials	Residential REITs	\$1,578	12/31/09
WAC	Walter Investment Management Corp.	\$16.30	\$18.99	\$11.83	12.27	Buy	Financials	Mortgage REITs	\$324	2/26/10
WRE	Washington Real Estate Inv. Trust	\$29.38	\$32.95	\$20.50	5.89	Buy	Financials	Div. REITs	\$1,779	4/30/08
DXCM	DexCom Inc.	\$10.53	\$11.39	\$4.85	--	Buy	Health Care	Health Care Equip.	\$605	12/31/09
ESC	Emeritus Corp.	\$20.29	\$24.83	\$11.00	--	Buy	Health Care	Health Care Facilities	\$797	11/30/09
HLS	HealthSouth Corp.	\$19.86	\$22.22	\$11.56	--	Buy	Health Care	Health Care Facilities	\$1,858	1/29/10
ENOC	EnerNOC Inc.	\$28.10	\$37.00	\$17.65	--	Neutral	Industrials	Diversified Support Services	\$691	2/26/10
HCSG	Healthcare Services Group Inc.	\$20.11	\$23.35	\$17.08	4.38	Neutral	Industrials	Diversified Support Services	\$880	8/31/09
SCS	Steelcase Inc.	\$8.38	\$9.47	\$4.53	1.91	Buy	Industrials	Office Svcs. & Supplies	\$1,114	4/30/10
ASIA	Asiainfo Holdings Inc.	\$21.43	\$32.60	\$15.30	--	Buy	Info. Tech.	Application Software	\$1,014	1/30/09
LPSN	LivePerson Inc.	\$6.46	\$8.99	\$2.90	--	Buy	Info. Tech.	Internet Software & Svcs.	\$328	4/30/10
PEGA	Pegasystems Inc.	\$29.91	\$39.66	\$22.23	0.40	Buy	Info. Tech.	Application Software	\$1,107	12/31/09
CENX	Century Aluminum Co.	\$10.51	\$18.77	\$4.70	--	Buy	Materials	Aluminum	\$974	2/26/10
SOA	Solutia Inc.	\$15.15	\$18.75	\$4.64	--	Buy	Materials	Div. Chem.	\$1,839	1/29/10
TIN	Temple-Inland Inc.	\$21.13	\$25.03	\$10.90	2.08	Buy	Materials	Paper Packaging	\$2,273	8/31/09
TNDM	Neutral Tandem Inc.	\$13.44	\$34.56	\$12.79	--	Buy	Telecom.	Alternative Carriers	\$444	1/29/10
RCI	Rogers Communications Inc. (CI B)	\$34.03	\$36.80	\$24.20	3.73	Buy	Telecom.	Wireless Telecom. Svcs.	\$19,857	5/28/10
TWTC	tw telecom inc. (CI A)	\$17.49	\$18.80	\$8.55	--	Buy	Telecom.	Alternative Carriers	\$2,653	5/28/10
DPL	DPL Inc.	\$25.04	\$28.86	\$21.30	4.83	Buy	Utilities	Electric Utilities	\$2,978	5/28/10
OGE	OGE Energy Corp.	\$36.44	\$42.25	\$25.40	3.98	Buy	Utilities	Multi-Utilities	\$3,542	4/30/10
UGI	UGI Corp.	\$26.14	\$27.88	\$23.18	3.83	Buy	Utilities	Gas Utilities	\$2,854	4/30/10

Source: EquityCompass Strategies, FactSet Research Systems Inc.

## Performance Simulation and Risk Analysis

11/29/02 - 5/31/10	D.J. Wilshire U.S. Sm-Cap Gr. TR Index	EC U.S. Small-Cap Growth Portfolio
Months	90	90
Total Return	106.4%	44.7%
Annualized Return	10.1%	5.0%
Rf Rate (5-Yr. Tsy.)	2.10%	2.10%
Standard Deviation	21.0%	19.3%
Sharpe Ratio	0.38	0.15
Best Monthly Return	19.8%	9.2%
Worst Monthly Return	-22.8%	-23.1%
Best 12-Month Return	78.2%	48.9%
Worst 12-Month Return	-45.2%	-48.2%
YTD	5.9%	-7.4%
1-Month	-7.6%	-9.3%
3-Month	5.0%	-2.6%
6-Month	15.7%	-2.6%
1-Year	36.1%	10.3%
2-Year	-3.4%	-19.7%
3-Year	-4.3%	-16.7%
5-Year	4.8%	-3.6%
2003	51.0%	32.1%
2004	19.0%	26.3%
2005	9.7%	10.1%
2006	13.8%	19.2%
2007	8.1%	6.6%
2008	-41.3%	-43.8%
2009	47.4%	19.5%

All performances are annualized for periods greater than one year.



## Portfolio Profile

	Avg. # Monthly Changes	Est. Annual Turnover	Avg. Ind. Dvd. Yld. (%)	Median Mkt.-Cap (\$Mil)	Avg. Beta	Ent. Val. / EBITDA (NTM Est.)	Price / Earnings (NTM Est.)	Price / Cash Flow (NTM Est.)	Price / Sales (NTM Est.)	Price / Book Val. (MRQ)	Earnings Growth (5-Yr Est.)	PEG Ratio (NTM Est.)
Small-Cap Growth Portfolio	3.8	153%	1.78	\$1,061	1.28	7.58	18.32	9.85	1.33	3.32	41.06	0.45
Russell 1000 Index	--	--	1.60	\$4,414	1.10	8.96	14.49	8.39	1.06	2.01	29.93	0.48

# U.S. Small-Cap Value Portfolio

**Description:** The U.S. Small-Cap Value is a model portfolio of 30 stocks that are equally balanced in each of 10 S&P sectors. The benchmark for investment style conformity and performance analysis is the Dow Jones Wilshire U.S. Small-Cap Value Total Return Index.

**Recent Changes:** Removed — AT&T Inc. (T), Knight Capital Group (NITE), Capstead Mortgage (CMO), Invacare Cp. (IVC), TNS Inc. (TNS) (as of 5/31/10) Added — tw telecom CI A (TWTC), Cardtronics (CATM), Compass Div. (CODI), RehabCare (RHB), Veeco Instr. (VECO)

## U.S. Small-Cap Value Model Portfolio (5/31/10)

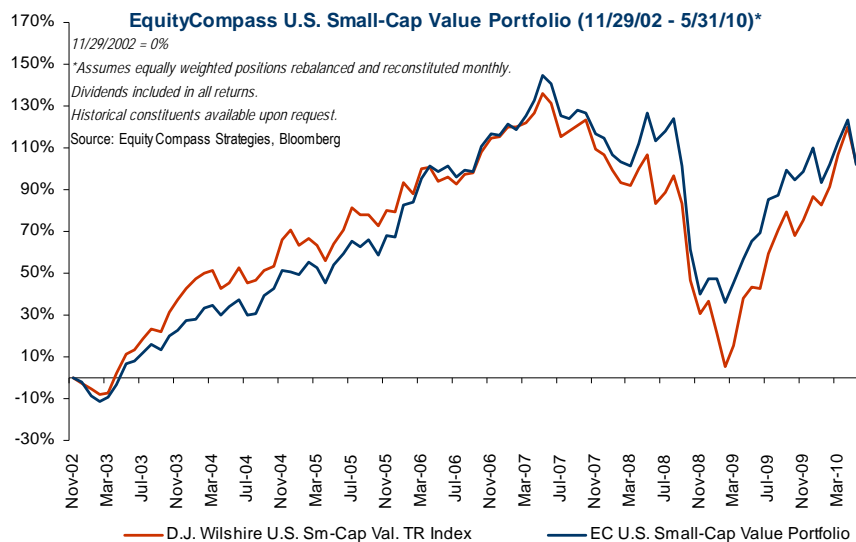
Symbol	Company Name	Price 5/31/10	52-Wk High	52-Wk Low	Div. Yld. (%)	EC Rating	Sector	Sub Industry	Mkt-Cap (Mil)	Date Added
DAN	Dana Holding Corp.	\$10.86	\$14.10	\$1.11	--	Buy	Cons. Disc.	Auto Parts & Equip.	\$1,520	3/31/10
GCO	Genesco Inc.	\$31.12	\$35.00	\$17.51	--	Buy	Cons. Disc.	Apparel Retail	\$749	12/31/09
TUP	Tupperware Brands Corp.	\$42.49	\$54.15	\$23.15	2.35	Buy	Cons. Disc.	Housewares & Specialties	\$2,672	7/31/07
DMND	Diamond Foods Inc.	\$41.45	\$46.36	\$24.85	0.43	Buy	Cons. Staples	Packaged Foods & Meats	\$904	2/26/10
NUS	Nu Skin Enterprises Inc. (CI A)	\$28.76	\$33.99	\$13.44	1.74	Buy	Cons. Staples	Personal Products	\$1,803	4/30/08
UNFI	United Natural Foods Inc.	\$31.05	\$33.49	\$21.86	--	Buy	Cons. Staples	Food Dist.	\$1,341	4/30/10
GPOR	Gulfport Energy Corp.	\$13.13	\$15.25	\$5.23	--	Buy	Energy	Oil & Gas Exploration & Prod.	\$561	2/26/10
WG	Willbros Group Inc.	\$9.29	\$18.51	\$8.93	--	Neutral	Energy	Oil & Gas Equip. & Svcs.	\$369	11/28/08
INT	World Fuel Services Corp.	\$26.03	\$30.48	\$18.00	0.58	Neutral	Energy	Oil & Gas Refining & Mktg.	\$1,546	3/31/09
CATM	Cardtronics Inc.	\$12.95	\$14.58	\$2.69	--	Buy	Financials	Consumer Finance	\$541	5/28/10
CODI	Compass Diversified Holdings	\$14.42	\$16.30	\$7.63	9.43	Buy	Financials	Multi-Sector Holdings	\$528	5/28/10
EZPW	Ezcorp Inc. (CI A)	\$18.31	\$23.75	\$10.00	--	Buy	Financials	Consumer Finance	\$900	2/26/10
BIOS	BioScrip Inc.	\$6.49	\$9.84	\$3.98	--	Buy	Health Care	Health Care Svcs.	\$344	4/30/10
OMI	Owens & Minor Inc.	\$29.87	\$32.80	\$22.75	2.37	Neutral	Health Care	Health Care Dist.	\$1,887	8/31/07
RHB	RehabCare Group Inc.	\$29.09	\$34.88	\$18.20	--	Buy	Health Care	Health Care Svcs.	\$703	5/28/10
AIT	Applied Industrial Technologies Inc.	\$27.58	\$33.00	\$18.11	2.18	Buy	Industrials	Trading Companies & Dist.	\$1,167	11/30/07
HA	Hawaiian Holdings Inc.	\$7.12	\$9.18	\$4.24	--	Buy	Industrials	Airlines	\$369	9/30/09
SYKE	Sykes Enterprises Inc.	\$17.26	\$26.91	\$15.90	--	Buy	Industrials	Office Svcs. & Supplies	\$816	11/30/09
DIOD	Diodes Inc.	\$19.76	\$24.89	\$14.18	--	Buy	Info. Tech.	Semiconductors	\$866	1/29/10
JDAS	JDA Software Group Inc.	\$26.72	\$31.72	\$14.03	--	Buy	Info. Tech.	Application Software	\$1,112	6/30/09
VECO	Veeco Instruments Inc.	\$38.17	\$54.50	\$9.40	--	Buy	Info. Tech.	Semiconductor Equip.	\$1,547	5/28/10
GLT	Glatfelter	\$11.60	\$15.49	\$7.91	3.10	Buy	Materials	Paper Products	\$531	4/30/10
KOP	Koppers Holdings Inc.	\$27.09	\$34.00	\$21.39	3.25	Neutral	Materials	Commodity Chem.	\$557	9/30/08
RKT	Rock-Tenn Co. (CI A)	\$51.46	\$53.98	\$36.04	1.17	Buy	Materials	Paper Packaging	\$2,004	12/31/09
TNDM	Neutral Tandem Inc.	\$13.44	\$34.56	\$12.79	--	Buy	Telecom.	Alternative Carriers	\$444	1/29/10
SVR	Syniverse Holdings Inc.	\$19.79	\$22.13	\$14.25	--	Neutral	Telecom.	Wireless Telecom. Svcs.	\$1,379	10/31/08
TWTC	tw telecom inc. (CI A)	\$17.49	\$18.80	\$8.55	--	Buy	Telecom.	Alternative Carriers	\$2,653	5/28/10
OGE	OGE Energy Corp.	\$36.44	\$42.25	\$25.40	3.98	Buy	Utilities	Multi-Utilities	\$3,542	4/30/10
UGI	UGI Corp.	\$26.14	\$27.88	\$23.18	3.83	Buy	Utilities	Gas Utilities	\$2,854	3/31/10
UNS	UniSource Energy Corp.	\$30.88	\$34.43	\$24.96	5.05	Neutral	Utilities	Electric Utilities	\$1,112	1/29/10

Source: EquityCompass Strategies, FactSet Research Systems Inc.

## Performance Simulation and Risk Analysis

	11/29/02 - 5/31/10	D.J. Wilshire U.S. Sm-Cap Val. TR Index	EC U.S. Small-Cap Value Portfolio
Months	90		90
Total Return	102.7%		101.8%
Annualized Return	9.9%		9.8%
Rf Rate (5-Yr. Tsy.)	2.10%		2.10%
Standard Deviation	19.7%		17.2%
Sharpe Ratio	0.40		0.45
Best Monthly Return	19.9%		10.0%
Worst Monthly Return	-20.0%		-19.8%
Best 12-Month Return	81.7%		51.2%
Worst 12-Month Return	-45.5%		-35.4%
YTD	8.5%		-3.9%
1-Month	-7.8%		-9.6%
3-Month	6.0%		-0.1%
6-Month	15.8%		1.5%
1-Year	41.4%		21.9%
2-Year	-0.9%		-5.7%
3-Year	-5.0%		-6.2%
5-Year	4.3%		5.5%
2003	46.9%		29.4%
2004	19.6%		18.5%
2005	5.3%		11.4%
2006	20.0%		28.8%
2007	-4.1%		-0.5%
2008	-33.9%		-31.2%
2009	36.8%		42.3%

All performances are annualized for periods greater than one year.



## Portfolio Profile

	Avg. # Monthly Changes	Est. Annual Turnover	Avg. Ind. Dvd. Yld. (%)	Median Mkt.-Cap (\$Mil)	Avg. Beta	Ent. Val. / EBITDA (NTM Est.)	Price / Earnings (NTM Est.)	Price / Cash Flow (NTM Est.)	Price / Sales (NTM Est.)	Price / Book Val. (MRO)	Earnings Growth (5-Yr Est.)	PEG Ratio (NTM Est.)
Small-Cap Value Portfolio	3.0	118%	1.32	\$1,008	1.21	6.82	12.14	7.55	0.50	2.15	31.25	0.39
Russell 1000 Index	--	--	1.60	\$4,414	1.10	8.96	14.49	8.39	1.06	2.01	29.93	0.48

# U.S. All-Cap Blend Portfolio

**Description:** The U.S. All-Cap Blend is a model portfolio of 50 stocks that are equally balanced in each of 10 S&P sectors. The benchmark for investment style conformity and performance analysis is the S&P 500 Total Return Index.

**Recent Changes:** Removed — Google (GOOG), Flowers Foods (FLO), Invacare Corp. (IVC), Wonder Auto Technology Inc. (WATG)  
 (as of 5/31/10) Added — Apple Inc. (AAPL), Wal-Mart Stores Inc. (WMT), Human Genome Sciences (HGS), Skechers CI A (SKX)

## U.S. All-Cap Blend Model Portfolio (5/31/10)

Symbol	Company Name	Price			Div. Yld. (%)	EC Rating	Sector	Sub Industry	Mkt.-Cap (Mil)	Date Added
		5/31/10	52-Wk High	52-Wk Low						
LEG	Leggett & Platt Inc.	\$23.28	\$25.15	\$13.88	4.47	Buy	Cons. Disc.	Home Furnishings	\$3,441	1/30/09
MNRO	Monro Muffler Brake Inc.	\$39.39	\$39.85	\$22.70	0.91	Buy	Cons. Disc.	Automotive Retail	\$782	8/31/09
SCI	Service Corp. International	\$8.54	\$9.74	\$4.50	1.87	Buy	Cons. Disc.	Specialized Consumer Svcs.	\$2,176	12/31/09
SKX	Skechers USA Inc. (CI A)	\$37.68	\$42.40	\$8.78	--	Buy	Cons. Disc.	Footwear	\$1,786	5/28/10
SHOO	Steven Madden Ltd.	\$33.73	\$40.98	\$15.76	--	Buy	Cons. Disc.	Footwear	\$929	9/30/08
CVS	CVS Caremark Corp.	\$34.63	\$38.27	\$27.38	1.01	Neutral	Cons. Staples	Drug Retail	\$47,478	8/31/07
GMCR	Green Mountain Coffee Roasters Inc.	\$23.65	\$33.20	\$17.22	--	Buy	Cons. Staples	Packaged Foods & Meats	\$3,111	12/31/08
HLF	Herbalife Ltd.	\$45.15	\$53.00	\$27.10	1.77	Buy	Cons. Staples	Personal Products	\$2,704	10/30/09
WAG	Walgreen Co.	\$32.04	\$40.69	\$27.89	1.72	Neutral	Cons. Staples	Drug Retail	\$31,349	11/30/05
WMT	Wal-Mart Stores Inc.	\$50.56	\$56.27	\$47.35	2.39	Buy	Cons. Staples	Hypermarkets & Super Ctrs.	\$191,420	5/28/10
CHK	Chesapeake Energy Corp.	\$22.34	\$30.00	\$16.92	1.34	Neutral	Energy	Oil & Gas Exploration & Prod.	\$14,541	8/31/09
CXO	Concho Resources Inc.	\$52.05	\$59.72	\$25.17	--	Buy	Energy	Oil & Gas Exploration & Prod.	\$4,765	8/31/09
HAL	Halliburton Co.	\$24.83	\$35.22	\$18.11	1.45	Buy	Energy	Oil & Gas Equip. & Svcs.	\$22,496	1/29/10
NE	Noble Corp.	\$29.07	\$45.60	\$27.52	0.64	Buy	Energy	Oil & Gas Drilling	\$7,436	9/29/06
ROSE	Rosetta Resources Inc.	\$21.93	\$26.48	\$7.08	--	Buy	Energy	Oil & Gas Exploration & Prod.	\$1,125	11/30/09
AEL	American Equity Inv. Life Holding Co.	\$9.41	\$11.47	\$4.70	0.85	Buy	Financials	Life & Health Ins.	\$526	2/26/10
EZPW	Ezcorp Inc. (CI A)	\$18.31	\$23.75	\$10.00	--	Buy	Financials	Consumer Finance	\$900	1/29/10
HCC	HCC Insurance Holdings Inc.	\$25.07	\$29.01	\$23.22	2.15	Buy	Financials	Multi-line Ins.	\$2,882	5/31/07
PSEC	Prospect Capital Corp.	\$10.31	\$13.22	\$8.25	15.91	Buy	Financials	Asset Mgmt. & Custody Bks.	\$664	1/30/09
WAC	Walter Investment Management Cp.	\$16.30	\$18.99	\$11.83	12.27	Buy	Financials	Mortgage REITs	\$324	1/29/10
HLS	HealthSouth Corp.	\$19.86	\$22.22	\$11.56	--	Buy	Health Care	Health Care Facilities	\$1,858	11/30/09
HGSI	Human Genome Sciences Inc.	\$24.76	\$34.49	\$2.03	--	Buy	Health Care	Biotechnology	\$4,639	5/28/10
RHB	RehabCare Group Inc.	\$29.09	\$34.88	\$18.20	--	Buy	Health Care	Health Care Svcs.	\$703	12/31/09
SVNT	Savient Pharmaceuticals Inc.	\$12.04	\$16.62	\$5.69	--	Buy	Health Care	Biotechnology	\$808	2/26/10
UHS	Universal Health Services Inc. (CI B)	\$42.38	\$43.63	\$23.48	0.47	Buy	Health Care	Health Care Facilities	\$4,116	11/29/02
AIN	Albany International Corp. (CI A)	\$18.82	\$26.09	\$9.92	2.55	Buy	Industrials	Industrial Machinery	\$584	1/29/10
FCN	FTI Consulting Inc.	\$42.76	\$56.41	\$36.10	--	Neutral	Industrials	Research & Consulting Svcs.	\$2,008	5/29/09
HSC	Harsco Corp.	\$27.21	\$37.65	\$24.66	3.01	Neutral	Industrials	Industrial Machinery	\$2,191	12/29/06
HA	Hawaiian Holdings Inc.	\$7.12	\$9.18	\$4.24	--	Buy	Industrials	Airlines	\$369	9/30/09
SCS	Steelcase Inc.	\$8.38	\$9.47	\$4.53	1.91	Buy	Industrials	Office Svcs. & Supplies	\$1,114	4/30/10
ANSS	Ansys Inc.	\$43.73	\$46.88	\$28.28	--	Neutral	Info. Tech.	Application Software	\$3,953	11/30/07
AAPL	Apple Inc.	\$256.88	\$272.46	\$132.03	--	Buy	Info. Tech.	Computer Hardware	\$233,667	5/28/10
HRS	Harris Corp.	\$46.91	\$54.50	\$26.11	1.88	Buy	Info. Tech.	Communications Equip.	\$6,019	2/27/09
JDAS	JDA Software Group Inc.	\$26.72	\$31.72	\$14.03	--	Buy	Info. Tech.	Application Software	\$1,112	8/31/09
LPSN	LivePerson Inc.	\$6.46	\$8.99	\$2.90	--	Buy	Info. Tech.	Internet Software & Svcs.	\$328	4/30/10
CLF	Cliffs Natural Resources Inc.	\$55.86	\$76.17	\$19.44	1.00	Buy	Materials	Steel	\$7,565	12/31/09
CCK	Crown Holdings Inc.	\$23.51	\$29.35	\$22.00	--	Neutral	Materials	Metal & Glass Containers	\$3,807	3/30/07
FMC	FMC Corp.	\$60.55	\$65.80	\$40.69	0.83	Neutral	Materials	Div. Chem.	\$4,402	3/31/08
GEF	Greif Inc. (CI A)	\$54.80	\$61.02	\$40.18	2.77	Neutral	Materials	Metal & Glass Containers	\$2,580	11/30/07
IPHS	Innophos Holdings Inc.	\$28.54	\$31.98	\$13.50	2.38	Buy	Materials	Specialty Chem.	\$611	8/31/09
AMT	American Tower Corp.	\$40.53	\$45.00	\$29.02	--	Neutral	Telecom.	Wireless Telecom. Svcs.	\$16,362	1/29/10
CTL	CenturyTel Inc.	\$34.33	\$37.16	\$14.16	8.45	Neutral	Telecom.	Integrated Telecom. Svcs.	\$10,305	12/31/08
TNDM	Neutral Tandem Inc.	\$13.44	\$34.56	\$12.79	--	Buy	Telecom.	Alternative Carriers	\$444	12/31/09
SVR	Syniverse Holdings Inc.	\$19.79	\$22.13	\$14.25	--	Neutral	Telecom.	Wireless Telecom. Svcs.	\$1,379	11/30/09
VZ	Verizon Communications Inc.	\$27.52	\$34.13	\$26.49	6.90	Neutral	Telecom.	Integrated Telecom. Svcs.	\$77,792	12/30/05
CMS	CMS Energy Corp.	\$14.68	\$16.67	\$10.92	4.09	Neutral	Utilities	Multi-Utilities	\$3,347	2/26/10
EGN	Energen Corp.	\$44.27	\$49.94	\$35.38	1.17	Neutral	Utilities	Gas Utilities	\$3,174	11/30/05
NFG	National Fuel Gas Co.	\$48.60	\$54.42	\$31.52	2.76	Neutral	Utilities	Gas Utilities	\$3,949	11/30/05
OGE	OGE Energy Corp.	\$36.44	\$42.25	\$25.40	3.98	Buy	Utilities	Multi-Utilities	\$3,542	9/30/09
UGI	UGI Corp.	\$26.14	\$27.88	\$23.18	3.83	Buy	Utilities	Gas Utilities	\$2,854	3/31/10

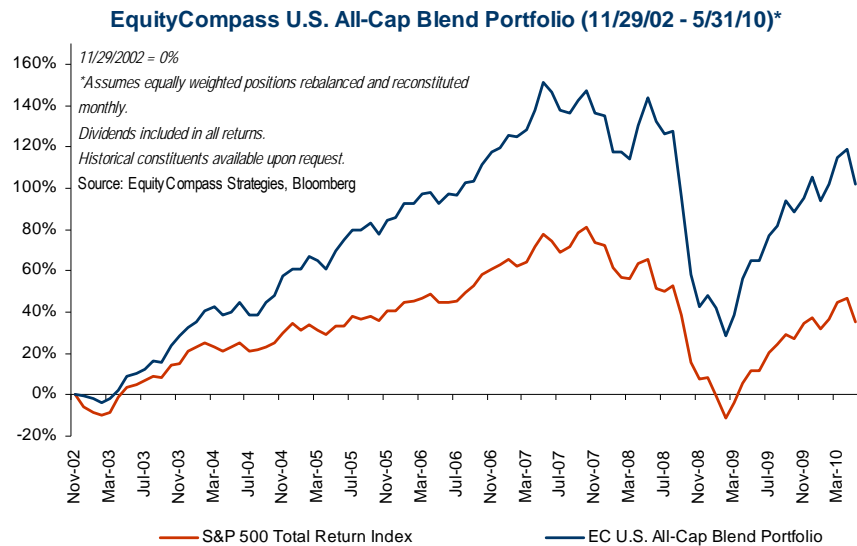
Source: EquityCompass Strategies, FactSet Research Systems Inc.

# U.S. All-Cap Blend Portfolio (continued)

## Performance Simulation and Risk Analysis

11/29/02 - 5/31/10	S&P 500 Total Return Index	EC U.S. All-Cap Blend Portfolio
Months	90	90
Total Return	35.1%	101.8%
Annualized Return	4.1%	9.8%
Rf Rate (5-Yr. Tsy.)	2.10%	2.10%
Standard Deviation	14.5%	16.1%
Sharpe Ratio	0.14	0.48
Best Monthly Return	9.6%	12.6%
Worst Monthly Return	-16.8%	-19.1%
Best 12-Month Return	53.6%	57.5%
Worst 12-Month Return	-43.3%	-41.0%
YTD	-1.5%	-1.8%
1-Month	-8.0%	-7.7%
3-Month	-0.9%	-0.2%
6-Month	0.4%	3.4%
1-Year	21.0%	22.3%
2-Year	-9.7%	-9.1%
3-Year	-8.7%	-7.1%
5-Year	0.3%	3.6%
2003	28.7%	33.2%
2004	10.9%	21.5%
2005	4.9%	15.4%
2006	15.8%	18.3%
2007	5.5%	6.9%
2008	-37.0%	-36.9%
2009	26.5%	38.6%

All performances are annualized for periods greater than one year.



### Portfolio Profile

	Avg. # Monthly Changes	Est. Annual Turnover	Avg. Ind. Dvd. Yld. (%)	Median Mkt.-Cap (\$Mil)	Avg. Beta	Ent. Val. / EBITDA (NTM Est.)	Price / Earnings (NTM Est.)	Price / Cash Flow (NTM Est.)	Price / Sales (NTM Est.)	Price / Book Val. (MRQ)	Earnings Growth (5-Yr Est.)	PEG Ratio (NTM Est.)
All-Cap Blend Portfolio	2.5	60%	1.93	\$2,868	1.23	7.08	12.79	7.57	1.15	2.43	24.73	0.52
Russell 1000 Index	--	--	1.60	\$4,414	1.10	8.96	14.49	8.39	1.06	2.01	29.93	0.48

## EquityCompass Performance Monitor - June 2010 (Through 5/31/2010)

Benchmark Indices	YTD	1M	3M	6M	9M	1Y	2Y	3Y	4Y	5Y	2001*	2002	2003	2004	2005	2006	2007	2008	2009
S&P 500	-2.3%	-8.2%	-1.4%	-0.6%	6.7%	18.5%	-11.8%	-10.7%	-3.8%	-1.8%	1.3%	-23.4%	26.4%	9.0%	3.0%	13.6%	3.5%	-38.5%	23.5%
S&P 500 Total Return	-1.5	-8.0	-0.9	0.4	8.3	21.0	-9.7	-8.7	-1.7	0.3	1.7	-22.1	28.7	10.9	4.9	15.8	5.5	-37.0	26.5
S&P 500 Equal Weight	2.3	-7.5	1.5	6.8	13.9	29.7	-6.1	-7.8	-1.3	1.3	1.6	-19.4	38.7	15.2	6.4	14.0	0.0	-41.0	43.3
Dow Jones Ind. Average	-2.8	-7.9	-1.8	-2.0	6.7	19.2	-10.4	-9.4	-2.4	-0.6	0.7	-16.8	25.3	3.1	-0.6	16.3	6.4	-33.8	18.8
S&P 500 Citigroup Growth	-4.1	-8.2	-2.0	-2.1	7.2	17.3	-9.5	-7.2	-1.3	-0.6	5.1	-24.5	23.9	4.7	2.5	9.4	7.7	-35.9	29.3
S&P 500 Citigroup Value	-0.5	-8.2	-0.8	1.0	6.0	19.8	-14.3	-14.3	-6.4	-3.1	-2.8	-22.5	29.0	13.3	3.5	18.0	-0.4	-41.2	17.4
S&P 100	-4.1	-8.7	-2.6	-3.5	3.9	15.3	-12.2	-11.1	-4.0	-2.7	1.2	-23.9	23.8	4.5	-0.9	15.9	3.8	-37.1	19.1
NASDAQ 100	-0.4	-7.4	1.9	4.8	14.0	29.0	-4.5	-1.3	4.1	3.7	7.3	-37.6	49.1	10.4	1.5	6.8	18.7	-41.9	53.5
S&P SmallCap 600	6.2	-7.3	5.6	15.2	16.9	33.4	-5.5	-7.0	-1.6	1.8	4.1	-15.3	37.5	21.6	6.7	14.1	-1.2	-32.0	23.8
S&P MidCap 400	5.0	-7.3	3.3	11.4	16.5	32.5	-7.0	-5.9	-0.1	2.6	2.9	-15.4	34.0	15.2	11.3	9.0	6.7	-37.3	35.0
Russell 1000	-1.7	-8.1	-0.9	0.6	7.8	21.5	-11.5	-10.3	-3.4	-1.4	1.2	-22.9	27.5	9.5	4.4	13.3	3.9	-39.0	25.5
S&P 500 Financials	1.9	-9.2	0.0	0.2	0.0	20.1	-23.0	-27.0	-18.0	-12.8	0.5	-16.4	27.9	8.2	3.7	16.2	-20.8	-57.0	14.8
S&P 500 Info. Tech.	-5.1	-8.3	-0.4	0.2	9.5	27.2	-5.4	-3.0	2.7	2.2	8.2	-37.6	46.6	2.1	0.4	7.7	15.5	-43.7	59.9
S&P 500 Health Care	-8.0	-7.0	-8.4	-6.3	0.7	11.5	-5.4	-7.8	-1.3	-1.6	2.2	-20.0	13.3	0.2	4.9	5.8	5.4	-24.5	17.1
S&P 500 Industrials	5.6	-9.8	2.2	6.7	17.9	30.9	-13.9	-10.3	-4.6	-1.8	1.9	-27.6	29.7	15.9	0.4	11.0	9.8	-41.5	17.3
S&P 500 Energy	-7.8	-11.8	-5.3	-8.7	1.3	1.0	-21.2	-8.7	-1.0	4.1	-3.0	-13.3	22.4	28.8	29.1	22.2	32.4	-35.9	11.3
S&P 500 Cons. Disc.	8.3	-7.1	6.0	13.0	23.7	40.3	0.0	-6.9	-0.9	-0.4	3.8	-24.4	36.1	12.1	-7.4	17.2	-14.3	-34.7	38.8
S&P 500 Cons. Staples	-1.5	-4.7	-2.9	-2.1	6.0	13.6	-4.1	-1.7	2.5	2.4	-0.1	-6.3	9.2	6.0	1.3	11.8	11.6	-17.7	11.2
S&P 500 Telecom. Svcs.	-10.6	-3.9	-0.2	-6.5	-2.7	-0.7	-18.5	-17.3	-4.9	-3.0	-5.4	-35.9	3.3	16.0	-9.0	32.1	8.4	-33.6	2.6
S&P 500 Utilities	-8.3	-6.1	-1.5	-3.5	-1.7	7.3	-16.7	-11.8	-2.5	-0.9	-15.4	-33.0	21.1	19.6	12.8	16.9	15.8	-31.5	6.8
S&P 500 Materials	-7.1	-9.7	-2.4	-5.8	4.0	14.3	-18.0	-9.7	-1.6	1.7	-1.2	-7.7	34.8	10.8	2.2	15.7	20.0	-47.0	45.2
D.J. Wilshire U.S. Sm Cap Val. TR	8.5	-7.8	6.0	15.8	18.8	41.4	-0.9	-5.0	1.1	4.3	4.6	-8.7	46.9	19.6	5.3	20.0	-4.1	-33.9	36.8
D.J. Wilshire U.S. Sm Cap Gr. TR	5.9	-7.6	5.0	15.7	18.9	36.1	-3.4	-4.3	1.4	4.8	7.8	-28.5	51.0	19.0	9.7	13.8	8.1	-41.3	47.4
D.J. Wilshire U.S. Md. Cap Val. TR	6.2	-7.3	4.4	11.7	17.6	38.7	-4.5	-7.1	-0.2	2.5	1.9	-9.5	34.9	17.9	5.5	15.7	-1.3	-34.8	32.0
D.J. Wilshire U.S. Md. Cap Gr. TR	3.6	-7.0	3.5	11.6	19.8	35.7	-3.6	-3.1	2.9	6.0	6.4	-24.5	43.4	18.9	16.7	11.6	11.2	-41.6	55.5
D.J. Wilshire U.S. Lg. Cap Val. TR	-0.1	-7.6	-0.1	0.5	7.4	19.9	-11.4	-11.5	-3.2	-0.8	-0.3	-14.7	30.6	13.5	5.7	21.9	1.8	-36.6	17.2
D.J. Wilshire U.S. Lg. Cap Gr. TR	-2.2	-8.2	-1.5	1.8	10.6	23.2	-7.9	-5.2	0.4	2.1	3.9	-26.7	27.5	9.5	7.1	9.1	11.0	-37.5	37.4
EquityCompass Indices <sup>1</sup>	YTD	1M	3M	6M	9M	1Y	2Y	3Y	4Y	5Y	2001	2002	2003	2004	2005	2006	2007	2008	2009
EC Mega Beta Index	17.7%	-17.5%	5.6%	27.7%	37.8%	88.6%	14.3%	3.0%	8.1%	13.2%	--	--	138.2%	1.7%	-6.3%	28.1%	-1.9%	-62.9%	198.2%
EC Micro Beta Index	-2.9	-11.4	-3.0	0.9	-0.4	12.9	-11.8	-10.9	-3.4	0.3	--	--	46.3	12.3	16.1	19.7	8.2	-38.3	21.4
EC Mega Cap Index	-3.5	-8.5	-1.2	-2.3	5.0	15.4	-12.0	-6.0	0.5	2.3	--	--	25.8	6.5	3.2	20.2	19.5	-35.5	18.8
EC Micro Cap Index	8.9	-18.1	0.2	15.9	8.4	86.5	39.6	14.8	13.9	11.7	--	--	95.5	14.4	-7.8	14.4	-16.5	-55.8	268.8
EC Mega Growth Index	12.5	-10.5	11.9	22.8	31.5	55.2	-5.3	-4.9	0.2	6.2	--	--	68.0	16.7	15.2	11.1	17.3	-57.1	71.5
EC Micro Growth Index	13.0	-4.3	10.3	21.8	24.3	49.2	10.9	2.4	9.9	10.9	--	--	34.7	16.3	7.7	31.4	4.3	-44.0	84.0
EC Mega Quality Index	1.1	-7.4	0.3	3.2	11.4	19.9	-8.4	-7.0	-1.3	0.3	--	--	21.7	10.4	5.4	12.9	5.2	-32.9	18.9
EC Micro Quality Index	18.2	-14.5	11.0	33.2	40.3	122.2	17.2	0.5	7.6	10.6	--	--	148.5	25.1	-5.1	29.8	-4.2	-68.2	235.8
EC Mega Value Index	15.4	-10.9	12.6	24.4	19.3	57.8	7.5	0.2	1.7	5.6	--	--	100.0	8.7	6.3	5.4	3.7	-45.9	59.0
EC Micro Value Index	11.8	-7.1	8.4	16.8	23.8	61.3	29.5	14.1	17.7	17.9	--	--	70.2	34.4	12.5	16.4	-4.5	-25.5	116.1
EC Div. Index	4.8	-7.6	3.5	10.0	14.9	31.6	-4.3	-5.8	1.2	4.0	--	--	37.3	21.1	9.5	18.9	2.7	-35.9	35.1
EC Non Div. Index	7.7	-9.2	6.0	16.6	19.8	47.2	4.7	-1.0	4.4	7.5	--	--	67.0	14.7	8.5	17.0	3.2	-46.0	81.2
EC Mega Short Interest Index	3.2	-8.8	5.5	10.8	6.0	26.8	-4.4	-11.2	-5.7	-3.7	--	--	57.0	16.1	-4.0	19.3	-11.6	-50.2	53.8
EC Micro Short Interest Index	13.6	-10.9	4.8	18.6	25.9	77.0	16.6	12.7	17.1	17.2	--	--	77.7	10.7	7.5	20.9	18.5	-42.9	113.7
EC Mega Analysts' Rat. Index	3.6	-7.8	6.1	10.6	15.4	31.7	-5.1	-6.4	0.7	6.4	--	--	51.1	9.8	16.8	20.3	14.9	-40.8	36.0
EC Micro Analysts' Rat. Index	6.5	-11.9	6.0	15.0	12.9	30.9	-11.1	-16.6	-8.5	-4.1	--	--	80.9	19.8	-4.0	21.6	-14.1	-48.9	33.7
EC Mega Price Index	0.1	-7.5	-0.1	4.9	14.5	22.4	-16.0	-8.3	-0.6	3.5	--	--	28.2	17.1	16.2	18.7	22.4	-45.0	27.9
EC Micro Price Index	5.2	-20.5	-3.1	14.9	10.2	103.2	24.6	5.4	8.3	10.2	--	--	180.9	17.9	-13.2	26.3	-13.1	-69.8	346.6
EC Mega Price Momentum Index	2.3	-6.6	2.5	5.6	7.5	14.6	-18.1	-10.3	-3.4	0.2	--	--	20.6	1.9	9.6	11.9	10.2	-34.5	3.2
EC Micro Price Momentum Index	6.6	-17.9	1.9	20.8	12.8	98.2	42.5	17.6	20.2	16.7	--	--	102.9	26.3	-7.4	17.1	-12.2	-47.0	261.8
EC All Covered ADRs	-8.2	-10.5	-4.3	-5.4	4.9	21.1	-8.8	-4.1	5.3	10.0	0.4	-15.7	50.8	19.0	15.9	34.2	22.8	-47.4	70.5
EC Alpha Basket Index	1.6	-7.4	1.5	5.3	13.6	26.9	-7.9	-5.0	2.8	5.5	--	--	48.0	14.5	10.3	25.4	5.4	-36.1	38.4
EC Bear Mkt. Rec. Index	5.6	3.1	13.7	13.5	68.1	304.0	27.5	8.3	8.8	10.1	--	--	116.0	10.5	-6.0	15.4	-13.9	-51.9	201.6
Early Bull Top 100 Index	5.9	-15.3	5.1	13.0	10.9	73.4	14.4	-0.1	4.4	8.1	--	--	124.4	13.4	-5.8	14.9	-15.0	-62.0	224.0
Mid Bull Top 100 Index	3.7	-9.8	2.4	11.9	16.4	35.4	-10.6	-9.6	-1.6	2.2	--	--	49.7	24.4	9.9	12.7	9.6	-54.6	70.7
Late Bull Top 100 Index	0.6	-6.3	2.5	4.6	11.9	20.4	-21.3	-10.4	-3.5	2.1	--	--	31.9	17.8	23.6	13.6	29.1	-46.0	17.0
Bear Top 100 Index	0.1	-5.8	0.2	2.8	10.4	22.0	-7.6	-6.5	0.4	2.2	--	--	17.2	12.4	8.0	12.8	11.0	-26.2	13.3
EquityCompass Ratings <sup>1</sup>	YTD	1M	3M	6M	9M	1Y	2Y	3Y	4Y	5Y	2001	2002	2003	2004	2005	2006	2007	2008	2009
All PPS 1 Rated Stocks	7.9%	-8.3%	6.5%	16.4%	20.3%	37.7%	-9.6%	-8.0%	0.7%	5.1%	-8.6%	-8.3%	46.9%	29.0%	18.0%	23.8%	13.9%	-44.0%	32.7%
All PPS 2 Rated Stocks	7.1	-7.9	6.0	14.9	18.7	33.5	-9.4	-6.1	0.9	4.8	0.6	-3.7	36.6	23.0	15.9	18.7	12.1	-36.7	24.3
All PPS 3 Rated Stocks	4.5	-8.0	5.1	12.4	17.3	28.0	-9.1	-6.8	-1.1	3.1	5.0	-13.7	38.5	15.6	10.8	15.7	12.9	-34.3	16.3
All PPS 4 Rated Stocks	4.1	-8.9	5.0	11.0	12.1	24.8	-9.2	-7.0	-1.7	1.8	0.8	-31.4	66.1	8.9	7.0	12.4	10.6	-37.8	19.4
All PPS 5 Rated Stocks	5.2	-8.7	2.9	11.9	16.7	33.5	-0.3	-3.1	3.1	5.5	9.9	-22.6	46.9	14.4	6.9	16.8	2.4	-35.3	45.4
All PPS 6 Rated Stocks	8.4	-7.3	4.6	14.9	21.6	66.2	24.3	8.7	13.9	15.4	-2.9	-28.3	57.0	29.2	6.8	21.8	-10.6	-39.5	152.7
All PPS 7 Rated Stocks	6.8	-7.9	4.9	14.1	22.3	55.3	10.5	-1.2	6.0	7.3	2.7	-9.1	42.7	22.4	2.4	22.9	-7.1	-46.6	104.6
All PPS 8 Rated Stocks	7.9	-9.4	4.8	15.0	15.5	42.9	1.4	-5.3	1.2	3.2	14.3	-35.4	51.6	21.3	3.3	19.0	-7.0	-49.6	82.9
All PPS 9 Rated Stocks	6.7	-10.8	5.4	13.3	13.8	51.0	6.4	-2.6	1.3	3.5	16.3	-48.0	88.6	-2.5	-2.8	8.8	-2.1	-55.0	109.0
All SVI A Rated Stocks	3.5	-6.2	3.2	8.8	15.1	28.1	-4.2	-4.6	1.8	4.2	--	--	32.1	18.6	9.2	15.6	6.4	-35.9	37.7
All SVI B Rated Stocks	4.2	-7.2	4.3	11.1	16.7	34.4	-1.9	-4.3	2.1	4.1	--	--	38.3	17.0	7.3	15.8	3.2	-38.1	46.6
All SVI C Rated Stocks	7.1	-8.9	5.0	15.1	19.7	43.2	1.1	-4.0	1.8	5.1	--	--	45.4	20.8	11.8	16.6	-1.9	-40.4	56.6
All SVI D Rated Stocks	12.9	-10.0																	

## EquityCompass Valuation Profile - June 2010

(As of 5/31/10)

Benchmark Indices <sup>1</sup>	Qty	Div (%)	Beta	Mkt. Cap	Short			EV/EBITDA (NTM)	P/E (NTM)	P/CF (NTM)	P/S (NTM)	P/BV (MRC)	PEG Ratio
					Int. Rat.	PPS	MVD						
S&P 1500	1,487	1.96	0.93	\$67,480	1.2	4.9	-0.1%	8.6	12.6	7.3	1.1	2.1	0.5
S&P 500	497	2.05	0.90	\$76,706	1.2	5.0	-0.3%	8.6	12.4	7.2	1.1	2.1	0.5
S&P 100	99	2.28	0.84	\$114,590	1.1	5.1	-2.1%	9.1	11.8	6.9	1.2	2.1	0.5
S&P Mid Cap	399	1.42	1.12	\$3,049	4.0	4.9	2.4%	8.5	15.0	9.0	0.9	1.9	0.5
Dow Jones Ind Avg.	30	2.79	0.77	\$148,195	1.1	5.3	-2.3%	8.6	11.2	6.6	1.2	2.1	0.5
Nasdaq 100	98	1.08	0.89	\$93,073	1.2	5.2	-4.1%	8.6	13.4	10.4	2.0	3.1	0.5
S&P Citi Growth	305	1.96	0.89	\$79,500	1.7	5.2	-0.1%	7.9	12.9	9.2	1.5	3.0	0.6
S&P Citi Value	345	2.50	0.87	\$75,176	1.1	5.0	-0.3%	8.6	11.7	6.2	0.9	1.7	0.5
Russell 1000	937	1.97	0.94	\$67,866	1.2	5.0	-0.2%	8.6	12.7	7.2	1.1	2.1	0.5
Russell 2000	1,908	1.17	1.29	\$1,085	4.5	4.4	0.8%	9.1	18.7	9.9	0.8	2.1	0.5
Russell 3000	2,845	1.90	0.96	\$61,774	1.2	4.9	-0.2%	8.6	12.9	7.3	1.0	2.1	0.5
Russell Mid Cap	749	1.58	1.12	\$6,592	2.6	4.7	1.9%	8.3	14.5	7.5	0.9	2.0	0.5
S&P 500 Energy Index	39	2.30	1.17	\$117,887	3.0	5.6	-8.0%	4.6	10.6	5.7	0.8	1.8	0.3
S&P 500 Materials Index	31	1.98	1.36	\$18,978	1.8	4.8	-8.0%	7.1	13.1	8.0	1.0	2.5	0.3
S&P 500 Industrials Index	59	2.22	1.12	\$53,165	1.0	3.5	4.3%	11.3	14.4	8.9	1.1	2.6	0.6
S&P 500 Consumer Disc. Index	80	1.44	1.00	\$30,855	2.5	3.6	6.6%	8.5	14.5	9.1	0.9	2.6	0.6
S&P 500 Consumer Staples Index	40	3.15	0.39	\$92,353	1.9	6.5	8.5%	8.3	13.4	9.5	0.8	3.0	1.5
S&P 500 Health Care Index	51	2.35	0.52	\$63,892	1.3	6.1	5.6%	7.2	10.6	8.9	1.0	2.3	1.1
S&P 500 Financials Index	78	1.20	1.19	\$70,129	0.7	3.8	-9.4%	15.6	11.8	4.5	1.4	1.1	0.3
S&P 500 Info. Tech. Index	74	0.98	0.93	\$114,227	1.1	5.1	-5.5%	8.4	12.7	10.1	2.1	3.7	0.5
S&P 500 Telecom. Services Index	9	6.18	0.43	\$96,832	2.1	6.7	3.7%	5.2	13.3	3.7	1.0	1.6	1.1
S&P 500 Utilities Index	36	4.64	0.66	\$14,355	2.7	6.6	7.5%	7.1	11.5	5.2	1.0	1.3	2.1
Russell 1000 Val.	655	2.27	1.01	\$63,965	1.1	4.7	-0.9%	8.6	12.0	6.1	0.9	1.7	0.4
Russell 1000 Gr.	608	1.76	0.87	\$71,850	1.6	5.1	1.0%	8.3	13.1	8.9	1.2	2.8	0.6
Russell Mid Val.	533	1.93	1.19	\$6,393	2.5	4.5	1.7%	8.1	13.9	6.5	0.8	1.6	0.4
Russell Mid Gr.	476	1.17	1.08	\$6,744	2.6	4.9	2.3%	8.1	14.4	8.6	1.0	2.6	0.6
EquityCompass Indices <sup>2</sup>	Qty	Div (%)	Beta	Mkt. Cap	Short			EV/E (NTM)	P/E (NTM)	P/CF (NTM)	P/S (NTM)	P/BV (MRC)	PEG Ratio
EC Mega Beta Index	Int. Rat.	PPS	MVD										
EC Mega Beta Index	50	0.17	3.11	\$999	2.8	3.7	-3.1%	10.3	27.8	5.7	0.6	2.0	0.4
EC Micro Beta Index	50	0.94	0.19	\$14,512	2.4	6.1	6.1%	6.9	14.0	9.3	1.2	3.3	0.5
EC Mega Cap Index	50	2.19	0.87	\$106,917	1.0	5.1	-0.7%	9.2	13.5	8.9	1.6	2.9	0.5
EC Micro Cap Index	50	0.12	1.11	\$172	8.6	7.5	0.1%	--	--	--	--	--	--
EC Mega Growth Index	50	0.01	1.69	\$2,476	5.5	6.7	0.9%	43.3	-18.8	-29.6	6.0	6.5	-0.2
EC Micro Growth Index	50	1.78	0.76	\$3,722	2.3	5.0	-2.5%	4.4	7.9	4.3	0.6	0.8	7.9
EC Mega Quality Index	50	1.81	0.85	\$30,369	1.7	5.6	1.0%	9.8	15.7	12.4	2.3	3.7	0.9
EC Micro Quality Index	50	0.00	1.94	\$1,111	2.3	4.3	-6.8%	8.0	29.7	5.8	0.4	-4.5	0.5
EC Mega Value Index	50	0.20	1.66	\$4,272	4.4	6.4	1.7%	26.6	-71.1	--	5.6	4.3	-0.9
EC Micro Value Index	50	0.72	1.23	\$2,941	2.9	4.0	-6.2%	4.3	8.2	3.6	0.4	1.1	0.2
EC Div. Index	1,533	2.94	1.10	\$14,210	2.2	5.0	0.8%	7.5	13.7	7.8	1.0	2.0	0.5
EC Non Div. Index	1,857	0.00	1.31	\$3,091	2.8	5.0	0.1%	9.4	17.3	9.6	0.9	2.2	0.4
EC Mega Short Interest Index	50	1.92	1.03	\$3,770	34.4	6.6	0.9%	6.3	18.4	9.6	1.8	3.3	0.4
EC Micro Short Interest Index	50	0.69	1.04	\$47,011	0.7	4.4	-5.9%	17.7	11.6	8.0	1.4	2.1	0.2
EC Mega AR Index	50	0.59	1.17	\$713	5.0	4.0	-1.6%	9.2	15.8	9.5	1.1	2.3	0.4
EC Micro AR Index	50	1.77	1.48	\$1,488	5.7	5.9	3.2%	9.2	26.6	8.5	0.5	1.3	0.5
EC Mega Price Index	50	0.79	1.03	\$25,215	2.1	5.1	4.8%	10.1	17.5	13.7	2.1	2.8	0.8
EC Micro Price Index	50	0.84	2.13	\$404	3.3	8.0	5.2%	10.2	-1.8	3.8	0.1	-17.3	0.0
EC Mega Mom. Index	50	0.76	0.93	\$5,325	2.8	3.3	8.7%	8.9	17.7	11.1	0.8	3.4	0.5
EC Micro Mom. Index	50	0.84	1.15	\$2,258	2.8	7.8	-4.3%	7.0	18.2	8.0	1.6	1.6	0.5
All ADRs	280	2.41	1.16	\$41,765	2.5	5.3	-7.4%	5.5	11.2	7.3	1.0	1.9	0.3
EquityCompass Ratings <sup>2</sup>	Qty	Div (%)	Beta	Mkt. Cap	Short			EV/E (NTM)	P/E (NTM)	P/CF (NTM)	P/S (NTM)	P/BV (MRC)	PEG Ratio
All PPS 1 Rated Stocks	Int. Rat.	PPS	MVD										
All PPS 1 Rated Stocks	211	1.13	1.49	\$5,662	2.3	1	-9.2%	7.1	10.0	5.5	0.5	1.5	0.2
All PPS 2 Rated Stocks	478	1.15	1.39	\$6,737	2.0	2	-3.9%	8.4	13.2	6.7	0.7	2.1	0.3
All PPS 3 Rated Stocks	494	1.24	1.36	\$7,551	2.7	3	5.7%	10.6	17.9	10.8	1.4	2.8	0.5
All PPS 4 Rated Stocks	259	0.69	1.45	\$7,142	3.5	4	7.2%	15.2	30.0	20.5	3.3	3.8	0.6
All PPS 5 Rated Stocks	509	1.53	1.12	\$9,476	1.8	5	-0.4%	8.5	14.5	7.9	0.9	2.0	0.4
All PPS 6 Rated Stocks	249	1.56	1.01	\$12,862	2.7	6	-5.9%	4.2	9.3	5.3	0.5	1.2	0.4
All PPS 7 Rated Stocks	487	2.00	0.96	\$10,253	2.6	7	-0.9%	6.0	12.4	7.3	0.8	1.6	0.6
All PPS 8 Rated Stocks	474	1.36	1.01	\$7,590	2.9	8	4.1%	10.0	17.7	10.6	1.6	2.3	0.5
All PPS 9 Rated Stocks	229	0.59	1.19	\$6,888	3.5	9	2.5%	11.6	40.3	21.0	2.8	3.0	0.7
All SVI A Rated Stocks	692	1.75	0.98	\$14,554	2.3	5.1	0.7%	7.0	14.0	9.1	1.5	2.4	0.6
All SVI B Rated Stocks	685	1.46	1.10	\$8,773	2.7	5.0	1.3%	7.2	15.7	8.5	1.1	2.2	0.5
All SVI C Rated Stocks	677	1.37	1.32	\$4,757	2.6	4.7	-0.2%	8.5	14.9	7.8	0.8	1.8	0.4
All SVI D Rated Stocks	683	0.82	1.49	\$3,882	2.4	4.7	-0.4%	11.7	18.3	8.3	0.5	1.6	0.3
All Redline Low Stocks	317	1.17	1.33	\$14,441	1.4	4.3	-24.6%	8.6	11.8	7.3	0.8	1.8	0.2
All Redline High Stocks	318	1.92	0.91	\$9,365	3.1	5.1	19.8%	9.3	15.4	9.9	1.0	2.3	0.9
All EC "Buy" Rated Stocks	1,321	1.30	1.33	\$8,747	2.4	2.8	-2.0%	8.2	14.4	8.2	1.0	2.3	0.4
All EC "Neutral" Rated Stocks	724	1.35	1.12	\$10,542	2.1	5.0	0.6%	6.6	14.5	8.6	1.0	1.9	0.5
All EC "Sell" Rated Stocks	1,345	1.35	1.11	\$6,221	3.1	7.2	3.6%	8.6	16.9	9.0	0.9	1.9	0.5
EquityCompass Focus Lists <sup>2</sup>	Qty	Div (%)	Beta	Mkt. Cap	Short			EV/E (NTM)	P/E (NTM)	P/CF (NTM)	P/S (NTM)	P/BV (MRC)	PEG Ratio
Quality Momentum	Int. Rat.	PPS	MVD										
Quality Momentum	50	1.80	1.29	\$14,561	2.6	2.5	0.7%	6.6	13.3	8.7	1.4	2.8	0.5
Oversold Quality	3	0.87	0.63	\$14,704	1.7	7.0	-25.5%	7.3	10.8	9.5	2.9	3.2	0.4
Research Focus List	18	0.88	1.23	\$34,138	0.8	4	-27.1%	14.0	10.3	6.2	1.1	2.3	0.2
Mispriced Large-Cap	15	1.58	1.19	\$35,197	1.4	4.1	-27.4%	7.7	12.3	7.3	1.6	2.3	0.3
EC Coverage Universe <sup>2</sup>	3,390	1.33	1.21	\$8,313	2.5	5.0	0.4%	7.8	15.1	8.5	1.0	2.1	0.4
EC Coverage Univ. (Ex ADRs) <sup>2</sup>	3,110	1.23	1.21	\$6,840	2.5	5.0	0.7%	8.6	15.3	8.6	1.0	2.1	0.4

<sup>1</sup> Market cap-weighted averages of the underlying constituents in the EquityCompass Coverage Universe (excluding stocks with missing valuation metrics)

<sup>2</sup> Equal weighted averages (excluding stocks with missing valuation metrics)

Source: EquityCompass Strategies

## Aggregate Stock Selection List

Aggregate Stock Selection List														Lists				Model Ports (New Add.)						Spec. Sit.			
Symbol	Company Name	Price 5/31/10	52W High	52W Low	Div. Yield (%)	Sector	Market Cap (Mil)	Compass Rating	Best Perf. Market	Early Bull Rank	Mid Bull Rank	Late Bull Rank	Bear Rank	Quality Momentum	Oversold Quality	Research Focus	Mispriced Large-Cap	Large-Cap Growth	Large-Cap Value	Mid-Cap Growth	Mid-Cap Value	Small-Cap Growth	Small-Cap Value	All-Cap Blend	Candidates List	Share Repurchase	Pending Acquisition
AAON	AAON Inc.	\$24.68	\$25.11	\$18.00	1.46	Industrials	\$423	Sell	Bear	1%	23%	34%	99%														
ADVS	Advent Software Inc.	\$43.24	\$46.50	\$29.87	--	Info. Tech.	\$1,116	Neutral	Bear	36%	46%	43%	64%														
ARG	Airgas Inc.	\$62.47	\$66.06	\$36.68	1.41	Materials	\$5,134	Neutral	Bear	4%	16%	87%	96%														
ACL	Alcon Inc.	\$140.48	\$166.71	\$105.01	2.81	Health Care	\$42,177	Neutral	Late Bull	13%	47%	91%	87%														
AYE	Allegheny Energy Inc.	\$20.46	\$27.70	\$18.97	2.93	Utilities	\$3,470	Neutral	Early Bull	60%	35%	32%	40%														
AHCI	Allied Healthcare Int'l.	\$2.67	\$3.40	\$1.78	--	Health Care	\$121	Sell	Early Bull	82%	68%	11%	18%														
AWH	Allied World Assur.	\$44.91	\$49.76	\$36.51	1.78	Financials	\$2,266	Buy	Bear	17%	81%	76%	83%														
ANR	Alpha Natural Res.	\$38.37	\$55.70	\$21.86	--	Energy	\$4,643	Buy	Mid Bull	70%	92%	91%	31%														
ALTR	Altera Corp.	\$23.57	\$27.48	\$15.32	0.85	Info. Tech.	\$7,099	Buy	Mid Bull	10%	96%	79%	90%														
AEO	Amer. Eagle Outfitters	\$13.10	\$19.86	\$12.53	3.05	Cons. Disc.	\$2,710	Buy	Mid Bull	76%	91%	52%	24%														
AMP	Ameriprise Financial	\$39.79	\$49.54	\$21.60	1.81	Financials	\$10,242	Buy	Late Bull	31%	80%	98%	69%														
APC	Anadarko Petroleum	\$52.33	\$75.07	\$40.28	0.69	Energy	\$25,893	Buy	Mid Bull	37%	70%	66%	64%														
ANSS	Ansys Inc.	\$43.73	\$46.88	\$28.28	--	Info. Tech.	\$3,953	Neutral	Bear	13%	35%	84%	87%														
AAPL	Apple Inc.	\$256.88	\$272.46	\$132.03	--	Info. Tech.	\$233,667	Buy	Late Bull	8%	70%	100%	92%														
ARD	Arena Resources Inc.	\$32.88	\$45.72	\$26.52	--	Energy	\$1,297	Neutral	Mid Bull	45%	77%	36%	55%														
ATSI	ATS Medical Inc.	\$3.96	\$4.04	\$2.25	--	Health Care	\$313	Neutral	Late Bull	57%	56%	77%	43%														
AN	AutoNation Inc.	\$20.03	\$21.60	\$15.13	--	Cons. Disc.	\$3,402	Sell	Bear	27%	58%	34%	73%														
BAC	Bank of America Cp.	\$15.74	\$19.86	\$10.57	0.25	Financials	\$157,904	Buy	Late Bull	51%	88%	99%	49%														
BCE	BCE Inc.	\$29.21	\$31.24	\$19.91	5.78	Telecom.	\$22,287	Buy	Late Bull	12%	14%	94%	88%														
BLK	Blackrock Inc.	\$167.88	\$243.80	\$148.84	2.38	Financials	\$10,637	Neutral	Mid Bull	22%	82%	63%	79%														
BMC	BMC Software Inc.	\$37.01	\$41.27	\$31.00	--	Info. Tech.	\$6,732	Sell	Late Bull	27%	58%	75%	73%														
BOBE	Bob Evans Farms Inc.	\$29.04	\$34.00	\$24.53	2.48	Cons. Disc.	\$885	Buy	Bear	45%	22%	35%	55%														
WEL	Boots & Coots Inc.	\$2.95	\$2.99	\$1.19	--	Energy	\$241	Neutral	Mid Bull	53%	80%	79%	47%														
BPFH	Boston Private Finl.	\$7.32	\$8.97	\$4.01	0.55	Financials	\$507	Neutral	Early Bull	63%	60%	20%	37%														
BXP	Boston Properties Inc.	\$76.68	\$83.42	\$42.62	2.61	Financials	\$10,659	Buy	Late Bull	27%	10%	96%	73%														
BNE	Bowen & Co.	\$11.07	\$11.33	\$5.21	1.99	Industrials	\$444	Neutral	Bear	24%	23%	68%	76%														
BMY	Bristol-Myers Squibb	\$23.21	\$27.07	\$19.12	5.51	Health Care	\$39,921	Neutral	Bear	11%	77%	54%	89%														
BUCY	Bucyrus International	\$53.56	\$74.16	\$23.62	0.19	Industrials	\$4,339	Buy	Late Bull	37%	88%	98%	63%														
BWY	BWAY Holding Co.	\$19.96	\$20.97	\$13.02	--	Materials	\$447	Neutral	Mid Bull	40%	67%	61%	60%														
CA	CA Inc.	\$20.25	\$24.15	\$16.12	0.79	Info. Tech.	\$10,317	Neutral	Mid Bull	50%	86%	79%	50%														
CVC	Cablevision Systems	\$24.81	\$27.79	\$14.06	2.02	Cons. Disc.	\$7,582	Buy	Late Bull	22%	90%	100%	78%														
CFW	Canoco Petroleum Inc.	\$1.11	\$1.55	\$0.52	--	Energy	\$51	Neutral	Early Bull	90%	15%	9%	10%														
COF	Capital One Financial	\$41.30	\$47.73	\$19.73	0.48	Financials	\$18,850	Buy	Mid Bull	32%	85%	84%	68%														
CATM	Cardtronics Inc.	\$12.95	\$14.58	\$2.69	--	Financials	\$541	Buy	Late Bull	32%	67%	98%	68%														
CRE	Care Investment Tr.	\$8.70	\$9.02	\$5.02	--	Financials	\$176	Neutral	Bear	24%	0%	65%	76%														
CASY	Casey's Gen'l. Stores	\$36.87	\$39.56	\$24.04	0.92	Cons. Staples	\$1,877	Neutral	Bear	1%	8%	61%	99%														
CF	CF Indus. Hldgs. Inc.	\$68.59	\$110.00	\$63.80	0.58	Materials	\$3,332	Neutral	Mid Bull	44%	90%	35%	56%														
CMG	Chipotle Mexican Grill	\$142.28	\$148.87	\$76.75	--	Cons. Disc.	\$4,476	Buy	Late Bull	2%	56%	99%	98%														
CHD	Church & Dwight Co.	\$65.81	\$69.95	\$49.27	0.85	Cons. Staples	\$4,661	Sell	Bear	1%	36%	63%	99%														
XEC	Cimarex Energy Co.	\$73.48	\$74.68	\$25.06	0.44	Energy	\$6,164	Buy	Late Bull	40%	70%	87%	60%														
CKR	CKE Restaurants Inc.	\$12.36	\$12.90	\$8.00	1.94	Cons. Disc.	\$683	Neutral	Bear	18%	17%	74%	82%														
CXG	CNX Gas Corp.	\$38.24	\$38.79	\$23.62	--	Energy	\$5,775	Neutral	Late Bull	24%	6%	81%	76%														
CODI	Compass Div. Hldgs.	\$14.42	\$16.30	\$7.63	9.43	Financials	\$528	Buy	Late Bull	63%	83%	89%	37%														
CAL	Continental Air. (CI B)	\$21.10	\$24.29	\$7.86	--	Industrials	\$2,940	Neutral	Late Bull	48%	66%	95%	52%														
CRN	Cornell Cos. Inc.	\$27.04	\$28.55	\$15.50	--	Industrials	\$400	Neutral	Late Bull	34%	25%	82%	66%														
CPII	CPI International Inc.	\$15.34	\$16.11	\$7.13	--	Info. Tech.	\$257	Neutral	Bear	33%	22%	61%	67%														
CCI	Crown Castle Int'l. Cp.	\$37.03	\$40.49	\$21.49	--	Telecom.	\$10,784	Buy	Late Bull	59%	75%	99%	41%														
CYRV	Crystal River Capital	\$0.69	\$2.47	\$0.31	--	Financials	\$17	Neutral	Early Bull	71%	38%	7%	29%														
CFR	Cullen/Frost Bankers	\$54.88	\$60.78	\$43.59	3.28	Financials	\$3,306	Neutral	Bear	1%	61%	36%	99%														
CYBS	CyberSource Corp.	\$25.69	\$25.90	\$12.53	--	Info. Tech.	\$1,820	Neutral	Late Bull	18%	34%	92%	82%														
CMYI	Cymer Inc.	\$30.27	\$40.06	\$26.93	--	Info. Tech.	\$910	Buy	Mid Bull	57%	95%	33%	43%														
DHR	Danaher Corp.	\$79.38	\$87.53	\$57.04	0.10	Industrials	\$25,770	Buy	Late Bull	8%	31%	92%	92%														
DNBK	Danvers Bancorp Inc.	\$15.80	\$17.09	\$12.32	0.51	Financials	\$314	Sell	Bear	20%	43%	42%	80%														
DVN	Devon Energy Corp.	\$63.85	\$76.79	\$48.74	1.00	Energy	\$28,528	Neutral	Late Bull	42%	42%	59%	58%														
DISH	DISH Network (CI A)	\$20.85	\$24.16	\$14.17	--	Cons. Disc.	\$9,308	Buy	Late Bull	55%	90%	94%	45%														
DLB	Dolby Labs. (CI A)	\$66.01	\$69.72	\$34.14	--	Info. Tech.	\$7,505	Buy	Late Bull	7%	54%	98%	93%														
DTG	Dollar Thrifty Auto.	\$46.70	\$52.05	\$7.65	--	Industrials	\$1,337	Neutral	Late Bull	30%	46%	83%	70%														
DLTR	Dollar Tree Inc.	\$62.59	\$63.82	\$40.58	--	Cons. Disc.	\$5,308	Buy	Bear	1%	67%	97%	99%														
UFS	Domtar Corp.	\$61.20	\$79.00	\$13.68	1.63	Materials	\$2,637	Buy	Late Bull	73%	82%	91%	27%														
DBTK	Double-Take Software	\$10.39	\$11.14	\$7.51	--	Info. Tech.	\$220	Neutral	Bear	12%	24%	38%	88%														
DPL	DPL Inc.	\$25.04	\$28.86	\$21.30	4.83	Utilities	\$2,978	Buy	Mid Bull	36%	91%	42%	64%														
DCP	DynCorp Int'l. (CI A)	\$17.11	\$22.03	\$10.10	--	Industrials	\$963	Neutral	Mid Bull	46%	67%	40%	54%														
EW	Edwards Lifesciences	\$50.53	\$52.96	\$30.45	--	Health Care	\$5,740	Buy	Bear	1%	90%	91%	99%														
ENR	Energizer Holdings	\$56.19	\$69.11	\$50.56	--	Cons. Staples	\$3,935	Sell	Bear	24%	56%	42%	76%														
EFX	Equifax Inc.	\$30.25	\$36.63	\$24.39	0.53	Industrials	\$3,830	Sell	Bear	10%	15%	46%	90%														
FFIV	F5 Networks Inc.	\$70.33	\$74.00	\$30.16	--	Info. Tech.	\$5,590	Buy	Late Bull	11%	42%	98%	89%														
FRT	Federal Rty. Inv. Tr.	\$73.70	\$79.79	\$46.80	3.58	Financials	\$4,521	Buy	Bear	13%	30%	80%	87%														
FAF	First American Corp.	\$34.03	\$37.42	\$20.91	2.59	Financials	\$3,534	Sell	Bear	8%	12%	33%	92%														
FSR	Flagstone Reins.	\$11.82	\$12.45	\$8.95	1.35	Financials	\$946	Buy	Mid Bull	46%	77%	58%	54														





## Tactical Total Core Strategy

### Investment Objective:

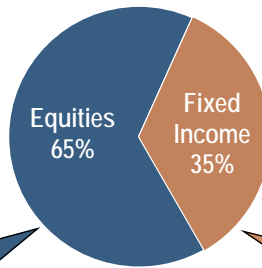
Tactical Total Core is an asset allocation strategy that seeks to effectively capture market returns while minimizing volatility and meant to be the solid foundation of an investor's entire investment portfolio.

### Current Recommended Strategic Allocation:

Equities	65%	Fixed Income	35%
----------	-----	--------------	-----

The base allocation for the Tactical Total Core Strategy is 60% stocks and 40% fixed income. This allocation has historically produced the best risk/reward trade-off for investors with a five year investment horizon. However, because of the abnormally low return in stocks in the past five years, EquityCompass recommends that investors overweight stocks and underweight fixed income.

2010

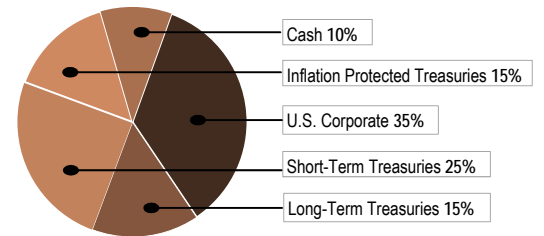
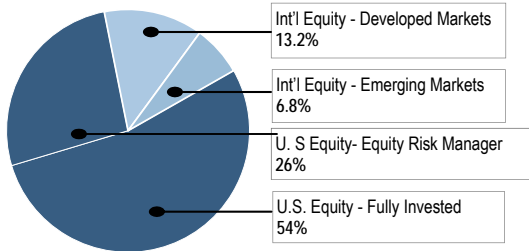


### Equity Allocation

- Emphasizes diversification, volatility control, and excess return potential
- U.S. Equity is represented by the EquityCompass All-Cap Blend Portfolio
- Allocation is 67% to fully invested equity strategies and 33% to Equity Risk Manager (see page 32)
- 20% of the fully invested equity strategies are allocated to international stocks (2/3 developed and 1/3 emerging)

### Fixed Income Allocation

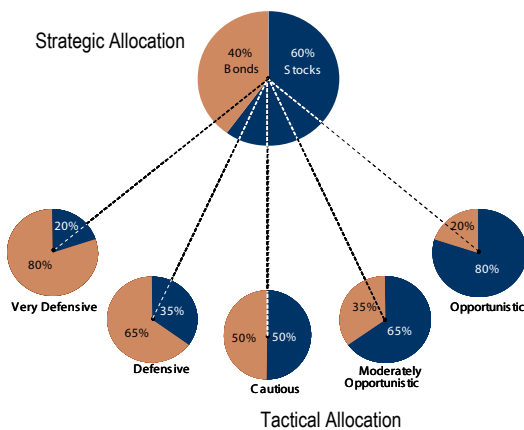
- Emphasizes credit quality and capital stability while employing tactics to manage interest rate and inflation risk
- All investment grade or better credit quality; no high yield or foreign bonds
- Average duration of 5.7 years and a weighted average maturity of 10 years
- 53% of the portfolio has maturities of five years or less



◆ Base allocation of 60% Stocks and 40% Bonds

◆ Adjusting the base strategic asset allocation to respond to intermediate and near-term market conditions

◆ Specify the optimal mix of active and passive portfolio strategies to construct a core portfolio



A) The annual rebalancing adjusts the stock/bond allocation depending on the current market conditions in relation to historical long-term performance

B) Equity Risk Management Strategy can dynamically manage an investment portfolio's exposure to the equity markets

◆ Passive strategies, usually utilizing Exchange-Traded Funds (ETFs), are used where it can be difficult to add superior risk-adjusted performance to the market return

◆ Active strategies are used where a combination of portfolio construction tactics and security selection can provide the potential for risk-adjusted performances superior to the market return

For additional details please refer to the EquityCompass white paper "The Blueprint for Core Investing" available on our company website [www.equitycompass.com](http://www.equitycompass.com).

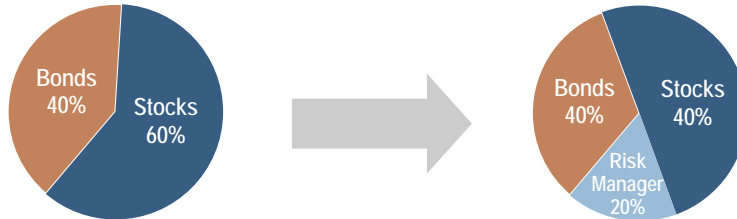
## Equity Risk Manager

Equity Risk Manager is an innovative tactical strategy from EquityCompass that will adjust stock exposure from near-term factors coinciding with unfavorable equity market performance and restore exposure when the factors are favorable

### How It Works

#### Step 1 –

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



#### Step 2 –

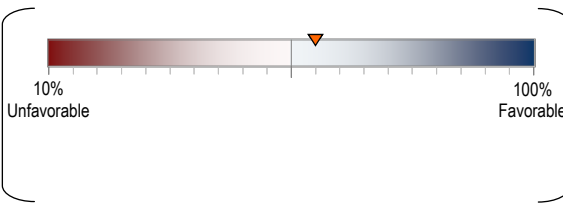
ERM will analyze fundamental and technical indicators and determine whether to be fully invested in the S&P 500 or, when conditions are unfavorable, reduce equity exposure by shifting an amount to cash or inverse (short).

#### Monthly Indicators

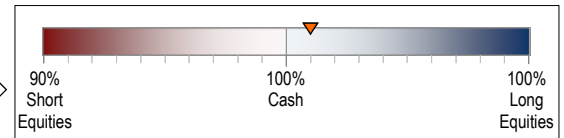
**Fundamental**  
Forward change in S&P 500 over next 12 months

**Technical**  
Dow Jones Industrial Average (DJIA) current levels relative to market peak & subsequent lows

#### Equity Exposure Index (Adjusted Monthly)



#### Equity Risk Manager Component Allocation (Adjusted Monthly)



#### EC Equity Risk Manager Component Allocation

Equity Exposure Index	Cash	Long S&P 500	Short S&P 500 (Inverse)
100%	0%	100%	0%
95%	5%	95%	0%
90%	10%	90%	0%
85%	15%	85%	0%
80%	20%	80%	0%
75%	25%	75%	0%
70%	30%	70%	0%
65%	35%	65%	0%
60%	40%	60%	0%
55%	45%	55%	0%
50%	100%	0%	0%
45%	45%	0%	55%
40%	40%	0%	60%
35%	35%	0%	65%
30%	30%	0%	70%
25%	25%	0%	75%
20%	20%	0%	80%
15%	15%	0%	85%
10%	10%	0%	90%

Source: EquityCompass Strategies

**EC Equity Exposure Index**  
June 2010  
**95%**  
(Unchanged)

## Quality Dividend Strategy

The Quality Dividend Strategy seeks to generate attractive current income and long-term capital appreciation by efficiently managing a focused and diversified portfolio of high-quality higher-dividend paying stocks

### Commentary—June 2010

- Recent Transactions: BP replaced with TransCanada Corp.
- Dividend increase:
  - Nationwide Health Properties (NHP) raised its dividend 2.3%, the first increase in more than two years.
  - TECO Energy (TE), the parent of Tampa Electric, raised its dividend 2.5%. This also was the first increase in two years.
- So far thirteen of the twenty-five companies in the Quality Dividend Strategy have raised their dividends in 2010.
- Changes in earnings estimates during the month were inconsequential with the exception of DuPont. Due to strong first quarter earnings, analysts raised DuPont's average estimate 11% for 2010 and 8.5% for 2011.

#### Sample Portfolio Holdings

Symbol	Company Name
CTL	CenturyTel Inc.
OHI	Omega Healthcare Investors Inc.
T	AT&T Inc.
SNH	Senior Housing Properties Trust
PGN	Progress Energy Inc.
VZ	Verizon Communications Inc.
NYB	New York Community Bancorp Inc.
PBI	Pitney Bowes Inc.
CINF	Cincinnati Financial Corp.
LLY	Eli Lilly & Co.
ED	Consolidated Edison Inc.
BCE	BCE Inc.
AZN	AstraZeneca PLC (ADS)
SCG	SCANA Corp.
TE	TECO Energy Inc.
NHP	Nationwide Health Properties Inc.
RDSA	Royal Dutch Shell PLC (ADS Cl A)
BMJ	Bristol-Myers Squibb Co.
EXC	Exelon Corp.
TOT	Total S.A. (ADS)
SE	Spectra Energy Corp.
DD	E.I. DuPont de Nemours & Co.
COP	ConocoPhillips
KMB	Kimberly-Clark Corp.
TRP	TransCanada Corp.

#### Recent Transactions

Addition	Removal
5/5/2010 TransCanada Corporation (TRP)	BP PLC ADS (BP)

### Portfolio Highlights

- Focused portfolio of 25 stocks that seeks to maximize total returns and downside protection provide the highest possible dividend yield
  - Average current portfolio yield of at least twice the S&P 500 average and better than the 10-year Treasury yield
  - Focus on only 25 stocks to provide adequate diversification without diluting the yield
  - Diversified across industry sectors with a sector maximum of 20%
  - Targets low-turnover for tax-efficiency
- Investment process combines quantitative and qualitative approaches
  - Invests in stocks based on the following criteria:
    - Quantitative model selects portfolio candidates based on quality, momentum, valuation and timeliness criteria
    - Portfolio manager provides insights that leverage fundamental research

#### Key Portfolio Statistics

Represents Weighted Averages

Number of Holdings	25
Market Cap (\$Billion)	\$36.4
Annual Dividend Yield	5.8%
Price / Earnings (12-Month Forward)	11.1
Beta	0.7
Payout Ratio	66.0%
Moody's Debt Rating	100% Investment Grade
Dividend Growth (5 year)	8.5%
Months Since Last Dividend Increase	12.6
Long-term Earnings Growth	10.0%

#### Sector Allocation

Financials	20%
Utilities	20%
Energy	20%
Telecom	16%
Health Care	12%
Consumer Staples	4%
Industrials	4%
Materials	4%

## Important Disclosures

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