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EquityCompass Strategies

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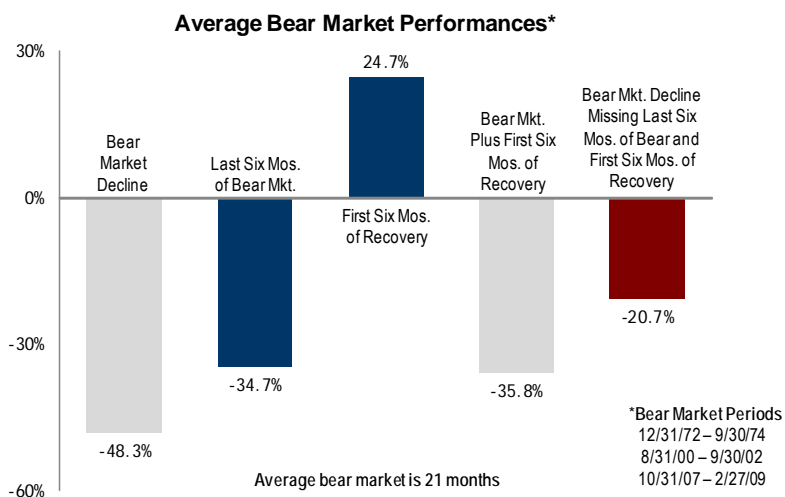
Highlights:

- The worst periods of market performance that can lead investors to ill-timed investment decisions normally occur in the latter half of major bear markets. An active risk management strategy seeks to address this risk by reducing exposure when conditions suggest a higher probability of major market loss. (see page 3)
- The EquityCompass Equity Risk Management Strategy moved from 55% short stocks and 45% cash to a 100% cash position, as strong equity performance in October moved the Technical Indicator to a favorable reading. (see page 7)
- After a volatile run for stocks that saw the worst quarter since the financial crisis followed by the best monthly return in 20 years, markets will likely focus on Europe, earnings and the economy as we approach year-end. (see page 5)

Chart 1

The Cost/Benefit of Avoiding Bear Market Bottoms

Cumulative Performances | Dividends excluded | Source: EquityCompass Strategies, Bloomberg



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 19 of this report.

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

Extensive Investment Experience

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

Research-Driven, Risk-Managed Portfolio Strategies

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

Portfolio Strategies Available for Investment via Stifel

Global Asset Allocation

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

Global Equity

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

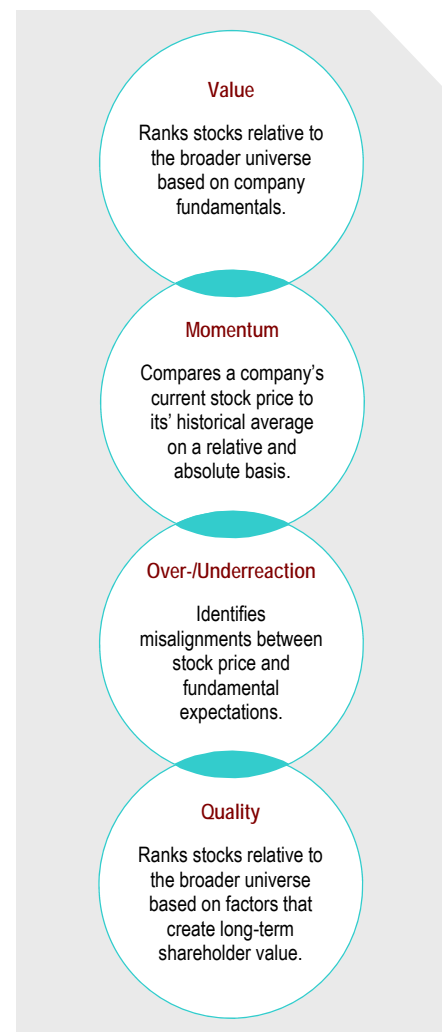
Quality Dividend (QDIV)	Diversified strategy of 25 high-quality, high-yielding stocks that integrates quantitative and qualitative approaches.
Research Opportunity (ROPP)	Integrates insights from Stifel's award-winning equity research and EquityCompass' quantitative investment process.
Select Quality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

Alternative Strategies

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

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



The Risk Management Trade-Off

- The periods of worst market performance occur in the latter half of major bear markets and are the conditions an active risk management strategy seeks to address
- Risk management should be weighed for the “benefit” of avoiding large losses against the “cost” of missing the large recovery that often follows
- Risk management is a form of market timing with the objective of protecting wealth

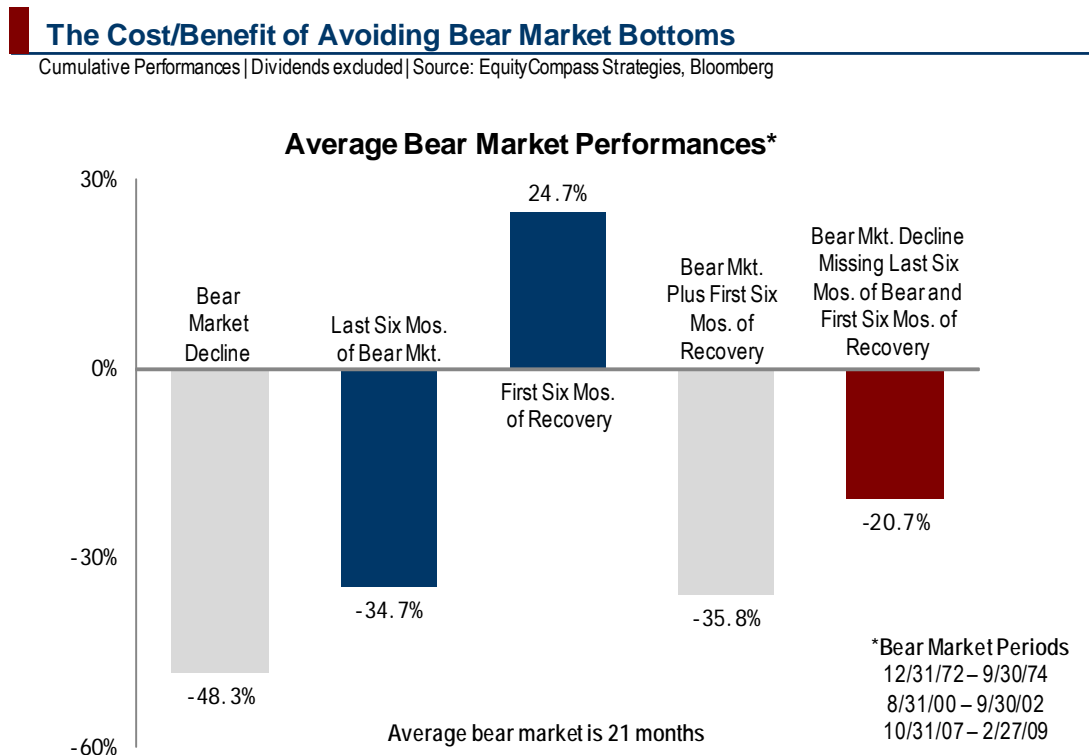
Historically, the best and worst investment performances have frequently occurred before and after a bear market bottom. The initial strong performance from a bear market is often cited as a reason an investor should buy and hold through a market cycle. This one-sided argument was painfully exposed in the recent financial crisis and bear market. While the initial gain from a bear market bottom is indeed robust, the more important consideration is the loss preceding the bottom. Losses near a bear market bottom exert enormous pressure on investors and lead to ill-timed investment decisions. Purposeful and systematic risk management seeks to mitigate large market losses. However there are costs to the strategy.

We studied the last three major bear markets, which had an average decline of 48% and lasted 21 months (Chart 1). The most devastating period of these bear markets was in the last six months

when two-thirds of the losses occurred. The insight here is that there were already trends of fundamental and technical deterioration before the worst periods occurred. Systematic risk management is designed to react to developing conditions that have historically demonstrated a higher than normal probability of preceding large market losses. In other words, a prepositioned strategy of risk management does not anticipate a bear market but rather reacts to the unfavorable fundamental and technical trends that have become apparent after the bear market is underway. However, inherent to this “react but not anticipate” approach is that it will also not anticipate the robust recovery that follows a bear market. Stocks usually turn higher before the fundamental and technical trends are confirming the positive direction. In our example, the first six months following the three bear market lows provided an average gain of about 25% (greater than 50% annualized).

Avoiding the last six months of a bear market and first six months of an ensuing recovery is a trade-off investors should readily accept. In dollar terms and assuming our example of the three major bear markets, individuals who invested \$100,000 at the bull peak would see their portfolio value slide to about \$51,700 at the bear market bottom (-48.3%). After six months of recovery, the portfolio would grow to \$64,470 (+24.7%). If the investor were to react to the deteriorating conditions by reducing equity exposure to zero for the last six months, the portfolio value would decline to \$86,000 (-14%). However, this assumption would also mean that there would be no

Chart 1 (from the cover)



Past performance should not and cannot be viewed as an indicator of future performance.

gain in the first six months of recovery. The bottom line is that investors employing a reactionary risk management strategy would experience less loss and be much better ahead six months into a bull market (\$86,000) versus a buy and hold investor (\$64,700).

While our hypothetical example points to a significant financial difference, we think the most important insight is the psychological impact to an investor. The volatility and uncertainty of a bear market exert tremendous pressure. Having a risk management system in place that automatically takes action provides a strategy to mitigate large market losses and helps an investor cope with what appears at the time as a downward spiral with no end on the horizon. There is an opportunity cost in that this same reactionary approach will likely miss the initial recovery when markets change direction. Just as important to the strategy of reducing equity exposure to prevent large market loss is the decision to increase exposure to capture the gains of an enduring bull market.

Is Risk Management Market Timing?

Market timing has not been associated with strategies that have outperformed the stock market in the long term. However, what have been associated with poor investment results are ill-timed decisions in response to bear market volatility. Risk management addresses the larger point of successful investing, which is to stay invested long enough to capture the returns the market provides. For investors, particularly those in the latter half of their investment life cycle, successful investing is not a contest against the S&P 500, but rather, achieving growth as well as protecting wealth. This is the role of risk management.

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

The Three E's

- After a volatile run for stocks that saw the worst quarter since the financial crisis followed by the best monthly return in 20 years, markets will likely focus on Europe, earnings and the economy as we approach year-end.
- We believe it is unlikely that markets will have a sustainable rally in the face of declining earnings estimates.
- As the concerns about the U.S. economy and Europe have diminished, the prospects for a year-end rally have increased.

Following the worst quarter for equity markets since the fourth quarter of 2008, the S&P 500 rebounded 10.8% in October, its best monthly performance since December 1991. Despite starting off the month on a negative note with the S&P 500 falling 2.8% on the first trading day, better-than-expected corporate earnings, improving economic data that reduced the risk of a possible double-dip recession, and an agreement by European policy makers that at least temporarily addressed that region's debt crisis, ignited a powerful market rally over the next 19 trading sessions as the S&P 500 surged more than 17%. Markets gave back some of those gains on the last day of the month, with the S&P 500 falling 2.5%, as investors began peeling back the layers of the European debt deal. While the speed and magnitude of last month's rally may be suggesting that expectations had been set too low, the volatility is a reminder that both markets

and investor sentiment remain very fragile. We believe investors will continue to focus on the three E's – Europe, Earnings and the Economy, as we move through the last two months of the year.

Europe

U.S. and foreign markets surged on a potential deal to solve the European debt crisis. However, a lack of detail – such as the questionable source of additional capital – and what some view as only a temporary solution will continue to overhang equity markets. While the potential European debt agreement provided a short-term catalyst for world markets, there are still some significant long-term concerns about the fiscal stability of several European countries – Italy and Spain in particular. European economic growth is likely to remain weak for the foreseeable future, which threatens the prospects for a global economic recovery, and could increase the probability of a double-dip U.S. recession, if the contagion spreads across the Atlantic.

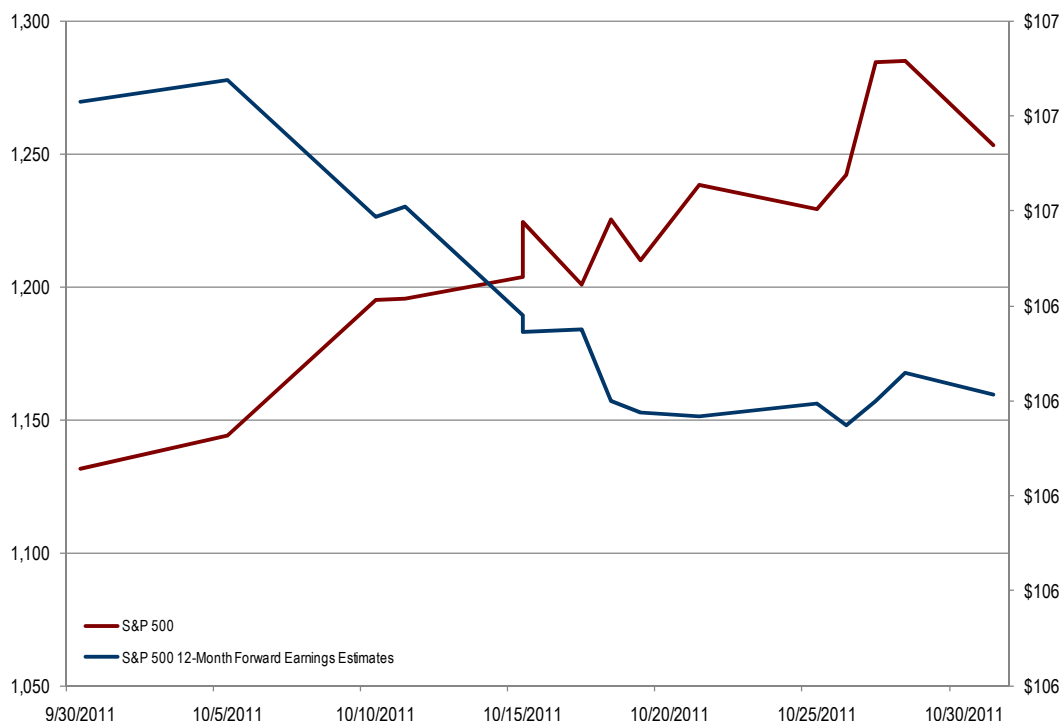
Earnings

Third-quarter corporate earnings have come in better than expected, with more than 71% of the companies in the S&P 500 topping analyst estimates, which is above the long-term average. However, forward 12 month estimates continue to decline, albeit at a moderate pace (Chart 2). We believe it is unlikely markets will have a sustainable rally in the face of declining earnings estimates. Revenue estimates

Chart 2

S&P 500 vs. Forward 12-Month Earnings Expectations

Source: EquityCompass Strategies, Bloomberg



have been trending lower as well. With profit margins at all-time highs, top line growth will need to accelerate for any sustainable earnings recovery. One positive is that valuations remain attractive. The S&P 500 is trading at 12x current 12-month forward estimates, which is just above the 11.4x it traded at in March 2009. A stabilization or increase in forward 12-month earnings estimates would likely provide a positive catalyst for equity markets.

Economy

Recent economic data confirms that the U.S. economy is expanding, albeit at a moderate pace. Gross domestic product surpassed its pre-recession peak for the first time (Chart 3). The 15 quarters it took to reach that milestone compares with an average of five quarters it has taken to recover from previous post-war recessions, making this the longest post recovery period since The Great Depression. Business spending continues to improve and manufacturing activity has picked up. Consumer spending is up, too, despite weak confidence data.

The one negative that remains is the employment picture, as growth is not at levels to make an impact on the persistent high unemployment rate. The key to the long-term consumer spending outlook is job growth. Fed Chief Ben Bernanke cautioned that economic improvement will probably be “frustratingly slow,” with policy makers forecasting a one percentage point drop in the jobless rate to about 8% over two years. We believe that economic data will continue to be a mixed bag as the U.S. is likely to muddle through a period of low growth for the foreseeable future.

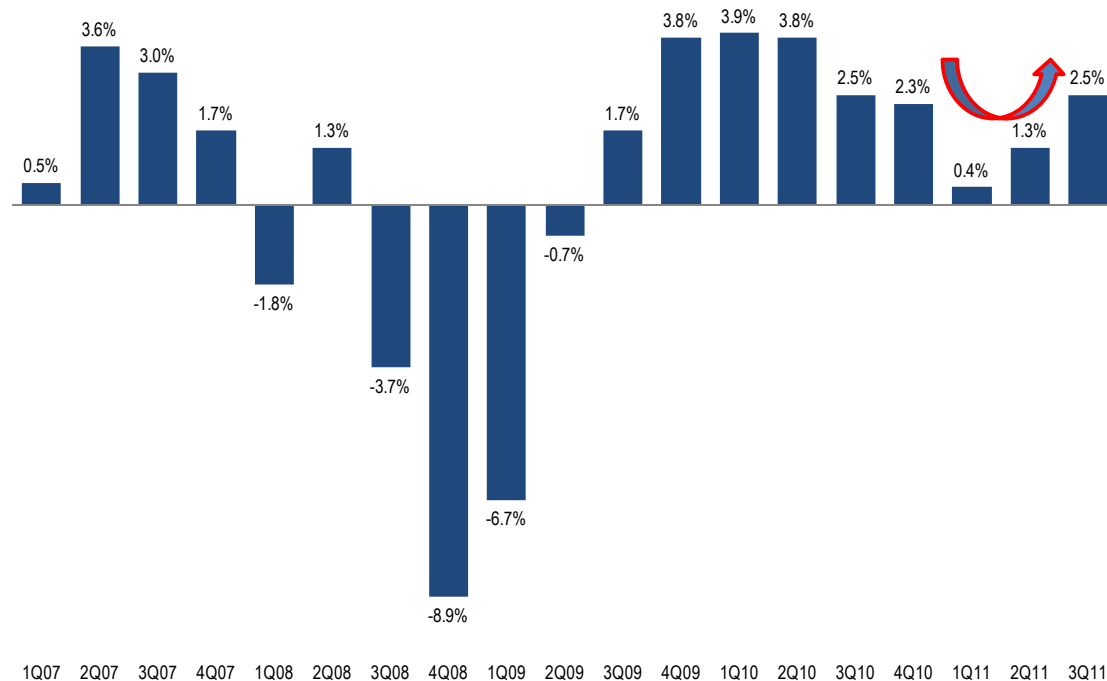
As the concerns about the U.S. economy and Europe have diminished, the prospects for a year-end rally have increased. Given the magnitude of October’s rally, we could see a period of consolidation as markets digest these gains. We would caution investors that markets are likely to remain fragile given the still fluid situation in Europe and the mixed bag of U.S. economic data.

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

Chart 3

U.S. GDP Growth

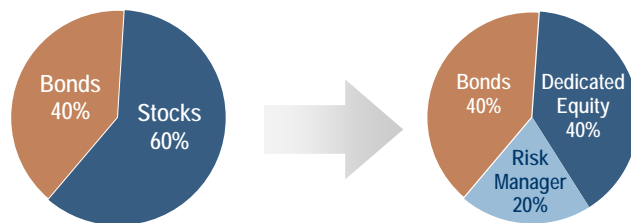
Source: U.S. Bureau of Economic Analysis



Equity Risk Management Strategy

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

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



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

How It Works

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

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

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

Current Allocation (as of October 31, 2011)

Fundamental Indicator: NEGATIVE

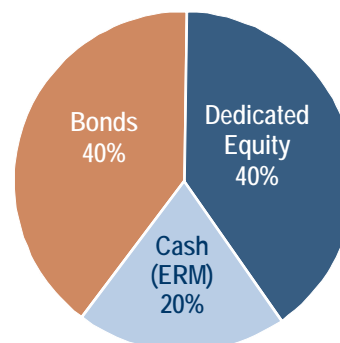
Earnings estimates declined 0.6% to \$106.21 in October. This is the fourth consecutive monthly decline. The fundamental indicator remains negative this month.

Technical Indicator: POSITIVE

Based on the DJIA level of 11,994 at the end of October.⁽¹⁾

Risk Manager Allocation
100% Cash
(from 45% Cash / 55% Inverse S&P 500)

Effective Portfolio Allocation



(1) Average of the last 5 trading days.

EquityCompass Stock Selection Lists

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

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

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

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

For a description of EquityCompass analytical ratings please see page 18.

Stifel Research Focus

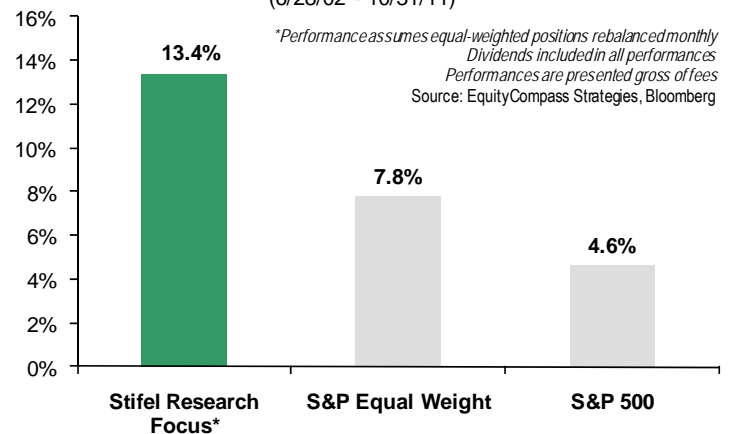
Objective: Identify the most underpriced stocks among those rated "Buy" by Stifel equity analysts

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

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

Annualized Returns

(6/28/02 - 10/31/11)



November Highlights:

- **United Therapeutics Corp. (UTHR)** reported quarterly non-cash adjusted EPS of \$1.65, topping the \$1.43 estimate of Stifel analyst Maged Shenouda. Shenouda believes business fundamentals are strong and expects revenue to increase 45% by 2015. His target price is \$52.
- **Old Dominion Freight Line (ODFL)** reported 3Q11 EPS of \$0.67, ahead of the analyst consensus estimate of \$0.64 and Stifel analyst Dave Ross' estimate of \$0.59. Ross states that ODFL is well positioned due to high density, good systems, price discipline and cost control. He recently raised his target price from \$45 to \$47.

Current Selections:

Symbol	Company Name	Price 10/31/11	Analyst	Dvd. Yld. (%)	PPS	SVI	Valuation Percentile	12M Avg. Valuation Percentile	Mean Deviation	Sub Industry
KGC	Kinross Gold Corp.	\$14.35	Topping	0.84	7	A	40.1%	76.3%	-36.2%	Gold
NFX	Newfield Exploration Co.	\$40.26	Arif	--	7	A	25.5%	55.4%	-29.9%	Oil & Gas Exploration & Prod.
MYRG	MYR Group Inc.	\$19.29	Beach	--	1	C	14.3%	42.9%	-28.6%	Construction & Engineering
UTHR	United Therapeutics Corp.	\$43.73	Shenouda	--	7	A	38.0%	65.7%	-27.6%	Biotechnology
ESL	Esterline Technologies Corp.	\$55.90	Lahr	--	2	C	17.0%	44.2%	-27.2%	Aerospace & Defense
BRY	Berry Petroleum Co. CI A	\$34.55	Arif	0.93	1	B	14.6%	40.0%	-25.4%	Oil & Gas Exploration & Prod.
QSFT	Quest Software Inc.	\$17.59	Klasell	--	7	B	29.7%	53.8%	-24.0%	Application Software
WMS	WMS Industries Inc.	\$21.91	Wieczynski	--	7	B	23.5%	43.4%	-19.9%	Casinos & Gaming
PFS	Provident Financial Services Inc.	\$12.95	Gilbert	3.71	5	B	37.5%	57.0%	-19.5%	Thriffs & Mortgage Finance
ABX	Barrick Gold Corp.	\$49.50	Topping	1.21	2	A	36.7%	55.9%	-19.3%	Gold
ODFL	Old Dominion Freight Line Inc.	\$36.55	Ross	--	2	A	29.3%	45.9%	-16.6%	Trucking
TREX	Trex Co. Inc.	\$18.48	Baugh	--	7	B	27.4%	42.6%	-15.2%	Building Products
PBCT	People's United Financial Inc.	\$12.75	Gilbert	4.94	7	A	45.6%	60.0%	-14.5%	Thriffs & Mortgage Finance
SYK	Stryker Corp.	\$47.91	Chon	1.50	7	A	42.5%	56.2%	-13.6%	Health Care Equip.
ZMH	Zimmer Holdings Inc.	\$52.63	Chon	--	7	B	23.8%	36.8%	-13.0%	Health Care Equip.
HTLD	Heartland Express Inc.	\$13.41	Larkin	0.60	5	A	44.5%	55.9%	-11.5%	Trucking
AGNC	American Capital Agency Corp.	\$27.51	Widner	20.36	2	--	48.2%	59.2%	-11.0%	Mortgage REITs
ENH	Endurance Specialty Holdings Ltd.	\$37.20	Paisan	3.23	6	B	0.4%	10.6%	-10.2%	ReIns.
VZ	Verizon Communications Inc.	\$36.98	King	5.41	2	C	26.8%	34.7%	-7.9%	Integrated Telecom. Svcs.

Source: EquityCompass Strategies, FactSet Research Systems Inc.

These stock lists are not strategies available for investment. They are offered for informational purposes only. For a description of EquityCompass analytical ratings please see page 18.

Mispriced/Large-Cap Stocks

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

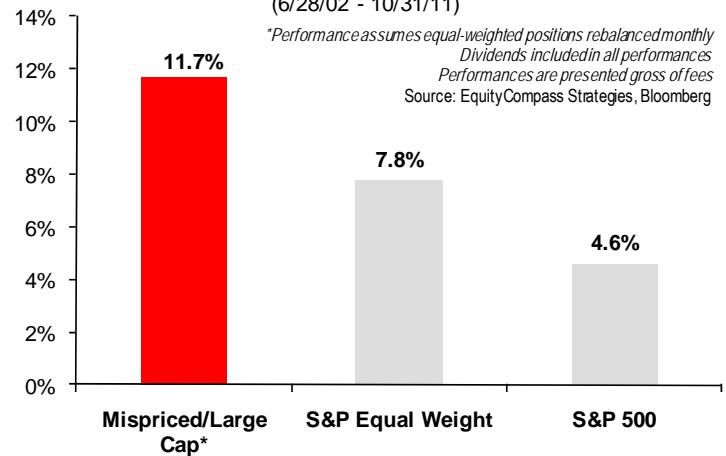
Opportunity: Underpriced stocks provide a short-term outperformance opportunity as the imbalance corrects.

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

Annualized Returns

(6/28/02 - 10/31/11)

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



November Highlights:

- Commercial truck maker Paccar Inc. (PCAR) reported 3Q11 EPS of \$0.77, more than double the \$0.33 reported a year ago and better than the \$0.70 consensus analyst estimate. PCAR also reported \$4.26 billion in revenues, a new quarterly record for the company.
- National Oilwell Varco (NOV) reported 3Q11 EPS of \$1.25, an 11% increase from the \$1.13 reported a year ago and \$0.08 better than the consensus analyst estimate. Revenues increased 24% from last year to \$3.74 billion.

Current Selections:

Symbol	Company Name	Price 10/31/11	52W High	52W Low	Dvd. Yld. (%)	PPS	SVI Grade	Valuation Percentile	12M Avg. Valuation Percentile	Mean Valuation Deviation	Sub Industry
MOS	Mosaic Co.	\$58.56	\$89.24	\$44.86	0.34	6	A	15.3%	53.6%	-38.3%	Fertilizers & Agricultural Chem.
BMC	BMC Software Inc.	\$34.76	\$56.55	\$32.91	--	7	A	32.7%	70.1%	-37.4%	Systems Software
LIFE	Life Technologies Corp.	\$40.67	\$57.25	\$35.30	--	7	A	29.9%	64.0%	-34.1%	Life Sciences Tools & Svcs.
NOV	National Oilwell Varco Inc.	\$71.33	\$86.71	\$47.97	0.62	2	B	37.8%	69.2%	-31.4%	Oil & Gas Equip. & Svcs.
SLM	SLM Corp.	\$13.67	\$17.11	\$10.91	2.93	5	A	50.2%	81.5%	-31.4%	Consumer Finance
NFX	Newfield Exploration Co.	\$40.26	\$77.93	\$34.42	--	7	A	25.5%	55.4%	-29.9%	Oil & Gas Exploration & Prod.
CVC	Cablevision Systems Corp.	\$14.47	\$38.08	\$14.44	4.15	7	B	23.2%	52.7%	-29.5%	Cable & Satellite
BRK.B	Berkshire Hathaway Inc. Cl B	\$77.86	\$87.65	\$65.35	--	7	B	31.8%	58.2%	-26.4%	Property & Casualty Ins.
PCAR	Paccar Inc.	\$43.24	\$58.75	\$31.57	1.67	7	B	21.2%	43.2%	-22.0%	Constr. & Farm Mach.
PKI	PerkinElmer Inc.	\$20.67	\$28.75	\$17.48	1.35	7	B	24.8%	46.6%	-21.7%	Life Sciences Tools & Svcs.
TMO	Thermo Fisher Scientific Inc.	\$50.27	\$65.86	\$47.77	--	5	A	39.9%	61.4%	-21.5%	Life Sciences Tools & Svcs.
CAT	Caterpillar Inc.	\$94.46	\$116.55	\$67.54	1.95	5	A	30.6%	50.4%	-19.8%	Constr. & Farm Mach.
CINF	Cincinnati Financial Corp.	\$28.94	\$34.33	\$23.65	5.56	7	B	37.7%	54.4%	-16.6%	Property & Casualty Ins.
PBCT	People's United Financial Inc.	\$12.75	\$14.49	\$10.50	4.94	7	A	45.6%	60.0%	-14.5%	Thriffs & Mortgage Finance
BCR	C.R. Bard Inc.	\$85.95	\$113.84	\$80.80	0.88	5	A	46.6%	59.3%	-12.7%	Health Care Equip.

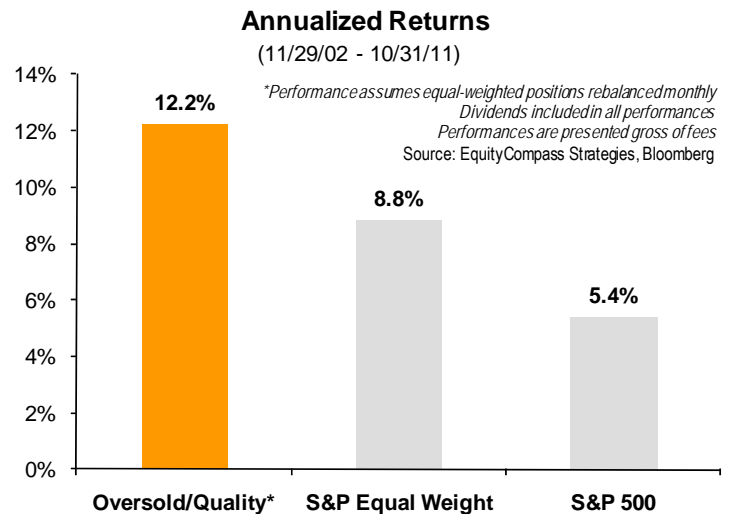
Source: EquityCompass Strategies, FactSet Research Systems Inc.

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For a description of EquityCompass analytical ratings please see page 18.*

Oversold/Quality Stocks

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

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



November Highlights:

- People's United Financial (PBCT) reported 3Q11 operating EPS of \$0.19 versus the \$0.17 average estimate of 19 analysts surveyed by Thomson Reuters. PBCT also approved an additional 18 million share buyback, representing 5% of shares. In the past 4 quarters, PBCT has repurchased over 29 million shares, or 8.2% of shares outstanding as of a year ago. Stifel analyst Collyn Gilbert has the shares rated Buy with a \$14 target price.

Current Selections:

Symbol	Company Name	Price 10/31/11	52W High	52W Low	Dvd. Yld. (%)	PPS	SVI	Valuation Percentile	12M Avg. Valuation Percentile	Mean Valuation Deviation	Sub Industry
MOS	Mosaic Co.	\$58.56	\$89.24	\$44.86	0.34	6	A	15.3%	53.6%	-38.3%	Fertilizers & Agricultural Chem.
BMC	BMC Software Inc.	\$34.76	\$56.55	\$32.91	--	7	A	32.7%	70.1%	-37.4%	Systems Software
LIFE	Life Technologies Corp.	\$40.67	\$57.25	\$35.30	--	7	A	29.9%	64.0%	-34.1%	Life Sciences Tools & Svcs.
NFX	Newfield Exploration Co.	\$40.26	\$77.93	\$34.42	--	7	A	25.5%	55.4%	-29.9%	Oil & Gas Exploration & Prod.
PBCT	People's United Financial Inc.	\$12.75	\$14.49	\$10.50	4.94	7	A	45.6%	60.0%	-14.5%	Thriffs & Mortgage Finance
FIS	Fidelity National Information Svcs.	\$26.18	\$33.76	\$23.06	0.76	7	A	38.9%	52.7%	-13.8%	Data Proc. & Outsourced Svcs.
SYK	Stryker Corp.	\$47.91	\$65.21	\$43.73	1.50	7	A	42.5%	56.2%	-13.6%	Health Care Equip.

Source: EquityCompass Strategies, FactSet Research Systems Inc.

*These stock lists are not strategies available for investment. They are offered for informational purposes only.
For a description of EquityCompass analytical ratings please see page 18.*

Quality/Momentum Stocks

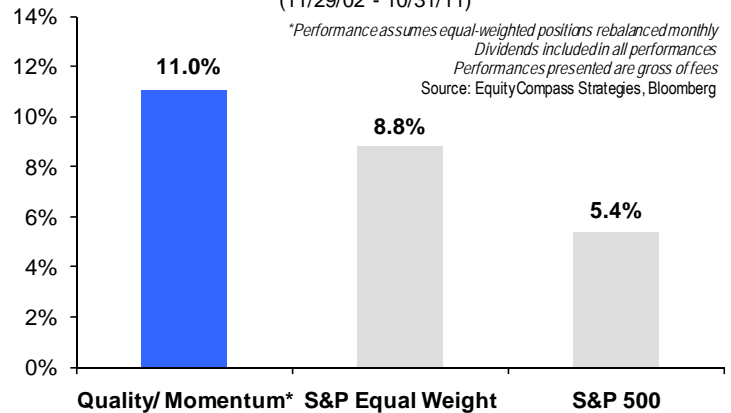
Objective: Identify high quality stocks with positive momentum

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

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

Annualized Returns

(11/29/02 - 10/31/11)



Current Selections:

Symbol	Company Name	Price 10/31/11	Dvd. Yld. (%)	PPS	SVI Score	SVI Grade	Symbol	Company Name	Price 10/31/11	Dvd. Yld. (%)	PPS	SVI Score	SVI Grade
Consumer Discretionary							Industrials						
CMCSK	Comcast Cl A Special	\$23.00	1.96	2	100.0%	A	CNI	Canadian Nat'l. Rail.	\$78.42	1.63	3	99.5%	A
PII	Polaris Industries Inc.	\$63.34	1.42	2	99.3%	A	UNP	Union Pacific Corp.	\$99.57	1.91	3	99.3%	A
MNRO	Monro Muffler Brake	\$37.09	0.97	2	99.0%	A	CPA	Copa Hldgs. S.A. Cl A	\$69.07	2.37	2	99.0%	A
WYNN	Wynn Resorts Ltd.	\$132.80	1.51	4	98.8%	A	JOYG	Joy Global Inc.	\$87.20	0.80	3	98.8%	A
CHS	Chico's FAS Inc.	\$12.36	1.62	1	98.6%	A	GGG	Graco Inc.	\$42.94	1.96	3	98.3%	A
Consumer Staples							Information Technology						
ABV	Comp. de Bebidas	\$33.72	0.06	4	100.0%	A	LFUS	Littelfuse Inc.	\$48.96	1.47	2	99.4%	A
HLF	Herbalife Ltd.	\$62.36	1.28	3	99.2%	A	INTC	Intel Corp.	\$24.54	3.42	2	99.1%	A
NUS	Nu Skin Entprs. Cl A	\$50.53	1.27	3	98.4%	A	TSM	Taiwan Semi. Mfg.	\$12.62	2.88	3	98.9%	A
EL	Estee Lauder Cl A	\$98.45	0.76	3	97.6%	A	ALTR	Altera Corp.	\$37.92	0.84	4	98.7%	A
HSY	Hershey Co.	\$57.23	2.41	3	95.2%	A	IDCC	InterDigital Inc.	\$43.45	0.92	3	98.5%	A
Energy							Materials						
RES	RPC Inc.	\$18.57	2.15	1	100.0%	A	NEM	Newmont Mining Cp.	\$66.83	2.09	2	99.4%	A
NBL	Noble Energy Inc.	\$89.34	0.99	3	99.0%	A	BKI	Buckeye Technol.	\$30.24	0.79	1	97.5%	A
CRR	CARBO Ceramics Inc.	\$135.85	0.71	3	98.4%	A	POT	Potash Cp. of Saskat.	\$47.33	0.59	3	95.0%	A
GLNG	Golar LNG Ltd.	\$40.43	2.72	4	96.9%	A	GOLD	Randgold Resources	\$109.57	0.16	4	93.8%	A
GPOR	Gulfport Energy Cp.	\$31.14	--	3	95.3%	A	GSM	Globe Spec. Metals	\$16.67	1.20	2	91.9%	A
Financials							Telecommunication Services						
PSA	Public Storage	\$129.05	2.94	4	99.6%	A	TSU	TIM Part. S/A ADS	\$26.04	2.37	2	100.0%	A
RNR	RenaissanceRe	\$68.12	1.53	2	98.9%	A	MIICF	Millicom Int'l. Cellular	\$109.90	1.64	3	98.6%	A
WRLD	World Acceptance Cp.	\$67.65	--	1	98.5%	A	TEO	Telecom Argentina	\$20.08	5.52	1	97.2%	A
AFSI	AmTrust Fin'l. Svcs.	\$25.38	1.42	3	98.0%	A	IDT	IDT Corp. Cl B	\$11.50	8.00	1	95.8%	A
HCP	HCP Inc.	\$39.85	4.82	4	97.4%	A	DCM	NTT DOCOMO ADS	\$17.79	3.27	1	94.4%	A
Health Care							Utilities						
SHPGY	Shire PLC ADS	\$94.30	0.42	4	100.0%	A	PNY	Piedmont Natural Gas	\$32.69	3.55	3	99.0%	A
PRGO	Perrigo Co.	\$90.28	0.35	4	99.7%	A	CPL	CPFL Energia ADS	\$25.99	5.61	3	97.9%	A
MRX	Medicis Pharm. Corp.	\$38.29	0.84	2	99.3%	A	CNL	Cleco Corp.	\$36.87	3.39	3	96.9%	A
ELN	Elan Corp. PLC ADS	\$11.99	--	4	98.6%	A	ITC	ITC Holdings Corp.	\$72.68	1.94	4	95.8%	A
SNY	Sanofi ADS	\$35.75	3.70	2	97.0%	A	TE	TECO Energy Inc.	\$18.57	4.63	2	93.8%	A

Source: EquityCompass Strategies, FactSet Research Systems Inc.

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For a description of EquityCompass analytical ratings please see page 18.*

The Candidates List

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

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

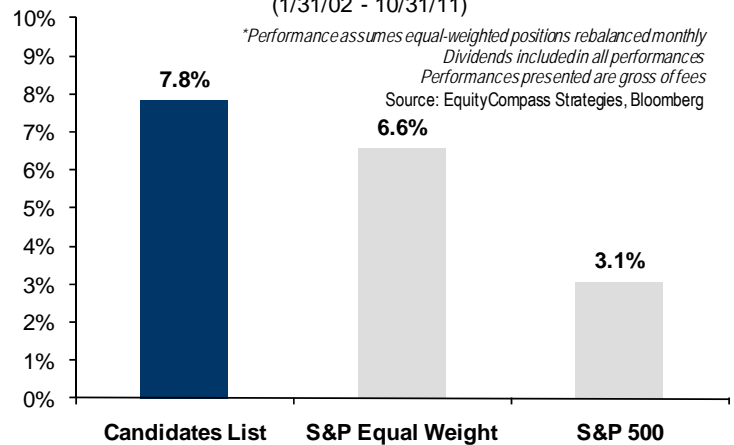
Methodology: The index committee at Standard & Poor's has the responsibility to select replacements for stocks in the S&P 500. We utilize the criteria used by the index committee at Standard & Poor's to identify fundamentally sound, successful companies appropriate for a leading index of market activity.

Annualized Returns

(1/31/02 - 10/31/11)

**Performance assumes equal-weighted positions rebalanced monthly
Dividends included in all performances
Performances presented are gross of fees*

Source: EquityCompass Strategies, Bloomberg



November Highlights:

- Dollar Tree Inc. (DLTR) and J.B. Hunt Transport Services Inc. (JBHT) both announced share repurchases in October. DLTR authorized an additional \$1.5 billion in share repurchases, or approximately 16% of the company's market capitalization, while JBHT added another \$500 million authorization to its existing repurchase program.
- Maxim Integrated Products (MXIM) reported quarterly EPS excluding charges of \$0.46, beating the \$0.44 analyst consensus and matching the estimate of Stifel analyst Tore Svanberg. Svanberg states the belief that MXIM is well positioned to compete in this challenging environment, and rates the stock Buy with a \$29 target price.

Current Candidates:

Symbol	Company Name	Price 10/31/11	Compass Rating	Industry Group	Mkt.-Cap (Mil)	Symbol	Company Name	Price 10/31/11	Compass Rating	Industry Group	Mkt.-Cap (Mil)
AMG	Affiliated Managers Grp.	\$92.61	Neutral	Diversified Financials	\$4,821	ITT	ITT Corp.	\$91.20	Sell	Capital Goods	8,459
DOX	Amdocs Ltd.	\$30.02	Neutral	Software & Services	\$5,573	JBHT	J.B. Hunt Trans. Svcs.	\$42.31	Buy	Transportation	4,939
AWK	American Water Works	\$30.53	Buy	Utilities	\$5,356	KSU	Kansas City Southern	\$63.17	Buy	Transportation	6,939
AVT	Avnet Inc.	\$30.31	Sell	Tech. Hardware & Equip.	\$4,497	LRCX	Lam Research Corp.	\$42.99	Sell	Semi. & Semi. Equipment	5,273
BWA	BorgWarner Inc.	\$76.49	Buy	Automobiles & Components	\$8,392	LVS	Las Vegas Sands Corp.	\$46.95	Buy	Consumer Services	34,282
BG	Bunge Ltd.	\$61.77	Sell	Food Beverage & Tobacco	\$9,107	MXIM	Maxim Integrated Prod.	\$26.16	Buy	Semi. & Semi. Equipment	7,631
CE	Celanese Corp. (Ser. A)	\$43.55	Buy	Materials	\$6,798	NFG	National Fuel Gas Co.	\$61.29	Neutral	Utilities	5,070
CHD	Church & Dwight Co.	\$44.18	Buy	Household & Pers. Products	\$6,343	NYB	N Y Community Bancorp	\$13.31	Sell	Banks	5,822
XEC	Cimarex Energy Co.	\$64.00	Neutral	Energy	\$5,476	PRGO	Perrigo Co.	\$90.28	Buy	Pharm. Biotech. & Life Sci.	8,413
CBE	Cooper Indus. PLC Cl A	\$52.46	Sell	Capital Goods	\$8,655	PETM	PetSmart Inc.	\$46.95	Buy	Retailing	5,293
CCI	Crown Castle Int'l. Corp.	\$41.36	Neutral	Telecommunication Services	\$11,697	PVH	PVH Corp.	\$74.41	Neutral	Cons. Durables & Apparel	5,027
CCK	Crown Holdings Inc.	\$33.79	Sell	Materials	\$5,108	RCL	Royal Caribbean Cruises	\$29.72	Neutral	Consumer Services	6,457
DLR	Digital Realty Trust Inc.	\$62.33	Neutral	Real Estate	\$6,489	SLG	SL Green Realty Corp.	\$68.99	Sell	Real Estate	6,134
DISH	DISH Network Cp. Cl A	\$24.17	Buy	Media	\$5,019	TRMB	Trimble Navigation Ltd.	\$40.41	Sell	Tech. Hardware & Equip.	4,962
DLTR	Dollar Tree Inc.	\$79.96	Buy	Retailing	\$9,756	TRW	TRW Automotive Hldgs.	\$42.10	Buy	Automobiles & Components	5,209
FOSL	Fossil Inc.	\$103.66	Buy	Cons. Durables & Apparel	\$6,541	VRSK	Verisk Analytics (Cl A)	\$35.15	Buy	Commercial & Prof. Services	5,274
GMCR	Green Mountain Coffee	\$65.02	Buy	Food Beverage & Tobacco	\$9,954	VMW	VMware Inc.	\$97.75	Buy	Software & Services	11,933
HSIC	Henry Schein Inc.	\$69.32	Buy	Health Care Equip. & Svcs.	\$6,406	WRB	W.R. Berkley Corp.	\$34.81	Buy	Insurance	4,772
HLF	Herbalife Ltd.	\$62.36	Buy	Household & Pers. Products	\$7,380	WLL	Whiting Petroleum Corp.	\$46.55	Neutral	Energy	5,464
HOLX	Hologic Inc.	\$16.12	Neutral	Health Care Equip. & Svcs.	\$4,226						

Source: EquityCompass Strategies, FactSet Research Systems Inc.

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For a description of EquityCompass analytical ratings please see page 18.*

Stock Buyback List

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

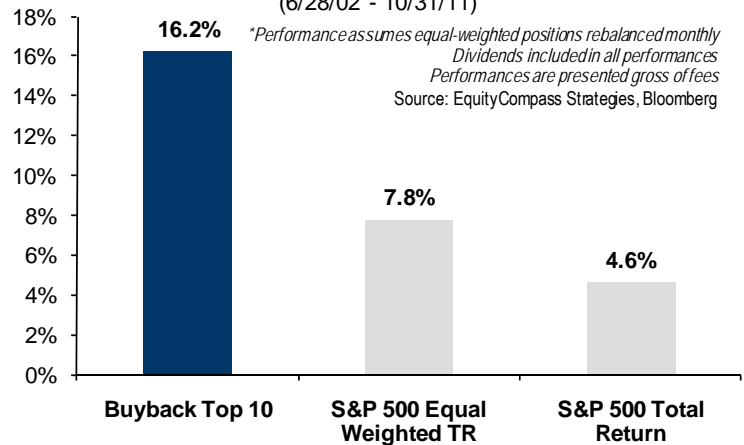
Opportunity: Share buyback announcements provide a compelling signal for short-term post announcement excess returns.

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

Annualized Returns

(6/28/02 - 10/31/11)

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



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

Abstract

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

Top 10 Stock Buybacks:

Symbol	Company Name	Price 10/31/11	Dvd. Yld. (%)	Compass Rating	PPS	SVI Grade	RL	Sub Industry	Mkt.-Cap (Mil)	Shares Out (Mil)	Ann. Date	Amount	% Out.
ULTR	Ultrapetrol (Bahamas)	\$2.97	--	Sell	7	--	--	Marine	\$89	30	10/24/2011	20.000 Mln	22.44%
SHW	Sherwin-Williams Co.	\$82.71	1.77	Sell	5	C	--	Specialty Chem.	\$8,582	104	10/20/2011	20.000 Mln Shares	19.28%
RSH	RadioShack Corp.	\$11.91	4.20	Sell	6	C	--	Computer & Elec. Retail	\$1,189	100	10/25/2011	200.000 Mln	16.82%
DLTR	Dollar Tree Inc.	\$79.96	--	Buy	3	A	H	Gen. Merchandise Stores	\$9,756	122	10/7/2011	1.500 Bln	15.38%
ICON	Iconix Brand Group Inc.	\$17.95	--	Buy	3	C	L	Footwear	\$1,315	73	10/27/2011	200.000 Mln	15.21%
DNB	Dun & Bradstreet Corp.	\$66.86	2.15	Neutral	7	B	--	Res. & Consulting Svcs.	\$3,289	49	10/27/2011	500.000 Mln	15.20%
CTAS	Cintas Corp.	\$29.89	1.81	Buy	2	B	--	Div. Support Services	\$3,877	130	10/18/2011	500.000 Mln	12.90%
ISCA	Int'l. Speedway Cp. Cl A	\$23.86	0.75	Neutral	5	B	--	Leisure Facilities	\$649	27	10/7/2011	80.000 Mln	12.33%
KAI	Kadant Inc.	\$21.65	--	Buy	5	A	--	Industrial Machinery	\$267	12	10/26/2011	30.000 Mln	11.22%
MDP	Meredith Corp.	\$26.83	5.70	Neutral	7	B	--	Publishing	\$971	36	10/25/2011	100.000 Mln	10.30%

Source: EquityCompass Strategies, FactSet Research Systems Inc.

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For a description of EquityCompass analytical ratings please see page 18.*

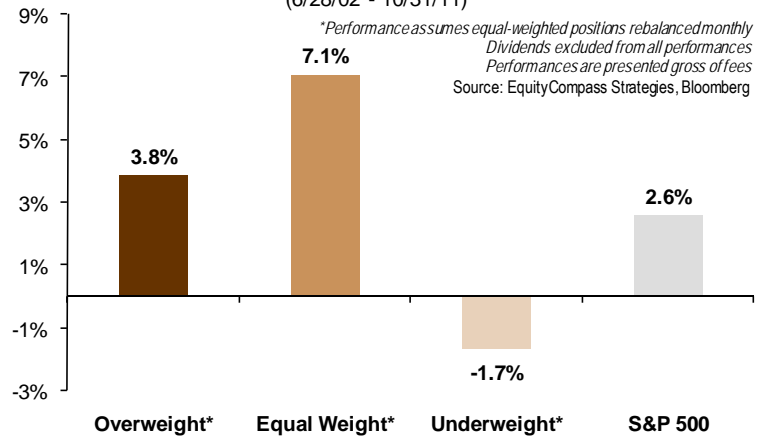
Sector Focus

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

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

Annualized Returns

(6/28/02 - 10/31/11)



Nov. 2011 - Short-Term Sector Opinion

S&P GICS Sector	*Average MVD	Opinion
Industrials	-7.4%	Overweight
Financials	-4.7%	Overweight
Materials	-2.3%	Overweight
Telecom Services**	-1.0%	Equal Weight
Information Technology	-0.4%	Equal Weight
Consumer Discretionary	0.6%	Equal Weight
Energy	1.3%	Equal Weight
Health Care**	1.8%	Underweight
Consumer Staples	4.5%	Underweight
Utilities	11.6%	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							Services	Utils.
2008										
January-08	O	U	U	E	O	E	E	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	E	O	O	U	U	E	O	E	E
June-10	U	U	O	O	E	E	E	O	E	U
July-10	E	U	O	O	U	E	E	O	E	U
August-10	E	U	O	O	E	E	O	E	U	U
September-10	E	U	O	E	E	O	O	E	U	U
October-10	E	U	O	O	E	O	E	E	U	U
November-10	E	U	O	O	E	O	E	E	U	U
December-10	E	E	U	O	O	O	E	E	U	U
2011										
January-11	E	O	U	E	O	O	E	U	U	E
February-11	O	O	U	U	O	E	E	E	U	E
March-11	U	O	U	E	O	E	E	E	U	O
April-11	E	O	U	E	E	U	O	E	U	O
May-11	E	E	U	E	U	E	O	O	U	O
June-11	E	U	E	O	U	O	O	E	U	E
July-11	E	E	E	O	U	O	O	E	U	U
August-11	E	U	E	E	U	O	E	O	O	U

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

Source: EquityCompass Strategies

EquityCompass Performance Monitor

(Data through 10/31/2011)

Benchmark Indices	1M	3M	6M	YTD	1Y	3Y	5Y	2006	2007	2008	2009	2010
S&P 500	10.8%	-3.0%	-8.1%	-0.3%	5.9%	9.0%	-1.9%	13.6%	3.5%	-38.5%	23.5%	12.8%
S&P 500 Total Return	10.9	-2.5	-7.1	1.3	8.1	11.4	0.2	15.8	5.5	-37.0	26.5	15.1
S&P 500 Equal Weight	12.9	-4.2	-10.1	-1.0	6.7	16.3	0.6	14.0	0.0	-41.0	43.3	19.8
Dow Jones Ind. Average	9.5	-1.6	-6.7	3.3	7.5	8.6	-0.2	16.3	6.4	-33.8	18.8	11.0
S&P 100	9.7	-2.8	-7.4	-0.4	5.7	6.7	-2.5	15.9	3.8	-37.1	19.1	10.1
NASDAQ 100	10.3	-0.1	-1.8	6.4	11.1	20.9	6.4	6.8	18.7	-41.9	53.5	19.2
S&P SmallCap 600	14.9	-5.1	-10.8	-1.8	9.3	12.4	0.9	14.1	-1.2	-32.0	23.8	25.0
S&P MidCap 400	13.7	-5.9	-12.5	-2.1	7.1	16.0	2.5	9.0	6.7	-37.3	35.0	24.9
Russell 1000	11.1	-3.5	-8.7	-0.6	5.9	9.8	-1.5	13.3	3.9	-39.0	25.5	13.9
Sector Indices ¹	1M	3M	6M	YTD	1Y	3Y	5Y	2006	2007	2008	2009	2010
S&P 500 Financials	14.2%	-8.8%	-17.6%	-15.5%	-7.3%	-4.6%	-17.5%	16.2%	-20.8%	-57.0%	14.8%	10.8%
S&P 500 Info. Tech.	11.5	1.0	-1.9	4.2	7.7	17.9	3.8	7.7	15.5	-43.7	59.9	9.1
S&P 500 Health Care	5.6	-1.6	-4.7	6.5	7.6	7.5	0.1	5.8	5.4	-24.5	17.1	0.7
S&P 500 Industrials	13.9	-3.8	-14.0	-4.4	3.6	8.9	-1.7	11.0	9.8	-41.5	17.3	23.9
S&P 500 Energy	17.0	-8.0	-13.4	2.2	17.0	8.9	3.8	22.2	32.4	-35.9	11.3	17.9
S&P 500 Cons. Disc.	11.8	-1.6	-3.8	4.2	11.0	19.9	1.0	17.2	-14.3	-34.7	38.8	25.7
S&P 500 Cons. Staples	4.3	0.8	-1.4	5.4	7.9	8.0	3.8	11.8	11.6	-17.7	11.2	10.7
S&P 500 Telecom. Svcs.	1.8	-1.0	-7.4	-3.6	2.3	6.1	-3.6	32.1	8.4	-33.6	2.6	12.3
S&P 500 Utilities	3.5	5.1	5.2	10.9	9.9	6.1	-0.5	16.9	15.8	-31.5	6.8	0.9
S&P 500 Materials	17.6	-8.7	-14.7	-9.4	0.7	11.6	0.9	15.7	20.0	-47.0	45.2	19.9
EquityCompass Attribute Indices ¹	1M	3M	6M	YTD	1Y	3Y	5Y	2006	2007	2008	2009	2010
EC High Beta Index	24.3%	-15.1%	-24.0%	-16.8%	-2.8%	29.2%	3.6%	7.9%	6.5%	-56.1%	124.7%	32.6%
EC Low Beta Index	5.1	1.5	-0.6	9.4	15.6	13.3	3.1	13.7	2.3	-26.1	11.7	20.1
EC Mega Cap Index	11.1	-3.6	-7.9	-0.3	6.7	9.9	0.2	12.0	8.5	-35.8	24.8	13.9
EC Micro Cap Index	19.2	-5.6	-17.0	-8.8	3.8	41.0	10.3	16.2	-7.7	-42.9	148.7	31.5
EC High Growth Index	17.7	-13.4	-22.8	-15.1	-2.9	14.6	-2.8	5.9	13.6	-57.1	60.9	27.4
EC Low Growth Index	13.4	-3.4	-8.4	2.5	10.1	22.2	5.3	27.3	-4.1	-34.1	54.5	24.6
EC High Financial Quality Index	11.9	-1.3	-6.1	2.4	12.0	14.3	1.4	14.3	1.0	-34.0	26.6	21.1
EC Low Financial Quality Index	16.1	-11.8	-20.8	-10.1	0.9	26.8	2.7	13.2	1.9	-54.4	110.2	24.2
EC High Fundamental Quality Stocks	13.6	-4.1	-9.1	-0.4	8.3	18.1	3.8	15.6	6.4	-35.9	37.7	25.2
EC Low Fundamental Quality Stocks	15.2	-12.8	-20.7	-12.3	-0.2	22.6	4.0	19.0	-2.9	-42.8	78.4	33.5
EC High Value Index	9.2	-6.0	-11.0	-1.6	5.9	16.3	0.3	7.7	4.1	-46.0	47.6	22.2
EC Low Value Index	19.5	-6.1	-16.1	-3.6	6.9	29.5	4.4	13.7	-4.3	-43.6	73.1	31.3
EC Div. Index	13.5	-4.2	-9.5	-2.2	6.9	16.2	2.5	18.9	2.7	-35.9	35.1	25.2
EC Non Div. Index	15.0	-10.9	-19.4	-10.4	0.5	24.1	4.2	17.1	3.2	-46.0	81.2	30.1
EC High Short Interest Index	12.3	-3.6	-11.4	0.1	7.8	19.7	0.2	13.2	-8.1	-42.9	56.3	18.6
EC Low Short Interest Index	16.5	-5.9	-12.3	-2.7	5.7	23.4	5.3	18.9	11.0	-42.4	63.4	22.9
EC High Analysts' Rating Index	15.9	-4.0	-9.0	0.5	10.0	16.6	3.6	14.2	17.0	-41.1	37.6	22.4
EC Low Analysts' Rating Index	12.1	-5.5	-13.6	-7.8	-0.4	23.4	2.3	16.6	-13.7	-38.3	82.3	20.7
EC High Price Index	11.2	-5.8	-8.7	1.1	9.2	10.5	1.0	13.0	17.6	-41.5	22.0	19.7
EC Low Price Index	17.1	-11.0	-20.9	-11.5	-0.3	38.6	8.5	17.8	-10.3	-44.2	152.8	27.5
EC High Price Momentum Index	5.6	-7.0	-9.8	2.5	8.8	3.7	-1.3	12.3	18.5	-34.5	3.2	10.6
EC Low Price Momentum Index	20.4	-6.0	-16.9	-7.1	4.0	61.2	15.4	17.1	-14.6	-47.0	261.8	24.6
EC Underpriced Stocks Index	18.8	-6.5	-10.5	-1.0	11.2	29.6	6.8	21.6	-4.3	-39.1	62.9	40.4
EC Overpriced Stocks Index	7.8	-4.9	-11.3	-4.4	3.2	14.6	-2.0	16.5	2.1	-47.2	44.9	16.3
EC Market Cycle Indices ¹	1M	3M	6M	YTD	1Y	3Y	5Y	2006	2007	2008	2009	2010
Early Bull Market Index	24.3%	-9.9%	-26.6%	-22.7%	-9.0%	37.9%	1.9%	14.9%	-15.0%	-62.0%	224.0%	27.9%
Mid Bull Market Index	19.5	-12.5	-21.2	-13.6	0.4	19.4	0.0	12.7	9.6	-54.6	70.7	31.2
Late Bull Market Index	11.4	-10.4	-15.0	-7.9	-1.3	5.7	-1.3	13.6	29.1	-46.0	17.0	21.5
Bear Market Index	8.7	0.6	-2.2	8.7	15.6	10.5	3.3	12.8	11.0	-26.2	13.3	13.2
EquityCompass Stock Screens ¹	1M	3M	6M	YTD	1Y	3Y	5Y	2006	2007	2008	2009	2010
Quality Momentum Stocks	12.6%	-4.8%	-6.1%	6.3%	14.4%	14.5%	6.3%	15.0%	25.7%	-34.5%	24.4%	19.9%
Oversold/Quality Stocks	16.7	-0.3	-6.4	3.4	9.1	26.1	2.3	21.5	-7.3	-39.1	33.7	43.2
Research Focus List	17.1	-3.8	-10.9	3.1	16.6	24.0	3.3	16.4	5.5	-50.0	52.2	36.9
Mispriced/Large-Cap Stocks	22.3	1.7	-5.4	5.3	15.0	20.5	-0.8	8.1	-6.5	-48.4	50.3	25.0
EC Buyback Top 10	-11.6	-16.9	-12.6	16.5	-1.5	23.4	8.6	30.6	-0.1	-20.7	72.0	23.8
EC Candidates List	-9.2	-13.5	-6.4	9.2	5.0	13.1	2.9	11.0	11.2	-34.9	26.7	29.5
EC Coverage Universe ¹	-21.8%	-23.5%	-18.2%	-11.3%	-5.5%	5.7%	1.9%	18.3%	2.8%	-40.8%	58.2%	28.1%
EC Coverage Universe (Ex ADRs) ¹	-21.4%	-23.2%	-17.6%	-11.0%	-4.2%	5.7%	1.8%	16.8%	0.9%	-40.1%	56.9%	29.1%

¹ Assumes equally weighted positions reconstituted and rebalanced monthly; dividends included.

All performances are annualized for periods greater than one year.

Source: EquityCompass Strategies

EquityCompass Valuation Profile

(As of 10/31/2011)

Benchmark Indices ¹	Div (%)	Beta	Short Int.	EV/EBITDA			P/BV		PEG Ratio
			Rate	(NTM)	P/E (NTM)	P/C/F (NTM)	(MRQ)		
S&P 1500	2.08	0.90	1.9	8.0	12.4	8.0	2.1	0.8	
S&P 500	2.17	0.88	1.9	8.0	12.1	7.8	2.2	0.9	
S&P 100	2.36	0.84	1.7	7.8	11.5	7.6	2.2	0.9	
S&P Mid Cap	1.44	1.04	4.0	8.2	14.2	9.2	2.0	0.7	
Dow Jones Ind Avg.	3.00	0.85	1.7	7.8	10.4	6.6	1.9	1.0	
Nasdaq 100	1.19	0.85	1.4	8.7	10.9	6.6	3.6	0.6	
S&P Citi Growth	2.05	0.85	1.9	8.1	13.1	9.0	3.0	0.9	
S&P Citi Value	2.59	0.90	2.0	7.6	11.4	6.7	1.7	0.9	
Russell 1000	2.09	0.90	1.9	8.1	11.9	7.2	2.2	0.8	
Russell 2000	1.37	1.19	6.7	8.0	17.4	9.0	1.9	0.5	
Russell 3000	2.03	0.92	1.9	8.1	12.1	7.3	2.1	0.7	
Russell Mid Cap	1.69	1.00	3.1	8.3	11.9	6.2	2.1	0.6	
S&P 500 Energy Index	1.96	1.09	2.3	4.7	10.1	5.8	1.9	0.8	
S&P 500 Materials Index	2.26	1.13	2.1	6.3	10.5	7.1	2.1	0.5	
S&P 500 Industrials Index	2.44	1.06	2.6	7.8	12.4	8.7	2.7	0.8	
S&P 500 Consumer Disc. Index	1.54	0.91	2.7	8.3	15.0	9.4	2.9	0.7	
S&P 500 Consumer Staples Index	3.10	0.55	2.7	9.0	13.8	10.1	3.0	1.6	
S&P 500 Health Care Index	2.38	0.78	2.0	7.3	10.8	8.4	2.2	1.3	
S&P 500 Financials Index	1.86	1.12	1.3	14.9	10.7	6.5	0.9	0.4	
S&P 500 Info. Tech. Index	1.17	0.88	1.4	8.4	12.0	9.8	3.4	0.9	
S&P 500 Telecom. Services Index	5.48	0.59	2.4	5.6	16.2	4.4	1.7	1.7	
S&P 500 Utilities Index	4.07	0.60	3.3	8.0	14.2	6.3	1.5	3.1	
Russell 1000 Val.	2.57	0.90	2.0	7.7	11.5	6.9	1.6	0.9	
Russell 1000 Gr.	1.80	0.90	2.0	7.8	12.3	7.7	3.2	0.8	
Russell Mid Val.	2.18	0.98	3.0	8.0	12.6	7.4	1.6	0.7	
Russell Mid Gr.	1.17	1.02	3.2	8.6	11.8	6.1	3.1	0.6	
EquityCompass Indices ¹	Div (%)	Beta	Short Int. Rate	EV/EBITDA (NTM)	P/E (NTM)	P/C/F (NTM)	P/BV (MRQ)	PEG Ratio	
EC High Beta Index	0.76	1.78	1.9	10.4	10.4	6.1	1.6	0.3	
EC Low Beta Index	2.90	0.48	3.3	8.8	16.2	10.6	3.2	1.2	
EC Mega Cap Index	2.14	0.90	1.8	8.1	13.3	9.5	3.0	1.0	
EC Micro Cap Index	1.40	1.23	9.0	7.3	12.6	6.0	1.5	0.4	
EC High Growth Index	1.39	1.26	2.5	13.4	21.5	8.2	1.7	0.3	
EC Low Growth Index	2.47	1.10	2.5	7.0	6.7	2.7	1.6	6.7	
EC High Financial Quality Index	1.57	0.87	2.6	8.2	16.0	12.9	3.8	1.2	
EC Low Financial Quality Index	0.70	1.33	3.0	8.4	7.1	2.3	2.0	0.2	
EC High Fundamental Quality Stocks	1.78	1.02	2.6	6.8	13.3	8.1	2.5	0.7	
EC Low Fundamental Quality Stocks	1.21	1.41	3.5	8.8	16.9	8.5	1.5	0.3	
EC High Value Index	1.15	0.92	3.7	15.5	26.0	19.9	4.7	0.9	
EC Low Value Index	1.69	1.23	2.7	4.8	8.1	4.7	1.1	0.3	
EC Div. Index	3.06	1.02	2.6	6.8	12.5	7.6	2.0	0.6	
EC Non Div. Index	0.00	1.30	4.0	8.7	17.0	10.3	2.3	0.4	
EC High Short Interest Index	1.85	0.97	8.7	9.2	17.3	10.1	2.6	0.9	
EC Low Short Interest Index	1.19	1.26	1.2	10.2	11.1	8.1	2.2	0.7	
EC High Analysts' Rating Index	0.88	1.12	2.0	9.4	13.7	10.2	3.0	0.7	
EC Low Analysts' Rating Index	2.91	0.95	4.0	7.6	14.4	8.2	1.7	0.9	
EC Underpriced Stocks Index	1.04	0.91	2.5	8.1	17.2	12.9	3.4	0.9	
EC Overpriced Stocks Index	1.79	1.46	2.3	11.3	14.9	6.0	1.3	0.4	
EC High Price Momentum Index	1.89	0.76	3.2	9.4	17.9	12.6	3.8	1.1	
EC Low Price Momentum Index	1.42	1.28	2.0	9.1	10.3	5.3	1.4	0.4	
EquityCompass Ratings ²	Div (%)	Beta	Short Int. Rate	EV/EBITDA (NTM)	P/E (NTM)	P/C/F (NTM)	P/BV (MRQ)	PEG Ratio	
All EC "Buy" Rated Stocks	1.57	1.03	3.1	6.8	14.2	8.9	2.7	0.6	
All EC "Neutral" Rated Stocks	1.64	1.12	2.9	6.8	12.8	7.9	1.8	0.5	
All EC "Sell" Rated Stocks	1.27	1.38	3.4	8.4	15.7	8.4	1.6	0.4	
EquityCompass Focus Lists ²	Div (%)	Beta	Short Int. Rate	EV/EBITDA (NTM)	P/E (NTM)	P/C/F (NTM)	P/BV (MRQ)	PEG Ratio	
Quality Momentum	1.98	0.92	3.1	6.9	14.5	10.4	3.0	0.8	
Oversold Quality	1.08	1.07	1.4	6.4	9.9	6.0	1.8	0.8	
Research Focus List	2.25	1.01	2.3	5.6	10.9	6.0	1.7	0.4	
Mispriced Large-Cap	1.63	1.15	2.2	8.3	11.3	7.0	2.1	0.7	
EC Coverage Universe ²	1.47	1.17	3.2	7.1	14.1	8.6	2.2	0.5	
EC Coverage Universe (Ex ADRs) ^f	1.36	1.17	3.2	8.0	14.4	8.7	2.2	0.5	

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

Source: EquityCompass Strategies

EquityCompass Investment Analysis

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

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

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

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

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

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

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

Important Disclosures

EquityCompass Overview:

The information contained herein has been prepared from sources believed to be reliable but is not guaranteed and is not a complete summary or statement of all available data nor is it considered an offer to buy or sell any securities referred to herein. EquityCompass Strategies is a research and investment advisory unit of Choice Financial Partners, Inc., a wholly owned subsidiary and affiliated SEC registered investment adviser of Stifel Financial Corp. Portfolios based on EquityCompass Strategies are available exclusively through Stifel, Nicolaus & Company, Incorporated. Affiliates of EquityCompass Strategies may, at times, release written or oral commentary, technical analysis, or trading strategies that differ from the opinions expressed within. Opinions expressed are subject to change without notice and do not take into account the particular investment objectives, financial situation, or needs of individual investors.

Strategy Specific Risks:

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

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

EquityCompass Index Descriptions:

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

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

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

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

EquityCompass Benchmark Index Descriptions:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Special Note for Stifel Research:

The opinions expressed are based on a hybrid combination of quantitative/technical (EquityCompass) and fundamental (Stifel Equity Research) analyses. EquityCompass quantitative/technical ratings and opinions can and do differ from Stifel fundamental research opinions. Access to Stifel's fundamental research is available through Stifel, Nicolaus & Company, Incorporated. Stifel's research analysts receive compensation that is based upon (among other factors) Stifel's overall investment banking revenues. Stifel's investment rating system is three tiered, defined as follows:

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

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

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

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