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- *Tactical Total Core Strategy*
- *Equity Risk Management Strategy*

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## Highlights:

- The superior performance that investment managers can produce by taking advantage of the volatility of individual stocks can be undermined by how investors respond to the same volatility — the amazing story of CGM Focus Fund. (see page 3)
- 2010 begins with a late January slide producing the largest pullback since the market recovery last March. The pullback in stock prices is likely a correction of overly-bullish sentiment and normal profit-taking. (see page 4)
- A prolonged sideways market presents a third scenario for investors to ponder. However, a flat stock market can still provide opportunity for active approaches that focus on identifying attractive stocks. (see page 7)
- This month we celebrate the 101<sup>st</sup> consecutive monthly issue of the *EquityCompass Update & Review*. As we look forward to the next 100 issues, we are excited and committed to keeping EquityCompass a valuable source for investment research and quality investment management. (see page 2)



Published monthly since October 2001

See inside page for a commemorative letter to our readers.

*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.



October 2001



March 2004



December 2005



July 2008

Dear Clients and Friends of EquityCompass,

This month we celebrate the 101<sup>st</sup> consecutive monthly issue of the *EquityCompass Update & Review*. So much has changed since our first issue in October 2001. We witnessed two presidents, two wars and two bear markets. While the S&P 500 is just about at the same level as it was 8 years ago, almost half of the members are no longer in the index. Several corporate icons on Wall Street and beyond no longer exist. Change has had an impact on us at EquityCompass as well — in very positive ways. We were fortunate to be part of the transaction that brought the Legg Mason Capital Markets to Stifel Financial where we were able to continue our research focus and broaden the scope of our offerings to include investment advisory services. In the four years with Stifel Financial, senior management has whole-heartedly supported our efforts to improve, grow, and reach for excellence and we are thankful. During that period, we were also able to make new friends and forge productive and rewarding relationships which we hope to broaden and strengthen in the future.

The *Update & Review* has also evolved during the period both in content and presentation. But one thing that has not changed is the intent of EquityCompass to identify timeless investment principles that can provide objective criteria to select stocks with excess returns. We believe this stock-based approach is the necessary foundation for an investment process to build and manage portfolios. In other words our research and advisory services for discretionary portfolio management are closely aligned. Our investment decisions are derived from our research, which means we are obsessive about the quality of data and insights comporting to sound and accepted capital market theory and practice.

As we look forward, we are excited and committed to keeping EquityCompass a valuable source for investment research and quality investment management. We continue to work on perfecting the investment vehicles that implement our research insights. We are also constantly striving to take advantage of the various channels available in today's digital world to deliver our cutting-edge research in a timely manner. In the coming months, we hope to unveil the details of the efforts that will broaden and strengthen our investments and research platform.

We look forward to sharing with you our next 100 issues!

Sincerely,

A handwritten signature in blue ink that reads 'Richard E. Cripps'.

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

## The Role of Investment Advice

- The superior performance that investment managers can produce by taking advantage of the volatility of individual stocks can be undermined by how investors respond to the same volatility
- Heightened levels of volatility create conditions for emotional decision-making that can lead to poor investment results
- Investment advice should recognize that volatility, more than investment return, is likely to be the dominant influence on the *actual* returns that an investor achieves

Very few professional money managers can claim superior performance in the last 10 years — the “lost decade” of equity performance in which the S&P 500 produced an annualized return of -1.0%. Kenneth Heebner, portfolio manager of the CGM Focus Fund, is a prominent member of this select group. Mr. Heebner’s success can be attributed to identifying and investing in attractive stocks.

In fact, while the performance in general of the overall market was disappointing, 3 out of every 10 stocks in the S&P 500 on average, doubled or more for any rolling 60-month (5-year) period during the decade. The average stock in the S&P 500 had a yearly trading range of 50% from its average price.

Mr. Heebner’s stock picking prowess translated into CGM’s investment approach which focused on a concentrated group of stocks and actively traded the positions long and short. In doing so, the fund racked-up an annualized return of 18.2% for the decade — an extraordinary achievement given that the average large-cap growth fund had a -2.0% annual return over the same time frame.

Fund success equals investor success — right? Wrong. According to Morningstar, the dollar-weighted return in CGM Focus for the decade was an astounding *11% loss*. (Dollar-weighted return methodology weights performance from the standpoint of dollar inflows and outflows to the fund and is a good proxy for the actual results achieved by an average shareholder). How is it possible that the

average shareholder had an 11.0% loss when the fund achieved an 18.2% return? The simple answer is volatility, which in CGM’s case was twice that of the S&P 500. CGM’s best year was in 2007 when the fund had sizzling performance of 80% versus 5.5% for the S&P 500. As is so often the case, such lights-out performance draws attention. Investors poured \$2.6 billion (equivalent to 70% of present fund assets) into the fund in 2008 as CGM declined 48%. The fund had an estimated net withdrawal of \$750 million in 2009 as it significantly lagged its large-cap growth benchmark.

## The Challenge of Volatility

Volatility is viewed as a measure of risk, traders’ opportunity, or market noise by professional money managers. Mr. Heebner’s response to the question on the divergence between average shareholder and fund returns was — “We don’t have any control of what investors do.” From a professional standpoint, Heebner is 100% correct. But in the practical world where excessive volatility elicits emotional decision-making, Heebner’s view is disconnected from reality. Behavioral scientists would describe this condition as a problem of agency where the objective of the money manager (agent) — superior investment return — becomes misaligned with that of the investor when the investor becomes unable to withstand the volatility required to achieve excess returns.

Despite all of the studies documenting the futility of chasing performance, human nature, as reflected in investor behavior, is difficult to change. The CGM story vividly illustrates the point that investors’ response to volatility, more than actual investment return, is the biggest influence on the actual results he/she achieves. The biggest risk of equity investing is buying and selling at the wrong time. Reducing this risk should be the primary concern when constructing a portfolio to achieve financial objectives and that is the role of sound investment advice, in our opinion.

Richard E. Cripps, CFA  
Chief Investment Officer  
EquityCompass Strategies

## Correction of Sentiment or Something More?

- 2010 begins with a late January slide producing the largest pullback since the market recovery last March
- Performance characteristics of the pullback are more suggestive of normal profit-taking and a correction of overly bullish sentiment than larger fundamental concerns
- Why the stock market, high dividend yields in particular, are looking attractive to bond guru Bill Gross

Equity markets endured a late-month slide in January amid disconcerting headlines regarding prospects for the U.S. economy, threats of tightened governmental regulation of U.S. banks, the potential for China to tighten rates to cool its economy, and the reduction of Greece's credit rating by all three major bond rating agencies in December. After hitting 52-week highs on January 19th, the S&P 500 declined 6.6% through the end of the month, and the NASDAQ Composite Index fell 7.5% from its high. For the month, the S&P 500 was down 3.7%, while the Dow Jones Industrial Average lost 3.5% and the NASDAQ declined 5.4%.

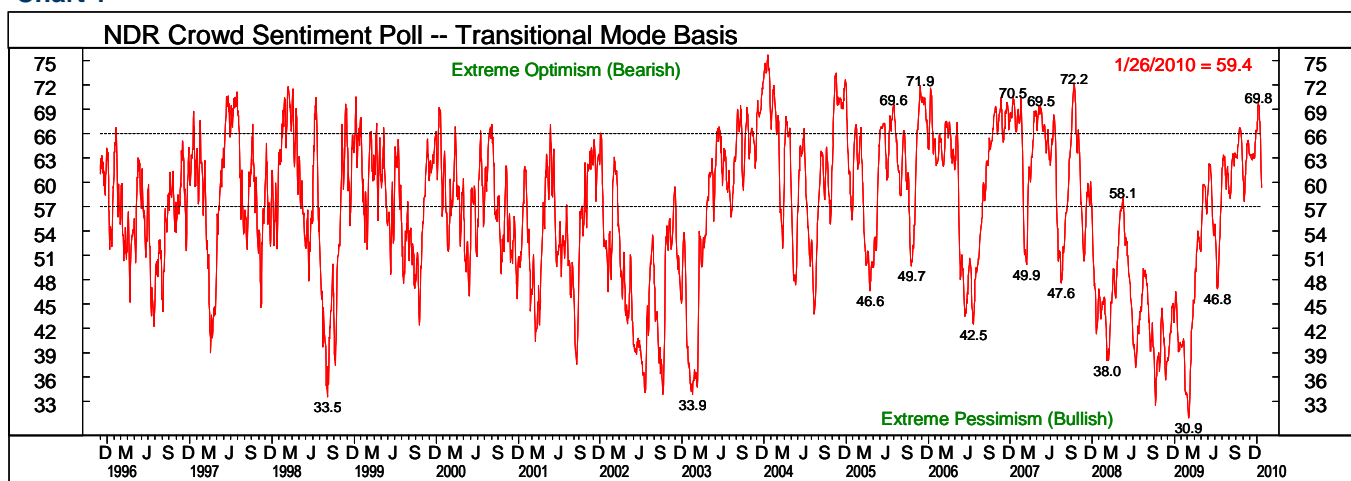
After enjoying such a strong move over the previous 9 months — the S&P 500 was up over 70% from the March 9, 2009 bottom as of January 19 — such a rapid sell-off leads to questions about the nature of the selling. Will this correction end with a resumption of the uptrend currently in place, or is it the start of more significant selling? Market observers typically differentiate between two types of corrections. One is a correction of sentiment, where excessive investor optimism has led to an environment in which equity prices get stretched, and the market experiences a short-term pull back before resuming its upward direction. The other correction is a fundamental correction, in which selling is driven by investor concern over underlying problems that may hurt prospects for companies, such as fear of economic slowing or recession. A fundamental correction can have much more serious and lasting impact than a

sentiment correction. The key question for investors is which type of correction we saw at the end of January.

The first question to ask regards investor sentiment — is there evidence that optimism was excessively high? Ned Davis Research tracks investor sentiment with their weekly NDR Crowd Sentiment Poll (Chart 1). The reading on January 19 moved up into the bearish “Extreme Optimism” range and spiked to 69.8, a level not seen since late 2007. After the initial selling, the poll retreated to 59.4, within its normal range. Another popular sentiment poll conducted by the American Association of Individual Investors (AAII) saw similar numbers. The year-end AAII Investor Sentiment Poll showed 49% of respondents bullish, just off the 12-month high of 51% in August, while bearishness was at a 12-month low of 23%. The sentiment poll numbers would argue that optimism among investors was high.

Another issue to look at is the relative performance of stocks during the decline. In a fundamental correction, stocks with the highest risk factors will tend to suffer disproportionate losses compared to stocks seen as being safe havens. However, our Bear Recovery Index, which contains stocks with attributes likely seen as high risk factors (high volatility, low market-cap, extreme valuation, low quality and low price), gained ground in January, rising 2.4%. Sector returns did not follow a strict pattern of favoring defensive names and punishing economically sensitive names, with Industrials and Consumer Discretionary stocks performing more favorably than the broader market, while the defensive Utilities sector underperformed. Looking at the performance of our stock focus lists, the Quality/Momentum List, which should outperform during a flight to safety and held up significantly better than other focus lists when the market topped in 2007, was the worst performing list in January, dropping 6.3% (pg. 26). Overall, the performance in January doesn't seem to support the notion that investors are preparing for a significant economic and stock market downturn.

Chart 1



Source: Ned Davis Research

Yet another consideration is evidence regarding potential strength or weakness for the economy and the stock market. According to Thomson Reuters, 78% of the 220 S&P 500 companies reporting fourth quarter earnings through the end of January have exceeded estimates. To measure forward expectations, we maintain a consensus earnings estimate for EPS over the next 12 months for S&P 500 companies. The consensus estimate increased 2.1% this month to \$79.31, its 9th consecutive month of improvement. With a closing price of 1073.87 at the end of January, the S&P 500 was trading at 13.5x that 12-month forward estimate, its lowest level since April 2009, so valuations based on forward estimates do not appear stretched. Regarding the strength of the economy, Ned Davis Research estimates that the recession ended in June 2009. Based on market performance following past recessions, the odds of a 10% correction between months 6 and 18 of an economic expansion are 77%, suggesting a 10% correction sometime during 2010 would be likely.

## What Strategy May Pay Dividends?

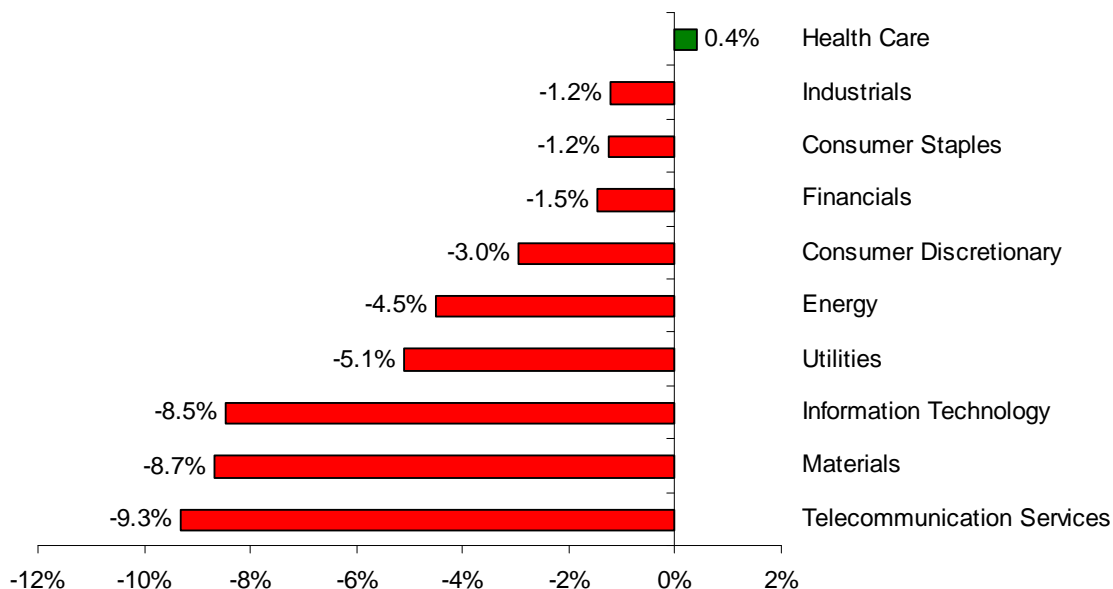
In his December 2009 Investment Outlook, renowned PIMCO fund manager Bill Gross, referring to money market rates at 0.01%, observed "...if I was hoping to double my money, it would take approximately 6,932 years to get there at that rate!" Gross goes on to postulate that lower growth prospects and increased government regulation will render many companies' earnings growth rates similar to those enjoyed by Utilities, so investors buying the market will get stocks similar to Utilities, but with only a 2% dividend yield. He

concludes that investors should just buy Utilities, getting the same growth in earnings with a 5%–6% dividend yield rather than the 2% yield of the market.

Gross' view of a market with more restrained prospects going forward is one that is widely shared. His solution — buying investments with earnings growth that should match muted economic growth and that have a more favorable yield than comparable fixed income investments — is one that also is shared. Chart 3 on the next page shows the ratio of returns for dividend paying stocks versus non-dividend paying stocks in the months leading up to and following a recession. The way the chart is constructed, if the graph is sloping up, dividend payers are outperforming non-dividend payers, while a downward sloping line indicates favorable relative performance for dividend payers. Given Ned Davis' assumption that the recession ended in June 2009, we would be 6 months into the recovery. It is noteworthy that, in each of the instances demonstrated excepting 1975, dividend payers produced a favorable return compared to non-dividend payers if bought at this point and held for one year. Our performance analysis supports the notion that dividends are favorable after the initial stage of a bull market. Our Dividend Index gained only 37% compared to 67% for the Non-Dividend Index in 2003, and then followed in 2004 with a return of 21% versus only 14% for the Non-Dividend Index in 2004. Over the past year, dividend payers have gained 49% versus 89% for non-dividend payers. We would look for that relationship to shift to favor dividend paying stocks as we enter the next phase of the market.

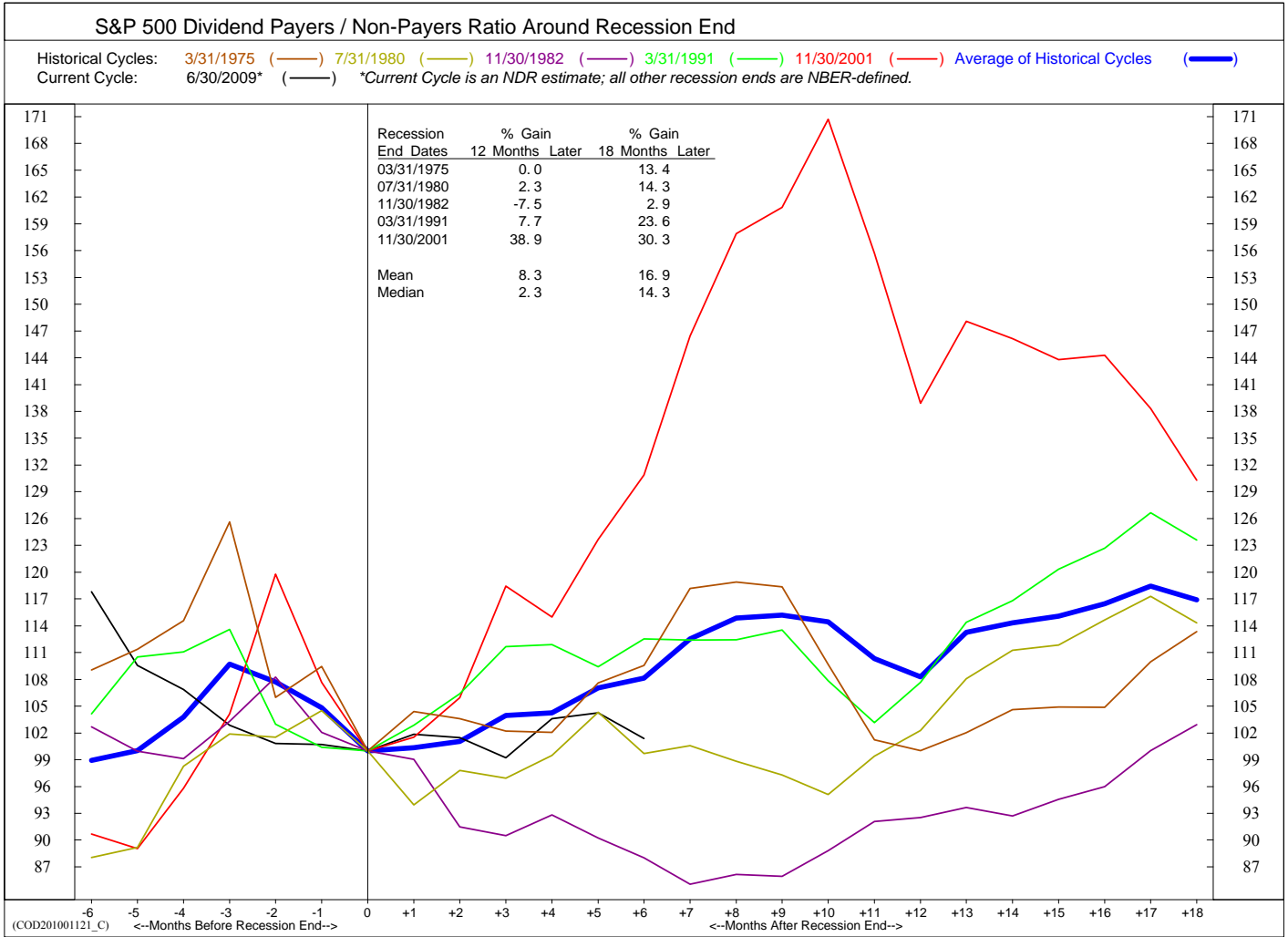
Chart 2

## January 2010 Sector Return



Source: EquityCompass Strategies

Chart 3



Source: Ned Davis Research

## The Third Scenario

- The January pullback in stock prices is likely a correction of sentiment that further marks a transition to a phase where the drivers of market performance narrow
- A prolonged sideways stock market can still provide opportunity for active approaches that focus on identifying attractive stocks
- We believe that stocks best suited for this selective environment are those that we characterize as “Growth at A Discount” (GAD)

With the stock market experiencing its first more than 5% correction since the bear low last March, investors are contemplating the next phase in the investment environment. For market bears, the overhangs of the recession and the policy steps to address recovery will exert downward pressure on stock prices. Market bulls believe that pent-up demand will lead to economic growth higher than current consensus expectations and support a further rise in stock prices. A conceivable third scenario is extended sideways market action that is characterized as a stand-off in the bear/bull forces following the extraordinary volatility in the stock market in the last few years.

Robert Hagstrom, best-selling author and fund manager with Legg Mason Capital Management provides perspective on this third scenario in his recent commentary, “Who’s Afraid of a Sideways Market?”<sup>1</sup> In it Hagstrom analyzed the flat performance of the S&P 500 from 1975 to 1982. Like now, 1975 was a recovery year after a brutal bear market and the subsequent years provided a series of difficult challenges from accelerating inflation, subdued economic growth, and low investor confidence. However, the flat S&P 500 in this time period did not mean there wasn’t variation within the market or that it was bereft of opportunity. Indeed, Warren Buffett and other celebrated value investors built their legacies with annualized returns of 25% or more in this period.

Hagstrom’s research identified that 4 out of every 10 stocks in the S&P 500 doubled or more in any five-year period during the 1975–1982 time span. This ratio of multi-year winners is counterintuitive to the flat S&P 500 index performance. The reason for the performance oddity is that the S&P 500 is a market cap-weighted index that reflects the aggregate market value of its members rather than the

performance of the individual stocks in the index. Though there was little change in the aggregate market value, there was a significant compositional shift with market value flowing from previous to emerging favorites.

### The “New Age” for Stock Picking

Lower volatility and a sideways market reduce the correlation of stocks to each other, suggesting that a focus on stock-specific factors, rather than broad market activity, will become more important in identifying opportunity. In other words, active investment approaches that focus on stock picking are likely to do better than index funds. Added to the case for increased stock selectivity is that the stock market as a whole is not meaningfully undervalued as measured by historical valuation measures and therefore unlikely to provide the rising tide that lifts all stocks indiscriminately. The unfolding of this scenario would be counter to the growing preference of investors for index and ETF investment vehicles that minimize individual stock selectivity.

Hagstrom also looked at the attributes that characterized the better performing stocks and identified that value and earnings growth dominated over trend following or price momentum strategies. In last month’s *Update & Review*, we argued that a market transition was underway from a focus on oversold stocks to those with established fundamentals. Transitions at this juncture of a market cycle favor value over momentum and financial quality. Our view is that the almost indiscriminate rise in stock prices would narrow to a category of stocks described as “Growth at A Discount” (GAD). Specifically, GAD is a focus on stocks with below average valuation and above average growth.

To spotlight stock selection, we constructed a GAD index to rank the 3,000+ U.S. stocks in the EquityCompass coverage universe. The composition of the index is weighted 50% to low relative value and timeliness based on favorable investor over-/underreaction and 50% to fundamental growth expectations in sales, earnings, and profitability. We then narrowed the list to stocks with the highest GAD that were either Stifel Nicolaus Buy-rated or in the top third of consensus analyst opinion. The list of stocks that meet our criteria is shown in Table 1 on the next page.

<sup>1</sup> www.lmcm.com

Table 1

## Growth At A Discount (GAD) Stock Selections

Symbol	Company Name	Price 1/29/10	Valuation Percentile	12M Avg. Valuation Percentile	Sector	GAD Rank	3-Yr. Sales Growth	Est. L-T EPS Grwth. (%)	Implied EPS Grwth. (CFY-NFY)	3-Yr. Grwth. in Oper. Mgn. (%)	Return on Equity (MRA %)	P/E (x)	Mkt.-Cap (Mil)	Stifel Rating
AAN	Aaron's Inc.	\$27.86	6.84%	26.21%	Cons. Disc.	95.0%	26.54%	11.09	11.07%	2.46	11.95	12.36	\$1,511	Buy
ARO	Aeropostale Inc.	\$32.89	5.30%	17.45%	Cons. Disc.	95.0%	50.45%	7.57	7.44%	1.92	54.11	9.15	\$2,173	Buy
AXE	Anixter International Inc.	\$41.68	8.52%	16.60%	Info. Tech.	96.8%	-11.96%	36.03	36.42%	1.46	18.78	14.10	\$1,442	Buy
APOL	Apollo Group Inc. (CI A)	\$60.59	15.52%	36.54%	Cons. Disc.	98.1%	76.67%	20.46	16.51%	1.36	60.08	10.89	\$9,384	Buy
ATPG	ATP Oil & Gas Corp.	\$14.47	16.65%	40.77%	Energy	99.4%	15.12%	99.47	n/a	18.94	38.87	8.72	\$725	--
COF	Capital One Fin'l. Cp.	\$36.86	21.55%	44.28%	Financials	95.3%	-9.33%	99.99	90.97%	6.12	3.71	15.39	\$16,602	Buy
CECO	Career Education Cp.	\$21.75	1.83%	36.02%	Cons. Disc.	95.8%	21.95%	70.12	62.36%	-13.06	7.59	11.00	\$1,882	Buy
CVX	Chevron Corp.	\$72.12	3.66%	12.38%	Energy	99.3%	30.48%	45.09	26.14%	2.25	29.23	8.82	\$144,692	--
CNW	Con-Way Inc.	\$28.62	10.65%	37.17%	Industrials	96.4%	3.01%	99.99	103.80%	-3.84	7.44	18.83	\$1,405	Buy
DV	DeVry Inc.	\$61.06	39.88%	51.44%	Cons. Disc.	95.9%	100.17%	33.27	23.38%	9.07	19.68	14.99	\$4,342	Buy
DCP	DynCorp Int'l. (CI A)	\$12.01	1.22%	10.37%	Industrials	96.3%	76.61%	13.13	11.90%	1.08	15.14	7.00	\$676	Buy
FEIC	FEI Co.	\$20.80	47.53%	72.11%	Info. Tech.	94.7%	8.91%	82.60	83.73%	4.39	4.83	16.01	\$784	Buy
FCN	FTI Consulting Inc.	\$41.45	25.08%	46.48%	Industrials	94.7%	58.69%	23.36	23.99%	-2.78	11.97	12.40	\$2,148	Buy
GXDX	Genoptix Inc.	\$32.56	44.11%	62.89%	Health Care	96.9%	299.52%	15.91	15.48%	198.31	28.14	16.76	\$559	--
GEOI	GeoResources Inc.	\$12.78	30.64%	--	Energy	95.7%	184.37%	84.26	80.67%	12.78	12.94	9.95	\$208	--
GYMB	Gymboree Corp.	\$39.01	13.69%	21.38%	Cons. Disc.	95.5%	17.58%	9.77	9.77%	6.54	34.46	10.57	\$1,170	--
HES	Hess Corp.	\$57.79	10.13%	43.73%	Energy	99.8%	30.70%	82.68	41.55%	3.47	21.38	13.33	\$18,901	--
INTC	Intel Corp.	\$19.40	20.47%	63.13%	Info. Tech.	96.7%	15.10%	36.89	10.04%	7.05	10.82	11.67	\$107,088	--
KNOL	Knology Inc.	\$10.92	47.98%	59.65%	Cons. Disc.	95.7%	26.42%	84.62	n/a	21.03	--	20.88	\$394	--
LPL	LG Display Ltd. (ADS)	\$16.22	0.43%	13.03%	Info. Tech.	96.8%	33.01%	84.05	-3.36%	6.01	12.34	7.62	\$11,608	--
LBTYA	Liberty Global (CI A)	\$25.38	31.93%	39.90%	Cons. Disc.	92.3%	25.39%	37.79	287.03%	9.43	-17.10	15.90	\$6,667	Buy
TNDM	Neutral Tandem Inc.	\$15.46	23.42%	67.66%	Telecom.	98.4%	126.53%	14.07	14.67%	26.32	14.84	11.29	\$518	--
PXD	Pioneer Natural Res.	\$43.98	48.13%	63.17%	Energy	89.9%	19.45%	59.12	n/a	-3.23	6.67	22.27	\$5,028	Buy
PWR	Quanta Services Inc.	\$18.22	46.42%	74.56%	Industrials	94.4%	52.59%	35.00	35.40%	3.77	6.89	19.71	\$3,621	Buy
RTP	Rio Tinto PLC (ADS)	\$194.02	25.22%	50.09%	Materials	96.1%	51.76%	40.69	38.97%	-6.27	19.52	10.83	\$62,277	--
STLD	Steel Dynamics Inc.	\$15.18	16.67%	48.20%	Materials	98.7%	18.05%	44.14	n/a	-7.38	29.39	10.85	\$3,272	--
VIV	Vivo Part. (ADS)	\$27.99	6.54%	8.79%	Telecom.	96.1%	53.72%	60.02	86.53%	4.77	5.24	13.58	\$7,342	--
VLTR	Volterra Semicon. Cp.	\$19.49	41.52%	63.99%	Info. Tech.	96.3%	55.72%	67.07	19.70%	9.70	13.05	16.40	\$453	--
WDR	Waddell & Reed Fin'l.	\$31.33	54.67%	75.27%	Financials	94.4%	45.85%	46.72	21.45%	2.28	27.41	16.51	\$2,688	Buy
WLL	Whiting Petroleum Cp.	\$66.56	40.03%	68.07%	Energy	96.6%	62.48%	44.11	n/a	-3.02	15.28	16.36	\$3,384	--

Source: EquityCompass Strategies

## 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. 28–31) 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*

#### High Dividend Stocks

*High-yielding stocks that exhibit favorable quality and valuation attributes*

#### 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

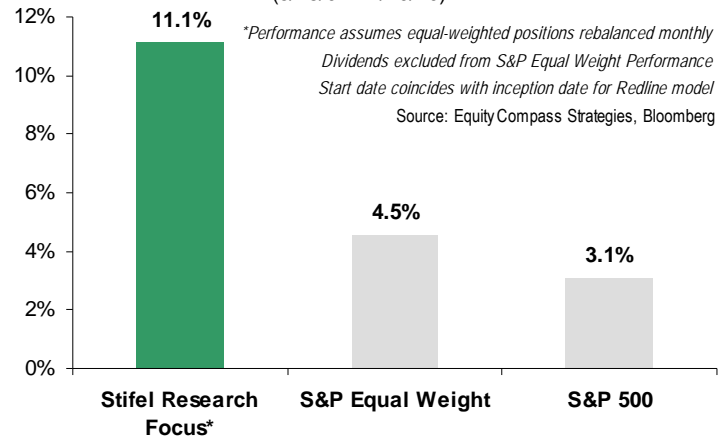
#### U.S. All-Cap Blend

## 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 - 1/29/10)



### February Highlights:

- Stifel analyst John Baugh recently named Aaron's Inc. (AAN) as his top Home Furnishings pick for 2010. Baugh believes AAN can achieve an annual earnings growth rate of 15% for a number of years with little additional leverage to the balance sheet. His target price is \$35.
- Adtran Inc. (ADTN) reported 4Q09 EPS of \$0.32, topping the \$0.29 estimate of Stifel analyst Sanjiv Wadhvani. Wadhvani states that ADTN is well positioned to benefit from budget shifts to high-growth areas. His target price is \$29.

### Current Selections:

Symbol	Company Name	Price 1/29/10	Analyst	Dvd Yld (%)	PPS	SVI	Valuation Percentile	12M Avg Valuation Percentile	Mean Valuation Deviation	Sub Industry
CECO	Career Education Corp.*	\$21.75	Herman	--	5	A	1.8%	36.0%	-34.2%	Education Svcs.
PWR	Quanta Services Inc.*	\$18.22	Beach	--	7	A	46.4%	74.6%	-28.1%	Construction & Eng.
CNW	Con-Way Inc.*	\$28.62	Ross	1.40	6	D	10.6%	37.2%	-26.5%	Trucking
FEIC	FEI Co.	\$20.80	Ho	--	5	C	47.5%	72.1%	-24.6%	Semiconductor Equip.
FCN	FTI Consulting Inc.	\$41.45	Janesky	--	7	A	25.1%	46.5%	-21.4%	Research & Consult. Svcs.
WDR	Waddell & Reed Fin'l. (Cl A)*	\$31.33	Hopson	2.43	3	A	54.7%	75.3%	-20.6%	Asset Mgmt. & Custody Bks.
AAN	Aaron's Inc.*	\$27.86	Baugh	0.26	6	A	6.8%	26.2%	-19.4%	Homefurnishing Retail
CYMI	Cymer Inc.*	\$31.37	Ho	--	3	B	65.7%	84.2%	-18.5%	Semiconductor Equip.
TCB	TCF Financial Corp.*	\$14.64	Davis	1.37	7	C	45.2%	61.1%	-16.0%	Regional Banks
ERIE	Erie Indemnity Co. (Cl A)	\$39.00	Phillips	4.92	7	B	43.6%	59.2%	-15.6%	Property & Casualty Ins.
SRX	SRA International Inc. (Cl A)	\$17.22	Loomis	--	6	D	13.2%	28.0%	-14.9%	IT Consulting & Other Svcs.
ADTN	Adtran Inc.*	\$21.20	Wadhvani	1.70	5	B	55.8%	65.9%	-10.1%	Communications Equip.

\*Denotes new additions

Source: EquityCompass Strategies, FactSet Research Systems Inc.

## 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

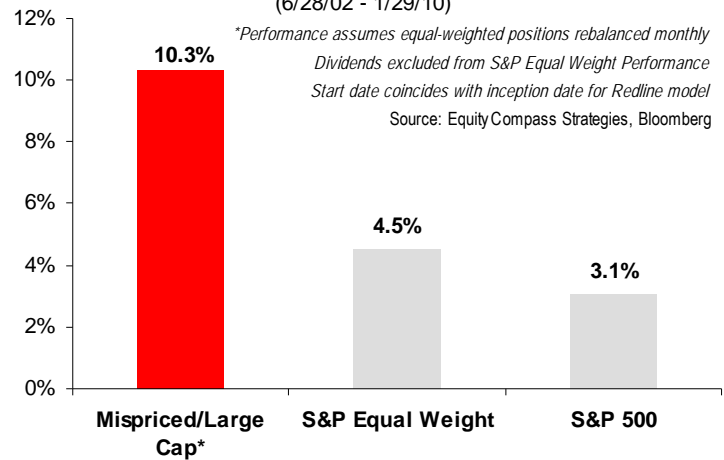
(6/28/02 - 1/29/10)

*\*Performance assumes equal-weighted positions rebalanced monthly*

*Dividends excluded from S&P Equal Weight Performance*

*Start date coincides with inception date for Redline model*

*Source: Equity Compass Strategies, Bloomberg*



### February Highlights:

- Texas Instruments (TXN) reported 4Q09 EPS of \$0.52, up from \$0.08 a year ago, with revenue up 21% to \$3.01 billion. TXN stated it expects EPS in a range from \$0.44 to \$0.52 this quarter, which is higher than analyst estimates of \$0.43.
- Molex (MOLX) reported quarterly EPS excluding restructuring charges of \$0.24 with revenue growth of 24% from a year ago to \$729 million. Analysts were expecting MOLX to earn \$0.22 per share on revenue of \$709 million.

### Current Selections:

Symbol	Company Name	Price 1/29/10	52W High	52W Low	Dvd Yld (%)	PPS	SVI Grade	Valuation Percentile	12M Avg Valuation Percentile	Mean Valuation Deviation	Sub Industry
TXN	Texas Instruments Inc.	\$22.50	\$27.00	\$13.70	2.13	1	A	11.6%	66.5%	-54.8%	Semiconductors
DFS	Discover Financial Svcs.	\$13.68	\$17.36	\$4.73	0.58	1	B	9.8%	55.0%	-45.2%	Consumer Finance
INTC	Intel Corp.*	\$19.40	\$21.55	\$12.05	3.25	5	A	20.5%	63.1%	-42.7%	Semiconductors
ITW	Illinois Tool Works Inc.*	\$43.59	\$51.16	\$25.60	2.84	2	A	32.5%	70.9%	-38.3%	Industrial Machinery
MOLX	Molex Inc.*	\$20.16	\$22.71	\$9.68	3.03	2	B	18.8%	56.2%	-37.3%	Electronic Mfg. Svcs.
HES	Hess Corp.*	\$57.79	\$69.74	\$46.33	0.69	6	B	10.1%	43.7%	-33.6%	Integrated Oil & Gas
OXY	Occidental Petroleum Cp.*	\$78.34	\$85.20	\$47.50	1.68	2	A	21.8%	55.1%	-33.3%	Integrated Oil & Gas
ADI	Analog Devices Inc.*	\$26.96	\$32.19	\$17.82	2.97	3	A	53.1%	85.1%	-32.0%	Semiconductors
PWR	Quanta Services Inc.*	\$18.22	\$25.80	\$15.84	0.00	7	A	46.4%	74.6%	-28.1%	Construction & Eng.
XLNX	Xilinx Inc.	\$23.58	\$25.62	\$16.11	2.71	5	B	50.5%	77.5%	-27.0%	Semiconductors
XOM	Exxon Mobil Corp.*	\$64.43	\$80.50	\$61.86	2.61	6	A	5.8%	27.7%	-21.9%	Integrated Oil & Gas
KSS	Kohl's Corp.*	\$50.37	\$60.89	\$32.50	--	5	B	19.0%	40.6%	-21.6%	Department Stores
PPL	PPL Corp.	\$29.49	\$34.42	\$24.25	4.68	6	B	8.8%	30.1%	-21.2%	Electric Utilities
ARG	Airgas Inc.*	\$42.26	\$51.00	\$26.29	1.70	7	A	27.6%	44.8%	-17.2%	Industrial Gases
AZO	AutoZone Inc.	\$155.03	\$169.99	\$129.21	--	7	B	27.3%	43.5%	-16.2%	Automotive Retail

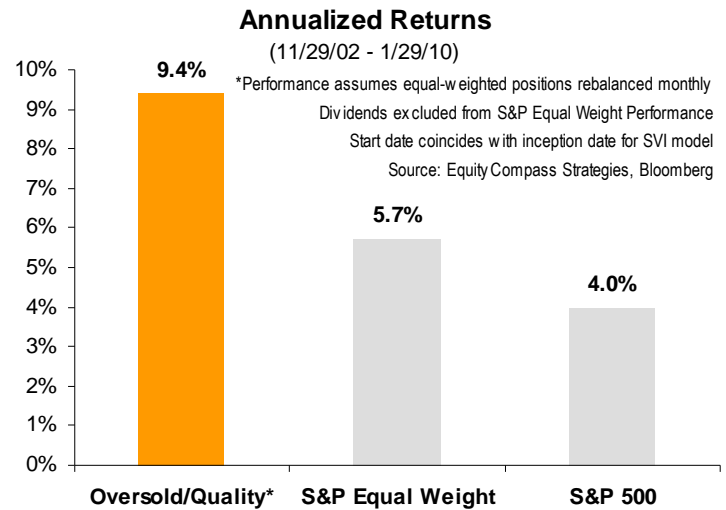
\*Denotes new additions

Source: EquityCompass Strategies, FactSet Research Systems Inc.

## 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.



### February Highlights:

- Stifel analyst Jeffrey Beach recently stated his belief that his Buy-rated Infrastructure stocks are positioned to substantially outperform the S&P 500 over the next 3–4 years due to enhanced operating leverage from volume and cost reductions, higher productivity levels, and stronger balance sheets than during a similar market cycle in 2004. Beach has Quanta Services Inc. (PWR) rated Buy with a \$31 target price.
- Exxon Mobil (XOM) reported 4Q09 EPS of \$1.27, topping the analyst consensus estimate of \$1.19.

### Current Selections:

Symbol	Company Name	Price 1/29/10	52W High	52W Low	Dvd Yld (%)	PPS	SVI	Valuation Percentile	12M Avg Valuation Percentile	Mean Valuation Deviation	Sub Industry
PWR	Quanta Services Inc.	\$18.22	\$25.80	\$15.84	--	7	A	46.4%	74.6%	-28.1%	Construction & Engineering
XOM	Exxon Mobil Corp.	\$64.43	\$80.50	\$61.86	2.61	6	A	5.8%	27.7%	-21.9%	Integrated Oil & Gas
ARG	Airgas Inc.	\$42.26	\$51.00	\$26.29	1.70	7	A	27.6%	44.8%	-17.2%	Industrial Gases
PBI	Pitney Bowes Inc.	\$20.92	\$26.41	\$17.62	6.88	7	A	17.3%	31.5%	-14.2%	Office Svcs. & Supplies

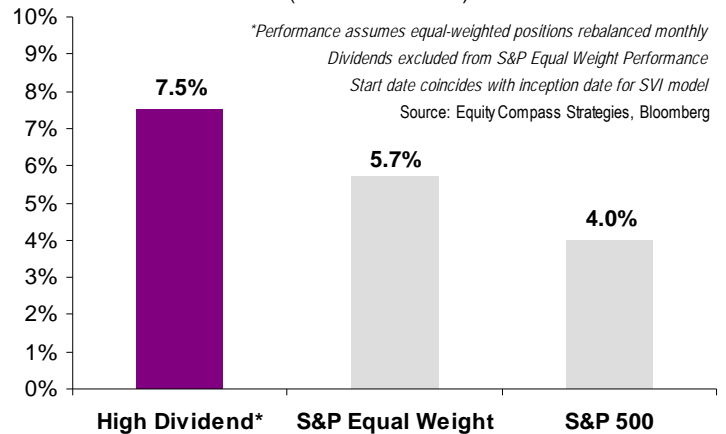
Source: EquityCompass Strategies, FactSet Research Systems Inc.

## High Dividend Stocks

### Selection Criteria:

The objective of the High Dividend list is to identify high-yielding stocks that exhibit favorable quality and valuation attributes. The High Dividend list utilizes the EquityCompass relative valuation ranking and Shareholder Value Index (SVI) to select high-yielding, above-average quality stocks (SVI A–B) that are trading below their average 12-month relative valuation. Specifically, the High Dividend list selects the 20 highest-yielding stocks meeting the above criteria. Sector and industry exposure are limited to 10 stocks per sector and five per industry. The current list of 20 stocks meeting the selection criteria is shown below. The performance of the selection criteria is shown to the right.

### Annualized Returns (11/29/02 - 1/29/10)



### February Highlights:

- Stifel analyst John Baugh attributed an 8% drop in shares of Leggett & Platt (LEG) on January 29th to disappointment over the low range of company guidance for 2010. Baugh states, however, that LEG typically provides cautious guidance, and that current guidance assumes revenues flat with 2009 levels. Baugh believes LEG is well positioned for a recovery in volumes and also can weather deterioration in economic conditions. His target price is \$24.
- DuPont (DD) reported 4Q09 EPS of \$0.48, topping analyst estimates of \$0.41. The company also raised its 2010 EPS guidance by a nickel to a range of \$2.15 to \$2.45.

### Current Selections:

Symbol	Company Name	Price 1/29/10	52W High	52W Low	Dvd. Yld (%)	PPS	SVI	Valuation Percentile	12M Avg Valuation Percentile	Mean Valuation Deviation	Sub Industry
PBI	Pitney Bowes Inc.	\$20.92	\$26.41	\$17.62	6.88	7	A	17.3%	31.5%	-14.2%	Office Svcs. & Supplies
T	AT&T Inc.	\$25.36	\$28.73	\$21.44	6.62	6	B	14.9%	26.6%	-11.7%	Integrated Telecom. Svcs.
BP	BP PLC (ADS)*	\$56.12	\$62.38	\$33.70	5.99	1	A	4.7%	10.9%	-6.1%	Integrated Oil & Gas
CINF	Cincinnati Financial Corp.	\$26.39	\$27.37	\$17.84	5.99	6	B	2.6%	13.0%	-10.3%	Property & Casualty Ins.
VVC	Vectren Corp.	\$23.28	\$26.90	\$18.08	5.84	6	B	16.0%	24.4%	-8.4%	Multi-Utilities
BKS	Barnes & Noble Inc.	\$17.48	\$28.78	\$15.28	5.72	6	A	1.1%	12.7%	-11.5%	Specialty Stores
LEG	Leggett & Platt Inc.	\$18.26	\$21.44	\$10.03	5.70	5	B	32.1%	36.2%	-4.1%	Home Furnishings
ED	Consolidated Edison Inc.	\$43.74	\$46.45	\$32.56	5.44	7	B	36.6%	42.2%	-5.5%	Multi-Utilities
FL	Foot Locker Inc*	\$11.29	\$12.95	\$7.09	5.31	6	B	4.8%	12.6%	-7.8%	Apparel Retail
MCHP	Microchip Technology Inc.	\$25.81	\$29.56	\$17.55	5.27	5	B	76.8%	89.0%	-12.2%	Semiconductors
RDSA	Royal Dutch Shell (ADS Cl A)*	\$55.39	\$63.75	\$38.26	5.16	6	A	2.6%	9.6%	-7.0%	Integrated Oil & Gas
TE	TECO Energy Inc.*	\$15.57	\$16.71	\$8.41	5.14	2	B	26.6%	29.5%	-2.8%	Multi-Utilities
NYX	NYSE Euronext*	\$23.41	\$31.93	\$14.52	5.13	6	B	13.1%	19.6%	-6.5%	Specialized Finance
TK	Teekay Corp.	\$24.96	\$27.14	\$11.35	5.07	2	B	22.4%	38.5%	-16.0%	Oil & Gas Storage & Trans.
DTE	DTE Energy Co.*	\$42.04	\$44.96	\$23.32	5.04	5	B	22.9%	26.5%	-3.7%	Multi-Utilities
DD	E.I. DuPont de Nemours & Co.	\$32.61	\$35.62	\$16.05	5.03	7	B	33.8%	54.8%	-20.9%	Div. Chem.
PPL	PPL Corp.*	\$29.49	\$34.42	\$24.25	4.68	6	B	8.8%	30.1%	-21.2%	Electric Utilities
NST	NSTAR*	\$34.34	\$37.75	\$27.49	4.66	6	A	16.0%	26.6%	-10.5%	Multi-Utilities
WGL	WGL Holdings Inc.*	\$31.73	\$35.52	\$28.59	4.63	7	B	17.0%	31.8%	-14.7%	Gas Utilities
MXIM	Maxim Integrated Products*	\$17.48	\$21.00	\$11.01	4.58	5	A	60.6%	80.2%	-19.6%	Semiconductors
<b>Averages</b>		<b>\$28.78</b>			<b>5.39</b>			<b>21.6%</b>	<b>32.3%</b>	<b>-10.7%</b>	

\*Denotes new additions

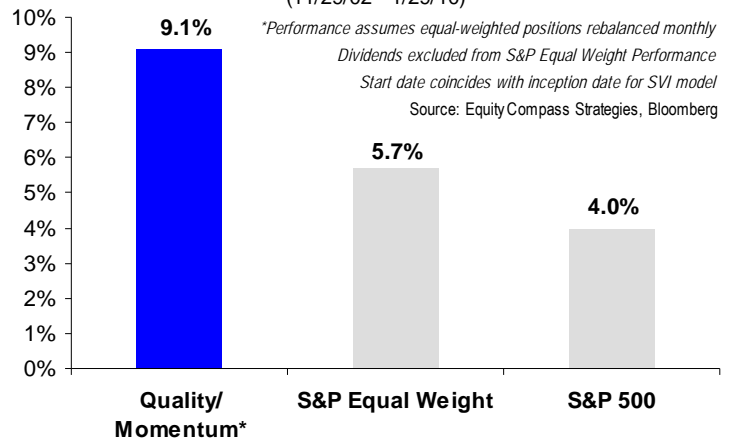
Source: EquityCompass Strategies, FactSet Research Systems Inc.

## 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 - 1/29/10)



### Current Selections:

Symbol	Company Name	Price 1/29/10	Div. Yld (%)	PPS	SVI Score	SVI Grade
<b>Consumer Discretionary</b>						
GES	Guess? Inc.	\$39.71	1.26	2	99.1%	A
CRMT	America's Car-Mart	\$23.53	--	2	98.6%	A
CVC	Cablevision Sys. Cp.	\$25.64	1.56	3	98.3%	A
MNRO	Monro Muffler Brake	\$34.22	0.82	2	97.2%	A
TJX	TJX Cos.*	\$38.01	1.26	2	95.8%	A
<b>Consumer Staples</b>						
ABV	Comp. de Bebidas	\$92.56	1.96	4	100.0%	A
KOF	Coca-Cola Femsa	\$61.91	1.67	3	96.7%	A
NUS	Nu Skin Ent. (CI A)	\$23.24	1.98	2	95.0%	A
LANC	Lancaster Colony	\$54.55	2.20	2	92.6%	A
CBD	Comp. Brasileira*	\$66.72	0.10	1	91.7%	A
<b>Energy</b>						
TLM	Talisman Energy Inc.	\$16.57	1.27	2	99.5%	A
DO	Diamond Offshore	\$91.53	0.55	3	98.9%	A
EOG	EOG Resources Inc.*	\$90.42	0.64	3	98.4%	A
NE	Noble Corp.	\$40.32	--	2	97.8%	A
CNX	Consol. Energy Inc.	\$46.61	0.86	3	97.3%	A
<b>Financials</b>						
CISG	Cninsure Inc.	\$18.61	--	4	98.8%	A
DFT	Dupont Fabros Tech.	\$16.62	1.93	3	97.7%	A
WDR	Waddell & Reed Fin'l.	\$31.33	2.43	3	96.6%	A
FCFS	First Cash Fin'l. Svcs.	\$22.83	--	2	96.3%	A
NHI	Nat'l. Health Inv.*	\$34.02	6.47	3	95.2%	A
<b>Health Care</b>						
PRGO	Perrigo Co.	\$44.28	0.56	3	100.0%	A
AGN	Allergan Inc.*	\$57.50	0.35	4	96.3%	A
CMN	Cantel Medical Cp.*	\$19.28	0.52	2	91.2%	A
EW	Edwards Lifesciences*	\$89.62	--	4	90.6%	A
SIRO	Sirona Dental Sys.*	\$32.17	--	3	87.2%	A
<b>Industrials</b>						
TGH	Textainer Grp. Hldgs.	\$17.04	5.40	2	99.8%	A
CPA	Copa Hldgs. (CI A)	\$51.98	0.71	2	99.0%	A
FLS	Flowserve Corp.	\$90.17	1.20	3	98.6%	A
CNI	Canadian Nat'l. Rail.	\$49.93	2.04	3	98.3%	A
ASR	Grupo Aero. Sureste	\$48.32	13.71	3	97.1%	A
<b>Information Technology</b>						
MA	MasterCard (CI A)	\$249.90	0.24	4	99.8%	A
SLH	Solera Holdings Inc.	\$33.11	0.76	4	99.1%	A
POWI	Power Integrations	\$31.21	0.32	3	98.8%	A
MELI	MercadoLibre Corp.	\$38.03	--	3	98.1%	A
RHT	Red Hat Inc.	\$27.22	--	4	97.9%	A
<b>Materials</b>						
IPHS	Innophos Hldgs. Inc.*	\$19.56	3.48	1	99.3%	A
NEU	NewMarket Corp.	\$90.22	1.66	2	98.5%	A
LZ	Lubrizol Corp.	\$73.69	1.68	2	91.0%	A
APD	Air Products & Chem.*	\$75.96	2.37	3	86.6%	A
MOS	Mosaic Co.*	\$53.51	0.37	4	84.3%	A
<b>Telecommunication Services</b>						
VIV	Vivo Part. S/A (ADS)	\$27.99	1.43	1	96.9%	A
TEF	Telefonica S.A. (ADS)	\$71.60	4.81	2	92.3%	A
MICC	Millicom Int'l. Cellular	\$71.32	1.74	2	89.2%	A
AMX	America Movil (ADS)	\$43.65	1.04	2	81.5%	A
TEO	Telecom Argentina	\$16.84	--	1	78.5%	A
<b>Utilities</b>						
CMS	CMS Energy Corp.	\$15.17	3.96	2	99.0%	A
NFG	National Fuel Gas Co.	\$46.92	2.86	3	90.8%	A
OKE	ONEOK Inc.	\$42.19	4.17	2	89.8%	A
CIG	Comp. Ener.-CEMIG	\$16.67	4.79	1	81.6%	A
OGE	OGE Energy Corp.*	\$36.22	4.00	2	58.2%	B

\*Denotes new additions

Source: EquityCompass Strategies, FactSet Research Systems Inc.

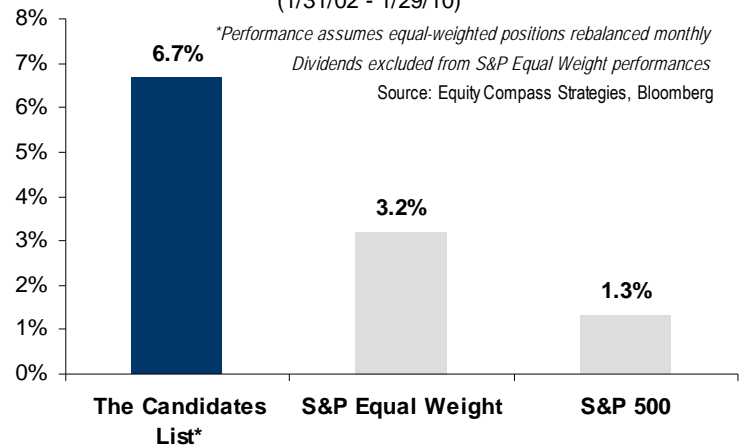
## The Candidates List

### 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 - 1/29/10)



### February Highlights:

- The S&P 500 Index Committee recently announced that Urban Outfitters (URBN), a Candidates List member last month, is replacing Affiliated Computer Services (ACS) in the index. So far this year two of the three stocks added to the S&P 500 have been on the Candidates List.
- Ametek Inc. (AME) increased its stock repurchase authorization by \$75 million to \$143 million. This represents approximately 3.5% of the company's market capitalization.

### Current Candidates:

Symbol	Company Name	Price 1/29/10	Compass Rating	Industry Group	Mkt.-Cap (Mil)	Symbol	Company Name	Price 1/29/10	Compass Rating	Industry Group	Mkt.-Cap (Mil)
AAP	Advance Auto Parts Inc.*	\$39.45	Neutral	Retailing	\$3,734	JEF	Jefferies Group Inc.*	\$25.54	Neutral	Diversified Financials	\$4,230
AME	Ametek Inc.*	\$36.44	Sell	Capital Goods	\$3,930	LZ	Lubrizol Corp.*	\$73.69	Buy	Materials	\$5,022
ANSS	Ansys Inc.*	\$41.86	Buy	Software & Services	\$3,708	NHP	Nationwide Hlth. Ppty.	\$32.96	Buy	Real Estate	\$3,638
BEC	Beckman Coulter Inc.*	\$65.37	Neutral	Health Care Equip. & Svcs.	\$4,530	NYB	NY Community Bancorp	\$15.03	Neutral	Banks	\$6,511
CVC	Cablevision Systems Cp.*	\$25.64	Buy	Media	\$7,736	NIHD	NII Holdings Inc.	\$32.74	Buy	Telecommunication Services	\$5,440
CHD	Church & Dwight Co.	\$60.29	Sell	Household & Personal Prod.	\$4,240	NST	NSTAR*	\$34.34	Buy	Utilities	\$3,668
CVD	Covance Inc.*	\$58.11	Sell	Pharm. Biotech. & Life Sci.	\$3,719	NVR	NVR Inc.*	\$684.14	Buy	Cons. Durables & Apparel	\$4,071
CCK	Crown Holdings Inc.*	\$23.81	Neutral	Materials	\$3,824	OGE	OGE Energy Corp.*	\$36.22	Buy	Utilities	\$3,506
DLB	Dolby Laboratories (Cl A)	\$50.33	Buy	Tech. Hardware & Equip.	\$5,730	PRGO	Perrigo Co.*	\$44.28	Buy	Pharm. Biotech. & Life Sci.	\$4,064
ENR	Energizer Holdings Inc.	\$55.50	Neutral	Household & Personal Prod.	\$3,858	PXP	Plains Explor. & Prod.*	\$33.35	Sell	Energy	\$4,644
FFIV	F5 Networks Inc.	\$49.43	Buy	Tech. Hardware & Equip.	\$3,911	RAH	Ralcorp Holdings Inc.*	\$61.80	Buy	Food Beverage & Tobacco	\$3,500
GMCR	Green Mountain Coffee*	\$84.82	Buy	Food Beverage & Tobacco	\$3,704	RGA	Reinsur. Grp. of America*	\$48.72	Buy	Insurance	\$3,546
GES	Guess? Inc.*	\$39.71	Buy	Retailing	\$3,668	RMD	ResMed Inc.*	\$51.14	Sell	Health Care Equip. & Svcs.	\$3,834
HP	Helmerich & Payne Inc.	\$41.83	Buy	Energy	\$4,412	SLG	SL Green Realty Corp.*	\$45.49	Sell	Real Estate	\$3,526
HEW	Hewitt Associates (Cl A)*	\$39.48	Buy	Software & Services	\$3,693	AMTD	TD Ameritrade Holding	\$17.76	Sell	Diversified Financials	\$10,427
JBHT	J.B. Hunt Transport Svcs.	\$30.66	Sell	Transportation	\$3,901	URS	URS Corp.*	\$44.88	Sell	Capital Goods	\$3,767

\*Denotes new additions

Source: EquityCompass Strategies, FactSet Research Systems Inc.

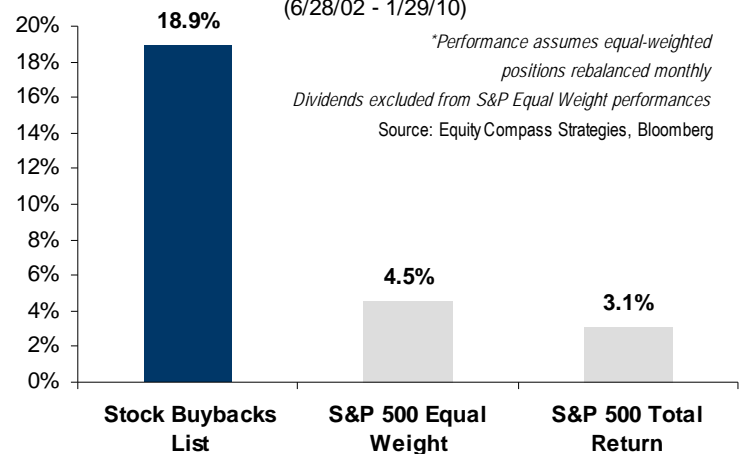
## Stock Buyback List

### 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 - 1/29/10)



### February Highlights:

- WellPoint (WLP) reported 4Q09 EPS of \$1.16, topping the \$1.08 estimate of Stifel analyst Thomas Carroll. Carroll feels WLP is well positioned due to a national footprint, diversified revenue stream, and ample cash position on its balance sheet. His target price is \$72.
- Assurant Inc. (AIZ) announced on January 21 that it agreed to pay a \$3.5 million civil fine to settle an SEC investigation involving its accounting for a recovery under a catastrophe reinsurance contract that expired in 2004. Shares rose 3.2% on the day of the announcement.

### Top 10 Stock Buybacks:

Symbol	Company Name	Price 1/29/10	Div. Yield (%)	Compass Rating	PPS	SVI Grade	RL	Sub Industry	Market Cap (Mil)	Shrs. Out (Mil)	Ann. Date	Amount	% Out.
AIZ	Assurant Inc.	\$31.43	1.91	Buy	6	A	--	Multi-line Ins.	\$3,666	117	1/25/2010	600.000 Mln \$\$	16.37%
WLP	WellPoint Inc.	\$63.72	--	Buy	2	C	--	Managed Health Care	\$29,631	465	1/27/2010	3.500 Bln \$\$	11.81%
FCN	FTI Consulting Inc.	\$41.45	--	Buy	7	A	L	Res. & Consulting Svcs.	\$2,148	52	1/27/2010	5.456 Mln Shrs.	10.53%
GME	GameStop (Cl A)	\$19.77	--	Buy	6	A	--	Computer & Elec. Retail	\$3,257	165	1/11/2010	300.000 Mln \$\$	9.21%
AHL	Aspen Ins. Hldgs.	\$26.63	2.25	Buy	6	A	--	Property & Casualty Ins.	\$2,213	83	1/6/2010	200.000 Mln \$\$	9.04%
MATW	Matthews Int'l. (Cl A)	\$33.85	0.83	Neutral	7	A	--	Specialized Cons. Svcs.	\$1,026	30	1/22/2010	2.500 Mln Shares	8.25%
WPO	Wash. Post (Cl B)	\$434.62	2.07	Neutral	7	A	--	Publishing	\$4,085	9	1/21/2010	750000.000 Shrs.	7.98%
DGX	Quest Diagnostics	\$55.67	0.72	Neutral	7	B	--	Health Care Svcs.	\$10,204	185	1/25/2010	750.000 Mln \$\$	7.35%
EV	Eaton Vance Cp.	\$28.81	2.22	Neutral	5	A	--	Asset Mgmt. & Cust. Bks.	\$3,386	118	1/15/2010	8.000 Mln Shrs.	6.81%
ABBC	Abington Bancorp	\$7.14	2.80	Sell	8	B	--	Thrifts & Mtg. Finance	\$143	20	1/14/2010	1.049 Mln Shrs.	5.23%

Source: EquityCompass Strategies, FactSet Research Systems Inc.

## 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

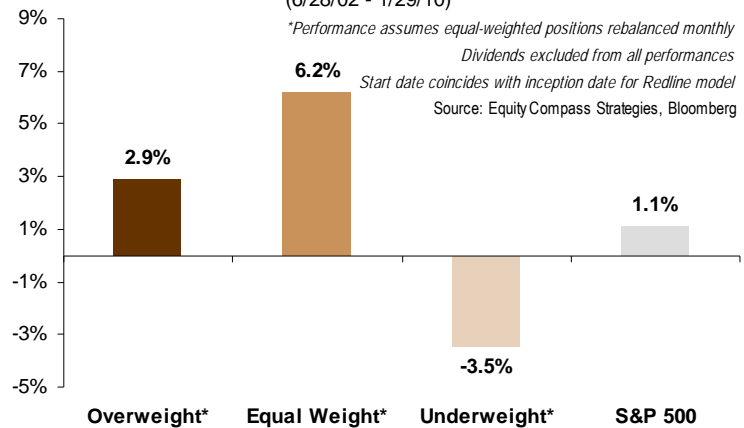
(6/28/02 - 1/29/10)

*Performance assumes equal-weighted positions rebalanced monthly*

*Dividends excluded from all performances*

*Start date coincides with inception date for Redline model*

Source: Equity Compass Strategies, Bloomberg



### Feb. 2010 - Short-Term Sector Opinion

S&P GICS Sector	*Average	
	MVD	Opinion
Materials**	-14.5%	Overweight
Energy	-9.5%	Overweight
Financials**	-5.8%	Overweight
Telecom Services**	-5.6%	Equal Weight
Information Technology	-5.4%	Equal Weight
Utilities	0.4%	Equal Weight
Consumer Discretionary	3.0%	Equal Weight
Consumer Staples**	4.1%	Underweight
Health Care**	6.5%	Underweight
Industrials	12.0%	Underweight

\* Market cap weighted

\*\* Change since prior month

Source: EquityCompass Strategies

### Historical Short-Term Sector Opinions

Month	Cons.		Energy	Fin'l	Health		Info	Tech	Mat.	Telecom	
	Disc.	Staples			Care	Indus.				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

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 — Verizon Communications (VZ), Alcon (ACL), Lorillard (LO), FPL Group (FPL)  
 (as of 1/29/10) Added — American Tower (AMT), Medco Health (MHS), Estee Lauder (EL), Consol. Edison (ED)

## U.S. Large-Cap Growth Model Portfolio (1/29/10)

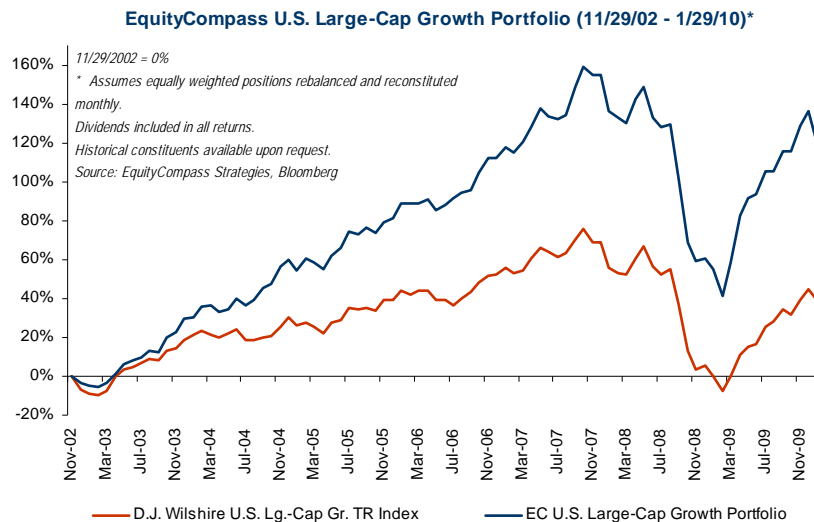
Symbol	Company Name	Price			Div. Yld. (%)	EC Rating	Sector	Sub Industry	Mkt.-Cap (Mil)	Date Added
		1/29/10	52-Wk High	52-Wk Low						
AMZN	Amazon.com Inc.	\$125.41	\$145.91	\$49.14	--	Buy	Cons. Disc.	Internet Retail	\$55,682	6/30/2008
COH	Coach Inc.	\$34.88	\$38.65	\$11.41	0.86	Buy	Cons. Disc.	Apparel, Acc. & Luxury	\$11,115	11/30/2009
SBUX	Starbucks Corp.	\$21.79	\$24.45	\$8.12	--	Buy	Cons. Disc.	Restaurants	\$16,188	11/30/2009
AVP	Avon Products Inc.	\$30.14	\$36.39	\$14.40	2.79	Neutral	Cons. Staples	Personal Products	\$12,871	10/30/2009
KO	Coca-Cola Co.	\$54.25	\$59.45	\$37.44	3.02	Neutral	Cons. Staples	Soft Drinks	\$125,535	7/31/2007
EL	Estee Lauder Cos. (CI A)	\$52.52	\$53.98	\$19.81	1.05	Buy	Cons. Staples	Personal Products	\$10,332	1/29/2010
OXY	Occidental Petroleum Corp.	\$78.34	\$85.20	\$47.50	1.68	Buy	Energy	Integrated Oil & Gas	\$63,586	7/31/2009
SWN	Southwestern Energy Co.	\$42.88	\$52.82	\$25.26	--	Buy	Energy	Oil & Gas Explor. & Prod.	\$14,796	12/31/2008
TLM	Talisman Energy Inc.	\$16.57	\$20.22	\$7.97	1.27	Buy	Energy	Oil & Gas Explor. & Prod.	\$16,816	7/31/2009
NLY	Annaly Capital Management Inc.	\$17.38	\$19.74	\$12.07	17.26	Buy	Financials	Mortgage REITs	\$9,607	9/30/2009
BLK	Blackrock Inc.	\$213.82	\$243.80	\$88.91	1.46	Buy	Financials	Asset Mgmt. & Cust. Bks.	\$10,706	10/31/2007
IVZ	INVESCO Ltd.	\$19.30	\$24.07	\$9.33	2.12	Buy	Financials	Asset Mgmt. & Cust. Bks.	\$8,275	12/31/2009
AGN	Allergan Inc.	\$57.50	\$64.08	\$35.41	0.35	Buy	Health Care	Pharmaceuticals	\$17,488	8/31/2009
ESRX	Express Scripts Inc.	\$83.86	\$93.00	\$42.75	--	Buy	Health Care	Health Care Svcs.	\$23,038	9/30/2009
MHS	Medco Health Solutions Inc.	\$61.48	\$66.94	\$36.46	--	Buy	Health Care	Health Care Svcs.	\$29,288	1/29/2010
MMM	3M Co.	\$80.49	\$85.17	\$40.87	2.53	Buy	Industrials	Industrial Conglomerates	\$57,196	8/31/2009
ITW	Illinois Tool Works Inc.	\$43.59	\$51.16	\$25.60	2.84	Buy	Industrials	Industrial Machinery	\$21,896	12/31/2009
PCP	Precision Castparts Corp.	\$105.25	\$118.62	\$47.71	0.11	Buy	Industrials	Aerospace & Defense	\$14,811	9/30/2009
CTSH	Cognizant Tech. Solutions Corp.	\$43.66	\$48.95	\$17.26	--	Buy	Info. Tech.	IT Consult. & Other Svcs.	\$12,864	10/30/2009
GOOG	Google Inc. (CI A)	\$529.94	\$629.51	\$289.45	--	Buy	Info. Tech.	Internet Software & Svcs.	\$167,958	10/31/2006
MSFT	Microsoft Corp.	\$28.18	\$31.50	\$14.87	1.85	Buy	Info. Tech.	Systems Software	\$248,294	5/31/2007
APD	Air Products & Chemicals Inc.	\$75.96	\$85.44	\$43.44	2.37	Buy	Materials	Industrial Gases	\$16,115	12/29/2006
GG	Goldcorp Inc.	\$33.96	\$46.24	\$26.15	0.53	Neutral	Materials	Gold	\$24,882	12/31/2009
PCU	Southern Copper Corp.	\$26.63	\$36.98	\$12.60	2.70	Buy	Materials	Div. Metals & Mining	\$22,636	12/31/2009
AMT	American Tower Corp.	\$42.45	\$45.00	\$25.45	--	Buy	Telecom.	Wireless Telecom. Svcs.	\$17,025	1/29/2010
T	AT&T Inc.	\$25.36	\$28.73	\$21.44	6.62	Buy	Telecom.	Integrated Telecom. Svcs.	\$149,675	3/31/2006
CCI	Crown Castle International Cp.	\$36.94	\$40.49	\$15.40	--	Buy	Telecom.	Wireless Telecom. Svcs.	\$10,756	10/30/2009
AES	AES Corp.	\$12.63	\$15.44	\$4.80	--	Buy	Utilities	IPPs & Energy Traders	\$8,430	8/31/2009
ED	Consolidated Edison Inc.	\$43.74	\$46.45	\$32.56	5.44	Buy	Utilities	Multi-Utilities	\$12,044	1/29/2010
PPL	PPL Corp.	\$29.49	\$34.42	\$24.25	4.68	Buy	Utilities	Electric Utilities	\$11,107	7/31/2007

Source: EquityCompass Strategies, FactSet Research Systems Inc.

## Performance Simulation and Risk Analysis

11/29/02 - 1/29/10	D.J. Wilshire U.S. Lg.-Cap Gr. TR Index	EC U.S. Large-Cap Growth Portfolio
Months	86	86
Total Return	38.4%	118.6%
Annualized Return	4.6%	11.5%
Rf Rate (5-Yr. Tsy.)	2.35%	2.35%
Standard Deviation	14.9%	15.1%
Sharpe Ratio	0.15	0.61
Best Monthly Return	11.0%	15.1%
Worst Monthly Return	-17.9%	-16.2%
Best 12-Month Return	37.4%	47.3%
Worst 12-Month Return	-39.9%	-39.3%
YTD	-4.6%	-7.5%
1-Month	-4.6%	-7.5%
3-Month	5.0%	1.3%
6-Month	10.6%	6.5%
1-Year	38.0%	41.3%
2-Year	-5.7%	-3.8%
3-Year	-3.9%	0.1%
5-Year	1.8%	7.2%
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.



## 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 Growth Portfolio	1.9	74%	2.05	\$16,502	1.00	8.68	17.73	12.83	1.95	3.55	33.06	0.54
Russell 1000 Index	--	--	1.58	\$4,051	1.15	9.64	15.01	8.98	1.06	2.09	29.74	0.50

# 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 — Lorillard Inc. (LO), ACE Ltd. (ACE), Amgen Inc. (AMGN)  
 (as of 1/29/10) Added — Coca-Cola Enterprises (CCE), Goldman Sachs (GS), WellPoint Inc. (WLP)

## U.S. Large-Cap Value Model Portfolio (1/29/10)

Symbol	Company Name	Price 1/29/10	52-Wk High	52-Wk Low	Div. Yld. (%)	EC Rating	Sector	Sub Industry	Mkt.-Cap (Mil)	Date Added
BBY	Best Buy Co. Inc.	\$36.65	\$45.55	\$23.97	1.53	Buy	Cons. Disc.	Computer & Elec. Retail	\$15,321	6/30/2005
DTV	DIRECTV	\$30.35	\$34.42	\$18.81	--	Buy	Cons. Disc.	Cable & Satellite	\$29,078	12/31/2009
KSS	Kohl's Corp.	\$50.37	\$60.89	\$32.50	--	Buy	Cons. Disc.	Department Stores	\$15,464	12/31/2009
CCE	Coca-Cola Enterprises Inc.	\$20.19	\$21.98	\$9.70	1.58	Buy	Cons. Staples	Soft Drinks	\$9,871	1/29/2010
CVS	CVS Caremark Corp.	\$32.37	\$38.27	\$23.74	1.08	Neutral	Cons. Staples	Drug Retail	\$45,925	10/31/2007
WMT	Wal-Mart Stores Inc.	\$53.43	\$55.20	\$46.25	2.04	Neutral	Cons. Staples	Hypermkts. & Super Ctrs.	\$203,578	12/31/2009
DO	Diamond Offshore Drilling Inc.	\$91.53	\$108.78	\$53.30	0.55	Buy	Energy	Oil & Gas Drilling	\$12,724	4/30/2009
XOM	Exxon Mobil Corp.	\$64.43	\$80.50	\$61.86	2.61	Buy	Energy	Integrated Oil & Gas	\$305,868	8/29/2003
NE	Noble Corp.	\$40.32	\$45.60	\$21.76	--	Buy	Energy	Oil & Gas Drilling	\$10,563	12/31/2009
ALL	Allstate Corp.	\$29.93	\$32.23	\$13.77	2.67	Neutral	Financials	Property & Casualty Ins.	\$16,042	11/28/2003
GS	Goldman Sachs Group Inc.	\$148.72	\$193.60	\$72.78	0.94	Buy	Financials	Inv. Banking & Brokerage	\$76,302	1/29/2010
MET	MetLife Inc.	\$35.32	\$41.45	\$11.37	2.10	Buy	Financials	Life & Health Ins.	\$28,918	11/28/2008
MCK	McKesson Corp.	\$58.82	\$64.98	\$33.13	0.82	Buy	Health Care	Health Care Dist.	\$15,823	6/30/2008
MHS	Medco Health Solutions Inc.	\$61.48	\$66.94	\$36.46	--	Buy	Health Care	Health Care Svcs.	\$29,288	3/31/2009
WLP	WellPoint Inc.	\$63.72	\$70.00	\$29.32	--	Buy	Health Care	Managed Health Care	\$29,631	1/29/2010
GD	General Dynamics Corp.	\$66.85	\$71.49	\$35.28	2.27	Buy	Industrials	Aerospace & Defense	\$25,791	11/29/2002
LMT	Lockheed Martin Corp.	\$74.52	\$87.06	\$57.41	3.38	Neutral	Industrials	Aerospace & Defense	\$28,376	3/31/2009
UTX	United Technologies Corp.	\$67.48	\$72.94	\$37.40	2.28	Buy	Industrials	Aerospace & Defense	\$63,265	1/31/2008
ACN	Accenture Plc	\$40.99	\$43.89	\$26.33	1.83	Buy	Info. Tech.	IT Consult. & Other Svcs.	\$25,895	8/31/2006
HPQ	Hewlett-Packard Co.	\$47.07	\$52.95	\$25.39	0.68	Buy	Info. Tech.	Computer Hardware	\$111,312	8/31/2005
IBM	Int'l. Business Machines Corp.	\$122.39	\$134.25	\$82.85	1.80	Buy	Info. Tech.	Computer Hardware	\$160,772	4/30/2007
DD	E.I. DuPont de Nemours & Co.	\$32.61	\$35.62	\$16.05	5.03	Buy	Materials	Div. Chem.	\$29,473	12/31/2009
IP	International Paper Co.	\$22.91	\$28.61	\$3.93	0.44	Buy	Materials	Paper Products	\$9,920	9/30/2009
PPG	PPG Industries Inc.	\$58.68	\$64.26	\$28.16	3.68	Buy	Materials	Div. Chem.	\$9,799	11/30/2009
AMT	American Tower Corp.	\$42.45	\$45.00	\$25.45	--	Buy	Telecom.	Wireless Telecom. Svcs.	\$17,025	12/31/2009
T	AT&T Inc.	\$25.36	\$28.73	\$21.44	6.62	Buy	Telecom.	Integrated Telecom. Svcs.	\$149,675	6/29/2007
VZ	Verizon Communications Inc.	\$29.42	\$34.13	\$26.10	6.46	Neutral	Telecom.	Integrated Telecom. Svcs.	\$83,435	11/30/2005
AES	AES Corp.	\$12.63	\$15.44	\$4.80	--	Buy	Utilities	IPPs & Energy Traders	\$8,430	10/30/2009
FPL	FPL Group Inc	\$48.76	\$60.61	\$41.48	3.88	Neutral	Utilities	Electric Utilities	\$20,155	9/30/2008
PPL	PPL Corp.	\$29.49	\$34.42	\$24.25	4.68	Buy	Utilities	Electric Utilities	\$11,107	7/31/2009

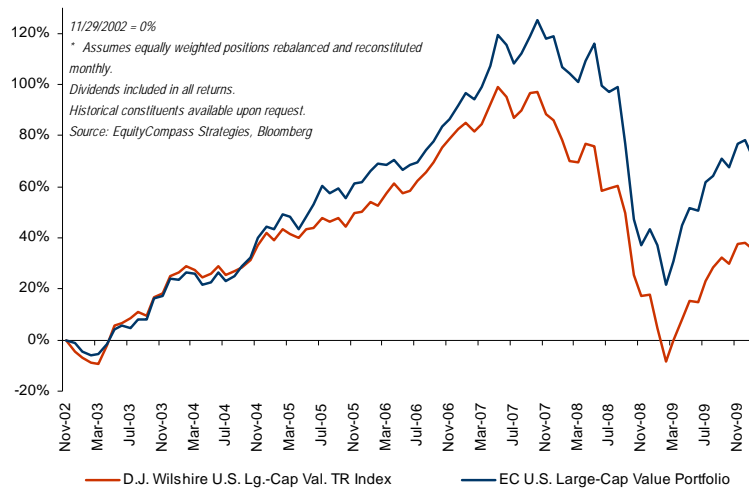
Source: EquityCompass Strategies, FactSet Research Systems Inc.

## Performance Simulation and Risk Analysis

11/29/02 - 1/29/10	D.J. Wilshire U.S. Lg.-Cap Val. TR Index	EC U.S. Large- Cap Value Portfolio
Months	86	86
Total Return	35.0%	70.5%
Annualized Return	4.3%	7.7%
Rf Rate (5-Yr. Tsy.)	2.35%	2.35%
Standard Deviation	14.9%	14.5%
Sharpe Ratio	0.13	0.37
Best Monthly Return	8.9%	10.6%
Worst Monthly Return	-16.1%	-16.7%
Best 12-Month Return	41.7%	34.5%
Worst 12-Month Return	-46.1%	-40.5%
YTD	-2.4%	-4.3%
1-Month	-2.4%	-4.3%
3-Month	4.1%	1.7%
6-Month	9.6%	5.4%
1-Year	28.8%	24.5%
2-Year	-13.0%	-9.2%
3-Year	-10.0%	-4.6%
5-Year	-0.6%	3.5%
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 - 1/29/10)\*



## 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%	1.96	\$27,136	0.96	6.53	11.04	7.13	0.70	2.45	17.97	0.61
Russell 1000 Index	--	--	1.58	\$4,051	1.15	9.64	15.01	8.98	1.06	2.09	29.74	0.50

# 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:** (as of 1/29/10)  
 Removed — Burger King Holdings Inc. (BKC), Range Resources Corp. (RRC), Lazard Ltd. (LAZ), Church & Dwight Co. (CHD), Verizon Communications Inc. (VZ)  
 Added — Wyndham Worldwide (WYN), Atlas Energy (ATLS), MSCI Inc. CI A (MXB), J.M. Smucker (SJM), tw telecom inc. CI A (TWTC)

## U.S. Mid-Cap Growth Model Portfolio (1/29/10)

Symbol	Company Name	Price 1/29/10	52-Wk High	52-Wk Low	Div. Yld. (%)	EC Rating	Sector	Sub Industry	Mkt.-Cap (Mil)	Date Added
SCI	Service Corp. International	\$7.67	\$8.49	\$2.66	2.09	Buy	Cons. Disc.	Specialized Cons. Svcs.	\$1,942	12/31/2009
WMS	WMS Industries Inc.	\$37.08	\$50.11	\$15.48	--	Buy	Cons. Disc.	Casinos & Gaming	\$2,165	9/30/2009
WYN	Wyndham Worldwide Corp.	\$20.99	\$23.53	\$2.77	0.76	Buy	Cons. Disc.	Hotels, Resorts & Cruise	\$3,746	1/29/2010
FLO	Flowers Foods Inc.	\$24.29	\$26.40	\$20.40	2.88	Buy	Cons. Staples	Packaged Foods & Meats	\$2,235	9/30/2008
SJM	J.M. Smucker Co.	\$60.07	\$63.00	\$34.09	2.33	Buy	Cons. Staples	Packaged Foods & Meats	\$7,147	1/29/2010
RAH	Ralcorp Holdings Inc.	\$61.80	\$64.90	\$52.01	--	Buy	Cons. Staples	Packaged Foods & Meats	\$3,500	7/31/2009
ATLS	Atlas Energy Inc.	\$30.25	\$32.49	\$6.98	--	Buy	Energy	Oil & Gas Explor. & Prod.	\$2,363	1/29/2010
CXO	Concho Resources Inc.	\$44.87	\$47.64	\$17.29	--	Buy	Energy	Oil & Gas Explor. & Prod.	\$3,841	6/30/2009
NE	Noble Corp.	\$40.32	\$45.60	\$21.76	--	Buy	Energy	Oil & Gas Drilling	\$10,563	3/30/2007
NLY	Annaly Capital Management Inc.	\$17.38	\$19.74	\$12.07	17.26	Buy	Financials	Mortgage REITs	\$9,607	11/28/2008
DLR	Digital Realty Trust Inc.	\$48.00	\$51.40	\$24.96	3.75	Buy	Financials	Office REITs	\$3,673	2/29/2008
MXB	MSCI Inc. (CI A)	\$29.56	\$35.10	\$12.61	--	Buy	Financials	Specialized Finance	\$2,960	1/29/2010
DNDN	Dendreon Corp.	\$27.70	\$30.90	\$2.55	--	Neutral	Health Care	Biotechnology	\$3,145	10/30/2009
IMA	Inverness Medical Innovations	\$40.37	\$44.87	\$20.99	--	Buy	Health Care	Health Care Supplies	\$3,337	8/31/2009
PRGO	Perrigo Co.	\$44.28	\$44.59	\$18.54	0.56	Buy	Health Care	Pharmaceuticals	\$4,064	11/30/2009
FCN	FTI Consulting Inc.	\$41.45	\$56.41	\$36.14	--	Buy	Industrials	Res. & Consulting Svcs.	\$2,148	5/29/2009
TDG	TransDigm Group Inc.	\$48.27	\$51.89	\$29.70	--	Neutral	Industrials	Aerospace & Defense	\$2,363	9/30/2009
GWW	W.W. Grainger Inc.	\$99.28	\$102.54	\$59.95	1.85	Buy	Industrials	Trading Cos. & Dist.	\$7,176	8/31/2009
ANSS	Ansys Inc.	\$41.86	\$44.99	\$18.00	--	Buy	Info. Tech.	Application Software	\$3,708	5/31/2007
ROVI	Rovi Corp	\$28.87	\$34.77	\$12.64	--	Buy	Info. Tech.	Systems Software	\$2,975	8/31/2009
SLH	Solera Holdings Inc.	\$33.11	\$37.76	\$19.50	0.76	Buy	Info. Tech.	Application Software	\$2,306	9/30/2009
ALB	Albemarle Corp.	\$35.72	\$38.89	\$15.54	1.40	Buy	Materials	Specialty Chem.	\$3,275	11/30/2009
CLF	Cliffs Natural Resources Inc.	\$39.95	\$55.40	\$11.80	0.88	Buy	Materials	Steel	\$5,232	12/31/2009
NLC	Nalco Holding Co.	\$23.58	\$26.63	\$9.38	0.59	Buy	Materials	Specialty Chem.	\$3,259	9/30/2009
T	AT&T Inc.	\$25.36	\$28.73	\$21.44	6.62	Buy	Telecom.	Integrated Telecom. Svcs.	\$149,675	9/30/2009
SBAC	SBA Communications Corp.	\$33.09	\$37.12	\$17.75	--	Buy	Telecom.	Wireless Telecom. Svcs.	\$3,864	12/31/2009
TWTC	tw telecom inc. (CI A)	\$15.41	\$17.65	\$6.46	--	Buy	Telecom.	Alternative Carriers	\$2,301	1/29/2010
CMS	CMS Energy Corp.	\$15.17	\$16.13	\$9.98	3.96	Buy	Utilities	Multi-Utilities	\$3,453	9/30/2009
DPL	DPL Inc.	\$26.84	\$28.86	\$19.18	4.51	Buy	Utilities	Electric Utilities	\$3,117	10/30/2009
OGE	OGE Energy Corp.	\$36.22	\$37.92	\$19.70	4.00	Buy	Utilities	Multi-Utilities	\$3,506	9/30/2009

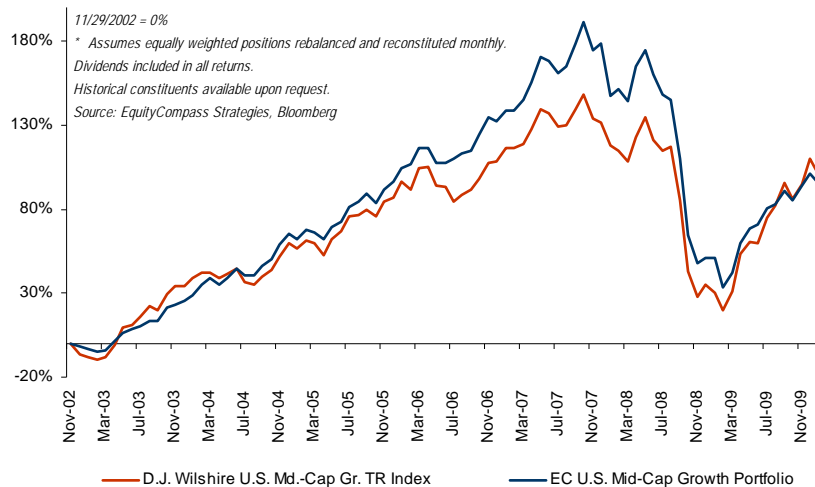
Source: EquityCompass Strategies, FactSet Research Systems Inc.

## Performance Simulation and Risk Analysis

	D.J. Wilshire U.S. Mid-Cap Gr. TR Index	EC U.S. Mid-Cap Growth Portfolio
Months	86	86
Total Return	99.8%	94.7%
Annualized Return	10.1%	9.7%
Rf Rate (5-Yr. Tsy.)	2.35%	2.35%
Standard Deviation	19.2%	17.2%
Sharpe Ratio	0.41	0.43
Best Monthly Return	16.9%	12.3%
Worst Monthly Return	-22.7%	-21.7%
Best 12-Month Return	57.2%	45.1%
Worst 12-Month Return	-45.2%	-46.8%
YTD	-4.9%	-3.1%
1-Month	-4.9%	-3.1%
3-Month	7.3%	5.3%
6-Month	14.0%	8.1%
1-Year	53.9%	28.9%
2-Year	-4.2%	-11.2%
3-Year	-2.6%	-6.6%
5-Year	5.0%	3.7%
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 - 1/29/10)\*



## 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%	1.81	\$3,395	0.98	6.93	15.19	9.94	1.64	2.40	26.92	0.56
Russell 1000 Index	--	--	1.58	\$4,051	1.15	9.64	15.01	8.98	1.06	2.09	29.74	0.50

# 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 — Amdocs Ltd. (DOX), Arch Capital Group (ACGL), Foster Wheeler Ltd. (FWLT)  
 (as of 1/29/10) Added — Skyworks Solutions (SWKS), PartnerRe Ltd. (PRE), McDermott Int'l. (MDR)

## U.S. Mid-Cap Value Model Portfolio (1/29/10)

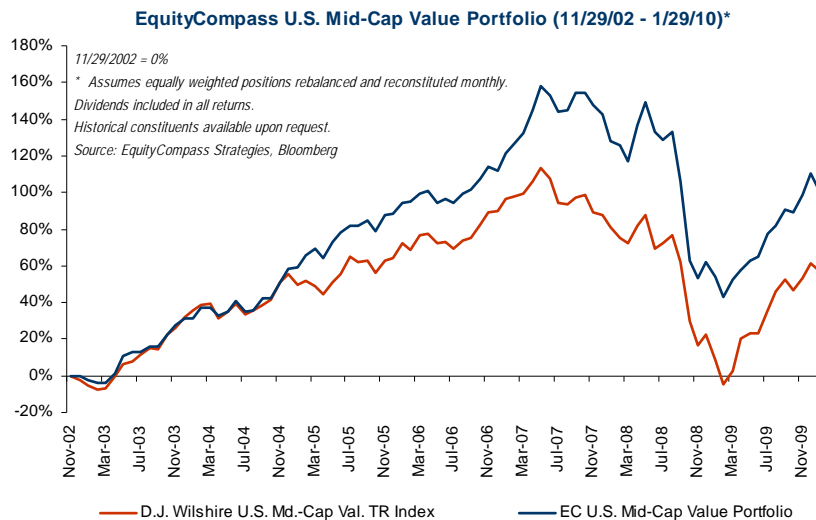
Symbol	Company Name	Price			Div. Yld. (%)	EC Rating	Sector	Sub Industry	Mkt.-Cap (Mil)	Date Added
		1/29/10	52-Wk High	52-Wk Low						
GME	GameStop Corp. (Cl A)	\$19.77	\$32.82	\$19.42	--	Buy	Cons. Disc.	Computer & Elec. Retail	\$3,257	12/31/2009
LEG	Leggett & Platt Inc.	\$18.26	\$21.44	\$10.03	5.70	Buy	Cons. Disc.	Home Furnishings	\$2,717	8/29/2008
TUP	Tupperware Brands Corp.	\$42.46	\$50.20	\$10.91	2.36	Buy	Cons. Disc.	Housewares & Specialties	\$2,686	2/29/2008
HLF	Herbalife Ltd.	\$38.85	\$45.18	\$12.12	2.16	Buy	Cons. Staples	Personal Products	\$2,362	7/31/2009
HRL	Hormel Foods Corp.	\$38.70	\$40.46	\$29.16	2.17	Neutral	Cons. Staples	Packaged Foods & Meats	\$5,170	7/29/2005
SJM	J.M. Smucker Co.	\$60.07	\$63.00	\$34.09	2.33	Buy	Cons. Staples	Packaged Foods & Meats	\$7,147	5/29/2009
XCO	EXCO Resources Inc.	\$17.54	\$22.52	\$7.70	0.57	Buy	Energy	Oil & Gas Explor. & Prod.	\$3,710	11/30/2009
NFX	Newfield Exploration Co.	\$48.94	\$54.07	\$17.09	--	Buy	Energy	Oil & Gas Explor. & Prod.	\$6,501	10/30/2009
SUG	Southern Union Co.	\$22.04	\$23.75	\$11.59	2.72	Buy	Energy	Oil & Gas Stor. & Trans.	\$2,734	10/30/2009
HCC	HCC Insurance Holdings Inc.	\$27.10	\$29.01	\$20.07	1.99	Buy	Financials	Multi-line Ins.	\$3,050	7/31/2006
PRE	PartnerRe Ltd.	\$74.59	\$81.71	\$53.92	2.52	Buy	Financials	Reins.	\$4,347	1/29/2010
THG	The Hanover Insurance Grp.	\$42.42	\$45.45	\$28.01	1.77	Neutral	Financials	Property & Casualty Ins.	\$2,125	2/29/2008
LH	Laboratory Cp. of Amer. Hldgs.	\$71.10	\$77.09	\$53.25	--	Neutral	Health Care	Health Care Svcs.	\$7,572	8/29/2008
OCR	Omnicare Inc.	\$25.00	\$29.57	\$20.55	0.36	Neutral	Health Care	Health Care Svcs.	\$2,983	2/27/2009
UHS	Universal Health Svcs. (Cl B)	\$29.16	\$33.42	\$15.22	0.69	Buy	Health Care	Health Care Facilities	\$2,869	11/29/2002
ACM	AECOM Technology Corp.	\$26.97	\$33.20	\$20.01	--	Neutral	Industrials	Construction & Eng.	\$2,991	10/30/2009
FCN	FTI Consulting Inc.	\$41.45	\$56.41	\$36.14	--	Buy	Industrials	Res. & Consult. Svcs.	\$2,148	9/30/2009
MDR	McDermott International Inc.	\$23.62	\$27.89	\$9.10	--	Buy	Industrials	Industrial Conglomerates	\$5,442	1/29/2010
FISV	Fiserv Inc.	\$45.04	\$50.91	\$29.46	--	Neutral	Info. Tech.	Data Proc. & Outs. Svcs.	\$6,932	6/30/2008
HRS	Harris Corp.	\$42.92	\$49.67	\$25.72	2.05	Buy	Info. Tech.	Communications Equip.	\$5,550	3/31/2008
SWKS	Skyworks Solutions Inc.	\$12.69	\$15.62	\$4.20	--	Buy	Info. Tech.	Semiconductors	\$2,193	1/29/2010
BLL	Ball Corp.	\$50.79	\$52.99	\$36.50	0.79	Neutral	Materials	Metal & Glass Containers	\$4,777	1/30/2009
FMC	FMC Corp.	\$50.94	\$58.13	\$34.90	0.98	Neutral	Materials	Div. Chem.	\$3,683	9/30/2008
GEF	Greif Inc. (Cl A)	\$48.36	\$59.32	\$25.65	3.14	Buy	Materials	Metal & Glass Containers	\$2,270	12/31/2007
T	AT&T Inc.	\$25.36	\$28.73	\$21.44	6.62	Buy	Telecom.	Integrated Telecom Svcs.	\$149,675	2/28/2006
NIHD	NII Holdings Inc.	\$32.74	\$38.95	\$10.23	--	Buy	Telecom.	Wireless Telecom Svcs.	\$5,440	12/31/2009
TDS	Telephone & Data Systems Inc.	\$31.55	\$35.98	\$22.01	1.36	Neutral	Telecom.	Wireless Telecom Svcs.	\$3,360	7/31/2009
CMS	CMS Energy Corp.	\$15.17	\$16.13	\$9.98	3.96	Buy	Utilities	Multi-Utilities	\$3,453	2/27/2009
DPL	DPL Inc.	\$26.84	\$28.86	\$19.18	4.51	Buy	Utilities	Electric Utilities	\$3,117	9/30/2009
OGE	OGE Energy Corp.	\$36.22	\$37.92	\$19.70	4.00	Buy	Utilities	Multi-Utilities	\$3,506	9/30/2009

Source: EquityCompass Strategies, FactSet Research Systems Inc.

## Performance Simulation and Risk Analysis

11/29/02 - 1/29/10	D.J. Wilshire U.S. Mid-Cap Val. TR Index	EC U.S. Mid-Cap Value Portfolio
Months	86	86
Total Return	57.2%	100.1%
Annualized Return	6.5%	10.2%
Rf Rate (5-Yr. Tsy.)	2.35%	2.35%
Standard Deviation	17.9%	15.4%
Sharpe Ratio	0.23	0.51
Best Monthly Return	16.7%	9.1%
Worst Monthly Return	-19.9%	-21.0%
Best 12-Month Return	49.4%	42.9%
Worst 12-Month Return	-45.7%	-38.3%
YTD	-2.6%	-4.9%
1-Month	-2.6%	-4.9%
3-Month	7.2%	5.8%
6-Month	15.9%	12.7%
1-Year	44.3%	30.0%
2-Year	-6.8%	-6.4%
3-Year	-7.1%	-3.3%
5-Year	1.0%	4.6%
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	\$3,406	0.89	5.86	11.25	6.67	0.93	1.90	12.48	0.90
Russell 1000 Index	--	--	1.58	\$4,051	1.15	9.64	15.01	8.98	1.06	2.09	29.74	0.50

# 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:** (as of 1/29/10) Removed — NTELOS Holdings (NTLS), Sensient Tech. (SXT), Quidel Corp. (QDEL), Dril-Quip Inc. (DRQ), Lance Inc. (LNCE), Cleco Corp. (CNL), NorthWestern Corp. (NWE)

Added — Neutral Tandem (TNDM), Solutia Inc. (SOA), HealthSouth Cp. (HLS), Key Energy Svcs. (KEG), B&G Foods Inc. CI A (BGS), UniSource Energy Corp. (UNS), Vectren Corp. (VVC)

## U.S. Small-Cap Growth Model Portfolio (1/29/10)

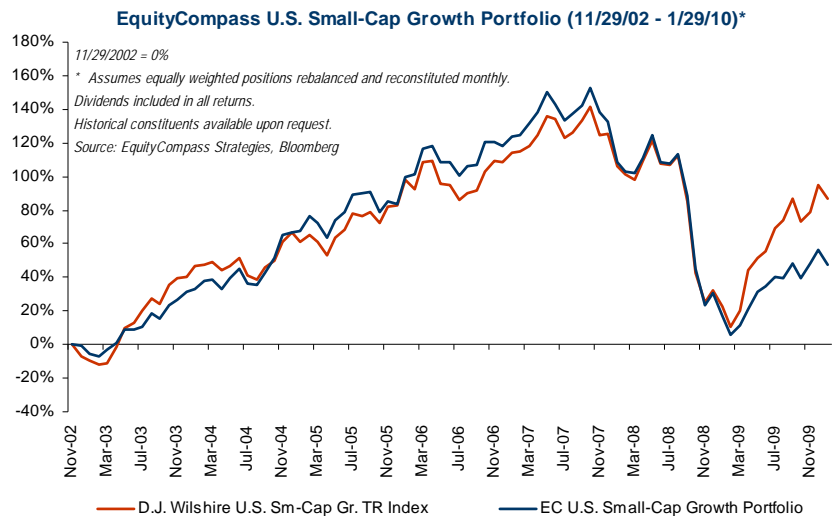
Symbol	Company Name	Price 1/29/10	52-Wk High	52-Wk Low	Div. Yld. (%)	EC Rating	Sector	Sub Industry	Mkt.-Cap (Mil)	Date Added
FSYS	Fuel Systems Solutions Inc.	\$35.64	\$52.53	\$9.83	--	Buy	Cons. Disc.	Auto Parts & Equip.	\$627	10/30/2009
FUQI	Fuqi International Inc.	\$16.45	\$32.68	\$3.31	--	International	Cons. Disc.	Apparel, Acc. & Luxury	\$454	6/30/2009
WMS	WMS Industries Inc.	\$37.08	\$50.11	\$15.48	--	Buy	Cons. Disc.	Casinos & Gaming	\$2,165	11/28/2008
BGS	B&G Foods Inc. (CI A)	\$8.98	\$10.23	\$3.51	7.57	Buy	Cons. Staples	Packaged Foods & Meats	\$425	1/29/2010
DMND	Diamond Foods Inc.	\$35.92	\$37.24	\$19.85	0.50	Buy	Cons. Staples	Packaged Foods & Meats	\$597	11/30/2009
GMCR	Green Mountain Coffee Roast.	\$84.82	\$88.65	\$23.73	--	Buy	Cons. Staples	Packaged Foods & Meats	\$3,704	4/30/2008
ARD	Arena Resources Inc.	\$38.34	\$45.72	\$18.59	--	Buy	Energy	Oil & Gas Explor. & Prod.	\$1,473	12/31/2009
KEG	Key Energy Services Inc.	\$9.67	\$11.15	\$2.12	--	Buy	Energy	Oil & Gas Equip. & Svcs.	\$1,199	1/29/2010
REXX	Rex Energy Corp.	\$12.39	\$14.12	\$0.99	--	Buy	Energy	Oil & Gas Explor. & Prod.	\$456	12/31/2009
CMO	Capstead Mortgage Corp.	\$13.28	\$15.75	\$9.08	16.27	Buy	Financials	Mortgage REITs	\$921	2/27/2009
ELS	Equity Lifestyle Properties Inc.	\$48.32	\$51.25	\$28.34	2.48	Buy	Financials	Residential REITs	\$1,467	12/31/2009
WRE	Washington REIT	\$26.19	\$30.24	\$14.63	6.81	Neutral	Financials	Div. REITs	\$1,564	4/30/2008
DXCM	DexCom Inc.	\$9.06	\$10.20	\$3.00	--	Buy	Health Care	Health Care Equip.	\$417	12/31/2009
ESC	Emeritus Corp.	\$18.20	\$24.83	\$4.88	--	Buy	Health Care	Health Care Facilities	\$714	11/30/2009
HLS	HealthSouth Corp.	\$18.01	\$20.76	\$6.71	--	Buy	Health Care	Health Care Facilities	\$1,681	1/29/2010
GEYO	GeoEye Inc.	\$25.67	\$33.00	\$17.01	--	Buy	Industrials	Aerospace & Defense	\$490	10/30/2009
HCSG	Healthcare Services Group Inc.	\$20.50	\$22.45	\$13.81	3.90	Buy	Industrials	Diversified Support Svcs.	\$891	8/31/2009
ORN	Orion Marine Group Inc.	\$18.93	\$24.98	\$7.93	--	Buy	Industrials	Construction & Eng.	\$507	8/31/2009
ASIA	Asiainfo Holdings Inc.	\$23.90	\$32.45	\$8.61	--	Buy	Info. Tech.	Application Software	\$1,112	1/30/2009
BBBB	Blackboard Inc.	\$39.41	\$46.50	\$23.53	--	Buy	Info. Tech.	Application Software	\$1,269	12/31/2008
PEGA	Pegasystems Inc.	\$33.25	\$38.45	\$13.47	0.36	Buy	Info. Tech.	Application Software	\$1,219	12/31/2009
RGLD	Royal Gold Inc.	\$42.62	\$55.96	\$34.16	0.84	Neutral	Materials	Gold	\$1,727	8/31/2009
SOA	Solutia Inc.	\$13.75	\$14.75	\$1.04	--	Buy	Materials	Div. Chem.	\$1,670	1/29/2010
TIN	Temple-Inland Inc.	\$17.37	\$23.32	\$2.37	2.30	Buy	Materials	Paper Packaging	\$1,857	8/31/2009
T	AT&T Inc.	\$25.36	\$28.73	\$21.44	6.62	Buy	Telecom.	Integrated Telecom. Svcs.	\$149,675	2/28/2006
CCOI	Cogent Commun. Group Inc.	\$10.92	\$12.78	\$5.38	--	Buy	Telecom.	Alternative Carriers	\$487	12/31/2009
TNDM	Neutral Tandem Inc.	\$15.46	\$34.56	\$15.33	--	Buy	Telecom.	Alternative Carriers	\$518	1/29/2010
CWT	California Water Service Group	\$36.32	\$46.19	\$33.49	3.28	Neutral	Utilities	Water Utilities	\$753	5/29/2009
UNS	UniSource Energy Corp.	\$30.74	\$33.55	\$22.76	3.77	Buy	Utilities	Electric Utilities	\$1,098	1/29/2010
VVC	Vectren Corp.	\$23.28	\$26.90	\$18.08	5.84	Buy	Utilities	Multi-Utilities	\$1,889	1/29/2010

Source: EquityCompass Strategies, FactSet Research Systems Inc.

## Performance Simulation and Risk Analysis

11/29/02 - 1/29/10	D.J. Wilshire U.S. Sm-Cap Gr. TR Index	EC U.S. Small- Cap Growth Portfolio
Months	86	86
Total Return	87.1%	47.5%
Annualized Return	9.1%	5.6%
Rf Rate (5-Yr. Tsy.)	2.35%	2.35%
Standard Deviation	21.2%	19.6%
Sharpe Ratio	0.32	0.16
Best Monthly Return	19.8%	9.2%
Worst Monthly Return	-22.8%	-23.1%
Best 12-Month Return	68.3%	48.9%
Worst 12-Month Return	-45.2%	-48.2%
YTD	-4.0%	-5.6%
1-Month	-4.0%	-5.6%
3-Month	8.2%	5.7%
6-Month	10.6%	5.3%
1-Year	52.3%	26.3%
2-Year	-4.7%	-16.0%
3-Year	-4.4%	-13.0%
5-Year	3.0%	-2.5%
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)	Median 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%	2.01	\$1,105	1.16	5.87	18.32	13.41	1.59	3.08	34.22	0.54
Russell 1000 Index	--	--	1.58	\$4,051	1.15	9.64	15.01	8.98	1.06	2.09	29.74	0.50

# 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 — NTELOS Holdings (NTLS), South Jersey Inds. (SJI), Tessera Tech. (TSRA), Avista Corp. (AVA) (as of 1/29/10)  
 Added — Neutral Tandem (TNDM), UniSource Energy (UNS), Vectren Corp. (VVC), Diodes Inc. (DIOD)

## U.S. Small-Cap Value Model Portfolio (1/29/10)

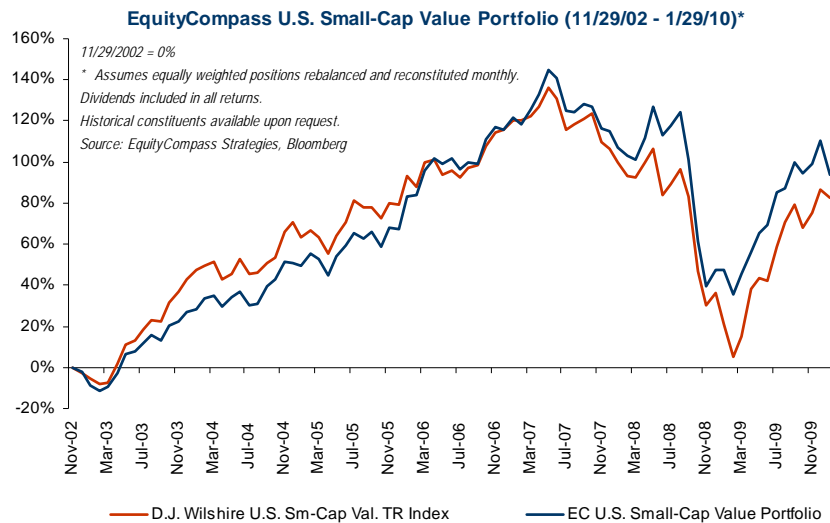
Symbol	Company Name	Price 1/29/10	52-Wk High	52-Wk Low	Div. Yld. (%)	EC Rating	Sector	Sub Industry	Mkt-Cap (Mil)	Date Added
GCO	Genesco Inc.	\$23.58	\$29.71	\$11.31	--	Neutral	Cons. Disc.	Apparel Retail	\$535	12/31/2009
MW	Men's Wearhouse Inc.	\$20.15	\$27.67	\$9.38	1.79	Buy	Cons. Disc.	Apparel Retail	\$1,054	5/31/2006
TUP	Tupperware Brands Corp.	\$42.46	\$50.20	\$10.91	2.36	Buy	Cons. Disc.	Housewares & Specialties	\$2,686	7/31/2007
CASY	Casey's General Stores Inc.	\$30.68	\$33.06	\$18.32	1.11	Neutral	Cons. Staples	Food Retail	\$1,562	3/31/2008
CQB	Chiquita Brands Int'l. Inc.	\$14.67	\$19.59	\$4.32	--	Buy	Cons. Staples	Packaged Foods & Meats	\$656	12/31/2009
NUS	Nu Skin Enterprises Inc. (CI A)	\$23.24	\$28.78	\$7.90	1.98	Buy	Cons. Staples	Personal Products	\$1,457	4/30/2008
TTES	T-3 Energy Services Inc.	\$22.55	\$28.99	\$9.00	--	Buy	Energy	Oil & Gas Equip. & Svcs.	\$292	12/31/2009
WG	Willbros Group Inc.	\$15.29	\$18.51	\$5.85	--	Buy	Energy	Oil & Gas Equip. & Svcs.	\$606	11/28/2008
INT	World Fuel Services Corp.	\$24.03	\$28.56	\$12.62	0.62	Buy	Energy	Oil & Gas Refining & Mktg.	\$1,428	3/31/2009
CMO	Capstead Mortgage Corp.	\$13.28	\$15.75	\$9.08	16.27	Buy	Financials	Mortgage REITs	\$921	10/31/2008
NITE	Knight Capital Group Inc. (CI A)	\$15.64	\$23.11	\$13.39	--	Neutral	Financials	Inv. Banking & Brokerage	\$1,467	11/30/2006
PRA	ProAssurance Corp.	\$50.76	\$55.16	\$40.31	--	Neutral	Financials	Property & Casualty Ins.	\$1,658	4/30/2008
EMS	Emergency Medical Svcs. (CI A)	\$52.51	\$56.34	\$26.64	--	Buy	Health Care	Health Care Svcs.	\$2,251	9/30/2009
IVC	Invacare Corp.	\$25.04	\$26.95	\$14.23	0.20	Buy	Health Care	Health Care Equip.	\$809	9/30/2009
OMI	Owens & Minor Inc.	\$40.09	\$48.37	\$30.19	2.29	Neutral	Health Care	Health Care Dist.	\$1,679	8/31/2007
AIT	Applied Industrial Technologies	\$21.80	\$24.56	\$14.63	2.75	Neutral	Industrials	Trading Cos. & Dist.	\$923	11/30/2007
HA	Hawaiian Holdings Inc.	\$5.94	\$9.18	\$2.17	--	Buy	Industrials	Airlines	\$306	9/30/2009
SYKE	Sykes Enterprises Inc.	\$23.98	\$26.91	\$13.16	--	Buy	Industrials	Office Svcs. & Supplies	\$991	11/30/2009
DAKT	Daktronics Inc.	\$7.81	\$9.88	\$5.89	1.22	Neutral	Info. Tech.	Electronic Equip. Mfg.	\$319	1/30/2009
DIOD	Diodes Inc.	\$16.68	\$22.17	\$6.18	--	Buy	Info. Tech.	Semiconductors	\$726	1/29/2010
JDAS	JDA Software Group Inc.	\$26.21	\$28.06	\$9.04	--	Buy	Info. Tech.	Application Software	\$905	6/30/2009
GEF	Greif Inc. (CI A)	\$48.36	\$59.32	\$25.65	3.14	Buy	Materials	Metal & Glass Containers	\$2,270	11/28/2008
KOP	Koppers Holdings Inc.	\$27.92	\$34.00	\$9.29	3.15	Buy	Materials	Commodity Chem.	\$571	9/30/2008
RKT	Rock-Tenn Co. (CI A)	\$42.69	\$53.20	\$22.84	1.41	Buy	Materials	Paper Packaging	\$1,652	12/31/2009
T	AT&T Inc.	\$25.36	\$28.73	\$21.44	6.62	Buy	Telecom.	Integrated Telecom. Svcs.	\$149,675	2/28/2006
TNDM	Neutral Tandem Inc.	\$15.46	\$34.56	\$15.33	--	Buy	Telecom.	Alternative Carriers	\$518	1/29/2010
SVR	Syniverse Holdings Inc.	\$16.81	\$19.56	\$12.03	--	Neutral	Telecom.	Wireless Telecom. Svcs.	\$1,164	10/31/2008
NWE	NorthWestern Corp.	\$24.45	\$26.85	\$18.48	5.48	Neutral	Utilities	Multi-Utilities	\$880	12/31/2009
UNS	UniSource Energy Corp.	\$30.74	\$33.55	\$22.76	3.77	Buy	Utilities	Electric Utilities	\$1,098	1/29/2010
VVC	Vectren Corp.	\$23.28	\$26.90	\$18.08	5.84	Buy	Utilities	Multi-Utilities	\$1,889	1/29/2010

Source: EquityCompass Strategies, FactSet Research Systems Inc.

## Performance Simulation and Risk Analysis

11/29/02 - 1/29/10	D.J. Wilshire U.S. Sm-Cap Val. TR Index	EC U.S. Small-Cap Value Portfolio
Months	86	86
Total Return	82.7%	93.5%
Annualized Return	8.8%	9.6%
Rf Rate (5-Yr. Tsy.)	2.35%	2.35%
Standard Deviation	19.8%	17.1%
Sharpe Ratio	0.33	0.43
Best Monthly Return	19.9%	10.0%
Worst Monthly Return	-20.0%	-19.8%
Best 12-Month Return	63.4%	51.2%
Worst 12-Month Return	-45.5%	-35.4%
YTD	-2.2%	-7.9%
1-Month	-2.2%	-7.9%
3-Month	8.6%	-0.5%
6-Month	14.9%	4.4%
1-Year	50.9%	31.2%
2-Year	-4.3%	-3.3%
3-Year	-6.0%	-4.4%
5-Year	2.2%	5.3%
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. (MRQ)	Earnings Growth (5-Yr Est.)	PEG Ratio (NTM Est.)
Small-Cap Value Portfolio	3.0	118%	2.00	\$1,022	1.02	5.58	11.99	7.01	0.52	1.90	15.52	0.77
Russell 1000 Index	--	--	1.58	\$4,051	1.15	9.64	15.01	8.98	1.06	2.09	29.74	0.50

# 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:** (as of 1/29/10) Removed — NTELOS Holdings (NTELOS), ACE Limited (ACE), Foster Wheeler Ltd. (FWLT), Arch Capital Grp. (ACGL), Range Resources Corp. (RRC)

Added — American Tower Corp. (AMT), Walter Investment Management Cp. (WAC), Ezcop Inc. CI A (EZPW), Albany International Corp. CI A (AIN), Halliburton Co. (HAL)

## U.S. All-Cap Blend Model Portfolio (1/29/10)

Symbol	Company Name	Price 1/29/10	52-Wk High	52-Wk Low	Div. Yld. (%)	EC Rating	Sector	Sub Industry	Mkt.-Cap (Mil)	Date Added
LEG	Leggett & Platt Inc.	\$18.26	\$21.44	\$10.03	5.70	Buy	Cons. Disc.	Home Furnishings	\$2,717	1/30/2009
MW	Men's Wearhouse Inc.	\$20.15	\$27.67	\$9.38	1.79	Buy	Cons. Disc.	Apparel Retail	\$1,054	3/30/2007
MNRO	Monro Muffler Brake Inc.	\$34.22	\$35.10	\$21.57	0.82	Buy	Cons. Disc.	Automotive Retail	\$673	8/31/2009
SCI	Service Corp. International	\$7.67	\$8.49	\$2.66	2.09	Buy	Cons. Disc.	Specialized Cons. Svcs.	\$1,942	12/31/2009
SHOO	Steven Madden Ltd.	\$40.14	\$45.48	\$13.42	--	Buy	Cons. Disc.	Footwear	\$727	9/30/2008
CVS	CVS Caremark Corp.	\$32.37	\$38.27	\$23.74	1.08	Neutral	Cons. Staples	Drug Retail	\$45,925	8/31/2007
FLO	Flowers Foods Inc.	\$24.29	\$26.40	\$20.40	2.88	Buy	Cons. Staples	Packaged Foods & Meats	\$2,235	6/29/2007
GMCR	Green Mountain Coffee Roasters	\$84.82	\$88.65	\$23.73	--	Buy	Cons. Staples	Packaged Foods & Meats	\$3,704	12/31/2008
HLF	Herbalife Ltd.	\$38.85	\$45.18	\$12.12	2.06	Buy	Cons. Staples	Personal Products	\$2,362	10/30/2009
WAG	Walgreen Co.	\$36.05	\$40.69	\$21.39	1.53	Buy	Cons. Staples	Drug Retail	\$35,516	11/30/2005
CHK	Chesapeake Energy Corp.	\$24.78	\$30.00	\$13.27	1.21	Neutral	Energy	Oil & Gas Explor. & Prod.	\$15,971	8/31/2009
CXO	Concho Resources Inc.	\$44.87	\$47.64	\$17.29	--	Buy	Energy	Oil & Gas Explor. & Prod.	\$3,841	8/31/2009
HAL	Halliburton Co.	\$29.21	\$34.87	\$14.68	1.23	Buy	Energy	Oil & Gas Equip. & Svcs.	\$26,347	1/29/2010
NE	Noble Corp.	\$40.32	\$45.60	\$21.76	--	Buy	Energy	Oil & Gas Drilling	\$10,563	9/29/2006
ROSE	Rosetta Resources Inc.	\$20.56	\$23.10	\$3.52	--	Buy	Energy	Oil & Gas Explor. & Prod.	\$1,049	11/30/2009
EZPW	Ezcorp Inc. (CI A)	\$18.16	\$18.70	\$9.50	--	Buy	Financials	Consumer Finance	\$884	1/29/2010
HCC	HCC Insurance Holdings Inc.	\$27.10	\$29.01	\$20.07	1.99	Buy	Financials	Multi-line Ins.	\$3,050	5/31/2007
PRA	ProAssurance Corp.	\$50.76	\$55.16	\$40.31	--	Neutral	Financials	Property & Casualty Ins.	\$1,658	1/31/2008
PSEC	Prospect Capital Corp.	\$11.41	\$13.22	\$6.18	14.33	Buy	Financials	Asset Mgmt. & Cust. Bks.	\$624	1/30/2009
WAC	Walter Investment Mgmt. Corp.	\$13.58	\$18.13	\$5.50	14.73	Buy	Financials	Mortgage REITs	\$270	1/29/2010
HLS	HealthSouth Corp.	\$18.01	\$20.76	\$6.71	--	Buy	Health Care	Health Care Facilities	\$1,681	11/30/2009
IVC	Invacare Corp.	\$25.04	\$26.95	\$14.23	0.20	Buy	Health Care	Health Care Equip.	\$809	4/30/2009
IMA	Inverness Medical Innovations	\$40.37	\$44.87	\$20.99	--	Buy	Health Care	Health Care Supplies	\$3,337	10/30/2009
RHB	RehabCare Group Inc.	\$29.06	\$34.88	\$12.44	--	Buy	Health Care	Health Care Svcs.	\$517	12/31/2009
UHS	Universal Health Svcs. (CI B)	\$29.16	\$33.42	\$15.22	0.69	Buy	Health Care	Health Care Facilities	\$2,869	11/29/2002
AIN	Albany International Cp. (CI A)	\$19.89	\$23.57	\$4.86	2.41	Buy	Industrials	Industrial Machinery	\$613	1/29/2010
FCN	FTI Consulting Inc.	\$41.45	\$56.41	\$36.14	--	Buy	Industrials	Research & Consult. Svcs.	\$2,148	5/29/2009
GEOY	GeoEye Inc.	\$25.67	\$33.00	\$17.01	--	Buy	Industrials	Aerospace & Defense	\$490	7/31/2009
HSC	Harsco Corp.	\$29.76	\$37.65	\$16.90	2.76	Buy	Industrials	Industrial Machinery	\$2,390	12/29/2006
HA	Hawaiian Holdings Inc.	\$5.94	\$9.18	\$2.17	--	Buy	Industrials	Airlines	\$306	9/30/2009
ANSS	Ansys Inc.	\$41.86	\$44.99	\$18.00	--	Buy	Info. Tech.	Application Software	\$3,708	11/30/2007
BBBB	Blackboard Inc.	\$39.41	\$46.50	\$23.53	--	Buy	Info. Tech.	Application Software	\$1,269	9/30/2008
GOOG	Google Inc. (CI A)	\$529.94	\$629.51	\$289.45	--	Buy	Info. Tech.	Internet Software & Svcs.	\$167,958	10/31/2006
HRS	Harris Corp.	\$42.92	\$49.67	\$25.72	2.05	Buy	Info. Tech.	Communications Equip.	\$5,550	2/27/2009
JDAS	JDA Software Group Inc.	\$26.21	\$28.06	\$9.04	--	Buy	Info. Tech.	Application Software	\$905	8/31/2009
CLF	Cliffs Natural Resources Inc.	\$39.95	\$55.40	\$11.80	0.88	Buy	Materials	Steel	\$5,232	12/31/2009
CCK	Crown Holdings Inc.	\$23.81	\$29.35	\$18.36	--	Neutral	Materials	Metal & Glass Containers	\$3,824	3/30/2007
FMC	FMC Corp.	\$50.94	\$58.13	\$34.90	0.98	Neutral	Materials	Div. Chem.	\$3,683	3/31/2008
GEF	Greif Inc. (CI A)	\$48.36	\$59.32	\$25.65	3.14	Buy	Materials	Metal & Glass Containers	\$2,270	11/30/2007
IPHS	Innophos Holdings Inc.	\$19.56	\$26.46	\$7.59	3.48	Buy	Materials	Specialty Chem.	\$417	8/31/2009
AMT	American Tower Corp.	\$42.45	\$45.00	\$25.45	--	Buy	Telecom.	Wireless Telecom. Svcs.	\$17,025	1/29/2010
CTL	CenturyTel Inc.	\$34.01	\$37.16	\$23.41	8.23	Neutral	Telecom.	Integrated Telecom. Svcs.	\$10,117	12/31/2008
TNDM	Neutral Tandem Inc.	\$15.46	\$34.56	\$15.33	--	Buy	Telecom.	Alternative Carriers	\$518	12/31/2009
SVR	Syniverse Holdings Inc.	\$16.81	\$19.56	\$12.03	--	Neutral	Telecom.	Wireless Telecom. Svcs.	\$1,164	11/30/2009
VZ	Verizon Communications Inc.	\$29.42	\$34.13	\$26.10	6.46	Neutral	Telecom.	Integrated Telecom. Svcs.	\$83,435	12/30/2005
CWT	California Water Service Group	\$36.32	\$46.19	\$33.49	3.28	Neutral	Utilities	Water Utilities	\$753	6/30/2009
EGN	Energen Corp.	\$43.95	\$49.16	\$23.18	1.18	Buy	Utilities	Gas Utilities	\$3,146	11/30/2005
NFG	National Fuel Gas Co.	\$46.92	\$52.00	\$26.67	2.86	Buy	Utilities	Gas Utilities	\$3,777	11/30/2005
NWE	NorthWestern Corp.	\$24.45	\$26.85	\$18.48	5.48	Neutral	Utilities	Multi-Utilities	\$880	12/31/2009
OGE	OGE Energy Corp.	\$36.22	\$37.92	\$19.70	4.00	Buy	Utilities	Multi-Utilities	\$3,506	9/30/2009

Source: EquityCompass Strategies, FactSet Research Systems Inc.

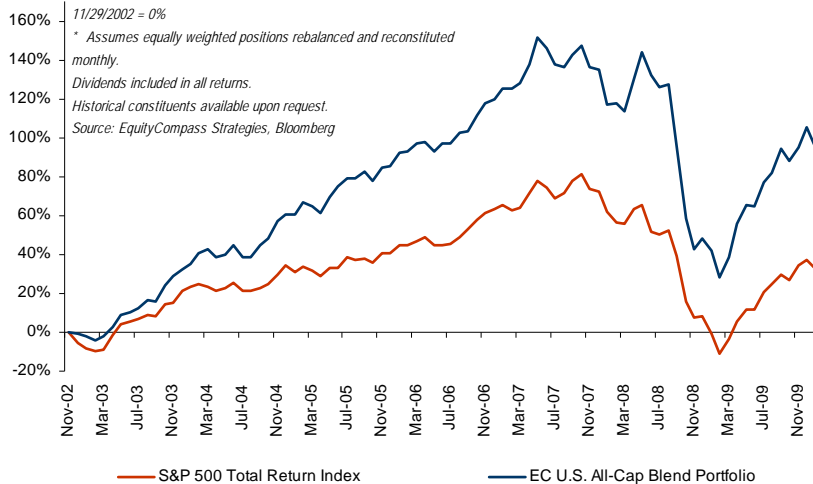
# U.S. All-Cap Blend Portfolio (continued)

## Performance Simulation and Risk Analysis

11/29/02 - 1/29/10	S&P 500 Total Return Index	EC U.S. All-Cap Blend Portfolio
Months	86	86
Total Return	32.2%	94.0%
Annualized Return	4.0%	9.7%
Rf Rate (5-Yr. Tsy.)	2.35%	2.35%
Standard Deviation	14.6%	16.1%
Sharpe Ratio	0.11	0.46
Best Monthly Return	9.6%	12.6%
Worst Monthly Return	-16.8%	-19.1%
Best 12-Month Return	38.5%	46.4%
Worst 12-Month Return	-43.3%	-41.0%
YTD	-3.6%	-5.6%
1-Month	-3.6%	-5.6%
3-Month	4.2%	3.0%
6-Month	9.9%	9.7%
1-Year	33.1%	36.9%
2-Year	-9.6%	-5.5%
3-Year	-7.2%	-4.9%
5-Year	0.2%	3.8%
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.

EquityCompass U.S. All-Cap Blend Portfolio (11/29/02 - 1/29/10)\*



### Portfolio Profile

	Avg. # Monthly Changes	Est. Annual Turnover	Avg. Ind. Dvd. Yld. (%)	Median Mkt.-Cap (\$Mil)	Ent. Val. / Avg. Beta (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.)	
All-Cap Blend Portfolio	2.5	60%	1.99	\$2,316	0.99	7.03	14.24	8.94	1.43	2.50	19.23	0.74
Russell 1000 Index	--	--	1.58	\$4,051	1.15	9.64	15.01	8.98	1.06	2.09	29.74	0.50

## EquityCompass Performance Monitor - February 2010 (Through 1/29/10)

Benchmark Indices	YTD	1M	3M	6M	9M	1Y	2Y	3Y	4Y	5Y	2001*	2002	2003	2004	2005	2006	2007	2008	2009
S&P 500	-3.7%	-3.7%	3.6%	8.7%	23.0%	30.0%	-11.7%	-9.3%	-4.3%	-1.9%	1.3%	-23.4%	26.4%	9.0%	3.0%	13.6%	3.5%	-38.5%	23.5%
S&P 500 Total Return	-3.6	-3.6	4.2	9.9	25.0	33.1	-9.6	-7.2	-2.2	0.2	1.7	-22.1	28.7	10.9	4.9	15.8	5.5	-37.0	26.5
S&P 500 Equal Weight	-3.2	-3.2	6.3	13.6	30.3	50.7	-7.4	-7.2	-2.7	0.5	1.6	-19.4	38.7	15.2	6.4	14.0	0.0	-41.0	43.3
Dow Jones Ind. Average	-3.5	-3.5	3.7	9.8	23.3	25.8	-10.8	-7.3	-1.9	-0.8	0.7	-16.8	25.3	3.1	-0.6	16.3	6.4	-33.8	18.8
S&P 500 Citigroup Growth	-5.2	-5.2	2.0	7.8	21.2	28.9	-7.4	-5.8	-2.5	-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	-2.1	-2.1	5.3	9.7	25.0	31.1	-16.3	-12.9	-6.3	-3.4	-2.8	-22.5	29.0	13.3	3.5	18.0	-0.4	-41.2	17.4
S&P 100	-3.7	-3.7	2.6	7.6	21.9	26.5	-12.3	-9.4	-3.8	-2.6	1.2	-23.9	23.8	4.5	-0.9	15.9	3.8	-37.1	19.1
NASDAQ 100	-6.4	-6.4	4.4	8.6	24.9	47.5	-2.8	-1.0	0.4	2.8	7.3	-37.6	49.1	10.4	1.5	6.8	18.7	-41.9	53.5
S&P SmallCap 600	-3.5	-3.5	7.4	8.6	23.1	37.1	-7.5	-7.7	-4.1	0.0	4.1	-15.3	37.5	21.6	6.7	14.1	-1.2	-32.0	23.8
S&P MidCap 400	-3.3	-3.3	6.6	11.9	25.2	40.9	-6.5	-5.5	-2.6	1.7	2.9	-15.4	34.0	15.2	11.3	9.0	6.7	-37.3	35.0
Russell 1000	-3.7	-3.7	4.0	9.2	23.6	31.8	-11.4	-9.1	-4.1	-1.4	1.2	-22.9	27.5	9.5	4.4	13.3	3.9	-39.0	25.5
S&P 500 Financials	-1.5	-1.5	1.0	9.2	31.3	54.0	-30.0	-27.4	-18.3	-13.8	0.5	-16.4	27.9	8.2	3.7	16.2	-20.8	-57.0	14.8
S&P 500 Info. Tech.	-8.5	-8.5	1.5	8.1	25.7	51.1	-2.9	-2.1	-0.1	1.7	8.2	-37.6	46.6	2.1	0.4	7.7	15.5	-43.7	59.9
S&P 500 Health Care	0.4	0.4	11.6	12.2	29.7	19.1	-3.4	-3.2	-0.6	1.4	2.2	-20.0	13.3	0.2	4.9	5.8	5.4	-24.5	17.1
S&P 500 Industrials	-1.2	-1.2	8.6	14.9	25.8	32.6	-15.8	-9.8	-4.6	-3.1	1.9	-27.6	29.7	15.9	0.4	11.0	9.8	-41.5	17.3
S&P 500 Energy	-4.5	-4.5	-2.8	5.3	15.3	9.7	-12.6	-2.8	-0.8	6.7	-3.0	-13.3	22.4	28.8	29.1	22.2	32.4	-35.9	11.3
S&P 500 Cons. Disc.	-3.0	-3.0	8.1	14.5	24.3	50.7	-5.6	-9.8	-3.5	-3.1	3.8	-24.4	36.1	12.1	-7.4	17.2	-14.3	-34.7	38.8
S&P 500 Cons. Staples	-1.2	-1.2	1.9	7.1	20.2	18.9	-2.3	-0.3	3.1	2.5	-0.1	-6.3	9.2	6.0	1.3	11.8	11.6	-17.7	11.2
S&P 500 Telecom. Svcs.	-9.3	-9.3	0.9	-3.7	-0.5	4.6	-17.2	-13.4	-3.8	-2.7	-5.4	-35.9	3.3	16.0	-9.0	32.1	8.4	-33.6	2.6
S&P 500 Utilities	-5.1	-5.1	4.0	1.9	14.5	2.2	-13.6	-6.9	-2.1	0.8	-15.4	-33.0	21.1	19.6	12.8	16.9	15.8	-31.5	6.8
S&P 500 Materials	-8.7	-8.7	3.1	4.3	18.6	43.0	-14.5	-6.9	-1.8	0.6	-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	-2.2	-2.2	8.6	14.9	32.4	50.9	-4.3	-6.0	-1.4	2.2	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	-4.0	-4.0	8.2	10.6	29.6	52.3	-4.7	-4.4	-1.4	3.0	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	-2.6	-2.6	7.2	15.9	31.0	44.3	-6.8	-7.1	-2.2	1.0	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	-4.9	-4.9	7.3	14.0	30.3	53.9	-4.2	-2.6	0.4	5.0	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	-2.4	-2.4	4.1	9.6	25.0	28.8	-13.0	-10.0	-3.2	-0.6	-3.3	-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	-4.6	-4.6	5.0	10.6	24.9	38.0	-5.7	-3.9	-1.0	1.8	3.9	-26.7	27.5	9.5	7.1	9.1	11.0	-37.5	37.4
<b>EquityCompass Indices<sup>1</sup></b>	<b>YTD</b>	<b>1M</b>	<b>3M</b>	<b>6M</b>	<b>9M</b>	<b>1Y</b>	<b>2Y</b>	<b>3Y</b>	<b>4Y</b>	<b>5Y</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
EC Mega Beta Index	3.3%	3.3%	15.8%	43.0%	128.6%	263.5%	11.9%	3.3%	5.2%	8.9%	--	--	138.2%	1.7%	-6.3%	28.1%	-1.9%	-62.9%	198.2%
EC Micro Beta Index	-2.1	-2.1	3.1	2.5	20.0	22.4	-11.8	-8.1	-2.0	2.0	--	--	46.3	12.3	16.1	19.7	8.2	-38.3	21.4
EC Mega Cap Index	-3.9	-3.9	2.5	7.1	22.9	26.1	-10.2	-4.3	0.6	2.4	--	--	25.8	6.5	3.2	20.2	19.5	-35.5	18.8
EC Micro Cap Index	11.0	11.0	6.5	60.1	148.6	266.3	38.6	14.3	13.0	11.4	--	--	95.5	14.4	-7.8	14.4	-16.5	-55.8	268.8
EC Mega Growth Index	-1.4	-1.4	10.0	19.9	55.0	77.0	-9.2	-5.8	-4.0	3.0	--	--	68.0	16.7	15.2	11.1	17.3	-57.1	71.5
EC Micro Growth Index	-0.6	-0.6	11.0	19.0	45.4	97.1	2.3	1.2	7.4	9.1	--	--	34.7	16.3	7.7	31.4	4.3	-44.0	84.0
EC Mega Quality Index	-2.3	-2.3	3.6	8.5	20.5	31.6	-9.9	-6.8	-2.1	-0.1	--	--	21.7	10.4	5.4	12.9	5.2	-32.9	18.9
EC Micro Quality Index	2.5	2.5	16.4	62.2	149.1	260.1	10.2	-0.4	4.5	7.3	--	--	148.5	25.1	-5.1	29.8	-4.2	-68.2	235.8
EC Mega Value Index	-1.4	-1.4	12.7	3.4	48.6	61.5	-3.4	-4.5	-4.1	1.5	--	--	100.0	8.7	6.3	5.4	3.7	-45.9	59.0
EC Micro Value Index	-0.7	-0.7	5.6	25.0	75.5	127.7	27.4	13.7	14.1	15.2	--	--	70.2	34.4	12.5	16.4	-4.5	-25.5	116.1
EC Div. Index	-2.6	-2.6	6.3	11.4	29.8	48.8	-6.2	-5.5	-0.5	3.0	--	--	37.3	21.1	9.5	18.9	2.7	-35.9	35.1
EC Non Div. Index	-2.6	-2.6	8.1	15.8	47.1	88.9	1.6	-1.3	1.7	5.6	--	--	67.0	14.7	8.5	17.0	3.2	-46.0	81.2
EC Mega Short Interest Index	-4.0	-4.0	4.4	1.7	32.9	67.6	-10.9	-13.7	-7.4	-5.0	--	--	57.0	16.1	-4.0	19.3	-11.6	-50.2	53.8
EC Micro Short Interest Index	2.9	2.9	9.2	41.4	87.6	119.8	16.8	13.1	14.0	15.7	--	--	77.7	10.7	7.5	20.9	18.5	-42.9	113.7
EC Mega Analysts' Rat. Index	-7.1	-7.1	2.2	4.8	26.2	34.1	-9.7	-6.0	-1.2	4.3	--	--	51.1	9.8	16.8	20.3	14.9	-40.8	36.0
EC Micro Analysts' Rat. Index	-4.5	-4.5	1.7	15.9	21.5	39.9	-18.7	-18.5	-10.2	-6.7	--	--	80.9	19.8	-4.0	21.6	-14.1	-48.9	33.7
EC Mega Price Index	-3.8	-3.8	6.3	12.1	24.3	31.0	-13.8	-7.4	-2.2	3.2	--	--	28.2	17.1	16.2	18.7	22.4	-45.0	27.9
EC Micro Price Index	8.4	8.4	0.8	81.2	192.2	356.6	26.6	7.3	9.4	9.7	--	--	180.9	17.9	-13.2	26.3	-13.1	-69.8	346.6
EC Mega Price Momentum Index	-3.4	-3.4	3.5	2.9	8.1	7.5	-16.2	-9.1	-5.1	-0.5	--	--	20.6	1.9	9.6	11.9	10.2	-34.5	3.2
EC Micro Price Momentum Index	5.4	5.4	12.7	55.5	162.6	284.3	10.1	17.7	18.1	16.0	--	--	102.9	26.3	-7.4	17.1	-12.2	-47.0	261.8
EC All Covered ADRs	-5.4	-5.4	3.1	11.1	47.3	78.9	-3.9	0.8	6.8	10.8	0.4	-15.7	50.8	19.0	15.9	34.2	22.8	-47.4	70.5
EC Alpha Basket Index	-3.5	-3.5	4.8	11.9	29.3	42.3	-5.5	-3.9	2.6	5.0	--	--	48.0	14.5	10.3	25.4	5.4	-36.1	38.4
EC Bear Mkt. Rec. Index	2.4	2.4	9.7	36.0	107.0	217.3	24.0	8.0	7.7	9.2	--	--	116.0	10.5	-6.0	15.4	-13.9	-51.9	201.6
<b>EquityCompass Ratings<sup>1</sup></b>	<b>YTD</b>	<b>1M</b>	<b>3M</b>	<b>6M</b>	<b>9M</b>	<b>1Y</b>	<b>2Y</b>	<b>3Y</b>	<b>4Y</b>	<b>5Y</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
All PPS 1 Rated Stocks	-3.4%	-3.4%	6.7%	10.9%	29.5%	43.0%	-11.0%	-7.5%	-1.7%	3.5%	-8.6%	-8.3%	46.9%	29.0%	18.0%	23.8%	13.9%	-44.0%	32.7%
All PPS 2 Rated Stocks	-4.1	-4.1	6.7	7.9	22.3	30.0	-9.1	-6.2	-1.6	3.4	0.6	-3.7	36.6	23.0	15.9	18.7	12.1	-36.7	24.3
All PPS 3 Rated Stocks	-5.5	-5.5	6.5	5.7	17.5	22.0	-10.7	-7.2	-3.2	1.5	5.0	-13.7	38.5	15.6	10.8	15.7	12.9	-34.3	16.3
All PPS 4 Rated Stocks	-5.3	-5.3	5.5	2.4	16.4	23.4	-12.2	-9.0	-5.2	0.0	0.8	-31.4	66.1	8.9	7.0	12.4	10.6	-37.8	19.4
All PPS 5 Rated Stocks	-2.6	-2.6	8.1	10.8	31.5	56.7	-2.1	-3.0	1.0	3.9	9.9	-22.6	46.9	14.4	6.9	16.8	2.4	-35.3	45.4
All PPS 6 Rated Stocks	-0.3	-0.3	7.0	28.8	87.5	173.5	23.6	9.8	12.2	12.9	-2.9	-28.3	57.0	29.2	6.8	21.8	-10.6	-39.5	152.7
All PPS 7 Rated Stocks	-1.5	-1.5	8.3	25.8	63.4	125.0	5.0	-1.0	4.2	5.6	2.7	-9.1	42.7	22.4	2.4	22.9	-7.1	-46.6	104.6
All PPS 8 Rated Stocks	0.7	0.7	8.3	19.6	48.1	105.3	-2.1	-5.5	-0.4	2.3	14.3	-35.4	51.6	21.3	3.3	19.0	-7.0	-49.6	82.9
All PPS 9 Rated Stocks	-1.0	-1.0	8.0	15.5	61.1	111.8	0.2	-3.5	-1.9	1.2	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	-3.5	5.7	9.7	27.5	43.8	-5.0	-4.2	0.1	3.2	--	--	32.1	18.6	9.2	15.6	6.4	-35.9	37.7
All SVI B Rated Stocks	-3.9	-3.9	6.2	11.5	30.8	54.9	-3.6	-4.2	-0.2	2.8	--	--	38.3	17.0	7.3	15.8	3.2	-38.1	46.6
All SVI C Rated Stocks	-2.5	-2.5	8.4	15.7	40.5	70.9	-2.8	-4.6	-0.5	3.6	--	--	45.4	20.8	11.8	16.6	-1.9	-40.4	56.6
All SVI D Rated Stocks	-1.1	-1.1	9.3	18.7	50.3	99.0	2.3	-1.8	2.3	5.3	--	--	57.2	19.5	5.5	19.0	-2.9	-42.8	78.4
All Redline Low Stocks	-1.1	-1.1	8.4	13.0	38.3	63.2	1.2	-3.0	2.0	6.4	--	--	53.6	17.5	16.0	21.6	-4.3	-39.1	62.9
All Redline High Stocks	-3.9	-3.9	6.5	13.0	30.8	53.9	-11.1	-9.7	-4.8	-0.9	--	--	64.4	14.4	2.9	16.4	2.0	-47.2	45.0
<b>EquityCompass Focus Lists<sup>1</sup></b>	<b>YTD</b>	<b>1M</b>	<b>3M</b>	<b>6M</b>	<b>9M</b>	<b>1Y</b>	<b>2Y&lt;/</b>												

## EquityCompass Valuation Profile - February 2010

(As of 1/29/10)

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 (MRQ)	PEG Ratio
					Int. Rat.	PPS	MVD						
S&P 1500	1,481	1.83	0.85	\$72,599	1.4	5.4	-1.2%	8.1	14.4	10.4	1.2	2.7	1.4
S&P 500	498	1.91	0.83	\$81,900	1.4	5.5	-1.3%	8.0	14.3	10.3	1.2	2.8	1.4
S&P 100	100	2.09	0.78	\$120,799	1.2	5.5	-2.5%	7.9	13.9	10.3	1.4	3.1	1.4
S&P Mid Cap	397	1.38	1.01	\$2,948	3.8	4.9	-0.6%	9.1	16.5	10.8	0.9	2.2	1.3
Dow Jones Ind Avg.	30	2.53	0.75	\$162,083	1.1	5.5	-3.7%	7.2	12.9	9.7	1.4	3.0	1.6
Nasdaq 100	99	0.96	0.80	\$100,769	1.1	4.9	-0.7%	12.1	16.1	14.0	2.4	3.5	1.1
S&P Citi Growth	305	1.76	0.82	\$87,582	1.4	5.1	-0.8%	8.8	15.0	11.9	1.8	3.8	1.4
S&P Citi Value	345	2.38	0.82	\$79,589	1.5	6.0	-2.8%	7.1	13.1	8.8	0.9	2.3	1.6
Russell 1000	949	1.82	0.86	\$72,578	1.4	5.4	-0.9%	8.1	14.5	10.4	1.2	2.8	1.4
Russell 2000	1,738	1.19	1.14	\$1,010	4.3	4.5	0.6%	11.7	17.6	12.7	0.8	2.0	1.3
Russell 3000	2,687	1.77	0.87	\$66,712	1.4	5.3	-0.9%	8.2	14.6	10.4	1.2	2.7	1.4
Russell Mid Cap	760	1.54	1.04	\$6,233	2.7	5.1	1.0%	8.9	15.7	10.5	1.0	2.5	1.3
S&P 500 Energy Index	39	2.03	1.08	\$133,919	1.1	5.8	-3.0%	4.0	12.9	8.6	1.1	2.1	1.9
S&P 500 Materials Index	31	1.75	1.29	\$21,854	1.4	5.7	0.1%	9.6	17.0	12.9	1.3	3.0	1.6
S&P 500 Industrials Index	60	2.24	1.19	\$49,037	1.0	5.7	3.4%	8.9	15.9	10.6	1.1	2.8	1.5
S&P 500 Consumer Disc. Index	79	1.38	1.00	\$28,983	2.1	4.6	-0.9%	9.3	15.9	9.6	0.9	2.5	1.3
S&P 500 Consumer Staples Index	41	2.91	0.38	\$97,185	2.0	6.2	-5.5%	9.0	13.8	10.8	0.8	3.4	1.4
S&P 500 Health Care Index	51	2.00	0.57	\$70,316	1.6	6.1	-0.3%	8.7	11.8	10.6	1.2	3.1	1.3
S&P 500 Financials Index	78	1.20	1.18	\$62,885	2.5	5.8	-0.2%	11.5	14.8	14.4	1.9	1.7	1.3
S&P 500 Info. Tech. Index	76	0.85	0.82	\$122,479	1.0	4.1	-0.7%	12.4	15.7	15.3	2.7	4.3	1.2
S&P 500 Telecom. Services Index	9	5.53	0.51	\$116,788	2.0	6.7	-6.4%	5.5	14.8	4.7	1.1	1.8	2.6
S&P 500 Utilities Index	34	4.25	0.61	\$16,045	2.8	6.8	-0.7%	7.8	12.3	6.3	1.2	1.6	2.7
Russell 1000 Val.	667	2.13	0.97	\$67,396	1.4	5.5	-0.7%	7.1	13.6	8.8	1.0	2.2	1.6
Russell 1000 Gr.	610	1.58	0.80	\$78,603	1.4	5.2	-1.3%	9.3	14.9	12.2	1.4	3.5	1.2
Russell Mid Val.	544	1.90	1.14	\$5,956	2.7	5.0	1.2%	8.1	15.2	9.1	0.8	2.0	1.5
Russell Mid Gr.	479	1.14	0.99	\$6,391	2.7	5.0	0.9%	10.0	15.9	12.0	1.2	3.1	1.2
EquityCompass Indices <sup>2</sup>	Qty	Div (%)	Beta	Mkt. Cap	Int. Rat.	PPS	MVD	EV/E (NTM)	P/E (NTM)	P/CF (NTM)	P/S (NTM)	P/BV (MRQ)	PEG Ratio
EC Mega Beta Index	50	0.16	3.68	\$892	3.3	4.7	11.3%	9.1	54.2	6.7	0.3	1.4	6.5
EC Micro Beta Index	50	1.30	0.06	\$16,862	3.1	5.9	-11.1%	8.2	12.8	10.5	1.1	3.4	1.0
EC Mega Cap Index	50	2.21	0.68	\$105,661	1.6	5.5	-1.8%	7.3	16.1	13.6	2.2	4.4	1.7
EC Micro Cap Index	50	2.16	1.40	\$177	7.3	7.4	-1.3%	--	--	--	--	--	--
EC Mega Growth Index	50	0.40	1.44	\$3,015	1.8	4.4	-2.9%	10.2	16.3	10.8	0.6	2.1	0.3
EC Micro Growth Index	50	2.90	1.24	\$20,696	1.7	4.7	0.0%	4.2	11.6	6.5	0.7	1.7	11.6
EC Mega Quality Index	50	1.80	0.72	\$40,720	2.4	5.4	-2.6%	7.6	18.6	16.9	2.7	5.7	1.5
EC Micro Quality Index	50	0.00	2.03	\$946	3.1	4.9	-1.2%	13.2	61.4	8.7	0.3	-4.6	4.8
EC Mega Value Index	50	0.28	1.26	\$7,091	3.5	5.9	5.6%	26.7	74.9	45.1	5.0	7.0	4.6
EC Micro Value Index	50	1.75	1.01	\$5,733	3.3	4.8	-6.8%	5.2	9.3	5.3	0.2	1.3	0.6
EC Div. Index	1,515	3.00	1.02	\$14,811	2.2	5.1	-0.7%	7.3	15.3	10.3	1.1	2.4	1.4
EC Non Div. Index	1,937	0.00	1.22	\$4,677	2.9	5.0	1.1%	11.5	17.5	13.3	1.1	2.6	1.2
EC Mega Short Interest Index	50	1.42	0.92	\$416	20.4	5.5	6.9%	9.3	64.7	10.9	1.0	2.4	3.3
EC Micro Short Interest Index	50	0.89	1.07	\$25,678	0.8	5.4	-6.1%	11.9	15.2	13.3	1.1	3.2	1.3
EC Mega AR Index	50	0.29	0.95	\$1,116	5.3	3.9	0.6%	9.4	13.9	10.9	1.1	2.0	1.0
EC Micro AR Index	50	1.77	1.07	\$4,177	5.9	5.5	-1.8%	9.6	17.9	10.1	0.7	2.2	1.5
EC Mega Price Index	50	0.64	0.86	\$28,807	1.9	4.5	1.4%	12.4	18.4	16.8	2.6	4.6	1.1
EC Micro Price Index	50	2.83	1.60	\$167	4.1	7.5	-24.2%	8.1	12.1	2.8	0.3	-11.0	0.8
EC Mega Mom. Index	50	1.01	0.93	\$21,092	1.8	3.3	5.5%	16.8	20.4	19.3	3.2	5.2	1.3
EC Micro Mom. Index	50	2.72	0.77	\$5,333	2.1	7.6	-3.5%	5.8	10.6	4.2	0.1	1.3	0.8
All ADRs	280	1.92	1.15	\$51,841	2.8	4.2	-4.5%	6.2	13.3	10.1	1.3	2.2	0.8
EquityCompass Ratings <sup>2</sup>	Qty	Div (%)	Beta	Mkt. Cap	Int. Rat.	PPS	MVD	EV/E (NTM)	P/E (NTM)	P/CF (NTM)	P/S (NTM)	P/BV (MRQ)	PEG Ratio
All PPS 1 Rated Stocks	200	1.60	1.31	\$7,634	2.6	1	-5.1%	5.5	11.2	7.6	0.4	1.8	0.8
All PPS 2 Rated Stocks	473	1.29	1.26	\$6,791	3.0	2	0.6%	8.0	14.0	9.3	0.9	2.4	1.1
All PPS 3 Rated Stocks	511	0.97	1.22	\$9,364	2.3	3	7.9%	10.5	19.1	16.0	1.7	3.3	1.5
All PPS 4 Rated Stocks	284	0.37	1.28	\$9,922	2.5	4	5.0%	22.0	28.9	28.8	3.5	4.9	1.7
All PPS 5 Rated Stocks	519	1.57	1.10	\$10,228	2.3	5	0.5%	7.8	15.8	10.6	1.0	2.1	1.4
All PPS 6 Rated Stocks	272	1.87	0.91	\$10,869	2.4	6	-8.9%	4.8	11.1	6.6	0.4	1.7	0.9
All PPS 7 Rated Stocks	502	1.86	0.85	\$13,541	2.1	7	-6.0%	6.6	13.6	8.7	1.0	2.2	1.3
All PPS 8 Rated Stocks	466	1.37	1.10	\$10,411	2.8	8	1.3%	10.3	18.2	14.2	1.7	2.8	1.5
All PPS 9 Rated Stocks	225	0.56	1.32	\$6,814	2.8	9	5.8%	24.3	34.2	37.8	1.9	3.1	2.3
All SVI A Rated Stocks	690	1.70	0.83	\$18,269	2.1	4.9	-0.7%	7.9	15.2	11.3	1.6	3.1	1.2
All SVI B Rated Stocks	681	1.41	1.00	\$8,552	2.4	4.8	-0.8%	7.1	16.4	11.2	1.2	2.6	1.2
All SVI C Rated Stocks	685	1.31	1.21	\$6,366	2.8	4.8	0.2%	8.6	16.1	10.8	0.9	2.1	1.3
All SVI D Rated Stocks	681	0.78	1.60	\$3,621	2.8	5.3	2.6%	9.5	20.0	14.1	0.5	1.8	1.7
All Redline Low Stocks	290	2.12	0.66	\$9,809	2.8	5.4	-17.8%	7.4	13.4	9.6	0.9	2.7	1.0
All Redline High Stocks	291	1.05	1.32	\$6,721	2.7	4.6	20.8%	10.1	16.4	12.4	1.2	2.6	1.6
All EC "Buy" Rated Stocks	1,344	1.34	1.11	\$9,933	2.5	3.0	-0.7%	8.2	15.8	11.6	1.1	2.8	1.2
All EC "Neutral" Rated Stocks	761	1.35	1.00	\$13,138	2.1	4.9	-0.7%	6.8	15.3	10.2	1.1	2.3	1.3
All EC "Sell" Rated Stocks	1,347	1.28	1.20	\$7,728	2.8	7.1	1.8%	9.3	17.7	12.1	0.9	2.1	1.4
EquityCompass Focus Lists <sup>2</sup>	Qty	Div (%)	Beta	Mkt. Cap	Int. Rat.	PPS	MVD	EV/E (NTM)	P/E (NTM)	P/CF (NTM)	P/S (NTM)	P/BV (MRQ)	PEG Ratio
Quality Momentum	50	1.64	1.05	\$16,635	2.2	2.5	4.2%	7.6	13.6	10.3	1.9	4.3	1.0
High Dividend	20	5.98	0.86	\$22,481	2.8	5.2	-6.5%	5.8	15.3	6.7	1.0	2.0	1.9
Oversold Quality	11	2.52	0.31	\$38,503	2.1	6.7	-16.5%	8.5	12.7	10.0	1.3	3.8	1.1
Research Focus List	14	1.31	0.44	\$22,522	2.1	5.9	-15.4%	5.8	14.0	10.6	1.0	2.3	1.0
Mispriced Large-Cap	15	2.43	0.43	\$13,200	2.3	5.7	-20.6%	8.6	12.7	10.6	1.1	5.5	1.1
EC Coverage Universe <sup>2</sup>	3,452	1.32	1.12	\$9,953	2.5	5.0	0.1%	8.0	16.1	11.4	1.1	2.5	1.3
EC Coverage Univ. (Ex ADRs) <sup>2</sup>	3,172	1.26	1.12	\$9,126	2.5	5.1	0.2%	8.2	16.2	11.4	1.1	2.5	1.3

<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 1/29/10	52W High	52W Low	Div. Yield (%)	Sector	Market Cap (Mil)	Compass Rating	Quality Momentum	High Dividend	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	
COMS	3Com Corp.	\$7.45	\$7.65	\$2.02	--	Info. Tech.	\$2,949	Neutral																●
AAN	Aaron's Inc.	\$27.86	\$35.21	\$20.87	0.26	Cons. Disc.	\$1,511	Buy				●												●
ABBC	Abington Bancorp Inc	\$7.14	\$9.40	\$5.88	2.80	Financials	\$143	Sell																●
ADTN	Adtran Inc.	\$21.20	\$26.14	\$13.70	1.70	Info. Tech.	\$1,331	Buy				●												
AAP	Advance Auto Parts Inc.	\$39.45	\$47.41	\$31.64	0.61	Cons. Disc.	\$3,734	Neutral																●
ACS	Affiliated Computer Svcs. (CI A)	\$61.52	\$65.09	\$42.53	--	Info. Tech.	\$6,007	Neutral																●
APD	Air Products & Chemicals Inc.	\$75.96	\$85.44	\$43.44	2.37	Materials	\$16,115	Buy	●															
ARG	Airgas Inc.	\$42.26	\$51.00	\$26.29	1.70	Materials	\$3,463	Buy		●			●											
AIRV	Airvana Inc.	\$7.57	\$7.67	\$4.84	--	Info. Tech.	\$474	Neutral																●
AIN	Albany International Cp. (CI A)	\$19.89	\$23.57	\$4.86	2.41	Industrials	\$613	Buy																●
ACL	Alcon Inc.	\$155.71	\$166.71	\$76.03	2.34	Health Care	\$46,555	Neutral																●
AGN	Allergan Inc.	\$57.50	\$64.08	\$35.41	0.35	Health Care	\$17,488	Buy	●															
ALD	Allied Capital Corp.	\$4.16	\$4.55	\$0.58	--	Financials	\$746	Neutral																●
AMZN	Amazon.com Inc.	\$125.41	\$145.91	\$49.14	--	Cons. Disc.	\$55,682	Buy																●
AMX	America Movil S.A.B. (ADS)	\$43.65	\$50.23	\$23.35	1.04	Telecom.	\$70,931	Buy	●															
AMT	American Tower Corp.	\$42.45	\$45.00	\$25.45	--	Telecom.	\$17,025	Buy						●										●
CRMT	America's Car-Mart Inc.	\$23.53	\$27.25	\$8.79	--	Cons. Disc.	\$276	Buy	●															●
AME	Ametek Inc.	\$36.44	\$39.79	\$24.54	0.66	Industrials	\$3,930	Sell																●
ADI	Analog Devices Inc.	\$26.96	\$32.19	\$17.82	2.97	Info. Tech.	\$7,869	Buy					●											
ANSS	Ansys Inc.	\$41.86	\$44.99	\$18.00	--	Info. Tech.	\$3,708	Buy																●
AHL	Aspen Insurance Holdings Ltd.	\$26.63	\$28.44	\$18.46	2.25	Financials	\$2,213	Buy																●
AIZ	Assurant Inc.	\$31.43	\$33.37	\$16.34	1.91	Financials	\$3,666	Buy																●
T	AT&T Inc.	\$25.36	\$28.73	\$21.44	6.62	Telecom.	\$149,675	Buy	●															
ATLS	Atlas Energy Inc.	\$30.25	\$32.49	\$6.98	--	Energy	\$2,363	Buy							●									
AZO	AutoZone Inc.	\$155.03	\$169.99	\$129.21	--	Cons. Disc.	\$7,663	Buy					●											
BGS	B&G Foods Inc. (CI A)	\$8.98	\$10.23	\$3.51	7.57	Cons. Staples	\$425	Buy										●						
BARE	Bare Escentuals Inc.	\$18.17	\$18.20	\$2.45	--	Cons. Staples	\$1,672	Neutral																●
BKS	Barnes & Noble Inc.	\$17.48	\$28.78	\$15.28	5.72	Cons. Disc.	\$966	Buy		●														
BEC	Beckman Coulter Inc.	\$65.37	\$71.57	\$40.04	1.10	Health Care	\$4,530	Neutral																●
BFRM	BioForm Medical Inc.	\$5.46	\$5.70	\$0.88	--	Health Care	\$254	Neutral																●
BJS	BJ Services Co.	\$20.67	\$22.00	\$8.72	0.97	Energy	\$6,039	Neutral																●
BDK	Black & Decker Corp.	\$64.66	\$72.82	\$20.10	0.74	Cons. Disc.	\$3,894	Neutral																●
BPFH	Boston Private Fin'l. Hldgs.	\$7.17	\$8.36	\$2.07	0.56	Financials	\$492	Neutral																●
BP	BP PLC (ADS)	\$56.12	\$62.38	\$33.70	5.99	Energy	\$175,278	Buy		●														
CFL	Brink's Home Security Hldgs.	\$41.00	\$41.95	\$19.31	--	Cons. Disc.	\$1,878	Neutral																●
BNI	Burlington Northern Santa Fe	\$99.73	\$99.90	\$50.86	1.60	Industrials	\$33,978	Neutral																●
CVC	Cablevision Systems Corp.	\$25.64	\$27.73	\$9.34	1.56	Cons. Disc.	\$7,736	Buy	●															●
CNI	Canadian National Railway Co.	\$49.93	\$57.22	\$29.39	2.04	Industrials	\$23,517	Buy	●															
CFW	Cano Petroleum Inc.	\$0.99	\$1.55	\$0.24	--	Energy	\$45	Neutral																●
CMN	Cantel Medical Corp.	\$19.28	\$21.41	\$11.15	0.52	Health Care	\$322	Buy	●															
CFFN	Capitol Federal Financial	\$32.62	\$44.93	\$28.19	6.13	Financials	\$2,391	Sell																●
CECO	Career Education Corp.	\$21.75	\$28.87	\$17.95	--	Cons. Disc.	\$1,882	Buy				●												
CF	CF Industries Holdings Inc.	\$92.86	\$102.89	\$45.55	0.43	Materials	\$4,509	Neutral																●
CHTT	Chattem Inc.	\$93.46	\$93.46	\$50.10	--	Cons. Staples	\$1,780	Neutral																●
CHRD	Chordiant Software Inc.	\$3.70	\$4.32	\$2.03	--	Info. Tech.	\$112	Neutral																●
CHD	Church & Dwight Co.	\$60.29	\$64.09	\$45.41	0.93	Cons. Staples	\$4,240	Sell																●
CINF	Cincinnati Financial Corp.	\$26.39	\$27.37	\$17.84	5.99	Financials	\$4,275	Buy		●														
CMS	CMS Energy Corp.	\$15.17	\$16.13	\$9.98	3.96	Utilities	\$3,453	Buy	●															
CISG	Cnisure Inc.	\$18.61	\$24.74	\$6.26	--	Financials	\$849	Buy	●															
CCE	Coca-Cola Enterprises Inc.	\$20.19	\$21.98	\$9.70	1.58	Cons. Staples	\$9,871	Buy							●									
KOF	Coca-Cola Femsa (ADS)	\$61.91	\$67.55	\$25.96	1.67	Cons. Staples	\$11,432	Buy	●															
CBD	Comp. Brasil. de Distrib. (ADS)	\$66.72	\$79.16	\$22.38	0.10	Cons. Staples	\$5,165	Buy	●															
ABV	Comp. de Bebidas das Amer.	\$92.56	\$107.50	\$36.63	1.96	Cons. Staples	\$57,058	Buy	●															
CIG	Comp. Ener.-CEMIG (ADS)	\$16.67	\$20.49	\$9.91	4.79	Utilities	\$5,710	Buy	●															
CNX	Consol Energy Inc.	\$46.61	\$58.00	\$22.47	0.86	Energy	\$8,440	Buy	●															
ED	Consolidated Edison Inc.	\$43.74	\$46.45	\$32.56	5.44	Utilities	\$12,044	Buy		●				●										
CNW	Con-Way Inc.	\$28.62	\$48.32	\$12.99	1.40	Industrials	\$1,405	Buy				●												
CPA	Copa Holdings S.A. (CI A)	\$51.98	\$58.37	\$20.36	0.71	Industrials	\$2,253	Buy	●															
CVD	Covance Inc.	\$58.11	\$61.59	\$32.31	--	Health Care	\$3,719	Sell																●
CCK	Crown Holdings Inc.	\$23.81	\$29.35	\$18.36	--	Materials	\$3,824	Neutral																●
CYMI	Cymer Inc.	\$31.37	\$40.06	\$16.66	--	Info. Tech.	\$938	Buy				●												
DO	Diamond Offshore Drilling Inc.	\$91.53	\$108.78	\$53.30	0.55	Energy	\$12,724	Buy	●															
DIOD	Diodes Inc.	\$16.68	\$22.17	\$6.18	--	Info. Tech.	\$726	Buy																●
DFS	Discover Financial Services	\$13.68	\$17.36	\$4.73	0.58	Financials	\$7,427	Buy					●											





(continued)

Aggregate Stock Selection List									Lists					Model Ports (New Add.)						Spec. Sit.		
									Quality Momentum	High Dividend	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
Symbol	Company Name	Price 1/29/10	52W High	52W Low	Div. Yield (%)	Sector	Market Cap (Mil)	Compass Rating														
URS	URS Corp.	\$44.88	\$53.12	\$27.66	--	Industrials	\$3,767	Sell										●				
VARI	Varian Inc.	\$51.56	\$52.00	\$19.83	--	Health Care	\$1,494	Neutral										●				
VVC	Vectren Corp.	\$23.28	\$26.90	\$18.08	5.84	Utilities	\$1,889	Buy		●				●	●							
VIV	Vivo Participacoes S/A (ADS)	\$27.99	\$33.31	\$12.93	1.43	Telecom.	\$7,342	Buy	●													
WDR	Waddell & Reed Fin'l. (CI A)	\$31.33	\$33.18	\$11.40	2.43	Financials	\$2,688	Buy	●		●											
WAC	Walter Investment Mgmt. Cp.	\$13.58	\$18.13	\$5.50	14.73	Financials	\$270	Buy									●					
WPO	Washington Post Co. (CI B)	\$434.62	\$495.60	\$300.16	2.07	Cons. Disc.	\$4,085	Neutral										●				
WSII	Waste Services Inc.	\$9.08	\$10.06	\$3.87	--	Industrials	\$420	Neutral										●				
WLP	WellPoint Inc.	\$63.72	\$70.00	\$29.32	--	Health Care	\$29,631	Buy			●							●				
WGL	WGL Holdings Inc.	\$31.73	\$35.52	\$28.59	4.63	Utilities	\$1,591	Buy		●												
WYN	Wyndham Worldwide Corp.	\$20.99	\$23.53	\$2.77	0.76	Cons. Disc.	\$3,746	Buy				●										
XLNX	Xilinx Inc.	\$23.58	\$25.62	\$16.11	2.71	Info. Tech.	\$6,527	Buy														
XTO	XTO Energy Inc.	\$44.57	\$49.10	\$28.64	1.12	Energy	\$25,864	Neutral										●				
ZIGO	Zygo Corp.	\$10.59	\$10.97	\$3.06	--	Info. Tech.	\$180	Neutral										●				

Source: EquityCompass Strategies

# Investment Portfolio & Product Strategies

## Tactical Total Core Strategy

### Investment Objective:

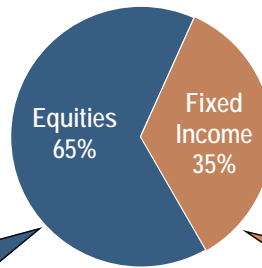
Tactical Total Core is an asset allocation strategy that seeks to effectively capture market returns while minimizing volatility and meant to be the solid foundation of an investor's entire investment portfolio.

### 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

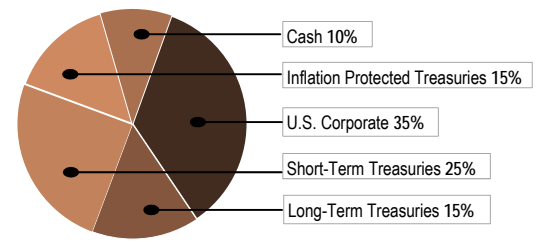
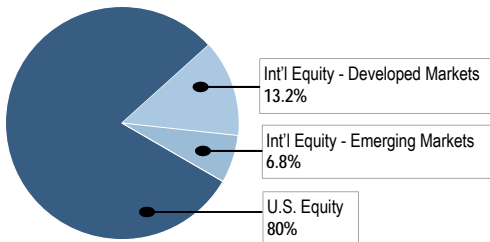


### Equity Allocation

- Emphasizes diversification, volatility control, and excess return potential
- U.S. Equity is represented by the EquityCompass All-Cap Blend Model Portfolio (see page 24)
- Allocation is 67% to fully invested equity strategies and 33% to Equity Risk Manager (see page 33)
- 20% of the fully invested equity strategies are allocated to international stocks (2/3 developed and 1/3 emerging)

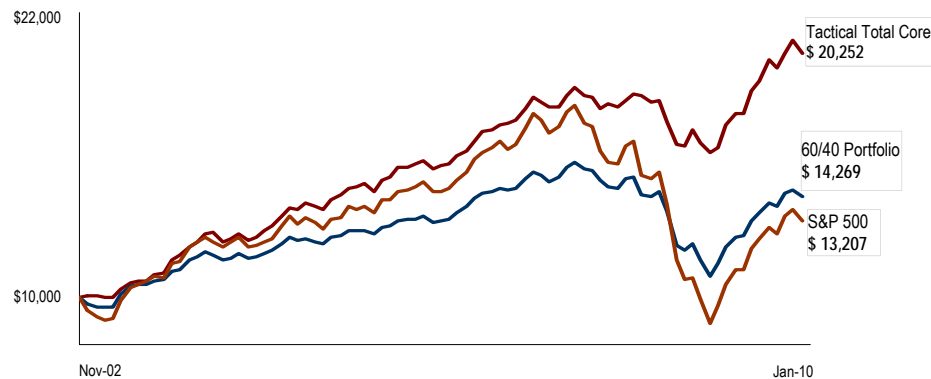
### Fixed Income Allocation

- 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



### Growth of \$10,000

Simulated Performance | 29 Nov 2002 - 29 Jan 2010 | Monthly Data

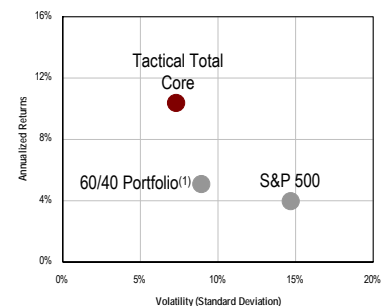


### Model Portfolio Metrics

	Tactical Total Core	Benchmark <sup>(1)</sup>
# of Holdings	56	-
Cash Position	4.5%	-
Std Deviation	7.3%	8.9%
Sharpe Ratio	1.1	0.3
Beta	0.7	-
Alpha	6.7%	-
Tracking Error	4.5%	-
Information Ratio	1.2	-
Up-Market Capture <sup>(2)</sup>	71.4%	63.2%
Down-Market Capture <sup>(2)</sup>	39.0%	58.8%

### Historical Risk-Return Simulation

29 Nov 2002 - 29 Jan 2010 | Monthly Data | Includes Dividends



(1) 60% S&P 500 Total Return Index and 40% Barclays Capital Aggregate Bond Index  
(2) Using S&P 500 Total Return Index as the benchmark

### Performance Summary

Simulated Performance | 29 Nov 2002 - 29 Jan 2010 | Monthly Data

Total Returns					
	1-Month	3-Month	6-Month	YTD 2010	Inception
Tactical Total Core	-2.7%	3.1%	8.4%	-2.7%	102.5%
60/40 Portfolio <sup>(1)</sup>	-1.6%	3.2%	7.7%	-1.6%	42.7%
S&P 500 Total Return	-3.7%	4.1%	9.8%	-3.7%	32.1%

Average Annual Total Returns					
	1-Year	2-Year	3-Year	5-Year	Inception
Tactical Total Core	22.8%	6.2%	5.5%	8.1%	10.3%
60/40 Portfolio <sup>(1)</sup>	23.0%	-2.1%	-0.8%	2.9%	5.1%
S&P 500 Total Return	33.0%	-9.7%	-7.3%	0.2%	4.0%

# Investment Portfolio & Product Strategies

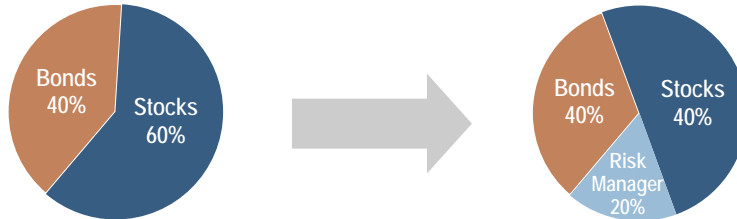
## Equity Risk Manager

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 –

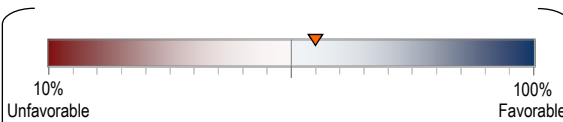
ERM will analyze fundamental and technical indicators and determine whether to be fully invested in the S&P 500 or, when conditions are unfavorable, reduce equity exposure by shifting an amount to cash or inverse (short).

#### Monthly Indicators

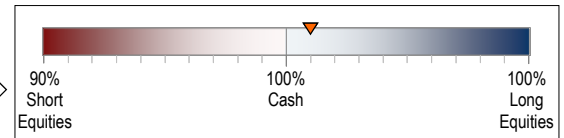
**Fundamental**  
Forward change in S&P 500 over next 12 months

**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

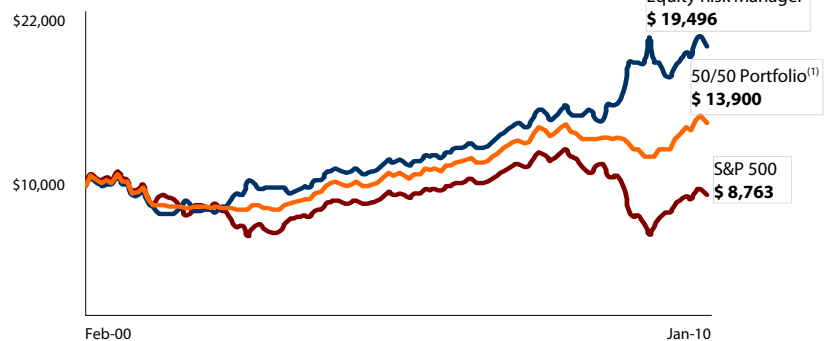
Equity Exposure Index	Cash	Long S&P 500	Short S&P 500 (Inverse)
100%	0%	100%	0%
95%	5%	95%	0%
90%	10%	90%	0%
85%	15%	85%	0%
80%	20%	80%	0%
75%	25%	75%	0%
70%	30%	70%	0%
65%	35%	65%	0%
60%	40%	60%	0%
55%	45%	55%	0%
50%	100%	0%	0%
45%	45%	0%	55%
40%	40%	0%	60%
35%	35%	0%	65%
30%	30%	0%	70%
25%	25%	0%	75%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

Source: EquityCompass Strategies

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

#### 10-Year Growth of \$10,000

1 Feb 2000 - 29 Jan 2010



#### Historical Risk-Return Simulation

31 Dec 1989 - 29 Jan 2010

	S&P 500	Equity Risk Manager	50/50 Portfolio(1)
Cumulative Return	366.9%	707.2%	554.9%
Annualized Return	8.0%	11.0%	9.8%
Std. Deviation	15.0%	12.4%	11.3%
Sharpe Ratio	0.37	0.69	0.66

(1) Portfolio of 50% S&P 500 & 50% Equity Risk Manager

For additional details please refer to the EquityCompass white paper "The Blueprint for Core Investing" available from your Stifel Nicolaus Financial Advisor.

## Important Disclosures

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. For more information about Stifel Nicolaus' investment advisory programs, including applicable fee schedules, please contact your Financial Advisor to request a copy of the Stifel Nicolaus ADV Part II or equivalent disclosure brochure. 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. Tactical asset allocations are determined by technical assumptions. The effectiveness of the hedging technique relies on the baseline assumptions that could differ significantly from market returns or expected hedge returns. When investing in bonds, it is important to note that as interest rates rise, bond prices will fall. Corporate bonds are considered higher risk than government bonds. Treasury bonds are marketable, fixed-interest U.S. government debt securities with maturities of more than 10 years. Treasury bonds make interest payments semi-annually and the income that holders receive is only taxed at the federal level. The risk of loss in trading commodities and futures can be substantial. You should therefore carefully consider whether such trading is suitable for you in light of your financial condition. The high degree of leverage that is often obtainable in commodity trading can work against you as well as for you. The use of leverage can lead to large losses as well as gains. Investing in emerging markets may involve greater risk and volatility than investing in more developed countries. There are special considerations associated with international investing, including the risk of currency fluctuations and political and economic events. Due to their narrow focus, sector-based investments typically exhibit greater volatility and are generally associated with a high degree of risk. Investing in low-priced securities carries a high degree of risk and may not be suitable for all investors. The market risk associated with small-cap and mid-cap stocks is generally greater than that associated with large-cap stocks because small-cap and mid-cap stocks tend to experience sharper price fluctuations than large-cap stocks, particularly during bear markets. 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. A total return index tracks both the capital gains of a group of stocks over time, and assumes that any cash distributions, such as dividends, are reinvested back into the index. 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. Exchange Traded Funds (ETFs) represent a share of all stocks in a respective index. Inverse ETFs are constructed by using various derivatives for the purpose of profiting from a decline in the value of an underlying benchmark. Investing in inverse ETFs is similar to holding various short positions, or using a combination of advanced investment strategies to profit from falling prices. 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. Risks, charges, and other expenses associated with ETFs should be considered carefully before investing. Pricing and other important information can be found in the ETF's prospectus, which is available from your Financial Advisor.

Performance information presented herein is based on simulated data over various periods of time. Simulated performance data is hypothetical and provided for informational purposes only. It does not reflect actual performance of client portfolios. Performance simulations typically include the reinvestment of dividends but do not include adjustments for brokerage, custodian, or advisory fees. There is no guarantee that the figures or opinions forecasted in this report will be realized or achieved. Past performance should not and cannot be viewed as an indicator of future performance.

### Special Note for Stifel Research

The opinions expressed in this list are based on a hybrid combination of quantitative/technical (EquityCompass) and fundamental (Stifel Nicolaus Equity Research) analyses. EquityCompass quantitative/technical ratings and opinions can and do differ from Stifel Nicolaus fundamental research opinions. Access to Stifel Nicolaus' fundamental research is available through Stifel, Nicolaus & Company, Incorporated. Performance prior to December 2005 reflects data from Legg Mason EquityCompass published by Legg Mason Wood Walker, Incorporated, the prior owner of part of the Stifel Nicolaus Capital Markets business, during the period of time that the research analysts covering those stocks were employed by Legg Mason Wood Walker, Incorporated. Performance prior to July 2008 reflects data from the Stifel Nicolaus EquityCompass published by the Portfolio Strategy Group, part of the Stifel Nicolaus Capital Markets business, during the period of time that the research analysts covering those stocks were employed by Stifel, Nicolaus & Company, Incorporated. Stifel, Nicolaus & Company, Incorporated's research analysts receive compensation that is based upon (among other factors) Stifel Nicolaus' overall investment banking revenues. Stifel Nicolaus' investment rating system is three tiered, defined as follows:

**BUY** – Stifel Nicolaus 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 Nicolaus expects a total return in excess of 12% over the next 12 months.

**HOLD** – Stifel Nicolaus 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 Nicolaus is comfortable with the safety of the dividend, but believes that upside in the share price is limited.

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

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### Additional Information Available Upon Request

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