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EquityCompass Strategies

Richard E. Cripps, CFA
443.224.1321, rcripps@stifel.com

Larry C. Baker, CFA
443.224.1320, bakerlc@stifel.com

Timothy M. McCann
617.737.5439, tmmccann@stifel.com

Michael S. Scherer
443.224.1364, msscherer@stifel.com

www.equitycompass.com

Highlights:

- Share repurchase and dividends are considered by corporations as a means of returning benefit to shareholders. Companies in the S&P 500 currently appear to be fairly valued based on a combination of dividend yield and the funds flowing to share repurchase (5.3% of the market capitalization — in line with historical averages). However, given their exceptionally strong cash position (13.8% of net worth) and low payout ratio (37% vs. the historical average of 58.7%), there exists a strong potential for an increase in funds allocated to shareholder rewards. *(see page 3)*
- The EquityCompass model that identifies stocks mispriced as a result of investor over-/underreaction has been generating strong returns since its inception in 2002 (outperforming the equally weighted S&P 500 by 5.9% on an annual basis) and is an integral part of the investment process behind the numerous portfolio strategies and stock lists we provide. *(see page 7)*
- As investors fled economic risk, the S&P 500 declined 5.4% in June to conclude the worst quarter for equity markets since the fourth quarter of 2008. At current levels, the market is reflecting expectations of not just slowed earnings growth, but a 5% decline in earnings. Investors expecting even modest earnings growth should see the current pullback as a buying opportunity. *(see page 5)*

Chart 1 S&P 500 Price-to-Earnings Ratio

6/28/2002-6/30/2010 | Source: EquityCompass Strategies, Bloomberg



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

All relevant disclosures appear on page 36 of this report.

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

Resources of a Large Firm — Focus of a Specialist

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

Extensive Experience

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

Investment Philosophy

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

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

Comprehensive Range of Investment Strategies

Traditional Equity Strategies

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

Alternative Strategies

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

Value-Added Client Resources

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



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

Dividends or Share Repurchase, or Both?

- S&P 500 current dividend yield is 2.1% but also returns 3.2% to shareholders through share repurchase
- Non-financial corporations have record liquidity to pursue investments and provide a return to shareholders
- Current dividend payout ratio of 37% is well below long-term average of 59%

With the market having retreated more than 15% since its high on April 26, we are again looking at valuation methodology. While we acknowledge a strong bias toward dividend-paying stocks, we thought it prudent to review valuation of dividend issues.

Over the past 50 years, the S&P 500 dividend yield has averaged 3.1%. Over the past 25 years the average yield has dropped to 2.3%. With the current yield at 2.1% it would appear that the S&P 500 is not particularly undervalued on this basis.

One factor in the drop in yield between the 50-year average and the 25-year average is the increase in share buybacks in the mid-1980s. Since share repurchases became meaningful in 1984, the dollar volume of share repurchases has averaged approximately 2.9% of market-cap. (Prior to the protection afforded by the 1982 passage of Rule 10b-18, large-scale share repurchase was considered impractical.) Since both share repurchase (shrinkage of equity) and dividends are considered by corporations as a means of returning benefit to the shareholder, we believe some substitution of repurchase for dividends has taken place over the past 25 years.

From the corporation's viewpoint share repurchase has some advantages over dividends. First, it can be instituted on an as needed basis instead of the regular time table that dividends require. For example, share repurchase can be initiated when the underlying stock price is down and abandoned when the price rises above a certain level. Dividends, however, represent a long-term commitment

and cannot be reduced or eliminated without penalty. Second, dividends create a taxable event for holders, whereas share repurchases do not, unless the shares are sold.

Because dividends provide investment discretion to the shareholder, we prefer dividends to share repurchase. For example, the shareholder can spend the dividend, reinvest it in the company's shares, or allocate it to a new investment. Also the dividend represents a long-term commitment by the corporation that is not implicit in a share-repurchase announcement.

That being said, we still believe that the rise in share repurchase since the mid-1980s has substituted for dividend payout. Among the reasons frequently cited for repurchasing shares is the reduction of dilution from stock options and grants. Studies have shown that approximately one-third of recent share buyback announcements are for this purpose. Over the three year period ending in mid-2009, shares outstanding fell for the S&P 500. The subsequent spike in shares outstanding in late 2009 and 2010 was almost entirely due to companies in the financial sector shoring up balance sheets with equity to meet regulatory requirements.

If we combine the amount currently allocated for share repurchase (3.2%) with the 2.1% current dividend yield, we see that corporations are now returning approximately 5.3% of market capitalization to shareholders through share repurchase and dividends. How does this compare with historical rates?

In the 25-year period before share repurchase became a viable option, the dividend yield of the S&P 500 averaged 3.8%. In the most recent 25 years, the dividend yield of the S&P 500 has dropped to 2.3%. However, in the most recent 25 year period, share repurchase has averaged 2.2% of market-cap. Therefore the 25-year average of dividend yield and share repurchase is 4.5%. As a result the total

Chart 2 Net Share Repurchases by S&P 500 Companies

As a % of Market-Cap | Monthly Data | Source: Ned Davis Research

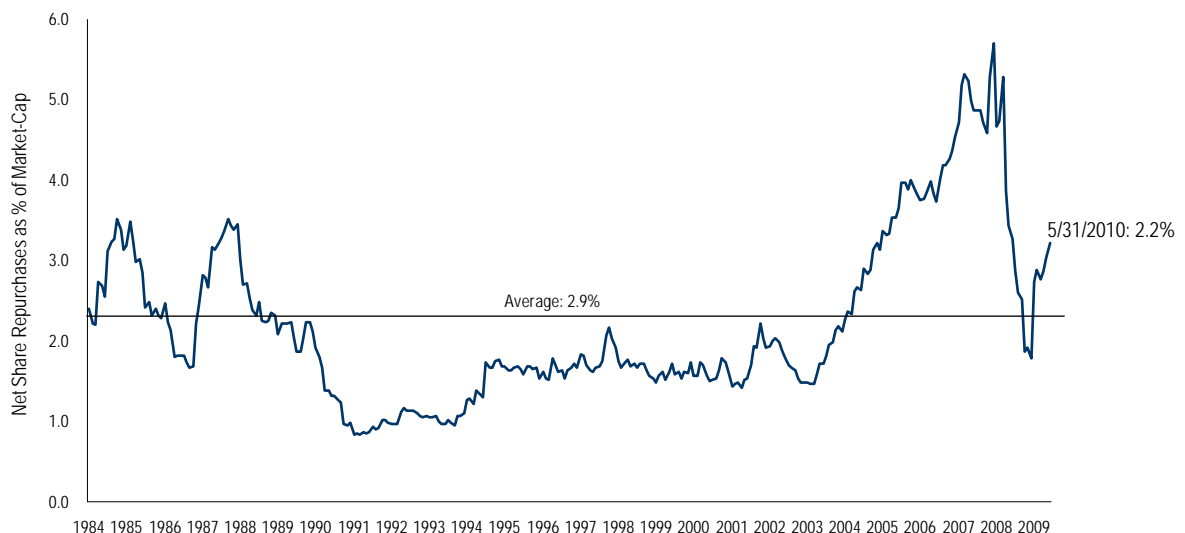
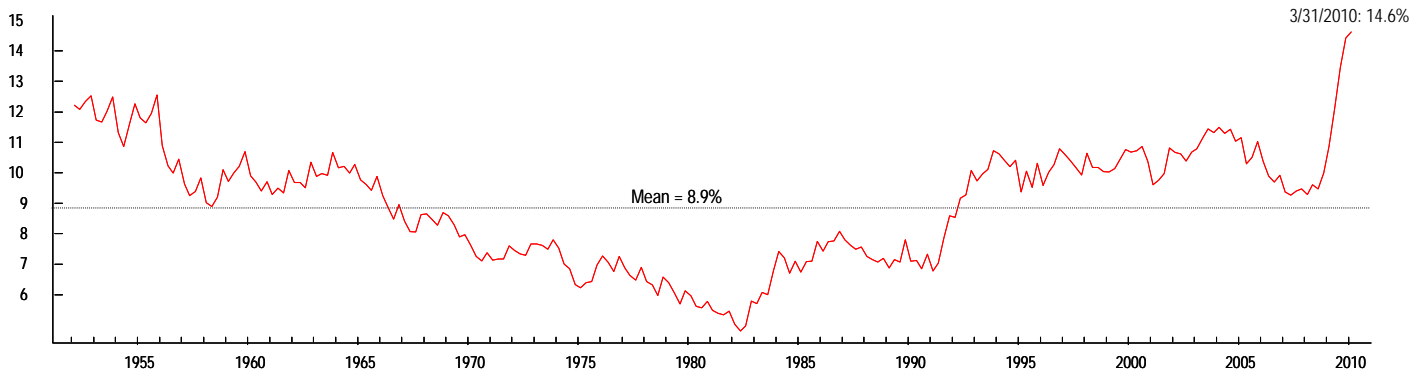


Chart 3

Total Liquid Assets as a % of Non-Financial Companies' Net Worth

Quarterly Data 3/31/1952–3/31/2010 | Source: Ned Davis Research



current corporate payout to shareholders from dividends and repurchase is 5.3%, well above the 25-year average of 4.5%, indicating the market may be undervalued.

What of the capability of corporations to continue or expand this payout ratio. On a very simplistic basis, corporations have two alternatives for investing their cash flow. The first, and most important to managements, is business investment. This includes capital spending, increases in inventories or other working capital, and acquisitions. The second is to return cash to shareholders through share repurchase or dividends. In the current environment, with slow growth, the ability to wisely invest in expansion for many businesses simply does not exist. Further the low interest rate environment does not reward hoarding cash. Therefore, we believe the pendulum swings toward shareholder reward.

The good news in all this is that companies are loaded. At the end of 2009, corporate liquidity was at an all time high. Total cash and other

liquid assets represented 13.8% of net worth. It is our contention that even if capital spending expands, there will still be sufficient cash to expand dividends and share repurchase. Another measure that bears on this discussion is the current dividend payout ratio. The long-term dividend payout ratio of the S&P 500 is 59%. The current ratio is only 37%, well below the average and at a level that has only been breached a couple of times in the past 84 years.

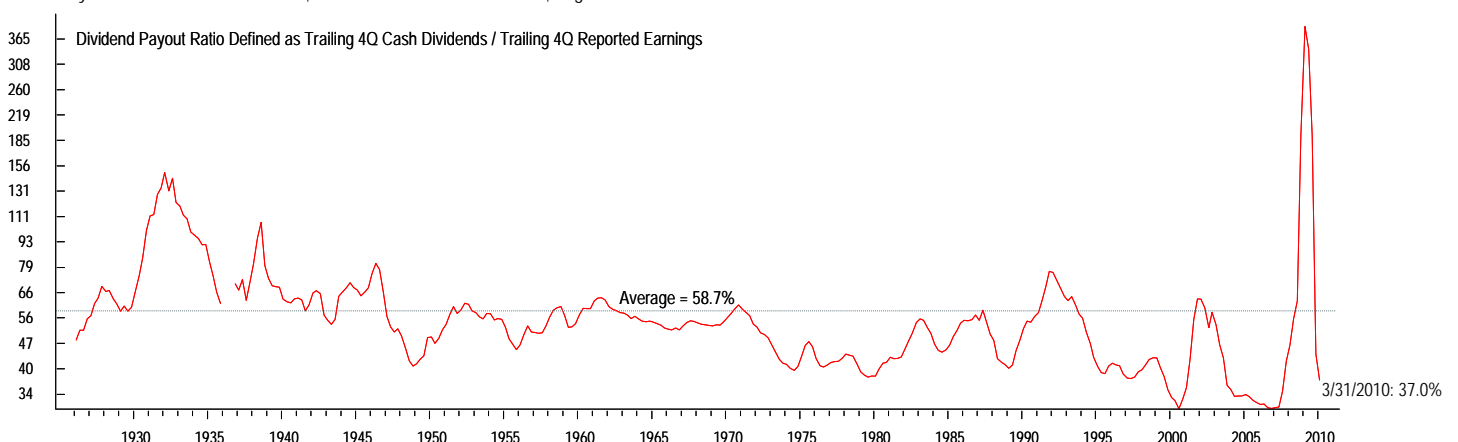
In conclusion, the S&P 500 appears to be somewhat undervalued based on the combination of the dividend yield and the funds flowing to share repurchase. Further, given the exceptionally strong cash position and low payout ratio, we note that there exists a strong potential for an increase in funds allocated to shareholder rewards. This may be enough to tip the scale more toward undervalued.

Larry C. Baker, CFA
Portfolio Manager
 EquityCompass Strategies

Chart 4

Dividend Payout Ratio

Quarterly Data 3/31/1926–3/31/2010 | Source: Ned Davis Research | Logarithmic Scale



De-Risking or Refueling?

- The S&P 500 declined 5.4% in June to conclude the worst quarter for equity markets since the fourth quarter of 2008.
- Investors fled economic risk in June, with the traditionally defensive sectors suffering a much lower magnitude of loss than the more economically sensitive.
- Despite declining stock prices, forward 12-month earnings estimates for the S&P 500 continued to increase, resulting in the lowest P/E ratio since March 2009.

Equity markets lost ground again in June, as investor concerns over the European debt crisis and the future of the U.S. economy continued to drive market action. The S&P 500 declined 5.4%, while the Dow dropped 3.6% and the Nasdaq declined 6.5%. Selling was broad, with the average stock in the EquityCompass universe dropping 7.2%, and the S&P 500 Equal Weight Index declining 6.4%. The losses in June conclude the worst quarterly performance for stocks since the fourth quarter of 2008, with the S&P 500 dropping 11.9% and the Dow losing 10.0% over the past three months.

Sector returns in June suggest investor concern over the economy and a shift away from risk. Economically sensitive sectors led the way lower, with Consumer Discretionary stocks, which will suffer if weak employment trends pressure consumer spending, leading the way down with a 9.8% decline for the month. Materials and Industrial stocks also lagged the market, each dropping 7.1%. The traditionally defensive sectors of Consumer Staples, Health Care and Utilities were spared the worst of the selling, each outperforming the S&P 500. Telecommunication Services stocks, which have achieved the worst returns of any sector over the past year, dropped only 0.4%.

High Risk Punished

Performance trends among stocks with extreme characteristics also suggested a move away from risk in June. The most volatile stocks in our universe declined 20% versus a decline of only 3% for the least volatile. Stocks with the smallest market-capitalizations fell 16% on average while the largest stocks dropped only 4%. Similar performance differentials were seen according to other risk factors including quality, stock price, and price momentum (Table 1).

Table 1

June Returns by Risk Characteristic

	Highest	Lowest
Volatility (Beta)	-20.3%	-3.1%
Market-Cap	-4.3%	-16.1%
Quality	-4.8%	-12.7%
Price	-5.6%	-21.3%
Price Momentum	-4.6%	-10.0%

Source: EquityCompass Strategies

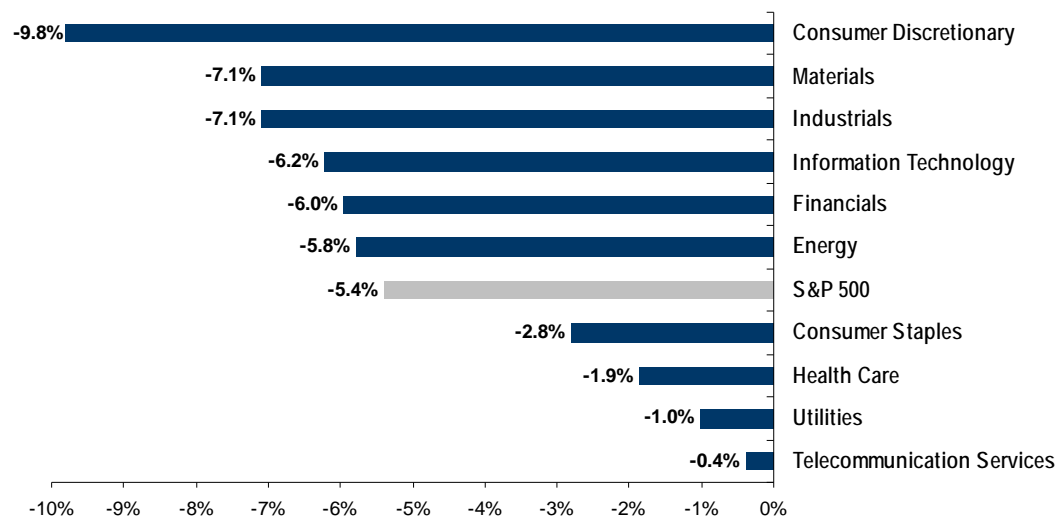
Further De-Risking or Fuel for a Rally?

As mentioned above, the last two months have shown a great deal of anxiety among investors. From a technical standpoint, the market has broken through key support levels, indicating investors lack of confidence in the recovery necessary to weather the storm in the short-term. Looking at investor sentiment, the American Association of Individual Investors (AAII) reported that only 25% of respondents are bullish, the lowest level in 9 months, while the number of bearish respondents has climbed to 42% from only 31% two weeks prior. How investors are voting on sentiment surveys and with their investment dollars, pretty clearly demonstrates concern about the market as we move forward.

Chart 5

June 2010 Sector Returns

Source: Bloomberg | Dividends not included



One indicator that continues to hold up amid these concerns is the consensus analyst estimate for 12-month S&P 500 earnings. The estimate rose 1.4% this month to \$89.61, its 14th consecutive monthly increase, and is up approximately 44% from its low in April 2009. The sharp decline in the S&P 500 over the past two months, combined with the continued rise in estimated earnings, has the S&P's forward P/E multiple down to 11.5x, which approaches the level last seen in early 2009 ahead of the sharp rebound in equity markets. Combined with a high level of pessimism among investors, this could be seen as a signal the market is oversold in the near-term and due for a rally.

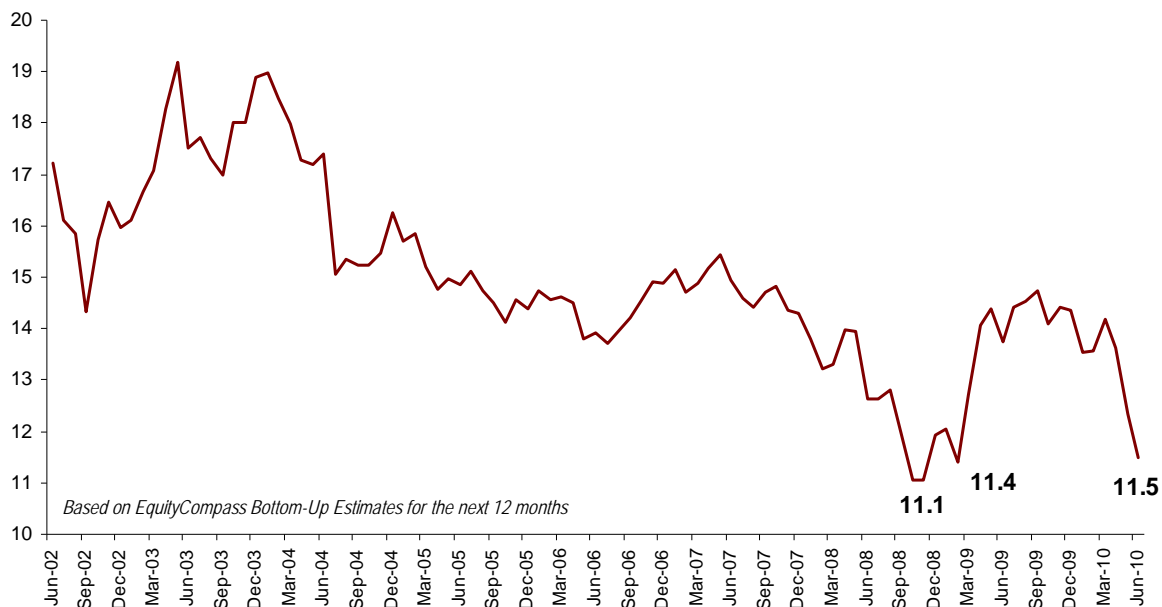
The bearish argument, however, stresses that analysts' estimates tend to lag at inflection points and are slow to react to major shifts until after they occurred. The current price is predicting deterioration in fundamentals that will only be reflected in analyst estimates after the fact. While this point has merit, as demonstrated by analyst estimates historically lagging market shifts around peaks and troughs, it may be insightful to examine what level of earnings growth is implied by current analyst estimates to determine if it seems unreasonably high.

The EPS for the S&P 500 in the past four quarters were \$72.49.¹ The current 12-month forward estimate of \$89.61 therefore implies earnings growth of 24% over the next year. If you accept the argument that this estimate is overly optimistic, the key question is where estimates should be? Since 2002, the average P/E ratio for the S&P 500 has been 14.9x our bottom-up forward 12-month EPS estimate. At that level, the current price of the S&P 500 implies forward 12-month EPS of \$69.05, approximately 5% lower than EPS over the last four quarters. While concerns regarding economic growth are pervasive, and expectations may need to be reigned in somewhat, it would appear the move down for markets may also be overdone. At current levels, the market is reflecting expectations of not just slowed earnings growth, but a 5% decline in earnings. Investors expecting even modest earnings growth should see the current pullback as a buying opportunity. We expect the coming earnings season to draw even more scrutiny than usual as investors seek clarity regarding corporate profitability over the coming year.

Chart 1 (from the cover)

S&P 500 Price-to-Earnings Ratio

6/28/2002–6/30/2010 | Source: EquityCompass Strategies, Bloomberg



¹ Source: Thomson Reuters, includes actual EPS from July 2009 – March 2010 and bottom-up estimates for the June 2010 quarter.

Seeking Alpha: Identifying Stocks Mispriced by Investor Over-/Underreaction

- The EquityCompass over-/underreaction model that identifies stocks mispriced as a result of investor over-/underreaction was introduced in July, 8 years ago and is now an integral part of our quantitative model-driven investment process.
- The model has generated strong returns during the eight year period — stocks identified as underpriced by the model outperformed the S&P 500 (equal weight) by 5.9% on an annual basis.
- EquityCompass offers portfolio strategies and stock lists that leverage the insights of the over-/underreaction model in conjunction with the rest of our quantitative models as well as fundamental analyst opinion.

EquityCompass has been publishing monthly stock ratings and recommendations based on our quantitative model-driven investment process since 2001. The objective of the EquityCompass approach to investment management is to achieve consistent superior investment performance that is both explainable and repeatable. We believe that the best way to achieve this objective is by using a research-driven, rules-based investment process that merges traditional investment theory with quantitative techniques. At the heart of this process are four broad themes that demonstrate a statistically significant ability to forecast returns and contribute to excess returns: (1) investor over-/underreaction, (2) momentum, (3) relative valuation, and (4) quality.

A Quantitative Model to Measure Investor Over-/Underreaction

Over-/underreaction can be defined as an investor behavioral response to information that results in a change in stock price inconsistent with the actual change in the company's fundamentals (mispriced stocks). This is an exploitable opportunity and the higher the degree of the mispricing, the greater the opportunity. Each month, we evaluate the more than 3,000 U.S. stocks in our coverage universe to identify the mispriced stocks and categorize them as overpriced or underpriced.

Performance Analysis

The over-/underreaction model has generated strong returns during the eight year period. **Chart 6** shows the cumulative performances of all underpriced stocks compared to the S&P 500 (cap-weighted and equal-weighted) since inception in June 2002. During the period, under-priced stocks outperformed the S&P 500 (equal weight) by 5.9% per annum. The period returns are shown in **Table 2**. As can be observed in **Chart 7**, the over-/underreaction model works in most market environments with the exception of late bull markets (when momentum forces dominate) and during extreme conditions such as in October 2008 (when fear-stricken investors were selling indiscriminately).

Chart 6

Underpriced Stocks vs. S&P 500

6/28/2002–6/30/2010 | Monthly Data | Includes Dividends | Source: EquityCompass Strategies, Bloomberg

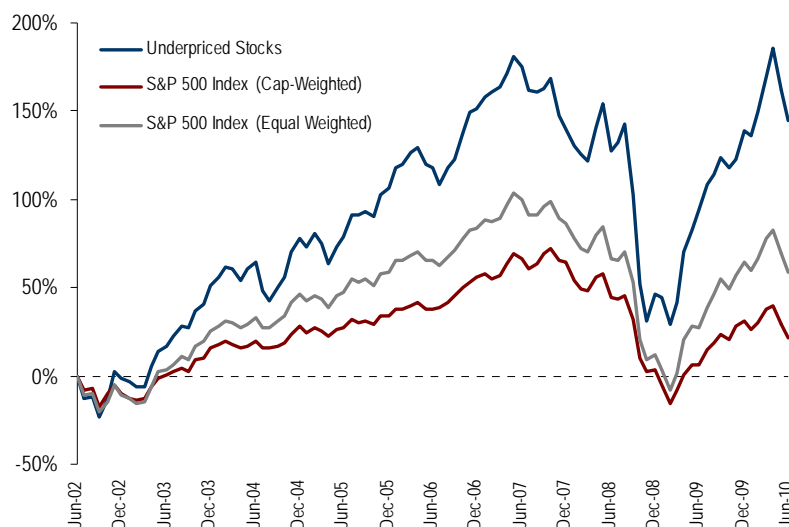


Table 2

	Underpriced Stocks	S&P 500 Cap-Wt.	S&P 500 Equal-Wt.
2002*	-1.4%	-10.3%	-11.0%
2003	53.6%	28.7%	41.0%
2004	17.5%	10.9%	17.0%
2005	16.0%	4.9%	8.1%
2006	21.6%	15.8%	15.8%
2007	-4.3%	5.5%	1.5%
2008	-39.1%	-37.0%	-39.7%
2009	62.9%	26.5%	46.3%
YTD 2010	2.8%	-6.7%	-3.4%
Cumulative Return	145.1%	22.0%	58.8%
Annualized Return	11.9%	2.5%	6.0%
Best Month	20.5%	9.6%	18.7%
Worst Month	-24.9%	-16.8%	-21.1%
Ann. STDev	24.0%	15.8%	19.5%
Sharpe Ratio	0.42	0.05	0.21

* 6/28/2002 - 12/31/02

Chart 7

Underpriced Stocks' Performance Relative to the S&P 500

6/28/2002–6/30/2010 | Monthly Data | Includes Dividends | Source: EquityCompass Strategies, FactSet Research

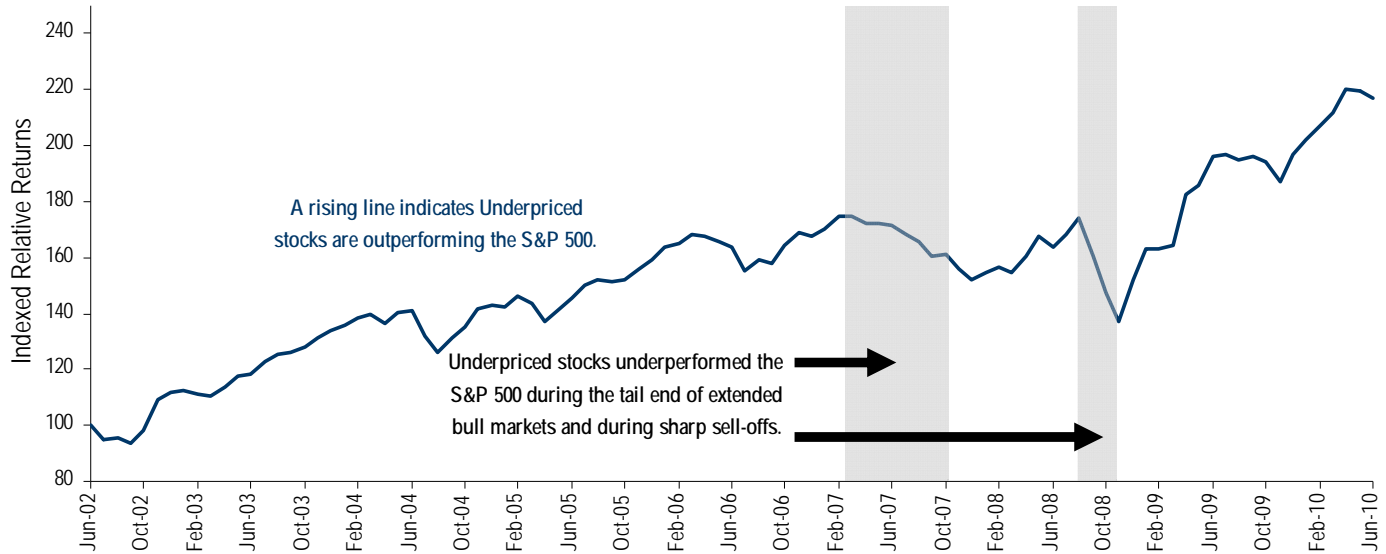


Table 3

Leveraging the Over-/Underreaction Model

1) Stock Selection Models

The insight of the over-/underreaction model can be paired with other criteria such as fundamental analyst opinions to create a subset of stocks with appealing risk/reward attributes. **The Stifel Research Focus List** is a monthly list of stocks identified by the over-/underreaction model from among the Buy-rated universe of Stifel Nicolaus fundamental analysts. The combination of the two criteria helps identify the 20 most timely ideas from close to 300 stocks that Stifel has Buy-rated and the 300 that the over-/underreaction model identifies as underpriced. The Stifel Research Focus List is published each month in the Update & Review (page 13).

Our list of **Mispriced/Large-Cap Stocks** (page 14) shows the 15 most underpriced stocks in the S&P 500. **The Oversold/Quality Stock List** (page 15) combines the insights of the over-/underreaction model with our other EquityCompass models to identify underpriced stocks that have high quality, low valuation, and are currently out-of-favor (indicated by negative price momentum). Period performances for each of these lists are shown in the Performance Monitor on page 28.

Performance Summary—Stifel Research Focus List

6/28/2002–6/30/2010 | Assumes equal-weighted positions rebalanced monthly

	Stifel Buy-Rated Stocks (EC Covered)	Stifel Research Focus List
2002*	-8.63%	-12.80%
2003	39.55%	73.24%
2004	20.62%	25.98%
2005	15.66%	28.65%
2006	16.27%	16.35%
2007	7.37%	5.48%
2008	-36.82%	-49.97%
2009	50.92%	52.16%
YTD 2010	-0.88%	0.93%
Cumulative Return	109.85%	130.85%
Annualized Return	9.71%	11.02%
Best Month	20.40%	18.00%
Worst Month	-19.61%	-26.60%
Ann. St. Dev.	19.82%	25.08%
Sharpe Ratio	0.40	0.37

* 6/28/2002 - 12/31/02

Source: EquityCompass Strategies, Bloomberg

2) Portfolio Strategies

Alpha Index Portfolio

The Alpha Index Portfolio demonstrates how the consistent application or stock selection bias to those mispriced as a result of over-/underreaction can be used to develop portfolio strategies with superior risk/return characteristics. The Alpha Index Portfolio is designed to replicate the S&P 500 Index (based on beta, sector, financial quality, price momentum and earnings growth) while seeking to generate excess risk-adjusted returns by identifying and investing in underpriced stocks. Since its inception eight years ago, the cumulative performance differential has been on the order of over 800 basis points annually (Chart 8). Our view is that this outperformance is the result of the consistent application or stock selection bias to those mispriced as a result of over-/underreaction.

The over-/underreaction model is a key component of the various portfolio strategies available as managed account portfolios on the Stifel Nicolaus platform. Please contact your Stifel Nicolaus Financial Advisor for additional details.

Over-/Underreaction Model During Periods of Unusual Market Activity

Another approach to evaluate performances is during periods of unusual market activity. Market volatility engenders decision-making that is often an attempt to alter risk/reward exposure. Performance that has significantly diverged from the benchmark, particularly on the downside, becomes a candidate for reducing exposure. Table 4 presents an analysis of the performance of the over-/underreaction model before and after periods of extreme adversity during the past eight years — the market bottom in 2003, the market peak in 2007, before and after October 2008, and the market bottom in March 2009. In all of the five periods, the Alpha Index Portfolio was within tolerable tracking error to the S&P 500 during periods of decline while being positioned to generate excess returns in the ensuing upswings.

Chart 8

Alpha Index Portfolio vs. S&P 500

6/28/2002–6/30/2010 | Monthly Data | Includes Dividends | Source: EquityCompass Strategies, Bloomberg

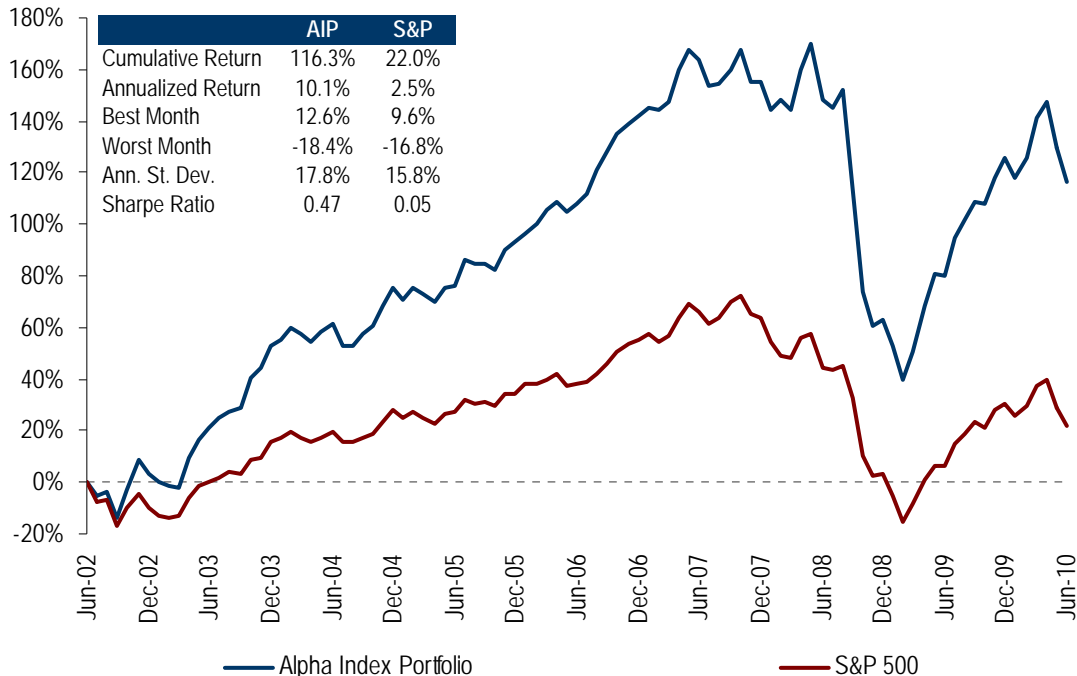


Table 4

Performance During Periods of Unusual Market Activity

Source: EquityCompass Strategies

	Before...				...After			
2003 Market Low (3/31/2003)								
	Before				After			
	1 Month	3 Months	6 Months	9 Months*	1 Month	3 Months	6 Months	1 Year
Alpha Index Portfolio	-0.7%	-5.1%	7.5%	-12.3%	10.4%	20.4%	25.6%	48.3%
S&P 500 Total Return Index	1.0%	-3.1%	5.0%	-13.1%	8.2%	15.4%	18.4%	35.1%
2007 Market Peak (10/31/2007)								
	Before				After			
	1 Month	3 Months	6 Months	1 Year	1 Month	3 Months	6 Months	1 Year
Alpha Index Portfolio	1.8%	5.0%	3.5%	14.4%	-3.8%	-9.5%	-2.6%	-34.7%
S&P 500 Total Return Index	1.6%	7.0%	5.5%	14.6%	-4.2%	-10.6%	-9.6%	-36.1%
Pre-Lehman (9/30/2008)								
	Before				After			
	1 Month	3 Months	6 Months	1 Year	1 Month	3 Months	6 Months	1 Year
Alpha Index Portfolio	-11.2%	-10.3%	-9.6%	-15.7%	-21.1%	-24.5%	-32.1%	-5.6%
S&P 500 Total Return Index	-8.9%	-8.4%	-10.9%	-22.0%	-16.8%	-21.9%	-30.5%	-6.9%
Lehman Bankruptcy (10/31/2008)								
	Before				After			
	1 Month	3 Months	6 Months	1 Year	1 Month	3 Months	6 Months	1 Year
Alpha Index Portfolio	-21.1%	-28.2%	-28.8%	-34.7%	-6.3%	-9.4%	-3.7%	18.2%
S&P 500 Total Return Index	-16.8%	-23.1%	-26.2%	-36.1%	-7.2%	-14.1%	-8.5%	9.8%
2009 Market Bottom (2/29/2009)								
	Before				After			
	1 Month	3 Months	6 Months	1 Year	1 Month	3 Months	6 Months	1 Year
Alpha Index Portfolio	-11.2%	-14.2%	-43.7%	-42.8%	7.0%	28.8%	42.8%	61.1%
S&P 500 Total Return Index	-10.6%	-17.3%	-41.8%	-43.3%	8.8%	25.8%	40.5%	53.6%

Conclusion

Over-/underreaction is a behavioral condition reflecting the human nature of investors. In an entirely rational world, exploitable over-/underreaction would likely not exist. But as any investor of the last few years can attest, markets in the short-term can be irrational.

We believe this view applies at the individual stock level and our approach of identifying exploitable over-/underreaction is a tested and explainable insight for stock selection.

Tactical Total Core (TTC) Strategy

Mitigating Risk of Higher Interest Rates

The Tactical Total Core (TTC) strategy is allocated 35% to a high quality, fixed income portfolio with bond duration of 5.5 years and average maturity of 10 years. While the portfolio is designed to reduce credit risk, the portfolio's market value is vulnerable to higher interest rates. However, this risk is lessened with one-third of the portfolio in cash and short-term securities that can benefit from higher interest rates.

TTC Fixed Income Allocation

After the recent Federal Open Market Committee meeting that kept monetary policy on its present low interest rate course, investors are pricing in virtually no chance of an increase in interest rates until 2011. However, there is a notable chorus of savvy investment pros that believe complacency about an extended horizon of low interest rates is misplaced. At some point, this period of ultra-low interest rates will end as economic recovery becomes more firmly rooted and the Fed moves to tighten policy.

Beyond the "good" news of Fed tightening as a consequence of sustainable economic growth, the aftermath of the enormous increase in government debt poses a major risk to bondholders. Equating the debt build-up in the last few years to what occurred during WWII, financial historians are warning of a multi-decade period of negative real returns for bonds. From 1941 to 1981, intermediate Treasury bond yields rose from 0.5% to 16%. Despite this enormous headwind, however, intermediate Treasury bonds still produced an average annual return of 3.3%. The mathematics of bond investing is that the decline in market value from higher interest rates is offset with coupons that are being reinvested at higher yields. While this annualized return in the four decade bear market for bonds was below the long-term average (5.3%), there were no 5-year holding periods where investors actually lost money.¹

The fixed income portion of the Tactical Total Core strategy has 35% in cash and short-term debt securities that are currently yielding less than 1%. Rising short-term interest rates will increase the yields of these securities. The fixed income portfolio invests 15% in long-term U.S. treasury bonds, which are the most vulnerable to higher interest rates. In 2009, 30-year Treasury bonds declined 10.6% in market value, the worst performing year since issuance began in 1973. Holding all else equal, this market value loss would have produced a 1.6% decline for the entire fixed income portfolio. However, an increase in yield of 0.45% from cash and short-term securities would have offset the market value loss in the long-term bonds. The other fixed income allocations in Tactical Total Core are 15% to TIPS, which mitigate principal risk from higher inflation, and 35% to investment grade corporate bonds with intermediate maturities (7–10 years).

Keeping Sight of the Big Picture

The fixed income portion of TTC is designed to be a counterweight to the allocation to stocks. The objective is to reduce the overall volatility of an investment portfolio so that investors can stay invested and capture the returns that stocks and bonds have historically provided. As a counterweight, an intermediate bond portfolio does the job of smoothing volatility. In the example cited above for the period 1941 to 1981, intermediate bonds lost money in 1 out of every 10 years versus 1 out of every 4 years for stocks. In terms of the magnitude of loss, the worst year for intermediate Treasury bonds was -5.1% versus -38.9% for stocks.¹ In the worst 3-year performance of stocks (-10.9% per annum), bonds lost 0.4%.

Why include stocks? The annualized total return in the S&P 500 from 1941 to 1981 was 11.5%. However, the volatility of the stock market would have made it very difficult to stay invested during what proved to be tumultuous times with 10 bear markets, 8 economic recessions, a generational spike in inflation and interest rates, three major wars, an energy embargo, and a presidential resignation. An allocation of 60% stocks and 40% bonds, rebalanced yearly, would have produced an annualized return of 8.8% with volatility that was almost 40% below that of stocks.

The current investment environment continues to remain uncertain. Back in 1941, with the emotional overhang of The Great Depression and the dark clouds of war, the outlook must have been similarly foreboding to investors. And yet, despite a monumental bear market in bonds and the many trials and tribulations that were to come, the growth of the economy, jagged as it will surely be in the future, created wealth for investors. The challenge is how to capture this opportunity in a manner that allows investors to go about their business of life. The 60/40 allocation, the basis for the Tactical Total Core strategy is likely to be a reliable course to capture wealth and achieve long-term financial objectives.

For more detail on the Tactical Total Core strategy, we recommend the following whitepaper, *"The Blueprint for Core Investing,"* September 2009 available for download at <http://www.equitycompass.com/products/stifel.aspx>. To learn more about the Tactical Total Core Strategy and the portfolios on which it is based, please contact your Stifel Nicolaus Financial Advisor.

¹ *Should You Stick With Bonds?*, Dirk Hofschire, Fidelity Viewpoints, April 26, 2010

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.

The Aggregate List (pp. 30–32) is a compilation of all stocks that are on the selection lists as well as the model portfolios.

Stock Selection Lists

Stifel Research Focus

Timely stocks with a favorable Stifel analyst rating

Mispriced/Large-Cap Stocks

Timely stocks in the S&P 500

Oversold/Quality Stocks

Out-of-favor high-quality value stocks

Quality/Momentum Stocks

Highest quality stocks with positive price momentum

The Candidates List

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

Stock Buyback List

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

Sector Focus

Near-term opinions for 10 S&P economic sectors

EC Model Portfolios

U.S. Large-Cap Growth

U.S. Large-Cap Value

U.S. Mid-Cap Growth

U.S. Mid-Cap Value

U.S. Small-Cap Growth

U.S. Small-Cap Value

U.S. All-Cap Blend

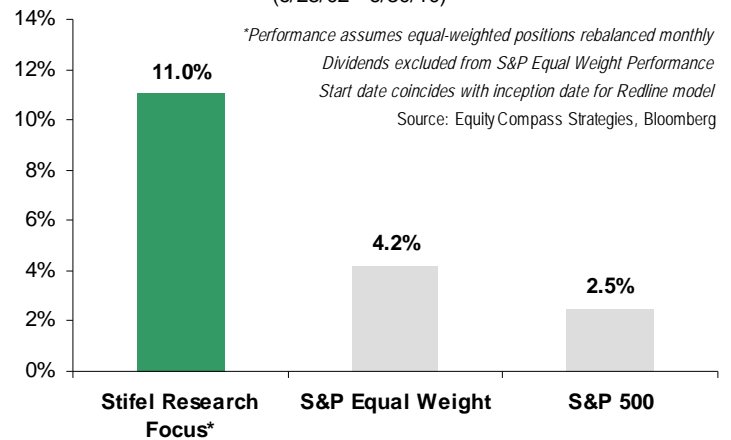
For a description of EquityCompass analytical ratings please see page 32.

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 - 6/30/10)



July Highlights:

- FedEx Corp. (FDX) reported fiscal 4Q10 EPS of \$1.33, topping the analyst consensus estimate of \$1.32 and Stifel analyst Dave Ross' estimate of \$1.23. Ross feels FDX is well-positioned given its valuation relative to transportation stocks, its strong financial profile, operating leverage, and dominant industry position. His target price is \$104.
- Following a recent mid-quarter update from Texas Instruments (TXN), Stifel analyst Patrick Ho raised his FY10 revenue and EPS estimates, and maintained his estimates for 2011. He states that recent weakness has created a good opportunity in the stock, and characterized TXN as one of the most fundamentally sound names in the industry. His target price is \$32.

Current Selections:

Symbol	Company Name	Price 6/30/10	Analyst	Dvd. Yld. (%)	PPS	SVI	Valuation Percentile	12M Avg Valuation Percentile	Mean Valuation Deviation	Sub Industry
KLAC	KLA-Tencor Corp.*	\$27.88	Ho	2.15	6	B	15.1%	68.0%	-52.9%	Semiconductor Equip.
AMAT	Applied Materials Inc.*	\$12.02	Ho	2.33	7	B	34.2%	82.4%	-48.2%	Semiconductor Equip.
UAUA	UAL Corp.	\$20.56	Key	--	1	D	13.6%	59.6%	-45.9%	Airlines
LRCX	Lam Research Corp.*	\$38.06	Ho	--	2	C	29.9%	73.0%	-43.2%	Semiconductor Equip.
MRVL	Marvell Tech. Grp. Ltd.*	\$15.76	Newton	--	2	A	41.1%	78.2%	-37.0%	Semiconductors
CYMI	Cymer Inc.	\$30.04	Ho	--	7	A	24.1%	60.8%	-36.6%	Semiconductor Equip.
NVLS	Novellus Systems Inc.	\$25.36	Ho	--	2	B	27.8%	63.8%	-36.0%	Semiconductor Equip.
BCSI	Blue Coat Systems Inc.*	\$20.43	Weller	--	2	C	46.8%	78.4%	-31.6%	Communications Equip.
BID	Sotheby's*	\$22.87	Schick	0.87	3	D	60.7%	91.2%	-30.5%	Specialized Consumer Svcs.
MEE	Massey Energy Co.*	\$27.35	Forward	0.88	5	A	10.0%	37.2%	-27.3%	Coal & Consumable Fuels
BAC	Bank of America Corp.	\$14.37	Mutascio	0.28	2	C	32.9%	59.3%	-26.4%	Other Div. Financial Svcs.
INTC	Intel Corp.	\$19.45	Ho	3.24	1	A	10.8%	35.5%	-24.7%	Semiconductors
WFC	Wells Fargo & Co.	\$25.60	Mutascio	0.78	1	A	10.0%	33.7%	-23.7%	Div. Banks
PNC	PNC Fin'l. Svcs. Grp. Inc.*	\$56.50	Mutascio	0.71	2	B	26.2%	49.0%	-22.8%	Regional Banks
CBI	Chicago Bridge & Iron*	\$18.81	Bannister	--	1	D	16.5%	36.8%	-20.3%	Construction & Engineering
TXN	Texas Instruments Inc.	\$23.28	Ho	2.06	5	A	15.8%	35.0%	-19.2%	Semiconductors
FDX	FedEx Corp.*	\$70.11	Ross	0.68	2	A	19.3%	38.1%	-18.9%	Air Freight & Logistics
QLGC	QLogic Corp.*	\$16.62	Rakers	--	5	B	35.4%	54.2%	-18.8%	Computer Storage & Peripherals
USB	U.S. Bancorp	\$22.35	Mutascio	0.89	2	B	27.1%	45.8%	-18.7%	Div. Banks
MBFI	MB Financial Inc.	\$18.39	Davis	0.22	3	D	51.6%	69.8%	-18.2%	Regional Banks

*Denotes new additions

Source: EquityCompass Strategies, FactSet Research Systems Inc.

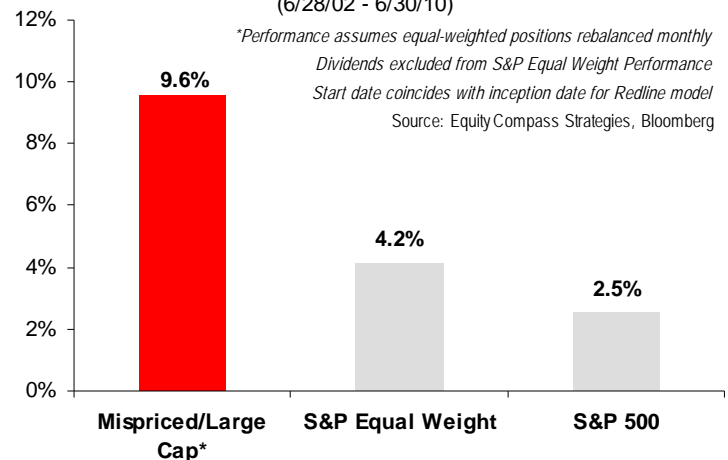
For a description of EquityCompass analytical ratings please see page 32.

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 - 6/30/10)



July Highlights:

- Stifel analyst Patrick Ho stated in a recent note that channel checks indicate Intel (INTC) was ending the June quarter on a strong note and that he believes the back to school and holiday seasons will ultimately dispel concerns about the September quarter. He views recent weakness in the stock price as an opportunity, and has a target price of \$30.
- In a recent note, Stifel analyst Chris Mutascio wrote that Wells Fargo (WFC) may be a good choice going into quarterly earnings reports for investors who feel concerns over the economy are overblown and are willing to take on more risk for potentially more reward. He feels concerns over real estate prices have taken a toll on WFC, and that the stock may benefit from any news suggesting those concerns are overstated. His target price is \$42.

Current Selections:

Symbol	Company Name	Price 6/30/10	52W High	52W Low	Dvd. Yld. (%)	PPS	SVI Grade	Valuation Percentile	12M Avg Valuation Percentile	Mean Valuation Deviation	Sub Industry
KLAC	KLA-Tencor Corp.*	\$27.88	\$37.71	\$24.72	2.15	6	B	15.1%	68.0%	-52.9%	Semiconductor Equip.
APC	Anadarko Petroleum Cp.	\$36.09	\$75.07	\$34.54	1.00	6	B	14.5%	62.7%	-48.2%	Oil & Gas Exploration & Prod.
AMAT	Applied Materials Inc.*	\$12.02	\$14.94	\$10.54	2.33	7	B	34.2%	82.4%	-48.2%	Semiconductor Equip.
NVLS	Novellus Systems Inc.*	\$25.36	\$28.90	\$16.54	--	2	B	27.8%	63.8%	-36.0%	Semiconductor Equip.
PH	Parker Hannifin Corp.	\$55.46	\$72.50	\$39.53	1.88	2	A	24.0%	58.1%	-34.1%	Industrial Machinery
NSM	National Semiconductor	\$13.46	\$16.20	\$11.60	2.38	7	B	36.0%	68.4%	-32.4%	Semiconductors
MOLX	Molex Inc.	\$18.24	\$23.66	\$14.01	3.34	6	A	10.3%	35.7%	-25.4%	Electronic Manufacturing Svcs.
ADI	Analog Devices Inc.*	\$27.86	\$32.19	\$23.21	3.16	5	A	43.3%	68.5%	-25.2%	Semiconductors
INTC	Intel Corp.	\$19.45	\$24.37	\$15.78	3.24	1	A	10.8%	35.5%	-24.7%	Semiconductors
WFC	Wells Fargo & Co.*	\$25.60	\$34.25	\$22.08	0.78	1	A	10.0%	33.7%	-23.7%	Div. Banks
MSFT	Microsoft Corp.	\$23.01	\$31.58	\$22.00	2.26	5	A	36.4%	59.2%	-22.8%	Systems Software
EXPE	Expedia Inc.*	\$18.78	\$27.51	\$13.52	1.49	7	A	28.7%	51.0%	-22.3%	Internet Retail
ITW	Illinois Tool Works Inc.*	\$41.28	\$52.72	\$34.47	3.00	2	A	35.3%	54.6%	-19.3%	Industrial Machinery
TXN	Texas Instruments Inc.	\$23.28	\$27.44	\$20.11	2.06	5	A	15.8%	35.0%	-19.2%	Semiconductors
QLGC	QLogic Corp.*	\$16.62	\$22.40	\$11.99	--	5	B	35.4%	54.2%	-18.8%	Computer Storage & Peripherals

*Denotes new additions

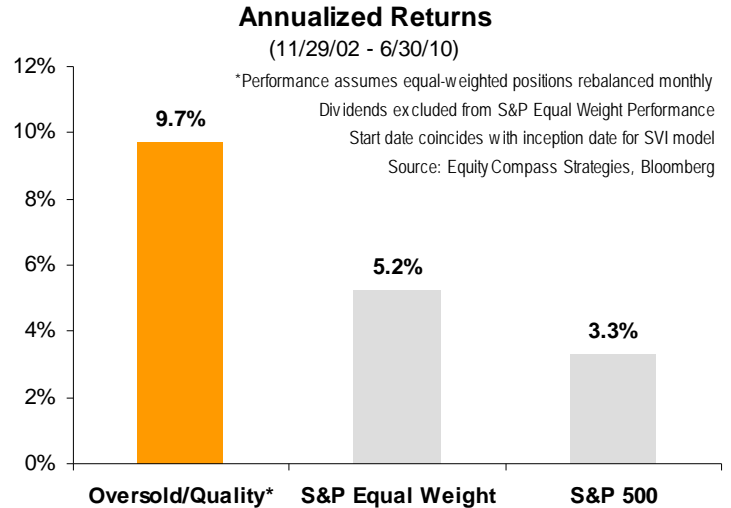
Source: EquityCompass Strategies, FactSet Research Systems Inc.

For a description of EquityCompass analytical ratings please see page 32.

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.



July Highlights:

- Staples (SPLS) announced it intends to resume the stock repurchase plan it had paused during the recession. The company has approximately \$1 billion of remaining authorization under the current repurchase plan, which equates to approximately 7% of the company's market-cap.

Current Selections:

Symbol	Company Name	Price 6/30/10	52W High	52W Low	Dvd. Yld. (%)	PPS	SVI	Valuation Percentile	12M Avg Valuation Percentile	Mean Valuation Deviation	Sub Industry
MOLX	Molex Inc.	\$18.24	\$23.66	\$14.01	3.34	6	A	10.3%	35.7%	-25.4%	Electronic Manufacturing Svcs.
EXPE	Expedia Inc.	\$18.78	\$27.51	\$13.52	1.49	7	A	28.7%	51.0%	-22.3%	Internet Retail
SPLS	Staples Inc.	\$19.05	\$26.00	\$18.72	1.89	7	A	24.5%	40.5%	-16.0%	Specialty Stores

Source: EquityCompass Strategies, FactSet Research Systems Inc.

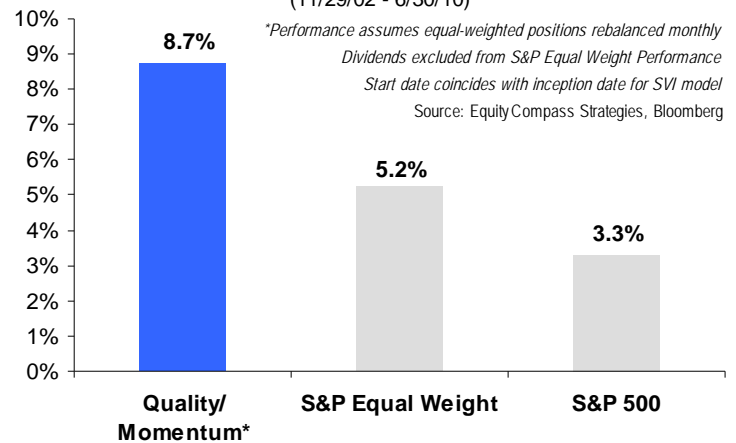
For a description of EquityCompass analytical ratings please see page 32.

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 - 6/30/10)



Current Selections:

Symbol	Company Name	Price 6/30/10	Div. Yld (%)	PPS	SVI Score	SVI Grade	Symbol	Company Name	Price 6/30/10	Div. Yld (%)	PPS	SVI Score	SVI Grade
Consumer Discretionary							Industrials						
CMCSK	Comcast (CI A Sp)*	\$16.43	2.30	2	100.0%	A	FLY	Babcock & Brown*	\$10.30	6.96	1	100.0%	A
ROST	Ross Stores Inc.*	\$53.29	1.20	2	98.6%	A	TGH	Textainer Grp. Hldgs.	\$24.14	3.98	3	99.8%	A
PFCB	P.F. Chang's	\$39.65	--	2	97.9%	A	CPA	Copa Hldgs (CI A)	\$44.22	2.46	2	99.3%	A
TJX	TJX Cos.	\$41.95	1.43	2	97.7%	A	CNI	Canadian Nat'l. Rail.*	\$57.38	1.88	3	99.1%	A
MNRO	Monro Muffler Brake	\$39.53	0.91	2	97.5%	A	NSC	Norfolk Southern Cp.*	\$53.05	2.56	3	98.4%	A
Consumer Staples							Information Technology						
ABV	Comp. de Bebidas	\$101.01	1.34	4	100.0%	A	BRCM	Broadcom Corp.*	\$32.97	0.97	3	99.6%	A
NUS	Nu Skin Ent. (CI A)	\$24.93	2.01	2	99.2%	A	POWI	Power Integrations*	\$32.20	0.62	3	98.3%	A
KOF	Coca-Cola Femsa	\$62.59	1.81	3	98.4%	A	ALTR	Altera Corp.*	\$24.81	0.81	3	98.1%	A
DLM	Del Monte Foods Co.	\$14.39	2.50	2	96.0%	A	MMS	Maximus Inc.	\$57.87	0.83	2	97.7%	A
CAG	ConAgra Foods Inc.	\$23.32	3.43	2	91.2%	A	RHT	Red Hat Inc.*	\$28.94	--	4	97.5%	A
Energy							Materials						
CNQ	Canadian Nat. Res.*	\$33.23	0.88	2	99.5%	A	LZ	Lubrizol Corp.	\$80.31	1.79	1	97.3%	A
EOG	EOG Resources Inc.	\$98.37	0.63	3	99.0%	A	VALE	Vale S.A. (ADS)*	\$24.35	0.92	2	96.6%	A
CEO	CNOOC Ltd. (ADS)*	\$170.17	2.72	2	97.9%	A	WLT	Walter Energy, Inc.*	\$60.85	0.82	1	95.9%	A
CLB	Core Labs. N.V.*	\$147.61	0.33	4	96.3%	A	NEU	NewMarket Corp.	\$87.32	1.72	2	95.3%	A
OXY	Occidental Petrol.*	\$77.15	1.97	2	95.8%	A	GOLD	Randgold Res (ADS)*	\$94.75	0.16	4	93.9%	A
Financials							Telecommunication Services						
PSA	Public Storage	\$87.91	3.64	4	98.9%	A	RCI	Rogers Comm. (CI B)	\$32.76	3.87	2	97.3%	A
CISG	Cninsure Inc.*	\$25.94	1.70	4	98.2%	A	TEO	Telecom Argentina	\$16.43	5.26	1	95.9%	A
UNM	Unum Group	\$21.70	1.52	2	97.8%	A	MICC	Millicom Int'l. Cellular	\$81.07	3.26	3	93.2%	A
DLR	Digital Realty Trust	\$57.68	3.33	4	96.2%	A	AMT	American Tower Cp.*	\$44.50	--	4	79.5%	A
AFL	AFLAC Inc.	\$42.67	2.62	1	95.9%	A	BCE	BCE Inc.	\$29.27	5.77	2	78.1%	A
Health Care							Utilities						
PRGO	Perrigo Co.	\$59.07	0.42	3	100.0%	A	OKE	ONEOK Inc.	\$43.25	4.07	3	87.1%	A
RDY	Dr. Reddy's Labs.*	\$30.85	0.71	4	99.7%	A	DTE	DTE Energy Co.	\$45.61	4.65	2	78.2%	A
MRX	Medicis Pharm. Cp.	\$21.88	1.10	1	99.4%	A	D	Dominion Res. (VA)*	\$38.74	4.72	3	69.3%	B
SHPGY	Shire PLC (ADS)*	\$61.38	0.56	4	95.5%	A	SJI	South Jersey Ind.*	\$42.96	3.07	3	55.4%	B
HGSI	Human Genome Sci.	\$22.66	--	4	93.5%	A	SWX	Southwest Gas Cp.*	\$29.50	3.39	2	37.6%	C

*Denotes new additions

Source: EquityCompass Strategies, FactSet Research Systems Inc.

For a description of EquityCompass analytical ratings please see page 32.

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.

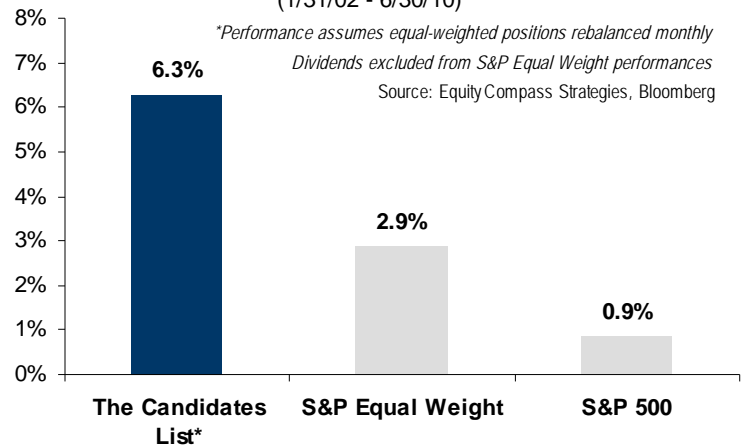
Annualized Returns

(1/31/02 - 6/30/10)

*Performance assumes equal-weighted positions rebalanced monthly

Dividends excluded from S&P Equal Weight performances

Source: EquityCompass Strategies, Bloomberg



July Highlights:

- Cablevision Systems (CVC), Dollar Tree (DLTR), and Netflix (NFLX) each announced share repurchases in June. The announced repurchases represent approximately 7%, 9%, and 5% of the three companies' market-capitalizations, respectively.
- Stifel analyst Jeffrey Hopson recently named Blackrock Inc. (BLK) his best idea, calling the company a premier entity trading at a big discount. His target price is \$235.

Current Candidates:

Symbol	Company Name	Price 6/30/10	Compass Rating	Industry Group	Mkt.-Cap. (Mil)	Symbol	Company Name	Price 6/30/10	Compass Rating	Industry Group	Mkt.-Cap. (Mil)
AME	Ametek Inc.*	\$40.15	Sell	Capital Goods	\$4,270	ILMN	Illumina Inc.	\$43.53	Sell	Pharm. Biotech. & Life Sci.	\$5,302
ANSS	Ansys Inc.	\$40.57	Neutral	Software & Services	\$3,667	JBHT	J.B. Hunt Transport Svcs.	\$32.67	Sell	Transportation	\$4,160
BLK	Blackrock Inc.	\$143.40	Neutral	Diversified Financials	\$9,086	JOYG	Joy Global Inc.	\$50.09	Buy	Capital Goods	\$5,168
CVC	Cablevision Systems Cp.	\$24.01	Buy	Media	\$7,338	KSU	Kansas City Southern	\$36.35	Buy	Transportation	\$3,516
CMG	Chipotle Mexican Grill	\$136.81	Buy	Consumer Services	\$4,304	MOS	Mosaic Co.	\$38.98	Buy	Materials	\$17,359
CHD	Church & Dwight Co.	\$62.71	Sell	Household & Personal Prod.	\$4,441	NFG	National Fuel Gas Co.	\$45.88	Neutral	Utilities	\$3,728
XEC	Cimarex Energy Co.	\$71.58	Buy	Energy	\$6,004	NFLX	Netflix Inc.	\$108.65	Buy	Retailing	\$5,678
DLR	Digital Realty Trust Inc.*	\$57.68	Buy	Real Estate	\$4,509	NYB	NY Community Bancorp	\$15.27	Buy	Banks	\$6,649
DISH	DISH Network Cp. (Cl A)	\$18.15	Buy	Media	\$8,103	NIHD	NII Holdings Inc.	\$32.52	Neutral	Telecommunication Services	\$5,433
DLB	Dolby Laboratories (Cl A)	\$62.69	Buy	Tech. Hardware & Equip.	\$7,128	NST	NSTAR	\$35.00	Neutral	Utilities	\$3,738
DLTR	Dollar Tree Inc.	\$41.63	Buy	Retailing	\$5,295	PRGO	Perrigo Co.	\$59.07	Buy	Pharm. Biotech. & Life Sci.	\$5,396
EW	Edwards Lifesciences Cp.	\$56.02	Buy	Health Care Equip. & Svcs.	\$6,364	SEIC	SEI Investments Co.*	\$20.36	Buy	Diversified Financials	\$3,860
ENR	Energizer Holdings Inc.	\$50.28	Sell	Household & Personal Prod.	\$3,521	SCCO	Southern Copper Corp.	\$26.54	Neutral	Materials	\$22,559
FFIV	F5 Networks Inc.	\$68.57	Buy	Tech. Hardware & Equip.	\$5,450	VMW	VMware Inc.	\$62.59	Buy	Software & Services	\$25,493
FRT	Federal Rlty. Inv. Trust	\$70.27	Buy	Real Estate	\$4,310	WRB	W.R. Berkley Corp.	\$26.46	Sell	Insurance	\$4,053
HSIC	Henry Schein Inc.	\$54.90	Sell	Health Care Equip. & Svcs.	\$5,013						

*Denotes new additions

Source: EquityCompass Strategies, FactSet Research Systems Inc.

For a description of EquityCompass analytical ratings please see page 32.

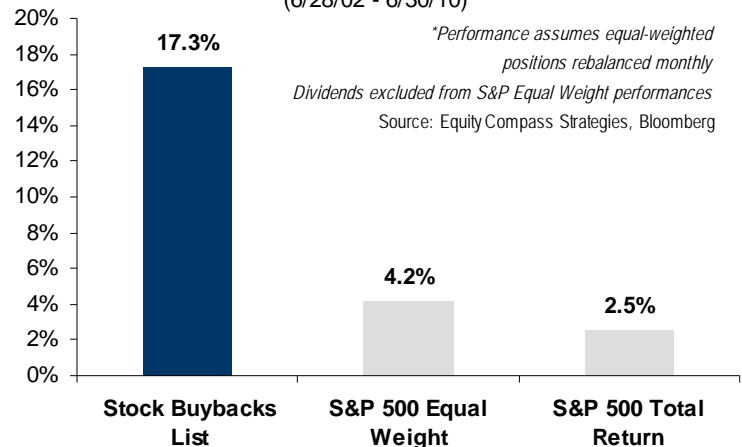
Stock Buyback List

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 - 6/30/10)



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

Abstract

- Our research into corporate stock buybacks (share repurchases) dating back to 1996 supports academic research findings that share buyback announcements provide a compelling signal for short-term post-announcement excess returns.
- **Recency** to the announcement and **size** of the share repurchase are the two factors that amplify the excess return potential.
- EquityCompass Strategies presents a rules-based strategy (the “Buyback Strategy”) that seeks to capture the short-term excess returns associated with share repurchase announcements by focusing on these two drivers of excess returns, while implementing size and liquidity constraints to reduce risk.
- Performance simulations, using out-of sample data, show that the Buyback Strategy outperformed the S&P 500 in 9 out of the 12 years returning 391.2% vs. 51.4% on a cumulative basis (13.77% vs. 3.42% annualized).
- Low correlation with most major asset classes suggests that the Buyback Strategy can be a satellite growth strategy that complements a long-term core investment plan anchored to timeless principles to help build a diversified portfolio.
- For more information contact your Stifel Nicolaus Financial Advisor or read the full report on our company website — www.equitycompass.com.

Top 10 Stock Buybacks:

Symbol	Company Name	Price 6/30/10	Div. Yld. (%)	Compass Rating	PPS	SVI Grade	RL	Sub Industry	Mkt.-Cap (Mil)	Shares Out (Mil)	Ann. Date	Amount	% Out.
FICO	Fair Isaac Corp.	\$21.79	0.37	Buy	2	D	--	Application Software	\$999	46	6/11/2010	250.000 Mln \$\$	24.79%
VIA	Viacom Inc. (Cl A)	\$35.66	1.68	Buy	3	B	H	Movies & Entertainment	\$19,064	608	6/9/2010	4.000 Bln \$\$	20.52%
GIS	General Mills Inc.	\$35.52	3.15	Buy	3	B	H	Packaged Foods & Meats	\$23,319	663	6/28/2010	100.000 Mln Shrs.	15.23%
CLC	CLARCOR Inc.	\$35.52	1.10	Neutral	5	A	--	Industrial Machinery	\$1,799	51	6/25/2010	250.000 Mln \$\$	13.86%
SLGN	Silgan Holdings Inc.	\$28.38	1.48	Neutral	7	A	H	Metal & Glass Containers	\$2,176	77	6/2/2010	300.000 Mln \$\$	13.82%
BOLT	Bolt Technology Corp.	\$8.75	--	Sell	6	--	--	Oil & Gas Equip. & Svcs.	\$76	9	6/24/2010	10.000 Mln \$\$	13.53%
OPLK	Oplink Communications Inc.	\$14.33	--	Neutral	5	B	--	Communications Equip.	\$300	21	6/1/2010	40.000 Mln \$\$	13.33%
CACC	Credit Acceptance Corp.	\$48.77	--	Buy	2	A	--	Consumer Finance	\$1,513	31	6/18/2010	200.000 Mln \$\$	13.11%
BLL	Ball Corp.	\$52.83	0.76	Neutral	7	B	--	Metal & Glass Containers	\$4,871	92	6/15/2010	12.000 Mln Shrs.	12.76%
KNSY	Kensy Nash Corp.	\$23.71	--	Sell	7	--	--	Health Care Equip.	\$240	10	6/23/2010	30.000 Mln \$\$	12.70%

Source: EquityCompass Strategies, FactSet Research Systems Inc.

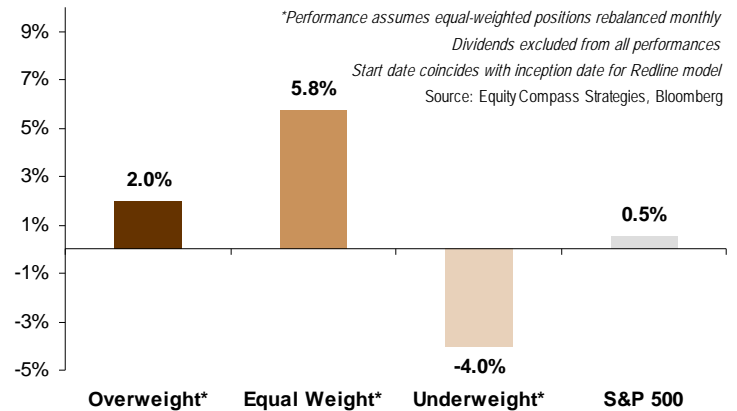
For a description of EquityCompass analytical ratings please see page 32.

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 - 6/30/10)



July 2010 - Short-Term Sector Opinion

S&P GICS Sector	*Average	
	MVD	Opinion
Energy	-7.8%	Overweight
Financials	-6.1%	Overweight
Materials	-5.5%	Overweight
Information Technology	-5.5%	Equal Weight
Industrials	-0.6%	Equal Weight
Consumer Discretionary**	1.3%	Equal Weight
Telecom Services	6.9%	Equal Weight
Health Care**	9.7%	Underweight
Utilities	11.8%	Underweight
Consumer Staples	12.0%	Underweight

*Market cap weighted

**Change since prior month

Source: EquityCompass Strategies

Historical Short-Term Sector Opinions

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

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

Source: EquityCompass Strategies

U.S. Large-Cap Growth Portfolio

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

Recent Changes: Removed — Southern Copper Corp. (SCCO), UGI Corp. (UGI), Wal-Mart Stores Inc. (WMT)
(as of 6/30/10) Added — Barrick Gold Corp. (ABX), Dominion Resources Inc. (D), General Mills Inc. (GIS)

U.S. Large-Cap Growth Model Portfolio (6/30/10)

Symbol	Company Name	Price 6/30/10	52-Wk High	52-Wk Low	Div. Yld. (%)	EC Rating	Sector	Sub Industry	Mkt.-Cap (Mil)	Date Added
AMZN	Amazon.com Inc.	\$109.26	\$151.09	\$75.41	--	Buy	Cons. Disc.	Internet Retail	\$48,730	6/30/2008
COH	Coach Inc.	\$36.55	\$44.37	\$22.94	1.64	Buy	Cons. Disc.	Apparel, Acc. & Luxury Gds.	\$11,117	11/30/2009
SBUX	Starbucks Corp.	\$24.30	\$28.50	\$12.76	1.65	Buy	Cons. Disc.	Restaurants	\$18,181	11/30/2009
CCE	Coca-Cola Enterprises Inc.	\$25.86	\$28.93	\$16.01	1.39	Neutral	Cons. Staples	Soft Drinks	\$12,941	3/31/2010
EL	Estee Lauder Cos. (CI A)	\$55.73	\$71.29	\$30.00	0.99	Buy	Cons. Staples	Personal Products	\$11,086	1/29/2010
GIS	General Mills Inc.	\$35.52	\$38.98	\$27.64	3.15	Buy	Cons. Staples	Packaged Foods & Meats	\$23,319	6/30/2010
HAL	Halliburton Co.	\$24.55	\$35.22	\$18.11	1.47	Neutral	Energy	Oil & Gas Equip. & Svcs.	\$22,242	2/26/2010
OXY	Occidental Petroleum Corp.	\$77.15	\$90.99	\$58.67	1.97	Buy	Energy	Integrated Oil & Gas	\$62,659	7/31/2009
TLM	Talisman Energy Inc.	\$15.18	\$20.22	\$12.34	1.60	Buy	Energy	Oil & Gas Exploration & Prod.	\$15,468	7/31/2009
BXP	Boston Properties Inc.	\$71.34	\$83.42	\$42.62	2.80	Buy	Financials	Office REITs	\$9,917	5/28/2010
BAM	Brookfield Asset Management Inc. (CI F)	\$22.62	\$26.39	\$15.38	2.30	Buy	Financials	Real Estate Mgmt. & Dev.	\$12,983	2/26/2010
SPG	Simon Property Group Inc.	\$80.75	\$93.59	\$45.00	2.97	Buy	Financials	Retail REITs	\$23,343	3/31/2010
AGN	Allergan Inc.	\$58.26	\$65.87	\$44.78	0.34	Neutral	Health Care	Pharmaceuticals	\$17,735	8/31/2009
ESRX	Express Scripts Inc.	\$47.02	\$54.00	\$31.80	--	Buy	Health Care	Health Care Svcs.	\$25,771	9/30/2009
LIFE	Life Technologies Corp.	\$47.25	\$56.19	\$39.08	--	Buy	Health Care	Life Sciences Tools & Svcs.	\$8,591	4/30/2010
MMM	3M Co.	\$78.99	\$90.52	\$57.81	2.66	Buy	Industrials	Industrial Conglomerates	\$56,325	8/31/2009
ITW	Illinois Tool Works Inc.	\$41.28	\$52.72	\$34.47	3.00	Buy	Industrials	Industrial Machinery	\$20,743	12/31/2009
PCP	Precision Castparts Corp.	\$102.92	\$135.40	\$67.44	0.12	Buy	Industrials	Aerospace & Defense	\$14,603	9/30/2009
AAPL	Apple Inc.	\$251.53	\$279.01	\$134.42	--	Buy	Info. Tech.	Computer Hardware	\$228,801	5/28/2010
CTSH	Cognizant Technology Solutions Corp.	\$50.06	\$54.81	\$25.01	--	Buy	Info. Tech.	IT Consulting & Other Svcs.	\$14,987	10/30/2009
MSFT	Microsoft Corp.	\$23.01	\$31.58	\$22.00	2.26	Buy	Info. Tech.	Systems Software	\$201,614	5/31/2007
ABX	Barrick Gold Corp.	\$45.41	\$48.02	\$30.67	0.88	Buy	Materials	Gold	\$44,707	6/30/2010
DOW	Dow Chemical Co.	\$23.72	\$32.05	\$14.22	2.53	Buy	Materials	Div. Chem.	\$27,394	3/31/2010
IP	International Paper Co.	\$22.63	\$29.25	\$13.82	2.21	Buy	Materials	Paper Products	\$9,876	5/28/2010
AMT	American Tower Corp.	\$44.50	\$46.21	\$29.89	--	Buy	Telecom.	Wireless Telecom. Svcs.	\$17,964	1/29/2010
CCI	Crown Castle International Corp.	\$37.26	\$40.49	\$22.73	--	Buy	Telecom.	Wireless Telecom. Svcs.	\$10,851	10/30/2009
RCI	Rogers Communications Inc. (CI B)	\$32.76	\$37.09	\$24.20	3.87	Buy	Telecom.	Wireless Telecom. Svcs.	\$19,115	5/28/2010
D	Dominion Resources Inc. (Virginia)	\$38.74	\$42.56	\$32.10	4.72	Buy	Utilities	Multi-Utilities	\$23,091	6/30/2010
DTE	DTE Energy Co.	\$45.61	\$49.05	\$30.59	4.65	Buy	Utilities	Multi-Utilities	\$7,681	4/30/2010
PPL	PPL Corp.	\$24.95	\$34.21	\$23.75	5.61	Buy	Utilities	Electric Utilities	\$9,434	7/31/2007

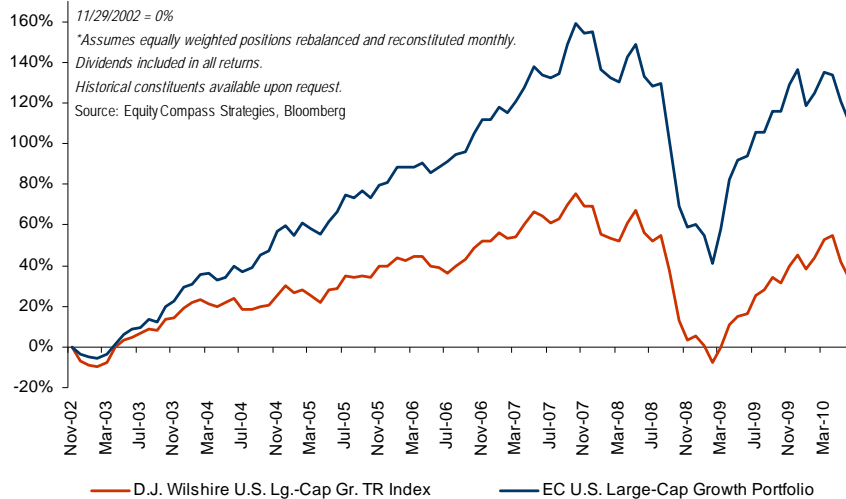
Source: EquityCompass Strategies, FactSet Research Systems Inc.

Performance Simulation and Risk Analysis

11/29/02 - 6/30/10	D.J. Wilshire U.S. Lg.-Cap Gr. TR Index	EC U.S. Large-Cap Growth Portfolio
Months	91	91
Total Return	33.7%	110.4%
Annualized Return	3.9%	10.3%
Rf Rate (5-Yr. Tsy.)	1.80%	1.80%
Standard Deviation	14.9%	15.2%
Sharpe Ratio	0.14	0.56
Best Monthly Return	11.0%	15.1%
Worst Monthly Return	-17.9%	-16.2%
Best 12-Month Return	56.5%	59.2%
Worst 12-Month Return	-39.9%	-39.3%
YTD	-7.8%	-11.0%
1-Month	-5.7%	-4.8%
3-Month	-12.4%	-10.5%
6-Month	-7.8%	-11.0%
1-Year	15.0%	8.6%
2-Year	-7.5%	-5.0%
3-Year	-6.6%	-3.4%
5-Year	0.8%	4.8%
2003	27.5%	34.5%
2004	9.5%	23.3%
2005	7.1%	13.1%
2006	9.1%	17.2%
2007	11.0%	20.2%
2008	-37.5%	-37.0%
2009	37.4%	47.3%

All performances are annualized for periods greater than one year.

EquityCompass U.S. Large-Cap Growth Portfolio (11/29/02 - 6/30/10)*



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 Growth Portfolio	1.9	74%	1.83	\$18,073	0.98	8.50	15.30	10.34	1.76	3.43	30.31	0.50
Russell 1000 Index	--	--	1.71	\$4,217	1.08	8.49	13.52	7.78	0.99	1.91	29.47	0.46

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 — Noble Corp. (NE), Coca-Cola Enterprises Inc. (CCE), Consolidated Edison Inc. (ED), ACE Ltd. (ACE), UGI Corp. (UGI), Gilead Sciences Inc. (GILD)

Added — Williams Cos. (WMB), ConAgra Foods Inc. (CAG), OGE Energy Corp. (OGE), Bank of America Corp. (BAC), Cardinal Health Inc. (CAH), Dominion Resources Inc. (D)

U.S. Large-Cap Value Model Portfolio (6/30/10)

Symbol	Company Name	Price			Div. Yld. (%)	EC Rating	Sector	Sub Industry	Mkt.-Cap (Mil)	Date Added
		6/30/10	52-Wk High	52-Wk Low						
BBY	Best Buy Co. Inc.	\$33.86	\$48.83	\$31.25	1.77	Buy	Cons. Disc.	Computer & Electronics Retail	\$14,181	6/30/2005
DTV	DIRECTV	\$33.92	\$39.87	\$22.81	--	Buy	Cons. Disc.	Cable & Satellite	\$31,227	12/31/2009
KSS	Kohl's Corp.	\$47.50	\$60.89	\$40.64	--	Buy	Cons. Disc.	Department Stores	\$14,630	12/31/2009
CAG	ConAgra Foods Inc.	\$23.32	\$26.32	\$18.51	3.43	Buy	Cons. Staples	Packaged Foods & Meats	\$10,367	6/30/2010
CVS	CVS Caremark Corp.	\$29.32	\$38.27	\$27.38	1.19	Neutral	Cons. Staples	Drug Retail	\$40,198	10/31/2007
WMT	Wal-Mart Stores Inc.	\$48.07	\$56.27	\$47.35	2.52	Neutral	Cons. Staples	Hypermarkets & Super Ctrs.	\$179,590	12/31/2009
XOM	Exxon Mobil Corp.	\$57.07	\$76.54	\$56.92	3.08	Neutral	Energy	Integrated Oil & Gas	\$268,118	8/29/2003
NOV	National Oilwell Varco Inc.	\$33.07	\$50.17	\$28.76	1.21	Neutral	Energy	Oil & Gas Equip. & Svcs.	\$13,854	2/26/2010
WMB	Williams Cos.	\$18.28	\$24.66	\$13.59	2.74	Buy	Energy	Oil & Gas Storage & Trans.	\$10,676	6/30/2010
BAC	Bank of America Corp.	\$14.37	\$19.86	\$11.27	0.28	Buy	Financials	Other Div. Financial Svcs.	\$144,160	6/30/2010
L	Loews Corp.	\$33.31	\$39.47	\$25.27	0.75	Buy	Financials	Multi-line Ins.	\$13,981	2/26/2010
MET	MetLife Inc.	\$37.76	\$47.75	\$26.00	1.96	Buy	Financials	Life & Health Ins.	\$30,940	11/28/2008
ABC	AmerisourceBergen Corp.	\$31.75	\$33.27	\$17.54	1.01	Buy	Health Care	Health Care Dist.	\$8,940	4/30/2010
CAH	Cardinal Health Inc.	\$33.61	\$36.66	\$20.80	2.32	Buy	Health Care	Health Care Dist.	\$12,157	6/30/2010
MCK	McKesson Corp.	\$67.16	\$71.49	\$42.61	1.07	Buy	Health Care	Health Care Dist.	\$18,200	6/30/2008
DAL	Delta Air Lines Inc.	\$11.75	\$14.94	\$5.56	--	Buy	Industrials	Airlines	\$9,252	3/31/2010
GD	General Dynamics Corp.	\$58.56	\$79.00	\$49.85	2.87	Buy	Industrials	Aerospace & Defense	\$22,588	11/29/2002
UTX	United Technologies Corp.	\$64.91	\$77.09	\$49.00	2.62	Buy	Industrials	Aerospace & Defense	\$60,566	1/31/2008
HPO	Hewlett-Packard Co.	\$43.28	\$54.75	\$36.67	0.74	Buy	Info. Tech.	Computer Hardware	\$101,492	8/31/2005
IBM	International Business Machines Corp.	\$123.48	\$134.25	\$99.50	2.11	Buy	Info. Tech.	IT Consulting & Other Svcs.	\$158,344	4/30/2007
TEL	Tyco Electronics Ltd.	\$25.38	\$32.98	\$16.12	2.52	Buy	Info. Tech.	Electronic Mfg. Svcs.	\$11,510	2/26/2010
CLF	Cliffs Natural Resources Inc.	\$47.16	\$76.17	\$19.44	1.19	Buy	Materials	Steel	\$6,387	3/31/2010
IP	International Paper Co.	\$22.63	\$29.25	\$13.82	2.21	Buy	Materials	Paper Products	\$9,876	9/30/2009
PPG	PPG Industries Inc.	\$60.41	\$72.24	\$41.21	3.58	Buy	Materials	Div. Chem.	\$10,048	11/30/2009
T	AT&T Inc.	\$24.19	\$28.73	\$23.19	6.95	Neutral	Telecom.	Integrated Telecom. Svcs.	\$142,939	6/29/2007
RCI	Rogers Communications Inc. (CI B)	\$32.76	\$37.09	\$24.20	3.87	Buy	Telecom.	Wireless Telecom. Svcs.	\$19,115	4/30/2010
VZ	Verizon Communications Inc.	\$28.02	\$34.13	\$26.49	6.78	Neutral	Telecom.	Integrated Telecom. Svcs.	\$79,205	11/30/2005
D	Dominion Resources Inc. (Virginia)	\$38.74	\$42.56	\$32.10	4.72	Buy	Utilities	Multi-Utilities	\$23,091	6/30/2010
OGE	OGE Energy Corp.	\$36.56	\$42.25	\$26.50	3.97	Buy	Utilities	Multi-Utilities	\$3,554	6/30/2010
PPL	PPL Corp.	\$24.95	\$34.21	\$23.75	5.61	Buy	Utilities	Electric Utilities	\$9,434	7/31/2009

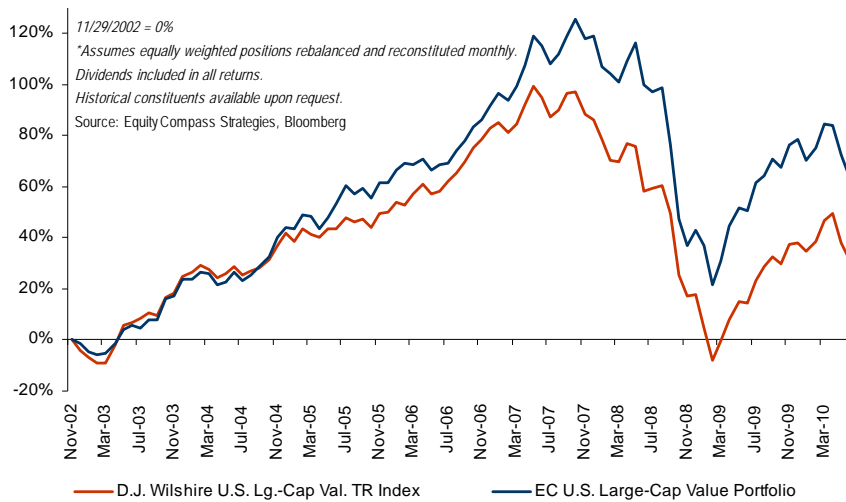
Source: EquityCompass Strategies, FactSet Research Systems Inc.

Performance Simulation and Risk Analysis

11/29/02 - 6/30/10	D.J. Wilshire U.S. Lg.-Cap Val. TR Index	EC U.S. Large-Cap Value Portfolio
Months	91	91
Total Return	31.5%	63.6%
Annualized Return	3.7%	6.7%
Rf Rate (5-Yr. Tsy.)	1.80%	1.80%
Standard Deviation	14.8%	14.5%
Sharpe Ratio	0.13	0.34
Best Monthly Return	8.9%	10.6%
Worst Monthly Return	-16.1%	-16.7%
Best 12-Month Return	50.7%	44.2%
Worst 12-Month Return	-46.1%	-40.5%
YTD	-4.9%	-8.2%
1-Month	-4.8%	-5.1%
3-Month	-10.4%	-11.3%
6-Month	-4.9%	-8.2%
1-Year	14.6%	8.5%
2-Year	-8.9%	-9.5%
3-Year	-12.3%	-8.8%
5-Year	-1.8%	1.3%
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 - 6/30/10)*



Portfolio Profile

	Avg. # Monthly Changes	Est. Annual Turnover	Avg. Ind. Dvd. Yld. (%)	Median Mkt.-Cap (\$Mil)	Avg. Beta	Ent. Val. / EBITDA (NTM Est.)	Price / Earnings (NTM Est.)	Price / Cash Flow (NTM Est.)	Price / Sales (NTM Est.)	Price / Book Val. (MRQ)	Earnings Growth (5-Yr Est.)	PEG Ratio (NTM Est.)
Large-Cap Value Portfolio	1.6	63%	2.44	\$16,415	0.92	6.82	10.19	6.58	0.50	2.01	24.33	0.42
Russell 1000 Index	--	--	1.71	\$4,217	1.08	8.49	13.52	7.78	0.99	1.91	29.47	0.46

U.S. Mid-Cap Growth Portfolio

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

Recent Changes: Removed — Noble Corp. (NE), Nalco Holding Co. (NLC), UGI Corp. (UGI)

(as of 6/30/10)

Added — Core Laboratories N.V. (CLB), International Flavors & Fragrances (IFF), ONEOK Inc. (OKE)

U.S. Mid-Cap Growth Model Portfolio (6/30/10)

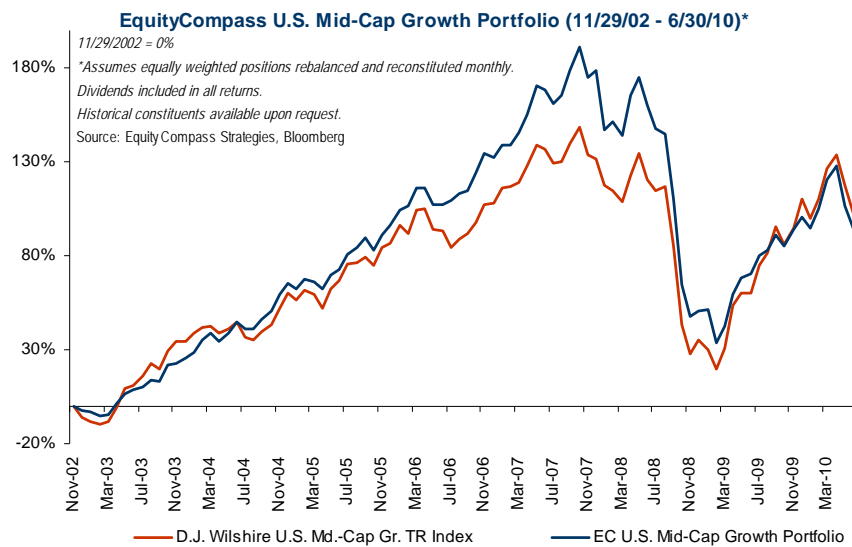
Symbol	Company Name	Price 6/30/10	52-Wk High	52-Wk Low	Div. Yld. (%)	EC Rating	Sector	Sub Industry	Mkt.-Cap (Mil)	Date Added
HBI	Hanesbrands Inc.	\$24.06	\$31.45	\$13.07	--	Buy	Cons. Disc.	Apparel, Acc. & Luxury Gds.	\$2,300	2/26/2010
SCI	Service Corp. International	\$7.40	\$9.74	\$5.22	2.16	Buy	Cons. Disc.	Specialized Consumer Svcs.	\$1,885	12/31/2009
WYN	Wyndham Worldwide Corp.	\$20.14	\$27.94	\$10.29	2.38	Buy	Cons. Disc.	Hotels, Res. & Cruise Lines	\$3,620	1/29/2010
GMCR	Green Mountain Coffee Roasters Inc.	\$25.70	\$33.20	\$17.73	--	Buy	Cons. Staples	Packaged Foods & Meats	\$3,381	2/26/2010
HLF	Herbalife Ltd.	\$46.05	\$53.00	\$28.92	1.74	Buy	Cons. Staples	Personal Products	\$2,758	5/28/2010
WFMI	Whole Foods Market Inc.	\$36.02	\$43.18	\$17.16	--	Buy	Cons. Staples	Food Retail	\$6,176	5/28/2010
ATLS	Atlas Energy Inc.	\$27.07	\$40.44	\$15.05	--	Neutral	Energy	Oil & Gas Exploration & Prod.	\$2,120	1/29/2010
CXO	Concho Resources Inc.	\$55.33	\$61.65	\$25.17	--	Buy	Energy	Oil & Gas Exploration & Prod.	\$5,065	6/30/2009
CLB	Core Laboratories N.V.	\$147.61	\$158.79	\$78.10	0.33	Buy	Energy	Oil & Gas Equip. & Svcs.	\$3,294	6/30/2010
AMG	Affiliated Managers Group Inc.	\$60.77	\$88.01	\$51.95	--	Neutral	Financials	Asset Mgmt. & Custody Bks.	\$2,707	3/31/2010
DLR	Digital Realty Trust Inc.	\$57.68	\$64.17	\$34.27	3.33	Buy	Financials	Office REIT's	\$4,509	2/29/2008
MXB	MSCI Inc. (CI A)	\$27.40	\$38.61	\$23.79	--	Neutral	Financials	Specialized Finance	\$2,877	1/29/2010
DNDN	Dendreon Corp.	\$32.33	\$57.67	\$21.25	--	Buy	Health Care	Biotechnology	\$4,253	10/30/2009
PRGO	Perrigo Co.	\$59.07	\$64.66	\$25.91	0.42	Buy	Health Care	Pharmaceuticals	\$5,396	11/30/2009
UTHR	United Therapeutics Corp.	\$48.81	\$61.97	\$38.98	--	Neutral	Health Care	Biotechnology	\$2,716	2/26/2010
FLS	Flowserve Corp.	\$84.80	\$119.83	\$60.90	1.37	Buy	Industrials	Industrial Machinery	\$4,693	3/31/2010
HTZ	Hertz Global Holdings Inc.	\$9.46	\$15.60	\$7.69	--	Buy	Industrials	Trucking	\$3,892	4/30/2010
GWW	W.W. Grainger Inc.	\$99.45	\$116.07	\$77.67	2.17	Buy	Industrials	Trading Companies & Dist.	\$7,250	8/31/2009
ANSS	Ansys Inc.	\$40.57	\$46.88	\$28.28	--	Neutral	Info. Tech.	Application Software	\$3,667	5/31/2007
ROVI	Rovi Corp	\$37.91	\$40.06	\$20.76	--	Buy	Info. Tech.	Systems Software	\$3,867	8/31/2009
SLH	Solera Holdings Inc.	\$36.20	\$40.25	\$23.75	0.69	Buy	Info. Tech.	Application Software	\$2,532	9/30/2009
ALB	Albemarle Corp.	\$39.71	\$46.97	\$23.31	1.41	Buy	Materials	Specialty Chem.	\$3,627	11/30/2009
CLF	Cliffs Natural Resources Inc.	\$47.16	\$76.17	\$19.44	1.19	Buy	Materials	Steel	\$6,387	12/31/2009
IFF	International Flavors & Fragrances Inc.	\$42.42	\$51.77	\$30.71	2.36	Buy	Materials	Specialty Chem.	\$3,368	6/30/2010
CCI	Crown Castle International Corp.	\$37.26	\$40.49	\$22.73	--	Buy	Telecom.	Wireless Telecom. Svcs.	\$10,851	5/28/2010
RCI	Rogers Communications Inc. (CI B)	\$32.76	\$37.09	\$24.20	3.87	Buy	Telecom.	Wireless Telecom. Svcs.	\$19,115	5/28/2010
TWTC	tw telecom inc. (CI A)	\$16.68	\$18.80	\$8.55	--	Buy	Telecom.	Alternative Carriers	\$2,530	1/29/2010
NFG	National Fuel Gas Co.	\$45.88	\$54.42	\$33.77	3.01	Neutral	Utilities	Gas Utilities	\$3,728	2/26/2010
OGE	OGE Energy Corp.	\$36.56	\$42.25	\$26.50	3.97	Buy	Utilities	Multi-Utilities	\$3,554	9/30/2009
OKE	ONEOK Inc.	\$43.25	\$50.85	\$27.50	4.07	Buy	Utilities	Gas Utilities	\$4,597	6/30/2010

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
11/29/02 - 6/30/10	91	91
Months	91	91
Total Return	103.2%	94.7%
Annualized Return	9.8%	9.2%
Rf Rate (5-Yr. Tsy.)	1.80%	1.80%
Standard Deviation	19.2%	17.2%
Sharpe Ratio	0.42	0.43
Best Monthly Return	16.9%	12.3%
Worst Monthly Return	-22.7%	-21.7%
Best 12-Month Return	75.4%	54.9%
Worst 12-Month Return	-45.2%	-46.8%
YTD	-3.3%	-3.1%
1-Month	-6.6%	-5.6%
3-Month	-10.3%	-11.7%
6-Month	-3.3%	-3.1%
1-Year	27.1%	14.0%
2-Year	-4.1%	-13.5%
3-Year	-5.0%	-10.2%
5-Year	4.0%	2.4%
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.



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%	1.15	\$3,647	1.16	8.67	15.21	10.48	1.46	3.42	33.65	0.45
Russell 1000 Index	--	--	1.71	\$4,217	1.08	8.49	13.52	7.78	0.99	1.91	29.47	0.46

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 — Hormel Foods (HRL), FMC Corp. (FMC), J.M. Smucker Co. (SJM)
 (as of 6/30/10) Added — Del Monte Foods (DLM), Tyson Foods Inc. CI A (TSN), Temple-Inland Inc. (TIN)

U.S. Mid-Cap Value Model Portfolio (6/30/10)

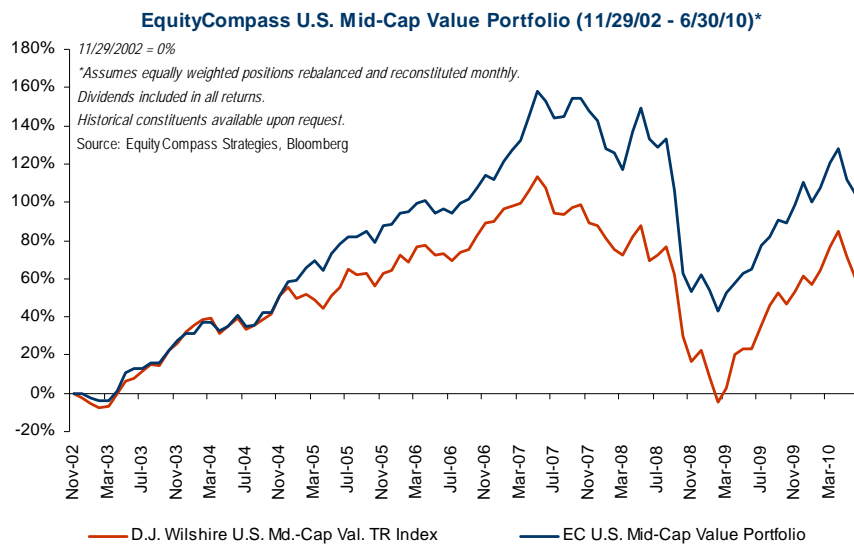
Symbol	Company Name	Price 6/30/10	52-Wk High	52-Wk Low	Div. Yld. (%)	EC Rating	Sector	Sub Industry	Mkt.-Cap (Mil)	Date Added
GME	GameStop Corp. (CI A)	\$18.79	\$28.62	\$17.12	--	Buy	Cons. Disc.	Computer & Electronics Retail	\$2,872	12/31/2009
LEG	Leggett & Platt Inc.	\$20.06	\$25.15	\$13.88	5.18	Buy	Cons. Disc.	Home Furnishings	\$2,965	8/29/2008
TUP	Tupperware Brands Corp.	\$39.85	\$54.15	\$25.01	2.51	Buy	Cons. Disc.	Housewares & Specialties	\$2,506	2/29/2008
DLM	Del Monte Foods Co.	\$14.39	\$16.14	\$8.92	2.50	Buy	Cons. Staples	Packaged Foods & Meats	\$2,866	6/30/2010
HLF	Herbalife Ltd.	\$46.05	\$53.00	\$28.92	1.74	Buy	Cons. Staples	Personal Products	\$2,758	7/31/2009
TSN	Tyson Foods Inc. (CI A)	\$16.39	\$20.57	\$10.76	0.98	Buy	Cons. Staples	Packaged Foods & Meats	\$6,179	6/30/2010
NFX	Newfield Exploration Co.	\$48.86	\$60.50	\$27.92	--	Buy	Energy	Oil & Gas Exploration & Prod.	\$6,512	10/30/2009
SUG	Southern Union Co.	\$21.86	\$26.68	\$16.72	2.74	Buy	Energy	Oil & Gas Storage & Trans.	\$2,721	10/30/2009
WLL	Whiting Petroleum Corp.	\$78.42	\$93.22	\$29.77	--	Buy	Energy	Oil & Gas Exploration & Prod.	\$3,999	5/28/2010
HCC	HCC Insurance Holdings Inc.	\$24.76	\$29.01	\$23.42	2.18	Buy	Financials	Multi-line Ins.	\$2,847	7/31/2006
PRE	PartnerRe Ltd.	\$70.14	\$81.80	\$61.24	2.85	Buy	Financials	ReIns.	\$5,612	1/29/2010
THG	The Hanover Insurance Group Inc.	\$43.50	\$46.39	\$37.00	2.30	Buy	Financials	Property & Casualty Ins.	\$1,940	2/29/2008
EMS	Emergency Medical Services Corp. (CI A)	\$49.03	\$61.83	\$36.13	--	Neutral	Health Care	Health Care Svcs.	\$2,153	2/26/2010
UHS	Universal Health Services Inc. (CI B)	\$38.15	\$43.80	\$23.60	0.52	Buy	Health Care	Health Care Facilities	\$3,705	11/29/2002
WCRX	Warner Chilcott Plc	\$22.85	\$29.24	\$12.60	--	Buy	Health Care	Pharmaceuticals	\$5,760	4/30/2010
ACM	AECOM Technology Corp.	\$23.06	\$33.20	\$22.77	--	Neutral	Industrials	Construction & Engineering	\$2,611	10/30/2009
CPA	Copa Holdings S.A. (CI A)	\$44.22	\$63.08	\$38.15	2.46	Buy	Industrials	Airlines	\$1,917	2/26/2010
UAUA	UAL Corp.	\$20.56	\$24.59	\$3.07	--	Buy	Industrials	Airlines	\$3,443	4/30/2010
HRS	Harris Corp.	\$41.65	\$54.50	\$26.11	2.11	Buy	Info. Tech.	Communications Equip.	\$5,344	3/31/2008
MFE	McAfee Inc.	\$30.72	\$45.68	\$30.63	--	Neutral	Info. Tech.	Systems Software	\$4,788	4/30/2010
SWKS	Skyworks Solutions Inc.	\$16.79	\$18.34	\$9.50	--	Buy	Info. Tech.	Semiconductors	\$2,965	1/29/2010
BLL	Ball Corp.	\$52.83	\$56.10	\$44.29	0.76	Neutral	Materials	Metal & Glass Containers	\$4,871	1/30/2009
GEF	Greif Inc. (CI A)	\$55.54	\$61.02	\$40.18	3.02	Neutral	Materials	Metal & Glass Containers	\$2,617	12/31/2007
TIN	Temple-Inland Inc.	\$20.67	\$25.03	\$10.90	2.13	Buy	Materials	Paper Packaging	\$2,224	6/30/2010
BCE	BCE Inc.	\$29.27	\$31.24	\$19.91	5.77	Buy	Telecom.	Integrated Telecom. Svcs.	\$22,333	5/28/2010
TDS	Telephone & Data Systems Inc.	\$30.39	\$35.74	\$24.63	1.48	Neutral	Telecom.	Wireless Telecom. Svcs.	\$3,208	7/31/2009
TWTC	tw telecom inc. (CI A)	\$16.68	\$18.80	\$8.55	--	Buy	Telecom.	Alternative Carriers	\$2,530	5/28/2010
CMS	CMS Energy Corp.	\$14.65	\$16.67	\$11.58	4.10	Neutral	Utilities	Multi-Utilities	\$3,340	2/27/2009
DPL	DPL Inc.	\$23.90	\$28.86	\$22.48	5.06	Neutral	Utilities	Electric Utilities	\$2,843	9/30/2009
OGE	OGE Energy Corp.	\$36.56	\$42.25	\$26.50	3.97	Buy	Utilities	Multi-Utilities	\$3,554	9/30/2009

Source: EquityCompass Strategies, FactSet Research Systems Inc.

Performance Simulation and Risk Analysis

11/29/02 - 6/30/10	D.J. Wilshire U.S. Mid-Cap Val. TR Index	EC U.S. Mid-Cap Value Portfolio
Months	91	91
Total Return	60.6%	104.9%
Annualized Return	6.4%	9.9%
Rf Rate (5-Yr. Tsy.)	1.80%	1.80%
Standard Deviation	17.8%	15.4%
Sharpe Ratio	0.26	0.53
Best Monthly Return	16.7%	9.1%
Worst Monthly Return	-19.9%	-21.0%
Best 12-Month Return	72.5%	45.5%
Worst 12-Month Return	-45.7%	-38.3%
YTD	-0.5%	-2.7%
1-Month	-6.3%	-3.3%
3-Month	-9.0%	-7.1%
6-Month	-0.5%	-2.7%
1-Year	30.2%	24.2%
2-Year	-2.7%	-6.3%
3-Year	-8.2%	-6.8%
5-Year	0.6%	2.8%
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%	1.81	\$2,965	1.00	5.67	10.33	5.55	0.80	1.81	22.43	0.46
Russell 1000 Index	--	--	1.71	\$4,217	1.08	8.49	13.52	7.78	0.99	1.91	29.47	0.46

U.S. Small-Cap Growth Portfolio

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

Recent Changes: Removed — Healthcare Services Group Inc. (HCSG), UGI Corp. (UGI), DPL Inc. (DPL)
 (as of 6/30/10) Added — United Rentals Inc. (URI), IDACORP Inc. (IDA), Southwest Gas Corp. (SWX)

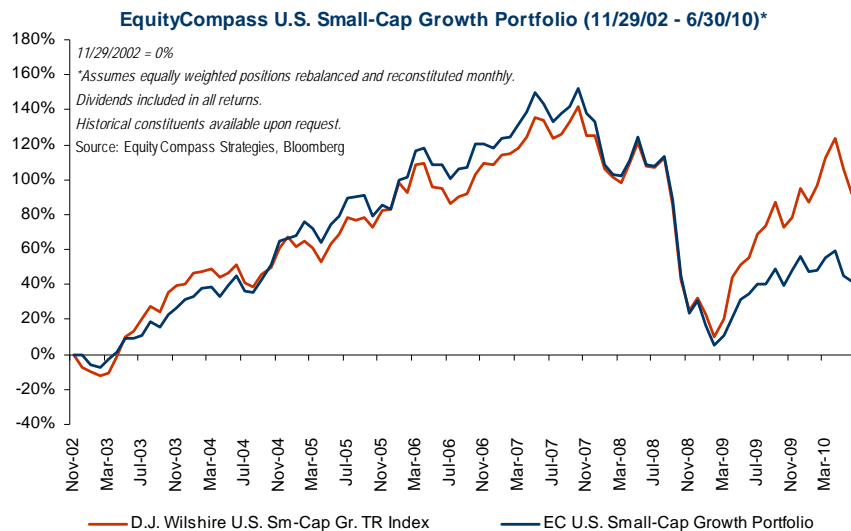
U.S. Small-Cap Growth Model Portfolio (6/30/10)

Symbol	Company Name	Price 6/30/10	52-Wk High	52-Wk Low	Div. Yld. (%)	EC Rating	Sector	Sub Industry	Mkt.-Cap (Mil)	Date Added
LOPE	Grand Canyon Education Inc.	\$23.43	\$28.46	\$15.69	--	Buy	Cons. Disc.	Education Svcs.	\$1,071	3/31/2010
MNRO	Monro Muffler Brake Inc.	\$39.53	\$40.64	\$23.77	0.91	Buy	Cons. Disc.	Automotive Retail	\$789	5/28/2010
SFLY	Shutterfly Inc.	\$23.96	\$25.70	\$11.68	--	Buy	Cons. Disc.	Internet Retail	\$642	2/26/2010
BGS	B&G Foods Inc. (CI A)	\$10.78	\$11.59	\$4.15	6.31	Neutral	Cons. Staples	Packaged Foods & Meats	\$513	1/29/2010
DMND	Diamond Foods Inc.	\$41.10	\$46.36	\$24.85	0.44	Buy	Cons. Staples	Packaged Foods & Meats	\$896	11/30/2009
GMCR	Green Mountain Coffee Roasters Inc.	\$25.70	\$33.20	\$17.73	--	Buy	Cons. Staples	Packaged Foods & Meats	\$3,381	4/30/2008
KEG	Key Energy Services Inc.	\$9.18	\$11.54	\$4.82	--	Buy	Energy	Oil & Gas Equip. & Svcs.	\$1,151	1/29/2010
MMR	McMoran Exploration Co.	\$11.11	\$18.80	\$4.72	--	Neutral	Energy	Oil & Gas Exploration & Prod.	\$1,034	4/30/2010
REXX	Rex Energy Corp.	\$10.10	\$15.39	\$4.02	--	Buy	Energy	Oil & Gas Exploration & Prod.	\$445	12/31/2009
ELS	Equity Lifestyle Properties Inc.	\$48.23	\$58.52	\$34.03	2.49	Buy	Financials	Residential REITs	\$1,469	12/31/2009
WAC	Waller Investment Management Corp.	\$16.35	\$18.99	\$11.83	12.23	Neutral	Financials	Mortgage REITs	\$325	2/26/2010
WRE	Washington Real Estate Investment Tr	\$27.59	\$32.95	\$20.65	6.27	Buy	Financials	Div. REITs	\$1,670	4/30/2008
DXCM	DexCom Inc.	\$11.56	\$12.02	\$5.25	--	Buy	Health Care	Health Care Equip.	\$664	12/31/2009
ESC	Emeritus Corp.	\$16.31	\$24.83	\$11.00	--	Buy	Health Care	Health Care Facilities	\$641	11/30/2009
HLS	HealthSouth Corp.	\$18.71	\$22.22	\$12.76	--	Neutral	Health Care	Health Care Facilities	\$1,751	1/29/2010
ENOC	EnerNOC Inc.	\$31.44	\$37.00	\$17.65	--	Neutral	Industrials	Diversified Support Services	\$773	2/26/2010
SCS	Steelcase Inc.	\$7.75	\$9.47	\$4.98	2.06	Buy	Industrials	Office Svcs. & Supplies	\$1,030	4/30/2010
URI	United Rentals Inc.	\$9.32	\$14.79	\$5.19	--	Buy	Industrials	Trading Companies & Dist.	\$563	6/30/2010
ASIA	Asiainfo Holdings Inc.	\$21.86	\$32.60	\$15.30	--	Neutral	Info. Tech.	Application Software	\$1,034	1/30/2009
LPSN	LivePerson Inc.	\$6.86	\$8.99	\$3.62	--	Buy	Info. Tech.	Internet Software & Svcs.	\$349	4/30/2010
PEGA	Pegasystems Inc.	\$32.11	\$39.66	\$22.23	0.37	Neutral	Info. Tech.	Application Software	\$1,189	12/31/2009
CENX	Century Aluminum Co.	\$8.83	\$18.77	\$4.70	--	Buy	Materials	Aluminum	\$818	2/26/2010
SOA	Solutia Inc.	\$13.10	\$18.75	\$5.19	--	Buy	Materials	Div. Chem.	\$1,590	1/29/2010
TIN	Temple-Inland Inc.	\$20.67	\$25.03	\$10.90	2.13	Buy	Materials	Paper Packaging	\$2,224	8/31/2009
TNDM	Neutral Tandem Inc.	\$11.25	\$34.56	\$11.08	--	Buy	Telecom.	Alternative Carriers	\$372	1/29/2010
RCI	Rogers Communications Inc. (CI B)	\$32.76	\$37.09	\$24.20	3.87	Buy	Telecom.	Wireless Telecom. Svcs.	\$19,115	5/28/2010
TWTC	tw telecom inc. (CI A)	\$16.68	\$18.80	\$8.55	--	Buy	Telecom.	Alternative Carriers	\$2,530	5/28/2010
IDA	IDACORP Inc.	\$33.27	\$36.93	\$24.68	3.61	Buy	Utilities	Electric Utilities	\$1,600	6/30/2010
OGE	OGE Energy Corp.	\$36.56	\$42.25	\$26.50	3.97	Buy	Utilities	Multi-Utilities	\$3,554	4/30/2010
SWX	Southwest Gas Corp.	\$29.50	\$32.91	\$21.58	3.39	Buy	Utilities	Gas Utilities	\$1,337	6/30/2010

Performance Simulation and Risk Analysis

11/29/02 - 6/30/10	D.J. Wilshire U.S. Sm-Cap Gr. TR Index	EC U.S. Small-Cap Growth Portfolio
Months	91	91
Total Return	91.8%	41.4%
Annualized Return	9.0%	4.7%
Rf Rate (5-Yr. Tsy.)	1.80%	1.80%
Standard Deviation	21.0%	19.3%
Sharpe Ratio	0.34	0.15
Best Monthly Return	19.8%	9.2%
Worst Monthly Return	-22.8%	-23.1%
Best 12-Month Return	78.2%	48.9%
Worst 12-Month Return	-45.2%	-48.2%
YTD	-1.6%	-9.5%
1-Month	-7.1%	-2.2%
3-Month	-9.7%	-8.9%
6-Month	-1.6%	-9.5%
1-Year	23.4%	5.1%
2-Year	-4.0%	-17.7%
3-Year	-6.4%	-16.6%
5-Year	2.6%	-4.6%
2003	51.0%	32.1%
2004	19.0%	26.3%
2005	9.7%	10.1%
2006	13.8%	19.2%
2007	8.1%	6.6%
2008	-41.3%	-43.8%
2009	47.4%	19.5%

All performances are annualized for periods greater than one year.



Portfolio Profile

	Avg. # Monthly Changes	Est. Annual Turnover (%)	Avg. Ind. Dvd. Yld. (%)	Median Mkt.-Cap (\$Mil)	Avg. Beta	Ent. Val. / EBITDA (NTM Est.)	Price / Earnings (NTM Est.)	Price / Cash Flow (NTM Est.)	Price / Sales (NTM Est.)	Price / Book Val. (MRO)	Earnings Growth (5-Yr Est.)	PEG Ratio (NTM Est.)
Small-Cap Growth Portfolio	3.8	153%	1.60	\$1,034	1.33	7.37	18.06	8.25	1.29	2.86	44.34	0.41
Russell 1000 Index	--	--	1.71	\$4,217	1.08	8.49	13.52	7.78	0.99	1.91	29.47	0.46

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 — Koppers Holdings (KOP), Syniverse Holdings (SVR), UGI Corp. (UGI), RehabCare Group Inc. (RHB)
 (as of 6/30/10) Added — Solutia Inc. (SOA), Rogers Communications Inc. CI B (RCI), IDACORP Inc. (IDA), Amedisys Inc. (AMED)

U.S. Small-Cap Value Model Portfolio (6/30/10)

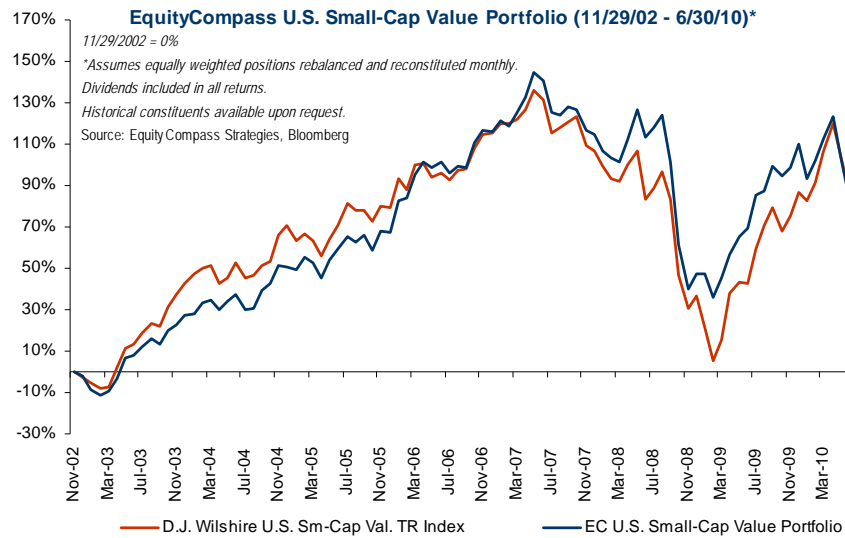
Symbol	Company Name	Price 6/30/10	52-Wk High	52-Wk Low	Div. Yld. (%)	EC Rating	Sector	Sub Industry	Mkt.-Cap (Mil)	Date Added
DAN	Dana Holding Corp.	\$10.00	\$14.10	\$1.17	--	Buy	Cons. Disc.	Auto Parts & Equip.	\$1,399	3/31/2010
GCO	Genesco Inc.	\$26.31	\$35.00	\$17.51	--	Buy	Cons. Disc.	Apparel Retail	\$633	12/31/2009
TUP	Tupperware Brands Corp.	\$39.85	\$54.15	\$25.01	2.51	Buy	Cons. Disc.	Housewares & Specialties	\$2,506	7/31/2007
DMND	Diamond Foods Inc.	\$41.10	\$46.36	\$24.85	0.44	Buy	Cons. Staples	Packaged Foods & Meats	\$896	2/26/2010
NUS	Nu Skin Enterprises Inc. (CI A)	\$24.93	\$33.99	\$14.69	2.01	Buy	Cons. Staples	Personal Products	\$1,563	4/30/2008
UNFI	United Natural Foods Inc.	\$29.88	\$34.25	\$23.03	--	Buy	Cons. Staples	Food Dist.	\$1,293	4/30/2010
GPOR	Gulfport Energy Corp.	\$11.86	\$15.25	\$5.23	--	Buy	Energy	Oil & Gas Exploration & Prod.	\$507	2/26/2010
WG	Willbros Group Inc.	\$7.40	\$18.51	\$7.36	--	Neutral	Energy	Oil & Gas Equip. & Svcs.	\$294	11/28/2008
INT	World Fuel Services Corp.	\$25.94	\$30.48	\$18.00	0.58	Neutral	Energy	Oil & Gas Refining & Mktg.	\$1,541	3/31/2009
CATM	Cardtronics Inc.	\$12.96	\$14.58	\$3.25	--	Buy	Financials	Consumer Finance	\$541	5/28/2010
CODI	Compass Diversified Holdings	\$13.41	\$16.30	\$7.92	10.14	Buy	Financials	Multi-Sector Holdings	\$491	5/28/2010
EZPW	Ezcorp Inc. (CI A)	\$18.55	\$23.75	\$10.00	--	Buy	Financials	Consumer Finance	\$912	2/26/2010
AMED	Amedisys Inc.	\$43.98	\$64.28	\$29.71	--	Buy	Health Care	Health Care Svcs.	\$1,251	6/30/2010
BIOS	BioScrip Inc.	\$5.24	\$9.84	\$5.17	--	Buy	Health Care	Health Care Svcs.	\$278	4/30/2010
OMI	Owens & Minor Inc.	\$28.38	\$32.80	\$25.52	2.49	Neutral	Health Care	Health Care Dist.	\$1,793	8/31/2007
AIT	Applied Industrial Technologies Inc.	\$25.32	\$33.00	\$18.11	2.37	Buy	Industrials	Trading Companies & Dist.	\$1,071	11/30/2007
HA	Hawaiian Holdings Inc.	\$5.17	\$9.18	\$5.16	--	Buy	Industrials	Airlines	\$268	9/30/2009
SYKE	Sykes Enterprises Inc.	\$14.23	\$26.91	\$14.21	--	Neutral	Industrials	Office Svcs. & Supplies	\$673	11/30/2009
DIOD	Diodes Inc.	\$15.87	\$24.89	\$14.78	--	Buy	Info. Tech.	Semiconductors	\$696	1/29/2010
JDAS	JDA Software Group Inc.	\$21.98	\$31.72	\$14.71	--	Buy	Info. Tech.	Application Software	\$915	6/30/2009
VECO	Veeco Instruments Inc.	\$34.28	\$54.50	\$11.06	--	Buy	Info. Tech.	Semiconductor Equip.	\$1,390	5/28/2010
GLT	Glatfelter	\$10.85	\$15.49	\$7.91	3.32	Buy	Materials	Paper Products	\$497	4/30/2010
RKT	Rock-Tenn Co. (CI A)	\$49.67	\$55.90	\$36.22	1.21	Buy	Materials	Paper Packaging	\$1,934	12/31/2009
SOA	Solutia Inc.	\$13.10	\$18.75	\$5.19	--	Buy	Materials	Div. Chem.	\$1,590	6/30/2010
TNDM	Neutral Tandem Inc.	\$11.25	\$34.56	\$11.08	--	Buy	Telecom.	Alternative Carriers	\$372	1/29/2010
RCI	Rogers Communications Inc. (CI B)	\$32.76	\$37.09	\$24.20	3.87	Buy	Telecom.	Wireless Telecom. Svcs.	\$19,115	6/30/2010
TWTC	tw telecom inc. (CI A)	\$16.68	\$18.80	\$8.55	--	Buy	Telecom.	Alternative Carriers	\$2,530	5/28/2010
IDA	IDACORP Inc.	\$33.27	\$36.93	\$24.68	3.61	Buy	Utilities	Electric Utilities	\$1,600	6/30/2010
OGE	OGE Energy Corp.	\$36.56	\$42.25	\$26.50	3.97	Buy	Utilities	Multi-Utilities	\$3,554	4/30/2010
UNS	UniSource Energy Corp.	\$30.18	\$34.43	\$25.96	5.17	Neutral	Utilities	Electric Utilities	\$1,086	1/29/2010

Source: EquityCompass Strategies, FactSet Research Systems Inc.

Performance Simulation and Risk Analysis

11/29/02 - 6/30/10	D.J. Wilshire U.S. Sm-Cap Val. TR Index	EC U.S. Small-Cap Value Portfolio
Months	91	91
Total Return	86.0%	82.9%
Annualized Return	8.5%	8.3%
Rf Rate (5-Yr. Tsy.)	1.80%	1.80%
Standard Deviation	19.7%	17.2%
Sharpe Ratio	0.34	0.38
Best Monthly Return	19.9%	10.0%
Worst Monthly Return	-20.0%	-19.8%
Best 12-Month Return	81.7%	51.2%
Worst 12-Month Return	-45.5%	-35.4%
YTD	-0.4%	-12.9%
1-Month	-8.2%	-9.4%
3-Month	-9.9%	-13.9%
6-Month	-0.4%	-12.9%
1-Year	30.7%	7.9%
2-Year	0.7%	-7.3%
3-Year	-7.0%	-8.7%
5-Year	1.8%	2.8%
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%	1.39	\$1,079	1.22	6.32	11.02	6.84	0.50	1.96	30.80	0.36
Russell 1000 Index	--	--	1.71	\$4,217	1.08	8.49	13.52	7.78	0.99	1.91	29.47	0.46

U.S. All-Cap Blend Portfolio

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

Recent Changes: Removed — Crown Hldgs. (CCK), FMC Cp. (FMC), Syniverse Hldgs. (SVR), RehabCare Grp. (RHB), UGI Cp. (UGI)
 (as of 6/30/10) Added — Solutia Inc. (SOA), Temple-Inland (TIN), Rogers Commun. Cl B (RCI), Sirona Dental (SIRO), PPL Cp. (PPL)

U.S. All-Cap Blend Model Portfolio (6/30/10)

Symbol	Company Name	Price			Div. Yld. (%)	EC Rating	Sector	Sub Industry	Mkt.-Cap (Mil)	Date Added
		6/30/10	52-Wk High	52-Wk Low						
LEG	Leggett & Platt Inc.	\$20.06	\$25.15	\$13.88	5.18	Buy	Cons. Disc.	Home Furnishings	\$2,965	1/30/2009
MNRO	Monro Muffler Brake Inc.	\$39.53	\$40.64	\$23.77	0.91	Buy	Cons. Disc.	Automotive Retail	\$789	8/31/2009
SCI	Service Corp. International	\$7.40	\$9.74	\$5.22	2.16	Buy	Cons. Disc.	Specialized Consumer Svcs.	\$1,885	12/31/2009
SKX	Skechers USA Inc. (Cl A)	\$36.52	\$44.90	\$8.95	--	Buy	Cons. Disc.	Footwear	\$1,731	5/28/2010
SHOO	Steven Madden Ltd.	\$31.52	\$40.98	\$15.76	--	Buy	Cons. Disc.	Footwear	\$869	9/30/2008
CVS	CVS Caremark Corp.	\$29.32	\$38.27	\$27.38	1.19	Neutral	Cons. Staples	Drug Retail	\$40,198	8/31/2007
GMCR	Green Mountain Coffee Roasters Inc.	\$25.70	\$33.20	\$17.73	--	Buy	Cons. Staples	Packaged Foods & Meats	\$3,381	12/31/2008
HLF	Herbalife Ltd.	\$46.05	\$53.00	\$28.92	1.74	Buy	Cons. Staples	Personal Products	\$2,758	10/30/2009
WAG	Walgreen Co.	\$26.70	\$40.69	\$26.26	2.06	Neutral	Cons. Staples	Drug Retail	\$25,984	11/30/2005
WMT	Wal-Mart Stores Inc.	\$48.07	\$56.27	\$47.35	2.52	Neutral	Cons. Staples	Hypermarkets & Super Ctrs.	\$179,590	5/28/2010
CHK	Chesapeake Energy Corp.	\$20.95	\$30.00	\$16.92	1.43	Neutral	Energy	Oil & Gas Exploration & Prod.	\$13,636	8/31/2009
CXO	Concho Resources Inc.	\$55.33	\$61.65	\$25.17	--	Buy	Energy	Oil & Gas Exploration & Prod.	\$5,065	8/31/2009
HAL	Halliburton Co.	\$24.55	\$35.22	\$18.11	1.47	Neutral	Energy	Oil & Gas Equip. & Svcs.	\$22,242	1/29/2010
NE	Noble Corp.	\$30.91	\$45.60	\$26.23	0.60	Neutral	Energy	Oil & Gas Drilling	\$7,907	9/29/2006
ROSE	Rosetta Resources Inc.	\$19.81	\$26.92	\$7.08	--	Buy	Energy	Oil & Gas Exploration & Prod.	\$1,016	11/30/2009
AEL	American Equity Investment Life Hldg.	\$10.32	\$11.64	\$5.24	0.78	Buy	Financials	Life & Health Ins.	\$577	2/26/2010
EZPW	Ezcorp Inc. (Cl A)	\$18.55	\$23.75	\$10.00	--	Buy	Financials	Consumer Finance	\$912	1/29/2010
HCC	HCC Insurance Holdings Inc.	\$24.76	\$29.01	\$23.42	2.18	Buy	Financials	Multi-line Ins.	\$2,847	5/31/2007
PSEC	Prospect Capital Corp.	\$9.65	\$13.22	\$8.60	12.44	Neutral	Financials	Asset Mgmt. & Custody Bks.	\$621	1/30/2009
WAC	Walter Investment Management Corp.	\$16.35	\$18.99	\$11.83	12.23	Neutral	Financials	Mortgage REITs	\$325	1/29/2010
HLS	HealthSouth Corp.	\$18.71	\$22.22	\$12.76	--	Neutral	Health Care	Health Care Facilities	\$1,751	11/30/2009
HGSI	Human Genome Sciences Inc.	\$22.66	\$34.49	\$2.25	--	Buy	Health Care	Biotechnology	\$4,245	5/28/2010
SVNT	Savient Pharmaceuticals Inc.	\$12.60	\$16.62	\$10.00	--	Neutral	Health Care	Biotechnology	\$845	2/26/2010
SIRO	Sirona Dental Systems Inc.	\$34.84	\$43.45	\$19.95	--	Buy	Health Care	Health Care Equip.	\$1,924	6/30/2010
UHS	Universal Health Services Inc. (Cl B)	\$38.15	\$43.80	\$23.60	0.52	Buy	Health Care	Health Care Facilities	\$3,705	11/29/2002
AIN	Albany International Corp. (Cl A)	\$16.19	\$26.09	\$9.92	2.96	Buy	Industrials	Industrial Machinery	\$502	1/29/2010
FCN	FTI Consulting Inc.	\$43.59	\$56.41	\$36.10	--	Neutral	Industrials	Research & Consulting Svcs.	\$2,047	5/29/2009
HSC	Harsco Corp.	\$23.50	\$37.65	\$23.47	3.49	Buy	Industrials	Industrial Machinery	\$1,892	12/29/2006
HA	Hawaiian Holdings Inc.	\$5.17	\$9.18	\$5.16	--	Buy	Industrials	Airlines	\$268	9/30/2009
SCS	Steelcase Inc.	\$7.75	\$9.47	\$4.98	2.06	Buy	Industrials	Office Svcs. & Supplies	\$1,030	4/30/2010
ANSS	Ansys Inc.	\$40.57	\$46.88	\$28.28	--	Neutral	Info. Tech.	Application Software	\$3,667	11/30/2007
AAPL	Apple Inc.	\$251.53	\$279.01	\$134.42	--	Buy	Info. Tech.	Computer Hardware	\$228,801	5/28/2010
HRS	Harris Corp.	\$41.65	\$54.50	\$26.11	2.11	Buy	Info. Tech.	Communications Equip.	\$5,344	2/27/2009
JDAS	JDA Software Group Inc.	\$21.98	\$31.72	\$14.71	--	Buy	Info. Tech.	Application Software	\$915	8/31/2009
LPSN	LivePerson Inc.	\$6.86	\$8.99	\$3.62	--	Buy	Info. Tech.	Internet Software & Svcs.	\$349	4/30/2010
CLF	Cliffs Natural Resources Inc.	\$47.16	\$76.17	\$19.44	1.19	Buy	Materials	Steel	\$6,387	12/31/2009
GEF	Greif Inc. (Cl A)	\$55.54	\$61.02	\$40.18	3.02	Neutral	Materials	Metal & Glass Containers	\$2,617	11/30/2007
IPHS	Innophos Holdings Inc.	\$26.08	\$31.98	\$15.75	2.61	Buy	Materials	Specialty Chem.	\$558	8/31/2009
SOA	Solutia Inc.	\$13.10	\$18.75	\$5.19	--	Buy	Materials	Div. Chem.	\$1,590	6/30/2010
TIN	Temple-Inland Inc.	\$20.67	\$25.03	\$10.90	2.13	Buy	Materials	Paper Packaging	\$2,224	6/30/2010
AMT	American Tower Corp.	\$44.50	\$46.21	\$29.89	--	Buy	Telecom.	Wireless Telecom. Svcs.	\$17,964	1/29/2010
CTL	CenturyLink Inc.	\$33.31	\$37.16	\$14.16	8.71	Neutral	Telecom.	Integrated Telecom. Svcs.	\$9,998	12/31/2008
TNDM	Neutral Tandem Inc.	\$11.25	\$34.56	\$11.08	--	Buy	Telecom.	Alternative Carriers	\$372	12/31/2009
RCI	Rogers Communications Inc. (Cl B)	\$32.76	\$37.09	\$24.20	3.87	Buy	Telecom.	Wireless Telecom. Svcs.	\$19,115	6/30/2010
VZ	Verizon Communications Inc.	\$28.02	\$34.13	\$26.49	6.78	Neutral	Telecom.	Integrated Telecom. Svcs.	\$79,205	12/30/2005
CMS	CMS Energy Corp.	\$14.65	\$16.67	\$11.58	4.10	Neutral	Utilities	Multi-Utilities	\$3,340	2/26/2010
EGN	Energen Corp.	\$44.33	\$49.94	\$35.38	1.17	Neutral	Utilities	Gas Utilities	\$3,178	11/30/2005
NFG	National Fuel Gas Co.	\$45.88	\$54.42	\$33.77	3.01	Neutral	Utilities	Gas Utilities	\$3,728	11/30/2005
OGE	OGE Energy Corp.	\$36.56	\$42.25	\$26.50	3.97	Buy	Utilities	Multi-Utilities	\$3,554	9/30/2009
PPL	PPL Corp.	\$24.95	\$34.21	\$23.75	5.61	Buy	Utilities	Electric Utilities	\$9,434	6/30/2010

Source: EquityCompass Strategies, FactSet Research Systems Inc.

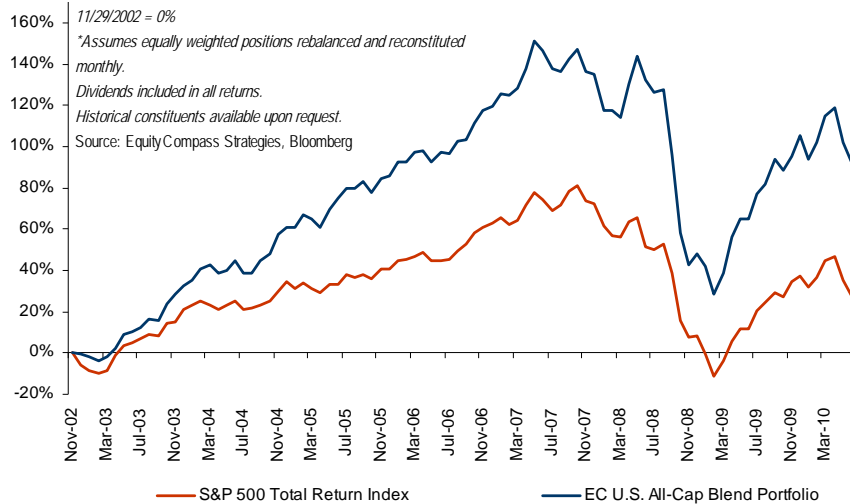
U.S. All-Cap Blend Portfolio (continued)

Performance Simulation and Risk Analysis

11/29/02 - 6/30/10	S&P 500 Total Return Index	EC U.S. All-Cap Blend Portfolio
Months	91	91
Total Return	28.0%	92.7%
Annualized Return	3.3%	9.0%
Rf Rate (5-Yr. Tsy.)	1.80%	1.80%
Standard Deviation	14.5%	16.1%
Sharpe Ratio	0.10	0.45
Best Monthly Return	9.6%	12.6%
Worst Monthly Return	-16.8%	-19.1%
Best 12-Month Return	53.6%	57.5%
Worst 12-Month Return	-43.3%	-41.0%
YTD	-6.7%	-6.2%
1-Month	-5.2%	-4.5%
3-Month	-11.4%	-10.2%
6-Month	-6.7%	-6.2%
1-Year	14.4%	16.9%
2-Year	-8.1%	-8.9%
3-Year	-9.8%	-7.8%
5-Year	-0.8%	1.9%
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 - 6/30/10)*



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.)
All-Cap Blend Portfolio	2.5	60%	1.94	\$2,803	1.15	6.83	12.18	7.00	1.15	2.41	25.92	0.47
Russell 1000 Index	--	--	1.71	\$4,217	1.08	8.49	13.52	7.78	0.99	1.91	29.47	0.46

EquityCompass Performance Monitor - July 2010 (Through 6/30/2010)

Benchmark Indices	YTD	1M	3M	6M	9M	1Y	2Y	3Y	4Y	5Y	2001*	2002	2003	2004	2005	2006	2007	2008	2009
S&P 500	-7.6%	-5.4%	-11.9%	-7.6%	-2.5%	12.1%	-10.3%	-11.8%	-5.1%	-2.9%	1.3%	-23.4%	26.4%	9.0%	3.0%	13.6%	3.5%	-38.5%	23.5%
S&P 500 Total Return	-6.7	-5.2	-11.4	-6.7	-1.0	14.4	-8.1	-9.8	-3.0	-0.8	1.7	-22.1	28.7	10.9	4.9	15.8	5.5	-37.0	26.5
S&P 500 Equal Weight	-4.2	-6.4	-11.0	-4.2	1.4	22.8	-4.3	-9.2	-2.8	-0.3	1.6	-19.4	38.7	15.2	6.4	14.0	0.0	-41.0	43.3
Dow Jones Ind. Average	-6.3	-3.6	-10.0	-6.3	0.6	15.7	-7.2	-10.0	-3.2	-1.0	0.7	-16.8	25.3	3.1	-0.6	16.3	6.4	-33.8	18.8
S&P 500 Citigroup Growth	-8.7	-4.9	-11.6	-8.7	-2.0	10.8	-9.0	-8.4	-2.4	-1.3	5.1	-24.5	23.9	4.7	2.5	9.4	7.7	-35.9	29.3
S&P 500 Citigroup Value	-6.4	-5.9	-12.1	-6.4	-3.1	13.5	-11.6	-15.4	-7.9	-4.5	-2.8	-22.5	29.0	13.3	3.5	18.0	-0.4	-41.2	17.4
S&P 100	-9.0	-5.2	-12.6	-9.0	-4.2	8.8	-10.3	-12.3	-5.2	-3.5	1.2	-23.9	23.8	4.5	-0.9	15.9	3.8	-37.1	19.1
NASDAQ 100	-6.5	-6.1	-11.2	-6.5	1.2	17.7	-2.7	-3.5	2.5	3.1	7.3	-37.6	49.1	10.4	1.5	6.8	18.7	-41.9	53.5
S&P SmallCap 600	-1.4	-7.2	-9.0	-1.4	3.3	22.2	-5.2	-8.8	-3.4	-0.3	4.1	-15.3	37.5	21.6	6.7	14.1	-1.2	-32.0	23.8
S&P MidCap 400	-2.1	-6.7	-9.9	-2.1	3.0	23.1	-6.8	-7.4	-1.8	0.8	2.9	-15.4	34.0	15.2	11.3	9.0	6.7	-37.3	35.0
Russell 1000	-7.3	-5.7	-11.9	-7.3	-2.2	13.0	-10.2	-11.5	-4.8	-2.6	1.2	-22.9	27.5	9.5	4.4	13.3	3.9	-39.0	25.5
S&P 500 Financials	-4.2	-6.0	-13.6	-4.2	-7.7	15.5	-17.2	-27.4	-19.1	-14.1	0.5	-16.4	27.9	8.2	3.7	16.2	20.8	-57.0	14.8
S&P 500 Info. Tech.	-11.0	-6.2	-12.5	-11.0	-1.7	14.7	-3.8	-5.3	1.5	1.3	8.2	-37.6	46.6	2.1	0.4	7.7	15.5	-43.7	59.9
S&P 500 Health Care	-9.8	-1.9	-12.3	-9.8	-2.1	6.7	-4.0	-7.2	-1.7	-1.9	2.2	-20.0	13.3	0.2	4.9	5.8	5.4	-24.5	17.1
S&P 500 Industrials	-1.9	-7.1	-12.8	-1.9	2.7	24.6	-11.3	-12.4	-6.2	-2.7	1.9	-27.6	29.7	15.9	0.4	11.0	9.8	-41.5	17.3
S&P 500 Energy	-13.2	-5.8	-13.2	-13.2	-8.8	-0.1	-24.3	-11.0	-2.9	1.7	-3.0	-13.3	22.4	28.8	29.1	22.2	32.4	-35.9	11.3
S&P 500 Cons. Disc.	-2.3	-9.8	-11.2	-2.3	6.1	26.1	1.4	-9.5	-3.4	-2.4	3.8	-24.4	36.1	12.1	-7.4	17.2	-14.3	-34.7	38.8
S&P 500 Cons. Staples	-4.3	-2.8	-8.8	-4.3	-0.2	10.3	-2.1	-1.9	1.4	2.3	-0.1	-6.3	9.2	6.0	1.3	11.8	11.6	-17.7	11.2
S&P 500 Telecom. Svcs.	-11.0	-0.4	-5.6	-11.0	-5.8	-2.1	-13.5	-16.6	-6.1	-3.4	-5.4	-35.9	3.3	16.0	-9.0	32.1	8.4	-33.6	2.6
S&P 500 Utilities	-9.2	-1.0	-4.8	-9.2	-3.7	1.1	-16.7	-10.5	-3.3	-2.2	-15.4	-33.0	21.1	19.6	12.8	16.9	15.8	-31.5	6.8
S&P 500 Materials	-13.7	-7.1	-15.7	-13.7	-7.7	11.6	-18.6	-11.7	-3.4	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	-0.4	-8.2	-9.9	-0.4	3.9	30.7	0.7	-7.0	-1.3	1.8	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	-1.6	-7.1	-9.7	-1.6	2.7	23.4	-4.0	-6.4	-0.4	2.6	7.8	-28.5	51.0	19.0	9.7	13.8	8.1	-31.3	47.4
D.J. Wilshire U.S. Md. Cap Val. TR	-0.5	-6.3	-9.0	-0.5	5.4	30.2	-2.7	-8.2	-1.8	0.6	1.9	-9.5	34.9	17.9	5.5	15.7	-1.3	-34.8	32.0
D.J. Wilshire U.S. Md. Cap Gr. TR	-3.3	-6.6	-10.3	-3.3	4.0	27.1	-4.1	-5.0	1.2	4.0	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	-4.9	-4.8	-10.4	-4.9	-0.6	14.6	-8.9	-12.3	-4.5	-1.8	-0.3	-14.7	30.6	13.5	5.7	21.9	1.8	-36.6	17.2
D.J. Wilshire U.S. Lg. Cap Gr. TR	-7.8	-5.7	-12.4	-7.8	-0.6	15.0	-7.5	-6.6	-0.9	0.8	3.9	-26.7	27.5	9.5	7.1	9.1	11.0	-37.5	37.4
EquityCompass Indices ¹	YTD	1M	3M	6M	9M	1Y	2Y	3Y	4Y	5Y	2001	2002	2003	2004	2005	2006	2007	2008	2009
EC Mega Beta Index	-6.2%	-20.3%	-25.1%	-6.2%	-5.7%	53.6%	10.6%	-2.6%	2.0%	8.0%	--	--	138.2%	1.7%	-6.3%	28.1%	-1.9%	-62.9%	198.2%
EC Micro Beta Index	-5.9	-3.1	-9.1	-5.9	-5.6	3.7	-9.5	-11.8	-3.9	-0.8	--	--	46.3	12.3	16.1	19.7	8.2	-38.3	21.4
EC Mega Cap Index	-7.6	-4.3	-11.2	-7.6	-1.9	10.0	-11.1	-7.7	-0.8	1.4	--	--	25.8	6.5	3.2	20.2	19.5	-35.5	18.8
EC Micro Cap Index	-8.6	-16.1	-14.5	-8.6	-23.9	55.6	36.3	8.0	9.4	7.6	--	--	95.5	14.4	-7.8	14.4	-16.5	-55.8	268.8
EC Mega Growth Index	1.3	-10.0	-12.4	1.3	6.2	31.2	-5.5	-8.2	-2.1	3.0	--	--	68.0	16.7	15.2	11.1	17.3	-57.1	71.5
EC Micro Growth Index	7.2	-5.1	-6.1	7.2	14.9	43.9	12.7	1.4	7.9	9.0	--	--	34.7	16.3	7.7	31.4	4.3	-44.0	84.0
EC Mega Quality Index	-3.8	-4.8	-9.9	-3.8	0.8	13.4	-5.5	-8.0	-2.5	-0.5	--	--	21.7	10.4	5.4	12.9	5.2	-32.9	18.9
EC Micro Quality Index	3.2	-12.7	-12.4	3.2	3.7	93.4	18.1	-3.7	4.8	6.7	--	--	148.5	25.1	-5.1	29.8	-4.2	-68.2	235.8
EC Mega Value Index	3.8	-10.1	-13.2	3.8	0.7	27.5	6.5	-2.2	-0.9	2.5	--	--	100.0	8.7	6.3	5.4	3.7	-45.9	59.0
EC Micro Value Index	2.7	-8.1	-8.7	2.7	5.7	45.0	32.4	11.1	15.4	15.5	--	--	70.2	34.4	12.5	16.4	-4.5	-25.5	116.1
EC Div. Index	-0.9	-5.4	-8.7	-0.9	3.9	24.7	-1.3	-7.0	-0.3	2.4	--	--	37.3	21.1	9.5	18.9	2.7	-35.9	35.1
EC Non Div. Index	-1.6	-8.6	-10.9	-1.6	0.4	30.6	5.6	-3.6	2.4	5.0	--	--	67.0	14.7	8.5	17.0	3.2	-46.0	81.2
EC Mega Short Interest Index	-3.4	-6.4	-8.0	-3.4	-4.8	16.9	1.8	-12.7	-6.9	-5.2	--	--	57.0	16.1	-4.0	19.3	-11.6	-50.2	53.8
EC Micro Short Interest Index	3.6	-8.8	-13.8	3.6	2.3	55.5	17.1	9.2	15.0	14.8	--	--	77.7	10.7	7.5	20.9	18.5	-42.9	113.7
EC Mega Analysts' Rat. Index	-6.3	-9.6	-11.5	-6.3	-1.7	14.2	-4.7	-9.7	-1.8	3.2	--	--	51.1	9.8	16.8	20.3	14.9	-40.8	36.0
EC Micro Analysts' Rat. Index	-6.1	-11.8	-15.7	-6.1	-7.2	25.4	-11.0	-19.8	-11.2	-6.7	--	--	80.9	19.8	-4.0	21.6	-14.1	-48.9	33.7
EC Mega Price Index	-5.4	-5.6	-11.1	-5.4	2.4	17.2	-16.3	-9.9	-2.5	1.5	--	--	28.2	17.1	16.2	18.7	22.4	-45.0	27.9
EC Micro Price Index	-17.3	-21.3	-23.6	-17.3	-32.3	61.3	21.4	-2.7	2.7	4.7	--	--	180.9	17.9	-13.2	26.3	-13.1	-69.8	346.6
EC Mega Price Momentum Index	-2.4	-4.6	-7.9	-2.4	-0.3	6.8	-18.9	-11.0	-4.7	-1.1	--	--	20.6	1.9	9.6	11.9	10.2	-34.5	3.2
EC Micro Price Momentum Index	-4.1	-10.0	-12.3	-4.1	-13.0	68.1	52.3	16.0	18.7	14.4	--	--	102.9	26.3	-7.4	17.1	-12.2	-47.0	261.8
EC All Covered ADRs	-9.9	-1.9	-11.8	-9.9	-4.8	17.8	-4.4	-5.1	4.7	9.3	0.4	-15.7	50.8	19.0	15.9	34.2	22.8	-47.4	70.5
EC Alpha Basket Index	-4.2	-5.6	-10.3	-4.2	3.8	20.0	-6.7	-6.4	1.0	4.2	--	--	48.0	14.5	10.3	25.4	5.4	-36.1	38.4
EC Bear Mkt. Rec. Index	5.6	3.1	13.7	5.6	68.1	304.0	27.5	8.3	8.8	10.1	--	--	116.0	10.5	-6.0	15.4	-13.9	-51.9	201.6
Early Bull Top 100 Index	5.9	-15.3	5.1	13.0	10.9	73.4	14.4	-0.1	4.4	8.1	--	--	124.4	13.4	-5.8	14.9	-15.0	-62.0	224.0
Mid Bull Top 100 Index	3.7	-9.8	2.4	11.9	16.4	35.4	-10.6	-9.6	-1.6	2.2	--	--	49.7	24.4	9.9	12.7	9.6	-54.6	70.7
Late Bull Top 100 Index	0.6	-6.3	2.5	4.6	11.9	20.4	-21.3	-10.4	-3.5	2.1	--	--	31.9	17.8	23.6	13.6	29.1	-46.0	17.0
Bear Top 100 Index	0.1	-5.8	0.2	2.8	10.4	22.0	-7.6	-6.5	0.4	2.2	--	--	17.2	12.4	8.0	12.8	11.0	-26.2	13.3
EquityCompass Ratings ¹	YTD	1M	3M	6M	9M	1Y	2Y	3Y	4Y	5Y	2001	2002	2003	2004	2005	2006	2007	2008	2009
All PPS 1 Rated Stocks	-0.8%	-8.0%	-10.4%	-0.8%	4.8%	25.1%	-10.4%	-10.1%	-1.5%	2.8%	-8.6%	-8.3%	46.9%	29.0%	18.0%	23.8%	13.9%	-44.0%	32.7%
All PPS 2 Rated Stocks	-2.4	-8.9	-10.8	-2.4	3.2	18.3	-10.8	-8.6	-1.4	2.1	0.6	-3.7	36.6	23.0	15.9	18.7	12.1	-36.7	24.3
All PPS 3 Rated Stocks	-3.7	-7.8	-10.5	-3.7	2.5	15.7	-10.0	-9.0	-3.0	0.8	5.0	-13.7	38.5	15.6	10.8	15.7	12.9	-34.3	16.3
All PPS 4 Rated Stocks	-3.9	-7.7	-10.4	-3.9	-3.4	11.5	-10.5	-9.0	-3.7	-0.5	0.8	-31.4	66.1	8.9	7.0	12.4	10.6	-37.8	19.4
All PPS 5 Rated Stocks	-0.8	-5.7	-9.4	-0.8	4.6	24.0	2.6	-4.9	1.7	3.8	9.9	-22.6	46.9	14.4	6.9	16.8	2.4	-35.3	45.4
All PPS 6 Rated Stocks	1.2	-6.7	-9.5	1.2	4.1	50.8	30.4	6.7	12.3	13.2	-2.9	-28.3	57.0	29.2	6.8	21.8	-10.6	-39.5	152.7
All PPS 7 Rated Stocks	1.4	-5.1	-7.5	1.4	5.3	47.7	17.0	-2.0	4.7	5.9	2.7	-9.1	42.7	22.4	2.4	22.9	-7.1	-46.6	104.6
All PPS 8 Rated Stocks	-0.2	-7.5	-10.2	-0.2	-1.4	34.0	6.6	-7.1	-0.3	1.3	14.3	-35.4	51.6	21.3	3.3	19.0	-7.0	-49.6	82.9
All PPS 9 Rated Stocks	-1.9	-8.0	-11.7	-1.9	-5.5	32.6	9.3	-4.6	-0.5	1.5	16.3	-48.0	88.6	-2.5	-2.8	8.8	-2.1	-55.0	109.0
All SVI A Rated Stocks	-0.9	-4.2	-7.3	-0.9	4.1	21.5	-1.7	-5.6	0.8	3.1	--	--	32.1	18.6	9.2	15.6	6.4	-35.9	37.7
All SVI B Rated Stocks	-1.7	-5.7	-8.5	-1.7	3.8	24.7	0.6	-5.9	0.6	2.6	--	--	38.3	17.0	7.3	15.8	3.2	-38.1	46.6
All SVI C Rated Stocks	-1.4	-8.0	-11.2	-1.4	2.6	30.3	3.3	-6.0	-0.2	2.7	--	--	45.4	20.8	11.8	16.6	-1.9	-40.4	56.6
All SVI D Rated Stocks	1.3	-10.3	-11.4	1.3	1.2	39.1	10.3												

EquityCompass Valuation Profile - July 2010

(As of 6/30/10)

Benchmark Indices ¹	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	1,485	2.10	0.88	\$64,056	1.6	4.8	1.2%	7.6	11.9	7.4	1.0	2.2	0.5
S&P 500	498	2.17	0.86	\$73,353	1.6	4.9	1.0%	7.5	11.7	7.3	1.0	2.2	0.6
S&P 100	99	2.43	0.78	\$108,423	1.5	4.9	0.8%	7.4	11.2	7.3	1.1	2.4	0.6
S&P Mid Cap	398	1.54	1.06	\$2,886	3.9	4.8	2.6%	8.0	13.8	8.3	0.9	1.9	0.5
Dow Jones Ind Avg.	30	2.94	0.70	\$139,349	1.5	5.1	1.9%	7.0	10.6	7.1	1.1	2.4	0.6
Nasdaq 100	98	1.14	0.89	\$87,341	1.0	5.1	-4.9%	8.2	12.5	9.8	1.8	2.9	0.5
S&P Citi Growth	305	2.08	0.84	\$76,445	1.7	5.1	0.9%	7.5	12.2	8.7	1.5	2.9	0.6
S&P Citi Value	345	2.66	0.82	\$71,246	1.8	4.8	1.9%	7.3	11.0	6.4	0.8	1.9	0.5
Russell 1000	935	2.11	0.89	\$64,429	1.6	4.9	0.9%	7.6	11.9	7.2	1.0	2.2	0.5
Russell 2000	1,906	1.25	1.23	\$1,012	5.2	4.4	1.0%	8.5	16.5	8.7	0.7	1.9	0.5
Russell 3000	2,841	2.03	0.91	\$58,731	1.6	4.8	0.9%	7.6	12.1	7.3	1.0	2.1	0.5
Russell Mid Cap	747	1.70	1.08	\$6,236	2.7	4.7	1.4%	8.1	13.3	6.9	0.9	1.9	0.5
S&P 500 Energy Index	38	2.47	1.08	\$112,827	3.2	5.4	-7.8%	4.3	9.7	5.3	0.7	1.8	0.3
S&P 500 Materials Index	32	2.21	1.19	\$17,782	1.8	4.9	-5.6%	6.7	12.1	7.7	0.9	2.4	0.3
S&P 500 Industrials Index	57	2.41	1.12	\$48,036	1.0	3.3	-0.6%	10.7	13.1	8.3	1.0	2.4	0.6
S&P 500 Consumer Disc. Index	81	1.67	0.98	\$28,384	2.2	3.2	1.2%	7.9	12.9	8.2	0.8	2.3	0.6
S&P 500 Consumer Staples Index	40	3.25	0.38	\$88,974	2.0	5.8	12.0%	8.0	12.8	9.0	0.8	3.2	1.5
S&P 500 Health Care Index	51	2.40	0.53	\$64,137	1.5	6.2	9.7%	7.0	10.3	8.8	1.0	2.2	1.1
S&P 500 Financials Index	79	1.20	1.30	\$68,302	1.5	4.1	-4.8%	12.1	11.7	5.3	1.3	1.3	0.4
S&P 500 Info. Tech. Index	75	1.04	0.89	\$107,436	1.1	5.0	-5.5%	7.8	11.8	9.5	2.0	3.4	0.5
S&P 500 Telecom. Services Index	9	6.21	0.46	\$97,260	2.0	6.5	6.9%	5.3	13.3	3.8	1.0	1.6	1.2
S&P 500 Utilities Index	36	4.70	0.61	\$14,341	2.8	6.5	11.8%	7.1	11.3	5.2	1.0	1.4	2.3
Russell 1000 Val.	655	2.44	0.97	\$60,780	1.8	4.6	0.4%	7.3	11.3	6.2	0.9	1.7	0.5
Russell 1000 Gr.	606	1.88	0.83	\$68,689	1.6	5.0	1.5%	7.8	12.3	8.4	1.1	2.7	0.6
Russell Mid Val.	533	2.08	1.16	\$6,047	2.6	4.5	1.2%	8.0	12.7	6.0	0.7	1.6	0.4
Russell Mid Gr.	474	1.26	1.03	\$6,382	2.7	4.8	1.9%	8.1	13.3	8.0	1.0	2.5	0.5
EquityCompass Indices ²	Qty	Div (%)	Beta	Mkt. Cap	Short			EV/EBITDA (NTM)	P/E (NTM)	P/CF (NTM)	P/S (NTM)	P/BV (MRQ)	PEG Ratio
EC Mega Beta Index	50	0.03	3.14	\$804	Int. Rat.	PPS	MVD						
EC Mega Beta Index	50	0.03	3.14	\$804	3.1	3.7	-7.3%	8.9	21.1	5.1	0.3	1.7	0.3
EC Micro Beta Index	50	1.28	0.14	\$21,652	2.8	5.6	9.2%	8.1	13.2	9.7	1.0	3.7	0.7
EC Mega Cap Index	50	2.36	0.80	\$97,198	1.4	4.8	1.7%	7.5	12.7	8.9	1.5	3.0	0.6
EC Micro Cap Index	50	0.04	1.33	\$170	7.0	7.6	1.9%	4.9	28.1	0.8	0.2	0.1	0.3
EC Mega Growth Index	50	0.01	1.48	\$2,224	4.8	6.8	0.8%	59.6	-21.9	-27.3	7.9	6.5	-0.2
EC Micro Growth Index	50	1.87	0.96	\$3,542	2.8	4.7	-2.0%	4.4	7.7	3.8	0.6	0.8	7.7
EC Mega Quality Index	50	1.74	0.83	\$24,119	2.4	5.5	2.4%	10.1	15.1	12.3	2.2	3.8	0.9
EC Micro Quality Index	50	0.00	1.96	\$797	3.5	5.0	-5.4%	7.6	20.9	6.4	0.4	-12.9	0.3
EC Mega Value Index	50	0.06	1.37	\$3,908	4.4	6.8	1.4%	27.2	-92.4	-503.4	7.1	5.3	-1.2
EC Micro Value Index	50	1.15	1.36	\$7,021	3.6	3.8	-8.5%	3.2	7.8	3.9	0.4	1.1	0.2
EC Div. Index	1,531	3.05	1.07	\$13,771	2.4	5.0	0.8%	6.7	12.7	7.3	0.9	1.9	0.5
EC Non Div. Index	1,853	0.00	1.27	\$2,889	3.4	5.0	-0.3%	7.9	15.8	8.9	0.8	2.1	0.4
EC Mega Short Interest Index	50	1.91	0.90	\$2,457	32.3	6.2	4.7%	6.5	30.9	16.3	1.5	2.8	0.5
EC Micro Short Interest Index	50	1.12	1.31	\$20,454	0.7	4.6	-6.1%	7.0	10.3	7.0	1.3	2.0	0.3
EC Mega AR Index	50	0.43	1.25	\$648	4.4	3.8	-0.6%	8.5	13.3	10.0	1.0	2.2	0.3
EC Micro AR Index	50	1.54	1.52	\$2,004	6.2	5.8	1.7%	7.9	20.8	8.3	0.4	1.2	0.4
EC Mega Price Index	50	0.97	0.96	\$24,612	2.2	4.7	3.7%	9.4	16.5	13.3	2.0	2.6	0.8
EC Micro Price Index	50	0.00	1.98	\$326	3.4	8.1	1.8%	9.4	-1.4	3.5	0.1	-33.3	0.0
EC Mega Mom. Index	50	1.10	0.74	\$4,574	3.6	4.1	13.9%	9.7	19.0	12.2	1.2	3.9	0.7
EC Micro Mom. Index	50	0.92	1.17	\$2,253	3.7	7.3	-3.9%	5.9	11.8	6.1	0.5	1.5	0.4
All ADRs	280	2.41	1.18	\$40,547	2.1	5.4	-3.8%	5.2	11.1	7.1	0.9	1.8	0.4
EquityCompass Ratings ²	Qty	Div (%)	Beta	Mkt. Cap	Short			EV/EBITDA (NTM)	P/E (NTM)	P/CF (NTM)	P/S (NTM)	P/BV (MRQ)	PEG Ratio
All PPS 1 Rated Stocks	217	1.02	1.49	\$6,993	Int. Rat.	PPS	MVD						
All PPS 1 Rated Stocks	217	1.02	1.49	\$6,993	2.1	1	-10.1%	5.8	8.8	5.0	0.5	1.5	0.2
All PPS 2 Rated Stocks	472	1.34	1.33	\$6,420	2.6	2	-5.6%	8.3	12.4	6.2	0.7	2.0	0.3
All PPS 3 Rated Stocks	493	1.39	1.23	\$7,027	3.1	3	6.6%	9.4	16.3	8.8	1.3	2.8	0.4
All PPS 4 Rated Stocks	267	0.88	1.29	\$6,043	3.4	4	5.8%	14.8	27.7	19.4	3.1	3.8	0.6
All PPS 5 Rated Stocks	498	1.52	1.10	\$9,685	2.4	5	0.5%	7.0	13.3	8.6	1.0	1.8	0.4
All PPS 6 Rated Stocks	251	1.56	1.12	\$11,848	2.4	6	-6.0%	3.7	8.5	4.6	0.4	1.1	0.3
All PPS 7 Rated Stocks	488	1.93	1.04	\$9,570	2.5	7	-1.1%	5.9	11.3	6.5	0.7	1.4	0.5
All PPS 8 Rated Stocks	469	1.44	0.98	\$8,030	3.4	8	4.7%	8.0	16.4	10.0	1.4	2.2	0.5
All PPS 9 Rated Stocks	229	0.60	1.16	\$4,831	4.3	9	2.4%	11.9	39.3	21.8	2.6	2.3	0.7
All SVI A Rated Stocks	714	1.74	0.95	\$13,658	2.3	4.9	1.4%	6.6	13.2	8.7	1.4	2.3	0.5
All SVI B Rated Stocks	709	1.56	1.10	\$9,173	2.7	4.9	0.6%	6.4	14.3	8.0	1.0	2.1	0.5
All SVI C Rated Stocks	710	1.42	1.23	\$4,712	3.4	4.7	0.4%	6.8	13.8	7.4	0.7	1.8	0.4
All SVI D Rated Stocks	706	0.87	1.48	\$3,117	3.1	4.9	-1.8%	9.2	15.9	7.0	0.5	1.4	0.3
All Redline Low Stocks	317	1.01	1.47	\$10,494	2.3	4.3	-27.8%	6.8	11.4	7.0	0.7	1.8	0.2
All Redline High Stocks	318	1.98	0.71	\$9,448	3.4	5.5	21.1%	7.4	14.2	8.7	1.1	2.2	0.9
All EC "Buy" Rated Stocks	1,304	1.40	1.27	\$8,090	2.6	2.8	-2.7%	7.5	13.5	7.6	0.9	2.2	0.3
All EC "Neutral" Rated Stocks	736	1.29	1.13	\$9,779	2.6	4.9	0.8%	5.8	13.4	8.1	1.0	1.8	0.4
All EC "Sell" Rated Stocks	1,344	1.41	1.09	\$6,730	3.4	7.2	3.8%	7.0	15.0	8.6	0.8	1.8	0.4
EquityCompass Focus Lists ²	Qty	Div (%)	Beta	Mkt. Cap	Short			EV/EBITDA (NTM)	P/E (NTM)	P/CF (NTM)	P/S (NTM)	P/BV (MRQ)	PEG Ratio
Quality Momentum	50	2.07	1.07	\$16,769	Int. Rat.	PPS	MVD						
Quality Momentum	50	2.07	1.07	\$16,769	2.3	2.6	0.9%	6.1	12.3	8.0	1.4	2.8	0.5
Oversold Quality	3	2.24	1.20	\$7,470	3.0	6.7	-21.2%	6.6	11.6	7.5	0.8	1.8	0.4
Research Focus List	20	0.75	1.39	\$23,073	1.5	3	-30.9%	9.5	9.8	6.0	1.0	2.1	0.2
Mispriced Large-Cap	15	1.94	1.16	\$37,584	1.3	4.5	-30.2%	7.9	10.9	6.7	1.5	2.0	0.2
EC Coverage Universe ²	3,384	1.38	1.18	\$7,980	2.8	5.0	0.2%	6.9	13.9	7.9	0.9	2.0	0.4
EC Coverage Univ. (Ex ADRs) ²	3,104	1.29	1.18	\$6,245	2.8	5.0	0.4%	7.6	14.1	8.0	0.9	2.0	0.4

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

² Equal weighted averages (excluding stocks with missing valuation metrics)

Source: EquityCompass Strategies

Aggregate Stock Selection List

Aggregate Stock Selection List											Lists				Model Ports (New Add.)						Sp. Sit.					
Symbol	Company Name	Price 6/30/10	52W High	52W Low	Div. Yield (%)	Sector	Market Cap (Mil)	Compass Rating	Best Perf. Market	Early Bull Rank	Mid Bull Rank	Late Bull Rank	Bear Rank	Quality Momentum	Oversold Quality	Research Focus	Mispriced Large-Cap	Large-Cap Growth	Large-Cap Value	Mid-Cap Growth	Mid-Cap Value	Small-Cap Growth	Small-Cap Value	All-Cap Blend	Candidates List	Share Repurchase
ADBE	Adobe Systems Inc.	\$26.43	\$38.20	\$26.08	--	Info. Tech.	\$13,896	Sell	Mid Bull	52%	58%	54%	48%													●
AEP	AEP Industries Inc.	\$23.88	\$42.50	\$22.48	--	Materials	\$164	Sell	Mid Bull	57%	57%	18%	43%													●
AFL	AFLAC Inc.	\$42.67	\$56.56	\$28.17	2.62	Financials	\$20,030	Buy	Late Bull	37%	67%	96%	63%	●												●
ALK	Alaska Air Group Inc.	\$44.95	\$54.13	\$17.87	--	Industrials	\$1,606	Buy	Mid Bull	65%	90%	89%	35%													●
AMRI	Albany Molecular Res.	\$5.17	\$10.22	\$5.06	--	Health Care	\$164	Sell	Early Bull	56%	44%	2%	44%													●
ALTR	Altera Corp.	\$24.81	\$27.48	\$15.32	0.81	Info. Tech.	\$7,472	Buy	Bear	5%	92%	85%	95%	●												●
AMED	Amedisys Inc.	\$43.98	\$64.28	\$29.71	--	Health Care	\$1,251	Buy	Mid Bull	37%	88%	65%	63%										●			●
ADPI	American Dental Part.	\$12.11	\$15.26	\$9.04	--	Health Care	\$190	Sell	Mid Bull	65%	89%	27%	35%													●
AMT	American Tower Cp.	\$44.50	\$46.21	\$29.89	--	Telecom.	\$17,964	Buy	Late Bull	35%	66%	99%	65%	●												●
CRMT	America's Car-Mart	\$22.63	\$27.32	\$18.37	--	Cons. Disc.	\$257	Buy	Mid Bull	29%	88%	66%	71%													●
AME	Ametek Inc.	\$40.15	\$44.38	\$30.25	0.60	Industrials	\$4,270	Sell	Bear	10%	21%	80%	90%													●
APC	Anadarko Petroleum	\$36.09	\$75.07	\$34.54	1.00	Energy	\$17,857	Buy	Mid Bull	72%	78%	47%	28%				●									●
ADI	Analog Devices Inc.	\$27.86	\$32.19	\$23.21	3.16	Info. Tech.	\$8,302	Buy	Bear	11%	78%	79%	90%				●									●
ANSS	Ansys Inc.	\$40.57	\$46.88	\$28.28	--	Info. Tech.	\$3,667	Neutral	Bear	11%	48%	76%	89%				●									●
AMAT	Applied Materials Inc.	\$12.02	\$14.94	\$10.54	2.33	Info. Tech.	\$16,143	Buy	Mid Bull	45%	84%	51%	55%			●	●									●
FLY	Babcock & Brown Air	\$10.30	\$12.88	\$6.29	6.96	Industrials	\$312	Buy	Late Bull	69%	22%	88%	31%	●												●
BLL	Ball Corp.	\$52.83	\$56.10	\$44.29	0.76	Materials	\$4,871	Neutral	Bear	5%	32%	88%	95%													●
BAC	Bank of America Cp.	\$14.37	\$19.86	\$11.27	0.28	Financials	\$144,160	Buy	Late Bull	53%	87%	98%	47%			●										●
ABX	Barrick Gold Corp.	\$45.41	\$48.02	\$30.67	0.88	Materials	\$44,707	Buy	Late Bull	25%	9%	99%	75%				●									●
BCE	BCE Inc.	\$29.27	\$31.24	\$19.91	5.77	Telecom.	\$22,333	Buy	Late Bull	7%	15%	96%	93%	●												●
BLK	Blackrock Inc.	\$143.40	\$243.80	\$143.01	2.79	Financials	\$9,086	Neutral	Mid Bull	32%	89%	45%	68%													●
BCSI	Blue Coat Systems	\$20.43	\$36.25	\$15.80	--	Info. Tech.	\$872	Buy	Mid Bull	48%	95%	70%	52%				●									●
BOLT	Bolt Technology Cp.	\$8.75	\$13.40	\$8.09	--	Energy	\$76	Sell	Mid Bull	86%	93%	4%	14%													●
BRCM	Broadcom Corp.	\$32.97	\$36.94	\$23.01	0.97	Info. Tech.	\$16,366	Buy	Late Bull	18%	61%	98%	82%	●												●
BR	Broadridge Finl. Sol.	\$19.05	\$24.02	\$15.19	2.94	Info. Tech.	\$2,568	Sell	Bear	19%	2%	69%	81%													●
BFB	Brown-Forman (CI B)	\$57.23	\$60.48	\$41.50	2.10	Cons. Staples	\$8,411	Neutral	Bear	3%	28%	74%	97%													●
BG	Bunge Ltd.	\$49.19	\$74.04	\$45.36	1.87	Cons. Staples	\$7,091	Sell	Early Bull	60%	60%	17%	40%													●
BCR	C.R. Bard Inc.	\$77.53	\$90.00	\$70.10	0.93	Health Care	\$7,373	Neutral	Bear	1%	55%	51%	99%													●
CVC	Cablevision Sys. Cp.	\$24.01	\$27.79	\$14.06	2.08	Cons. Disc.	\$7,338	Buy	Late Bull	25%	91%	100%	75%													●
CNI	Canadian Nat'l. Rail.	\$57.38	\$63.86	\$37.91	1.88	Industrials	\$26,986	Buy	Late Bull	12%	41%	95%	88%	●												●
CNO	Canadian Nat. Res.	\$33.23	\$40.12	\$22.52	0.88	Energy	\$36,138	Buy	Late Bull	45%	83%	93%	55%	●												●
CAH	Cardinal Health Inc.	\$33.61	\$36.66	\$20.80	2.32	Health Care	\$12,157	Buy	Late Bull	4%	38%	98%	96%													●
CCL	Carnival Corp.	\$30.24	\$44.21	\$23.99	1.32	Cons. Disc.	\$23,859	Buy	Late Bull	45%	29%	78%	55%													●
CBI	Chicago Bridge & Iron	\$18.81	\$25.88	\$9.07	--	Industrials	\$1,898	Buy	Mid Bull	69%	96%	90%	31%			●										●
CMG	Chipotle Mexican Grill	\$136.81	\$155.42	\$76.75	--	Cons. Disc.	\$4,304	Buy	Late Bull	4%	52%	97%	96%													●
CB	Chubb Corp.	\$50.01	\$53.98	\$38.70	2.96	Financials	\$16,342	Buy	Bear	5%	32%	85%	95%													●
CHD	Church & Dwight Co.	\$62.71	\$69.95	\$52.52	0.89	Cons. Staples	\$4,441	Sell	Bear	2%	38%	64%	98%													●
XEC	Cimarex Energy Co.	\$71.58	\$81.50	\$25.06	0.45	Energy	\$6,004	Buy	Late Bull	35%	66%	85%	65%													●
CLC	CLARCOR Inc.	\$35.52	\$39.37	\$27.47	1.10	Industrials	\$1,799	Neutral	Bear	2%	61%	41%	98%													●
CISG	Cninsure Inc.	\$25.94	\$28.62	\$12.92	1.70	Financials	\$1,184	Buy	Late Bull	44%	83%	100%	56%	●												●
CEO	CNOOC Ltd. (ADS)	\$170.17	\$182.13	\$110.91	2.72	Energy	\$76,014	Buy	Bear	6%	51%	91%	94%	●												●
KOF	Coca-Cola Femsa	\$62.59	\$71.84	\$38.40	1.81	Cons. Staples	\$11,557	Buy	Bear	1%	76%	83%	99%	●												●
CMCSK	Comcast Cp. (CI A Sp)	\$16.43	\$19.52	\$12.64	2.30	Cons. Disc.	\$49,012	Buy	Late Bull	18%	29%	93%	82%	●												●
ABV	Comp. de Bebidas	\$101.01	\$109.33	\$61.95	1.34	Cons. Staples	\$62,266	Buy	Late Bull	24%	42%	97%	76%	●												●
CAG	ConAgra Foods Inc.	\$23.32	\$26.32	\$18.51	3.43	Cons. Staples	\$10,367	Buy	Bear	5%	42%	80%	95%	●												●
CPA	Copa Hldgs. (CI A)	\$44.22	\$63.08	\$38.15	2.46	Industrials	\$1,917	Buy	Late Bull	42%	64%	85%	58%	●												●
CLB	Core Labs. N.V.	\$147.61	\$158.79	\$78.10	0.33	Energy	\$3,294	Buy	Bear	3%	57%	86%	97%	●												●
CRVL	Corvel Corp.	\$33.79	\$38.00	\$22.23	--	Health Care	\$406	Buy	Bear	5%	94%	73%	95%													●
CVA	Covanta Hldg. Cp.	\$16.59	\$19.69	\$14.43	--	Industrials	\$2,582	Sell	Early Bull	65%	22%	45%	35%													●
CACC	Credit Acceptance Cp.	\$48.77	\$53.97	\$21.85	--	Financials	\$1,513	Buy	Bear	2%	92%	93%	98%													●
CRY	CryoLife Inc.	\$5.39	\$8.87	\$4.80	--	Health Care	\$154	Sell	Mid Bull	61%	90%	18%	39%													●
CVS	CVS Caremark Corp.	\$29.32	\$38.27	\$27.38	1.19	Cons. Staples	\$40,198	Neutral	Late Bull	25%	67%	85%	75%													●
CYMI	Cymer Inc.	\$30.04	\$40.06	\$27.30	--	Info. Tech.	\$903	Buy	Mid Bull	49%	94%	34%	51%			●										●
DLM	Del Monte Foods Co.	\$14.39	\$16.14	\$8.92	2.50	Cons. Staples	\$2,866	Buy	Late Bull	19%	39%	89%	81%	●												●
DLR	Digital Realty Tr. Inc.	\$57.68	\$64.17	\$34.27	3.33	Financials	\$4,509	Buy	Late Bull	22%	37%	86%	78%	●												●
DISH	DISH Network (CI A)	\$18.15	\$24.16	\$14.17	--	Cons. Disc.	\$8,103	Buy	Late Bull	71%	90%	91%	29%													●
DLB	Dolby Labs. (CI A)	\$62.69	\$69.72	\$34.14	--	Info. Tech.	\$7,128	Buy	Late Bull	8%	56%	99%	92%													●
DLTR	Dollar Tree Inc.	\$41.63	\$42.97	\$27.05	--	Cons. Disc.	\$5,295	Buy	Bear	1%	56%	99%	99%													●
D	Dominion Res. (Va)	\$38.74	\$42.56	\$32.10	4.72	Utilities	\$23,091	Buy	Bear	10%	4%	70%	90%	●												●
RDY	Dr. Reddy's Labs.	\$30.85	\$33.14	\$15.12	0.71	Health Care	\$5,206	Buy	Bear	15%	26%	80%	85%	●												●
DTE	DTE Energy Co.	\$45.61	\$49.05	\$30.59	4.65	Utilities	\$7,681	Buy	Bear	6%	35%	69%	94%	●												●
EW	Edwards Lifesciences	\$56.02	\$56.44	\$30.45	--	Health Care	\$6,364	Buy	Bear	4%	45%	94%	97%													●
ENR	Energizer Hldgs. Inc.	\$50.28	\$69.11	\$50.24	--	Cons. Staples	\$3,521	Sell	Mid Bull	41%	73%	33%	59%													●
ENG	ENGlobal Corp.	\$2.06	\$5.32	\$2.03	--	Energy	\$57	Sell	Early Bull	95%	84%	2%	5%													●
EOG	EOG Resources Inc.	\$98.37	\$114.95	\$60.29	0.63	Energy	\$24,888	Buy	Bear	13%	61%	86%	87%	●												●
EPIQ	EPIQ Systems Inc.	\$12.93	\$16.55	\$11.21	0.27	Info. Tech.	\$474	Sell	Bear	23%	7%	24%	77%													●
EXPE	Expedia Inc.	\$18.78	\$27.51	\$13.52	1.49	Cons. Disc.	\$5,331	Buy	Mid Bull	64%	96%	78%	36%			●	●									●
FFIV	F5 Networks Inc.	\$68.57	\$77.10	\$32.47	--	Info. Tech.	\$5,450	Buy	Late Bull	6%	43%	97%	94%													●
FDS	FactSet Research Sys.	\$66.99	\$77.64	\$48.27	1.37	Info. Tech.	\$3,125	Neutral	Bear	9%	31%	66%	91%													

(continued)

Aggregate Stock Selection List											Lists				Model Ports (New Add.)						Sp. Sit.					
Symbol	Company Name	Price 6/30/10	52W High	52W Low	Div. Yield (%)	Sector	Market Cap (Mil)	Compass Rating	Best Perf. Market	Early	Mid	Late	Bear	Quality Momentum	Oversold Quality	Research Focus	Mispriced Large-Cap	Large-Cap Growth	Large-Cap Value	Mid-Cap Growth	Mid-Cap Value	Small-Cap Growth	Small-Cap Value	All-Cap Blend	Candidates List	Share Repurchase
										Bull Rank	Bull Rank	Bull Rank	Bull Rank													
SCCO	Southern Copper Cp.	\$26.54	\$36.98	\$18.46	6.78	Materials	\$22,559	Neutral	Mid Bull	25%	95%	62%	75%													
SWX	Southwest Gas Corp.	\$29.50	\$32.91	\$21.58	3.39	Utilities	\$1,337	Buy	Bear	22%	37%	50%	78%													
SPLS	Staples Inc.	\$19.05	\$26.00	\$18.72	1.89	Cons. Disc.	\$13,903	Buy	Mid Bull	43%	91%	67%	57%													
SVU	SUPERVALU Inc.	\$10.84	\$17.89	\$10.82	3.23	Cons. Staples	\$2,298	Sell	Early Bull	79%	36%	14%	21%													
TEO	Telecom Argentina	\$16.43	\$21.96	\$11.93	5.26	Telecom.	\$3,235	Buy	Mid Bull	72%	92%	71%	28%													
TIN	Temple-Inland Inc.	\$20.67	\$25.03	\$10.90	2.13	Materials	\$2,224	Buy	Late Bull	56%	96%	97%	44%													
TXN	Texas Instruments Inc.	\$23.28	\$27.44	\$20.11	2.06	Info. Tech.	\$28,453	Buy	Mid Bull	27%	90%	71%	73%													
TGH	Textainer Grp. Hldgs.	\$24.14	\$27.74	\$10.15	3.98	Industrials	\$1,159	Buy	Late Bull	27%	18%	80%	73%													
TJX	TJX Cos.	\$41.95	\$48.50	\$29.63	1.43	Cons. Disc.	\$17,115	Buy	Late Bull	6%	83%	97%	94%													
TWTC	tw telecom inc. (CI A)	\$16.68	\$18.80	\$8.55	--	Telecom.	\$2,530	Buy	Late Bull	56%	77%	91%	44%													
TSN	Tyson Foods (CI A)	\$16.39	\$20.57	\$10.76	0.98	Cons. Staples	\$6,179	Buy	Late Bull	51%	87%	91%	49%													
USB	U.S. Bancorp	\$22.35	\$28.43	\$16.11	0.89	Financials	\$42,824	Buy	Late Bull	24%	82%	89%	76%													
UAUA	UAL Corp.	\$20.56	\$24.59	\$3.07	--	Industrials	\$3,443	Buy	Mid Bull	75%	94%	94%	25%													
URI	United Rentals Inc.	\$9.32	\$14.79	\$5.19	--	Industrials	\$563	Buy	Early Bull	87%	26%	61%	13%													
UNM	Unum Group	\$21.70	\$26.42	\$14.37	1.52	Financials	\$7,221	Buy	Late Bull	51%	45%	89%	49%													
VALE	Vale S.A. (ADS)	\$24.35	\$34.71	\$15.58	0.92	Materials	\$126,930	Buy	Mid Bull	50%	94%	87%	50%													
VIA	Viacom Inc. (CI A)	\$35.66	\$41.79	\$21.31	1.68	Cons. Disc.	\$19,064	Buy	Late Bull	21%	9%	85%	79%													
VMW	VMware Inc.	\$62.59	\$73.10	\$25.75	--	Info. Tech.	\$25,493	Buy	Late Bull	15%	45%	97%	85%													
WRB	W.R. Berkley Corp.	\$26.46	\$28.13	\$20.82	1.06	Financials	\$4,053	Sell	Bear	1%	3%	51%	100%													
WMT	Wal-Mart Stores Inc.	\$48.07	\$56.27	\$47.35	2.52	Cons. Staples	\$179,590	Neutral	Bear	16%	46%	77%	84%													
WLT	Walter Energy, Inc.	\$60.85	\$99.45	\$34.26	0.82	Materials	\$3,264	Buy	Mid Bull	66%	97%	74%	34%													
WFC	Wells Fargo & Co.	\$25.60	\$34.25	\$22.08	0.78	Financials	\$133,266	Buy	Mid Bull	50%	98%	93%	50%													
WMB	Williams Cos.	\$18.28	\$24.66	\$13.59	2.74	Energy	\$10,676	Buy	Mid Bull	61%	86%	84%	39%													

Source: EquityCompass Strategies

EquityCompass Investment Analysis

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

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

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

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

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

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

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

Tactical Total Core Strategy

Investment Objective:

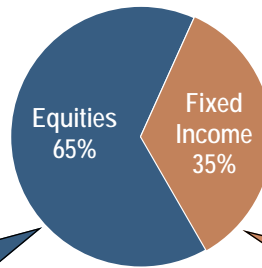
Tactical Total Core is an asset allocation strategy that seeks to effectively capture market returns while minimizing volatility and meant to be the solid foundation of an investor's entire investment portfolio.

Current Recommended Strategic Allocation:

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

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

2010

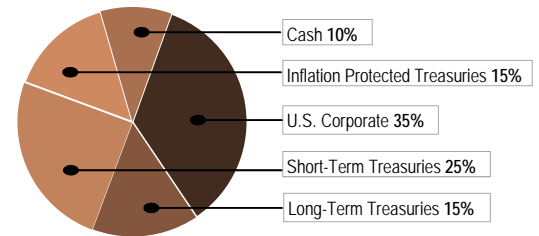
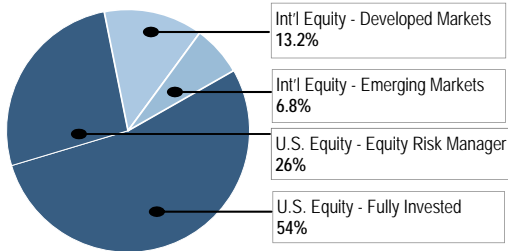


Equity Allocation

- Emphasizes diversification, volatility control, and excess return potential
- U.S. Equity is represented by the EquityCompass All-Cap Blend Portfolio
- Allocation is 67% to fully invested equity strategies and 33% to Equity Risk Manager (see page 34)
- 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 5.5 years and a weighted average maturity of 10 years
- 53% of the portfolio has maturities of five years or less



1 Strategic Asset Allocation

2 Tactical Asset Allocation

3 Portfolio Construction

- Base allocation of 60% Stocks and 40% Bonds

- Time horizon of 5 years

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

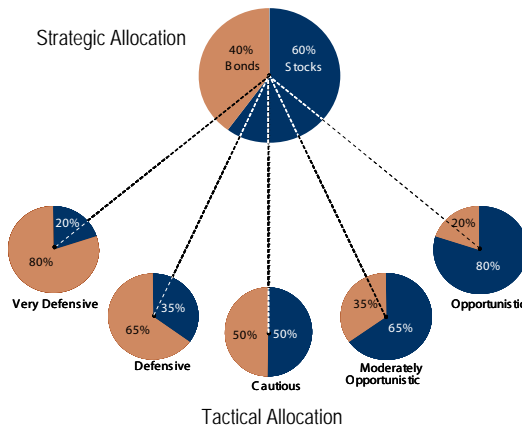
A) The annual rebalancing adjusts the stock/ bond allocation depending on the current market conditions in relation to historical long-term performance

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

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

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

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



For additional details please refer to the EquityCompass white paper "The Blueprint for Core Investing" available on our company website www.equitycompass.com.

Investment Portfolio & Product Strategies

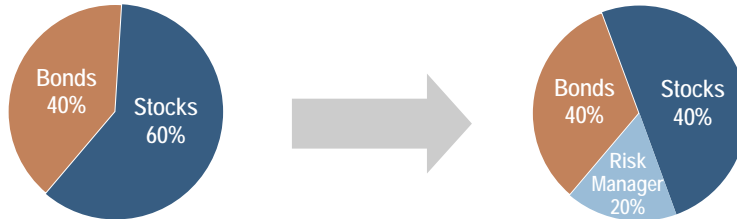
Equity Risk Manager

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 –

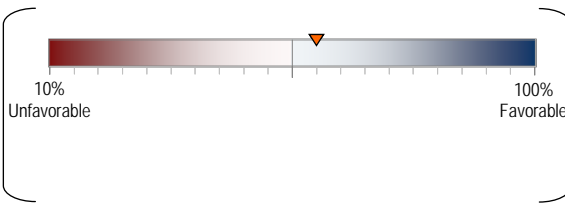
ERM will analyze fundamental and technical indicators and determine whether to be fully invested in the S&P 500 or, when conditions are unfavorable, reduce equity exposure by shifting an amount to cash or inverse (short).

Monthly Indicators

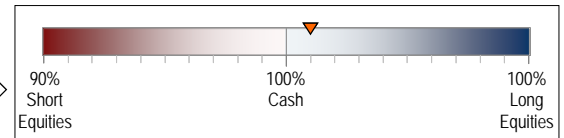
Fundamental
Forward change in S&P 500 over next 12 months

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
July 2010
95%
(Unchanged)

Quality Dividend Strategy

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

Commentary—July 2010

- We did not make any trades during June.
- On July 2, all accounts received 0.24 share of Frontier Communications (FTR) for each share of Verizon held. FTR is rated Buy by Christopher King of Stifel Nicolaus. We intend to hold the FTR position at least until the next dividend ex-date in early September. Note: FTR represents less than 1% of portfolio value.
- Astra-Zeneca was the best performing member of the strategy during June due to resolution of patent litigation for Crestor.
- Several of the oil companies in the strategy underperformed in June despite a modest increase in the price of crude during the month.
- At the end of June, the average stock in the portfolio yielded 5.8%, and the average payout ratio was 66%.

Sample Portfolio Holdings

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

Recent Transactions

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

Portfolio Highlights

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

Key Portfolio Statistics

Represents Weighted Averages

Number of Holdings	25
Market Cap (\$Billion)	\$36.1
Annual Dividend Yield	5.8%
Price / Earnings (12-Month Forward)	11.0
Beta	0.7
Payout Ratio	66.0%
Moody's Debt Rating	100% Investment Grade
Dividend Growth (5 year)*	6.0%
Months Since Last Dividend Increase	13.6
Long-term Earnings Growth	9.0%

*Normalized

Sector Allocation

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

Important Disclosures

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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. Buy-Sell-Hold and other research ratings based on Factset Analyst Estimates and Recommendations and utilized by EquityCompass Strategies are provided by an outside entity that may rely on information created by the Stifel Nicolaus Research Department.

Special Note for Stifel Research

The opinions expressed 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 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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EquityCompass Strategies

501 North Broadway

St. Louis, MO 63102

www.equitycompass.com

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