

DISCLOSURE BROCHURE

This brochure provides information about EquityCompass Strategies. Portfolios based on EquityCompass Strategies are available exclusively through Stifel, Nicolaus & Company, Incorporated. Choice Financial Partners, Inc. Doing Business As EquityCompass Strategies is a wholly owned subsidiary and affiliated SEC Registered Investment Adviser of Stifel Financial Corp. This information has not been approved or verified by any government authority.

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INTRODUCTION

About EquityCompass Strategies:

Choice Financial Partners, Inc. Doing Business As EquityCompass Strategies (“EquityCompass”) is a wholly owned subsidiary and affiliated SEC Registered Investment Adviser of Stifel Financial Corp.

EquityCompass is registered with the Securities and Exchange Commission (“SEC”) as an investment adviser offering investment advisory services to retail and institutional clients. Currently, EquityCompass retail models are available exclusively through our affiliated broker-dealer Stifel, Nicolaus & Company, Incorporated (“Stifel”) in their S|CORE program. Please contact a Stifel representative for more information regarding Stifel’s advisory programs.

As your investment adviser, we enter into a written agreement expressly acknowledging our investment advisory relationship with you and describing our obligations to you. Our Form ADV Part II provides detailed information about, among other things, the advisory services we provide, our fees, our personnel, our other business activities and financial industry affiliations and conflicts between our interests and your interests. Additional information is available through publicly available filings at www.adviserinfo.sec.gov.

The EquityCompass is a series of equity models that quantify investment characteristics for stock selection and portfolio management. The core components of EquityCompass are a measure of relative valuation, analysis of long-term relative price trends, and comparisons of quality fundamentals that create shareholder value. Each of the equity models offers a unique investment insight appropriate over different time horizons, which separately and together establish a disciplined and probabilistic approach for augmenting or challenging traditional bottom-up research.

Our Fiduciary Responsibilities as an Investment Adviser

If we are your investment adviser, we are considered to have a fiduciary relationship with you and are held to legal standards under the Investment Advisers Act of 1940 and state laws, where applicable, that reflect this high standard. These standards include:

- Obligations to disclose all material conflicts between our interests and your interests.
- If we or our affiliates receive additional compensation from you or a third-party as a result of our relationship with you, this must be disclosed to you.
- We must obtain your informed consent before engaging in transactions with you for our own account or that of an affiliate or another client when we act in a principal capacity.
- We must treat you and our other advisory clients fairly and equitably and cannot unfairly advantage one client to the disadvantage of another.
- The investment decisions or recommendations we make for you must be suitable and appropriate for you and consistent with your investment objectives and goals and any restrictions you have placed on us.
- We must act in what we reasonably believe to be your best interests and in the event of a conflict of interest, we must place your interests before our own.

Advisory Services typically include the following services:

- Identification and analysis of Client’s investment objectives and policy
- Ongoing management of Client’s portfolio by EquityCompass
- Analysis and Commentary on Economic and Stock Market Conditions
- Annual review of Client’s Statement of Objectives and Policy

For retail accounts, the sponsoring broker-dealer generally supplies custodial services, cash sweep, regular account statements, and quarterly performance reports.

METHODS OF ANALYSIS, SOURCES OF INFORMATION AND INVESTMENT STRATEGY USED FOR INVESTMENT MANAGEMENT PURPOSES

EquityCompass provides quantitative-based equity research and offers a variety of separately managed accounts to retail and institutional clients in the U.S. and Europe. Our investment advisory services generally rely on a variety of fundamental, technical, quantitative and statistical tools and valuation methodologies. As a result of these different methodologies employed, technical or quantitative research recommendations may differ from, or be inconsistent with, fundamental opinions for the same security. We may use computer technology to more readily display these factors and to create asset allocation recommendations. Personnel involved in providing investment advisory services may have access to specialists or other information for all major industry groups.

We obtain information from various sources, including financial publications, inspections of corporate activities, company press releases, research material prepared by our affiliates and third parties, rating or timing services, regulatory and self-regulatory reports and other public sources. In addition, we receive a broad range of research and information about the economy, industries, groups of securities and individual companies, statistical information, market data, accounting and tax law interpretations, political developments, pricing and appraisal services, credit analysis, risk measurement analysis, performance analysis and other information which may affect the economy or securities prices. Research can be received in the form of written reports, telephone contacts and personal meetings with research analysts, economists, government representatives and corporate and industry spokespersons.

EQUITYCOMPASS CRITERIA

- **Performance Probability Scores (“PPS”)** – Identifies relative value and relative price direction compared to the general market. Stocks are scored on a scale of 1-9 where PPS 1 is most favorable (low valuation, long-term relative price direction) and PPS 9 is least favorable (high valuation, negative relative price direction).
- **Redline** – Identifies opportunities where the relative value of a security is low compared to the trailing 12 month relative value. A Redline Low rated stock is most favorable whereas a Redline High rated stock is least favorable.
- **Shareholder Value Index (“SVI”)** – Identifies quality of stocks by attempting to quantify long-term fundamentals (Revenue Growth, Operating Margin, Change in Long-Term Debt, Change in Share Outstanding, and Dividend Growth) to produce an overall composite ranking score independent of short-term valuation or price-based measures. A SVI ranking of A is most favorable whereas a SVI ranking of D is least favorable.

EQUITYCOMPASS MODELS

- **Research Focus** – The objective of the Research Focus is to combine a favorable opinion derived from fundamental research of the sponsoring broker-dealer with the near-term opportunism identified by the EquityCompass Redline model. Essentially, EquityCompass screens the “Buy” recommendations from analysts for stocks that are believed to be outperforming. This list brings together two complementary, but independent, approaches to stock selection. The simulation consists of 10-12 stock selections and is reconstituted monthly.
- **S&P 500 Redline 15** – The objective of the S&P 500 Redline 15 is to highlight stocks experiencing the most extreme over-/underreaction from within the S&P 500 index. Over-/underreactions occur when changes in stock prices are disproportionate compared to changes in underlying expectations (i.e., sales, earnings, cash flow, and EBITDA estimates). EquityCompass believes that this condition produces a short-term performance opportunity as this imbalance corrects. The EquityCompass Redline model utilizes a dynamic relative value ranking incorporating various measures of expectations (e.g., price-to: expected earnings, expected cash flow). The deviation in a stock’s current relative value ranking as compared to its 12-month average is the basis for Redline. EquityCompass screens stocks in the S&P 500 over \$10/share and show those 15 with the greatest Redline Low condition.

- **Quality Contrarian** – The objective of the Quality Contrarian is to identify high-quality value stocks that are currently out-of-favor, but EquityCompass believes to be “oversold” in the market. 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 operations margins) and shareholder benefits (dividend growth, share buybacks, and long-term debt levels). The Redline Low model attempts to identify stocks experiencing an extreme over-/underreaction. EquityCompass screens the S&P 500 for stocks over \$10 that have high quality (SVI A), low valuation, are out-of-favor (PPS 6-7), and have a Redline Low condition.
- **Dividend Focus** – The objective of the Dividend Focus is to identify high-yielding stocks that exhibit favorable quality and valuation attributes. A high level of current income compounded with modest appreciation has been shown to produce superior long-term performance. The Dividend Focus utilizes the EquityCompass relative valuation ranking and SVI to select high-yielding, above-average quality stocks (SVI A-B) that are trading below their average 12-month relative valuation. Sector and industry exposure are limited to 10 stocks per sector and five per industry.
- **Sweet Spot** – The objective of the Sweet Spot is to identify stocks with superior risk-adjusted performance attributes. Stocks with high quality and positive long-term relative price strength typically exhibit lower volatility and tend to outperform passive market benchmarks. The Sweet Spot utilizes the quality measure of the SVI and the indication of positive long-term relative price strength embedded in favorable ratings.
- **Sector Focus** – This list identifies three most favorable and unfavorable S&P sectors using the Redline model. 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 sectors with the greatest current relative valuation deviation above the 12-month average. The remaining four sectors are assigned Equal Weight opinions.

EDUCATION AND BUSINESS STANDARDS

We require our professional personnel who provide investment advisory services to clients to have a college degree or securities industry experience.

Our Financial Advisors are registered as investment adviser representatives. You may view the disciplinary history reported on our Form ADV by reviewing Part I of our Form ADV available on www.adviserinfo.sec.gov.

Education and Business Background of EquityCompass Executive Officers

The following individuals comprise the principal executive officers of EquityCompass and/or are individuals who determine general client advice. The information provided on these individuals includes their name, year of birth, education after high school, and the past five years of employment.

DANIEL P. DICKHERBER – Date of Birth 01/04/1960 – Mr. Dickherber has more than 20 years experience in the investment brokerage and advisory industry and was named CEO of Choice Financial Partners, Inc. in 2008. Since joining Stifel, Nicolaus & Company, Incorporated in 2001, he has had primary responsibility for the firm’s Consulting Services Group, which sponsors a variety of investment advisory-related products and services that are provided to institutional and high-net-worth clients across the firm’s branch office network. During his career, Dickherber has held several key positions within the industry. Prior to joining Stifel Nicolaus, he served as Senior Vice President in charge of Business Development at Fixed Income Securities, Inc., and Vice President and Director of Marketing, Products and Training at Mercantile Investment Services, Inc. Before entering the investment brokerage and advisory industry, Dickherber held a sales management position with Coca-Cola USA. He earned a B.S. degree from Missouri State University in 1983 and holds Series 7, 63, 24 and 65 securities registrations. In addition, he is a member of the Investment Management Consultants Association (IMCA) and is recognized as an Accredited Investment Fiduciary (AIF) by the Center for Fiduciary Studies.

NEAL BURKEMPER – Date of Birth 02/21/1949 – Mr. Burkemper is the CFO of EquityCompass. From 1991 to 2006, Burkemper served as Controller of Stifel Nicolaus. In January of 2006, Burkemper was appointed CFO of Stifel Nicolaus and Stifel Nicolaus Ltd. Burkemper maintains his role of CFO of Stifel Nicolaus and has been the CFO of Century Securities Associates; a wholly owned subsidiary of Stifel Financial Corp., since 1992. Burkemper has a B.S. from the University of Missouri at St. Louis and holds the Series 27 securities registration.

MICHAEL P. CONLEY – Date of Birth 09/03/1975 – Mr. Conley was named the CCO of Choice Financial Partners in June 2008. From 2001 to 2004, Mr. Conley was a Compliance Examiner with Stifel, Nicolaus & Company, Incorporated. In April 2004, Mr. Conley was promoted to managerial role in Compliance with responsibility for Branch Exams and software implementations. In mid- 2007, Mr. Conley assumed responsibility for Stifel's Product Specialty Group within the Compliance Department. In this role, Mr. Conley is responsible for compliance issues relating to packaged products, options, fixed-income, qualified plans, financial planning, and investment advisory programs. Mr. Conley is currently CROP/ROSPF for Stifel, Nicolaus and Century Securities, a wholly owned subsidiary of Stifel Financial. Mr. Conley graduated magna cum laude from Maryville University with a B.S. in Accountancy and has an M.B.A. from the University of Missouri St. Louis. He currently holds the Series 3, 4, 7, 9, 10, 14, 24, 53, and 65 securities licenses.

RICHARD CRIPPS – Date of Birth 11/24/1954 – Mr. Cripps is the Chief Investment Officer of EquityCompass. Cripps has more than 30 years experience in the investment brokerage and advisory industry. He joined Legg Mason in 1979. In 1997, he became chief market strategist and co-chairman of the investment committee, and worked closely with the firm's equity analysts in developing and monitoring investment opinions, as well as providing market commentary, strategy, and portfolio advisory to individual and institutional clients. Cripps developed EquityCompass, a series of models that quantify investment characteristics for stock selection and portfolio management. In 2005, Cripps joined the Stifel Nicolaus Research Team in connection with Stifel's acquisition of Legg Mason's Capital Markets Group. He remained affiliated with Stifel until July of 2008 when EquityCompass became a wholly owned subsidiary and SEC Registered Investment Adviser of Stifel Financial Corp. Cripps served as a senior member of the investment committee with responsibilities for equity market and portfolio strategy. He has a B.S. in finance from James Madison University and serves on the University's School of Business Executive Advisory Committee. Cripps is a CFA charterholder and member of the Baltimore Security Analysts Society.

TIM MCCANN – Date of Birth 07/15/1972 – Mr. McCann is a Portfolio Analyst for EquityCompass. McCann joined Legg Mason in 2000 as an associate with two retail financial advisors. McCann's responsibilities included the creation, back testing and implementation of a quantitative rules-based discipline to the group's asset management efforts. In 2002, McCann joined the Legg Mason equity research department as a quantitative analyst to aid in the development of the firm's in-house quantitative models and rules-based strategies. Prior to Legg Mason, McCann worked in various positions at Morgan Stanley and UBS Securities (via. PaineWebber). In 2005, McCann joined the Stifel Nicolaus Research Team in connection with Stifel's acquisition of Legg Mason's Capital Markets Group. He remained affiliated with Stifel until July of 2008 when EquityCompass became a wholly owned subsidiary and SEC Registered Investment Adviser of Stifel Financial Corp. McCann has a B.S. in finance from The College of Notre Dame of Maryland and is a Level I candidate in the CFA program.

MIKE SCHERER – Date of Birth 04/13/1969 – Mr. Scherer is a Portfolio Analyst for EquityCompass. He joined Legg Mason in 2000 as an associate in the Equity Marketing and Strategy Group. Prior to this, Scherer worked as a supervisor in security operations for Legg Mason. In 2005, Scherer joined the Stifel Nicolaus Research Team in connection with Stifel's acquisition of Legg Mason's Capital Markets Group. He remained affiliated with Stifel until July of 2008 when EquityCompass became a wholly owned subsidiary and SEC Registered Investment Adviser of Stifel Financial Corp. Scherer has an M.B.A. from Loyola College in Maryland with a concentration in finance and a B.A. from the College of William & Mary with a concentration in government. He is a Level II candidate in the CFA program.

Dan Dickherber, Neal Burkemper, and Mike Conley are also registered principals of Stifel Nicolaus, a wholly owned subsidiary and affiliated broker-dealer of Stifel Financial Corp.

CODE OF ETHICS AND PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

EquityCompass has established an Investment Advisory Code of Ethics to be followed by all Investment Advisory personnel. The Investment Advisory Code of Ethics sets forth standards that are reasonably designed to promote honest, ethical conduct; comply with federal securities laws and governmental rules and regulations; maintain the privacy of client information; protect access to nonpublic information; and encourage associates to report any known violations of the Code. The Code obligates Investment Advisory personnel to place the interests of clients first, avoid any actual or potential conflict of interest, and ensure that personal securities transactions are conducted in a manner consistent with the standards of the Code. The Code of Ethics is provided to any client or prospective client upon request.

REPORTS AND REVIEWS

Clients should receive periodic statements from their custodian that identify all deposits to the Client's account, all disbursements from the account, all dividends received and interest earned, and any purchases or sales in the account during the past month, as well as the overall market value of the Client's portfolio as of the end of the month.

Clients typically receive quarterly reports from their custodian or sponsoring broker-dealer that contain the following:

- Quarterly Performance Review – This report provides an analysis of the performance of the Client's portfolio relative to comparable market indices. Performance of the Client accounts is calculated in a uniform manner relying on software that generally complies with CFA Institute standards for performance reporting calculations. Account performance is verified by reviewing the results for similarity and consistency among similar sectors and by identifying any unusual variations or inaccuracies indicated by the information provided.
- Market Overview – This report provides an analysis of the prevailing market conditions during the previous fiscal quarter.
- Summary of Portfolio Holdings – This report provides a listing of securities held in the Client's portfolio as of the end of the reported quarter.
- Realized Gain/Loss Summary – This report provides a listing of all closed transactions in Client's account during the calendar year and the offsetting cost of each transaction providing the realized gain/loss for each closing transaction.
- Privacy Policy – Clients will receive the EquityCompass Privacy Policy on an annual basis.
- Confirmations – Clients will receive written confirmation of all transactions executed and Part II of Form ADV.

CONFLICTS OF INTEREST

- Our affiliated broker-dealer may engage in principal transactions with EquityCompass clients.
- Institutions that compensate EquityCompass with advisory fees may also direct trades through our affiliated broker-dealer.

FEES

Currently, EquityCompass receives management fees from institutional clients that range from 10 basis points to 50 basis points of the assets under management. In addition, for certain private funds we manage in Europe, we may receive an incentive fee of 10% of the amount that exceeds the return of the S&P 500 Index up to a maximum of 4%.

ADDITIONAL INFORMATION

Personal Trading

As required by Section 204A of the Investment Advisers Act of 1940, written procedures have been implemented to detect and prevent the misuse of material, non-public information by employees. EquityCompass and/or its affiliates and

their families may have a position in and may, from time to time, purchase or sell any of the securities that are recommended to advisory Clients. The following general policies and/or procedures have been established:

- EquityCompass directors, officers, or employees may not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of their employment unless the information is also available to the investing public or through reasonable inquiry. No EquityCompass employee may prefer his or her own interest to that of an advisory Client.
- EquityCompass maintains a list of all securities holdings for anyone associated with the firm who has access to advisory recommendations. The Compliance Officer reviews these holdings on a regular basis.
- EquityCompass emphasizes the unrestricted right of the Client to decline to implement any advice rendered.

Discretionary Authority

The authority to provide discretionary management services will be contained in the advisory agreement between EquityCompass and the Client.