

STANCORP FINANCIAL GROUP INC

NYSE: SFG
Industry: Insurance

SABRIENT
STRONG
BUY
RATING

Stock Fundamentals as of October 26, 2009

Sabrient Rating	Strong Buy
Ticker	SFG
Market Cap Designation	Mid-cap
Market Capitalization (Billions)	\$1.9
Price	\$38.82
52-Week High/Low	\$42.71 / 13.79
EPS (TTM)	\$3.52
P/E Ratio (TTM)	11.0
Dividend Yield	1.9%
S&P 500 P/E Ratio	26.2
Price/Book Ratio	1.1
Price/Sales Ratio	0.7
30-Day Average Volume (Thousands)	446.3
Beta	1.87
Current Ratio	N/A
Short Interest Ratio	2.7
Shares Outstanding (Millions)	49.2

Sabrient Ratings

Sabrient's Buy/Hold/Sell ratings are based on a combination of dynamic filters that determine which attributes of a stock are most predictive in the prevailing market and which stocks best reflect those attributes but are not yet rewarded.

Sabrient starts with an "extraction" process that uses the best performing filters to identify stocks having certain compelling attributes currently sought by the market. Then, a composite scoring process uses a weighted average of several key scores to quantify the relative likelihood of upside or downside price action. As a result, the Buy/Hold/Sell rating may, in certain cases, seem inconsistent with a simple average of the scores cited in this analysis.

A BUY rating means the stock is expected to outperform its relevant benchmark substantially over the next 6 months. A SELL rating means the stock is expected to underperform its relevant benchmark substantially over the next 6 months. A HOLD rating means the stock is expected to perform in line with its relevant benchmark over the next 6 months.

If a stock is rated HOLD, the investor should review the stock's history of Sabrient ratings to see if it has recently changed to HOLD from BUY or SELL. If so, this indicates one of the following: (1) there has been a significant change in the stock's fundamentals, (2) the stock is already appropriately rewarded or punished by the market, or (3) there simply has been some recent price consolidation that warrants attention. A reading of Sabrient's analysis should identify which it is.

More about Sabrient on Page 4

Sabrient's Market Cap Designations

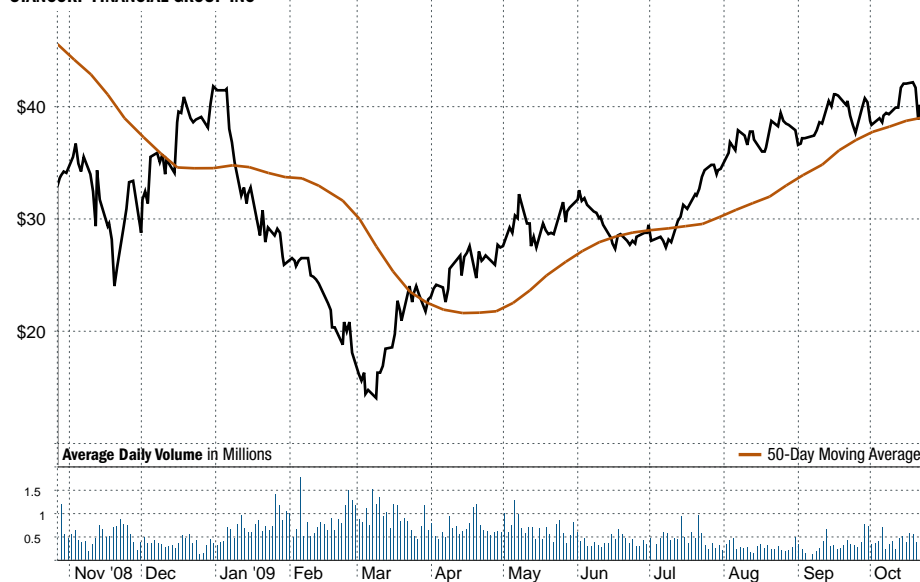
Large Cap	> \$5.0 Billion
Mid Cap	\$1.0 - \$5.0 Billion
Small Cap	\$150 Million - \$1.0 Billion
Micro Cap	< \$150.0 Million

Report prepared on **October 27, 2009** Page 1

Please see **important disclaimer on page 5 of this report.**

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STANCORP FINANCIAL GROUP INC



Company Profile

StanCorp Financial Group, Inc., through its subsidiaries, provides group insurance products and services in the United States. It operates through two segments: Insurance Services and Asset Management.

Earnings and Revenue Update: For the quarter ended September 30, 2009, StanCorp reported earnings of \$59.9 million or \$1.21 per share compared with \$56.3 million or \$1.15 per share for the prior quarter and \$40.2 million or \$0.82 per share for the same quarter one year ago. Revenues were \$701.6 million for the quarter ended September 30, 2009 compared with \$693.7 million for the prior quarter and \$646.5 million for the same quarter one year ago. Last twelve months' earnings were \$3.52 per share compared with \$4.02 per share a year ago. Last twelve months' revenues were \$2.7 billion compared with \$2.7 billion a year ago.

Sabrient Analysis

SFG is rated a Strong Buy for its outstanding value profile.

- **Value:** Sabrient rates SFG as one of the strongest value stocks in the market with a Sabrient Value Score of 97.2. At its current price, SFG offers excellent value based on last year's results and projected earnings. This makes the stock a prime candidate for the value-minded investor.
- **Growth:** SFG demonstrates lower than average growth potential, based on a Sabrient Growth Score of 47.9.
- **Momentum:** With regard to momentum, SFG receives a relatively low 47.8 for the Sabrient Momentum Score. The score is a composite measure of price, earnings and group momentum.
- **Timeliness:** SFG has a Sabrient Timeliness Score of 39.6. This is a composite measure of short-term and long-term price performance and long-term group performance.

Sabrient Analysis continued on Page 3

STANCORP FINANCIAL GROUP INC

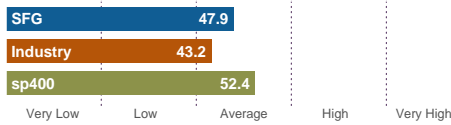
NYSE: SFG
Industry: Insurance

SABRIENT
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Current Sabrient Scores Compared with Industry and Relevant Benchmark

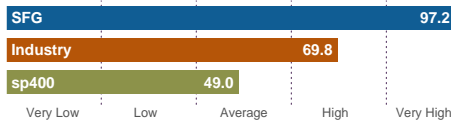
These Sabrient scores compare various aspects of STANCORP FINANCIAL GROUP INC with its industry and relevant benchmarks. The scores are percentile rankings from 0 to 99.9. Higher scores are better. We use a weighted average of several key scores to quantify the relative likelihood of upside or downside price action. Therefore, the Sabrient rating may seem inconsistent with a simple average of the scores cited in this analysis.

Growth Score: 47.9



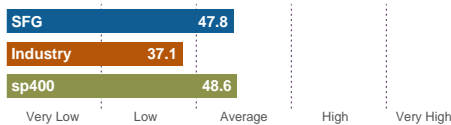
The Sabrient Growth Score reflects a company's historical and projected earnings growth, revenue and sales growth, projected cash flow, analyst activity, and changes in earnings estimates, each over various time periods. The higher the score, the better the combined performance of these key measures. With a Sabrient Growth Score of 47.9, StanCorp is marginally higher than the average of its industry group, which has a Sabrient Growth Score of 43.2.

Value Score: 97.2



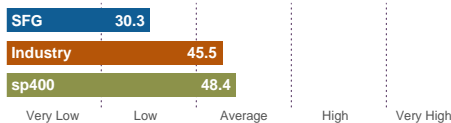
The Sabrient Value Score measures the relationship between a company's stock price and its intrinsic value, as indicated by earnings and balance sheet attributes, with an emphasis on earnings. Also considered are cash flow measures and fundamental valuation ratios. With a Sabrient Value Score of 97.2, StanCorp is considerably higher than the average of its industry group, which has a Sabrient Value Score of 69.8.

Momentum Score: 47.8



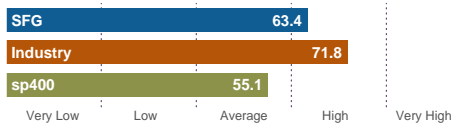
The Sabrient Momentum Score measures a company's earnings and price momentum, evenly weighted, and augmented by group strength, money flow, and relative volume. Core technical factors include current price relative to periodic highs and moving averages. With a Sabrient Momentum Score of 47.8, StanCorp is moderately higher than the average of its industry group, which carries a Sabrient Momentum Score of 37.1.

Earnings Score: 30.3



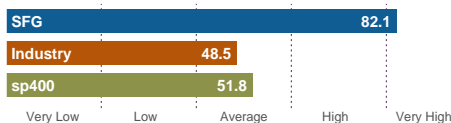
The Sabrient Earnings Score assesses a company's overall earnings performance and projected outlook. Time periods include an average look-back of three years with an emphasis on the past four quarters and a forward look of one to five years. With a Sabrient Earnings Score of 30.3, StanCorp is moderately lower than the average of its industry group, which has a Sabrient Earnings Score of 45.5.

Balance Sheet Score: 63.4



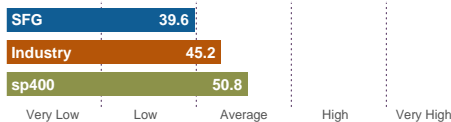
The Sabrient Balance Sheet Score measures a company's liquidity and debt issues, as well as receivables and inventory quality. This score is used to assess relative risk associated with a stock: the lower the score, most likely the higher the inherent risk. With a Sabrient Balance Sheet Score of 63.4, StanCorp is marginally lower than the average of its industry group, which carries a Sabrient Balance Sheet Score of 71.8.

Fundamental Score: 82.1



The Sabrient Fundamental Score is the broad measure of a company's financial health, including its balance sheet, cash flow, revenue, and earnings quality. With a Sabrient Fundamental Score of 82.1, StanCorp is substantially higher than the average of its industry group, which carries a Sabrient Fundamental Score of 48.5.

Timeliness Score: 39.6



The Sabrient Timeliness Score is an assessment of a stock's short and long-term price strength as determined by various chart-based indicators and measures of group momentum and relative price performance. With a Sabrient Timeliness Score of 39.6, StanCorp is marginally lower than the average of its industry group, which carries a Sabrient Timeliness Score of 45.2.

Peer Analysis

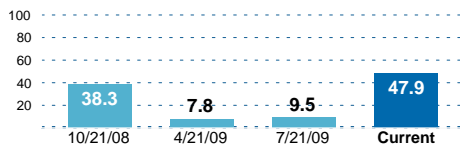
This table compares SFG with other similar-sized companies in the same industry group, focusing on Sabrient's growth, momentum and value scores, which represent the three main investing styles. The Peer Analysis chart compares SFG's 2-year total return with the average 2-year total return of these companies.



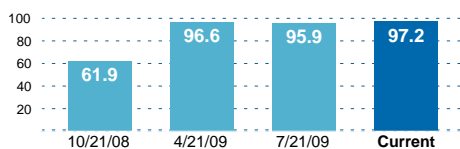
Historical Sabrient Scores

The recent histories of key Sabrient scores provide insight into the stock's trends -- whether they are increasing or decreasing in strength in a particular area or simply holding steady. The Sabrient scores are percentile rankings from 0 to 99.9, with higher scores better. Keep in mind that Sabrient ratings may seem inconsistent with a simple average of these key scores because a weighted average of several key scores is used to quantify the relative likelihood of upside or downside price action.

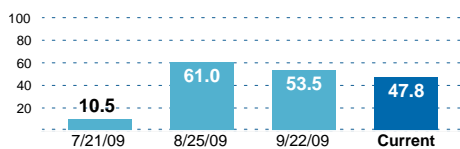
Growth Score: 47.9



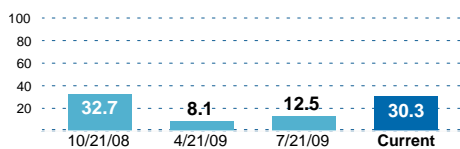
Value Score: 97.2



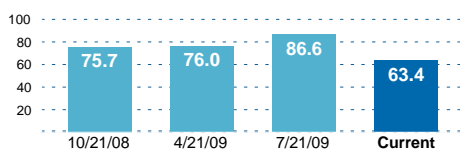
Momentum Score: 47.8



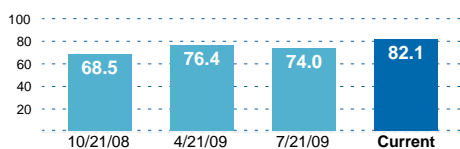
Earnings Score: 30.3



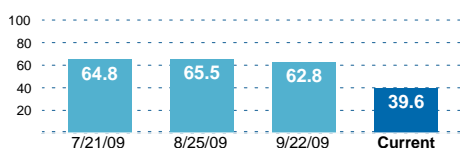
Balance Sheet Score: 63.4



Fundamental Score: 82.1



Timeliness Score: 39.6



Sabrient Analysis continued from Page 1

- **Best Performing Filters:** To determine the likelihood of near-term performance, Sabrient builds and backtests "Smart Filters" to establish which caps, styles and attributes are drawing a premium in today's market. Currently, the three most predictive filters for the relevant segment are:

Primary Value Filter: The Primary Value Filter measures key growth and valuation ratios, both long-term and short-term. It is currently one of our best-performing filters, showing a significant premium to its mid-cap benchmark for the past three months. SFG scores 94.5 for this filter.

Price Trend Filter: The Price Trend Filter uses a sophisticated statistical analysis to evaluate a stock's current price with respect to its long-term trend and to compare the result to the stock's core growth characteristics. A high score means the stock is below its long-term trend, especially in light of its earnings performance. A low score means the stock is above its long-term trend and may likely fall back to or below the mean. As of last month, this filter showed a substantial premium to its mid-cap benchmark. SFG scores 73.2 for this filter.

Valuation Ratios Filter: The Valuation Ratios Filter is a proxy for fundamental valuation, bestowing high Sabrient scores on stocks with low, and therefore favorable, valuation ratios such as price-to-earnings and price-to-sales. This filter outperformed its mid-cap benchmark by a substantial margin over the past three months. SFG scores 94.7 for this filter.

In summary, SFG's Strong Buy rating is based on a profile of forward-looking metrics which show this stock could significantly outperform the broader markets.

What the Market Wants: October 2009

[Note: What the Market Wants is now a weekly publication. For email delivery, sign up at www.sabrient.com. To view this week's stock selections and market stats, visit our blog at <http://www.sabrient.com/blog/>.]

MARKET BULLIES SMALL-CAPS

By David Brown, Chief Market Strategist

(October 26, 2009, 4:45 pm PST)

Last week, the market was very selective, with only Large-cap Growth in positive territory -- think Apple (Nasdaq: AAPL), Amazon (Nasdaq: AMZN), and American Express (NYSE: AXP). All other cap/styles were negative -- and the smaller you were, the more you lost. In fact, this entire month the market has beat up on small-caps with its "the smaller you are, the more you lose" bias.

It was an odd week. Economic indicators were mixed, with the usual villain, the initial jobless claims report, disappointing us once again. To be sure, there was much positive news from reporting companies, but revenue growth was again spotty, although better than last quarter.

The disappointers include Boeing (NYSE: BA), Northern Trust (Nasdaq: NTRS), Terex (NYSE: TEX), and USG Corp. (NYSE: USG). Seven more banks failed on Friday, and a rather significant player in the commercial real estate field, CapMark, filed for bankruptcy.

So even though 80% of the reporting companies in the S&P500 beat estimates, the disappointing companies and bank failures dragged the market down. Today, Monday, started out with a bang and then went bust well before noon when the dollar made another strong move. The market sold off sharply afterward.

Last week within sectors, Information Technology was the only positive sector (again, think Apple and Amazon). Consumer Discretionary sort of broke even, and all other sectors were down more or less 1%.

Looking ahead, our new sector ranking system, SectorCast, has Telecom at the top, based on very attractive valuations, followed closely by Health Care and Consumer Staples, which makes us feel that the market is still worried about recession. Energy, Industrials and Consumer Discretionary bring up the bottom, which reinforces our recessionary worries.

Lest we leave you on a negative note, it is important to remember the significant improvement in the quarterly reports so far for Q3, including the major breakout quarters by Apple and Amazon. So in my opinion, we're at a point where the bulls and bears are locked in a fierce battle that is too close to call. I continue to recommend the prudent buying of bargains, but now, on the strength of these robust Q3 earnings reports, you might consider an aggressive investment or two.

To see the "4 Stocks To Consider" for this week, go to "What the Market Wants" at our blog:
<http://www.sabrient.com/blog/?p=310>.

Next Update: November 2.

Company Description

StanCorp Financial Group, Inc., through its subsidiaries, provides group insurance products and services in the United States. It operates through two segments: Insurance Services and Asset Management. The Insurance Services segment offers group and individual disability insurance, group life and accidental death and dismemberment insurance, and group dental insurance products. Its Asset Management segment provides 401(K) plans, 457 plans, defined benefit plans, money purchase pension plans, profit sharing plans, 403(b) plans, and non-qualified deferred compensation products and services through an affiliated broker-dealer. This segment also offers investment management and advisory services, financial planning services, commercial mortgage loan origination and servicing, individual fixed annuities, group annuity contracts, and retirement plan trust products. The company sells its products by sales representatives through master general agents and brokers, primarily to physicians, lawyers, executives, other professionals, and small business owners. It serves life and disability insurance needs of employer groups; and the disability insurance needs of individuals. StanCorp Financial Group, Inc. was founded in 1998 and is headquartered in Portland, Oregon.

About Sabrient

Sabrient Systems is an independent research firm providing statistical analysis of a company's fundamental data to investment professionals. We use a computer-driven, quantitative methodology to identify stocks that appear poised to outperform or underperform the market.

The Sabrient methodology was developed by an experienced research team led by David Brown, a former NASA scientist and retired CEO of Telescan and designer of its premier stock search program, ProSearch. The research team employs a scientific approach to the creation and testing of multi-factor filters. Each filter targets a key area of traditional stock analysis, including value, growth, momentum, fundamentals, earnings, balance sheet, and group strength. Using an adaptive process, filters are continually tested and monitored to ensure that only the best performing filters are at work.

Sabrient's ratings begin with an extraction process in which each of the few best-performing filters scans the universe of equities to identify stocks having certain compelling attributes sought, but not sufficiently rewarded, by the current market. Then, a composite scoring system employs a broader set of "weighting" filters to rank the extracted stocks. To support individual investors, Sabrient uses the same sophisticated methodology to provide individual stock reports on a universe of approximately 5,600 stocks.

Sabrient regularly tests the performance of its stock selections, using its primary list of published rankings and statistical techniques it believes appropriate. These recommendations have consistently outperformed relevant benchmarks across a broad range of investing styles, market caps, time frames and market conditions, demonstrating the robustness of Sabrient's proprietary methodology. While past performance is no guarantee of future results, Sabrient believes it can maintain its strong performance through its rigorous, scientific approach to filter construction and ongoing backtesting within a dynamic and adaptive composite scoring system.

For more information on Sabrient and its performance, go to www.sabrient.com

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