

Brendan Wood 2009 Canadian Equity Research Rankings*

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Our 29th Consecutive Year of Ranking First for Research

Brendan Wood International (BWI) is an investment industry consulting firm that annually surveys Canadian institutional investors on the performance of equity research departments.

In its 2009 Canadian Institutional Equity Research, Sales & Trading Performance Report, 210 investment executives at 95 institutional fund management companies were interviewed. Collectively, these “panelists” are responsible for managing over \$599 billion of total Canadian equities held by Canadian institutions.

BMO Capital Markets was again ranked the number one Overall Research Team, continuing our long tradition of excellence in research. We have been ranked first in research in every BWI survey since 1981, representing 29 consecutive years of commitment to being the leader in Canadian equity research.

This year, our teams were ranked number one in six industry sectors. We had 12 TopGun analyst teams (BMO Capital Markets was ranked first, second or third) in the 32 sectors evaluated. On average, there were 14 analysts ranked per sector.

The BWI Research Composite Score (Table 1) is used to rank each research department on an overall basis. It reflects research quality, the penetration of analysts with institutional investors, and commissions each research team receives in a sector.

Chart 1 reflects the proportion of analyst citations received from Canadian investors. Once again, BMO Capital Markets garnered the most citations. This chart essentially depicts the share of votes each of the broker/dealers received from Canadian money managers.

TopGun Rankings

Banks	de Verteuil	Transportation	Cousins
Insurance	Reucassel	Media	Casey
Diversified Financials	Reucassel	Auto Parts	Sklar
Real Estate	MacIndoe	Special Situations	Sklar
Integrated Oil & Gas	Ollenberger	Portfolio Strategy	Coxe
Oil & Gas E&P	Ollenberger	Index Analysis	Steele
Industrial Products	Cousins	Economics	Cooper

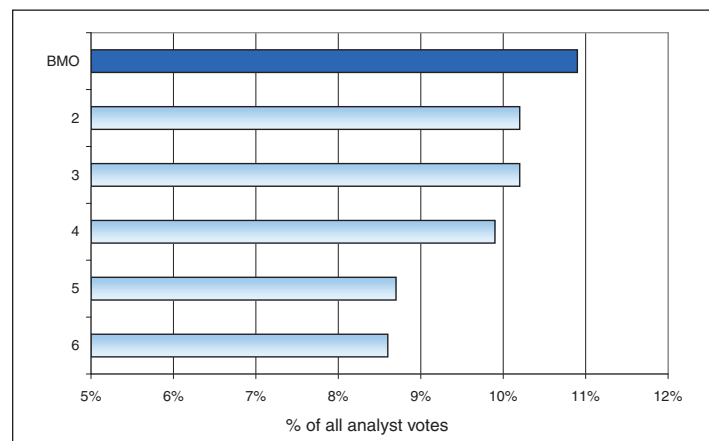
Note: Analysts with the highest ranking in each sector on an individual basis are indicated above. Additionally, on an individual basis, the following analysts ranked in the top 5: Ben Joyce (Portfolio Strategy), Stephen Atkinson (Pulp, Paper and Forest Products), Claude Proulx (Transportation and Environmental Services), Edwin Chee (Chemicals & Fertilizers), Claude Proulx (Small Cap/Special Situations), Mark Steele (Quantitative) and Mark Steele (Technical Analysis).

Table 1
Brendan Wood International 2009 Equity Research Rankings

	Composite Score	Overall Research Ranking					
	2009	2009	2008	2007	2006	2005	2004
BMO Capital Markets	51	1	1	1	1	1	1
Second Place Firm	48	2	3	3=	4=	6	6
Third Place Firm	46	3	4=	3=	2=	4	3
Fourth Place Firm	44	4	2	2	4=	3	4
Fifth Place Firm	42=	5=	6	5	2=	5	5
Fifth Place Firm	42=	5=	4=	6	6	2	2

Note: Brendan Wood International has requested that we not disclose the names of the other firms. Analysts are considered a BWI TopGun if they are ranked as one of the 'Top Three' in a sector.

Chart 1
Share of Analyst Citations



* Source for all charts and tables: Brendan Wood International – 2009 Canadian Institutional Equity Research, Sales & Trading Performance Report

Roughly two years ago, it was announced that BMO Capital Markets Canadian Equity Research and U.S. Equity Research departments would be merged into one operating unit. Today the combined group is comprised of 62 analysts covering over 950 stocks along with 10 Macro/Quantitative Strategy analysts (Table 2). Interestingly, roughly 40% of the stocks are Canadian companies, 52% U.S., and 8% international. This broadened research footprint allows us to provide a much more balanced research product with much greater diversification of companies and sectors covered. It is worth noting that the Brendan Wood Canadian Equity Research Survey does not include investors outside Canada nor does it address research coverage of non-Canadian stocks. While we continue to seek to be leaders in Canadian Equity Research, we also now have an expanded mandate to meet the current and future needs of investors.

We ranked first in terms of best research website by a wide margin. Chart 3 indicates the number of citations we received as a “top 5”

website. Investors noted, “It is simple and straightforward rather than being fancy and convoluted. It isn’t complicated”; “It offers quality reports and web casts”; “It is clear and easy to navigate”; and “It is user friendly.”

Investors also noted that our morning package, “provides a great and brief synopsis”; “I get a sense of what is going on that day. The notes are concise and I like that it is not maintenance coverage, there is a lot of thought behind it”; and “they have a very good email that has links to a lot of research papers and is easy to navigate.”

Despite the dramatic changes seen in the financial markets over the past five years, investors continue to highly value research. The 2009 BWI survey indicates that 46% of total commission dollars are allocated to pay for research (Chart 4). This compares to 41% in 2008 and has been remarkably stable over the years despite the greatly exaggerated predictions of decline.

Table 2
Table of Coverage (as of April 29, 2010)

Sector	Canada/Int'l		US		Total	
	Stocks	Analysts	Stocks	Analysts	Stocks	Analysts
Financials	63	4	92	6	155	10
Energy & Utilities	94	7	101	4	195	11
Materials	172	11	26	1	198	12
Capital Goods & Services	40	4	66	4	106	8
Consumer	42	2	82	6	124	8
Tech/Telecom/Media	47	4	69	5	116	9
Health Care	3	0	59	4	62	4
Macro/Quantitative						10
Total	461	32	495	30	956	72

Chart 3
Which Broker/Dealers Have the Best Websites?

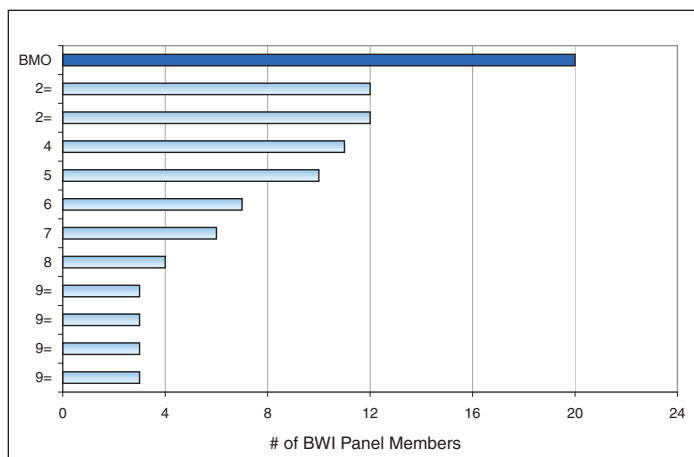


Chart 2
What Differentiates TopGun Analysts?

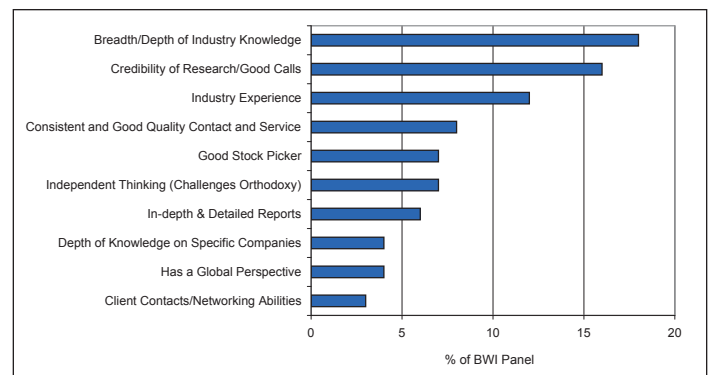
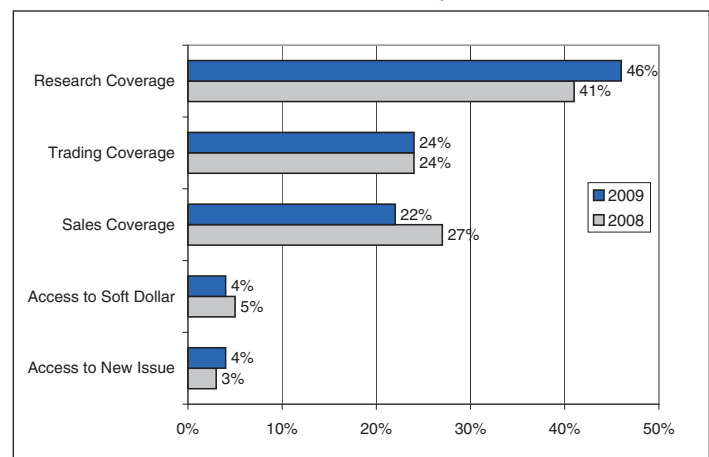


Chart 4
What Do Institutions Pay For?



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