

PICKING THE TEAM

To select the members of this year's All-America Research Team, *Institutional Investor* sent questionnaires covering 71 industry groups and investment specialties to the directors of research and chief investment officers of major money management institutions. Included were those managers in the // 300, our ranking of the largest institutions in the U.S., as well as other major U.S., European and Asian investors and key members of our ranking of hedge fund managers, the *Alpha Hedge Fund 100*. Directories and industry data sources were tapped to ensure that the survey universe was complete. We also contacted selected institutional clients from lists submitted by Wall Street research directors and sent questionnaires directly to analysts and portfolio managers at many top institutions.

Rankings were determined by using the numerical score each analyst received. Scores were produced by taking the number of votes awarded to an individual analyst and weighting them based on the size of the voting institution and the place that the respondent awarded to the analyst (first, second, third, fourth). For Convertibles, Equity Derivatives, REITs and Washington Research, votes for all analysts covering those fields at each firm were combined; in the commentary we high-

light the head of the team. Teams and individuals were designated runners-up when their scores fell within 35 percent of the third-teamers' scores. Analysts who changed firms after August 6, 2004, are cited at their previous organizations. One such analyst is Electronics Manufacturing Services runner-up Scott Craig of Morgan Stanley, who left the firm in late August to cover the same industry for Banc of America Securities. Two analysts changed their roles after our cutoff, while remaining at their firms: In late September, Goldman, Sachs & Co. announced that Autos & Auto Parts second-teamer Gary Lapidus was moving over to cover financial conglomerates and mortgage finance. Airlines first-teamer Samuel Buttrick of UBS this month becomes managing director of proprietary trading at the firm.

Sectors are organized within broad groups: Basic Materials, Capital Goods/Industrials, Consumer, Energy, Financial Institutions, Health Care, Media, Technology, Telecommunications and Macro. // determined the sectors in consultation with research directors from the buy side and the sell side. This year's category lineup is unchanged from 2003, except for the Retailing/Department Stores & Broadlines category, which has been renamed Retailing/Broadlines & Department Stores.

The identities of the survey respondents and the institutions that employ them are kept confidential to ensure their continuing cooperation. We tapped the opinions of more than 3,400 individuals at approximately 670 firms — including more than 90 percent of the 100 biggest U.S. equity managers. Our respondents manage an estimated \$7.6 trillion in U.S. equities, or more than 63 percent of the \$11.99 trillion free-float-adjusted market capitalization of the MSCI U.S. investable market 2,500 index.

Our reporters spent weeks talking to voters to learn more about the analysts they had selected. Many of the winners were also contacted to clarify points their clients had raised.

Our ranking of the best brokerage firm analysts was compiled by // staff under the direction of Director of Research Operations Group Sathya Rajavelu, Assistant Managing Editor for Research Lewis Knox and Senior Editor Jane B. Kenney with Associate Editor Sivert Hagen and Researchers Opoku Danquah and Anastacio Teodoro IV. Contributing Editors Pam Abramowitz, John Hintze, Ben Mattlin and Scott McMurray and Contributors Pam Baker, Eric Baum, Leslie Kramer, Kaya Laterman, Suzanne Lorge, Scott Martin, Craig McGuire, Nina Mehta, Vincent Morkri, Paul Sweeney and Victoria Zunitch wrote the sector reports.