Firm by Firm: Scorecard of Awards Won by 69 Research Firms

Firms are ranked by the number of Best on the Street awards their analysts earned. There were 132 awards this year, three in each of 44 industry groups.

Firm	Qualifying analysts	Gold	Silver	Bronze	Total awards
Morningstar	80	8	4	1	13
S&P Capital IQ	74		3	4	7
J.P. Morgan Chase	74		2	4	6
RBC Capital Markets	59	2	1	1	4
Credit Suisse	70	1	2	1	4
Raymond James	61	2	1		3
UBS	60	2		1	3
Piper Jaffray	33	1	2		3
Sidoti & Co.	36	1		2	3
Stifel Nicolaus	72		2	1	3
BMO Capital Markets	45		1	2	3
Goldman Sachs	64		1	2	3
BB&T Capital Markets	25	2			2
Evercore Partners	17	2			2
Jefferies	55	2			2
Macquarie Capital (USA)	36	2			2
Bernstein Research	28	1	1		2
KeyBanc Capital Markets	27	1	1		2
Needham	19	1	1		2
Canaccord Genuity	25	1		1	2
Keefe Bruyette & Woods	24	1		1	2
CL King & Associates	11		2		2
D.A. Davidson & Co.	14		2		2
Oppenheimer	32		2		2
SunTrust Robinson Humphrey	23		2		2
Barclays	66		1	1	2
Cowen & Co.	29		1	1	2
Wells Fargo Securities	54		1	1	2
Bank of America Merrill Lynch	71			2	2
Janney Montgomery Scott	26			2	2
Nomura Equity Research	17			2	2
Susquehanna Financial Group	24			2	2

Firm	Qualifying analysts	Gold	Silver	Bronze	Total awards
Avondale Partners	9	1			1
China International Capital	1	1			1
Craig-Hallum Capital Group	9	1			1
Crédit Agricole	20	1			1
Dougherty & Co.	6	1			1
FBR Capital Markets	24	1			1
ISI Group	16	1			1
Rodman & Renshaw	4	1			1
Sandler O'Neill + Partners	18	1			1
Stephens Inc.	25	1			1
Wedbush Securities	21	1			1
Benchmark Co.	8		1		1
Compass Point Research	5		1		1
CRT Capital Group	8		1		1
Dahlman Rose	13		1		1
Deutsche Bank Research	52		1		1
FBN Securities	3		1		1
Fearnley Fonds	1		1		1
Feltl & Co.	4		1		1
Guggenheim Securities	8		1		1
MKM Partners	9		1		1
National Securities (Brigantine)	4		1		1
Sterne Agee & Leach	33		1		1
Tudor Pickering Holt	7		1		1
William Blair	40		1		1
Brean Capital	11			1	1
Buckingham Research	16			1	1
CapStone Investments	3			1	1
Caris & Co.	10			1	1
Edward Jones	14			1	1
First Analysis Securities	9			1	1
Gabelli & Co.	19			1	1
Lazard Capital Markets	27			1	1
Mizuho Securities USA	7			1	1
Northcoast Research	11			1	1
Pareto Securities	1			1	1
ThinkEquity	10			1	1

Source: FactSet Research Systems The Wall Street Journal

S&P CAPITAL IQ
McGRAW HILL FINANCIAL

(over please)

THE MASTER STOCK PICKERS

The top three stock pickers in each industry, ranked on their recommendation-performance scores for 2012. Performance scores were calculated based on the estimated total return, including price changes and dividends, of each eligible stock an analyst covered in an industry, as well as the number of stocks the analyst covered within that industry. Analysts got credit for being right about buy and sell recommendations. For a stock rated a buy, a positive total return yielded a positive score, but a negative return produced a negative score. Similarly, for a stock rated sell, a negative total return yielded a positive score while a positive return resulted in a negative score.

The firm listed for each analyst is the one at which the analyst worked the longest during 2012 and the one that gets the credit for his or her achievement. Whenever possible, a footnote indicates if an analyst is no longer at the firm shown. For each industry, the number of analysts evaluated and their median score

Industry Rank	Analyst	Firm	Industry
3	Jim Corridore	S&P Capital IQ	Airlines
1	Efraim Levy	S&P Capital IQ	Autos & Auto Parts
1	Stuart J. Benway	S&P Capital IQ	Heavy Machinery & Materials
3	Joseph Agnese	S&P Capital IQ	Retailers: Food & Drug
3	James Moorman	S&P Capital IQ	Telecommunications
1	James Moorman	S&P Capital IQ	Telecommunications Equipment
3	Christopher Muir	S&P Capital IQ	Utilities

How the Survey Was Conducted

This methodology for The Wall Street Journal's annual Best on the Street Analysts Survey was used to identify the top analysts of 2012. FactSet Research Systems Inc. collected the data.

This year's survey focuses on 44 industries thought to be of particular interest to investors. Within each industry, the survey seeks to identify the top three analysts. The measure used is stock-picking skill.

Every analyst, whether a well-known veteran at a major Wall Street securities firm or an eager unknown from a small regional firm, must meet the same requirements and is subject to the same standards. From the initial planning through each step leading to publication of the survey, every effort is being made to ensure objectivity, accuracy and fairness.

Analyst Eligibility

To be eligible, analysts must follow stocks that trade on major exchanges in the U.S., though the analysts may be based in North America, Europe or Asia. Typically, they will have worked for the same firm throughout 2012. But analysts who switched firms during the year can qualify if they meet all the basic requirements. (For purposes of evaluating the overall performance of the firms at which the analysts worked, the firm at which an analyst worked longest in 2012 will get the credit.)

Analysts can be eligible in as many industries as they meet the coverage requirements. They generally are required to have covered at least five stocks in any of the survey's 44 industry groupings to be eligible in that industry.

Typically, an analyst's coverage within an industry must have included at least five stocks during any three quarters and at least four stocks in the remaining quarter. But in certain industries where analyst coverage was limited, the number of required companies may be lowered so that a reasonable number of analysts can be included.

Analysts must have some sort of buy, hold or sell recommendation on the stock during the calendar quarter. Recommendations are recorded using FactSet's standardized five-tier rating scale. Recommendations from each firm are translated to the standardized scale according to the firm's prior agreement with FactSet.

When it comes time to calculate final scores for the

survey, the recommendations are converted into a three-tier scale, a simple buy, hold or sell. All 1's and 1.5's are converted equally into the positive category (i.e., buy), 2s are converted into the neutral category (i.e., hold), and the 2.5's and 3's convert equally into the negative category (i.e., sell).

Returns for each recommendation change (for example, an initial buy recommendation or a downgrade from buy to hold) are calculated on the pricing date of the analyst's report. This is usually the 4 p.m. Eastern time closing price the day before the change, except when the analyst's report specifically mentions an earnings report that day, in which case the calculations began with the close on the day of the change.

Eligible Companies

To be counted in determining analysts' eligibility and in evaluating their stock-picking performance, a stock must have been traded on the New York Stock Exchange, NYSE Amex or the Nasdaq Stock Market during 2012. In addition, it must have had a market value of at least $100 million at the start of 2012; American depositary receipts and initial public offerings launched at any point during the survey year and meeting these basic requirements are also included.

The 44 industry groups in this year's survey were derived from the proprietary classification system used by Dow Jones Indexes. Dow Jones Indexes' proprietary classification system consists of 10 industries, 19 super-sectors, 41 sectors and, at the most granular level, 114 subsectors. Dow Jones Indexes calculates and distributes indexes that track each of these groupings.

Dow Jones Indexes licenses these indexes and others globally as the basis of financial products, including exchange-traded funds, futures and options contracts, mutual funds and variable annuities. Major indexes are published daily in The Wall Street Journal's Money & Investing section and weekly in the Market Week section of Barron's, and are disseminated via radio and television.

Further information about the proprietary classification system used by Dow Jones Indexes can be found online at http://www.djindexes.com/dataservices/?go=sectorclassification and www.djindexes.com.

In some cases, such as the survey's advertising and

publishing category, sectors or subsectors have been combined. In other cases, subsectors may be divided. The subsector semiconductors was subdivided into semiconductors and semiconductor equipment-manufacturing categories. Survey groups are subject to change if necessary for sufficient analyst coverage.

Performance Measurement

Analysts' skill in picking stocks was measured using recommendation-performance scores. These scores were calculated on the basis of the estimated total return, including price changes and dividends, of each eligible stock an analyst covered in an industry.

For a stock rated a buy, the return was multiplied by 1; for a stock rated a hold, the return was multiplied by 0.

Analysts also get credit for being right about sell recommendations. For a stock rated a sell, the return was multiplied by negative 1. If a stock fell, the negative total return multiplied by the negative weighting will produce a positive performance score for the analyst; but if the stock rose, the negative weighting will yield a negative score for the analyst. The final performance score also reflects such factors as the number of stocks in an analyst's "portfolio."

If two or more analysts have identical scores, ties were broken on the basis of the number of eligible companies each analyst followed.

Data Collection

The recommendations on which the rankings are based typically were collected throughout the year by FactSet Research Systems as part of its business of disseminating and analyzing brokerage-house research. As a result, the information was generally subject to the basic policies to which brokerage firms agree when they submit information to FactSet.

In the case of team coverage, for example, firms were asked to tell FactSet which individual analyst should get the credit.

Additional Information

The calculations for the survey were performed by FactSet Research Systems. Questions about the methodology and rankings should be directed to bestonthestreet@factset.com.