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Well-Known Seasoned Issuers in Canada

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Research Study

**Well-Known Seasoned Issuers in
Canada**

Adam Pritchard

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**Commissioned by the
Task Force to Modernize Securities Legislation in Canada**

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Pritchard has been a visiting professor at the Northwestern University School of Law, the Georgetown University Law Center, and the University of Iowa, School of Law. He has also been a visiting scholar at the Securities and Exchange Commission, and a visiting fellow in capital market studies at the Cato Institute.

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1. Executive Summary¹

The United States Securities and Exchange Commission (SEC) recently adopted a series of rules relaxing the restrictions imposed on public offerings. The largest public companies - defined as “well-known seasoned issuers” (WKSI) - received the most extensive regulatory relief. Canada could adopt a version of WKSI status for the top tier of Toronto Stock Exchange (TSX) issuers as part of a streamlined POP system.

Careful consideration must be given, however, as to the appropriate standards for WKSI status in Canada. The standards adopted in the U.S. – US\$700 million in market capitalization or US\$1 billion in non-convertible debt issued over the prior three years – might not be appropriate for the Canadian market, where issuers tend to be smaller. While the U.S. WKSI standards bring 30% of listed issuers within the WKSI category, applying the same standards in the Canadian context would only bring regulatory relief to 17% of Canadian companies listed on the TSX, and only 7% of the total companies listed on the TSX and TSX Venture exchanges.

This study analyzes the effect of extending WKSI status to the top 30% of TSX issuers. Broadening the WKSI category in this fashion would reduce the market capitalization cutoff to approximately \$330 million and bring in an additional 185 companies. Moreover, it would mean that WKSI status would cover companies representing 93% of Canada’s total market capitalization.

Would a broader definition of WKSI status mean less investor protection? Here the critical question is the amount of scrutiny that smaller companies receive from the investment community. In the sample examined here, analyst coverage drops off by about half for companies below the US\$700 million/ \$800 million (Canadian) cutoff, and the incidence of companies with zero analyst coverage increases. The drop-off is not as precipitous, however, for companies making public offerings. Among the Canadian companies in the sample that made an offering, companies with between \$345-\$800 million in market capitalization had an average of 3.5 analysts per issuer. Only one of the companies in this range in the sample had no analyst coverage at all. This evidence suggests that Canada could adopt a lower market capitalization standard for WKSI status without creating an undue risk of including companies that received little or no market attention.

¹ Data on offerings were provided by the Investment Dealers’ Association. The Toronto Stock Exchange generously provided data on market capitalization and trading volume for TSX issuers. Analyst coverage was obtained from I/B/E/S.

2. Summary of Recommendations

Recommendation: Canada should adopt a well-known seasoned issuer standard that balances the need for information for investors with the economies available from stream-lined regulation. A standard of \$350 million in market capitalization strikes a reasonable balance between these two concerns. The standard should be periodically revisited to ensure that it remains consistent with the realities of the contemporary capital market.

3. Introduction

In 2005, the United States Securities and Exchange Commission (SEC) adopted a series of rules relaxing the restrictions imposed on public offerings.² The largest U.S. public companies, labelled by the SEC as “well-known seasoned issuers,” were the recipients of the greatest regulatory relief. Well-known seasoned issuers (more popularly known as WKSIs) came in for favoured treatment based on the SEC’s conclusion that those issuers were most closely followed by analysts and institutional investors.

What benefit do companies get from WKSI status? WKSI eligibility means that a company is eligible for “automatic shelf registration.”³ Automatic shelf registration affords well-known seasoned issuers immediate effectiveness for their registration statements, so there are no delays in going to market.⁴ More importantly, a WKSI can effectively register an unlimited amount of securities to be sold for an unlimited period of time (or more precisely, it can add securities to its registration statement as it goes).⁵ Finally, well-known seasoned issuers are generally excused from the “gun-jumping” restrictions that would otherwise limit public statements that might be construed as offers prior to the filing and effectiveness of a registration statement.⁶ Thus, WKSIs have much less reason for concern that their public statements, such as press releases and media appearances by corporate officials, could run afoul of the offering rules. The bottom line for WKSIs is essentially a system of “company registration,”⁷ with unrestricted disclosure. WKSIs’ affirmative offering disclosure obligations are largely satisfied by the periodic reports that they are required to file as public companies.

Adoption of the WKSI concept by Canadian securities regulators could be part of a streamlined POP system, allowing the largest Canadian issuers immediate access to the capital markets and lower offering costs. If Canada were to streamline offering regulation for certain public companies, which companies should receive the benefit of that reduced regulatory burden? Would the criteria adopted by the SEC for the U.S. market unduly limit the availability of offering reform in the Canadian markets, where market capitalizations are typically smaller? The purpose of this study is to assess the appropriate criteria to be used if such a regime were adopted in Canada.

² Securities Offering Reform, Securities Act Release No. 33-8591 (July 19, 2005) (hereinafter “Offering Reform Release”).

³ Securities Act Rule 405.

⁴ Securities Act Rule 462.

⁵ Securities Act Rules 413 & 430B.

⁶ Securities Act Rules 163, 164 & 433.

⁷ Such a system had previously been endorsed by the SEC’s Advisory Committee on the Capital Formation and Regulatory Processes. See Report of the Advisory Committee on the Capital Formation and Regulatory Processes, available at www.sec.gov/news/studies/camform.htm (July 24, 1996).

4. Who Qualifies as a Well-Known Seasoned Issuer?

i. The United States

Who qualifies as a well-known seasoned issuer under the SEC's new rules? In addition to having filed periodic reports with the SEC for at least a year (and having been current in those filings for the past year), companies must satisfy one of two additional criteria:

- 1) The company has outstanding a minimum US\$700 million in market value of common equity held by non-affiliates; or
- 2) The company has issued US\$1 billion aggregate in non-convertible securities over the past three years.⁸

Companies qualifying as well-known seasoned issuers under the second category are only qualified as WKSIs for the purpose of issuing non-convertible debt or preferred stock. If the issuer has a public float of US\$75 million in common equity, however, it can also issue common equity under the relaxed rules applicable to WKSIs.

Certain companies are disqualified from WKSI status, most importantly, asset-backed issuers (i.e., companies selling securities backed by pools of assets with relatively stable income streams); investment companies (i.e., mutual funds); and business development companies.⁹ These issuers are subject to alternative offering regimes. The SEC has also disqualified "blank cheque" and shell companies, as well as companies that have violated the anti-fraud provisions of the securities laws within the last three years.

According to the SEC, 30% of U.S. listed issuers would qualify as WKSIs.¹⁰ Although this percentage is relatively small, it understates considerably the economic importance of these WKSI issuers. The SEC reports that WKSIs made up 95% of U.S. equity market capitalization as of 2004.¹¹ Of greater relevance to the offering market, these issuers accounted for 96% of the debt and 70% of the equity sold in public offerings by listed issuers.¹² Clearly, WKSIs pull a lot of weight in the U.S. capital markets.

⁸ Securities Act Rule 405.

⁹ Id.

¹⁰ Offering Reform Release, at 25.

¹¹ Id.

¹² Id. at 28.

Indeed, these numbers may *understate* the importance of WKSIs in the debt market because they do not include private placements. The SEC's omission of private placements from the eligibility criteria for WKSI status has a policy justification: part of the SEC's motivation for streamlining regulation was to recapture a larger share of the offering market for registered public offerings (closely controlled by the SEC) at the expense of the private placement market (much less heavily regulated).

It is not, however, the economic clout of these issuers that justifies relaxed regulation. According to the SEC,

As a result of the active participation of these issuers in the markets and, among other things, the wide following of these issuers by market participants, the media, and institutional investors, we believe that it is appropriate to provide communications and registration flexibilities to these well-known seasoned issuers beyond that provided to other issuers, including other seasoned issuers.¹³

To be sure, disclosure requirements force smaller seasoned issuers to disclose similar amounts of information about their businesses to the market as do WKSIs. The difference between WKSIs and their smaller counterparts is that fewer informed market participants are paying attention to the disclosures of the latter. The bottom line: WKSIs receive less regulatory scrutiny because they are presumed by the SEC to receive greater market scrutiny.

ii. Canada

How would the WKSI standards translate to the Canadian market? To assess this question, I looked at all firms listed on the Toronto Stock Exchange. The US\$700 million market capitalization cut-off adopted by the SEC, if converted into Canadian currency, produces a cut-off of approximately \$800 million Canadian.¹⁴ As of December 2005, 267 Canadian companies would meet that standard. Of this number, three are investment companies and therefore ineligible. That leaves 264 out of a total of 1535 TSX-listed companies. (The total is 3553 if one adds TSX Venture companies; none of the Venture companies are WKSI eligible.)

¹³ Id. at 25.

¹⁴ In order to make data collection tractable, I have not adjusted market capitalization numbers downward to reflect equity held by affiliates. If this adjustment were made, it likely would reduce the number of eligible companies, given the prevalence of controlling shareholders in Canada.

The SEC's second category, of issuers selling more than US\$1 billion in debt over the past three years (approximately \$1.15 billion Canadian), would appear to be of little importance in the Canadian context. Only one additional TSX-listed issuer sold more than \$1.15 billion in public debt offerings between 2002 and 2004, and that issuer's offerings appear to be primarily asset-backed sales, which are ineligible for the streamlined regulation applicable to WKSIs. One non-listed issuer (a mutually owned bank) sold that much in public debt offerings, but again those offerings appear to be primarily asset-backed. The debt category apparently has some relevance to the U.S. offering markets, accounting for 65% of total debt and equity sold by issuers in the U.S. who have not listed public equity,¹⁵ but it appears to have little relevance for the Canadian markets. Accordingly, the subsequent analysis focuses exclusively on the market capitalization criterion. (Appendix 1 lists the TSX issuers that would be eligible based on the \$800 million in market capitalization standard.)

What would the economic impact be from conferring WKSI status on the largest TSX-listed issuers? Table 1, Panel A compares the Canadian WKSIs and other TSX issuers. Panel B compares offerings by WKSIs with other TSX issuers. All figures are in millions of Canadian dollars.

¹⁵ Id. at 30.

Table 1: Canadian WKSIs: <\$700 million*Panel A: Issuers*

	WKSI	TSX Non-WKSI	TSX	WKSI % of TSX
Number	264	1271	1535	17.2%
Mean Market Capitalization 2005	\$6,101	\$167	\$1,197	88%
Median Market Capitalization 2005	\$1,986	\$100	\$144	

Panel B: Offerings

	WKSI	TSX Non-WKSI	Total	WKSI % of Total
Total Equity Offerings 1997-2004	\$107,166 (n=682)	\$48,029 (n=967)	\$180,489 (n=4334)	59.4%
Total Debt Offerings 1997-2004	\$67,215 (n=396)	\$13,483 (n=144)	\$99,866 (n=876)	67.3%

Using the U.S. cutoffs would produce a smaller percentage of WKSIs in Canada than it does in the U.S. given the generally smaller size of Canadian companies. According to the SEC, WKSIs make up 30% of all U.S. listed companies. In Canada, WKSIs make up only 17.2% of TSX issuers and 7.4% of the combined total of TSX and TSX Venture Issuers. The Canadian WKSIs' share of market capitalization, however, is comparable to that of U.S. WKSIs. Canadian WKSIs account for 88% of TSX market capitalization (87% of the TSX and TSX Venture combined), slightly less than the 95% of market capitalization enjoyed by U.S. WKSIs.

Looking at the WKSIs' role in public offerings, Canadian WKSIs have a substantially smaller share than their U.S. counterparts, accounting for 67.3% of public debt offerings (excluding asset-backed issues), in contrast to the U.S. WKSIs' 96% share. The two countries are more similar when it comes to equity offerings, with the Canadian WKSIs coming in at 59.4%, compared to the U.S. WKSIs' 70% share.

5. Evaluating Alternative Cutoffs for WKSI Status

Given the generally smaller size of Canadian public issuers, would a lower cutoff for WKSI status make sense in the Canadian context? Would extending WKSI status to the top 30% of TSX issuers substantially increase the WKSI share of Canadian public offerings? Would such a move be consistent with the needs of investor protection?

Based on market capitalization at the end of 2005, extending WKSI status to the top 30% of Canadian issuers would produce a numerical cutoff of approximately \$330 million. Table 2 summarizes the marginal effect of adding these additional firms to the WKSI category. The TSX 30% designates those companies in the top 30% of TSX issuers that would not meet the \$800 million market capitalization cutoff. (Appendix 2 lists the TSX 30% issuers that would be eligible based on the \$330 million in market capitalization standard.)

Table 2: Largest 30% of TSX Issuers

Panel A: Issuers

	WKSI	TSX Top 30%	TSX	WKSI + TSX 30% % of TSX
Number	264	185	1535	29.3% ¹⁶
Mean Market Capitalization 2005	\$6,101	\$518	\$1,197	93.1%
Median Market Capitalization 2005	\$1,986	\$624	\$144	

Panel B: Offerings

	WKSI	TSX Top 30%	Total	WKSI + TSX 30% % of Total
Total Equity Offerings 1997-2004	\$107,166 (n=682)	\$17,411 (n=211)	\$180,489 (n=4334)	69.0%
Total Debt Offerings 1997-2004	\$67,215 (n=396)	\$7,643 (n=55)	\$99,866 (n=876)	75.0%

Extending WKSI status to the top 30% of TSX issuers would bring in another 185 companies, a 70.1% increase. In addition, the market capitalization of eligible issuers would rise to 93.1% of the TSX's total market capitalization. The effect on offering totals is non-trivial: the WKSI percentage of equity offering

¹⁶ This percentage is less than 30% because investment companies have been excluded from the WKSI and TSX 30% categories, but the not overall TSX number.

would go from 59.4% to 69.0%, and the debt percentage goes from 67.3% to 75.0%. This would make the equity offering percentage essentially indistinguishable from the U.S. WKSI percentage (69.0% versus 70%), although the debt percentage would still trail the U.S. level (75.0% versus 96%).

Although extending the WKSI category in this way would make reform more popular with a broader circle of issuers, does it make sense from the perspective of investor protection? Unfortunately, this question raises in part the issue of the value added to investors from scrutiny by securities regulators of public offerings. If this scrutiny adds little value, WKSI status should be extended quite broadly. The question of the overall investor protection added by offering regulation, however, is very difficult to measure.

Perhaps more manageable is the question of the marginal need for regulation. Has the SEC set an appropriate line in determining which companies should enjoy the benefit of reduced regulatory burden for their offerings? Or do the SEC's criteria needlessly discriminate against smaller issuers without adequate justification?

In determining the market capitalization threshold, the SEC relied on analyst coverage, trading volume, and institutional ownership.¹⁷ The SEC reports that firms in excess of US\$700 million conducting public offerings from 1997-2004 had an average of twelve analysts following them.¹⁸ The SEC contrasted this high level of coverage with coverage for issuers with a market capitalization between US\$75 million and US\$200 million, which, in most cases had between 0 and 5 analysts following them. The SEC pointed to further evidence of wide market following for companies above US\$700 million: institutional investors owned 52% of these companies' equity securities and these issuers had an average daily trading volume of nearly US\$52 million.

What is missing from the SEC's analysis is the question of *marginal* differences. The SEC points to the lack of analyst coverage for companies between the US\$75 million and US\$200 million. The relevant comparison, however, is the analyst coverage for companies between US\$600 million and US\$700 million relative to the coverage for companies between US\$700 million and US\$800 million. The SEC offers no statistics on the institutional ownership and trading volume for the companies below \$700 million, so we are basically left to guess at the basis for the \$700 million figure.

¹⁷ Offering Reform Release, at 35.

¹⁸ *Id.* at 28.

To shed some light on the question of marginal analyst coverage, Steve Choi and I collected coverage data for a sample of companies from the U.S. and Canada.¹⁹ We picked ten companies at random from ten ranges of market capitalization, producing samples of 100 companies for each country.²⁰ Table 3 compares the analyst coverage for the two countries at each level of market capitalization.

Table 3: Analyst Coverage in the U.S. and Canada

Market Capitalization (in millions)	Mean # Analysts US	Mean # Analysts Canada	Max/Min Analysts US	Max/Min Analysts Canada	Firms w/0 Analysts US	Firms w/0 Analysts Canada
\$1,000-\$2,000 (\$1,150-\$2,300)	10.7	8.3	24/5	16/3	0	0
\$900-\$1,000 (\$1,000-\$1,150)	8.2	7.1	17/3	10/2	0	0
\$800-\$900 (\$920-\$1,000)	5.4	7	13/0	12/2	1	0
\$700-\$800 (\$800-\$920)	8.6	7.7	27/1	13/1	0	0
\$600-\$700 (\$690-\$800)	4.6	3.6	13/0	9/1	1	0
\$500-\$600 (\$575-\$690)	4.9	3.9	9/2	10/0	0	1
\$400-\$500 (\$460-\$575)	4	3.7	10/0	9/0	1	3
\$300-\$400 (\$345-\$460)	5.6	5.8	16/0	11/1	1	0
\$200-\$300 (\$230-\$345)	3.7	2.5	7/0	5/0	1	2
\$75-\$200 (\$85-\$230)	1.8	3.2	4/0	6/0	1	2
Overall	5.8	5.3	24/0	16/0	6	8

The data provided in Table 3 perhaps sheds some light on the SEC's choice of the US\$700 million cutoff. For this sample (admittedly much smaller than the one relied upon by the SEC's Office of Economic Analysis), companies at US\$700 million and above in market capitalization generally have

¹⁹ The available evidence suggests that firm size correlates highly with analyst coverage, institutional ownership and turnover. Analysts are likely to cluster where the trading commissions are to be found, so we focused on analyst coverage for our purposes here. Ravi Bhushan, Firm Characteristics and Analyst Following, 11 Journal of Accounting and Economics 255-274 (1989); Harrison Hong, Terence Lim, and Jeremy C. Stein, Bad News Travels Slowly: Size, Analyst Coverage, and the Profitability of Momentum Strategies, 55 Journal of Finance 265-295 (2000).

²⁰ Our sample selection differs from the SEC's approach because we look at both companies making offerings and

more than the 5.8 analysts per company for the overall U.S. sample. The Canadian data are consistent, with the ranges above \$800 million Canadian in market capitalization all being above the overall average of 5.3. Most notably, however, there does seem to be a relatively sharp break from the US\$700-\$800 million/\$800-\$900 million Canadian level to the US\$600-\$700 million/\$690-\$800 million Canadian level. At the higher level, we see averages of 8.6 (U.S.) and 7.7 (Canada), but at the lower level, the averages are only 4.6 (U.S.) and 3.6 (Canada).

Of greater concern, however, might be the incidence of companies with no coverage whatsoever, which suggests a company that is not attracting much in the way of investor interest. Zero analyst coverage spikes upward for the Canadian sample below the \$575 million level.

Not surprisingly, the data in Table 3 show that analyst coverage generally increases with company size. (The overall correlation is 0.46). This correlation appears to be stronger than the correlation between analyst coverage and trading volume. For the Canadian sample, the correlation between analyst coverage and trading volume is 0.27²¹. Thus, firm size seems to be a more reliable proxy for the depth of coverage for a company than does liquidity²². This observation tends to support the SEC's decision to rely on market capitalization rather than trading volume for its WKSI definition.

Analyst coverage may also correlate with whether or not a company is seeking access to the capital markets. Companies interested in selling securities may invest more time and effort in attracting the attention of analysts. Table 4, Panel A compares the companies from the Canadian sample used in Table 3 with those that did not make an offering.

Table 4: Canadian Firms with Offerings and Analyst Coverage

	Offering	No Offering
Number	57	43
Mean Market Capitalization (in millions)	\$781	\$619
Mean # of Analysts	5.9	4.4

those that do not.

²¹ I find a similar correlation – 0.25 – between analyst coverage and turnover, defined as the number of shares traded annually divided by the number of shares outstanding.

²² To assess the possibility that smaller companies may be more actively traded, I also calculated mean turnover for each of the ten deciles. There is no discernible pattern in the turnover data for this sample.

Of the 100 Canadian firms chosen for this analysis, 57 made at least one public offering of debt or equity between 1997 to 2004. Those firms had a greater market capitalization and a larger number of analysts. This suggests that smaller firms interested in making an offering will put more effort into seeking analyst coverage, although the correlation may be largely driven by the correlation between firm size and analyst coverage. The overall correlation between making at least one offering and analyst coverage is 0.21.

To explore the possibility that analyst coverage may follow offerings, Table 5 compares the overall analyst coverage for the Canadian firms in the sample with those making offerings.

Table 5: Canadian Firms Making Offerings and Analysts by Market Capitalization

Market Capitalization (in millions Canadian)	Mean # Analysts	# Firms w/0 Analysts	# Firms Offering	Mean # Analysts for Offerers	Offerers w/0 Analysts
\$1,150-\$2,300	8.3	0	8	8.3	0
\$1,000-\$1,150	7.1	0	7	7.1	0
\$920-\$1,000	7	0	7	7.6	0
\$800-\$920	7.7	0	5	8.4	0
\$690-\$800	3.6	0	7	3.7	0
\$575-\$690	3.9	1	4	2	1
\$460-\$575	3.7	3	3	6.7	0
\$345-\$460	5.8	0	8	6.1	0
\$230-\$345	2.5	2	4	3.1	1
\$85-\$230	3.2	2	4	4.0	1
Overall	5.3	8	57	5.9	3

The data in Table 5 support the notion that firms making offerings are likely to have greater analyst coverage, with offering firms having greater average coverage than the overall average in every category but one. Moreover, only three firms out of 57 firms making offerings (5.2%) had no analysts at all, and only one of these three was above \$345 million in market capitalization. Overall the correlation between making an offering and the average number of analysts is much stronger for the lower half of the sample (0.21 for the bottom half of market capitalization versus 0.09 for the top half). For the 22 companies with market capitalizations between \$345 and \$800 million, the average number of analysts was 3.5 analysts per offerer. This evidence offers some support for a more generous Canadian WKSI standard.

On the other hand, the higher level of analyst coverage for firms making offerings should be interpreted with some caution because firms may provide analyst coverage in an effort to attract underwriting

business. This conflict of interest calls into question the independence of the analyst coverage that is being provided.

Table 5 does raise one red flag. The \$575-\$690 million category has a relatively low number of analysts per offering firm (2). This appears to be a statistical outlier, however, given that the next two lower categories, \$460-\$575 million and \$345-\$460 million, both average more than six analysts per offering firm (6.7 and 6.1, respectively), with no offering firm having zero analysts. The relatively robust analyst coverage for these two categories tends to support the TSX 30% cutoff, which produced a market capitalization cutoff of \$330 million.

An alternative strategy would be to tie WKSI status directly to analyst coverage, specifying a minimum number of analysts issuing reports on a company. This approach has the virtue of tackling the question of the level of information available about an issuer more directly than does a market capitalization standard. The downside, however, would again be the potential for conflict of interest. Issuers anxious to secure the benefits of WKSI status might pay for analyst coverage, either directly through cash payments, or indirectly through the selective disclosure of information. The temptations for abuse presented by this scenario counsel in favour of the harder to manipulate market capitalization standard.

6. Conclusion

Recommendation: Canada should adopt a well-known seasoned issuer standard that balances the need for information for investors with the economies available from stream-lined regulation. A standard of \$350 million in market capitalization strikes a reasonable balance between these two concerns. The standard should be periodically revisited to ensure that it remains consistent with the realities of the contemporary capital market.

This report has offered evidence relevant to the question of WKSI status for the Canadian capital markets. The most important question is the appropriate market capitalization cutoff if the WKSI concept were to be adopted in Canada. The most easily defended standard would be the one adopted by the SEC: US\$700 million, which would translate to \$800 million in Canadian currency. That standard, however, may not accord with the realities of the Canadian market. Adopting the U.S. standard would lead to a substantially smaller percentage of Canadian companies being able to avail themselves of the streamlined regulatory regime than is the case in the U.S. This is not surprising, given the generally smaller market capitalization of Canadian companies. If streamlined regulation makes sense, it would be desirable to extend the cost savings and more rapid access to the capital markets as widely as possible.

The question is how low could Canada go in setting a market capitalization cutoff for WKSI without unduly risking a lack of market attention being paid to company disclosures? The evidence presented here suggests that analyst coverage remains relatively robust - for those companies making offerings - down to the level of \$345 million in market capitalization. Adopting a \$350 million cutoff (to pick a round number), would not extend Canadian WKSI status to a full 30% of TSX issuers, but it would come close. Only twelve of the TSX 30% issuers would be excluded if that standard were chosen.

The data presented by the SEC in its final offering release do not make a compelling case against adopting a number lower than the US\$700 million figure adopted in the U.S. The SEC's report is persuasive that WKSI status does not make sense for the smallest public issuers (i.e., those below US\$200 million in market capitalization), but it sheds little light on the desirability of excluding "middle cap" companies because it ignores the question of marginal analyst coverage. The SEC has promised to revisit the question of its market capitalization thresholds in a few years. This pledge reinforces the basic conservatism of the SEC's approach, focusing on incremental reform.

Reform does not come easily, however, in either the U.S. or Canada. (If anything, it may be harder to accomplish in Canada, given the federal structure of Canadian securities regulation.) The risk is that a standard, once chosen, will tend to ossify, making it harder in the future to extend regulatory relief to smaller companies. If Canada were to choose a more aggressive standard, the promise to revisit the standard in a few years would carry more weight. If problems developed among the lowest tier of companies receiving WKSI status, the impetus (and evidence) for reform will be there. If problems do not develop, the benefits of regulatory relief will have been extended as broadly as possible.

Appendix 1: Canadian WKSIs

Company	root ticker	QMV (All Classes Dec. 3, 2005)
Aber Diamond Corporation	ABZ	2,491,877,481
Abitibi-Consolidated Inc.	A	2,050,876,457
ACE Aviation Holdings Inc.	ACE	4,175,722,947
Advantage Energy Income Fund	AVN	1,328,055,993
AGF Management Limited	AGF	1,991,004,768
Agnico-Eagle Mines Ltd.	AEM	2,230,829,752
Agrium Inc.	AGU	3,349,005,203
Alcan Inc.	AL	17,933,135,934
Algoma Steel Inc.	AGA	911,095,984
Algonquin Power Income Fund	APF	814,119,008
Aliant Inc.	AIT	4,108,727,528
Alimentation Couche-Tard Inc.	ATD	4,727,652,228
Alliance Atlantis Communications Inc.	AAC	1,491,624,985
AltaGas Income Trust	ALA	1,464,723,803
Angiotech Pharmaceuticals Inc.	ANP	1,291,924,936
ARC Energy Trust	AET	5,027,516,862
Astral Media Inc.	ACM	1,686,518,047
Atco Ltd.	ACO	2,621,266,329
ATI Technologies Inc.	ATY	4,979,171,439
ATS Automation Tooling Systems Inc.	ATA	850,667,357
Aur Resources Inc.	AUR	1,131,129,807
Axcan Pharma Inc.	AXP	805,028,621
Bank of Montreal	BMO	33,546,051,420
Bank of Nova Scotia (The)	BNS	46,331,148,288
Barrick Gold Corporation	ABX	17,412,396,922
Baytex Energy Trust	BTE	1,226,117,052
BCE Inc.	BCE	27,559,835,682
Bell Canada	BC	1,136,660,365
Bema Gold Corporation	BGO	1,523,980,679
BFI Canada Income Fund	BFC	1,486,315,721
Biovail Corporation	BVF	4,392,629,510
BlackRock Ventures Inc.	BVI	1,104,116,969
Boardwalk Real Estate Investment Trust	BEI	1,029,808,021
Boliden AB	BLS	2,653,680,340
Bombardier Inc.	BBD	5,172,742,600
Bonavista Energy Trust	BNP	3,172,810,932
BP plc	BP	109,893,514,630
Brookfield Asset Management Inc.	BAM	16,784,520,542
Brookfield Properties Corporation	BPO	9,100,541,541
CAE Inc.	CAE	2,132,100,163
Calfrac Well Services Ltd.	CFW	1,464,013,483
Calloway Real Estate Investment Trust	CWT	1,384,544,623
Cambior Inc.	CBJ	892,113,528

Cameco Corporation	CCO	12,927,321,687
Canada Bread Company Limited	CBY	1,499,550,608
Canadian Apartment Properties Real Estate Investment Trust	CAR	895,918,472
Canadian Imperial Bank Of Commerce	CM	28,524,503,178
Canadian National Railway Company	CNR	25,087,656,708
Canadian Natural Resources Limited	CNQ	30,911,036,698
Canadian Oil Sands Trust	COS	11,656,782,522
Canadian Pacific Railway Limited	CP	7,684,670,947
Canadian Real Estate Investment Trust	REF	1,282,995,768
Canadian Tire Corporation Limited	CTR	5,756,112,722
Canadian Utilities Limited	CU	6,031,820,715
Canadian Western Bank	CWB	1,096,274,234
Canfor Corporation	CFP	1,913,914,618
Canico Resource Corp.	CNI	864,249,973
CanWest Global Communications Corp.	CGS	969,930,693
Cascades Inc.	CAS	812,307,732
CCL Industries Inc.	CCL	911,243,322
CCS Income Trust	CCR	1,568,220,210
Celestica Inc.	CLS	2,424,910,842
Centerra Gold Inc.	CG	2,029,040,881
Centurion Energy International Inc.	CUX	1,000,034,161
CGI Group Inc.	GIB	3,690,090,503
Chartwell Seniors Housing Real Estate Investment Trust	CSH	809,599,168
CHC Helicopter Corporation	FLY	1,162,376,592
CHUM Limited	CHM	838,165,077
CI Financial Inc.	CIX	7,154,455,075
Cinram International Inc.	CRW	1,570,114,749
CML Healthcare Income Fund	CLC	1,146,320,093
Coeur d'Alene Mines Corporation	CDM	1,169,153,537
Cognos Incorporated	CSN	3,699,756,372
Compton Petroleum Corporation	CMT	2,176,282,390
Corus Entertainment Inc.	CJR	1,279,118,537
Cott Corporation	BCB	1,235,556,925
Crescent Point Energy Trust	CPG	1,066,746,941
Davis + Henderson Income Fund	DHF	879,383,166
Dofasco Inc.	DFS	5,030,843,287
Domtar Inc.	DTC	1,577,341,700
Dorel Industries Inc.	DII	907,311,046
Dundee Wealth Management Inc.	DW	986,016,110
Duvernay Oil Corp.	DDV	2,181,614,143
E-L Financial Corporation Limited	ELF	2,257,380,605
Eldorado Gold Corporation	ELD	1,719,909,916
Emera Incorporated	EMA	2,272,903,755
Empire Company Limited	EMP	1,116,812,548
Enbridge Inc.	ENB	13,016,984,010
EnCana Corporation	ECA	45,126,640,084
Energy Savings Income Fund	SIF	1,820,827,437
Enerplus Resources Fund	ERF	6,554,871,311
Ensign Energy Services Inc.	ESI	3,549,234,169
EPCOR Power L.P.	EP	1,671,624,866

Esprit Energy Trust	EEE	894,753,481
Extencicare Inc.	EXE	1,271,419,169
Fairfax Financial Holdings Limited	FFH	2,887,892,280
Fairmont Hotels & Resorts Inc.	FHR	3,546,256,392
Falconbridge Limited	FAL	14,205,091,630
Finning International Inc.	FTT	3,282,800,180
First Calgary Petroleum Ltd.	FCP	1,720,928,627
First Capital Realty Inc.	FCR	1,721,761,682
First Quantum Minerals Ltd.	FM	2,295,778,143
FirstService Corporation	FSV	861,901,365
FNX Mining Company Inc.	FNX	1,134,423,510
Focus Energy Trust	FET	942,984,706
Fording Canadian Coal Trust	FDG	5,911,907,072
Fort Chicago Energy Partners L.P.	FCE	1,631,158,758
Fortis Inc.	FTS	2,870,905,786
Four Seasons Hotels Inc.	FSH	1,902,301,380
Freehold Royalty Trust	FRU	921,613,387
Gammon Lake Resources Inc.	GAM	1,017,005,894
Gaz Métro Limited Partnership	GZM	2,298,622,042
Geac Computer Corporation Limited	GAC	1,108,975,062
George Weston Limited	WN	12,151,905,786
Gerdau Ameristeel Corporation	GNA	2,123,949,373
Gildan Activewear Inc.	GIL	2,997,761,650
Glamis Gold Ltd.	GLG	4,206,724,207
Goldcorp Inc.	G	8,793,388,927
Great Canadian Gaming Corporation	GCD	1,300,965,448
Great-West Lifeco Inc.	GWO	29,072,206,613
H&R Real Estate Investment Trust	HR	2,299,170,765
Harvest Energy Trust	HTE	1,971,800,570
Highpine Oil & Gas Limited	HPX	914,985,851
Home Capital Group Inc.	HCG	1,181,730,740
Hub International Limited	HBG	932,471,843
Hudson's Bay Company	HBC	1,031,847,147
Husky Energy Inc.	HSE	25,023,379,602
IAMGOLD Corporation	IMG	1,352,426,313
IGM Financial Inc.	IGM	12,615,663,240
Imperial Oil Limited	IMO	38,541,919,203
Inco Limited	N	9,623,160,467
Industrial Alliance Insurance and Financial Services Inc.	IAG	2,315,895,446
ING Canada Inc.	IIC	6,853,765,000
Inmet Mining Corporation	IMN	1,418,313,744
Inter Pipeline Fund	IPL	1,876,602,944
InterOil Corporation	IOL	910,620,916
Intrawest Corporation	ITW	1,611,123,072
IPSCO Inc.	IPS	4,645,592,314
Ivanhoe Mines Ltd.	IVN	2,623,648,223
Jean Coutu Group (PJC) Inc. (The)	PJC	1,992,116,840
Keyera Facilities Income Fund	KEY	1,362,715,553
Kingsway Financial Services Inc.	KFS	1,327,204,495
Kinross Gold Corporation	K	3,709,092,187

Labrador Iron Ore Royalty Income Fund	LIF	856,320,000
Lafarge North America Inc.	LAF	4,519,370,079
Laurentian Bank of Canada	LB	1,025,445,982
Linamar Corporation	LNR	841,278,899
LionOre Mining International Ltd.	LIM	1,074,545,480
Lions Gate Entertainment Corp.	LGF	925,218,732
Loblaw Companies Limited	L	15,448,469,865
MacDonald Dettwiler and Associates Ltd.	MDA	1,499,937,675
Magna International Inc.	MG	9,295,277,154
Manitoba Telecom Services Inc.	MBT	2,736,665,983
Manulife Financial Corporation	MFC	54,823,974,745
Maple Leaf Foods Inc.	MFI	1,604,952,846
MDS Inc.	MDS	2,863,032,164
Mega Bloks Inc.	MB	878,382,979
Meridian Gold Inc.	MNG	2,553,941,248
Methanex Corporation	MX	2,513,960,487
Metro Inc.	MRU	3,462,222,872
MI Developments Inc.	MIM	1,933,787,493
Molson Coors Brewing Company	TAP	3,892,561,998
Molson Coors Canada Inc.	TPX	2,683,396,021
Mullen Group Income Fund	MTL	1,234,381,167
NAL Oil & Gas Trust	NAE	1,331,215,864
National Bank of Canada	NA	10,444,422,179
Newalta Income Fund	NAL	846,732,488
Newmont Mining Corporation of Canada Limited	NMC	3,473,107,265
Nexen Inc.	NXY	14,934,716,503
Niko Resources Ltd.	NKO	2,115,564,895
Norbord Inc.	NBD	1,772,644,801
Nortel Networks Corporation	NT	15,389,481,907
Northbridge Financial Corporation	NB	1,779,795,710
NOVA Chemicals Corporation	NCX	3,196,484,201
Novelis Inc.	NVL	1,804,997,779
ONEX Corporation	OCX	2,627,040,695
Open Text Corporation	OTC	800,230,237
OPTI Canada Inc.	OPC	3,236,796,525
Pan American Silver Corp.	PAA	1,631,904,322
Paramount Energy Trust	PMT	1,836,241,252
Paramount Resources Ltd.	POU	2,044,822,178
Pason Systems Inc.	PSI	1,111,110,555
Pembina Pipeline Income Fund	PIF	2,028,935,298
Pengrowth Energy Trust	PGF	3,978,368,284
Penn West Energy Trust	PWT	6,202,465,805
Petro-Canada	PCA	24,070,899,865
PetroFund Energy Trust	PTF	2,397,560,349
Peyto Energy Trust	PEY	2,591,754,047
Placer Dome Inc.	PDG	1,624,281,685
Potash Corporation of Saskatchewan Inc.	POT	9,756,323,634
Power Corporation of Canada	POW	14,924,411,989
Power Financial Corporation	PWF	25,155,236,912
Precision Drilling Trust	PD	4,755,475,282

Primaris Retail Real Estate Investment Trust	PMZ	850,795,354
Primewest Energy Trust	PWI	2,881,659,942
Progress Energy Trust	PGX	1,219,325,499
Provident Energy Trust	PVE	2,404,864,621
Quebecor Inc.	QBR	1,646,868,316
Quebecor World Inc.	IQW	1,892,549,906
R.R. Donnelley & Sons Company	RRD	4,588,295,569
RBC Capital Trust	RYT	1,564,650,000
Real Resources Inc.	RER	925,190,675
Reitmans (Canada) Limited	RET	1,203,700,325
Research In Motion Limited	RIM	14,661,077,341
Retirement Residences Real Estate Investment Trust	RRR	843,480,581
Rider Resources Ltd.	RRZ	944,010,655
Riocan Real Estate Investment Trust	REI	4,465,496,530
Ritchie Bros. Auctioneers Incorporated	RBA	1,694,442,447
Rogers Communications Inc.	RCI	15,642,675,260
RONA inc.	RON	2,454,118,974
Rothmans Inc.	ROC	1,645,352,994
Royal Bank of Canada	RY	59,986,270,040
Royal Gold Inc.	RGL	838,776,705
Royal Group Technologies Limited	RYG	983,970,606
Russel Metals Inc.	RUS	1,106,687,402
Saputo Inc.	SAP	3,559,000,821
Savanna Energy Services Corp.	SVY	829,951,923
Sears Canada Inc.	SCC	1,931,063,291
Shaw Communications Inc.	SJR	5,409,697,784
ShawCor Ltd.	SCL	1,156,442,716
Shell Canada Limited/Shell Canada Limitée	SHC	34,695,564,835
Sherritt International Corporation	S	1,605,107,027
Shiningbank Energy Income Fund	SHN	1,986,142,450
Shoppers Drug Mart Corporation	SC	9,376,491,888
Shore Gold Inc.	SGF	1,308,274,668
Silver Standard Resources Inc.	SSO	922,128,479
Silver Wheaton Corp.	SLW	1,237,173,750
SNC-Lavalin Group Inc.	SNC	3,844,015,440
Sobeys Inc.	SBY	2,461,033,493
Stantec Inc.	STN	889,033,594
Summit Real Estate Investment Trust	SMU	1,765,205,327
Sun Life Financial Inc.	SLF	27,989,754,676
Suncor Energy Inc.	SU	33,538,927,218
Superior Plus Income Fund	SPF	2,336,340,968
Synenco Energy Inc.	SYN	817,572,861
Talisman Energy Inc.	TLM	22,561,549,164
TD Capital Trust	TDD	1,006,200,000
Teck Cominco Limited	TEK	12,671,131,658
TELUS Corporation	T	16,723,603,314
Thomson Corporation (The)	TOC	25,960,881,485
TimberWest Forest Corp.	TWF	1,193,308,593
Toromont Industries Ltd.	TIH	1,611,130,534
Toronto-Dominion Bank (The)	TD	44,652,486,966

Torstar Corporation	TS	1,511,430,738
TransAlta Corporation	TA	5,224,423,914
TransCanada Corporation	TRP	17,855,098,475
Transcontinental Inc.	TCL	1,696,478,694
TransForce Income Fund	TIF	1,101,963,455
Trican Well Service Ltd.	TCW	3,188,005,352
Trilogy Energy Trust	TET	1,525,533,590
Trinidad Energy Services Income Trust	TDG	1,188,928,671
Trizec Canada Inc.	TZC	1,321,530,446
TSX Group Inc.	X	3,188,796,033
UTS Energy Corporation	UTS	1,816,159,646
Vermilion Energy Trust	VET	1,856,444,644
Viking Energy Royalty Trust	VKR	1,718,601,422
Vincor International Inc.	VN	1,037,845,271
West Fraser Timber Co. Ltd.	WFT	1,561,034,417
Western Oil Sands Inc.	WTO	4,458,793,513
WestJet Airlines Ltd.	WJA	1,581,040,789
Westshore Terminals Income Fund	WTE	841,758,088
Yamana Gold Inc.	YRI	1,464,236,766
Yellow Pages Income Fund	YLO	7,697,596,369
Mean WKSI Market Cap		6,100,521,672
Median WKSI Market Cap		1,986,142,450
Total WKSI Market Cap		1,604,437,199,629
Total TSX Market Cap		1,825,863,659,529
Total TSX + Venture Market Cap		1,857,957,943,249

Appendix 2: TSX 30%

Company	root ticker	QMV (All Classes Dec. 31, 2005)
Legg Mason Canada Holdings Ltd.	LMI	332,459,509
Rogers Sugar Income Fund	RSI	334,194,282
Zarlink Semiconductor Inc.	ZL	334,331,323
Van Houtte Inc.	VH	337,161,951
International Forest Products Limited	IFP	343,448,035
SunOpta Inc.	SOY	344,133,081
BMTC Group Inc.	GBT	345,596,352
Royster-Clark Ltd.	ROY	346,125,000
Algoma Central Corporation	ALC	346,317,779
Peak Energy Services Trust	PES	347,050,250
Alexis Nihon Real Estate Investment Trust	AN	347,868,353
TransGlobe Energy Corporation	TGL	349,665,185
Cogeco Inc.	CGO	350,402,496
Ainsworth Lumber Co. Ltd.	ANS	350,846,903
Railpower Technologies Corp.	P	352,072,100
OccuLogix Inc.	RHE	353,521,165
Crew Gold Corporation	CRU	353,820,250
Cathedral Energy Services Income Trust	CET	355,756,462
Celtic Exploration Ltd.	CLT	358,641,840
TD Mortgage Investment Corporation	TDB	360,500,000
Bow Valley Energy Ltd.	BVX	362,047,697
Melcor Developments Ltd.	MRD	363,150,716
TVA Group Inc.	TVA	363,693,568
Livingston International Income Fund	LIV	369,297,000
Dynatec Corporation	DY	369,491,228
Addenda Capital Inc.	ADV	369,999,060
HSBC Bank Canada	HSB	370,160,000
Aeroplan Income Fund	AER	371,162,500
Anderson Energy Ltd.	AXL	371,531,962
Weyerhaeuser Company Limited	WYL	373,880,008
GSW Inc.	GSW	375,380,871
Martinrea International Inc.	MRE	375,637,282
Samuel Manu-Tech Inc.	SMT	375,726,088
Atlas Cold Storage Income Trust	FZR	376,499,353
iShares COMEX Gold Trust	IGT	379,260,000
Vault Energy Trust	VNG	379,320,808
Garda World Security Corporation	GW	382,816,567
Emergis Inc.	EME	382,975,576
Duke Energy Canada Exchangeco Inc.	DX	383,551,000
Denison Mines Inc.	DEN	384,753,922
Indexplus Income Fund	IDX	386,971,531
Guinor Gold Corporation	GNR	387,996,946
Bonterra Energy Income Trust	BNE	390,229,729
COMPASS Income Fund	CMZ	396,824,210

Westaim Corporation (The)	WED	397,614,778
Stratos Global Corporation	SGB	397,639,372
World Financial Split Corp.	WFS	399,787,147
Major Drilling Group International Inc.	MDI	400,858,862
Chemtrade Logistics Income Fund	CHE	403,477,008
Brompton Equal Weight Income Fund	EWI	404,357,389
KCP Income Fund	KCP	405,133,739
International Minerals Corporation	IMZ	406,091,100
Magna Entertainment Corp.	MEC	406,789,519
The Brick Group Income Fund	BRK	407,070,589
Birchcliff Energy Ltd.	BIR	410,719,004
Golden Star Resources Ltd.	GSC	410,736,019
Calvalley Petroleum Inc.	CVI	412,811,708
West Energy Ltd.	WTL	415,430,442
Cineplex Galaxy Income Fund	CGX	416,982,883
Intertape Polymer Group Inc.	ITP	418,683,586
Gateway Casinos Income Fund	GCI	421,626,285
Saxon Energy Services Inc.	SES	422,278,748
Forzani Group Ltd. (The)	FGL	425,302,463
TransCanada Pipelines Limited	TCA	431,000,000
Taylor NGL Limited Partnership	TAY	432,650,847
Morguard Corporation	MRC	439,908,003
Hummingbird Ltd.	HUM	441,586,556
Brompton Equal Weight Oil & Gas Income Fund	OGF	441,761,707
Agricore United	AU	441,820,958
Groupe Laperrière & Verreault Inc.	GLV	441,879,914
Economic Investment Trust Limited	EVT	445,078,015
Akita Drilling Ltd.	AKT	448,041,496
Noranda Income Fund	NIF	448,125,000
Boralex Power Income Fund	BPT	453,906,020
Northgate Minerals Corporation	NGX	455,629,812
Gabriel Resources Ltd.	GBU	460,133,494
Tenke Mining Corp.	TNK	462,090,820
Bankers Petroleum Ltd.	BNK	462,424,352
Aberdeen Asia-Pacific Income Investment Company Limited	FAP	465,020,506
Atlantic Power Corporation	ATP	465,121,355
BPO Properties Ltd.	BPP	469,641,686
Prairie Schooner Petroleum Ltd.	PSL	471,245,406
Guardian Capital Group Limited	GCG	473,055,394
Kereco Energy Ltd.	KCO	477,480,656
Total Energy Services Trust	TOT	479,406,810
IPC US Real Estate Investment Trust	IUR	492,723,651
Thunder Energy Trust	THY	493,580,232
HudBay Minerals Inc.	HBM	494,781,569
Calpine Power Income Fund	CF	495,790,573
Pebercan Inc.	PBC	496,476,595
Canadian Hotel Income Properties Real Estate Investment Trust	HOT	502,198,167
CanWest MediaWorks Income Fund	CWM	506,000,000
Wajax Income Fund	WJX	509,249,496
Citadel Stable S-1 Income Fund	CSR	509,910,391

Ketch Resources Trust	KER	511,767,944
North American Palladium Ltd.	PDL	511,923,902
Tahera Diamond Corporation	TAH	514,006,252
Alamos Gold Inc.	AGI	514,750,651
March Networks Corporation	MN	515,099,180
TLC Vision Corporation	TLC	515,687,923
Crystallex International Corporation	KRY	516,349,813
Zargon Energy Trust	ZAR	517,830,276
Premium Income Corporation	PIC	519,778,463
Patheon Inc.	PTI	520,864,310
sxr Uranium One Inc.	SXR	525,307,092
Nortel Networks Limited	NTL	531,840,000
Connacher Oil and Gas Limited	CLL	536,111,800
Virginia Gold Mines Inc.	VIA	536,387,133
ZENON Environmental Inc.	ZEN	537,273,682
Dundee Precious Metals Inc.	DPM	539,909,527
ProEx Energy Ltd.	PXE	540,994,377
Miramar Mining Corporation	MAE	542,438,761
Saskatchewan Wheat Pool Inc.	SWP	545,015,352
Corby Distilleries Limited	CDL	547,137,531
Richelieu Hardware Ltd.	RCH	549,232,379
Connors Bros. Income Fund	CBF	552,784,492
Ballard Power Systems Inc.	BLD	554,673,568
Northern Orion Resources Inc.	NNO	562,725,867
Sequoia Oil & Gas Trust	SQE	580,450,565
North West Company Fund	NWF	580,536,000
Bell Nordiq Income Fund	BNQ	582,054,108
Uni-Select Inc.	UNS	586,967,198
Cyries Energy Inc.	CYS	589,263,285
Morguard Real Estate Investment Trust	MRT	593,319,536
Cogeco Cable Inc.	CCA	595,190,407
International Uranium Corporation	IUC	600,365,458
Cardiome Pharma Corp.	COM	603,222,903
Tan Range Exploration Corporation	TNX	603,987,274
Sino-Forest Corporation	TRE	606,349,903
Enerflex Systems Ltd.	EFX	606,752,287
Dundee Real Estate Investment Trust	D	607,942,194
Great Lakes Hydro Income Fund	GLH	609,413,039
Aspreva Pharmaceuticals Corporation	ASV	609,544,993
Sunrise Senior Living Real Estate Investment Trust	SZR	612,007,827
Petrobank Energy And Resources Ltd.	PBG	612,706,069
Neurochem Inc.	NRM	620,152,101
Consumers' Waterheater Income Fund (The)	CWI	620,816,689
Producers Oilfield Services Inc.	POS	621,271,255
Southwestern Resources Corp.	SWG	621,649,437
Crew Energy Inc.	CR	622,371,193
Canadian General Investments Limited	CGI	623,731,602
Gennum Corporation	GND	624,003,776
Husky Injection Molding Systems Ltd.	HKY	631,630,289
BNN Investments Ltd.	BNB	635,496,710

Western Silver Corporation	WTC	635,973,311
Centerplate Inc.	CVP	637,635,931
Leon's Furniture Limited	LNF	638,397,577
Cominar Real Estate Investment Trust	CUF	639,241,878
Aastra Technologies Limited	AAH	642,180,929
GMP Capital Trust	GMP	643,606,799
Flint Energy Services Ltd.	FES	656,872,788
Catalyst Paper Corporation	CTL	658,834,648
Oilexco Incorporated	OIL	659,027,003
Cangene Corporation	CNJ	663,943,194
Enterra Energy Trust	ENT	671,303,977
UE Waterheater Income Fund	UWH	679,415,400
United Corporations Limited	UNC	681,381,570
EuroZinc Mining Corporation	EZM	683,251,963
Lundin Mining Corporation	LUN	685,522,552
Canadian Hydro Developers Inc.	KHD	689,216,030
QLT Inc.	QLT	690,682,856
Canaccord Capital Inc.	CCI	692,156,498
Gastar Exploration Ltd.	YGA	695,266,684
Harris Steel Group Inc.	HSG	702,724,752
Dundee Corporation	DBC	702,920,561
St. Lawrence Cement Group Inc.	ST	704,929,213
Western Lakota Energy Services Inc.	WLE	707,355,074
Winpak Ltd.	WPK	715,000,000
Legacy Hotels Real Estate Investment Trust	LGY	715,154,877
Pan-Ocean Energy Corporation Limited	POC	715,466,657
TransAlta Power L.P.	TPW	727,774,362
NuVista Energy Ltd.	NVA	737,272,520
Acuity Focused Total Return Trust	AFU	740,400,000
Northland Power Income Fund	NPI	740,923,469
Central Fund of Canada Limited	CEF	743,055,002
InnVest Real Estate Investment Trust	INN	744,318,603
True Energy Trust	TUI	752,662,040
Daylight Energy Trust	DAY	759,834,968
Tesco Corporation	TEO	761,688,739
Transat A.T. Inc.	TRZ	762,439,639
UEX Corporation	UEX	765,111,632
Novagold Resources Inc.	NG	767,186,541
Paladin Resources Ltd.	PDN	781,942,855
Galleon Energy Inc.	GO	786,511,587
Veritas DGC Inc.	VTS	798,700,128
Mean Market Cap		517,922,980
Median Market Cap		624,003,776
TSX 30% Market Cap		95,815,751,232
WKSI Market Cap		1,604,437,199,629
WKSI + TSX 30% Market Cap		1,700,252,950,861
Total TSX Market Cap		1,825,863,659,529
WKSI + TSX 30% Market Cap Percentage		0.931

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