CIBC Wood Gundy

Private Client Investing

January 2006

Monthly World Markets Report

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See Legal Disclaimer and Important Disclosure Footnotes at the end of this report for disclosures, including potential conflicts of interest. Complete research on any securities mentioned in this report is available from your Investment Advisor.
All prices quoted in this report are as of the close of markets on December 23, 2005.

Evolution, Not Revolution

For many Canadian investors, each new year dawns with the twin dilemmas of what to do with the bizarre gift from Mom and the hundreds of pages of "Year Ahead" and "Outlook (insert year here)" investment strategy reports that have appeared in mailboxes across the country. While we can't help you dispose of a fluorescent green mohair cardigan, we can attempt to assist investors in putting the avalanche of strategic investing advice into context.

In most cases, investment strategists are all attempting to answer the same two basic questions: when will current market trends falter, and which investments will outperform after that point? The bad news is that there is no agreement on the first issue. Despite numerous projections, few, if any successful strategists will state definitively when a specific industry-related trend will slow. The good news, on the other hand, is that there is considerable agreement on which investment strategies will succeed when the market trends of 2005 begin losing steam. Our suggestion, then, would be to take profits slowly but deliberately from overweight positions in hot market sectors and begin, again slowly, to allocate assets to what many prominent strategists agree will be the outperforming investment themes for the next three- to five-year period. The three projections with the greatest degree of consensus among investment strategists are: 1) high-quality stock outperformance; 2) large-cap outperformance; and 3) the underperformance of U.S. consumer stocks relative to corporate-spending-related market sectors.

In the investment world, a stock qualifies as "quality" by delivering long-term earnings growth with little year-over-year variation. The recent outperformance of highly cyclical commodity-based stocks has resulted in a market environment where companies with the most consistent and reliable earnings growth are trading at a substantial discount to riskier ventures. Remarkably, investors have been paying more in terms of valuation levels to own *higher* levels of investment risk. Historically, similar market situations have eventually been resolved in favour of higher quality stocks, whose valuation levels return to their normal premium to the market average.

Predictions of large-cap outperformance are, in part, an outgrowth of expected higher quality outperformance — large-cap companies are more likely to generate consistent earnings growth — but also related to anticipation of slower U.S. economic growth. Larger companies with global reach and regionally diverse revenue streams are better positioned to benefit from strengthening European, Japanese and Asian economic growth. Foreign revenues are also desirable for investors concerned about potential weakness in the U.S. currency.

The demise of the U.S. consumer has been a virtually universal prediction that has yet to materialize. Nonetheless, we likely should not ignore the significant hurdles facing the American consumer in 2006. Higher interest rates, higher energy costs and, a new problem, the pushback of medical costs from employers onto employees, will make current levels of spending problematic. Over the mid and longer terms, stocks benefiting from corporate spending are more likely to outperform. The outlook for U.S. consumers is of paramount importance for all investors, regardless of country, as our spendthrift neighbours account for almost 20% of the global economy.

It is important to reiterate that we are providing an investment process recommendation, not projecting the course of the markets for 2006. Respecting the unknowable nature of the future, we suggest an evolution of portfolio positioning through the year, a strategy with the potential to both benefit from current trends and protect portfolios from changes in market leadership and market shifts.

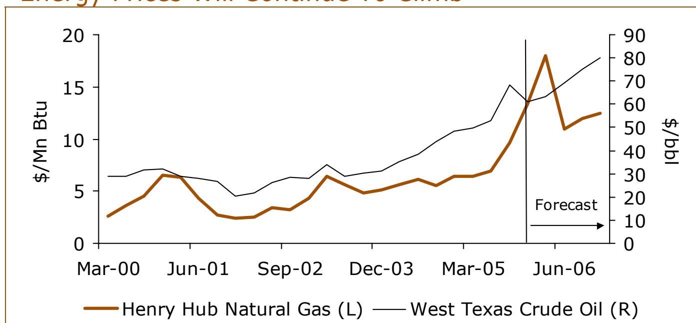
Scott Barlow
Private Client Investing

Disparate Growth

The Canadian economy will do better than most in a world of steadily rising energy prices. With oil and natural gas prices expected to set new highs next year, energy will become as dominant a force in the world economy as it was during the oil shocks of the 1970s and early 1980s. Thanks to the oil sands in northern Alberta and increasingly valuable gas reserves, Canada will become much more of a global energy player than it ever has been in the past.

But the gains from energy will be very unevenly spread. Beneath the near-3% advance in real GDP next year will lie some of the greatest regional disparities seen since those past OPEC oil shocks. Nowhere will those disparities be more evident than in a comparison of the relative outlooks for energy-rich Alberta and energy-hungry Ontario. While an energy boom will see real economic growth in Alberta soar by more than 7% next year, Ontario's GDP will likely grow by less than 2%, half the average pace of the past decade. Not only is central Canada's economy going to be hit by high fuel prices, but Ontario's critical auto industry faces significant downsizing by domestic car manufacturers over the next couple of years.

Energy Prices Will Continue To Climb

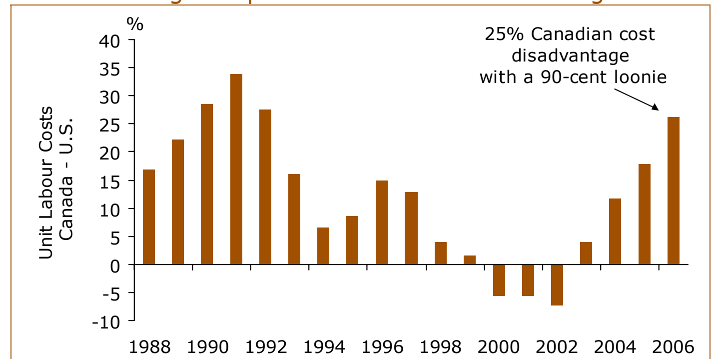


Source: CIBC World Markets Inc.

That performance wedge, initially driven by energy prices, could be easily widened by some of the monetary and fiscal policy implications that are likely to follow from higher energy prices. Canada's oil and gas exports have already surpassed autos and will likely dwarf them over the next two years. Massive pipeline expansions over the last two decades and a sea of change in regulatory policy since the days of the infamous National Energy Program have made Canada a much greater energy exporter than it ever was during the first two OPEC oil shocks. With West Texas Intermediate (WTI) crude oil expected to average over US$70/barrel next year and US$90/barrel in 2007, Canada's energy surplus will soar to four times the level in past oil shocks and, in the process, drive the Canadian dollar to levels not seen in a decade and a half.

The loonie should be pushed above 90 U.S. cents within the next quarter as hydrocarbon prices set record highs this winter, the Bank of Canada raises short-term interest rates by 50 bps, and the U.S. dollar weakens globally. That move will force huge adjustments in the Canadian economy outside of the energy patch. A 90-cent-plus currency will saddle Canadian manufacturers, half of whom are in Ontario, with 25% higher unit labour costs than their American competition. That, together with retrenchment in the North American auto industry, will see economic growth weaken materially in Ontario over the next two years. While that prospect will help send the Bank of Canada to the sidelines, a surging energy trade surplus will keep the Canadian dollar well north of 80 U.S. cents and a challenge to manufacturers throughout 2007.

Deteriorating Competitiveness In Manufacturing



Source: CIBC World Markets Inc.

Economic imbalances are likely to lead to even greater fiscal ones. Fiscal deficits will be much harder to eliminate in Ontario where growth in the tax base will be severely restrained, while ballooning oil and gas royalties will send Alberta's surplus heading into double-digit territory. Our price projections of over US$70/barrel oil and US$13 natural gas next year will see the province reap oil and gas royalties that are more than $10 billion above their last budget forecast — extra revenue that exceeds the province's entire take from personal and corporate income tax collections. Further reductions in what are already the lowest personal income taxes in the country and perhaps even the elimination of personal income taxes in Alberta, may ultimately prove to be a greater competitive challenge to central Canada than rising energy prices themselves.

Weakening economic growth and the continuing absence of inflation will set the stage for Bank of Canada interest rate cuts sometime in 2007. Such cuts are already hinted at in the shape of today's yield curve but the need for them will become even more apparent to the market as the Canadian dollar continues to soar. Indeed by the latter half of 2006, 10-year Canada yields are likely to fall below two-year yields — an inversion that should later be validated in 2007 by at least two rate cuts from the Bank of Canada.

We expect to see a broadly similar pattern for U.S. rates. While outgoing Chairman Greenspan is likely to pull the trigger once more before he leaves, the resulting 4.50% federal funds rate should set the high water mark for U.S. interest rates over the next couple of years. The drag from both record energy prices and debt-servicing levels will keep a tighter rein on U.S. consumer spending, sending the Fed to the sidelines for the rest of the year and prompting them to cut rates in 2007.

Jeffrey Rubin
Chief Economist & Chief Strategist

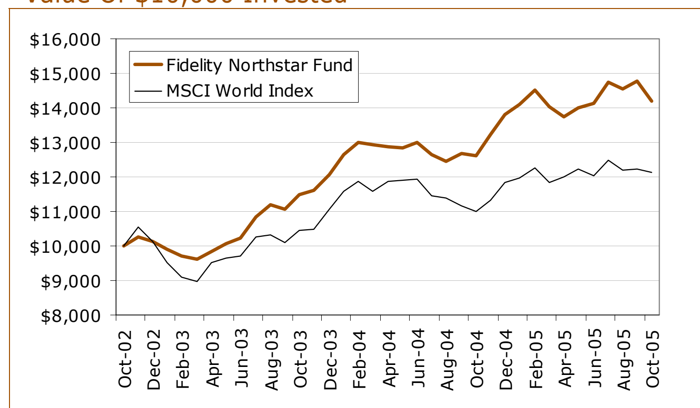
Fidelity NorthStar Fund

The Fidelity NorthStar Fund, with its proven portfolio management team and flexible investment mandate, is ideally suited to an uncertain outlook for 2006. The fund's mandate permits investments in both small- and large-cap stocks, and is allocated to Canadian, U.S. and global markets as the managers see fit. Both lead managers, Alan Radlo and Joel Tillinghast, are among the most prominent and successful managers in the large Fidelity stable.

Classified as a global equity fund, the Fidelity NorthStar Fund has generated a three-year average annual return of 12.4%, considerably higher than the MSCI World Index's 5.6% per year. The current geographic allocation for the fund is 49.1% Canada, 31.1% U.S, 5.37% U.K. and Ireland and 1.9% Japan. Unlike the majority of Fidelity funds, the Fidelity NorthStar Fund has not, to date, adopted a virtual sector-neutral approach. As senior portfolio managers at the firm, Mr. Radlo and Mr. Tillinghast enjoy the freedom to focus the portfolio into a few sectors and positions as they see fit. Currently, the fund holds 316 positions, with concentration in the top 10 and top 50 stocks increasing during the latter half of 2005 as the managers' conviction in the prospects for these largest investments increases.

In general, the fund has focused in small- and mid-cap stocks where they believe the most under-followed and thus under-valued opportunities arise. In recent months, however, the portfolio has begun to shift towards larger-cap stocks where the managers are finding investments they believe to be substantially undervalued. In the smaller-cap U.S. portfolio, Mr. Tillinghast notes that the surprisingly high growth rates for his investments are underpinning higher valuation levels and he remains confident in current holdings.

Value Of $10,000 Invested



Source: Fundata Canada Inc.

Sector Emphasis

In sector terms, the managers continue to add to energy exposure during periods of weakness. Investor assets have been allocated to increase the size of holdings in ConocoPhillips, Anadarko Petroleum, ENI and Cimarex Energy. A new investment in TransCanada Corp. was added during the third quarter of 2005 and exposure to engineering companies involved with oil and gas infrastructure development is increasing. Not surprisingly, the energy-related investments were the most beneficial to fund performance over the past year.

The transportation sector is also well represented in the fund. The top 10 fund positions include WestJet Airlines, a company that Mr. Radlo believes will benefit from lower levels of competition in Canada, and will also reap the benefits of any fall in oil prices. In the consumer discretionary sector, the fund focuses on businesses with loyal and growing customer bases, believing these to be less susceptible to a broad decline in consumer spending. The managers feel that concerns regarding aggregate U.S. consumption have depressed stock prices in consumer-related sectors and that niche opportunities are available at highly attractive valuation levels. Globally, consumer discretionary exposure includes Japanese investments that Mr. Tillinghast believes will grow strongly as Japanese consumer spending continues to recover from low levels.

Financial services represent 17.6% of the portfolio, focused on companies in niche businesses that provide services unavailable at the major banks. Selected reinsurers are also represented in this segment of the portfolio. In Canada, CI Fund Management appears among the fund's top 10 positions. Health Management Associates and Johnson & Johnson are the fund's largest health care investments.

Top Holdings As Of September 30, 2005

Holding	%
Cash - Canadian Dollar	2.6%
ConocoPhillips	1.9%
Research In Motion Ltd.	1.6%
C.I. Fund Management Inc.	1.1%
TransCanada Corp.	1.1%
Eni SpA	1.1%
Health Management Associates	1.1%
Anadarko Petroleum Corp.	1.1%
Johnson & Johnson	1.1%
WestJet Airlines Ltd.	1.1%
Cimarex Energy Co.	1.1%
Highpine Oil & Gas	1.0%
Thomson Corp.	1.0%
DR Horton Inc.	1.0%
Alliance Atlantis Communications Inc.	1.0%

Source: Morningstar Research Inc.

Concerns regarding the sustainability of current market trends make the Fidelity NorthStar Fund an attractive fund option for 2006. The fund continues to emphasize Canadian equities, allowing unitholders to profit from the ongoing rallies in energy and materials stocks. However, the open mandate of the fund is allowing Mr. Radlo and Mr. Tillinghast to slowly re-position fund assets in anticipation of new market leadership and to avoid increasing risk levels among the more popular industry sectors. And, given the long and successful track records for both portfolio managers, investors in the fund can be confident that the Fidelity NorthStar Fund will make the most of changing market conditions.

Scott Barlow
Senior Mutual Fund Analyst

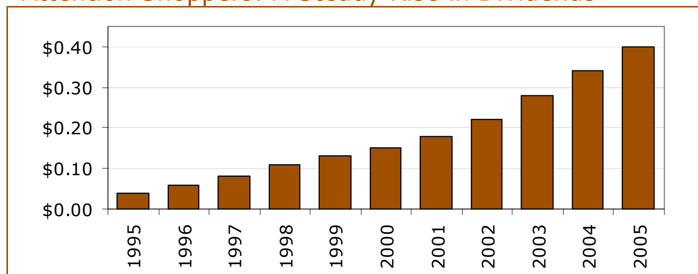
Canadian Equities

Metro Inc. (MRU.SV.A, $30.00, Sector Outperformer) Target Price: $38.00

Given the Canadian grocer's steady history of earnings and dividend growth, we believe investors should consider putting shares of Metro Inc. into their investing cart. With its acquisition of A&P Canada for $1.78 billion in 2005, Metro now operates under banners *Metro*, *Super C*, *A&P*, *Dominion*, *Loeb*, and *Food Basics* among others. Following the A&P purchase, Metro has been aggressively pursuing synergies, migrating sales programs, changing banners and investing capital into the business. Metro now has a remarkable opportunity to create the strongest regional grocery company in Canada, well positioned in fresh and discount formats as well as both urban and rural markets. As private-label savings opportunities unfold, and as systems are integrated and operating costs fall, CIBC World Markets analyst Perry Caicco believes Metro Inc. could be a company capable of earning well over $3.00 per share by F2008, with an EBITDA margin of well over 5.7%.

In recent weeks the marketplace has been concerned about Wal-Mart's plans to launch a larger-format discount store in Canada, featuring a more comprehensive food assortment, and increased general merchandise. Mr. Caicco believes Metro is currently the best-positioned grocer to meet the Wal-Mart challenge, with core strengths in Ontario through its fresh-focused Dominion stores in Toronto and its discount Food Basics chain. These attributes provide Metro with two excellent barriers to prevent Wal-Mart from stealing share — urban real estate, and low prices. And in Quebec, Metro's Super C is a well-established and well-executed discount banner.

Attention Shoppers: A Steady Rise in Dividends



Source: CIBC World Markets Inc.

Long-term investors have done well with shares of Metro. In fact, since 1990, the shares have delivered a compound annual total return of 27.4%. Metro has been a steady dividend grower, and has increased its dividend eleven years in a row. Mr. Caicco rates shares of Metro Sector Outperformer with a $38.00 target price, which represents a target multiple of 17x his $2.25 F2006 EPS forecast. He notes that as F2007 numbers become more visible, a target price of well over $40.00 is possible.

Progress Energy Trust (PGX.UN, $17.16, Sector Outperformer) Target Price: $19.00

Rising energy prices have driven cost inflation in the oil and gas industry — costs that are usually slow to react during a period of weaker commodity prices. This points to the value of owning energy trusts, like Progress Energy Trust, with attractive cost structures and the ability to replace production declines at attractive production addition costs. A competitive acquisition market in the energy trust sector also adds emphasis to Progress Energy's extensive development inventory. We believe Progress Energy trades at a reasonable valuation, while offering a solid business model, strong balance sheet and the potential for modest production growth.

Created through the amalgamation of Progress Energy Ltd. and Cequel Energy Inc. in July 2004, Progress Energy Trust is a natural gas-weighted trust with assets in British Columbia and Alberta. Progress Energy's 2006 guidance calls for the completion of a $100 million capital program, including 55-65 net wells, to result in average production of 18,700–19,000 Boe/d. CIBC World Markets analyst Mark Bridges' 2006 production forecast of 18,700 Boe/d is at the conservative end of the guidance range, yet still implies 3% year-over-year production per unit growth — despite the trust spending (through distributions and capital spending), only 86% of cash flow. This compares favourably with its peers for which Mr. Bridges is expecting average production per unit *declines* of 2% and cash flow spending of 95%.

Low Debt Leverage For Progress*

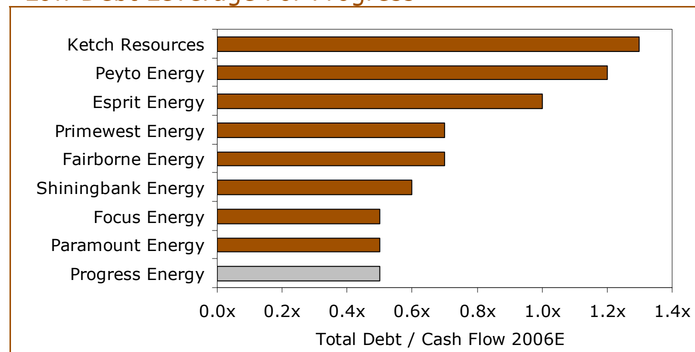


*Chart features energy trusts with over 70% natural gas exposure.
Source: CIBC World Markets Inc.

Worth noting, Mr. Bridges' estimates assume a distribution increase for Progress from the current $0.14/unit monthly ($1.68 annualized) to $0.16/unit per month ($1.92 annualized). The company's balance sheet is also healthy, with a total debt to cash flow ratio of 0.5x versus an average of 0.9x for the group. Progress currently trades at an Enterprise Value to Debt Adjusted Cash Flow (EV/DACF) multiple of 6.0x, slightly below the group average of 6.1x. Given its healthy balance sheet and modest growth potential, Mr. Bridges believes Progress can earn a premium valuation. As such, he employs a 6.5x EV/DACF multiple to derive a target price of $19.00 per unit.

Company Name	Symbol	Stock Rating	Sector Weighting	Price 12/23/05	Target Price	Earnings Per Share (EPS) 2004A	2005E	2006E	P/E 2006E	Indicated Dividend Rate	Yield
Metro Inc.*	MRU.SV.A	SO	M	$30.00	$38.00	1.92	$2.25	$2.72	13.3x	$0.40	1.3%
Progress Energy Trust**	PGX.UN	SO	M	$17.30	$19.00	$1.98	$2.47	$3.10	5.6x	$1.68	9.7%

A — Actual for the fiscal year; E — Estimate for the fiscal year. *EPS figures for Metro are F2005A, F2006E and F2007E. **For Progress, Cash Flow Per Share (CFPS) and Price/Cash Flow Per Share (P/CFPS) are displayed in lieu of EPS and P/E, respectively. **For a full description of the CIBC World Markets Research Rating System, please see page 8.**

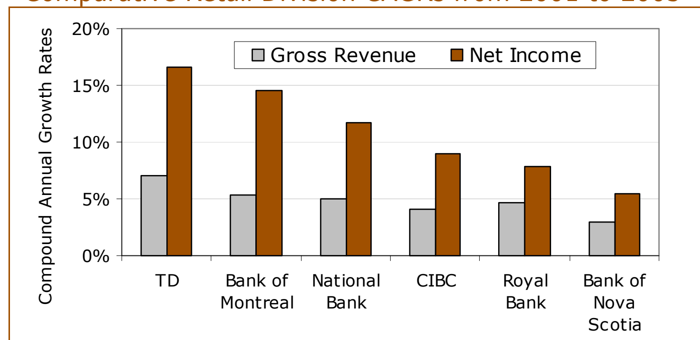
Toronto-Dominion Bank (TD, $61.25, Sector Outperformer) Target Price: $66.00

Toronto-Dominion (TD) Bank's strong retail and wealth management divisions provide a stable earnings base that leaves the company best positioned to withstand an earnings slowdown in the banking sector. If the sector's average growth rate returns to historical levels, the market is expected to favour those companies, like TD Bank, with the most predictable earnings stream.

Management has chosen to focus on growth with reduced volatility. In doing so, it is exiting certain non-core areas, including its global derivatives platform, which can result in gains or losses that cause earnings to be more uncertain. In terms of growth, TD's retail business has experienced the highest gross revenue and net income growth among its peers since 2001.

In 2004, the company deployed its capital south of the border through its 51% acquisition of Banknorth. Strong in commercial banking, Banknorth is looking to increase its return on invested capital (ROIC) over the next three to four years.

Comparative Retail Division CAGRs from 2001 to 2005



Source: Company Reports and CIBC World Markets Inc.

As a further example of TD's shift away from the more volatile wholesale business, the company announced plans to merge its TD Waterhouse U.S. operations with Ameritrade. CIBC World Markets analyst Quentin Broad sees this deal as beneficial to shareholders as it will create the world's largest online retail brokerage and the increased scale should drive cost improvements.

In TD's commercial banking division, Mr. Broad believes that credit quality remains strong as the ratio of net impaired loans to net loans remains the best in the bank group. He also believes that while the loan portfolio may experience strain due to the high price of oil and the strong Canadian dollar, the corporate loan portfolio has a solid 76% investment grade concentration.

With this lower risk, yet higher growth profile, TD Bank is Mr. Broad's only Sector Outperformer rated name among the banks. His target price of $66.00 is based on a 13.5x multiple to his estimated 2007 EPS of $4.90.

BRIAN HUTCHISON MBA, CFA, DANIELA BOZIC, CFA & SUNIL BHARDWAJ, MBA, CFA
Private Client Investing

Split Shares: Quality Leverage

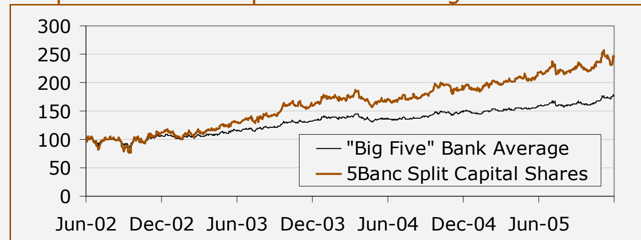
TD Split Inc. (TDS.B, $31.50)

TD Split Inc. holds a portfolio of common shares of The Toronto-Dominion Bank. As a split share corporation, TD Split has two classes of shares outstanding, capital shares and preferred shares. The capital shares provide holders with a leveraged investment, the value of which is linked to changes in the price of TD Bank common shares. Essentially, they participate in the capital appreciation of the TD Bank shares held by TD Split above the $28.10 par value of the split share corporation's preferred shares. Thus, the capital shares are said to be "leveraged", as funds from the preferred shares issued by the split share corporation were used to fund part of the purchase of the TD Bank shares held. The current leverage is approximately 1.8x, meaning that a $1.00 change in the market price of a TD Bank share, should translate into approximately a $1.80 change in the price of a TD Split capital share. The capital shares pay a very modest quarterly dividend of $0.05/share, ($0.20 per annum) yielding only 0.6%, however, the capital shares participate in any future increase in dividends paid on TD Bank shares. Capital shares offer monthly and annual retraction privileges and, upon termination on November 15, 2010, will receive the underlying value of TD Split after deducting any liabilities including the repayment of $28.10 per preferred share. Due to the inherent leverage, the capital shares will experience significantly greater volatility than TD Bank shares and, with a modest yield, are deemed appropriate only for the more aggressive investor seeking capital appreciation.

5Banc Split Inc. (FBS.A, $63.50)

Investors looking for a similarly leveraged vehicle within the Canadian banking sector, but seeking greater diversification, may wish to consider the capital shares of 5Banc Split Inc.

Capital Shares Outperform In Rising Markets



Source: Bloomberg

This company holds, on a passive basis, the top five Canadian banks. Leverage of the capital shares is approximately 1.4x the underlying basket of securities, and the yield on the capital shares is 1.8%. Note that this is a short life investment, as 5Banc Split Inc. is scheduled to terminate on December 15, 2006.

LEA M. HILL
Executive Director

Company Name	Symbol	Stock Rating	Sector Weighting	Price 12/23/05	Target Price	Earnings Per Share (EPS) 2005A	2006E	2007E	P/E 2006E	Indicated Dividend Rate	Yield
Toronto-Dominion Bank	TD	SO	M	$61.25	$66.00	$4.15	$4.40	$4.90	13.9x	$1.68	2.7%

A — Actual for the fiscal year; E — Estimate for the fiscal year. **For a full description of the CIBC World Markets Research Rating System, please see page 8.**

U.S. Equities

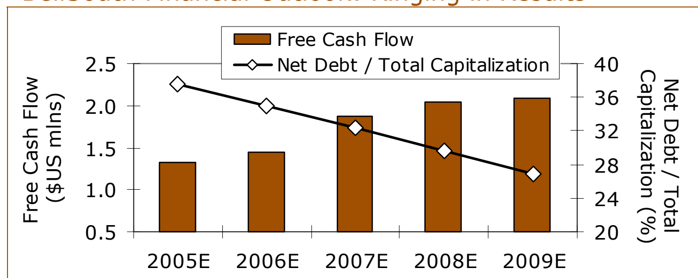
BellSouth Corp. (BLS, US$27.45, Sector Outperformer) Target Price: US$33.00

BellSouth, a U.S. telecommunications large-cap stock, appears well positioned due to its wireless exposure, adept management, solid and improving financial position, and attractive valuation. BellSouth was one of the seven original Regional Bell Operating Companies (RBOCs) divested from the AT&T Company in 1984.

CIBC World Markets analyst Timothy Horan estimates BellSouth revenues will rise from US$33.8 billion in 2005 to about US$34.3 billion in 2006, with 40% of the company's sales derived from wireless. The company's wireless revenues include a 40% proportionate stake in Cingular Wireless, its joint venture with AT&T. Mr. Horan believes Cingular's margins are understated relative to its peers, and he forecasts its EBITDA margin to improve from 24.9% at the end of 2004 to 34% by the end of 2008.

BellSouth continues to aggressively promote bundled services to improve customer retention, increase digital subscriber line (DSL) penetration and improve average revenue per unit growth. At the end of Q3/2005, approximately 42% of retail residential customers subscribed to the company's BellSouth Answers bundling package, up from 34% a year ago. Mr. Horan continues to believe that bundling is key to the business fundamentals of RBOCs over the next few years.

BellSouth Financial Outlook: Ringing in Results



Source: CIBC World Markets Corp

For 2006, BellSouth expects total revenue growth in the low single-digits, with wireline sales flat to slightly down, in line with Mr. Horan's estimates. He forecasts strong free cash flow (FCF) generation for both BellSouth and Cingular. Management plans to use up to US$2 billion to buy back common stock through the end of 2007, and hinted at increasing the dividend. Additionally, Mr. Horan projects BellSouth's debt-to-total capitalization to improve steadily through the next several years.

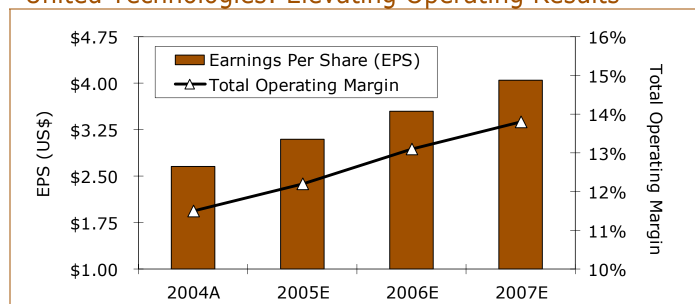
Mr. Horan views BellSouth as a relatively low-risk equity investment. The company now trades at the low end of its ten-year historical forward P/E range of 14x-22x, has growing FCF and a solid balance sheet. Applying a 16x multiple to his 2006 EPS estimate of US$2.02 derives Mr. Horan's US$33.00 price target.

United Technologies Corp. (UTX, US$57.28, Sector Outperformer) Target Price: US$67.00

As a leading global supplier of products and services to the building and aerospace industries, United Technologies is poised to deliver earnings growth for the next couple of years from both margin expansion and revenue growth. The company's stock price could also see further support, as investors are expected to continue to focus in mid- to late-cycle industries such as those United Technologies operates in.

CIBC World Markets analyst Myles Walton is confident in United Technologies' ability to expand margins across the company's operating units and acquired businesses, such as UTC Fire & Security. For 2006, management believes it can achieve a 90 basis point (bps) margin improvement firm-wide, and 100 bps to 120 bps in the Fire & Security business. Moreover, Mr. Walton believes 2007 margins could climb another 70 bps, highlighting the effects of prior years' restructuring efforts flowing to the bottom line.

United Technologies: Elevating Operating Results



Source: CIBC World Markets Corp

Mr. Walton cites three other factors that could bode well for United Technologies' stock. He sees fewer acquisitions for 2006 and noted management's commitment to buying back shares. The company has also set aside the typical contingency reserve, about US$200 million, to cover unforeseen eventualities, which Mr. Walton believes makes EPS estimates comfortably achievable. Last, the aerospace cycle and restructuring efforts are giving a nice boost to each of the United Technologies' aerospace businesses, driving about 50% of the company's operating profit improvement for 2006. Mr. Walton continues to believe aerospace suppliers like United Technologies will see strong industry results for the next few years.

Mr. Walton's recently revised price target of US$67.00, up from US$58.00, is based on the stock's 16.6x long-term historical average multiple applied to his 2007 EPS estimate of US$4.05. While United Technologies shares have had a good run in Q4/2005, Mr. Walton notes that the first quarter has historically been a strong period for the company's stock.

DONATO SCOLAMIERO, CFA
Private Client Investing

Company Name	Symbol	Stock Rating	Sector Weighting	Price 12/23/05	Target Price	Earnings Per Share (EPS) 2005E	2006E	2007E	P/E 2006E	Indicated Dividend Rate	Yield
BellSouth Corp.	BLS	SO	M	$27.45	$33.00	$1.73	$1.87	$2.04	14.7x	$1.16	4.2%
United Technologies Corp.	UTX	SO	M	$57.28	$67.00	$3.10	$3.55	$4.05	16.1x	$0.88	1.5%

All figures in U.S. dollars; A — Actual for the fiscal year; E — Estimate for the fiscal year. **For a full description of the CIBC World Markets Research Rating System, please see page 8.**

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Companies Mentioned in this Report that Are Covered by CIBC World Markets (stock prices as of 12/23/2005):

AT&T, Inc. (2g) (T-NYSE, US$24.63, Sector Performer)
Bank of Montreal (2a, 2c, 2e, 3a, 3c, 7, 8) (BMO-TSX, C$64.50, Sector Performer)
Bank of Nova Scotia (2a, 2c, 2e, 3a, 3c, 6a, 7) (BNS-TSX, C$46.44, Sector Underperformer)
BellSouth (BLS-NYSE, US$27.45, Sector Outperformer)
Canadian Imperial Bank of Commerce (2a, 2b, 2c, 2d, 2e, 2g, 3a, 3c, 6a, 8, 9) (CM-TSX, C$77.25, Not Rated)
Esprit Energy Trust (2a, 2c, 2e, 2g) (EEE.UN-TSX, C$13.15, Sector Performer)
Fairborne Energy Trust (2a, 2e, 2g) (FEL.UN-TSX, C$16.54, Sector Outperformer)
Focus Energy Trust (2g) (FET.UN-TSX, C$25.47, Sector Performer)
Ketch Resources Trust (2a, 2c, 2e, 2g) (KER.UN-TSX, C$11.23, Sector Performer)
Metro Inc. (2a, 2c, 2e, 7, 12) (MRU.SV.A-TSX, C$30.00, Sector Outperformer)
National Bank Of Canada (2a, 2c, 2e, 3a, 3c, 7, 8) (NA-TSX, C$60.18, Sector Outperformer)
Paramount Energy Trust (2a, 2c, 2e, 2g) (PMT.UN-TSX, C$22.61, Sector Underperformer)
Peyto Energy Trust (2a, 2c, 2e, 2g) (PEY.UN-TSX, C$25.79, Sector Performer)
PrimeWest Energy Trust (2g, 7) (PWI.UN-TSX, C$36.42, Sector Performer)
Progress Energy Trust (2a, 2c, 2e, 2g) (PGX.UN-TSX, C$17.30, Sector Outperformer)
Royal Bank of Canada (2a, 2c, 2e, 3a, 3c, 7, 8) (RY-TSX, C$90.10, Sector Performer)
Shiningbank Energy Income Fund (2a, 2c, 2e, 2g, 7) (SHN.UN-TSX, C$29.47, Sector Performer)
TD Bank (2a, 2c, 2e, 3a, 3c, 6a, 7) (TD-TSX, C$61.25, Sector Outperformer)
The Great Atlantic & Pacific Tea Company, Inc. (GAP-NYSE, US$31.69, Sector Outperformer)
United Technologies Corp (UTX-NYSE, US$57.28, Sector Outperformer)
Wal-Mart (WMT-NYSE, US$48.34, Sector Outperformer)

Companies Mentioned in this Report that Are Not Covered by CIBC World Markets (stock prices as of 12/23/2005):

5Banc Split Inc. (FBS.A-TSX, C$63.50, Not Rated)
Ameritrade (AMTD-OTC, US$24.06, Not Rated)
Banknorth Group (BNK-NYSE, US$29.85, Not Rated)
TD Split Inc. (TDS.B-TSX, C$31.50, Not Rated)

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Abbreviation	Rating	Description
Stock Ratings		
SO	Sector Outperformer	Stock is expected to outperform the sector during the next 12-18 months.
SP	Sector Performer	Stock is expected to perform in line with the sector during the next 12-18 months.
SU	Sector Underperformer	Stock is expected to underperform the sector during the next 12-18 months.
NR	Not Rated	CIBC does not maintain an investment recommendation on the stock.
R	Restricted	CIBC World Markets is restricted*** from rating the stock.
Sector Weightings**		
O	Overweight	Sector is expected to outperform the broader market averages.
M	Market Weight	Sector is expected to equal the performance of the broader market averages.
U	Underweight	Sector is expected to underperform the broader market averages.
NA	None	Sector rating is not applicable.

**Broader market averages refer to the S&P 500 in the U.S. and the S&P/TSX Composite in Canada.
"Speculative" indicates that an investment in this security involves a high amount of risk due to volatility and/or liquidity issues.
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