

THE BUCKINGHAM RESEARCH GROUP

About Buckingham

Buckingham Research Group is an institutional research boutique that provides equity research on companies in select industries. Customers for its research include portfolio managers and research analysts for mutual funds, hedge funds, pension funds, foundations and other institutional investors.

The firm is a registered broker-dealer, but it does not provide investment banking services of any type. Its primary source of revenue is trading commissions from acting as an agent for institutional customers. Occasionally the firm makes a market in a security.

Buckingham also has a small money management organization. Compliance procedures are in place to ensure that equity research information is disseminated in a way that does not advantage the internal money management operation versus other clients of the firm.

Equity Research and Methodology

Founded in 1982, Buckingham has a staff of 18 research analysts, currently covering more than 200 stocks.

The analysts at Buckingham employ bottoms-up fundamental analysis to evaluate stocks. As is required for dealing with the firm's institutional clients, the analysts are expected to be experts on the stocks they cover, and they make extensive use of channel checks and industry contacts.

Valuation work encompasses current and future earnings prospects, as well as an analysis of cash flow and evaluation of a firm's balance sheet.

Ratings System

Stocks are rated using the following categories:

<u>Strong Buy</u>	Buckingham expects the stock to appreciate 25 percent or more within the next 6 to 12 months. There is good visibility and nearer-term earnings or events catalysts are expected.
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Accumulate Buckingham expects 15 percent or more appreciation over the next 6 to 12 months and the stock is attractively valued; however, near-term catalysts are lacking.

Neutral The stock's current price reflects Buckingham's intermediate-term price objectives and positions may be reduced.

Underperform There appears to be more risk than reward in this stock at current levels. Buckingham expects the stock to underperform over the next 6 to 12 months.

As an institutional boutique, Buckingham covers primarily the stocks that it thinks offer the greatest longer-term opportunity for clients. Therefore, it tends to have more highly rated stocks as a percent of its covered companies than do research providers with a broader research profile.

Additional Information

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