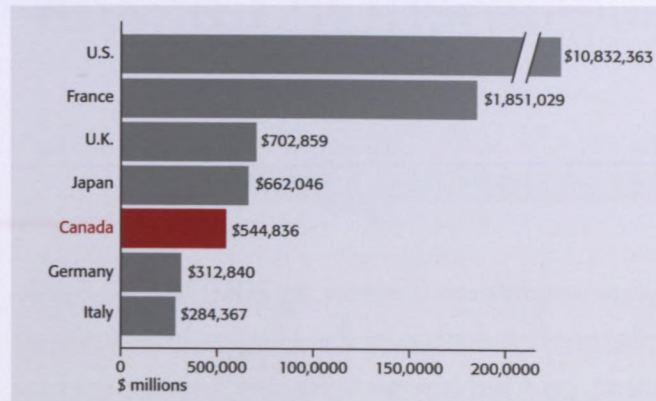


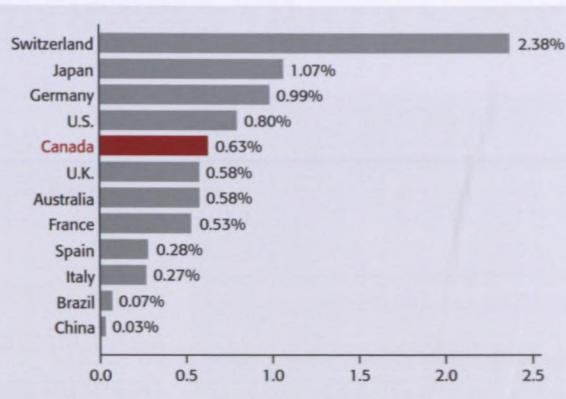
Canada ranks #5 in the G7 on the size of its investment fund industry



INVESTMENT FUND TOTAL NET ASSETS IN U.S. DOLLARS IN THE G7, Q3 2009

Source: National Mutual Fund Association; European Fund and Asset Management Association.

Canada has more high-net-worth individuals per capita than Brazil, China, France, Italy or the U.K.



HIGH-NET-WORTH INDIVIDUALS PER CAPITA, 2008

Note: High-net-worth individuals (HNWIs) are defined as those having investable assets of US\$1 million or more, excluding primary residence, collectibles, and consumer durables.

Source: Cappemini/Merrill Lynch Wealth Management, *World Wealth Report 2009*.

Luxembourg's **Dexia Asset Management** entered the country by establishing a Toronto office. **Fidelity Investments Canada** moved its "Team Canada"—which manages Boston-based **Fidelity Investments'** Canadian mutual funds—back home to new offices in Montréal and Toronto. And **MacQuarie Capital** has made a strong commitment to its operations in Canada by establishing a stock brokerage and mutual funds business line in Canada.

Insurance

Canada is a base of operations for many foreign insurance providers covering the North American market, including **Aetna**, **Allianz SE**, **Hartford Life**, **ING Group**, **Liberty Mutual Insurance Co.**, **Prudential Assurance**, **Standard Life**, and **Swiss Re**.

In 2009, Bermuda-based insurer **Ironshore Inc.** established a Canadian presence by opening a Toronto office. So did boutique surety broker **Rosenberg & Parker Inc.**—making Toronto the first location outside its hometown of Philadelphia. And Bermuda's **Flagstone Reinsurance Holdings** announced that it would expand its operations in Halifax. Flagstone will apply a payroll rebate from the Nova Scotia government to as many as 80 new jobs.

Alternative Investments

To complement its domestic hedge fund and private equity firms, Canada is welcoming a growing number of foreign players. In 2009, California-based private equity firm **Bridgescale Partners** opened its first Canadian office, in Toronto. In 2010, French financial solutions company **eFront**, whose expertise includes alternative investments and risk management, did the same by expanding into Montréal.

Fund Administration

Canada's financial services talent pool, stable regulatory environment, and strategic location make it an attractive nearshoring and offshoring destination for firms such as **Citco Group**, the world's biggest fund administrator. In 2009, **Citco Bank Nederland N.V.** opened its **Citco Bank Canada** subsidiary in Toronto. In 2009 as well, Cayman Islands-based fund administrator **Maples Finance** opened a Montréal branch to serve the North American market.

¹ IBM. *Plant Location International*. 2009. Rankings based on relative quality scores associated with processing of transactions and provision of custody services for the financial services sector.

² Z/Yen Group. Index developed for the City of London. *Global Financial Centres Index 2009*.

³ Investment Company Institute. *Worldwide Mutual Fund Assets and Flows, Third Quarter 2009*.

⁴ Swiss Re. Sigma N° 3/2009. *World Insurance in 2008*.

⁵ Canadian Bankers Association. *Database of Domestic Banks' Financial Results*. Fiscal year-end 2009.

KEY VALUE-CHAIN STRENGTHS

- **Front office:**
Capital markets trading, foreign exchange trading, derivatives trading
- **Middle office:**
Compliance, accounting, credit risk analysis, procurement
- **Back office:**
Processing and settlement, call centres
Financial services IT
Procurement, testing, software development
- **Strategic management:**
Policy development, brand management, regulatory oversight

KEY SEGMENT STRENGTHS

- Banks, credit unions and caisses populaires
- Insurance
- Wealth management
- Securities brokerage
- Pension fund management
- Financing and leasing
- Mutual fund and hedge fund administration
- Credit intermediation