Group Selection

Priced as of February 9, 2012

Note: Group tickers incorporate hyperlinks to decile charts, and then a link to our Toolkit of the group members.

See back pages for user guide and disclaimer.
Sources for all charts: BMO Capital Markets

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**Sector View**

### Sector Relative Strength Profiles*

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Energy</td>
<td>29% / 43% / 52%</td>
<td>/ / /</td>
<td>12% / 5% / 8%</td>
</tr>
<tr>
<td>Materials</td>
<td>19% / 27% / 38%</td>
<td>/ / /</td>
<td>21% / 16% / 19%</td>
</tr>
<tr>
<td>Industrials</td>
<td>37% / 50% / 63%</td>
<td>/ / /</td>
<td>22% / 14% / 17%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>35% / 49% / 60%</td>
<td>/ / /</td>
<td>16% / 9% / 13%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>37% / 54% / 72%</td>
<td>/ / /</td>
<td>-1% / -11% / -7%</td>
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<tr>
<td>Hlth Care</td>
<td>35% / 49% / 60%</td>
<td>/ / /</td>
<td>8% / 3% / 7%</td>
</tr>
<tr>
<td>Financials</td>
<td>33% / 51% / 61%</td>
<td>/ / /</td>
<td>17% / 12% / 17%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>35% / 47% / 57%</td>
<td>/ / /</td>
<td>21% / 13% / 18%</td>
</tr>
<tr>
<td>Telecom</td>
<td>21% / 34% / 50%</td>
<td>/ / /</td>
<td>2% / -10% / -5%</td>
</tr>
<tr>
<td>Utilities</td>
<td>29% / 53% / 65%</td>
<td>/ / /</td>
<td>-8% / -20% / -9%</td>
</tr>
</tbody>
</table>

*Three terms define the relative performance Z-Score rating versus the markets (US = S&P 500; GBL = S&P Global 1200; CDA = S&P/TSX Composite)

(a) % Outperforming - what percentage of sector members is outperforming the market,
(b) Reward/Risk - how consistent the median relative strength performance of the sector membership (ranking), and
(c) Trend Psn - what is the net percentage of the sector members which are breaking above/below relative strength channels.

The strength z-Score is weighted 60% towards the trend parameters (% outperforming and reward/risk ratios) and 40% towards the trend positions (reversals of trends). Gridlines are placed at 0.5 increments.
February 9, 2012

Strength Changes Last Session

Momentum

Strength

AltCar
IndCongl
OffceSrv
PapProd
Multi-LnIns

HCareTec
Thrft&Mtg
AsstMgmt
ElecCmpEq
Biotech

OG Equip
Steel
OG RfMkt
Dist&Vnt
CmpElRtl
FrstPrd

REstSrv
REstOpCo
Brewers
GMrchStrs

OG Equip
Dist&Vnt

IndCongl
BHcare
OG Equip

HCareTec
Thrft&Mtg

OG RfMkt

OG RfMkt

RGstStrs

Dist&Vnt

IndCongl

OG Equip

REstSrv

OG Equip

HhldApI

BldPrdcts
SpCmSrv

Cns&Eng
AutoMfg
Footwear

ApprIrtI

ElecInstr

ElecComp

OG Drill

IndCongl

DataProc

PcSocr&P

HmFrnsh

Broadcast

RGstStrs

OG StTr

DiversREIT

RsrcCslt

SpecStors

REstDev1

InsurBrkrs
OfficeREIT

SprCntrs
OfficeREIT

Mov&Ent

REstDev1

MortgREIT

HmlmpRtl

FDistri

Cas&Gam

ResidREIT

HIDServIC

FDistri

Cas&Gam

WaterUtil

Railroads

Edudc

AirFrgh

Airprtsrv

MultiUtil

InvBnkBrk

FDistri

Cas&Gam

WaterUtil

Railroads

Edudc

AirFrgh

Airprtsrv

MultiUtil

InvBnkBrk
Consumer Staples

- **Brewers** 16 stocks; $324bn
- **AgriProd** 25 stocks; $128bn
- **Tobacco** 17 stocks; $520bn
- **SprCntrs** 14 stocks; $415bn
- **HhldPrdct** 17 stocks; $380bn
- **PkgFdMt** 84 stocks; $749bn
- **FdRetail** 38 stocks; $295bn
- **PersPrdct** 25 stocks; $176bn
- **DrugRetail** 11 stocks; $133bn
- **SoftDrinks** 15 stocks; $225bn
- **Dist&Vnt** 15 stocks; $166bn
- **FdDistri** 11 stocks; $33bn
- **PkgFdMt** 84 stocks; $749bn
- **HhldPrdct** 17 stocks; $380bn
- **Tobacco** 17 stocks; $520bn
- **SprCntrs** 14 stocks; $415bn
- **AgriProd** 25 stocks; $128bn
- **Brewers** 16 stocks; $324bn
February 9, 2012

Utilities

Mark Steele (416) 359-4641

Momentum

Strength

 IPPTrad  
48 stocks; $180bn

WaterUtil  
20 stocks; $43bn

MultiUtil  
41 stocks; $365bn

ElecUtil  
80 stocks; $835bn

GasUtil  
28 stocks; $147bn

Utilities

February 9, 2012

Mark Steele (416) 359-4641

Momentum

Strength

IPPTrad  
48 stocks; $180bn

WaterUtil  
20 stocks; $43bn

MultiUtil  
41 stocks; $365bn

ElecUtil  
80 stocks; $835bn

GasUtil  
28 stocks; $147bn

Utilities
User Guide 1 - Definitions & Dataset

Group Strength
Our Global Group analysis is based on bottom-up equity relative strength analysis as opposed to industry group (index) relative strength analysis.

Strength Decile Defined By
1. What percentage of a group’s members are outperforming
2. How consistent that outperformance is
3. How are the members positioned (above/below) vs. their trend channels.

Momentum Decile
Rate of change of strength (change in 5-day moving average)

The Underlying Equity Relative Strength Analysis
Each day, for every equity we cover, our relative strength system assesses the best fit trend from a spectrum which covers a minimum trend duration of six months, and a maximum of 4-years. The "best fit" is the trend which maximizes duration, and minimizes deviations from the trend. Our process is flexible, thorough, and because it is run daily, timely.

The Dataset:
- Over 5,000 securities.
- Groups have a:
  ...Median depth of 25
  ...Average depth of 35

Heat Map Colour and Symbol Guide
Strength is highlighted by the background of the group title
- Bright green = best (1st decile) transitions towards...
- Bright red = worst (10th decile)
Momentum is highlighted in the border of the group title
- Colour map for momentum is the same as strength
Symbols to the right of the group ticker show where a group moved from in the previous session. Below the group symbol we highlight the number and total market capitalization of the members of a group. Clicking on the group, which brings up the chart via a hyperlink, will help to clarify the moves.
User Guide 2 - Momentum

Our Goals:
- To buy outperforming stocks in favoured groups
- To avoid underperforming stocks in unfavoured groups
- To be alerted of and act on the changes

#1 Rule of Momentum: You can use it only if it exists

- In stable/trending markets, one can buy stocks with high strength and momentum and hold them as long as momentum does not turn negative (trend following).

- In very rotational markets (e.g., where credit, currency, commodity conditions are choppy/changing):
  - Buying high strength and high momentum may be dangerous (buying yesterday’s winners).
  - One is better off buying stocks with moderate strength and high momentum (bottom fishing).
**User Guide 3 - Buy/Hold/Sell**

**Buy**
- Groups with high strength and high positive momentum (top left) - “In Favour”
- Groups with moderate strength and high positive momentum - “Transitioning to Positive”
- Groups with mediocre strength and high positive momentum - “Gaining Favour”

**Buy/Hold**
- Groups with high strength and neutral momentum (middle left) - “Maintaining Favour”

**Sell**
- Groups with low strength and high negative momentum (bottom right) - “Out of Favour”
- Groups with moderately negative strength and high negative momentum - “Transitioning to Negative”
- Groups with mediocre strength and high negative momentum - “Losing Favour”
- Each group is hyperlinked to a chart that shows the relative strength decile as a function of time, and the 5-day and 20-day moving averages (momentum).

- Each chart is hyperlinked to the group membership, in our RS Filter Toolkit.
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<th>Rating Category</th>
<th>BMO Rating</th>
<th>BMOCM US Universe*</th>
<th>BMOCM US IB Clients**</th>
<th>BMOCM US IB Clients***</th>
<th>BMOCM Universe****</th>
<th>BMOCM IB Clients*****</th>
<th>Starmine Universe</th>
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<td>Buy</td>
<td>Outperform</td>
<td>35.8%</td>
<td>11.9%</td>
<td>31.8%</td>
<td>40.7%</td>
<td>44.2%</td>
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<td>Hold</td>
<td>Market Perform</td>
<td>62.2%</td>
<td>14.7%</td>
<td>68.2%</td>
<td>56.2%</td>
<td>54.6%</td>
<td>39.3%</td>
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<tr>
<td>Sell</td>
<td>Underperform</td>
<td>2.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>3.0%</td>
<td>1.3%</td>
<td>4.8%</td>
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</tbody>
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* Reflects rating distribution of all companies covered by BMO Capital Markets Corp. equity research analysts.
** Reflects rating distribution of all companies from which BMO Capital Markets Corp. has received compensation for Investment Banking services as percentage within ratings category.
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Und = Underperform - Forecast to underperform the market;
(S) = speculative investment;
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