Group Selection
Priced as of June 7, 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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Mark Steele (416) 359-4641  
June 7, 2012

**Sector View**

**Sector Relative Strength Profiles**

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>22% / 29% / 42%</td>
<td>-8% / -8% / -11%</td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>20% / 29% / 36%</td>
<td>-3% / -3% / -7%</td>
<td></td>
</tr>
<tr>
<td>Industrials</td>
<td>38% / 50% / 61%</td>
<td>-4% / -3% / -6%</td>
<td></td>
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<tr>
<td>CMR Disc</td>
<td>47% / 58% / 67%</td>
<td>-5% / -4% / -7%</td>
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</tr>
<tr>
<td>CMR Stap</td>
<td>45% / 61% / 74%</td>
<td>6% / 5% / 0%</td>
<td></td>
</tr>
<tr>
<td>Hlth Care</td>
<td>45% / 58% / 68%</td>
<td>4% / 4% / 4%</td>
<td></td>
</tr>
<tr>
<td>Financials</td>
<td>44% / 62% / 72%</td>
<td>3% / 5% / -1%</td>
<td></td>
</tr>
<tr>
<td>Info Tech</td>
<td>39% / 51% / 59%</td>
<td>-6% / -7% / -6%</td>
<td></td>
</tr>
<tr>
<td>Telecom</td>
<td>27% / 35% / 45%</td>
<td>1% / 1% / -2%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>26% / 43% / 57%</td>
<td>18% / 12% / 6%</td>
<td></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.
June 7, 2012

**Gold** 133 stocks; $303bn

**PrecMet** 59 stocks; $111bn

**Alumin** 12 stocks; $43bn

**Fert&Ag** 39 stocks; $250bn

**MtGlsCnt** 13 stocks; $33bn

**PaperPkg** 17 stocks; $40bn

**DvrsMng** 149 stocks; $663bn

**Steel** 74 stocks; $400bn

**DiversChm** 18 stocks; $230bn

**CstrMat** 24 stocks; $117bn

**PapProd** 24 stocks; $117bn

**FrstPrd** 13 stocks; $11bn

**SpecChm** 18 stocks; $230bn

**ComdChm** 44 stocks; $225bn

**IndusGas** 10 stocks; $120bn

**Materials**

Gold à 133 stocks; $303bn

PrecMet à 59 stocks; $111bn

Alumin à 12 stocks; $43bn

Fert&Ag à 39 stocks; $250bn

MtGlsCnt à 13 stocks; $33bn

PaperPkg à 17 stocks; $40bn

DvrsMng à 149 stocks; $663bn

Steel à 74 stocks; $400bn

DiversChm à 18 stocks; $230bn

CstrMat à 24 stocks; $117bn

PapProd à 24 stocks; $117bn

FrstPrd à 13 stocks; $11bn

SpecChm à 18 stocks; $230bn

ComdChm à 44 stocks; $225bn

IndusGas à 10 stocks; $120bn
**Information Technology**

**Momentum**

- **June 7, 2012**
- **Mark Steele (416) 359-4641**

**Strength**

- **ITConsult**
  - 44 stocks; $446bn
- **ComEquip**
  - 72 stocks; $330bn

**DataProc**
- 44 stocks; $278bn

**SystmSwr**
- 27 stocks; $472bn

**ElecInstr**
- 40 stocks; $93bn

**CompHdwr**
- 22 stocks; $678bn

**ApplicSwr**
- 77 stocks; $258bn

**InetSftSrv**
- 90 stocks; $464bn

**OffElectr**
- 10 stocks; $37bn

**PCStor&P**
- 26 stocks; $109bn

**CompHdwr**
- 22 stocks; $678bn

**ApplicSwr**
- 77 stocks; $258bn

**SystmSwr**
- 27 stocks; $472bn

**ElecInstr**
- 40 stocks; $93bn

**DataProc**
- 44 stocks; $278bn

**ComEquip**
- 72 stocks; $330bn

**EMS**
- 31 stocks; $77bn

**SemiEqp**
- 47 stocks; $94bn

**HmEntSwr**
- 19 stocks; $50bn

**Semi**
- 115 stocks; $646bn

**TechDist**
- 18 stocks; $27bn
Momentum

Strength

June 7, 2012

Telecommunication Services

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WlsTelSrv ← 43 stocks; $619bn

IntgTelSrv ↑ 65 stocks; $704bn

AltCar ↓ 14 stocks; $30bn
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”
User Guide 4 - Hyperlinks To Decile Charts & Stock Selection

- 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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<tr>
<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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<tr>
<td>Buy</td>
<td>Outperform</td>
<td>37.7%</td>
<td>12.1%</td>
<td>52.1%</td>
<td>39.2%</td>
<td>48.3%</td>
<td>54.6%</td>
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<tr>
<td>Hold</td>
<td>Market Perform</td>
<td>60.0%</td>
<td>7.0%</td>
<td>47.9%</td>
<td>57.6%</td>
<td>51.0%</td>
<td>40.1%</td>
</tr>
<tr>
<td>Sell</td>
<td>Underperform</td>
<td>2.4%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>3.2%</td>
<td>0.7%</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

* 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.
*** Reflects rating distribution of all companies from which BMO Capital Markets Corp. has received compensation for Investment Banking services as percentage of Investment Banking clients.
**** Reflects rating distribution of all companies covered by BMO Capital Markets equity research analysts.
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**Ratings and Sector Key**

We use the following ratings system definitions:

- **OP** = Outperform - Forecast to outperform the market;
- **Mkt** = Market Perform - Forecast to perform roughly in line with the market;
- **Und** = Underperform - Forecast to underperform the market;
- **(S)** = speculative investment;
- **NR** = No rating at this time;
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