Group Selection
Priced as of October 13, 2011

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>
<th></th>
<th></th>
<th></th>
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<tbody>
<tr>
<td>Energy</td>
<td>35% / 41% / 40%</td>
<td>/ / /</td>
<td>-7% / -6% / 7%</td>
</tr>
<tr>
<td>Materials</td>
<td>32% / 38% / 38%</td>
<td>/ / /</td>
<td>-6% / -7% / 5%</td>
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<tr>
<td>Industrials</td>
<td>31% / 39% / 39%</td>
<td>/ / /</td>
<td>3% / 2% / 15%</td>
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<tr>
<td>CMR Disc</td>
<td>42% / 50% / 48%</td>
<td>/ / /</td>
<td>1% / 0% / 11%</td>
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<td>CMR Stap</td>
<td>66% / 73% / 70%</td>
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<td>-12% / -13% / 4%</td>
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<tr>
<td>Hlth Care</td>
<td>43% / 53% / 51%</td>
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<td>-11% / -12% / 6%</td>
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<tr>
<td>Financials</td>
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<td>-9% / -10% / 11%</td>
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<tr>
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<td>10% / 8% / 21%</td>
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<tr>
<td>Telecom</td>
<td>53% / 56% / 59%</td>
<td>/ / /</td>
<td>-10% / -14% / 1%</td>
</tr>
<tr>
<td>Utilities</td>
<td>56% / 62% / 61%</td>
<td>/ / /</td>
<td>-9% / -7% / 10%</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 (rankings), 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.
October 13, 2011

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Energy

Int O&G
37 stocks; $2132bn

OG Equip
78 stocks; $365bn

OG RfMkt
43 stocks; $218bn

Coal&Uran
54 stocks; $169bn

OG Drill
29 stocks; $92bn

OG E&P
221 stocks; $902bn

OG StTr
68 stocks; $344bn
<table>
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<tr>
<th>Sector</th>
<th>Stocks</th>
<th>Market Cap (bn)</th>
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<tr>
<td>HREmpl</td>
<td>18</td>
<td>$24bn</td>
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<tr>
<td>Ind Mach</td>
<td>27</td>
<td>$356bn</td>
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<tr>
<td>IndCongl</td>
<td>35</td>
<td>$635bn</td>
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<tr>
<td>Marine</td>
<td>33</td>
<td>$76bn</td>
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<tr>
<td>OfficeServ</td>
<td>14</td>
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<tr>
<td>Aero&amp;Def</td>
<td>54</td>
<td>$447bn</td>
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<tr>
<td>AirFrght</td>
<td>15</td>
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<tr>
<td>Cns&amp;Eng</td>
<td>68</td>
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<td>CnstFmM</td>
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<td>Railroads</td>
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<tr>
<td>AirprtSrv</td>
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<tr>
<td>DvSpSrv</td>
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<td>$54bn</td>
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<td>RsncSlt</td>
<td>20</td>
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<td>EnviroServ</td>
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<td>$66bn</td>
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<tr>
<td>MarineSrv</td>
<td>12</td>
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<tr>
<td>Trucking</td>
<td>31</td>
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<tr>
<td>HvyElcEq</td>
<td>22</td>
<td>$130bn</td>
</tr>
<tr>
<td>BldPrdcts</td>
<td>27</td>
<td>$71bn</td>
</tr>
<tr>
<td>CmclPrt</td>
<td>14</td>
<td>$21bn</td>
</tr>
<tr>
<td>Sec&amp;Alm</td>
<td>8</td>
<td>$28bn</td>
</tr>
<tr>
<td>Hwy&amp;Rail</td>
<td>8</td>
<td>$49bn</td>
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<tr>
<td>RsrcCslt</td>
<td>30</td>
<td>$79bn</td>
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</table>
**Consumer Staples**

- **Tobacco**: 17 stocks; $467bn
- **SprCntrs**: 13 stocks; $372bn
- **FdRetail**: 37 stocks; $290bn
- **HhldPrdct**: 16 stocks; $369bn
- **SoftDrinks**: 16 stocks; $318bn
- **PkgFdMt**: 87 stocks; $722bn
- **Brewers**: 16 stocks; $298bn
- **PersPrdct**: 25 stocks; $171bn
- **Dist&Vnt**: 16 stocks; $163bn
- **DrugRetail**: 10 stocks; $94bn
- **FdDistri**: 10 stocks; $29bn

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**October 13, 2011**

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Momentum

Strength

October 13, 2011

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Health Care

MngHCare
16 stocks; $133bn

HCFacility
28 stocks; $43bn

HCareTec
14 stocks; $29bn

HCSuppls
21 stocks; $39bn

Pharma
85 stocks; $157bn

HCService
39 stocks; $129bn

Biotech
114 stocks; $264bn

HCDistrib
15 stocks; $64bn

HCEquip
83 stocks; $321bn

LfSciSrv
35 stocks; $86bn
Telecommunication Services

October 13, 2011

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Momentum

Strength

AltCar
14 stocks; $26bn

IntgTelSrv
66 stocks; $115bn

WisTelSrv
43 stocks; $859bn
October 13, 2011

Utilities

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MultiUtil
- 40 stocks, $384bn

GasUtil
- 39 stocks, $137bn

ElecUtil
- 26 stocks, $816bn

WaterUtil
- 24 stocks, $44bn

IPPTrad
- 52 stocks, $100bn

Utilities

Strength

Momentum
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.
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).
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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<th>Rating Category</th>
<th>BMO Rating</th>
<th>BMOCM US Universe*</th>
<th>BMOCM US IB Clients**</th>
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<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>
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<td>Hold</td>
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<td>62.2%</td>
<td>14.7%</td>
<td>68.2%</td>
<td>56.2%</td>
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<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>
</tr>
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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.
*** 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.
***** Reflects rating distribution of all companies from which BMO Capital Markets has received compensation for Investment Banking services as percentage of Investment Banking clients.
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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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