Group Selection
Priced as of December 13, 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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*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.
Consumer Staples

- **FdRetail**: 39 stocks, $325bn
- **Dist&Vnt**: 13 stocks, $191bn
- **Tobacco**: 17 stocks, $555bn
- **DrugRetail**: 20 stocks, $116bn
- **PersPrdct**: 24 stocks, $201bn
- **PkgFdMt**: 115 stocks, $828bn
- **SprCntrs**: 16 stocks, $448bn
- **Brewers**: 15 stocks, $391bn
- **SoftDrinks**: 14 stocks, $361bn
- **HhldPrdct**: 18 stocks, $435bn

**Consumer Staples**

- **FdRetail**
  - 39 stocks
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- **HhldPrdct**
  - 18 stocks
  - $435bn
<table>
<thead>
<tr>
<th>Momentum</th>
<th>Strength</th>
</tr>
</thead>
<tbody>
<tr>
<td>REstOpCo 19 stocks; $107bn</td>
<td>InvBnkBrk 39 stocks; $220bn</td>
</tr>
<tr>
<td>MltSecHld 14 stocks; $70bn</td>
<td>SpecialFin 25 stocks; $127bn</td>
</tr>
<tr>
<td>Multi-Lnins 26 stocks; $356bn</td>
<td>REstSrv 10 stocks; $17bn</td>
</tr>
<tr>
<td>REstDev 37 stocks; $169bn</td>
<td>DiversREIT 35 stocks; $111bn</td>
</tr>
<tr>
<td>OthrDivFS 16 stocks; $497bn</td>
<td>OfficeREIT 26 stocks; $82bn</td>
</tr>
<tr>
<td>REstDvAct 27 stocks; $296bn</td>
<td>P&amp;C Insur 61 stocks; $505bn</td>
</tr>
<tr>
<td>REstSrv 10 stocks; $17bn</td>
<td>IndusREIT 14 stocks; $42bn</td>
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<tr>
<td>REstDevl 37 stocks; $168bn</td>
<td>RetailREIT 45 stocks; $253bn</td>
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<tr>
<td>OthrDivFS 16 stocks; $497bn</td>
<td>MortgREIT 27 stocks; $59bn</td>
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<td>LifeHthlns 42 stocks; $498bn</td>
<td>SpecREIT 38 stocks; $192bn</td>
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<tr>
<td>Multi-Lnins 26 stocks; $356bn</td>
<td>Thrft&amp;Mtg 52 stocks; $80bn</td>
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<tr>
<td>REstSrv 10 stocks; $17bn</td>
<td>InsurBrkrs 9 stocks; $55bn</td>
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<tr>
<td>REstDevl 37 stocks; $168bn</td>
<td>Reinsuran 17 stocks; $109bn</td>
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</table>

**Financials**
<table>
<thead>
<tr>
<th>Sector</th>
<th>Strength</th>
<th>Momentum</th>
</tr>
</thead>
<tbody>
<tr>
<td>DataProc</td>
<td>119 stocks; $708bn</td>
<td>44 stocks; $308bn</td>
</tr>
<tr>
<td>ElecComp</td>
<td>36 stocks; $151bn</td>
<td>28 stocks; $104bn</td>
</tr>
<tr>
<td>Semi</td>
<td>36 stocks; $151bn</td>
<td>28 stocks; $104bn</td>
</tr>
<tr>
<td>SemiEqp</td>
<td>44 stocks; $99bn</td>
<td>21 stocks; $55bn</td>
</tr>
<tr>
<td>HmEntSwr</td>
<td>44 stocks; $99bn</td>
<td>21 stocks; $55bn</td>
</tr>
<tr>
<td>ITConsult</td>
<td>43 stocks; $451bn</td>
<td>24 stocks; $631bn</td>
</tr>
<tr>
<td>CompHdwr</td>
<td>24 stocks; $631bn</td>
<td>23 stocks; $115bn</td>
</tr>
<tr>
<td>PCStor&amp;P</td>
<td>23 stocks; $115bn</td>
<td>98 stocks; $558bn</td>
</tr>
<tr>
<td>ComEqip</td>
<td>71 stocks; $363bn</td>
<td>71 stocks; $363bn</td>
</tr>
<tr>
<td>SystmSwr</td>
<td>71 stocks; $363bn</td>
<td>28 stocks; $467bn</td>
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<tr>
<td>ElecInstr</td>
<td>36 stocks; $104bn</td>
<td>17 stocks; $27bn</td>
</tr>
<tr>
<td>OffElectr</td>
<td>9 stocks; $79bn</td>
<td>74 stocks; $301bn</td>
</tr>
<tr>
<td>ApplicSwr</td>
<td>74 stocks; $301bn</td>
<td>98 stocks; $558bn</td>
</tr>
<tr>
<td>TechDist</td>
<td>77 stocks; $77bn</td>
<td>77 stocks; $77bn</td>
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</tbody>
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*Data as of December 13, 2012*
December 13, 2012

Telecommunication Services

Mark Steele (416) 359-4641

IntgTelSrv
64 stocks; $1118bn

WlsTelSrv
25 stocks; $912bn

AltCar
14 stocks; $33bn
Momentum

Strength

Utilities

IPPTrad
44 stocks; $142bn

ElecUtil
62 stocks; $763bn

WaterUtil
21 stocks; $53bn

MultiUtil
39 stocks; $404bn

GasUtil
29 stocks; $159bn

December 13, 2012

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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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**Distribution of Ratings (June 30, 2012)**

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<td>Buy</td>
<td>Outperform</td>
<td>39.2%</td>
<td>14.2%</td>
<td>66.0%</td>
<td>39.7%</td>
<td>49.1%</td>
<td>55.7%</td>
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<tr>
<td>Hold</td>
<td>Market Perform</td>
<td>58.8%</td>
<td>4.6%</td>
<td>31.9%</td>
<td>57.1%</td>
<td>48.6%</td>
<td>39.3%</td>
</tr>
<tr>
<td>Sell</td>
<td>Underperform</td>
<td>2.0%</td>
<td>9.1%</td>
<td>2.1%</td>
<td>3.2%</td>
<td>2.3%</td>
<td>5.0%</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.
***** 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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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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