Group Selection

Priced as of December 17, 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 Relative Strength Profiles*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>47% / 42% / 39%</td>
<td>-3% / -6% / -2%</td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>46% / 41% / 36%</td>
<td>11% / 10% / 14%</td>
<td></td>
</tr>
<tr>
<td>Industrials</td>
<td>54% / 50% / 44%</td>
<td>16% / 13% / 18%</td>
<td></td>
</tr>
<tr>
<td>CMR Disc</td>
<td>53% / 51% / 46%</td>
<td>8% / 8% / 11%</td>
<td></td>
</tr>
<tr>
<td>CMR Stap</td>
<td>56% / 50% / 46%</td>
<td>3% / 0% / 4%</td>
<td></td>
</tr>
<tr>
<td>Hlth Care</td>
<td>50% / 49% / 43%</td>
<td>2% / -3% / 2%</td>
<td></td>
</tr>
<tr>
<td>Financials</td>
<td>59% / 55% / 48%</td>
<td>7% / 2% / 9%</td>
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</tr>
<tr>
<td>Info Tech</td>
<td>35% / 34% / 30%</td>
<td>13% / 10% / 16%</td>
<td></td>
</tr>
<tr>
<td>Telecom</td>
<td>51% / 53% / 46%</td>
<td>2% / -2% / 4%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>41% / 37% / 27%</td>
<td>10% / 7% / 12%</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.
<table>
<thead>
<tr>
<th>Sector</th>
<th>Stocks</th>
<th>Market Cap</th>
</tr>
</thead>
<tbody>
<tr>
<td>DiversChm</td>
<td>17</td>
<td>$263bn</td>
</tr>
<tr>
<td>PrecMet</td>
<td>57</td>
<td>$131bn</td>
</tr>
<tr>
<td>Coal&amp;Uran</td>
<td>42</td>
<td>$136bn</td>
</tr>
<tr>
<td>Int O&amp;G</td>
<td>36</td>
<td>$2142bn</td>
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<tr>
<td>Steel</td>
<td>74</td>
<td>$434bn</td>
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<tr>
<td>ComdChm</td>
<td>31</td>
<td>$230bn</td>
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<tr>
<td>DvrMng</td>
<td>128</td>
<td>$71bn</td>
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<tr>
<td>OG Rfmkt</td>
<td>47</td>
<td>$328bn</td>
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<tr>
<td>PaperPkg</td>
<td>17</td>
<td>$47bn</td>
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<tr>
<td>Fert&amp;Ag</td>
<td>42</td>
<td>$290bn</td>
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<tr>
<td>OG Equip</td>
<td>80</td>
<td>$391bn</td>
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<tr>
<td>CstrMat</td>
<td>26</td>
<td>$165bn</td>
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<tr>
<td>OG Drill</td>
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<td>$112bn</td>
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<tr>
<td>PapProd</td>
<td>42</td>
<td>$90bn</td>
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<tr>
<td>MtGlsCnt</td>
<td>13</td>
<td>$35bn</td>
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<tr>
<td>Gold</td>
<td>123</td>
<td>$298bn</td>
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<tr>
<td>SpecChm</td>
<td>1</td>
<td>$268bn</td>
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<tr>
<td>Alumin</td>
<td>12</td>
<td>$44bn</td>
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<tr>
<td>OG E&amp;P</td>
<td>215</td>
<td>$1025bn</td>
</tr>
<tr>
<td>FrstPrd</td>
<td>19</td>
<td>$17bn</td>
</tr>
<tr>
<td>OG StTr</td>
<td>69</td>
<td>$436bn</td>
</tr>
<tr>
<td>OG IndusGas</td>
<td>10</td>
<td>$134bn</td>
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</table>
Consumer Staples

December 17, 2012

Mark Steele (416) 359-4641

<table>
<thead>
<tr>
<th>Sector</th>
<th>Momentum</th>
<th>Strength</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dist&amp;Vnt</td>
<td>13 stocks; $194bn</td>
<td></td>
</tr>
<tr>
<td>Tobacco</td>
<td>17 stocks; $551bn</td>
<td></td>
</tr>
<tr>
<td>PkgFdMt</td>
<td>15 stocks; $828bn</td>
<td></td>
</tr>
<tr>
<td>FdRetail</td>
<td>39 stocks; $326bn</td>
<td></td>
</tr>
<tr>
<td>SprCntrs</td>
<td>16 stocks; $451bn</td>
<td></td>
</tr>
<tr>
<td>Drink Retail</td>
<td>10 stocks; $117bn</td>
<td></td>
</tr>
<tr>
<td>Brewers</td>
<td>15 stocks; $389bn</td>
<td></td>
</tr>
<tr>
<td>HhidPrdct</td>
<td>18 stocks; $436bn</td>
<td></td>
</tr>
<tr>
<td>PersPrdct</td>
<td>23 stocks; $200bn</td>
<td></td>
</tr>
<tr>
<td>SoftDrnks</td>
<td>14 stocks; $361bn</td>
<td></td>
</tr>
<tr>
<td>FdDistri</td>
<td>12 stocks; $32bn</td>
<td></td>
</tr>
<tr>
<td>AgriProd</td>
<td>32 stocks; $116bn</td>
<td></td>
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</tbody>
</table>

Total Value:
- Dist&Vnt: $194bn
- Tobacco: $551bn
- PkgFdMt: $828bn
- FdRetail: $326bn
- SprCntrs: $451bn
- Drink Retail: $117bn
- Brewers: $389bn
- HhidPrdct: $436bn
- PersPrdct: $200bn
- SoftDrnks: $361bn
- FdDistri: $32bn
- AgriProd: $116bn
**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).
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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<table>
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<th>Rating Category</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>Starnine Universe</th>
</tr>
</thead>
<tbody>
<tr>
<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>
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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>
</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>
</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.
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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;
R = Restricted - Dissemination of research is currently restricted.

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