Group Selection

Priced as of October 2, 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
Table of Contents

3. Sector View
4. Strength Changes Last Session
5. Resource Summary
6. Energy
7. Materials
8. Industrials
9. Consumer Discretionary
10. Consumer Staples
11. Health Care
12. Financials
13. Information Technology
14. Telecom
15. Utilities
16. User Guide
### Sector Relative Strength Profiles*

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Energy</td>
<td>29% / 35% / 38%</td>
<td></td>
<td>12% / 10% / 4%</td>
</tr>
<tr>
<td>Materials</td>
<td>22% / 28% / 28%</td>
<td>19% / 16% / 8%</td>
<td></td>
</tr>
<tr>
<td>Industrials</td>
<td>32% / 39% / 39%</td>
<td>8% / 4% / -3%</td>
<td></td>
</tr>
<tr>
<td>CMR Disc</td>
<td>40% / 48% / 49%</td>
<td>6% / 2% / -6%</td>
<td></td>
</tr>
<tr>
<td>CMR Stap</td>
<td>56% / 63% / 63%</td>
<td>6% / 3% / -7%</td>
<td></td>
</tr>
<tr>
<td>Hlth Care</td>
<td>54% / 63% / 65%</td>
<td>10% / 8% / 1%</td>
<td></td>
</tr>
<tr>
<td>Financials</td>
<td>51% / 62% / 64%</td>
<td>6% / 3% / -9%</td>
<td></td>
</tr>
<tr>
<td>Info Tech</td>
<td>28% / 34% / 35%</td>
<td>5% / 3% / -4%</td>
<td></td>
</tr>
<tr>
<td>Telecom</td>
<td>49% / 57% / 55%</td>
<td>14% / 11% / 6%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>46% / 61% / 65%</td>
<td>6% / 1% / -5%</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.
October 2, 2012

**Momentum**

**Strength**

OG RfMkt: 46 stocks; $268bn

OG StTr: 70 stocks; $437bn

OG Drill: 32 stocks; $112bn

OG E&P: 227 stocks; $1065bn

OG Equip: 80 stocks; $414bn

Coal & Uran: 50 stocks; $137bn

Int O&G: 36 stocks; $2212bn
Momentum

Strength

October 2, 2012

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Materials

Fert&Ag
39 stocks; $293bn

PaperPkg
17 stocks; $46bn

PrecMet
59 stocks; $131bn

PapProd
42 stocks; $84bn

Gold
129 stocks; $339bn

Alumin
12 stocks; $44bn

ComdChm
31 stocks; $230bn

CstrMat
26 stocks; $152bn

DvsrMng
146 stocks; $686bn

IndusGas
10 stocks; $132bn

FrstPrd
12 stocks; $14bn

DiversChm
69 stocks; $248bn

SpecChm
60 stocks; $248bn

DiversChm
16 stocks; $248bn

MtGlsCnt
13 stocks; $34bn

Steel
75 stocks; $387bn
Industrials

October 2, 2012

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AirptSrv  
10 stocks; $30bn

Aero&Def  
54 stocks; $484bn

Trucking  
32 stocks; $52bn

MarineSrv  
14 stocks; $52bn

RsrcCslt  
30 stocks; $101bn

HvyElecEq  
19 stocks; $107bn

Railroads  
21 stocks; $285bn

Envirosrv  
35 stocks; $114bn

OfficeServ  
14 stocks; $21bn

IndCongl  
35 stocks; $762bn

Airline  
35 stocks; $114bn

Sec&Alm  
9 stocks; $44bn

CnstFmM  
20 stocks; $176bn

DvSpSrv  
30 stocks; $71bn

HREmpl  
20 stocks; $42bn

BldPrdcts  
30 stocks; $94bn

TrdgDist  
47 stocks; $233bn

CmclPrt  
13 stocks; $16bn

Hwy&Rail  
9 stocks; $97bn

Ind Mach  
105 stocks; $437bn

ElecEq  
42 stocks; $183bn

Momentum

Strength
<table>
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<tr>
<th>Sector</th>
<th>Stocks</th>
<th>Value</th>
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<tr>
<td>OthrDivFS</td>
<td>10</td>
<td>$44.8bn</td>
</tr>
<tr>
<td>REstDevl</td>
<td>37</td>
<td>$164bn</td>
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<tr>
<td>Thrft&amp;Mtg</td>
<td>50</td>
<td>$72bn</td>
</tr>
<tr>
<td>InsurBrkr</td>
<td>9</td>
<td>$64bn</td>
</tr>
<tr>
<td>P&amp;C Insr</td>
<td>61</td>
<td>$493bn</td>
</tr>
<tr>
<td>REstDvAct</td>
<td>20</td>
<td>$278bn</td>
</tr>
<tr>
<td>ConsmrFin</td>
<td>22</td>
<td>$151bn</td>
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<tr>
<td>DiversREIT</td>
<td>82</td>
<td>$104bn</td>
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<tr>
<td>MortgREIT</td>
<td>26</td>
<td>$63bn</td>
</tr>
<tr>
<td>IndusREIT</td>
<td>12</td>
<td>$41bn</td>
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<tr>
<td>Multi-Lnns</td>
<td>25</td>
<td>$329bn</td>
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<tr>
<td>RetailREIT</td>
<td>44</td>
<td>$242bn</td>
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<tr>
<td>SpecREIT</td>
<td>38</td>
<td>$178bn</td>
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<tr>
<td>AsstMgmt</td>
<td>78</td>
<td>$283bn</td>
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<tr>
<td>OfficeREIT</td>
<td>28</td>
<td>$86bn</td>
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<tr>
<td>ResidREIT</td>
<td>22</td>
<td>$88bn</td>
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<tr>
<td>Multi-SecHld</td>
<td>14</td>
<td>$67bn</td>
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<tr>
<td>Reinsuran</td>
<td>18</td>
<td>$105bn</td>
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<tr>
<td>REstSrv</td>
<td>10</td>
<td>$16bn</td>
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<tr>
<td>LifeHthIns</td>
<td>43</td>
<td>$472bn</td>
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<tr>
<td>InvBnkBrk</td>
<td>35</td>
<td>$212bn</td>
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<tr>
<td>SpecialFin</td>
<td>25</td>
<td>$123bn</td>
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</table>
October 2, 2012

Information Technology

Mark Steele (416) 359-4641

- DataProc: 46 stocks, $309bn
- ITConsult: 44 stocks, $468bn
- InetSftSrv: 96 stocks, $554bn
- ApplicSwr: 80 stocks, $296bn
- OffElectr: 9 stocks, $73bn
- ComEquip: 71 stocks, $346bn
- HmEntSwr: 30 stocks, $53bn
- EMS: 29 stocks, $84bn
- SemiEqp: 45 stocks, $97bn
- TechDist: 18 stocks, $28bn
- Semi: 118 stocks, $672bn
- ElecInstr: 38 stocks, $97bn
- PCStor&P: 25 stocks, $123bn
- SystmSwr: 28 stocks, $495bn
- ElecComp: 35 stocks, $143bn

Momentum

Strength
October 2, 2012

Utilities

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Momentum

Strength

WaterUtil
21 stocks; $54bn

IPP Trad
45 stocks; $141bn

MultiUtil
39 stocks; $424bn

GasUtil
28 stocks; $156bn

ElecUtil
82 stocks; $780bn

Utilities

ElecUtil
82 stocks; $780bn

IPP Trad
45 stocks; $141bn

MultiUtil
39 stocks; $424bn

GasUtil
28 stocks; $156bn

WaterUtil
21 stocks; $54bn
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 RelativeStrength 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>
</thead>
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<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>
<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>
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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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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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