Group Selection

Priced as of July 31, 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 View**

*Sector Relative Strength Profiles*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>16% / 28% / 35%</td>
<td>-</td>
<td>14% / 9% / 7%</td>
</tr>
<tr>
<td>Materials</td>
<td>14% / 20% / 27%</td>
<td>-</td>
<td>3% / -2% / -3%</td>
</tr>
<tr>
<td>Industrials</td>
<td>29% / 41% / 51%</td>
<td>-</td>
<td>1% / -7% / -6%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>39% / 53% / 62%</td>
<td>-</td>
<td>-3% / -9% / -10%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>53% / 69% / 79%</td>
<td>-</td>
<td>2% / -5% / -7%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>50% / 63% / 73%</td>
<td>-</td>
<td>-7% / -13% / -14%</td>
</tr>
<tr>
<td>Financials</td>
<td>46% / 64% / 73%</td>
<td>-</td>
<td>3% / -6% / -6%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>28% / 41% / 48%</td>
<td>-</td>
<td>-2% / -10% / -11%</td>
</tr>
<tr>
<td>Telecom</td>
<td>35% / 45% / 53%</td>
<td>-</td>
<td>9% / 4% / 5%</td>
</tr>
<tr>
<td>Utilities</td>
<td>42% / 58% / 67%</td>
<td>-</td>
<td>0% / -6% / -8%</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.
Consumer Staples

Brewers 15 stocks; $355bn
SoftDrinks 14 stocks; $374bn
SprCntrs 16 stocks; $450bn
FdRetail 18 stocks; $358bn

Dist&Vnt 15 stocks; $190bn
PersPrdct 28 stocks; $184bn
Tobacco 17 stocks; $574bn

HhldPrdct 17 stocks; $402bn
DrugRetail 10 stocks; $110bn

PkgFdMt 85 stocks; $737bn
AgriProd 25 stocks; $110bn

FdDistri 11 stocks; $310bn
### Health Care

<table>
<thead>
<tr>
<th>Category</th>
<th>Number of Stocks</th>
<th>Market Cap (bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biotech</td>
<td>115</td>
<td>$337bn</td>
</tr>
<tr>
<td>Pharma</td>
<td>93</td>
<td>$182bn</td>
</tr>
<tr>
<td>HCSupps</td>
<td>24</td>
<td>$54bn</td>
</tr>
<tr>
<td>HCDistrib</td>
<td>15</td>
<td>$74bn</td>
</tr>
<tr>
<td>HCFacility</td>
<td>31</td>
<td>$50bn</td>
</tr>
<tr>
<td>HCEquip</td>
<td>80</td>
<td>$329bn</td>
</tr>
<tr>
<td>HCareTec</td>
<td>11</td>
<td>$23bn</td>
</tr>
<tr>
<td>MngHCare</td>
<td>15</td>
<td>$126bn</td>
</tr>
<tr>
<td>LifeSciSrv</td>
<td>24</td>
<td>$89bn</td>
</tr>
<tr>
<td>HCService</td>
<td>35</td>
<td>$159bn</td>
</tr>
<tr>
<td>LfSciSrv</td>
<td>24</td>
<td>$89bn</td>
</tr>
<tr>
<td>LfSciSrv</td>
<td>24</td>
<td>$89bn</td>
</tr>
</tbody>
</table>

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# Financials

**July 31, 2012**

- **Momentum**
  - **MltSecHld**: 14 stocks, $62bn
  - **REstSrvc**: 10 stocks, $14bn
  - **DiversBnk**: 266 stocks, $312bn

- **Strength**
  - **InsurBrkrs**: 9 stocks, $52bn
  - **OfficeREIT**: 27 stocks, $83bn
  - **MortgREIT**: 22 stocks, $60bn
  - **ConsmrFin**: 21 stocks, $248bn
  - **RetailREIT**: 64 stocks, $238bn
  - **DiversREIT**: 30 stocks, $69bn
  - **IndusREIT**: 15 stocks, $38bn
  - **ResidREIT**: 22 stocks, $92bn
  - **RestOpCo**: 87 stocks, $165bn
  - **SpecREIT**: 39 stocks, $186bn
  - **Reinsuran**: 19 stocks, $102bn
  - **LifeHthIns**: 43 stocks, $43 bn
  - **RegionBnk**: 135 stocks, $228bn
  - **RestDev**: 37 stocks, $154bn
  - **P & C Insur**: 60 stocks, $459bn
  - **InvBnkBrk**: 39 stocks, $193bn
  - **DivCpMkt**: 10 stocks, $101bn
  - **Multi-LnIns**: 25 stocks, $295bn
Telecommunication Services

Momentum

Strength

July 31, 2012

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WlsTelSrv
43 stocks; $907bn

IntgTelSrv
65 stocks; $1131bn

AltCar
13 stocks; $29bn
Utilities

Momentum

July 31, 2012

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Strength

Utilities

ElecUtil
62 stocks; $748bn

IPPTrad
45 stocks; $135bn

WaterUtil
21 stocks; $52bn

GasUtil
28 stocks; $144bn

MultiUtil
39 stocks; $416bn

WaterUtil
21 stocks; $52bn

IPPTrad
45 stocks; $135bn

GasUtil
28 stocks; $144bn

MultiUtil
39 stocks; $416bn

ElecUtil
62 stocks; $748bn
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.
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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<thead>
<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>
</tr>
</thead>
<tbody>
<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>
</tr>
<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.
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