Group Selection

Priced as of August 8, 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

Mark Steele
(416) 359-4641
mark.steele@bmo.com

Tiberiu Stoichita
(416) 359-4684
tiberiu.stoichita@bmo.com

Rahul Muralidhar
(416) 359-7689
rahul.muralidhar@bmo.com

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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 (star/bomb 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.
Energy

Momentum

Strength

OG StTr
36 stocks; $287bn

OG RfMkt
43 stocks; $224bn

OG Drill
28 stocks; $91bn

OG Equip
79 stocks; $379bn

OG E&P
218 stocks; $928bn

Int O&G
37 stocks; $205bn

Coal & Uran
64 stocks; $192bn

66 stocks; $287bn

43 stocks; $224bn

28 stocks; $91bn

79 stocks; $379bn

218 stocks; $928bn

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Momentum

Strength

IndusGas
10 stocks; $116bn

Gold
130 stocks; $37,000bn

FrstPrd
16 stocks; $7,300bn

CstrMat
21 stocks; $11,900bn

PapProd
45 stocks; $8,900bn

MtGlsCnt
12 stocks; $3,300bn

Fert&Ag
40 stocks; $27,900bn

PaperPkg
18 stocks; $3,800bn

PrecMet
58 stocks; $12,900bn

Steel
72 stocks; $51,500bn

ComdChm
29 stocks; $2,360bn

SpecChm
36 stocks; $7,920bn

DiversChm
18 stocks; $2,160bn

Alumin
13 stocks; $64bn

DvrsMng
166 stocks; $74,600bn

Materials

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IndusGas, Gold, FrstPrd, CstrMat, PapProd, MtGlsCnt, Fert&Ag, PaperPkg, PrecMet, Steel, ComdChm, SpecChm, DiversChm, Alumin, DvrsMng
Consumer Staples

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Momentum

Strength

HhldPrdct
16 stocks; $346bn

PkgFdMt
29 stocks; $716bn

DrugRetail
10 stocks; $92bn

SprCntrs
14 stocks; $346bn

PersPrdct
25 stocks; $169bn

FdRetail
37 stocks; $284bn

SoftDrnks
16 stocks; $309bn

Brewers
16 stocks; $287bn

Tobacco
17 stocks; $441bn

FdDistri
10 stocks; $30bn

Dist&Vnt
15 stocks; $152bn

AgriProd
25 stocks; $117bn

16 stocks; $309bn

37 stocks; $716bn

25 stocks; $716bn

25 stocks; $169bn

56 stocks; $347bn

48 stocks; $716bn

88 stocks; $716bn

25 stocks; $169bn

122 stocks; $716bn

88 stocks; $716bn
Momentum

Strength

August 8, 2011

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Financials

- REstDvAct
- P&C Insur
- Thrft&Mtg
- MortgREIT
- RegionBnk

26 stocks; $239bn
50 stocks; $66bn
21 stocks; $38bn
130 stocks; $207bn

- InsurBrkrs
- Reinsuran
- ResitDevl
- LifeHblns
- DivOpMkt

19 stocks; $84bn
33 stocks; $143bn
42 stocks; $416bn
13 stocks; $56bn
36 stocks; $104bn

- Multi-LnIns
- DivCpMkt
- DiversREIT
- ResidREIT
- AsstMgmt

24 stocks; $306bn
10 stocks; $135bn
76 stocks; $239bn
20 stocks; $62bn
40 stocks; $218bn

- DiversBnk
- ConsmrFin
- DiversFS
- RESTOpCo
- OfficeREIT

162 stocks; $3159bn
23 stocks; $110bn
28 stocks; $120bn
9 stocks; $13bn
15 stocks; $52bn

- LifHblns
- AsstMgmt
- InvBnkBrk
- REDvAct
- RESTAct

76 stocks; $239bn
18 stocks; $38bn
40 stocks; $218bn
17 stocks; $77bn
17 stocks; $77bn
Telecommunication Services

August 8, 2011

IntgTelSrv
65 stocks; $1086bn

WlsTelSrv
46 stocks; $857bn

AltCar
15 stocks; $27bn
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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I, Mark Steele, hereby certify that the views expressed in this report accurately reflect my personal views about the subject securities or issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

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<table>
<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>
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</thead>
<tbody>
<tr>
<td>Buy</td>
<td>Outperform</td>
<td>36.5%</td>
<td>13.6%</td>
<td>40.7%</td>
<td>40.4%</td>
<td>49.1%</td>
<td>55.4%</td>
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<tr>
<td>Hold</td>
<td>Market Perform</td>
<td>60.2%</td>
<td>11.3%</td>
<td>55.9%</td>
<td>55.6%</td>
<td>49.1%</td>
<td>39.7%</td>
</tr>
<tr>
<td>Sell</td>
<td>Underperform</td>
<td>3.3%</td>
<td>12.5%</td>
<td>3.4%</td>
<td>4.0%</td>
<td>1.9%</td>
<td>4.8%</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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Und = Underperform - Forecast to underperform the market;
(S) = speculative investment;
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