Group Selection

Priced as of September 14, 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*

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<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>24% / 32% / 35%</td>
<td>/            /</td>
<td>27% / 21% / 10%</td>
</tr>
<tr>
<td>Materials</td>
<td>18% / 24% / 26%</td>
<td>/            /</td>
<td>39% / 32% / 22%</td>
</tr>
<tr>
<td>Industrials</td>
<td>30% / 39% / 42%</td>
<td>/            /</td>
<td>15% / 6% / -6%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>38% / 50% / 52%</td>
<td>/            /</td>
<td>14% / 4% / -5%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>57% / 66% / 70%</td>
<td>/            /</td>
<td>-12% / -22% / -37%</td>
</tr>
<tr>
<td>Health Care</td>
<td>53% / 63% / 67%</td>
<td>/            /</td>
<td>-2% / -11% / -18%</td>
</tr>
<tr>
<td>Financials</td>
<td>48% / 62% / 65%</td>
<td>/            /</td>
<td>14% / 2% / -12%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>26% / 35% / 37%</td>
<td>/            /</td>
<td>17% / 9% / -1%</td>
</tr>
<tr>
<td>Telecom</td>
<td>42% / 55% / 55%</td>
<td>/            /</td>
<td>14% / 5% / -10%</td>
</tr>
<tr>
<td>Utilities</td>
<td>46% / 61% / 65%</td>
<td>/            /</td>
<td>-14% / -26% / -37%</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.
September 14, 2012

Information Technology

Momentum

Strength

OffElectr ← 98 stocks; $78bn
InetSftSrv → 94 stocks; $542bn
ElecComp ← 35 stocks; $148bn
ITConsult ← 44 stocks; $484bn
Semi → 118 stocks; $689bn
ComEquip ← 74 stocks; $362bn
SysmSwr ← 28 stocks; $522bn
ApplicSwr → 81 stocks; $303bn
DataProc ← 44 stocks; $309bn
HmEntSwr ← 45 stocks; $101bn
SemiEqp ← 45 stocks; $101bn
EMS ← 30 stocks; $92bn
PCStor&P ← 25 stocks; $128bn
CompHdwr ← 23 stocks; $795bn
TechDist ← 18 stocks; $36bn
EMS ← 30 stocks; $92bn
SemiEqp ← 45 stocks; $101bn
HmEntSwr ← 20 stocks; $54bn

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Telecommunication Services

September 14, 2012

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Momentum

Strength

IntgTelSrv ➔
65 stocks; $1187bn

AltCar ➙
13 stocks; $32bn

WlsTelSrv ➡
43 stocks; $917bn
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).
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.
**Analysis Certification**

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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>
</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>
<td>55.7%</td>
</tr>
<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.

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(S) = speculative investment;
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