Group Selection
Priced as of December 28, 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

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**Sector View**

**Sector Relative Strength Profiles***

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<thead>
<tr>
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<tbody>
<tr>
<td>Energy</td>
<td>29% / 41% / 44%</td>
<td>1% / 4% / 11%</td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>21% / 31% / 35%</td>
<td>-12% / -10% / -5%</td>
<td></td>
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<tr>
<td>Industrials</td>
<td>25% / 39% / 45%</td>
<td>4% / 8% / 16%</td>
<td></td>
</tr>
<tr>
<td>CMR Disc</td>
<td>33% / 47% / 52%</td>
<td>-1% / 2% / 9%</td>
<td></td>
</tr>
<tr>
<td>CMR Stap</td>
<td>53% / 67% / 74%</td>
<td>-5% / -4% / 4%</td>
<td></td>
</tr>
<tr>
<td>Hlth Care</td>
<td>34% / 47% / 54%</td>
<td>4% / 9% / 14%</td>
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</tr>
<tr>
<td>Financials</td>
<td>29% / 45% / 48%</td>
<td>4% / 9% / 19%</td>
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<tr>
<td>Info Tech</td>
<td>29% / 41% / 45%</td>
<td>-3% / 2% / 10%</td>
<td></td>
</tr>
<tr>
<td>Telecom</td>
<td>39% / 51% / 54%</td>
<td>-13% / -7% / 1%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>52% / 61% / 66%</td>
<td>-3% / 3% / 9%</td>
<td></td>
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</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 Discretionary

- HomeFurn: 13 stocks; $19bn
- Broadcast: 28 stocks; $98bn
- Educat: 24 stocks; $33bn
- Htl&Rsr: 28 stocks; $94bn
- Cas&Gam: 36 stocks; $187bn
- GMrchStrs: 15 stocks; $86bn
- SpCmSr: 13 stocks; $23bn
- LeisFcil: 11 stocks; $25bn
- GMrchStrs: 15 stocks; $86bn
- Publishing: 31 stocks; $112bn
- HomeBld: 31 stocks; $46bn
- InetRtl: 18 stocks; $132bn
- AutoParts: 39 stocks; $155bn
- DeptStrs: 20 stocks; $133bn
- Footwear: 13 stocks; $61bn
- CmplRt: 14 stocks; $54bn
- Advert: 22 stocks; $66bn
- APPRlRtl: 13 stocks; $43bn
- Cabl&Sat: 23 stocks; $215bn
- AprlGds: 45 stocks; $295bn
- AutoMfg: 53 stocks; $245bn
- AutoRtl: 16 stocks; $51bn
- Restaunt: 47 stocks; $251bn
- CmrElec: 13 stocks; $76bn
- SpecStors: 25 stocks; $63bn
- Tire&Rub: 8 stocks; $48bn
- CatalgRtl: 33 stocks; $260bn
- HmFrnsh: 12 stocks; $30bn
- Mov&Ent: 18 stocks; $169bn
- Textiles: 7 stocks; $12bn
- LeisPrd: 16 stocks; $36bn
- Hsware: 7 stocks; $12bn
- HmImpRtl: 9 stocks; $108bn
**Consumer Staples**

- **HhldPrdct**: 16 stocks; $377bn
- **FdRetail**: 38 stocks; $293bn
- **DrugRetail**: 10 stocks; $101bn
- **Brewers**: 16 stocks; $302bn
- **PkgFdMt**: 94 stocks; $722bn
- **Dist&Vnt**: 15 stocks; $156bn
- **SprCntrs**: 13 stocks; $387bn
- **Tobacco**: 17 stocks; $501bn
- **AgriProd**: 26 stocks; $719bn
- **PersPrdct**: 25 stocks; $168bn
- **SoftDrnks**: 10 stocks; $30bn
- **AgriProd**: 26 stocks; $719bn

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**December 28, 2011**
### Information Technology

<table>
<thead>
<tr>
<th>Sector</th>
<th>Strength</th>
<th>Momentum</th>
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<tbody>
<tr>
<td>EMS</td>
<td>32 stocks; $75bn</td>
<td>Semi</td>
</tr>
<tr>
<td>SemiEqp</td>
<td>49 stocks; $94bn</td>
<td>ComEquip</td>
</tr>
<tr>
<td>TechDist</td>
<td>18 stocks; $29bn</td>
<td>DataProc</td>
</tr>
<tr>
<td>InetSftSrv</td>
<td>89 stocks; $435bn</td>
<td>ElectInstr</td>
</tr>
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<td>ElecInstr</td>
<td>39 stocks; $81bn</td>
<td>ElecComp</td>
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<tr>
<td>ApplicSwr</td>
<td>83 stocks; $238bn</td>
<td>CompHdwr</td>
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<tr>
<td>SystmSwr</td>
<td>27 stocks; $426bn</td>
<td>OffElectr</td>
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<tr>
<td>PCStor&amp;P</td>
<td>26 stocks; $102bn</td>
<td>ITConsult</td>
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<tr>
<td>HmEntSwr</td>
<td>20 stocks; $61bn</td>
<td>ElecComp</td>
</tr>
</tbody>
</table>

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Telecommunication Services

Strength

Momentum

WlsTelSrv ↑
43 stocks; $842bn

AltCar → IntgTelSrv ↓
13 stocks; $26bn
67 stocks; $1122bn
Utilities

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Utilities

- MultiUtil: 41 stocks; $377bn
- GasUtil: 29 stocks; $144bn
- ElecUtil: 80 stocks; $806bn
- IPPTrad: 48 stocks; $169bn
- WaterUtil: 21 stocks; $40bn
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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<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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<tbody>
<tr>
<td>Buy</td>
<td>Outperform</td>
<td>35.8%</td>
<td>11.9%</td>
<td>31.8%</td>
<td>40.7%</td>
<td>44.2%</td>
<td>55.9%</td>
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<tr>
<td>Hold</td>
<td>Market Perform</td>
<td>62.2%</td>
<td>14.7%</td>
<td>68.2%</td>
<td>56.2%</td>
<td>54.6%</td>
<td>39.3%</td>
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<tr>
<td>Sell</td>
<td>Underperform</td>
<td>2.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>3.0%</td>
<td>1.3%</td>
<td>4.8%</td>
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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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