Group Selection

Priced as of October 12, 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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### 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>35% / 41% / 40%</td>
<td>-9% / -9% / -1%</td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>32% / 38% / 37%</td>
<td>-7% / -9% / 0%</td>
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</tr>
<tr>
<td>Industrials</td>
<td>32% / 40% / 39%</td>
<td>2% / 0% / 9%</td>
<td></td>
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<tr>
<td>CMR Disc</td>
<td>42% / 50% / 48%</td>
<td>1% / 0% / 8%</td>
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<tr>
<td>CMR Stap</td>
<td>65% / 73% / 70%</td>
<td>-17% / -18% / -2%</td>
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<tr>
<td>Health Care</td>
<td>43% / 53% / 52%</td>
<td>-14% / -14% / 0%</td>
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<tr>
<td>Financials</td>
<td>33% / 44% / 40%</td>
<td>-8% / -8% / 8%</td>
<td></td>
</tr>
<tr>
<td>Info Tech</td>
<td>32% / 38% / 40%</td>
<td>5% / 3% / 11%</td>
<td></td>
</tr>
<tr>
<td>Telecom</td>
<td>53% / 56% / 59%</td>
<td>-14% / -19% / -9%</td>
<td></td>
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<tr>
<td>Utilities</td>
<td>57% / 62% / 61%</td>
<td>-10% / -10% / 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.
<table>
<thead>
<tr>
<th>Sector</th>
<th>Strength</th>
<th>Momentum</th>
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<tbody>
<tr>
<td>MtGlsCnt SpecChm</td>
<td>11 stocks; $30bn</td>
<td>54 stocks; $191bn</td>
</tr>
<tr>
<td>IndusGas</td>
<td>17 stocks; $37bn</td>
<td>45 stocks; $90bn</td>
</tr>
<tr>
<td>PapProd DvrsMng</td>
<td>16 stocks; $55bn</td>
<td>45 stocks; $27bn</td>
</tr>
<tr>
<td>FrstPrd Steel</td>
<td>15 stocks; $11bn</td>
<td>72 stocks; $477bn</td>
</tr>
<tr>
<td>Fert&amp;Ag ComdChm</td>
<td>41 stocks; $275bn</td>
<td>30 stocks; $220bn</td>
</tr>
<tr>
<td>PaperPkg</td>
<td>18 stocks; $41bn</td>
<td>58 stocks; $126bn</td>
</tr>
<tr>
<td>MlGlsCnt SpecChm</td>
<td>11 stocks; $30bn</td>
<td>54 stocks; $191bn</td>
</tr>
<tr>
<td>SpecChm</td>
<td>14 stocks; $37bn</td>
<td>48 stocks; $777bn</td>
</tr>
<tr>
<td>Alumin DiversChm</td>
<td>18 stocks; $210bn</td>
<td>13 stocks; $55bn</td>
</tr>
<tr>
<td>DiversChm</td>
<td>18 stocks; $210bn</td>
<td>13 stocks; $55bn</td>
</tr>
<tr>
<td>DiversChm</td>
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<tr>
<td>Steel</td>
<td>12 stocks; $63bn</td>
<td>12 stocks; $63bn</td>
</tr>
<tr>
<td>PrecMet Steel</td>
<td>13 stocks; $63bn</td>
<td>13 stocks; $63bn</td>
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</tbody>
</table>
Consumer Staples

October 12, 2011

Mark Steele (416) 359-4641

- HhldPrdct: 16 stocks, $370bn
- SoftDrinks: 16 stocks, $320bn
- Tobacco: 17 stocks, $464bn
- FdRetail: 37 stocks, $290bn
- Dist&Vnt: 16 stocks, $163bn
- AgriProd: 20 stocks, $114bn
- SprCntrs: 13 stocks, $975bn
- Brewers: 16 stocks, $298bn
- PkgFdMt: 87 stocks, $719bn
- DrugRetail: 10 stocks, $94bn
- PersPrdct: 25 stocks, $171bn
- FdDistri: 10 stocks, $29bn
Telecommunication Services

- IntgTelSrv: 66 stocks, $1161bn
- WisTelSrv: 44 stocks, $864bn
- AltCar: 14 stocks, $26bn

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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.
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”
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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</thead>
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<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>
</tr>
<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>
</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.
*** 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.
**** Reflects rating distribution of all companies covered by BMO Capital Markets equity research analysts.
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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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