Group Selection

Priced as of July 17, 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 *

<table>
<thead>
<tr>
<th>Hyperlink</th>
<th>% Outperforming</th>
<th>Reward/Risk</th>
<th>Trend Psn</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US/GBL/CDA</td>
<td>US/GBL/CDA</td>
<td>US/GBL/CDA</td>
</tr>
<tr>
<td>Energy</td>
<td>18% / 28% / 36%</td>
<td>/ / /</td>
<td>12% / 13% / 9%</td>
</tr>
<tr>
<td>Materials</td>
<td>15% / 22% / 29%</td>
<td>/ / /</td>
<td>-4% / -5% / -6%</td>
</tr>
<tr>
<td>Industrials</td>
<td>31% / 42% / 55%</td>
<td>/ / /</td>
<td>-2% / -3% / -6%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>42% / 55% / 66%</td>
<td>/ / /</td>
<td>-6% / -7% / -9%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>54% / 69% / 82%</td>
<td>/ / /</td>
<td>1% / 0% / -2%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>50% / 61% / 73%</td>
<td>/ / /</td>
<td>12% / 11% / 7%</td>
</tr>
<tr>
<td>Financials</td>
<td>47% / 65% / 74%</td>
<td>/ / /</td>
<td>11% / 10% / 6%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>30% / 43% / 51%</td>
<td>/ / /</td>
<td>-15% / -16% / -17%</td>
</tr>
<tr>
<td>Telecom</td>
<td>33% / 45% / 51%</td>
<td>/ / /</td>
<td>20% / 17% / 15%</td>
</tr>
<tr>
<td>Utilities</td>
<td>38% / 56% / 68%</td>
<td>/ / /</td>
<td>7% / 8% / 0%</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 (rank), 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>
<th>Stocks</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>DrugRetail</td>
<td>10</td>
<td></td>
<td>$109bn</td>
<td></td>
</tr>
<tr>
<td>Dist&amp;Vnt</td>
<td></td>
<td>15</td>
<td>$190bn</td>
<td></td>
</tr>
<tr>
<td>PersPrdct</td>
<td></td>
<td>25</td>
<td>$180bn</td>
<td></td>
</tr>
<tr>
<td>HhldPrdct</td>
<td>17</td>
<td></td>
<td>$402bn</td>
<td></td>
</tr>
<tr>
<td>Tobacco</td>
<td></td>
<td>17</td>
<td>$572bn</td>
<td></td>
</tr>
<tr>
<td>SprCntrs</td>
<td></td>
<td>16</td>
<td>$443bn</td>
<td></td>
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<tr>
<td>Brewers</td>
<td>15</td>
<td></td>
<td>$345bn</td>
<td></td>
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<tr>
<td>SoftDrnks</td>
<td>14</td>
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<td>$365bn</td>
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<tr>
<td>FdRetail</td>
<td></td>
<td>38</td>
<td>$299bn</td>
<td></td>
</tr>
<tr>
<td>PkgFdMt</td>
<td></td>
<td>84</td>
<td>$722bn</td>
<td></td>
</tr>
<tr>
<td>FdDistri</td>
<td></td>
<td>11</td>
<td>$30bn</td>
<td></td>
</tr>
<tr>
<td>SprCntrs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FdRetail</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>PkgFdMt</td>
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<td></td>
</tr>
<tr>
<td>FdDistri</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Consumer Staples

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Financials

- **OthrDivFS**: 16 stocks; $387bn
- **DivCpMkt**: 11 stocks; $103bn
- **Multi-LnIns**: 25 stocks; $297bn
- **ResidREIT**: 22 stocks; $93bn
- **Thrt&Mtg**: 50 stocks; $66bn
- **MltSecHld**: 44 stocks; $63bn
- **RegnBnk**: 135 stocks; $289bn
- **DiversREIT**: 60 stocks; $175bn
- **RetailREIT**: 44 stocks; $235bn
- **REstOpCo**: 18 stocks; $67bn
- **SpecREIT**: 39 stocks; $186bn
- **ConsmrFin**: 21 stocks; $156bn
- **IndusREIT**: 14 stocks; $37bn
- **MortgREIT**: 25 stocks; $57bn
- **OfficeREIT**: 27 stocks; $66bn
- **REstDevl**: 27 stocks; $156bn
- **P&C Insur**: 40 stocks; $456bn
- **AsstMgmt**: 78 stocks; $268bn
- **DiversBnk**: 165 stocks; $304bn
- **REstSrv**: 10 stocks; $14bn
Telecommunication Services

July 17, 2012

Momentum

Strength

IntgTelSrv
65 stocks; $1117bn

AltCar
13 stocks; $30bn

WlsTelSrv
43 stocks; $898bn

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Telecommunication Services

IntgTelSrv
65 stocks; $1117bn

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BMO Capital Markets
Utilities

Momentum

Strength

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Utilities

- ElecUtil
  - 52 stocks, $176.4bn

- MultiUtil
  - 39 stocks, $416bn

- GasUtil
  - 26 stocks, $143bn

- WaterUtil
  - 31 stocks, $52bn

- IPPTrad
  - 45 stocks, $137bn

July 17, 2012
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).
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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<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>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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Und = Underperform - Forecast to underperform the market;
(S) = speculative investment;
NR = No rating at this time;
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