Group Selection
Priced as of June 26, 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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*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 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>Momentum</th>
<th>Strength</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mov &amp; Ent</td>
<td>Consmr Fin</td>
</tr>
<tr>
<td>Home Bld</td>
<td>Data Proc</td>
</tr>
<tr>
<td>Asst Mgmt</td>
<td>Mt Gl's Cnt</td>
</tr>
<tr>
<td>Mt Gl's Cnt</td>
<td></td>
</tr>
<tr>
<td>Appr &amp; Rtl</td>
<td>Ind Congl</td>
</tr>
<tr>
<td>Ind Congl</td>
<td>Pkg Fd Mt</td>
</tr>
<tr>
<td>Mlt Sec Hld</td>
<td></td>
</tr>
<tr>
<td>HCServ</td>
<td>Gas Util</td>
</tr>
<tr>
<td>Reinsuran</td>
<td></td>
</tr>
<tr>
<td>Thrft &amp; Mtg</td>
<td>Trucking</td>
</tr>
<tr>
<td>Textiles</td>
<td></td>
</tr>
<tr>
<td>Hm Imp Rtl</td>
<td></td>
</tr>
<tr>
<td>Bld Prdcts</td>
<td>Broadcast</td>
</tr>
</tbody>
</table>
### Resources

**Momentum**
- **FrstPrd**: 13 stocks; $11bn
- **MtGlsCnt**: 13 stocks; $35bn
- **MtGlsCnt**: 13 stocks; $35bn
- **DiversChm**: 16 stocks; $224bn
- **SpecChm**: 39 stocks; $227bn
- **CstrMat**: 26 stocks; $123bn
- **OG StTr**: 69 stocks; $386bn
- **DiversChm**: 18 stocks; $224bn

**Strength**
- **OG RfMkt**: 45 stocks; $218bn
- **ComdChm**: 30 stocks; $214bn
- **PapProd**: 44 stocks; $84bn
- **RfMkt**: 40 stocks; $84bn
- **OG StTr**: 69 stocks; $386bn
- **CstrMat**: 26 stocks; $123bn
- **OG StTr**: 69 stocks; $386bn
- **DiversChm**: 18 stocks; $224bn
- **IndusGas**: 10 stocks; $118bn

**Markets**
- **Fert&Ag**: 39 stocks; $260bn
- **PapProd**: 44 stocks; $218bn
- **ComdChm**: 30 stocks; $214bn
- **OG RfMkt**: 45 stocks; $218bn
- **PapProd**: 44 stocks; $84bn
- **ComdChm**: 30 stocks; $214bn
- **Fert&Ag**: 39 stocks; $260bn

**Economic Sectors**
- **OG Equip**: 79 stocks; $334bn
- **OG E&P**: 230 stocks; $915bn
- **Coal&Uran**: 50 stocks; $122bn
- **DvrsMng**: 148 stocks; $634bn
- **PrecMet**: 59 stocks; $108bn
- **Steel**: 75 stocks; $391bn
- **OG Equip**: 79 stocks; $334bn
- **OG E&P**: 230 stocks; $915bn
- **Coal&Uran**: 50 stocks; $122bn
- **DvrsMng**: 148 stocks; $634bn
- **PrecMet**: 59 stocks; $108bn
- **Steel**: 75 stocks; $391bn

**Other**
- **OG Drill**: 33 stocks; $195bn
- **Int O&G**: 36 stocks; $195bn
- **OG Equip**: 79 stocks; $334bn
- **OG E&P**: 230 stocks; $915bn
- **Coal&Uran**: 50 stocks; $122bn
- **DvrsMng**: 148 stocks; $634bn
- **PrecMet**: 59 stocks; $108bn
- **Steel**: 75 stocks; $391bn

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**June 26, 2012**

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Momentum

Strength

OG RfMkt 45 stocks; $218bn
OG Drill 36 stocks; $195bn
OG E&P 230 stocks; $915bn
Coal&Uran 50 stocks; $122bn
OG StTr 69 stocks; $386bn
OG Equip 79 stocks; $334bn
Int O&G 33 stocks; $93bn

June 26, 2012

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Consumer Discretionary

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Mov&Ent 18 stocks; $195bn
Hsware 7 stocks; $73bn

CatalgRtl 8 stocks; $15bn
SpCmSrv 13 stocks; $20bn

Educat 22 stocks; $26bn
Publishing 31 stocks; $110bn

LeisPrd 16 stocks; $41bn
Cabl&Sat 23 stocks; $239bn

Tire&Rub 8 stocks; $51bn
April&Gds 46 stocks; $326bn

Rstaurnt 16 stocks; $267bn
ApparRtl 33 stocks; $278bn

Cas&Gam 26 stocks; $190bn
CmrElec 14 stocks; $67bn

CmrElec 14 stocks; $67bn
DeptStrs 20 stocks; $133bn

HmImpRtl 9 stocks; $126bn
AutoRtl 15 stocks; $52bn

AutoParts 40 stocks; $173bn
HmFrnsh 14 stocks; $31bn

HhldApl 12 stocks; $38bn

Textiles 5 stocks; $5bn
Footwear 13 stocks; $61bn

HmImpRtl 9 stocks; $126bn
Distib 13 stocks; $46bn

HmFrnsh 14 stocks; $31bn
AutoMfg 35 stocks; $670bn

Broadcast 28 stocks; $102bn
InetRtl 20 stocks; $176bn

InetRtl 20 stocks; $176bn
HhldApl 12 stocks; $38bn
<table>
<thead>
<tr>
<th>Sector</th>
<th>Number of Stocks</th>
<th>Market Value</th>
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</thead>
<tbody>
<tr>
<td>FdRetail</td>
<td>98</td>
<td>$290bn</td>
</tr>
<tr>
<td>DrugRetail</td>
<td>10</td>
<td>$103bn</td>
</tr>
<tr>
<td>Tobacco</td>
<td>17</td>
<td>$537bn</td>
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<tr>
<td>PkgFdMt</td>
<td>84</td>
<td>$726bn</td>
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<tr>
<td>SprCntrs</td>
<td>16</td>
<td>$415bn</td>
</tr>
<tr>
<td>SoftDrinks</td>
<td>14</td>
<td>$356bn</td>
</tr>
<tr>
<td>HhdPrdct</td>
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<td>$374bn</td>
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<tr>
<td>Dist&amp;Vnt</td>
<td>15</td>
<td>$178bn</td>
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<tr>
<td>Brewers</td>
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<td>$325bn</td>
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<tr>
<td>PersPrdct</td>
<td>25</td>
<td>$173bn</td>
</tr>
<tr>
<td>FdDistri</td>
<td>17</td>
<td>$339bn</td>
</tr>
<tr>
<td>AgriProd</td>
<td>25</td>
<td>$107bn</td>
</tr>
</tbody>
</table>
Momentum

Strength

June 26, 2012

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Health Care

HCDistrib
18 stocks; $72bn

Pharma
94 stocks; $1724bn

HCEquip
81 stocks; $322bn

LfSciSrv
35 stocks; $87bn

81 stocks; $145bn

8 stocks; $145bn

24 stocks; $54bn

30 stocks; $49bn

Biotech
116 stocks; $313bn

MngHCare
15 stocks; $143bn

HCSuppls

HCFacility
12 stocks; $30bn

HCServce

HCareTec

HCDistrib

HCEquip

HCFacility

HCServce

Telecommunication Services

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Momentum

Strength

IntgTelSrv → 65 stocks, $1066bn
WisTelSrv → 43 stocks, $847bn
AltCar 14 stocks, $31bn
Utilities

Momentum

Strength

June 26, 2012

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Utilities

IPPTrad
46 stocks; $164bn

WaterUtil
46 stocks; $164bn

MultiUtil
38 stocks; $363bn

GasUtil
28 stocks; $138bn

ElecUtil
85 stocks; $789bn
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”
- 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>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>37.7%</td>
<td>12.1%</td>
<td>52.1%</td>
<td>39.2%</td>
<td>48.3%</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>
</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>
</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.
**** Reflects rating distribution of all companies covered by BMO Capital Markets equity research analysts.
***** Reflects rating distribution of all companies from which BMO Capital Markets has received compensation for Investment Banking services as percentage of Investment Banking clients.
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We use the following ratings system definitions:
OP = Outperform - Forecast to outperform the market;
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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