Group Selection
Priced as of August 1, 2013

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 (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**

- **AutoRtl** (16 stocks; $70bn)
- **HmFnsh** (13 stocks; $40bn)
- **Apr&Gds** (12 stocks; $51bn)
- **Htl&Rst** (27 stocks; $134bn)
- **DeptStrs** (9 stocks; $185bn)
- **HhldApl** (10 stocks; $40bn)
- **Rstaurnt** (28 stocks; $137bn)
- **HmImpRtl** (9 stocks; $185bn)
- **Advert** (21 stocks; $99bn)
- **HmImpRtl** (9 stocks; $185bn)
- **AutoParts** (37 stocks; $268bn)
- **Tire&Rub** (25 stocks; $355bn)
- **NetRtl** (23 stocks; $267bn)
- **Cabl&Sat** (20 stocks; $285bn)
- **Hsware** (7 stocks; $158bn)
- **Mov&Ent** (20 stocks; $285bn)
- **ApparlRtl** (53 stocks; $357bn)
- **SpecStors** (28 stocks; $104bn)

**Momentum**

- **LeisPrd** (19 stocks; $60bn)
- **CatalgRtl** (21 stocks; $23bn)
- **Publishing** (28 stocks; $137bn)
- **InetRtl** (23 stocks; $267bn)
- **CmrElec** (12 stocks; $78bn)
- **LeisFcll** (7 stocks; $30bn)
- **Broadcast** (29 stocks; $158bn)
- **Footwear** (13 stocks; $79bn)
- **Cas&Gam** (40 stocks; $280bn)
- **AutoMfg** (36 stocks; $986bn)

- **AutoParts** (37 stocks; $268bn)
- **Cabl&Sat** (20 stocks; $285bn)
- **Hsware** (7 stocks; $158bn)
- **Mov&Ent** (20 stocks; $285bn)
- **ApparlRtl** (53 stocks; $357bn)
- **SpecStors** (28 stocks; $104bn)
- **AutoMfg** (36 stocks; $986bn)
- **CmpElRtl** (14 stocks; $238bn)
- **InetRtl** (23 stocks; $267bn)
- **Footwear** (13 stocks; $79bn)
- **Footwear** (13 stocks; $79bn)
- **HomeBld** (31 stocks; $82bn)
- **HomeBld** (31 stocks; $82bn)
- **Textiles** (5 stocks; $6bn)
- **SpCmSrv** (14 stocks; $238bn)
- **GMrchStrs** (15 stocks; $114bn)
- **GMrchStrs** (15 stocks; $114bn)
- **Textiles** (5 stocks; $6bn)
August 1, 2013

Information Technology

Momentum

Strength

TechDist 16 stocks; $30bn
SystmSwr 33 stocks; $543bn
CompHdwr 22 stocks; $550bn
Semi 116 stocks; $754bn

InetSftSrv 96 stocks; $760bn
HmEntSwr 21 stocks; $85bn
DataProc 45 stocks; $380bn
ApplicSwr 79 stocks; $344bn

PCStor&P 20 stocks; $133bn
EMS 27 stocks; $92bn
ComEquip 72 stocks; $424bn
ElecInstr 40 stocks; $132bn

OffElectr 9 stocks; $77bn
ITConsult 48 stocks; $524bn
ElecComp 41 stocks; $179bn
SemiEqp 40 stocks; $129bn
Telecommunication Services

August 1, 2013

Mark Steele (416) 359-4641

Telecommunication Services

Strength

Momentum

AltCar
13 stocks; $42bn

IntgTelSrv
62 stocks; $117bn

WlsTelSrv
44 stocks; $98bn
Utilities

Mark Steele (416) 359-4641

August 1, 2013

Momentum Strength

MultiUtil 39 stocks; $443bn
GasUtil 34 stocks; $193bn
WaterUtil 21 stocks; $57bn
IPPTrad 45 stocks; $154bn
GasUtil 34 stocks; $193bn
ElecUtil 83 stocks; $824bn

Utilities

Utilities

Utilities

Utilities

Utilities
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>
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</thead>
<tbody>
<tr>
<td>Buy</td>
<td>Outperform</td>
<td>37.0%</td>
<td>17.7%</td>
<td>52.0%</td>
<td>38.5%</td>
<td>50.5%</td>
<td>54.0%</td>
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<tr>
<td>Hold</td>
<td>Market Perform</td>
<td>60.7%</td>
<td>9.6%</td>
<td>47.1%</td>
<td>57.3%</td>
<td>48.4%</td>
<td>40.6%</td>
</tr>
<tr>
<td>Sell</td>
<td>Underperform</td>
<td>2.4%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>4.2%</td>
<td>1.0%</td>
<td>5.4%</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;
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