Group Selection

Priced as of July 17, 2014

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 ( ), 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.

See Help Pages for further details.
<table>
<thead>
<tr>
<th>Sector</th>
<th>Momentum</th>
<th>Strength</th>
</tr>
</thead>
<tbody>
<tr>
<td>OG RfMkt</td>
<td>7 stocks; $56bn</td>
<td>16 stocks; $51bn</td>
</tr>
<tr>
<td>MtGlsCnt</td>
<td>16 stocks; $51bn</td>
<td>31 stocks; $107bn</td>
</tr>
<tr>
<td>ComdChm</td>
<td>32 stocks; $326bn</td>
<td>17 stocks; $79bn</td>
</tr>
<tr>
<td>Coal&amp;Uran</td>
<td>31 stocks; $107bn</td>
<td>17 stocks; $79bn</td>
</tr>
<tr>
<td>PaperPkg</td>
<td>17 stocks; $79bn</td>
<td>17 stocks; $79bn</td>
</tr>
<tr>
<td>OG StTr</td>
<td>96 stocks; $748bn</td>
<td>16 stocks; $51bn</td>
</tr>
<tr>
<td>Alumin</td>
<td>11 stocks; $51bn</td>
<td>4 stocks; $107bn</td>
</tr>
<tr>
<td>DvrsMng</td>
<td>11 stocks; $51bn</td>
<td>16 stocks; $51bn</td>
</tr>
<tr>
<td>SpecChm</td>
<td>66 stocks; $358bn</td>
<td>29 stocks; $298bn</td>
</tr>
<tr>
<td>CstrMat</td>
<td>29 stocks; $298bn</td>
<td>31 stocks; $107bn</td>
</tr>
<tr>
<td>Int O&amp;G</td>
<td>34 stocks; $2312bn</td>
<td>31 stocks; $107bn</td>
</tr>
<tr>
<td>OG Drill</td>
<td>32 stocks; $130bn</td>
<td>31 stocks; $107bn</td>
</tr>
<tr>
<td>IndusGas</td>
<td>10 stocks; $166bn</td>
<td>16 stocks; $51bn</td>
</tr>
<tr>
<td>Gold</td>
<td>94 stocks; $188bn</td>
<td>34 stocks; $2312bn</td>
</tr>
<tr>
<td>PrecMet</td>
<td>25 stocks; $188bn</td>
<td>34 stocks; $2312bn</td>
</tr>
<tr>
<td>OG Equip</td>
<td>8 stocks; $51bn</td>
<td>34 stocks; $2312bn</td>
</tr>
<tr>
<td>Silver</td>
<td>13 stocks; $78bn</td>
<td>34 stocks; $2312bn</td>
</tr>
<tr>
<td>DiversChm</td>
<td>16 stocks; $51bn</td>
<td>34 stocks; $2312bn</td>
</tr>
<tr>
<td>PapProd</td>
<td>26 stocks; $93bn</td>
<td>34 stocks; $2312bn</td>
</tr>
<tr>
<td>Fert&amp;Ag</td>
<td>37 stocks; $542bn</td>
<td>34 stocks; $2312bn</td>
</tr>
<tr>
<td>OG E&amp;P</td>
<td>218 stocks; $1311bn</td>
<td>34 stocks; $2312bn</td>
</tr>
</tbody>
</table>

Momentum: OG StTr
Strength: OG RfMkt
July 17, 2014

Momentum

Strength

Energy

OG RfMkt ← 27 stocks; $356bn

Coal & Uran → 31 stocks; $107bn

OG StTr ← 86 stocks; $748bn

Int O&G ← 34 stocks; $2312bn

OG Drill → 32 stocks; $130bn

OG Equip ← 88 stocks; $542bn

OG E&P → 218 stocks; $1311bn
Momentum

Strength

Materials

July 17, 2014

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ComdChm
32 stocks; $326bn

MtGlCn
t
16 stocks; $51bn

PaperPkg
t
17 stocks; $79bn

Steel
t
30 stocks; $409bn

Alumin
2 stocks; $61bn

DvrsMng
d
52 stocks; $632bn

IndusG
d
10 stocks; $166bn

SpecChm
66 stocks; $399bn

CstrMat
t
49 stocks; $207bn

PrecMet
d
25 stocks; $72bn

Gold
d
94 stocks; $188bn

DiversChm
18 stocks; $310bn

IndusGas
d
10 stocks; $166bn

Silver
d
13 stocks; $19bn

Fert&Ag
37 stocks; $262bn

FrstPrd
12 stocks; $19bn

ComdChm
32 stocks; $326bn

MtGlCn
t
16 stocks; $51bn

PaperPkg
t
17 stocks; $79bn

Steel
t
30 stocks; $409bn

Alumin
2 stocks; $61bn

DvrsMng
d
52 stocks; $632bn

IndusG
d
10 stocks; $166bn

SpecChm
66 stocks; $399bn

CstrMat
t
49 stocks; $207bn

PrecMet
d
25 stocks; $72bn

Gold
d
94 stocks; $188bn

DiversChm
18 stocks; $310bn

IndusGas
d
10 stocks; $166bn

Silver
d
13 stocks; $19bn

Fert&Ag
37 stocks; $262bn

FrstPrd
12 stocks; $19bn
Information Technology

July 17, 2014

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DataProc
49 stocks; $473bn

ComEquip
64 stocks; $425bn

SystmSwr
37 stocks; $672bn

HmEntSwr
21 stocks; $85bn

InetSftSrv
109 stocks; $721bn

ApplicSwr
49 stocks; $395bn

TechDist
17 stocks; $41bn

ITConsult
49 stocks; $568bn

ElecInstr
44 stocks; $159bn

Semi
116 stocks; $973bn

SemiEqp
39 stocks; $156bn

ElecComp
42 stocks; $237bn

EMS
25 stocks; $114bn

HdwrSt&P
50 stocks; $983bn

49 stocks;$473bn

64 stocks;$425bn

37 stocks;$672bn

21 stocks;$85bn

109 stocks;$721bn

49 stocks;$395bn

17 stocks;$41bn

49 stocks;$568bn

44 stocks;$159bn

116 stocks;$973bn

39 stocks;$156bn

42 stocks;$237bn

25 stocks;$114bn

50 stocks;$983bn

BMO Capital Markets

Momentum

Strength
Momentum
Strength

July 17, 2014

Telecommunication Services

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WlsTelSrv
47 stocks; $1004bn

AltCar
15 stocks; $63bn

IntgTelSrv
45 stocks; $1374bn

47 stocks; $1004bn
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 the members are 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 deviation from the trend. Our process is flexible, thorough, and because it is run daily, timely.

The Dataset:
- Over 5,700 securities.
- Groups have a:
  ...Median depth of 28
  ...Average depth of 36

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 in 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).
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 moving average (momentum).

- Each chart is hyperlinked to the group membership, in our RS Filter Toolkit.
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Distribution of Ratings (March 31, 2014)

<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 Clients*****</th>
<th>Staining Universe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buy</td>
<td>Outperform</td>
<td>42.0%</td>
<td>21.5%</td>
<td>60.7%</td>
<td>40.8%</td>
<td>33.6%</td>
<td>55.8%</td>
</tr>
<tr>
<td>Hold</td>
<td>Market Perform</td>
<td>53.8%</td>
<td>10.8%</td>
<td>38.2%</td>
<td>52.8%</td>
<td>43.8%</td>
<td>40.8%</td>
</tr>
<tr>
<td>Sell</td>
<td>Underperform</td>
<td>5.2%</td>
<td>3.2%</td>
<td>1.1%</td>
<td>6.3%</td>
<td>2.7%</td>
<td>5.0%</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.
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***** 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 analyst's coverage universe on a total return basis;

Mkt = Market Perform - Forecast to perform roughly in line with the analyst's coverage universe on a total return basis;

Und = Underperform - Forecast to underperform the analyst's coverage universe on a total return basis;

(S) = Speculative investment;

NR = No rating at this time; and

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