Group Selection

Priced as of March 4, 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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### Sector Relative Strength Profiles*

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>43% / 41% / 49%</td>
<td>/ / /</td>
<td>-19% / -10% / 5%</td>
</tr>
<tr>
<td>Materials</td>
<td>45% / 43% / 49%</td>
<td>/ / /</td>
<td>-30% / -22% / -9%</td>
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<tr>
<td>Industrials</td>
<td>71% / 69% / 74%</td>
<td>/ / /</td>
<td>-10% / 1% / 16%</td>
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<tr>
<td>CMR Disc</td>
<td>62% / 60% / 66%</td>
<td>/ / /</td>
<td>-9% / 3% / 17%</td>
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<tr>
<td>CMR Stap</td>
<td>59% / 52% / 60%</td>
<td>/ / /</td>
<td>-7% / 7% / 22%</td>
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<tr>
<td>Hlth Care</td>
<td>53% / 49% / 57%</td>
<td>/ / /</td>
<td>2% / 13% / 28%</td>
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<tr>
<td>Financials</td>
<td>68% / 63% / 74%</td>
<td>/ / /</td>
<td>-9% / 6% / 24%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>49% / 46% / 50%</td>
<td>/ / /</td>
<td>1% / 8% / 20%</td>
</tr>
<tr>
<td>Telecom</td>
<td>48% / 43% / 50%</td>
<td>/ / /</td>
<td>-23% / -9% / 5%</td>
</tr>
<tr>
<td>Utilities</td>
<td>43% / 39% / 55%</td>
<td>/ / /</td>
<td>-2% / 20% / 35%</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.
Momentum
Strength

March 4, 2013

OG RFMkt
46 stocks; $369bn

OG StTr
72 stocks; $491bn

OG Drill
31 stocks; $119bn

OG Equip
77 stocks; $410bn

Coal & Uran
40 stocks; $126bn

Int O&G
36 stocks; $212bn

OG E&P
211 stocks; $1026bn
March 4, 2013

Health Care

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Momentum

Strength

Biotech
104 stocks; $414bn

HCSupplls
25 stocks; $66bn

HCareTec
13 stocks; $30bn

MngHCare
14 stocks; $155bn

HCFacility
28 stocks; $67bn

Pharma
85 stocks; $190bn

HCService
32 stocks; $163bn

HCEquip
79 stocks; $425bn

HCDistrib
13 stocks; $86bn

LiSciSrv
32 stocks; $113bn

Health Care

79 stocks; $425bn

13 stocks; $86bn

25 stocks; $66bn

13 stocks; $30bn

32 stocks; $113bn

28 stocks; $67bn

85 stocks; $190bn

32 stocks; $163bn

79 stocks; $425bn
Momentum
Strength

March 4, 2013

Telecommunication Services

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AltCar
14 stocks; $35bn

IntgTelSrv
67 stocks; $113bn

WlsTelSrv
45 stocks; $90bn
March 4, 2013

Utilities

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- **WaterUtil**: 21 stocks; $57bn
- **MultiUtil**: 39 stocks; $415bn
- **GasUtil**: 30 stocks; $173bn
- **ElecUtil**: 84 stocks; $794bn
- **IPPTrad**: 43 stocks; $152bn
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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<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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<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>
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</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.
***** 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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Und = Underperform - Forecast to underperform the market;
(S) = speculative investment;
NR = No rating at this time;
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