Group Selection
Priced as of July 8, 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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### Sector Relative Strength Profiles*

<table>
<thead>
<tr>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>59% / 62% / 52%</td>
<td>/ /</td>
<td>-2% / -2% / -10%</td>
</tr>
<tr>
<td>Materials</td>
<td>41% / 46% / 36%</td>
<td>/ /</td>
<td>8% / 11% / 1%</td>
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<tr>
<td>Industrials</td>
<td>39% / 45% / 33%</td>
<td>/ /</td>
<td>-2% / 0% / -9%</td>
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<tr>
<td>CMR Disc</td>
<td>34% / 38% / 28%</td>
<td>/ /</td>
<td>4% / 5% / -2%</td>
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<td>CMR Stap</td>
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<td>/ /</td>
<td>6% / 9% / -3%</td>
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<td>Hlth Care</td>
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<td>/ /</td>
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<td>Financials</td>
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<td>/ /</td>
<td>1% / 3% / -6%</td>
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<tr>
<td>Info Tech</td>
<td>41% / 46% / 35%</td>
<td>/ /</td>
<td>4% / 5% / -3%</td>
</tr>
<tr>
<td>Telecom</td>
<td>47% / 55% / 39%</td>
<td>/ /</td>
<td>-2% / -1% / -8%</td>
</tr>
<tr>
<td>Utilities</td>
<td>59% / 66% / 52%</td>
<td>/ /</td>
<td>5% / 7% / -9%</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 ( ), 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.
Resources

PrecMet ➔ 23 stocks; $74bn
DvrsMng ➔ Gold ➔ 89 stocks; $183bn
Fert&Ag ➔ DiversChm ➔ Steel ➔ 18 stocks; $269bn
PapProd ➔ 28 stocks; $93bn

IndusGas ➔ CstrMat ➔ SpecChm ➔ Coal&Uran ➔ 10 stocks; $168bn
CstrMat ➔ Silver ➔ Alumin ➔ MtGlsCnt ➔ 16 stocks; $51bn
Silver ➔ 13 stocks; $19bn

Alumin ➔ MtGlsCnt ➔ OGRfMkt ➔ PaperPkg ➔ 12 stocks; $58bn
MtGlsCnt ➔ 16 stocks; $51bn

OG StTr ➔ OG Equip ➔ Int O&G ➔ OG Drill ➔ 68 stocks; $736bn
OG Equip ➔ 88 stocks; $551bn
Int O&G ➔ 84 stocks; $2356bn

OG Equip ➔ OG E&P ➔ 219 stocks; $1346bn
OG E&P ➔ 34 stocks; $2356bn

ComdChm ➔ FrstPrd ➔ OG StTr ➔ OG Equip ➔ 34 stocks; $337bn
OG Equip ➔ 88 stocks; $551bn
Int O&G ➔ 84 stocks; $2356bn

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July 8, 2014

**Consumer Staples**

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### Momentum

- **DrugRetail** 9 stocks; $177bn
- **AgriProd** 23 stocks; $337bn
- **Tobacco** 16 stocks; $604bn
- **Brewers** 16 stocks; $643bn
- **HhldPrdct** 18 stocks; $537bn
- **Dist&Vnt** 13 stocks; $206bn
- **PersPrdct** 26 stocks; $245bn
- **SprCntrs** 17 stocks; $493bn
- **FdRetail** 42 stocks; $384bn
- **SoftDrnks** 15 stocks; $418bn
- **FdDistri** 12 stocks; $423bn
- **PkgFdMt** 122 stocks; $1098bn

### Strength

- **DrugRetail** 9 stocks; $177bn
- **SprCntrs** 17 stocks; $493bn
- **PersPrdct** 26 stocks; $245bn
- **SoftDrnks** 15 stocks; $418bn
- **PkgFdMt** 122 stocks; $1098bn
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- **SoftDrnks** 15 stocks; $418bn
- **PkgFdMt** 122 stocks; $1098bn
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<th>Strength</th>
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<tr>
<td>ApplicSwr</td>
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</table>

**Information Technology**

50 stocks; $997bn
116 stocks; $980bn
39 stocks; $161bn
17 stocks; $42bn
49 stocks; $573bn
44 stocks; $162bn
42 stocks; $234bn
49 stocks; $473bn
44 stocks; $327bn
25 stocks; $115bn
37 stocks; $653bn
21 stocks; $85bn
37 stocks; $653bn
24 stocks; $85bn
109 stocks; $722bn
80 stocks; $398bn
July 8, 2014

Utilities

Momentum

Strength

IPPTrad
23 stocks; $122bn

WaterUtil
20 stocks; $68bn

ElecUtil
85 stocks; $948bn

RenewElec
22 stocks; $55bn

GasUtil
33 stocks; $209bn

MultiUtil
39 stocks; $506bn

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Utilities

BMO Capital Markets
**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:
  ...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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Company Specific Disclosures
For Important Disclosures on the stocks discussed in this report, please go to

Distribution of Ratings (March 31, 2014)

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<th>Rating Category</th>
<th>BMO Rating</th>
<th>BMOCM US Universe*</th>
<th>BMOCM US IB Clients**</th>
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<th>BMOCM Universe****</th>
<th>BMOCM Clients*****</th>
<th>Starnage Universe</th>
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<td>Buy</td>
<td>Outperform</td>
<td>42.0%</td>
<td>21.3%</td>
<td>60.7%</td>
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<td>Hold</td>
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<td>10.8%</td>
<td>38.2%</td>
<td>52.8%</td>
<td>43.8%</td>
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</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.
**** 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 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
R = Restricted – Dissemination of research is currently restricted.
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