Group Selection

Priced as of October 16, 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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October 16, 2013

Sector View

Sector Relative Strength Profiles*

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Energy</td>
<td>41% / 45% / 51%</td>
<td>10% / 7% / 7%</td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>31% / 34% / 40%</td>
<td>5% / 4% / 2%</td>
<td></td>
</tr>
<tr>
<td>Industrials</td>
<td>56% / 61% / 70%</td>
<td>1% / -2% / -3%</td>
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<tr>
<td>CMR Disc</td>
<td>60% / 66% / 72%</td>
<td>-2% / -4% / -7%</td>
<td></td>
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<tr>
<td>CMR Stap</td>
<td>39% / 48% / 53%</td>
<td>0% / -2% / -2%</td>
<td></td>
</tr>
<tr>
<td>Hlth Care</td>
<td>57% / 63% / 71%</td>
<td>2% / -3% / -4%</td>
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<tr>
<td>Financials</td>
<td>42% / 49% / 58%</td>
<td>11% / 7% / 7%</td>
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<tr>
<td>Info Tech</td>
<td>64% / 67% / 74%</td>
<td>-1% / -3% / -5%</td>
<td></td>
</tr>
<tr>
<td>Telecom</td>
<td>43% / 54% / 66%</td>
<td>18% / 11% / 10%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>22% / 32% / 38%</td>
<td>8% / 3% / 3%</td>
<td></td>
</tr>
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</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.
October 16, 2013

Energy

Momentum

Strength

OG RfMkt  
59 stocks; $325bn

Coal&Uran  
36 stocks; $104bn

OG E&P  
228 stocks; $1187bn

Int O&G  
34 stocks; $2176bn

OG Drill  
31 stocks; $124bn

OG Equip  
84 stocks; $486bn

OG StTr  
77 stocks; $560bn

OG E&P  
228 stocks; $1187bn
October 16, 2013

Momentum

Strength

Materials

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PapProd → 31 stocks; $93bn
Steel ↑ 73 stocks; $414bn
DiversChm ↑ 20 stocks; $316bn
PaperPkg ↓ 18 stocks; $76bn
ComdChm ↓ 32 stocks; $300bn
CstrMat ↓ 28 stocks; $182bn
IndusGas → 10 stocks; $152bn
SpecChm 63 stocks; $287bn
MtGlsCnt 15 stocks; $44bn
FrstPrd ↑ 12 stocks; $20bn
Gold ↑ 100 stocks; $158bn
PrecMet 43 stocks; $78bn
Alumin ↓ 11 stocks; $36bn
Fert&Ag ↓ 34 stocks; $236bn
Momentum

Strength

October 16, 2013

Consumer Staples

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SprCntr
17 stocks; $495bn

PersPrdct
25 stocks; $236bn

SoftDrinks
14 stocks; $382bn

FdRetail
41 stocks; $388bn

PkgFdMt
117 stocks; $951bn

Brewers
16 stocks; $430bn

DrugRetail
10 stocks; $156bn

HhldPrdct
18 stocks; $415bn

AgriProd
32 stocks; $127bn

Tobacco
16 stocks; $552bn

FdDistri
12 stocks; $34bn

Dist&Vnt
14 stocks; $204bn
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Telecommunication Services

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Strength

Momentum

AltCar
14 stocks; $48bn

IntgTelSrv
65 stocks; $1249bn

WlsTelSrv
46 stocks; $1058bn
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Utilities

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ElecUtil
83 stocks; $847bn

WaterUtil
21 stocks; $58bn

MultiUtil
39 stocks; $460bn

GasUtil
34 stocks; $192bn

IPPTrad
46 stocks; $158bn
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>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>Stammie Universe</th>
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<td>Buy</td>
<td>Outperform</td>
<td>37.9%</td>
<td>17.6%</td>
<td>52.7%</td>
<td>39.6%</td>
<td>51.0%</td>
<td>53.2%</td>
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<tr>
<td>Hold</td>
<td>Market Perform</td>
<td>56.8%</td>
<td>10.2%</td>
<td>45.9%</td>
<td>53.9%</td>
<td>45.5%</td>
<td>41.1%</td>
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<tr>
<td>Sell</td>
<td>Underperform</td>
<td>5.3%</td>
<td>3.2%</td>
<td>1.4%</td>
<td>6.5%</td>
<td>3.5%</td>
<td>5.6%</td>
</tr>
</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.
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Und = Underperform - Forecast to underperform the market;
(S) = speculative investment;
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