Group Selection
Priced as of June 25, 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

Mark Steele
(416) 359-4641
mark.steele@bmo.com

Tiberiu Stoichita
(416) 359-4684
tiberiu.stoichita@bmo.com

Rahul Muralidhar
(416) 359-7689
rahul.muralidhar@bmo.com

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**Sector Relative Strength Profiles**

<table>
<thead>
<tr>
<th>Hyperlink</th>
<th>% Outperforming</th>
<th>Reward/Risk</th>
<th>Trend Psn</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US/GBL/CDA</td>
<td>US/GBL/CDA</td>
<td>US/GBL/CDA</td>
</tr>
<tr>
<td>Energy</td>
<td>30% / 37% / 59%</td>
<td>-7% / 2% / 1%</td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>19% / 25% / 39%</td>
<td>-14% / -8% / -12%</td>
<td></td>
</tr>
<tr>
<td>Industrials</td>
<td>43% / 55% / 76%</td>
<td>-8% / 2% / 0%</td>
<td></td>
</tr>
<tr>
<td>CMR Disc</td>
<td>53% / 63% / 82%</td>
<td>0% / 9% / 7%</td>
<td></td>
</tr>
<tr>
<td>CMR Stap</td>
<td>45% / 57% / 78%</td>
<td>-11% / 3% / 2%</td>
<td></td>
</tr>
<tr>
<td>Hlth Care</td>
<td>48% / 58% / 79%</td>
<td>5% / 13% / 10%</td>
<td></td>
</tr>
<tr>
<td>Financials</td>
<td>47% / 57% / 83%</td>
<td>-11% / 2% / 2%</td>
<td></td>
</tr>
<tr>
<td>Info Tech</td>
<td>45% / 54% / 75%</td>
<td>8% / 16% / 15%</td>
<td></td>
</tr>
<tr>
<td>Telecom</td>
<td>32% / 44% / 66%</td>
<td>-5% / 6% / 7%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>36% / 52% / 81%</td>
<td>-16% / -7% / -6%</td>
<td></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.
### Materials

**Momentum**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Stocks</th>
<th>Market Cap ($bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>IndusGas</td>
<td>10</td>
<td>$139bn</td>
</tr>
<tr>
<td>PapProd</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MtGlsCnt</td>
<td>15</td>
<td>$41bn</td>
</tr>
<tr>
<td>PaperPkg</td>
<td>17</td>
<td>$62bn</td>
</tr>
<tr>
<td>SpecChm</td>
<td>62</td>
<td>$261bn</td>
</tr>
<tr>
<td>DiversChm</td>
<td>19</td>
<td>$272bn</td>
</tr>
<tr>
<td>Fert&amp;Ag</td>
<td>35</td>
<td>$251bn</td>
</tr>
<tr>
<td>Steel</td>
<td>72</td>
<td>$326bn</td>
</tr>
<tr>
<td>ComdChm</td>
<td>32</td>
<td>$268bn</td>
</tr>
<tr>
<td>CstrMat</td>
<td>28</td>
<td>$168bn</td>
</tr>
<tr>
<td>Alumin</td>
<td>12</td>
<td>$34bn</td>
</tr>
<tr>
<td>DvrsMng</td>
<td>107</td>
<td>$491bn</td>
</tr>
<tr>
<td>Gold</td>
<td>108</td>
<td>$153bn</td>
</tr>
<tr>
<td>PrecMet</td>
<td>65</td>
<td>$100bn</td>
</tr>
<tr>
<td>FrstPrd</td>
<td>11</td>
<td>$17bn</td>
</tr>
<tr>
<td>Gold</td>
<td>108</td>
<td>$153bn</td>
</tr>
</tbody>
</table>

**Strength**

- **ComdChm**: 32 stocks, $268bn
- **DiversChm**: 19 stocks, $272bn
- **PapProd**: 32 stocks, $268bn
- **CstrMat**: 28 stocks, $168bn
- **Fert&Ag**: 35 stocks, $251bn
- **Steel**: 72 stocks, $326bn
- **IndusGas**: 10 stocks, $139bn
- **MtGlsCnt**: 15 stocks, $41bn
- **PaperPkg**: 17 stocks, $62bn
- **SpecChm**: 62 stocks, $261bn
- **DvrsMng**: 107 stocks, $491bn
- **Gold**: 108 stocks, $153bn
- **PrecMet**: 65 stocks, $100bn
- **FrstPrd**: 11 stocks, $17bn

*June 25, 2013*
Momentum

Strength

AltCar
13 stocks; $39bn

IntgTelSrv
42 stocks; $1113bn

WlsTelSrv
46 stocks; $922bn

June 25, 2013

Telecommunication Services

Mark Steele (416) 359-4641
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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<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>Starnine Universe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buy</td>
<td>Outperform</td>
<td>37.0%</td>
<td>17.7%</td>
<td>52.9%</td>
<td>38.5%</td>
<td>50.5%</td>
<td>54.0%</td>
</tr>
<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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