Group Selection
Priced as of February 27, 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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Strength

Momentum

Hyperlinc

Reward/Risk

Trend Psn

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<tbody>
<tr>
<td>Energy</td>
<td>32% / 37% / 45%</td>
<td>5% / 6% / 5%</td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>32% / 37% / 45%</td>
<td>7% / 7% / 10%</td>
<td></td>
</tr>
<tr>
<td>Industrials</td>
<td>50% / 57% / 66%</td>
<td>-2% / -1% / -1%</td>
<td></td>
</tr>
<tr>
<td>CMR Disc</td>
<td>47% / 53% / 62%</td>
<td>1% / 1% / 1%</td>
<td></td>
</tr>
<tr>
<td>CMR Stap</td>
<td>26% / 34% / 41%</td>
<td>0% / 0% / 1%</td>
<td></td>
</tr>
<tr>
<td>Health Care</td>
<td>57% / 62% / 70%</td>
<td>9% / 11% / 10%</td>
<td></td>
</tr>
<tr>
<td>Financials</td>
<td>39% / 47% / 60%</td>
<td>-1% / -1% / 0%</td>
<td></td>
</tr>
<tr>
<td>Info Tech</td>
<td>56% / 60% / 67%</td>
<td>8% / 7% / 9%</td>
<td></td>
</tr>
<tr>
<td>Telecom</td>
<td>44% / 46% / 56%</td>
<td>-9% / -12% / -13%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>29% / 39% / 52%</td>
<td>2% / 9% / 4%</td>
<td></td>
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</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.
Strength Changes Last Session

February 27, 2014

Regression

Momentum

- Airline
- MitSecHld
- LeisFcil
- Thrft&Mtg
- SpecREIT
- Cas&Gam
- Tobacco
- PkgFdMt
- GMrchStrs
- Distrib

- HCareTec
- LifeHthIns
- Hwy&Rail
- GasUtil
- Trucking
- Ind Mach
- ElecComp
- Tobacco
- PkgFdMt
- GMrchStrs
- Distrib

- HCareTec
- LifeHthIns
- Hwy&Rail
- GasUtil
- Trucking
- Ind Mach
- ElecComp
- Tobacco
- PkgFdMt
- GMrchStrs
- Distrib

- Htl&Rsrt
- TechDist
- DataProc
- Semi
- InetSftSrv
- OG StTr
- HmEntSwr
- Publishing
- PaperPkg
- REstSrv
- DivCpMkt
- AsstMgmt
- Alumin
- AltCar
- Cabl&Sat
- IndusGas
- PapProd
- HHidApl
- HHldPrdcf
- HCServc
- Dist&Vnt

- Htl&Rsrt
- TechDist
- DataProc
- Semi
- InetSftSrv
- OG StTr
- HmEntSwr
- Publishing
- PaperPkg
- REstSrv
- DivCpMkt
- AsstMgmt
- Alumin
- AltCar
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- HHldPrdcf
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- REstSrv
- DivCpMkt
- AsstMgmt
- Alumin
- AltCar
- Cabl&Sat
- IndusGas
- PapProd
- HHidApl
- HHldPrdcf
- HCServc
- Dist&Vnt
**February 27, 2014**

**Materials**

**Strength**

- CstrMat: 30 stocks; $204bn
- DiversChm: 19 stocks; $310bn
- PrecMet: 39 stocks; $88bn
- PaperPkg: 17 stocks; $81bn
- SpecChm: 69 stocks; $378bn
- FrstPrd: 12 stocks; $21bn
- Alumin: 12 stocks; $45bn
- PapProd: 30 stocks; $98bn
- IndusGas: 10 stocks; $160bn

**Momentum**

- Gold: 5 stocks; $180bn
- Fert&Ag: 17 stocks; $255bn
- ComdChm: 33 stocks; $321bn
- DvrsMng: 99 stocks; $585bn
- MtGlsCnt: 16 stocks; $49bn
- Steel: 14 stocks; $388bn

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Industrials

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Momentum

Strength

Airline
33 stocks; $200bn

ConstrMkt
59 stocks; $371bn

Cns&Eng
79 stocks; $320bn

HvyElcEq
23 stocks; $156bn

TrdgDist
50 stocks; $288bn

Hwy&Rail
8 stocks; $74bn

BldPrdcts
35 stocks; $159bn

Ind Mach
111 stocks; $600bn

Trucking
37 stocks; $56bn

Aero&Def
58 stocks; $796bn

ElcCmpEq
41 stocks; $299bn

HREmpl
22 stocks; $80bn

Aero&Def
58 stocks; $796bn

CmclPrt
34 stocks; $805bn

Railroads
22 stocks; $560bn

Sec&Alm
13 stocks; $23bn

MarineSrv
14 stocks; $57bn

DvSpSrv
27 stocks; $83bn

RsrcCslt
28 stocks; $131bn

Enviroserv
27 stocks; $85bn

OfficeServ
12 stocks; $23bn

Marine
27 stocks; $95bn

AirprtSrv
13 stocks; $60bn

33 stocks; $200bn

59 stocks; $371bn

79 stocks; $320bn

HvyElcEq
23 stocks; $156bn

Hwy&Rail
8 stocks; $74bn

23 stocks; $134bn

50 stocks; $289bn

23 stocks; $134bn

111 stocks; $600bn

37 stocks; $56bn

58 stocks; $796bn

41 stocks; $299bn

22 stocks; $80bn

58 stocks; $796bn

34 stocks; $805bn

22 stocks; $560bn

13 stocks; $23bn

14 stocks; $57bn

27 stocks; $83bn

28 stocks; $131bn

27 stocks; $85bn

12 stocks; $23bn

27 stocks; $95bn

13 stocks; $60bn
February 27, 2014

Information Technology

Momentum

Strength

PCStor&P
10 stocks; $150bn

ElecInstr
43 stocks; $162bn

ApplicSwr
81 stocks; $415bn

SystmSwr
35 stocks; $622bn

ITConsult
49 stocks; $577bn

CompHdwr
21 stocks; $608bn

DataProc
49 stocks; $429bn

TechDist
17 stocks; $460bn

Semi
120 stocks; $866bn

InetSftSrv
115 stocks; $1073bn

HmEntSwr
21 stocks; $83bn

SemiEqp
40 stocks; $144bn

EMS
25 stocks; $102bn

ComEquip
68 stocks; $447bn

ElecComp
42 stocks; $204bn

68 stocks; $447bn

42 stocks; $204bn

42 stocks; $204bn
Utilities

February 27, 2014

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GasUtil
33 stocks; $188bn

WaterUtil
20 stocks; $62bn

ElecUtil
85 stocks; $883bn

MultiUtil
39 stocks; $483bn

IPPTrad
44 stocks; $153bn
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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I, Mark Steele, hereby certify that the views expressed in this report accurately reflect my personal views about the subject securities or issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

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#### Distribution of Ratings (September 30, 2013)

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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>Stalmine Universe</th>
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<tr>
<td>Buy</td>
<td>Outperform</td>
<td>38.0%</td>
<td>20.4%</td>
<td>49.0%</td>
<td>38.8%</td>
<td>50.4%</td>
<td>52.5%</td>
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<tr>
<td>Hold</td>
<td>Market Perform</td>
<td>56.1%</td>
<td>13.8%</td>
<td>49.0%</td>
<td>54.0%</td>
<td>46.5%</td>
<td>41.8%</td>
</tr>
<tr>
<td>Sell</td>
<td>Underperform</td>
<td>5.8%</td>
<td>5.6%</td>
<td>2.0%</td>
<td>7.2%</td>
<td>3.1%</td>
<td>5.7%</td>
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Ratings and Sector Key
We use the following ratings system definitions:
OP = Outperform - Forecast to outperform the market;
Mkt = Market Perform - Forecast to perform roughly in line with the market;
Und = Underperform - Forecast to underperform the market;
(S) = speculative investment;
NR = No rating at this time;
R = Restricted - Dissemination of research is currently restricted.

Market performance is measured by a benchmark index such as the S&P/TSX Composite Index, S&P 500, Nasdaq Composite, as appropriate for each company. BMO Capital Markets eight Top 15 lists guide investors to our best ideas according to different objectives (Canadian large, small, growth, value, income, quantitative; and US large, US small) have replaced the Top Pick rating.

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