Group Selection
Priced as of August 5, 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 View

Energy
Materials
Industrials
CMR Disc
CMR Stap
Hlth Care
Financials
Info Tech
Telecom
Utilities

% Outperforming
28% / 38% / 58%
16% / 23% / 36%
41% / 53% / 73%
56% / 66% / 82%
40% / 56% / 78%
51% / 61% / 81%
41% / 56% / 79%
48% / 59% / 78%
31% / 45% / 68%
33% / 53% / 75%

Reward/Risk

Trend Psn

*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.
August 5, 2013

**Energy**

- **OG E&P**: 226 stocks; $108.5bn
- **Coal&Uran**: 37 stocks; $97bn
- **OG RfMkt**: 50 stocks; $321bn
- **OG Drill**: 32 stocks; $126bn
- **OG Equip**: 33 stocks; $447bn
- **OG StTr**: 75 stocks; $546bn
- **Int O&G**: 35 stocks; $271bn

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August 5, 2013

Industrials

- **AirprtSrv**: 13 stocks, $53bn
- **CmclPrt**: 14 stocks, $23bn
- **ElcCmpEq**: 59 stocks, $252bn
- **RsrcCsit**: 29 stocks, $127bn
- **BldPrdcts**: 32 stocks, $128bn
- **Railroads**: 22 stocks, $252bn
- **CnstFmM**: 61 stocks, $349bn
- **Aero&Def**: 57 stocks, $693bn
- **OfficeServ**: 12 stocks, $22bn
- **HREmpl**: 22 stocks, $64bn
- **Enviroserv**: 28 stocks, $84bn
- **Marine**: 28 stocks, $73bn
- **Airline**: 26 stocks, $160bn
- **DvSpSrv**: 29 stocks, $74bn
- **Cns&Eng**: 75 stocks, $263bn
- **HvyElcEq**: 19 stocks, $113bn
- **Hwy&Rail**: 8 stocks, $60bn
- **MarineSrv**: 15 stocks, $59bn
- **Sec&Alm**: 7 stocks, $52bn
- **AirFrght**: 20 stocks, $193bn
- **TrdgDist**: 29 stocks, $258bn
Consumer Staples

Momentum

Strength

August 5, 2013

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Brewers
16 stocks; $439bn

SprCntrs
17 stocks; $501bn

PkgFdMt
115 stocks; $966bn

Dist&Vnt
14 stocks; $213bn

SoftDrnks
14 stocks; $402bn

AgriProd
32 stocks; $124bn

Tobacco
16 stocks; $564bn

DrugRetail
10 stocks; $150bn

PersPrdct
25 stocks; $237bn

FdRetail
40 stocks; $374bn

HhldPrdct
18 stocks; $506bn

FdDistri
12 stocks; $350bn

Consumer Staples
Telecommunication Services

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IntgTelSrv
62 stocks; $1174bn

WlsTelSrv
44 stocks; $988bn

AltCar
13 stocks; $42bn
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>Starmine Universe</th>
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<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>
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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>
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<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>
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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.
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Und = Underperform - Forecast to underperform the market;
(S) = speculative investment;
NR = No rating at this time;
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