Group Selection
Priced as of December 9, 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 Relative Strength Profiles*

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<tbody>
<tr>
<td>Energy</td>
<td>40% / 41% / 46%</td>
<td>-15% / -8% / -3%</td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>37% / 39% / 41%</td>
<td>-5% / -1% / 5%</td>
<td></td>
</tr>
<tr>
<td>Industrials</td>
<td>59% / 60% / 65%</td>
<td>-3% / 3% / 11%</td>
<td></td>
</tr>
<tr>
<td>CMR Disc</td>
<td>57% / 59% / 64%</td>
<td>-7% / 0% / 7%</td>
<td></td>
</tr>
<tr>
<td>CMR Stap</td>
<td>33% / 40% / 44%</td>
<td>0% / 5% / 15%</td>
<td></td>
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<tr>
<td>Hlth Care</td>
<td>56% / 59% / 65%</td>
<td>-1% / 2% / 8%</td>
<td></td>
</tr>
<tr>
<td>Financials</td>
<td>47% / 48% / 55%</td>
<td>-4% / 3% / 9%</td>
<td></td>
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<tr>
<td>Info Tech</td>
<td>61% / 63% / 65%</td>
<td>-5% / 0% / 6%</td>
<td></td>
</tr>
<tr>
<td>Telecom</td>
<td>47% / 51% / 60%</td>
<td>-6% / -2% / 2%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>26% / 30% / 35%</td>
<td>-5% / -1% / 4%</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.
December 9, 2013

Momentum

ComdChm
32 stocks; $313bn

MtGlCn
15 stocks; $47bn

FrtPrd
12 stocks; $20bn

Coal&Uran
36 stocks; $103bn

Fert&Ag
44 stocks; $239bn

Steel
79 stocks; $414bn

CstrMat
28 stocks; $182bn

Alumin
11 stocks; $37bn

OG RfMkt
51 stocks; $342bn

Int O&G
34 stocks; $217bn

DvrsMng
100 stocks; $359bn

Gold
88 stocks; $145bn

PrecMet
14 stocks; $78bn

OG Equip
86 stocks; $463bn

IndusGas
10 stocks; $154bn

OG E&P
228 stocks; $1139bn

OG Drill
31 stocks; $126bn

DvrsChm
31 stocks; $126bn

PaperPkg
17 stocks; $79bn

PapProd
30 stocks; $94bn

OG StTr
77 stocks; $562bn
December 9, 2013

Momentum

Strength

Materials

ComdChm
32 stocks; $313bn

MtGlSCnt
15 stocks; $47bn

FrstPrd
12 stocks; $20bn

Fert&Ag
24 stocks; $239bn

Steel
15 stocks; $414bn

CstrMat
28 stocks; $122bn

Alumin
11 stocks; $37bn

SpecChm
67 stocks; $342bn

DvrsMng
100 stocks; $559bn

Gold
98 stocks; $145bn

IndusGas
10 stocks; $154bn

PrecMet
44 stocks; $78bn

PaperPkg
12 stocks; $76bn

DiversChm
18 stocks; $282bn

PapProd
30 stocks; $94bn
December 9, 2013

Consumer Staples

Momentum

Strength

FdDistri
12 stocks; $42bn

HhdlPrdct
18 stocks; $525bn

SoftDrnks
15 stocks; $403bn

AgriProd
32 stocks; $132bn

PkgFdMt
115 stocks; $983bn

Brewers
16 stocks; $508bn

Dist&Vnt
14 stocks; $202bn

Tobacco
16 stocks; $546bn

PersPrdct
25 stocks; $246bn

DrugRetail
10 stocks; $160bn

SprCntrs
17 stocks; $506bn

FdRetail
21 stocks; $377bn
December 9, 2013

Information Technology

PCStor&P • TechDist • HmEntSwr • CompHdwr • InetSftSrv • OffElectr • SystmSwr • ApplicSwr • ComEquip • ITConsult • DataProc • ElecInstr • EMS • Semi • ElecComp • SemiEqp

21 stocks; $144bn 16 stocks; $33bn 21 stocks; $78bn 21 stocks; $638bn 101 stocks; $913bn 9 stocks; $82bn 34 stocks; $606bn 31 stocks; $376bn 91 stocks; $438bn 49 stocks; $438bn 48 stocks; $438bn 41 stocks; $148bn 26 stocks; $99bn 118 stocks; $844bn

Mark Steele (416) 359-4641

Information Technology

PCStor&P • TechDist • HmEntSwr • CompHdwr • InetSftSrv • OffElectr • SystmSwr • ApplicSwr • ComEquip • ITConsult • DataProc • ElecInstr • EMS • Semi • ElecComp • SemiEqp

21 stocks; $144bn 16 stocks; $33bn 21 stocks; $78bn 21 stocks; $638bn 101 stocks; $913bn 9 stocks; $82bn 34 stocks; $606bn 31 stocks; $376bn 91 stocks; $438bn 49 stocks; $438bn 48 stocks; $438bn 41 stocks; $148bn 26 stocks; $99bn 118 stocks; $844bn

Mark Steele (416) 359-4641
Telecommunication Services

December 9, 2013

Mark Steele (416) 359-4641

Momentum

Strength

AltCar
15 stocks; $52bn

IntgTelSrv
65 stocks; $1219bn

WisTelSrv
46 stocks; $1082bn

15 stocks; $52bn

65 stocks; $1219bn

46 stocks; $1082bn
December 9, 2013

Utilities

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Strength

Momentum

WaterUtil
21 stocks, $58bn

GasUtil
34 stocks, $194bn

ElecUtil
83 stocks, $840bn

IPPTrad
46 stocks, $159bn

MultiUtil
39 stocks, $449bn
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.
**IMPORTANT DISCLOSURES**

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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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<tr>
<td>Buy</td>
<td>Outperform</td>
<td>35.8%</td>
<td>20.3%</td>
<td>47.8%</td>
<td>36.7%</td>
<td>48.3%</td>
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<td>Hold</td>
<td>Market Perform</td>
<td>59.4%</td>
<td>13.1%</td>
<td>51.1%</td>
<td>56.9%</td>
<td>50.2%</td>
<td>41.1%</td>
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<tr>
<td>Sell</td>
<td>Underperform</td>
<td>4.9%</td>
<td>3.4%</td>
<td>1.1%</td>
<td>6.4%</td>
<td>1.5%</td>
<td>5.6%</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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