Group Selection
Priced as of March 20, 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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Sector View

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>32% / 38% / 46%</td>
<td>-4% / 11% / 5%</td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>32% / 40% / 46%</td>
<td>-2% / 4% / 0%</td>
<td></td>
</tr>
<tr>
<td>Industrials</td>
<td>46% / 57% / 64%</td>
<td>-10% / -2% / -9%</td>
<td></td>
</tr>
<tr>
<td>CMR Disc</td>
<td>44% / 51% / 59%</td>
<td>-11% / -3% / -7%</td>
<td></td>
</tr>
<tr>
<td>CMR Stap</td>
<td>25% / 32% / 40%</td>
<td>-1% / 8% / 3%</td>
<td></td>
</tr>
<tr>
<td>Health Care</td>
<td>59% / 64% / 70%</td>
<td>0% / 5% / 0%</td>
<td></td>
</tr>
<tr>
<td>Financials</td>
<td>37% / 47% / 58%</td>
<td>-4% / 5% / -3%</td>
<td></td>
</tr>
<tr>
<td>Info Tech</td>
<td>56% / 61% / 68%</td>
<td>-3% / 5% / 0%</td>
<td></td>
</tr>
<tr>
<td>Telecom</td>
<td>41% / 44% / 54%</td>
<td>-3% / 6% / 0%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>32% / 42% / 52%</td>
<td>4% / 18% / 8%</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 ( 
(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.
Momentum

Strength

March 20, 2014

OG StTr
87 stocks; $622bn

OG Equip
67 stocks; $478bn

Int O&G
64 stocks; $209bn

OG E&P
225 stocks; $1132bn

OG Drill
32 stocks; $119bn

Coal & Uran
34 stocks; $94bn

OG RfMkt
49 stocks; $343bn
March 20, 2014

Consumer Staples

- **Tobacco**: 16 stocks; $387bn
- **PkgFdMt**: 124 stocks; $1011bn
- **HhldPrdct**: 19 stocks; $501bn
- **SoftDrnks**: 15 stocks; $387bn
- **DrugRetail**: 10 stocks; $178bn
- **Brewers**: 16 stocks; $487bn
- **FdRetail**: 42 stocks; $368bn
- **SprCntrs**: 17 stocks; $473bn
- **Dist&Vnt**: 14 stocks; $210bn
- **AgriProd**: 34 stocks; $131bn
- **PersPrdct**: 25 stocks; $227bn
- **FdDistri**: 12 stocks; $43bn

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BMO Capital Markets
March 20, 2014

Utilities

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Momentum

Strength

ElecUtil
- 85 stocks; $892bn

GasUtil
- 33 stocks; $187bn

MultiUtil
- 39 stocks; $487bn

WaterUtil
- 20 stocks; $61bn

RenewElec
- 21 stocks; $51bn

IPPTrad
- 23 stocks; $104bn

Utilities
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).
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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<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>Stamine Universe</th>
</tr>
</thead>
<tbody>
<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>
</tr>
<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>
</tr>
</tbody>
</table>
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.

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