Group Selection
Priced as of July 18, 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 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>59% / 63% / 52%</td>
<td>-11% / -7% / -16%</td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>38% / 44% / 32%</td>
<td>0% / 2% / -1%</td>
<td></td>
</tr>
<tr>
<td>Industrials</td>
<td>37% / 42% / 30%</td>
<td>-8% / -4% / -9%</td>
<td></td>
</tr>
<tr>
<td>CMR Disc</td>
<td>32% / 37% / 25%</td>
<td>-3% / 1% / -7%</td>
<td></td>
</tr>
<tr>
<td>CMR Stap</td>
<td>48% / 54% / 37%</td>
<td>-3% / -1% / -5%</td>
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</tr>
<tr>
<td>Health Care</td>
<td>36% / 43% / 32%</td>
<td>-3% / 0% / -6%</td>
<td></td>
</tr>
<tr>
<td>Financials</td>
<td>45% / 52% / 32%</td>
<td>-3% / 1% / -6%</td>
<td></td>
</tr>
<tr>
<td>Info Tech</td>
<td>37% / 43% / 33%</td>
<td>-4% / -1% / -5%</td>
<td></td>
</tr>
<tr>
<td>Telecom</td>
<td>45% / 53% / 32%</td>
<td>-3% / 0% / -5%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>59% / 67% / 48%</td>
<td>-7% / -3% / -12%</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, 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.

See Help Pages for further details.
Industrials

July 18, 2014

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Railroads 22 stocks; $417bn
MarineSrv 14 stocks; $64bn
HyvElcEq 23 stocks; $146bn
AirprtSrv 13 stocks; $65bn
Airline 35 stocks; $231bn
AirFrgh 21 stocks; $235bn
Marine 29 stocks; $96bn

Hwy&Rail 8 stocks; $84bn
Cns&Eng 76 stocks; $316bn

Trucking 32 stocks; $55bn
Sec&Alm 11 stocks; $58bn
OfficeServ 12 stocks; $24bn
TrdgDist 51 stocks; $31bn
HREmpl 12 stocks; $76bn
BldPrdcts 36 stocks; $157bn
Aero&Def 58 stocks; $76bn
ElcCmpEq 40 stocks; $283bn

CnstMch& 46 stocks; $318bn
IndCongl 35 stocks; $30bn
RsrcCslt 28 stocks; $133bn
EnviroServ 26 stocks; $10bn
Ind Mach 115 stocks; $60bn
CmclPrt 14 stocks; $26bn

DvSpSrv 25 stocks; $43bn
Ag&Farm 47 stocks; $63bn

22 stocks; $417bn
35 stocks; $231bn
29 stocks; $96bn
8 stocks; $84bn
76 stocks; $316bn
32 stocks; $55bn
11 stocks; $58bn
12 stocks; $24bn
51 stocks; $31bn
12 stocks; $76bn
36 stocks; $157bn
58 stocks; $76bn
40 stocks; $283bn
46 stocks; $318bn
35 stocks; $30bn
28 stocks; $133bn
26 stocks; $10bn
115 stocks; $60bn
14 stocks; $26bn
25 stocks; $43bn
47 stocks; $63bn

23 stocks; $146bn
13 stocks; $65bn
14 stocks; $235bn
13 stocks; $65bn
23 stocks; $146bn
29 stocks; $96bn
12 stocks; $24bn
51 stocks; $31bn
12 stocks; $76bn
36 stocks; $157bn
58 stocks; $76bn
40 stocks; $283bn
35 stocks; $30bn
28 stocks; $133bn
26 stocks; $10bn
115 stocks; $60bn
14 stocks; $26bn
25 stocks; $43bn
47 stocks; $63bn
July 18, 2014

Consumer Staples

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Dist&Vnt
16 stocks; $544bn

SoftDrinks
15 stocks; $423bn

Brewers
16 stocks; $544bn

SprCntrs
17 stocks; $493bn

Tobacco
16 stocks; $602bn

PkgFdMt
122 stocks; $1,096bn

DrugRetail
26 stocks; $238bn

PersPrdct
26 stocks; $238bn

AgriProd
33 stocks; $137bn

HhldPrdct
18 stocks; $526bn

FdRetail
42 stocks; $385bn

FdDistri
12 stocks; $42bn

Momentum

Strength
Telecommunication Services

Momentum vs. Strength

AltCar 
15 stocks; $56bn

IntgTelSrv 
45 stocks; $1382bn

WlsTelSrv 
47 stocks; $1006bn

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BMO Capital Markets
Utilities

July 18, 2014

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WaterUtil
20 stocks; $67bn

ElecUtil
85 stocks; $941bn

GasUtil
34 stocks; $270bn

IPPTrad
22 stocks; $119bn

MultiUtil
39 stocks; $506bn

GasUtil
18 stocks; $210bn

RenewElec
21 stocks; $55bn
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 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 deviation from the trend. Our process is flexible, thorough, and because it is run daily, timely.

The Dataset:
- Over 5,700 securities.
- Groups have a:
  ...Median depth of 28
  ...Average depth of 36

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 in a group. Clicking on the group, which brings up the chart via a hyperlink, will help to clarify the moves.
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”
User Guide 4 - Hyperlinks To Decile Charts & Stock Selection

- Each group is hyperlinked to a chart that shows the relative strength decile as a function of time, and the moving average (momentum).

- Each chart is hyperlinked to the group membership, in our RS Filter Toolkit.
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Distribution of Ratings (March 31, 2014)

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<td>Buy</td>
<td>Outperform</td>
<td>42.0%</td>
<td>21.5%</td>
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<tr>
<td>Hold</td>
<td>Market Perform</td>
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<td>10.8%</td>
<td>38.2%</td>
<td>52.8%</td>
<td>43.8%</td>
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<tr>
<td>Sell</td>
<td>Underperform</td>
<td>5.2%</td>
<td>3.2%</td>
<td>1.1%</td>
<td>6.3%</td>
<td>2.7%</td>
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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.
*** Reflects rating distribution of all companies from which BMO Capital Markets Corp. has received compensation for Investment Banking services as percentage of Investment Banking clients.
**** Reflects rating distribution of all companies covered by BMO Capital Markets equity research analysts.
***** Reflects rating distribution of all companies from which BMO Capital Markets has received compensation for Investment Banking services as percentage of Investment Banking clients.

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We use the following ratings system definitions:
OP = Outperform - Forecast to outperform the analyst’s coverage universe on a total return basis;
Mkt = Market Perform - Forecast to perform roughly in line with the analyst’s coverage universe on a total return basis;
Und = Underperform - Forecast to underperform the analyst’s coverage universe on a total return basis;
(S) = Speculative investment;
NR = No rating at this time; and
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