Group Selection
Priced as of August 5, 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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BMO Capital Markets
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### Sector Relative Strength Profiles*

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<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>58% / 64% / 51%</td>
<td>/ / /</td>
<td>-17% / -19% / -20%</td>
</tr>
<tr>
<td>Materials</td>
<td>39% / 44% / 32%</td>
<td>/ / /</td>
<td>9% / 9% / 6%</td>
</tr>
<tr>
<td>Industrials</td>
<td>37% / 42% / 30%</td>
<td>/ / /</td>
<td>-3% / -4% / -4%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>32% / 35% / 24%</td>
<td>/ / /</td>
<td>7% / 8% / 6%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>47% / 54% / 37%</td>
<td>/ / /</td>
<td>6% / 4% / 1%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>35% / 42% / 29%</td>
<td>/ / /</td>
<td>11% / 12% / 10%</td>
</tr>
<tr>
<td>Financials</td>
<td>43% / 51% / 28%</td>
<td>/ / /</td>
<td>6% / 6% / 5%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>39% / 43% / 32%</td>
<td>/ / /</td>
<td>7% / 6% / 6%</td>
</tr>
<tr>
<td>Telecom</td>
<td>44% / 56% / 32%</td>
<td>/ / /</td>
<td>13% / 15% / 12%</td>
</tr>
<tr>
<td>Utilities</td>
<td>56% / 64% / 42%</td>
<td>/ / /</td>
<td>-7% / -6% / -13%</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.
Coal & Uran
31 stocks; $108bn

OG RFMkt
47 stocks; $354bn

OG E&P
216 stocks; $1278bn

OG Equip
86 stocks; $512bn

OG Drill
33 stocks; $123bn

OG Str
37 stocks; $721bn

Int O&G
34 stocks; $2225bn

OG Mkt
35 stocks; $354bn

OG E&P
216 stocks; $1278bn

OG Equip
86 stocks; $512bn

OG Drill
33 stocks; $123bn

OG Str
37 stocks; $721bn

Int O&G
34 stocks; $2225bn
Consumer Staples

- **PersPrdct**: 28 stocks; $233bn
- **HhlPrdct**: 18 stocks; $515bn
- **DrugRetail**: 9 stocks; $175bn
- **SprCntrs**: 17 stocks; $475bn
- **Dist&Vnt**: 13 stocks; $202bn
- **FdRetail**: 42 stocks; $374bn
- **SoftDrnks**: 15 stocks; $402bn
- **FdDistri**: 11 stocks; $41bn
- **Tobacco**: 16 stocks; $577bn
- **Brewers**: 15 stocks; $495bn
- **AgriProd**: 33 stocks; $478bn
- **PkgFdMt**: 122 stocks; $1060bn

August 5, 2014
Health Care

Momentum

Strength

August 5, 2014

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Health Care

HCEquip
77 stocks; $531bn

HCServise
33 stocks; $191bn

LifSciSrv
29 stocks; $170bn

HCSupplies
28 stocks; $81bn

Pharma
95 stocks; $254bn

HCFacility
29 stocks; $112bn

MngHCare
13 stocks; $36bn

Biotech
125 stocks; $684bn

HCDistrib
14 stocks; $124bn

HCareTec
13 stocks; $38bn
Momentum

Strength

Financials

DiversREIT  47 stocks; $186bn

REstDevl  32 stocks; $198bn

REstDvAct  32 stocks; $357bn

OfficeREIT  30 stocks; $125bn

SpecialFin  27 stocks; $209bn

MlitSecHld  22 stocks; $268bn

LifeHthIns  48 stocks; $705bn

DiversBnk  171 stocks; $4916bn

ResidREIT  28 stocks; $118bn

RetailREIT  48 stocks; $281bn

HoteREIT  16 stocks; $486bn

REstOpCo  16 stocks; $140bn

HCareREIT  30 stocks; $62bn

IndusREIT  15 stocks; $52bn

MortgREIT  16 stocks; $146bn

SpecREIT  15 stocks; $146bn

OthrDivFS  8 stocks; $126bn

Reinsuran  16 stocks; $125bn

AsstMgmt  84 stocks; $450bn

DivCpMkt  11 stocks; $182bn

REstSrv  12 stocks; $33bn

InvBnKBrk  36 stocks; $318bn

ConsMrFin  22 stocks; $313bn

P&C Insur  66 stocks; $400bn

RegionBnk  138 stocks; $409bn

Thrft&Mtg  48 stocks; $130bn

Multi-LnIns  60 stocks; $521bn

InsurBrkrs  8 stocks; $75bn

August 5, 2014

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Momentum

Strength

IntgTelSrv
65 stocks; $137.5bn

WlsTelSrv
47 stocks; $100.1bn

AltCar
15 stocks; $58bn

Telecommunication Services

August 5, 2014

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Utilities

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Momentum

Strength

IPPTrad
24 stocks; $121bn

RenewElec
21 stocks; $53bn

ElecUtil
86 stocks; $925bn

GasUtil
36 stocks; $217bn

WaterUtil
20 stocks; $64bn

MultiUtil
39 stocks; $478bn
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 are 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).
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”
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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<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>Stamile Universe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buy</td>
<td>Outperform</td>
<td>42.0%</td>
<td>21.5%</td>
<td>60.7%</td>
<td>40.8%</td>
<td>33.6%</td>
<td>53.6%</td>
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<tr>
<td>Hold</td>
<td>Market Perform</td>
<td>52.8%</td>
<td>10.8%</td>
<td>38.2%</td>
<td>52.8%</td>
<td>43.8%</td>
<td>40.8%</td>
</tr>
<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>
<td>5.6%</td>
</tr>
</tbody>
</table>

* 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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- 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;
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