Group Selection

Priced as of July 8, 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***

<table>
<thead>
<tr>
<th>Hyperlink</th>
<th>% Outperforming</th>
<th>Reward/Risk</th>
<th>Trend Psn</th>
</tr>
</thead>
<tbody>
<tr>
<td>US/GBL/CDA</td>
<td>US/GBL/CDA</td>
<td>US/GBL/CDA</td>
<td></td>
</tr>
<tr>
<td>Energy</td>
<td>29% / 37% / 59%</td>
<td>-1% / 5% / 9%</td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>17% / 23% / 38%</td>
<td>-11% / -7% / -7%</td>
<td></td>
</tr>
<tr>
<td>Industrials</td>
<td>42% / 55% / 76%</td>
<td>-5% / 2% / 6%</td>
<td></td>
</tr>
<tr>
<td>CMR Disc</td>
<td>53% / 63% / 83%</td>
<td>4% / 11% / 15%</td>
<td></td>
</tr>
<tr>
<td>CMR Stap</td>
<td>43% / 58% / 80%</td>
<td>-8% / 1% / 5%</td>
<td></td>
</tr>
<tr>
<td>Hlth Care</td>
<td>46% / 58% / 80%</td>
<td>4% / 13% / 15%</td>
<td></td>
</tr>
<tr>
<td>Financials</td>
<td>45% / 57% / 82%</td>
<td>-5% / 3% / 9%</td>
<td></td>
</tr>
<tr>
<td>Info Tech</td>
<td>45% / 54% / 77%</td>
<td>9% / 15% / 16%</td>
<td></td>
</tr>
<tr>
<td>Telecom</td>
<td>32% / 45% / 65%</td>
<td>-7% / 2% / 9%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>35% / 53% / 78%</td>
<td>-12% / -5% / 0%</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.
Consumer Discretionary

Momentum

Strength

SpCmSrv
14 stocks; $27bn

GMrchStrs
12 stocks; $114bn

Educat
21 stocks; $20bn

HmImpRtl
10 stocks; $163bn

Hsware
7 stocks; $17bn

LeisFcil
10 stocks; $28bn

AutoMfg
36 stocks; $942bn

ApparRtl
53 stocks; $342bn

CmpElRtl
19 stocks; $59bn

CmrElec
12 stocks; $72bn

AutoRtl
16 stocks; $67bn

Tire&Rub
9 stocks; $80bn

Cabl&Sat
26 stocks; $346bn

LeisPrd
19 stocks; $59bn

Footwear
13 stocks; $77bn

Htl&Rsrt
26 stocks; $122bn

SpecStors
28 stocks; $97bn

Hti&Rsr
26 stocks; $122bn

Mov&Ent
20 stocks; $27bn

Broadcast
29 stocks; $138bn

Textiles
3 stocks; $6bn

HmrFrnsh
13 stocks; $39bn

HomeFurn
10 stocks; $24bn

CatalgRtl
7 stocks; $20bn

Advert
22 stocks; $94bn

CmrElec
12 stocks; $72bn

AutoParts
97 stocks; $257bn

Mov&Ent
20 stocks; $27bn

Broadcast
29 stocks; $138bn

Publishing
28 stocks; $127bn

Footwear
13 stocks; $77bn

Aprl&Gds
45 stocks; $474bn

DeptStrs
22 stocks; $139bn

Rstaurnt
50 stocks; $322bn

LeisFcil
10 stocks; $28bn

CmplRtl
15 stocks; $342bn

CmrElec
12 stocks; $72bn

AutoRtl
16 stocks; $67bn

Tire&Rub
9 stocks; $80bn

Cabl&Sat
26 stocks; $346bn

LeisPrd
19 stocks; $59bn

Footwear
13 stocks; $77bn

Htl&Rsrt
26 stocks; $122bn

SpecStors
28 stocks; $97bn
**Consumer Staples**

- **FdRetail**
  - 40 stocks; $356bn
- **Brewers**
  - 16 stocks; $413bn
- **PersPrdct**
  - 25 stocks; $228bn
- **FdDistri**
  - 12 stocks; $34bn
- **DrugRetail**
  - 10 stocks; $139bn
- **HldPrdct**
  - 18 stocks; $490bn
- **PkgFdMt**
  - 115 stocks; $912bn
- **Dist&Vnt**
  - 14 stocks; $208bn
- **AgriProd**
  - 32 stocks; $122bn
- **Tobacco**
  - 16 stocks; $568bn
- **SoftDrnks**
  - 14 stocks; $397bn
- **SprCntrs**
  - 17 stocks; $455bn

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Momentum

Strength

Health Care

Biotech
107 stocks; $498bn

Pharma
84 stocks; $2094bn

HCareTec
13 stocks; $32bn

Biotech

Pharma

HCSupplis
26 stocks; $71bn

84 stocks; $2094bn

13 stocks; $32bn

MngHCare
13 stocks; $167bn

HCSupplis

MngHCare

LfSciSrv
29 stocks; $128bn

77 stocks; $447bn

HCEquip

29 stocks; $72bn

HCFacility

13 stocks; $85bn

HCService

13 stocks; $168bn

HCDistrib

13 stocks; $128bn
July 8, 2013

Financials

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Momentum

Strength

Multi-LnIns ↑
27 stocks; $415bn

RegionBnk ↑
P&C Insur ↓
142 stocks; $364bn
64 stocks; $356bn

Life/HthIns
44 stocks; $538bn

SpecialFin ↑
39 stocks; $176bn

InvBnkBrk ↑
34 stocks; $272bn

Thft&Mtg
51 stocks; $101bn

AsstMgmt
41 stocks; $278bn

Reinsuran
16 stocks; $114bn

ConsmrFin ↑
22 stocks; $193bn

MltSecHld ↑
14 stocks; $617bn

RetailREIT ↑
47 stocks; $307bn

OfficeREIT
27 stocks; $96bn

REstDvAct ↑
30 stocks; $318bn

OthrDivFS ↓
14 stocks; $617bn

DiversREIT
36 stocks; $126bn

DivCpMkt ↑
36 stocks; $126bn

DiversBnk
163 stocks; $360bn

DiversBnk
163 stocks; $360bn

REstOpCo
26 stocks; $122bn

REstDevl
35 stocks; $169bn

MortgREIT ↑
27 stocks; $36bn

InvBnkBrk
15 stocks; $46bn

26 stocks; $162bn

REstOpCo
26 stocks; $122bn

REstDevl
35 stocks; $169bn

MortgREIT ↑
27 stocks; $36bn

REstOpCo
26 stocks; $122bn

REstDevl
35 stocks; $169bn

MortgREIT ↑
27 stocks; $36bn

REstOpCo
26 stocks; $122bn

REstDevl
35 stocks; $169bn

MortgREIT ↑
27 stocks; $36bn
July 8, 2013

Telecommunication Services

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Momentum

Strength

13 stocks; $41bn

AltCar

46 stocks; $950bn

WisTelSrv

42 stocks; $1133bn

IntgTelSrv

62 stocks; $1133bn
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.
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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<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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</thead>
<tbody>
<tr>
<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>
<td>54.0%</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>
</tr>
<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>
</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.

*** 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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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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