Group Selection

Priced as of March 1, 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 View

**Strength**

- **2013.03.01**

### 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><strong>US/GBL/CDA</strong></td>
<td><strong>US/GBL/CDA</strong></td>
<td><strong>US/GBL/CDA</strong></td>
<td><strong>US/GBL/CDA</strong></td>
</tr>
<tr>
<td>Energy</td>
<td>43% / 41% / 49%</td>
<td>-13% / -6% / 6%</td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>46% / 43% / 49%</td>
<td>-22% / -14% / -6%</td>
<td></td>
</tr>
<tr>
<td>Industrials</td>
<td>71% / 68% / 74%</td>
<td>-3% / 2% / 11%</td>
<td></td>
</tr>
<tr>
<td>CMR Disc</td>
<td>63% / 61% / 66%</td>
<td>-4% / 2% / 12%</td>
<td></td>
</tr>
<tr>
<td>CMR Stap</td>
<td>59% / 52% / 60%</td>
<td>-4% / 7% / 17%</td>
<td></td>
</tr>
<tr>
<td>Hlth Care</td>
<td>54% / 50% / 57%</td>
<td>3% / 11% / 21%</td>
<td></td>
</tr>
<tr>
<td>Financials</td>
<td>69% / 63% / 73%</td>
<td>-5% / 7% / 18%</td>
<td></td>
</tr>
<tr>
<td>Info Tech</td>
<td>49% / 45% / 49%</td>
<td>3% / 9% / 17%</td>
<td></td>
</tr>
<tr>
<td>Telecom</td>
<td>48% / 43% / 50%</td>
<td>-20% / -13% / 3%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>42% / 39% / 55%</td>
<td>-2% / 16% / 28%</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.
Strength Changes Last Session

Momentum

Strength

- Cas&Gam
- ConsmrFin
- Railroads
- PapProd
- DiversREIT
- WaterUtil

- LeisFclt
- Rstaurn

- CmclPrt
- MltSecHld

- Broadcast
- Cabl&Sat
- Brewers
- DvSpSr
- Og RfMkt

- BidPrdcts
- LfSciSrv
- SpecREIT
- DiversChm

- Ht&Rsrt
- TrdgDist
- OfficeServ
- LifeHthins

- HREmpl
- DataProc
- ApplcSwr
- ElcCmpEq

- Marine
- HmEntSwr

- Marine
- HmEntSwr

- CompHdwr
- HCareTec
- InsurBrkrs
- GMrchSts

- HCFacility
- ITConsult

- ComdChm

- DrugRetail
- HmImpRtl

- RestSr
- Aero&Def
- IPPTrad

- EMS
- Thrft&Mtg
- HCService
- ResidREIT

- Dist&Vnt
- TechDist

- Publishing
- CmpElRtl
- OG Drill

- AutoRtl

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### Energy

**March 1, 2013**

**Mark Steele**
(416) 359-4641

<table>
<thead>
<tr>
<th>Sector</th>
<th>Stocks</th>
<th>Market Value</th>
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</thead>
<tbody>
<tr>
<td>OG RfMkt</td>
<td>46</td>
<td>$365bn</td>
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<tr>
<td>Int O&amp;G</td>
<td>46</td>
<td>$2133bn</td>
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<tr>
<td>OG E&amp;P</td>
<td>472</td>
<td>$1040bn</td>
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<tr>
<td>Coal&amp;Uran</td>
<td>40</td>
<td>$127bn</td>
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<tr>
<td>OG StTr</td>
<td>70</td>
<td>$487bn</td>
</tr>
<tr>
<td>OG Equip</td>
<td>77</td>
<td>$415bn</td>
</tr>
<tr>
<td>OG Drill</td>
<td>31</td>
<td>$121bn</td>
</tr>
</tbody>
</table>
March 1, 2013

Industrials

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Momentum

Strength

Railroads
21 stocks; $324bn

Marine
29 stocks; $78bn

AirprtSrv
15 stocks; $37bn

EnviroServ
30 stocks; $78bn

Trucking
10 stocks; $61bn

MarineSrv
15 stocks; $59bn

IndCongl
31 stocks; $781bn

DvSpSrv
28 stocks; $76bn

Sec&Alm
5 stocks; $41bn

AirFrght
20 stocks; $176bn

CmclPrt
13 stocks; $15bn

IndCongl
31 stocks; $781bn

RsrcCslt
31 stocks; $120bn

BldPrdcts
30 stocks; $110bn

Aero&Def
54 stocks; $544bn

Ind Mach
104 stocks; $493bn

TrdgDist
67 stocks; $255bn

Cns&Eng
73 stocks; $250bn

Airline
36 stocks; $147bn

OffceServ
13 stocks; $23bn

CnstFmM
55 stocks; $378bn

TrdgDist
17 stocks; $250bn

HvyElcEq
20 stocks; $117bn

ElcCmpEq
39 stocks; $226bn

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Utilities

March 1, 2013

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WaterUtil 31 stocks; $57bn
MultiUtil 39 stocks; $411bn
GasUtil 30 stocks; $173bn
ElecUtil 84 stocks; $789bn
IPPTrad 43 stocks; $153bn
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”
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 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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<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>
</tr>
<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.
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(S) = speculative investment;
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