Group Selection
Priced as of January 6, 2015

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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*Three terms define the relative performance Z-Score rating versus the markets (US = S&P 500; GBL = MSCI AC World; CDA = S&P/TSX Composite)
(a) % Outperforming - what percentage of sector members is outperforming the market,
(b) Reward/Risk - how consistent is the median relative strength performance of the sector membership ( / ranking),
(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
January 6, 2015

Momentum

Strength

Energy

Mark Steele (416) 359-4641

OG StTr
91 stocks;$660bn

OG RfMkt
51 stocks;$324bn

OG Drill
32 stocks;$60bn

OG Equip
84 stocks;$340bn

Int O&G
35 stocks;$1642bn

OG E&P
201 stocks;$834bn

Coal&Uran
29 stocks;$92bn
### Materials

<table>
<thead>
<tr>
<th>Sector</th>
<th>Strength</th>
<th>Momentum</th>
</tr>
</thead>
<tbody>
<tr>
<td>CstrMat</td>
<td>29 stocks; $187bn</td>
<td></td>
</tr>
<tr>
<td>Fert&amp;Ag</td>
<td>37 stocks; $238bn</td>
<td></td>
</tr>
<tr>
<td>Gold</td>
<td>77 stocks; $143bn</td>
<td></td>
</tr>
<tr>
<td>Silver</td>
<td>13 stocks; $17bn</td>
<td></td>
</tr>
<tr>
<td>PrecMet</td>
<td>22 stocks; $51bn</td>
<td></td>
</tr>
<tr>
<td>DvrsMng</td>
<td>76 stocks; $457bn</td>
<td></td>
</tr>
<tr>
<td>Steel</td>
<td>75 stocks; $324bn</td>
<td></td>
</tr>
<tr>
<td>PaperPkg</td>
<td>17 stocks; $85bn</td>
<td></td>
</tr>
<tr>
<td>FrstPrd</td>
<td>12 stocks; $20bn</td>
<td></td>
</tr>
<tr>
<td>PapProd</td>
<td>28 stocks; $92bn</td>
<td></td>
</tr>
<tr>
<td>DiversChm</td>
<td>18 stocks; $258bn</td>
<td></td>
</tr>
<tr>
<td>ComdChm</td>
<td>24 stocks; $253bn</td>
<td></td>
</tr>
<tr>
<td>SpecChm</td>
<td>67 stocks; $402bn</td>
<td></td>
</tr>
<tr>
<td>Alumin</td>
<td>12 stocks; $61bn</td>
<td></td>
</tr>
<tr>
<td>IndusGas</td>
<td>10 stocks; $157bn</td>
<td></td>
</tr>
<tr>
<td>MtGlsCnt</td>
<td>16 stocks; $48bn</td>
<td></td>
</tr>
</tbody>
</table>
**January 6, 2015**

**Industrials**

- **Momentum**
  - BldPrdcts → MarineSrv → EnviroServ
  - Industrials
    - 36 stocks; $131bn
    - 13 stocks; $63bn
    - 26 stocks; $91bn

- **Strength**
  - HvyElcEq → Sec&Alm → EtcProgEq
  - Industrials
    - 24 stocks; $126bn
    - 8 stocks; $52bn

- **Airline**
  - 35 stocks; $272bn

- **Trucking**
  - 31 stocks; $92bn

- **OfficeServ**
  - 12 stocks; $24bn

- **Aero&Def**
  - 12 stocks; $23bn

- **AirprtSrv**
  - 13 stocks; $63bn

- **DvSpSrv**
  - 25 stocks; $72bn

- **AirFrght**
  - 21 stocks; $230bn

- **HREmpl**
  - 24 stocks; $73bn

- **RsrcCslt**
  - 28 stocks; $117bn

- **Ind Mach**
  - 116 stocks; $552bn

- **Ag&Farm**
  - 12 stocks; $79bn
DrugRetail
9 stocks; $198bn

FdDistri
11 stocks; $42bn

Dist&Vnt
14 stocks; $207bn

SprCntrs
17 stocks; $492bn

AgriProd
33 stocks; $125bn

HhldPrdct
16 stocks; $548bn

PkgFdMt
119 stocks; $1025bn

Tobacco
16 stocks; $556bn

PersPrdct
25 stocks; $215bn

SoftDrnks
15 stocks; $422bn

Brewers
15 stocks; $468bn

FdRetail
41 stocks; $338bn

DrugRetail
9 stocks; $198bn

AgriProd
33 stocks; $125bn

HhldPrdct
16 stocks; $548bn

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Brewers
15 stocks; $468bn
January 6, 2015

Telecommunication Services

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WlsTelSrv
46 stocks; $903bn

IntgTelSrv
63 stocks; $1271bn

AltCar
15 stocks; $50bn
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 they are 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).
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 Clients*****</th>
<th>Stance Universe</th>
</tr>
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<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>53.8%</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>40.3%</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>
<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.
*** 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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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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