Group Selection

Priced as of December 22, 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></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>13% / 19% / 24%</td>
<td>/ / /</td>
<td>-36% / -32% / -17%</td>
</tr>
<tr>
<td>Materials</td>
<td>19% / 29% / 38%</td>
<td>/ / /</td>
<td>-6% / -1% / 12%</td>
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<tr>
<td>Industrials</td>
<td>23% / 38% / 50%</td>
<td>/ / /</td>
<td>0% / 7% / 21%</td>
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<tr>
<td>CMR Disc</td>
<td>32% / 46% / 56%</td>
<td>/ / /</td>
<td>-1% / 7% / 20%</td>
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<td>CMR Stap</td>
<td>30% / 45% / 54%</td>
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<td>-9% / -4% / 17%</td>
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<tr>
<td>Hlth Care</td>
<td>52% / 64% / 75%</td>
<td>/ / /</td>
<td>4% / 11% / 20%</td>
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<tr>
<td>Financials</td>
<td>33% / 55% / 70%</td>
<td>/ / /</td>
<td>-6% / 7% / 23%</td>
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<tr>
<td>Info Tech</td>
<td>36% / 49% / 61%</td>
<td>/ / /</td>
<td>7% / 15% / 26%</td>
</tr>
<tr>
<td>Telecom</td>
<td>28% / 50% / 56%</td>
<td>/ / /</td>
<td>-13% / -6% / 14%</td>
</tr>
<tr>
<td>Utilities</td>
<td>33% / 52% / 65%</td>
<td>/ / /</td>
<td>-15% / 2% / 24%</td>
</tr>
</tbody>
</table>

*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
December 22, 2014

**Consumer Discretionary**

- **Momentum**
  - HmFrnsh: 13 stocks; $41bn
  - Mov&Ent: 26 stocks; $334bn
  - SpecStors: 30 stocks; $122bn
  - AutoRtl: 18 stocks; $99bn
  - Hsware: 5 stocks; $23bn
  - Rstaurnt: 18 stocks; $344bn
  - MotcyMfg: 4 stocks; $42bn
  - Cabl&Sat: 26 stocks; $450bn

- **Strength**
  - AppariRtl: 47 stocks; $372bn
  - HmImpRtl: 8 stocks; $220bn
  - Textiles: 3 stocks; $6bn
  - HmImpRtl: 8 stocks; $220bn
  - InetRtl: 29 stocks; $337bn
  - LeisFcil: 12 stocks; $44bn
  - Apparel: 41 stocks; $335bn
  - DeptStrs: 33 stocks; $155bn
  - LeisPrd: 33 stocks; $132bn
  - Distrib: 32 stocks; $112bn
  - Tire&Rub: 9 stocks; $80bn
  - HomeBld: 12 stocks; $54bn
  - Footwear: 13 stocks; $97bn
  - HhldApl: 12 stocks; $54bn
  - HhldApl: 12 stocks; $54bn
  - Autoln: 22 stocks; $45bn
  - AutoParts: 41 stocks; $335bn
  - Broadcast: 22 stocks; $141bn

**BMO Capital Markets**
Mark Steele (416) 359-4641
Consumer Staples

December 22, 2014

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- HhldPrdct (18 stocks; $564bn)
- DrugRetail (8 stocks; $200bn)
- FdDistri (11 stocks; $44bn)
- SoftDrinks (15 stocks; $430bn)
- FdRetail (41 stocks; $347bn)
- AgriProd (33 stocks; $129bn)
- SprCntrs (17 stocks; $496bn)
- PersPrdct (25 stocks; $224bn)
- PkgFdMt (119 stocks; $1069bn)
- Tobacco (16 stocks; $581bn)
- Brewers (15 stocks; $493bn)
- Dist&Vnt (14 stocks; $210bn)
Momentum
December 22, 2014
Mark Steele (416) 359-4641

Health Care

- Health Care Supplies (HCSupplis): 27 stocks, $89bn
- Biotech: 19 stocks, $811bn
- Life Sciences (LfSciSrv): 27 stocks, $170bn
- Healthcare Technology (HCareTec): 15 stocks, $50bn
- Healthcare Equipment (HCEquip): 72 stocks, $553bn
- Healthcare Facility (HCFacility): 52 stocks, $139bn
- Managed Healthcare (MngHCare): 13 stocks, $237bn
- Healthcare Services (HCService): 32 stocks, $208bn
- Healthcare Distribution (HCDistrib): 15 stocks, $140bn
- Pharma: 100 stocks, $2709bn
Telecommunication Services

December 22, 2014

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Telecommunication Services

Momentum

Strength

AltCar ➔
15 stocks; $33bn

IntgTelSrv ➔
63 stocks; $134bn

WisTelSrv ➔
46 stocks; $94bn
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 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.
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 moving average (momentum).

- Each chart is hyperlinked to the group membership, in our RS Filter Toolkit.
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For Important Disclosures on the stocks discussed in this report, please go to

Distribution of Ratings (March 31, 2014)

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<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>Starnes Universe</th>
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<td>Buy</td>
<td>Outperform</td>
<td>42.0%</td>
<td>21.5%</td>
<td>60.7%</td>
<td>40.8%</td>
<td>53.6%</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>40.3%</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.
**** 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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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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