Group Selection

Priced as of May 19, 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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Sector Relative Strength Profiles*

- **Energy**: 26% / 23% / 35%  
  7% / 7% / 8%
- **Materials**: 46% / 46% / 61%  
  8% / 5% / 6%
- **Industrials**: 48% / 48% / 69%  
  5% / 5% / 4%
- **CMR Disc**: 57% / 57% / 73%  
  4% / 3% / 3%
- **CMR Stap**: 47% / 50% / 68%  
  5% / 4% / 5%
- **Hlth Care**: 68% / 65% / 82%  
  0% / -2% / -3%
- **Financials**: 49% / 52% / 79%  
  6% / 0% / 5%
- **Info Tech**: 57% / 57% / 76%  
  4% / 3% / 3%
- **Telecom**: 41% / 42% / 69%  
  2% / 1% / -1%
- **Utilities**: 40% / 48% / 71%  
  6% / -1% / 7%

*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
May 19, 2015

**Energy**

**Momentum**

**Strength**

OG RfMkt
- 49 stocks; $365bn

Coal&Uran
- 26 stocks; $54bn

OG Drill
- 28 stocks; $66bn

OG StTr
- 89 stocks; $739bn

Int O&G
- 34 stocks; $175bn

OG Equip
- 78 stocks; $371bn

OG E&P
- 174 stocks; $948bn

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BMO Capital Markets
<table>
<thead>
<tr>
<th>Sector</th>
<th>Momentum</th>
<th>Strength</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrials</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aero&amp;Def</td>
<td>28 stocks;$837bn</td>
<td></td>
</tr>
<tr>
<td>RsrcSlt</td>
<td>29 stocks;$135bn</td>
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<tr>
<td>Ag&amp;Farm</td>
<td>12 stocks;$76bn</td>
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<tr>
<td>Ind Mach</td>
<td>114 stocks;$611bn</td>
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<tr>
<td>ElcCmpEq</td>
<td>40 stocks;$262bn</td>
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<tr>
<td>AirprtSrv</td>
<td>14 stocks;$74bn</td>
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<tr>
<td>HREmpl</td>
<td>24 stocks;$105bn</td>
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<tr>
<td>MarineSrv</td>
<td>12 stocks;$68bn</td>
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<tr>
<td>DvSpSrv</td>
<td>24 stocks;$75bn</td>
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<td>BldPrdcts</td>
<td>40 stocks;$163bn</td>
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<td>CmclPrt</td>
<td>12 stocks;$27bn</td>
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<td>AirFrght</td>
<td>22 stocks;$264bn</td>
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<td>Hwy&amp;Rail</td>
<td>7 stocks;$80bn</td>
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<tr>
<td>HvyElcEq</td>
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<td>EnviroServ</td>
<td>24 stocks;$96bn</td>
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<td>Cns&amp;Eng</td>
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<tr>
<td>CnstMch&amp;Tr</td>
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<td>OffceServ</td>
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<td>Trucking</td>
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<td>TrdgDist</td>
<td>48 stocks;$306bn</td>
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<td>IndCongl</td>
<td>37 stocks;$972bn</td>
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<tr>
<td>Sec&amp;Alm</td>
<td>7 stocks;$57bn</td>
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</tr>
<tr>
<td>Airline</td>
<td>36 stocks;$280bn</td>
<td></td>
</tr>
<tr>
<td>Railroads</td>
<td>21 stocks;$414bn</td>
<td></td>
</tr>
<tr>
<td>Marine</td>
<td>27 stocks;$91bn</td>
<td></td>
</tr>
</tbody>
</table>
Telecommunication Services

Momentum

Strength

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WlsTelSrv ➡️
47 stocks; $1025bn

IntgTelSrv ➡️
60 stocks; $1342bn

AltCar ➡️
16 stocks; $64bn

May 19, 2015
Momentum

Utilities

May 19, 2015

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GasUtil →
17 stocks; $222bn

WaterUtil →
19 stocks; $71bn

RenewElec <
22 stocks; $56bn

ElecUtil ↑
63 stocks; $891bn

MultiUtil ↓
39 stocks; $481bn

IPPTrad →
23 stocks; $121bn
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.
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).
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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Company Specific Disclosures
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Distribution of Ratings (December 31, 2014)

<table>
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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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<td>Buy</td>
<td>Outperform</td>
<td>43.4%</td>
<td>16.2%</td>
<td>60.6%</td>
<td>42.6%</td>
<td>51.7%</td>
<td>55.6%</td>
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<tr>
<td>Hold</td>
<td>Market Perform</td>
<td>52.6%</td>
<td>8.1%</td>
<td>36.6%</td>
<td>53.0%</td>
<td>45.8%</td>
<td>39.5%</td>
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<tr>
<td>Sell</td>
<td>Underperform</td>
<td>3.9%</td>
<td>8.3%</td>
<td>2.8%</td>
<td>4.5%</td>
<td>2.5%</td>
<td>4.9%</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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***** 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 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;
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