Group Selection

Priced as of January 15, 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**

<table>
<thead>
<tr>
<th>Sector</th>
<th>% Outperforming</th>
<th>Reward/Risk</th>
<th>Trend Psn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>9% / 13% / 22%</td>
<td>/ / /</td>
<td>-24% / -31% / -19%</td>
</tr>
<tr>
<td>Materials</td>
<td>19% / 28% / 42%</td>
<td>/ / /</td>
<td>19% / 10% / 24%</td>
</tr>
<tr>
<td>Industrials</td>
<td>25% / 40% / 58%</td>
<td>/ / /</td>
<td>12% / 4% / 19%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>35% / 52% / 67%</td>
<td>/ / /</td>
<td>16% / 7% / 18%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>31% / 46% / 61%</td>
<td>/ / /</td>
<td>27% / 18% / 34%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>56% / 68% / 79%</td>
<td>/ / /</td>
<td>20% / 12% / 20%</td>
</tr>
<tr>
<td>Financials</td>
<td>35% / 59% / 78%</td>
<td>/ / /</td>
<td>16% / 4% / 22%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>37% / 53% / 68%</td>
<td>/ / /</td>
<td>10% / 0% / 14%</td>
</tr>
<tr>
<td>Telecom</td>
<td>26% / 49% / 64%</td>
<td>/ / /</td>
<td>8% / -2% / 19%</td>
</tr>
<tr>
<td>Utilities</td>
<td>36% / 53% / 72%</td>
<td>/ / /</td>
<td>36% / 22% / 27%</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
Strength Changes Last Session

IndusGas ↔ AirprtSrv ↔ Dist&Vnt ↔ HhldApl → Textiles → Publishing
IndusGas ↔ AirprtSrv ↔ Dist&Vnt ↔ HhldApl → Textiles → Publishing
IndusGas ↔ AirprtSrv ↔ Dist&Vnt ↔ HhldApl → Textiles → Publishing
IndusGas ↔ AirprtSrv ↔ Dist&Vnt ↔ HhldApl → Textiles → Publishing
IndusGas ↔ AirprtSrv ↔ Dist&Vnt ↔ HhldApl → Textiles → Publishing
January 15, 2015

Health Care

Momentum

Strength

Pharma ➔
700 stocks; $2739bn

HCDistrib ➜
15 stocks; $136bn

MngHCare ➝
10 stocks; $240bn

HCEquip ➞
74 stocks; $582bn

HCSuppls ➞
29 stocks; $68bn

Biotech ➔
119 stocks; $810bn

LfSciSrv ➜
27 stocks; $166bn

HCFacility ➝
32 stocks; $135bn

HCService ➞
33 stocks; $209bn

HCFacility ➞
32 stocks; $135bn

HCSuppls ➞
29 stocks; $68bn

Biotech ➔
119 stocks; $810bn

HCEquip ➞
74 stocks; $582bn

MngHCare ➝
10 stocks; $240bn

Pharma ➔
700 stocks; $2739bn

HCDistrib ➜
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HCSuppls ➞
29 stocks; $68bn

HCService ➞
33 stocks; $209bn

HCFacility ➝
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LfSciSrv ➜
27 stocks; $166bn

Biotech ➔
119 stocks; $810bn

HCEquip ➞
74 stocks; $582bn

MngHCare ➝
10 stocks; $240bn

Pharma ➔
700 stocks; $2739bn

HCDistrib ➜
15 stocks; $136bn

MngHCare ➝
10 stocks; $240bn

HCEquip ➞
74 stocks; $582bn

HCSuppls ➞
29 stocks; $68bn

Biotech ➔
119 stocks; $810bn

LfSciSrv ➜
27 stocks; $166bn

HCService ➞
33 stocks; $209bn

HCFacility ➝
32 stocks; $135bn

HCSuppls ➞
29 stocks; $68bn

HCFacility ➝
32 stocks; $135bn

Biotech ➔
119 stocks; $810bn

MngHCare ➝
10 stocks; $240bn

Pharma ➔
700 stocks; $2739bn

HCDistrib ➜
15 stocks; $136bn

HCService ➞
33 stocks; $209bn

HCEquip ➞
74 stocks; $582bn

MngHCare ➝
10 stocks; $240bn

Pharma ➔
700 stocks; $2739bn

HCService ➞
33 stocks; $209bn

HCEquip ➞
74 stocks; $582bn

MngHCare ➝
10 stocks; $240bn

Pharma ➔
700 stocks; $2739bn

HCDistrib ➜
15 stocks; $136bn

HCService ➞
33 stocks; $209bn

HCEquip ➞
74 stocks; $582bn

MngHCare ➝
10 stocks; $240bn

Pharma ➔
700 stocks; $2739bn

MngHCare ➝
10 stocks; $240bn

HCEquip ➞
74 stocks; $582bn

HCSuppls ➞
29 stocks; $68bn

Biotech ➔
119 stocks; $810bn

LfSciSrv ➜
27 stocks; $166bn

HCFacility ➝
32 stocks; $135bn

HCSuppls ➞
29 stocks; $68bn

Biotech ➔
119 stocks; $810bn

HCEquip ➞
74 stocks; $582bn

MngHCare ➝
10 stocks; $240bn

Pharma ➔
700 stocks; $2739bn

HCDistrib ➜
15 stocks; $136bn

MngHCare ➝
10 stocks; $240bn

HCPhysician ➞
37 stocks; $93bn

BMO Capital Markets
Mark Steele (416) 359-4641
Information Technology

January 15, 2015

Mark Steele (416) 359-4641

ITConsult 46 stocks; $542bn

TechDist 16 stocks; $39bn

SystmSwr 37 stocks; $695bn

DataProc 49 stocks; $504bn

EMS 24 stocks; $109bn

Semi 105 stocks; $793bn

HdwrSt&P 49 stocks; $1211bn

ElecInstr 42 stocks; $143bn

ElecComp 52 stocks; $222bn

ApplicSwr 77 stocks; $378bn

HmEntSwr 19 stocks; $75bn

ComEquip 80 stocks; $453bn

SemiEqp 40 stocks; $175bn

InetSftSrv 119 stocks; $911bn

Strength

Momentum
January 15, 2015

Utilities

Mark Steele (416) 359-4641

GasUtil 48 stocks; $206bn
WaterUtil 19 stocks; $67bn
MultiUtil 39 stocks; $489bn
ElecUtil 85 stocks; $910bn
RenewElec 22 stocks; $51bn
IPPTrad 23 stocks; $117bn
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.
IMPORTANT DISCLOSURES

Analyst's Certification
I, Mark Steele, hereby certify that the views expressed in this report accurately reflect my personal views about the subject securities or issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

Company Specific Disclosures
For Important Disclosures on the stocks discussed in this report, please go to http://researchglobal.bmocapitalmarkets.com/Public/Company_Disclosure_Public.aspx

Distribution of Ratings (March 31, 2014)

<table>
<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>Stamina Universe</th>
</tr>
</thead>
<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>33.6%</td>
<td>53.7%</td>
</tr>
<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>
</tr>
<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>5.0%</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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We use the following ratings system definitions:
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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