Group Selection

Priced as of August 17, 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
Table of Contents

3. Sector View
4. Strength Changes Last Session
5. Resource Summary
6. Energy
7. Materials
8. Industrials
9. Consumer Discretionary
10. Consumer Staples
11. Health Care
12. Financials
13. Information Technology
14. Telecom
15. Utilities
16. User Guide
### Sector Relative Strength Profiles*

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Energy</td>
<td>22% / 21% / 35%</td>
<td>/ / / -22% / -15% / -14%</td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>35% / 38% / 56%</td>
<td>/ / / -13% / -8% / -3%</td>
<td></td>
</tr>
<tr>
<td>Industrials</td>
<td>42% / 45% / 63%</td>
<td>/ / / -9% / 3% / 8%</td>
<td></td>
</tr>
<tr>
<td>CMR Disc</td>
<td>50% / 50% / 67%</td>
<td>/ / / -10% / 0% / 7%</td>
<td></td>
</tr>
<tr>
<td>CMR Stap</td>
<td>51% / 50% / 70%</td>
<td>/ / / -6% / 3% / 9%</td>
<td></td>
</tr>
<tr>
<td>Hlth Care</td>
<td>63% / 64% / 77%</td>
<td>/ / / -4% / 6% / 9%</td>
<td></td>
</tr>
<tr>
<td>Financials</td>
<td>50% / 52% / 75%</td>
<td>/ / / -11% / 4% / 8%</td>
<td></td>
</tr>
<tr>
<td>Info Tech</td>
<td>49% / 48% / 65%</td>
<td>/ / / -12% / -1% / 4%</td>
<td></td>
</tr>
<tr>
<td>Telecom</td>
<td>38% / 42% / 70%</td>
<td>/ / / -5% / 6% / 10%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>36% / 38% / 70%</td>
<td>/ / / 7% / 15% / 20%</td>
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</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 (rising / flat / falling 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.
Momentum
Strength

Strength Changes Last Session

HCDistrib ← HCSuppls ← HvyElcEq → Gold
→ FdDistri → HCareTec → MortgREIT → REstOpCo →

Hwy&Rail ← SystmSwr ← CmpElRtl ← SpecialFin ← Footwear ← HhlApI ← Silver
← FdDistri ← HCareTec ← OfficeREIT ← CnstMch&Tl

InsBrkrs ← HCEquip ← Distrib ← Multi-LnIns ← CatalgRtl ← RenewElec ← MarineSr
← ComEq ← DvSpSrv ← OfficeSr

Thrift&Mtg ← CstrMat ← CmclPrt ← EMS ← SpCmSr ← IndMach ←
← Thrft&Mtg ← CstrMat ← CmclPrt ← EMS ← SpCmSr ← IndMach ←

Pharma ← REstSr ← MngHCare ← Dist&Vnt ← MltSecHld ← IntgTelSr
← Pharma ← REstSr ← MngHCare ← Dist&Vnt ← MltSecHld ← IntgTelSr

HhldPrdct ← AirprtSr ← LfSciSr ← InetRtl ← LifeHthlns ← Rstaunt ← Airline ←
← Pharma ← AirprtSr ← LfSciSr ← InetRtl ← LifeHthlns ← Rstaunt ← Airline ←

Hlware ← Ag&Farm ← Biotec ← Cas&Gam ← AutoMg
← Hlware ← Ag&Farm ← Biotec ← Cas&Gam ← AutoMg

Aug 17, 2015
Mark Steele (416) 359-4641
Momentum
Strength

Energy

OG RfMkt
49 stocks; $365bn

OG StTr
90 stocks; $643bn

Int O&G
34 stocks; $1502bn

OG E&P
169 stocks; $731bn
Coal&Uran
23 stocks; $66bn
OG Drill
28 stocks; $46bn
OG Equip
74 stocks; $313bn

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August 17, 2015
August 17, 2015

Consumer Staples

Momentum

Strength

DrugRetail
8 stocks; $247bn

SoftDrinks
16 stocks; $453bn

FdRetail
41 stocks; $359bn

FdDistri
11 stocks; $420bn

FdRetail
41 stocks; $359bn

SoftDrinks
16 stocks; $453bn

SprCntrs
17 stocks; $450bn

AgriProd
32 stocks; $107bn

PkgFdMt
120 stocks; $1066bn

HhldPrdct
17 stocks; $527bn

Tobacco
14 stocks; $616bn

Dist&Vnt
12 stocks; $211bn

PersPrdct
26 stocks; $334bn

Brewers
14 stocks; $492bn
Health Care

Momentum

Strength

HCDistrib
12 stocks; $148bn

HCSupps
30 stocks; $112bn

HCareTec
17 stocks; $61bn

HCEquip
71 stocks; $604bn

HCService
36 stocks; $230bn

HCFacility
33 stocks; $155bn

Pharma
99 stocks; $2947bn

LfSciSrv
31 stocks; $198bn

MngHCare
14 stocks; $295bn

Biotech
124 stocks; $930bn

August 17, 2015

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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 members are 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).

Bottom Fishing:
- Out of favour but becoming less so

Sell/Short:
- Out of favour stocks with negative momentum

Buy/Hold:
- In favour stocks with positive momentum

Trim/Sell:
- In favour stocks becoming less so
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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<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>Staining Universe</th>
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<td>Buy</td>
<td>Outperform</td>
<td>43.7%</td>
<td>18.6%</td>
<td>58.2%</td>
<td>42.7%</td>
<td>55.5%</td>
<td>54.1%</td>
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<tr>
<td>Hold</td>
<td>Market Perform</td>
<td>51.4%</td>
<td>10.4%</td>
<td>38.5%</td>
<td>52.1%</td>
<td>41.9%</td>
<td>40.5%</td>
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<tr>
<td>Sell</td>
<td>Underperform</td>
<td>4.9%</td>
<td>9.4%</td>
<td>3.3%</td>
<td>5.2%</td>
<td>2.6%</td>
<td>5.5%</td>
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* 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.
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**** Reflects rating distribution of all companies covered by BMO Capital Markets equity research analysts.
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(S) = Speculative investment;
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