Group Selection

Priced as of June 1, 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 (reward/risk 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
June 1, 2015

Momentum

**Strength**

**ComdChm**
- 17 stocks
- $317bn

**IndusGas**
- 10 stocks
- $165bn

**CstrMat**
- 29 stocks
- $220bn

**DiversChm**
- 19 stocks
- $292bn

**Gold**
- 61 stocks
- $146bn

**Silver**
- 11 stocks
- $14bn

**PrecMet**
- 22 stocks
- $53bn

**Fert&Ag**
- 26 stocks
- $265bn

**PaperPkg**
- 18 stocks
- $94bn

**MtGlsCnt**
- 15 stocks
- $52bn

**PapProd**
- 31 stocks
- $108bn

**FrstPrd**
- 12 stocks
- $20bn

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**Materials**

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BMO Capital Markets
**Industrialis**

**June 1, 2015**

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- **Momentum**
  - **HvyElcEq:** 21 stocks; $141bn
  - **Sec&Alm:** 7 stocks; $55bn
  - **Ag&Farm:** 12 stocks; $77bn
  - **DvSpSrv:** 25 stocks; $76bn
  - **IndCongl:** 36 stocks; $995bn
  - **Hvy&Rail:** 24 stocks; $101bn
  - **AirFrght:** 22 stocks; $238bn
  - **BldPrdcts:** 61 stocks; $165bn
  - **CmclPrt:** 9 stocks; $77bn
  - **ElcCmpEq:** 39 stocks; $256bn
  - **Aero&Def:** 57 stocks; $814bn

- **Strength**
  - **EnviroServ:** 25 stocks; $96bn
  - **RsrcCslt:** 28 stocks; $133bn
  - **HREmpl:** 24 stocks; $101bn
  - **Airline:** 36 stocks; $269bn
  - **OfficeServ:** 12 stocks; $25bn
  - **CnstMch&Tr:** 14 stocks; $66bn
  - **Hwy&Rail:** 48 stocks; $298bn
  - **TrdgDist:** 21 stocks; $401bn
  - **Railroads:** 21 stocks; $401bn
  - **Marine:** 12 stocks; $66bn
  - **Trucking:** 12 stocks; $66bn

**BMO Capital Markets**
Consumer Staples

Momentum

Strength

June 1, 2015

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HhldPrdct
10 stocks; $543bn

FdDistri
11 stocks; $42bn

Tobacco
15 stocks; $607bn

PkgFdMt
122 stocks; $1202bn

PersPrdct
24 stocks; $259bn

SprCntrs
17 stocks; $467bn

SoftDrnks
15 stocks; $422bn

AgriProd
32 stocks; $123bn

DrugRetail
9 stocks; $235bn

Brewers
5 stocks; $301bn

FdRetail
39 stocks; $350bn

Dist&Vnt
13 stocks; $237bn

FdRetail
15 stocks; $501bn

Dist&Vnt
13 stocks; $237bn

Inv interesting
17 stocks; $467bn

PkgFdMt
122 stocks; $1202bn

PkgFdMt
122 stocks; $1202bn

Inv interesting
17 stocks; $467bn
**June 1, 2015**

**Financials**

**Momentum**
- InvBnkBrk ▶️ 34 stocks; $380bn
- Thrft& Mtg ◀️ 45 stocks; $119bn
- ResidREIT ◀️ 27 stocks; $135bn
- P&C Insur ▶️ 66 stocks; $454bn
- RegionBnk ▶️ 142 stocks; $488bn
- SpecREIT ◀️ 29 stocks; $177bn
- HCareREIT ◀️ 15 stocks; $94bn
- HotelREIT ▶️ 16 stocks; $52bn
- REstDvAct ◀️ 31 stocks; $359bn
- Reinsuran ◀️ 19 stocks; $127bn
- REstDevl ◀️ 21 stocks; $191bn
- OthrDivFS ▶️ 5 stocks; $78bn

**Strength**
- MortgREIT ▶️ 30 stocks; $61bn
- MtSecHld ◀️ 23 stocks; $206bn
- AsstMgmt ◀️ 84 stocks; $511bn
- REstSrv ◀️ 12 stocks; $38bn
- P&C Insur ▶️ 66 stocks; $454bn
- RegBnk ▶️ 142 stocks; $488bn
- SpecialFin ◀️ 29 stocks; $268bn
- IndusREIT ▶️ 16 stocks; $57bn
- HotelREIT ▶️ 16 stocks; $52bn
- Reinsuran ◀️ 19 stocks; $127bn
- OthrDivFS ▶️ 5 stocks; $78bn
- RetailREIT ▶️ 49 stocks; $323bn
- LifeHthIns ▶️ 46 stocks; $770bn
- RetailREIT ▶️ 49 stocks; $323bn
- InsurBrkrs ◀️ 7 stocks; $95bn
- Multi-LnIns ◀️ 71 stocks; $524bn
- DiversREIT ▶️ 42 stocks; $168bn
Momentum

Strength

June 1, 2015

Telecommunication Services

WlsTelSrv
47 stocks; $1012bn

IntgTelSrv
80 stocks; $1297bn

AltCar
16 stocks; $64bn

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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.
IMPORTANT DISCLOSURES

Analyst's Certification
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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 (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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<tbody>
<tr>
<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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<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>
</tr>
<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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Rating and Sector Key (as of April 5, 2013)

We use the following ratings system definitions:
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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;
NR = No rating at this time; and
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