Group Selection

Priced as of June 5, 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></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>48% / 40% / 49%</td>
<td>/ / /</td>
<td>1% / 4% / 4%</td>
</tr>
<tr>
<td>Materials</td>
<td>49% / 45% / 59%</td>
<td>/ / /</td>
<td>0% / 5% / 2%</td>
</tr>
<tr>
<td>Industrials</td>
<td>52% / 50% / 65%</td>
<td>/ / /</td>
<td>2% / 6% / 3%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>58% / 55% / 66%</td>
<td>/ / /</td>
<td>1% / 6% / 2%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>50% / 51% / 61%</td>
<td>/ / /</td>
<td>-5% / 0% / -4%</td>
</tr>
<tr>
<td>Health Care</td>
<td>68% / 63% / 75%</td>
<td>/ / /</td>
<td>5% / 9% / 2%</td>
</tr>
<tr>
<td>Financials</td>
<td>52% / 51% / 71%</td>
<td>/ / /</td>
<td>0% / 3% / 0%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>59% / 57% / 72%</td>
<td>/ / /</td>
<td>10% / 13% / 8%</td>
</tr>
<tr>
<td>Telecom</td>
<td>47% / 42% / 67%</td>
<td>/ / /</td>
<td>-6% / 1% / -4%</td>
</tr>
<tr>
<td>Utilities</td>
<td>41% / 43% / 52%</td>
<td>/ / /</td>
<td>-14% / -6% / -4%</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
### Materials

**Momentum**

- **DiversChm**: 19 stocks; $288bn
- **ComdChm**: 37 stocks; $315bn
- **SpecChm**: 67 stocks; $444bn
- **MtGlsCnt**: 15 stocks; $52bn
- **PaperPkg**: 18 stocks; $93bn
- **PapProd**: 31 stocks; $107bn
- **Fert&Ag**: 36 stocks; $262bn
- **CstrMat**: 29 stocks; $216bn

**Strength**

- **Silver**: 11 stocks; $14bn
- **Steel**: 67 stocks; $324bn
- **PrecMet**: 22 stocks; $51bn
- **DiversChm**: 19 stocks; $288bn
- **ComdChm**: 37 stocks; $315bn
- **SpecChm**: 67 stocks; $444bn
- **MtGlsCnt**: 15 stocks; $52bn
- **PaperPkg**: 18 stocks; $93bn
- **PapProd**: 31 stocks; $107bn
- **Fert&Ag**: 36 stocks; $262bn
- **CstrMat**: 29 stocks; $216bn

**Mortgage**

- **IndusGas**: 10 stocks; $163bn
- **FrstPrd**: 12 stocks; $20bn
- **Gold**: 61 stocks; $136bn

**Industries**

- **DiversChm**: Metals, Mining, Energy
- **ComdChm**: Chemicals
- **SpecChm**: Specialty Chemicals
- **MtGlsCnt**: Metals, Mining, Energy
- **PaperPkg**: Paper, Packaging
- **PapProd**: Paper Products
- **Fert&Ag**: Fertilizers, Agriculture
- **CstrMat**: Construction Materials
- **IndusGas**: Industrial Gases
- **FrstPrd**: Forest Products
- **Gold**: Precious Metals
June 5, 2015

Consumer Staples

Momentum

Strength

PkgFdMt
122 stocks; $1177bn

AgriProd
32 stocks; $121bn

FdRetail
39 stocks; $349bn

SprCntrs
17 stocks; $459bn

Dist&Vnt
13 stocks; $236bn

DrugRetail
3 stocks; $229bn

PersPrdct
24 stocks; $255bn

HhldPrdct
18 stocks; $530bn

Tobacco
15 stocks; $580bn

Brewers
15 stocks; $507bn

SoftDrnks
15 stocks; $412bn

FdDistri
11 stocks; $41bn

BMO Capital Markets
Mark Steele (416) 359-4641
June 5, 2015

Telecommunication Services

Momentum

Strength

Mark Steele (416) 359-4641

Telecommunication Services

IntgTelSrv ➔
60 stocks; $1288bn

AltCar ➥
16 stocks; $63bn

WlsTelSrv ➥
47 stocks; $999bn

40 stocks; $1288bn
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).
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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Distribution of Ratings (December 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 IB Clients*****</th>
<th>Starmine Universe</th>
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<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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<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.
**** 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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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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