Group Selection
Priced as of December 9, 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 View

#### Sector Relative Strength Profiles

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>13% / 17% / 30%</td>
<td>/ / /</td>
<td>-18% / -17% / -6%</td>
</tr>
<tr>
<td>Materials</td>
<td>24% / 31% / 51%</td>
<td>/ / /</td>
<td>-7% / -6% / 6%</td>
</tr>
<tr>
<td>Industrials</td>
<td>32% / 42% / 67%</td>
<td>/ / /</td>
<td>-3% / -2% / 13%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>37% / 47% / 68%</td>
<td>/ / /</td>
<td>0% / 1% / 17%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>50% / 59% / 74%</td>
<td>/ / /</td>
<td>2% / 6% / 16%</td>
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<tr>
<td>Hlth Care</td>
<td>51% / 60% / 74%</td>
<td>/ / /</td>
<td>-2% / -2% / 13%</td>
</tr>
<tr>
<td>Financials</td>
<td>39% / 51% / 78%</td>
<td>/ / /</td>
<td>-6% / -5% / 10%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>42% / 51% / 70%</td>
<td>/ / /</td>
<td>6% / 8% / 24%</td>
</tr>
<tr>
<td>Telecom</td>
<td>32% / 40% / 67%</td>
<td>/ / /</td>
<td>-3% / -1% / 17%</td>
</tr>
<tr>
<td>Utilities</td>
<td>39% / 52% / 72%</td>
<td>/ / /</td>
<td>-4% / -3% / 10%</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.
December 9, 2015

**Resources**

Mark Steele (416) 359-4641

- **Gold**
  - 58 stocks, $105bn

- **Silver**
  - 10 stocks, $10bn

- **Steel**
  - 61 stocks, $213bn

- **OG StTr**
  - 86 stocks, $456bn

- **Coal&Uran**
  - 22 stocks, $52bn

- **DvrsMng**
  - 57 stocks, $252bn

- **PrecMet**
  - 21 stocks, $33bn

- **PaperPkg**
  - 16 stocks, $72bn

- **SpecChm**
  - 61 stocks, $366bn

- **PapProd**
  - 27 stocks, $90bn

- **IndusGas**
  - 10 stocks, $145bn

- **FrstPrd**
  - 12 stocks, $160bn

- **OG Equip**
  - 68 stocks, $280bn
December 9, 2015

Health Care

Momentum

Strength

HCEquip 69 stocks; $562bn
Pharma 94 stocks; $2576bn
HCDistrib 18 stocks; $145bn

LfSciSrv 30 stocks; $192bn
HCSuppl 28 stocks; $117bn

MngHCare 14 stocks; $260bn

HCServ 31 stocks; $202bn
HCFacility 31 stocks; $170bn
HCareTec 17 stocks; $59bn

Biotech 123 stocks; $919bn
Momentum

Strength

Utilities

December 9, 2015

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Utilities

ElecUtil
23 stocks; $865bn

WaterUtil
23 stocks; $78bn

MultiUtil
39 stocks; $433bn

RenewElec
23 stocks; $48bn

GasUtil
36 stocks; $193bn

IPPTrad
25 stocks; $94bn
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).
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”
- 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

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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>Staining Universe</th>
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<tr>
<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>
</tr>
<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>
</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;
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