Group Selection

Priced as of December 18, 2014

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 View**

*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.
Momentum

Strength

December 18, 2014

MgHCare
13 stocks; $230bn
HCSuppl
27 stocks; $86bn
HCEquip
74 stocks; $599bn
Biotech
118 stocks; $832bn
HCareTec
15 stocks; $49bn
LSciSrv
27 stocks; $169bn

Pharma
100 stocks; $271bn
HCService
33 stocks; $205bn

HCFacility
32 stocks; $138bn
HCDistrib
15 stocks; $139bn

Health Care

BMO Capital Markets
Mark Steele (416) 359-4641
Financials

Momentum

Strength

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RegionBnk 137 stocks; $431bn
InsurBrkrs 9 stocks; $83bn
IndusREIT 16 stocks; $55bn
Thrift&Mtg 48 stocks; $116bn
DiversREIT 41 stocks; $178bn

SpecialFin 28 stocks; $225bn
OfficeREIT 24 stocks; $134bn
DiversREIT 41 stocks; $178bn

RetailREIT 50 stocks; $310bn
SpecREIT 18 stocks; $168bn

Reinsuran 16 stocks; $128bn
P&C Insur 65 stocks; $423bn
MortgREIT 80 stocks; $60bn

HotelREIT 16 stocks; $56bn
HCareREIT 17 stocks; $97bn

LifeHthIns 48 stocks; $719bn
InvBnkBrk 36 stocks; $342bn
ConsmrFin 42 stocks; $242bn
REstDivFS 5 stocks; $69bn

REstDvAct 10 stocks; $112bn
ResOpCo 28 stocks; $130bn
MitSecHld 28 stocks; $312bn

Multi-LnIns 30 stocks; $527bn
DiversBnk 167 stocks; $4746bn
REstDevl 43 stocks; $192bn

AsstMgmt 82 stocks; $476bn
OthrDivFS 5 stocks; $69bn
Information Technology

December 18, 2014

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TechDist
16 stocks; $40bn

EMS
23 stocks; $104bn

HmEntSwr
19 stocks; $77bn

SystmSwr
35 stocks; $727bn

ComEquip
61 stocks; $467bn

EMS
23 stocks; $104bn

HmEntSwr
19 stocks; $77bn

ApplicSwr
78 stocks; $401bn

Semi
105 stocks; $813bn

ITConsult
47 stocks; $541bn

DataProc
48 stocks; $520bn

HdwrSt&P
48 stocks; $1250bn

InetSftSrv
110 stocks; $930bn

ElecInstr
42 stocks; $144bn

ElecComp
41 stocks; $927bn

SemiEqp
40 stocks; $182bn
Momentum

Utilities

December 18, 2014

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WaterUtil
- 19 stocks; $66bn

ElecUtil
- 65 stocks; $914bn

MultiUtil
- 79 stocks; $499bn

RenewElec
- 21 stocks; $49bn

GasUtil
- 36 stocks; $208bn

IPPTrad
- 23 stocks; $115bn
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 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.
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

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For Important Disclosures on the stocks discussed in this report, please go to http://researchglobal.bnomarkets.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>Starnine Universe</th>
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<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>53.6%</td>
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<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>40.8%</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>5.6%</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.
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We use the following ratings system definitions:
OP = Outperform - Forecast to outperform the analysts’ coverage universe on a total return basis;
Mkt = Market Perform - Forecast to perform roughly in line with the analysts’ coverage universe on a total return basis;
Und = Underperform - Forecast to underperform the analysts’ coverage universe on a total return basis;
(S) = Speculative investment;
NR = No rating at this time; and
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