Group Selection
Priced as of January 30, 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*

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<tbody>
<tr>
<td>Energy</td>
<td>7% / 11% / 21%</td>
<td>/ / /</td>
<td>7% / -3% / 12%</td>
</tr>
<tr>
<td>Materials</td>
<td>21% / 31% / 47%</td>
<td>/ / /</td>
<td>24% / 11% / 29%</td>
</tr>
<tr>
<td>Industrials</td>
<td>27% / 42% / 63%</td>
<td>/ / /</td>
<td>20% / 5% / 22%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>38% / 52% / 72%</td>
<td>/ / /</td>
<td>19% / 9% / 21%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>34% / 49% / 66%</td>
<td>/ / /</td>
<td>22% / 11% / 26%</td>
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<tr>
<td>Hlth Care</td>
<td>57% / 68% / 84%</td>
<td>/ / /</td>
<td>16% / 6% / 16%</td>
</tr>
<tr>
<td>Financials</td>
<td>36% / 59% / 81%</td>
<td>/ / /</td>
<td>14% / -2% / 15%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>39% / 56% / 73%</td>
<td>/ / /</td>
<td>12% / 1% / 16%</td>
</tr>
<tr>
<td>Telecom</td>
<td>30% / 46% / 69%</td>
<td>/ / /</td>
<td>4% / -2% / 11%</td>
</tr>
<tr>
<td>Utilities</td>
<td>38% / 55% / 75%</td>
<td>/ / /</td>
<td>29% / 6% / 22%</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.
January 30, 2015

**Consumer Staples**

- **Momentum**
  - **DrugRetail**: 8 stocks; $212bn
  - **HhldPrdct**: 18 stocks; $551bn
  - **Tobacco**: 15 stocks; $589bn
  - **Dist&Vnt**: 13 stocks; $215bn
- **Strength**
  - **FdRetail**: 40 stocks; $466bn
  - **Brewers**: 15 stocks; $517bn
  - **PersPrdct**: 25 stocks; $236bn
  - **PkgFdMt**: 119 stocks; $1081bn
  - **SprCntrs**: 17 stocks; $488bn
  - **AgriProd**: 32 stocks; $127bn
  - **FdDistri**: 11 stocks; $42bn
  - **SoftDrnks**: 15 stocks; $418bn
HCEquip: 72 stocks; $567bn
Biotech: 14 stocks; $832bn
Pharma: 100 stocks; $2721bn
MngHCare: 14 stocks; $244bn
HCDistrib: 14 stocks; $138bn
HCSuppls: 28 stocks; $86bn
HCService: 33 stocks; $209bn

HCEquip: 114 stocks; $832bn
LifSciSrv: 27 stocks; $770bn
Biotech: 114 stocks; $832bn
Pharma: 100 stocks; $2721bn
MngHCare: 14 stocks; $244bn
HCDistrib: 32 stocks; $135bn
HCSuppls: 28 stocks; $86bn
HCService: 33 stocks; $209bn

HCareTec: 15 stocks; $50bn
HCFacility: 32 stocks; $135bn
HCareTec: 15 stocks; $50bn
HCFacility: 32 stocks; $135bn
Telecommunication Services

Momentum

Strength

January 30, 2015

Mark Steele (416) 359-4641

WlsTelSrv
46 stocks, $982bn

AltCar
15 stocks, $52bn

IntgTelSrv
23 stocks, $177bn

Telecommunication Services
Utilities

Momentum

Strength

January 30, 2015

Mark Steele (416) 359-4641

MultiUtil 30 stocks; $496bn
ElecUtil 35 stocks; $928bn
RenewElec 22 stocks; $52bn

WaterUtil 16 stocks; $66bn
GasUtil 26 stocks; $208bn

IPPTrad 23 stocks; $116bn
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 groups 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”
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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**Company Specific Disclosures**
For Important Disclosures on the stocks discussed in this report, please go to

Distribution of Ratings (March 31, 2014)

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<tr>
<td>Buy</td>
<td>Outperform</td>
<td>42.0%</td>
<td>21.3%</td>
<td>60.7%</td>
<td>40.8%</td>
<td>53.6%</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>3.7%</td>
<td>3.7%</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.
*** 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.

**Rating and Sector Key (as of April 5, 2013)**
We use the following ratings system definitions:

- **OP** = Outperform - Forecast to outperform the analyst's coverage universe on a total return basis;
- **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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