Group Selection

Priced as of December 18, 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>11% / 16% / 30%</td>
<td>-22% / -26% / -18%</td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>23% / 31% / 50%</td>
<td>0% / -4% / 3%</td>
<td></td>
</tr>
<tr>
<td>Industrials</td>
<td>31% / 41% / 67%</td>
<td>-2% / -3% / 2%</td>
<td></td>
</tr>
<tr>
<td>CMR Disc</td>
<td>37% / 47% / 67%</td>
<td>-1% / -5% / 7%</td>
<td></td>
</tr>
<tr>
<td>CMR Stap</td>
<td>48% / 59% / 74%</td>
<td>10% / 8% / 13%</td>
<td></td>
</tr>
<tr>
<td>Hlth Care</td>
<td>51% / 59% / 75%</td>
<td>12% / 10% / 14%</td>
<td></td>
</tr>
<tr>
<td>Financials</td>
<td>38% / 51% / 77%</td>
<td>1% / -2% / 8%</td>
<td></td>
</tr>
<tr>
<td>Info Tech</td>
<td>42% / 52% / 72%</td>
<td>10% / 7% / 13%</td>
<td></td>
</tr>
<tr>
<td>Telecom</td>
<td>33% / 39% / 68%</td>
<td>0% / -1% / 12%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>38% / 51% / 72%</td>
<td>12% / 11% / 18%</td>
<td></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 (success / 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.
<table>
<thead>
<tr>
<th>Sector</th>
<th>Number of Stocks</th>
<th>Market Cap (bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>OG Drill</td>
<td>80</td>
<td>$32bn</td>
</tr>
<tr>
<td>OG Equip</td>
<td>88</td>
<td>$258bn</td>
</tr>
<tr>
<td>Int O&amp;G</td>
<td>34</td>
<td>$134bn</td>
</tr>
<tr>
<td>OG E&amp;P</td>
<td>140</td>
<td>$577bn</td>
</tr>
<tr>
<td>OG STTr</td>
<td>87</td>
<td>$425bn</td>
</tr>
<tr>
<td>Coal&amp;Uran</td>
<td>22</td>
<td>$52bn</td>
</tr>
<tr>
<td>OG RfMkt</td>
<td>47</td>
<td>$351bn</td>
</tr>
</tbody>
</table>
December 18, 2015

**Consumer Discretionary**

- **Momentum**
  - **Textiles** (3 stocks; $9bn)
  - **Publishing** (23 stocks; $136bn)
  - **Mov&Ent** (24 stocks; $346bn)
  - **Hsware** (5 stocks; $28bn)
  - **HmlImpRtl** (8 stocks; $58bn)

- **Strength**
  - **InetRtl** (28 stocks; $575bn)
  - **ApparRtl** (37 stocks; $356bn)
  - **ApparRtl** (37 stocks; $356bn)
  - **Pblishng** (23 stocks; $136bn)
  - **Htl&Rsrt** (30 stocks; $136bn)
  - **Cabl&Sat** (24 stocks; $326bn)
  - **Publishing** (23 stocks; $136bn)
  - **Hsware** (5 stocks; $28bn)
  - **Pblishng** (23 stocks; $136bn)
  - **ApparRtl** (37 stocks; $356bn)

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- **Markets**
  - **Consumer Discretionary**
  - **Textiles**
  - **Publishing**
  - **Mov&Ent**
  - **Hsware**
  - **HmlImpRtl**
  - **InetRtl**
  - **ApparRtl**

- **Numbers**
  - **28 stocks; $575bn**
  - **37 stocks; $356bn**
  - **24 stocks; $346bn**
  - **5 stocks; $28bn**
  - **8 stocks; $58bn**
  - **23 stocks; $136bn**
  - **30 stocks; $136bn**
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- **Contact**
  - BMO Capital Markets
  - Mark Steele (416) 359-4641
December 18, 2015

**Consumer Staples**

**Strength**

- **Tobacco**
  - 13 stocks, $608bn

- **HhldPrdct**
  - 18 stocks, $536bn

- **SprCntrs**
  - 17 stocks, $407bn

- **AgriProd**
  - 30 stocks, $95bn

- **FdRetail**
  - 39 stocks, $329bn

- **SoftDrnks**
  - 17 stocks, $458bn

- **Brewers**
  - 14 stocks, $506bn

- **PkgFdMt**
  - 19 stocks, $1017bn

- **PersPrdct**
  - 26 stocks, $324bn

- **DrugRetail**
  - 8 stocks, $217bn

- **Dist&Vnt**
  - 12 stocks, $269bn

- **FdDistri**
  - 11 stocks, $40bn

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December 18, 2015

Financials

Mark Steele (416) 359-4641
Momentum

Strength

December 18, 2015

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Information Technology

37 stocks; $722bn

HmEntSwr
14 stocks; $107bn

InetSftSvc
96 stocks; $725bn

DataProc
47 stocks; $545bn

Semi
89 stocks; $777bn

SemiEqp
40 stocks; $161bn

ElecComp
39 stocks; $191bn

HdwrSt&P
45 stocks; $1039bn

EMS
20 stocks; $108bn

ApplicSwr
76 stocks; $464bn

ITConsult
46 stocks; $546bn

TechDist
15 stocks; $39bn

DataProc
47 stocks; $545bn

47 stocks; $545bn

96 stocks; $725bn

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ApplicSwr
76 stocks; $464bn

ITConsult
46 stocks; $546bn

TechDist
15 stocks; $39bn
Telecommunication Services

Momentum

Strength

IntgTelSrv $1238bn
59 stocks

AltCar $56bn
14 stocks

WlsTelSrv $860bn
44 stocks

December 18, 2015
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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.
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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>Stamina Universe</th>
</tr>
</thead>
<tbody>
<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.

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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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