Group Selection
Priced as of October 19, 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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</thead>
<tbody>
<tr>
<td>Energy</td>
<td>14% / 16% / 28%</td>
<td>/ /</td>
<td>3% / 5% / 7%</td>
</tr>
<tr>
<td>Materials</td>
<td>29% / 34% / 51%</td>
<td>/ /</td>
<td>4% / 4% / 3%</td>
</tr>
<tr>
<td>Industrials</td>
<td>35% / 43% / 63%</td>
<td>/ /</td>
<td>-5% / -6% / -5%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>43% / 48% / 68%</td>
<td>/ /</td>
<td>-4% / -5% / -2%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>49% / 55% / 71%</td>
<td>/ /</td>
<td>8% / 8% / 3%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>56% / 62% / 76%</td>
<td>/ /</td>
<td>-14% / -14% / -10%</td>
</tr>
<tr>
<td>Financials</td>
<td>44% / 53% / 76%</td>
<td>/ /</td>
<td>-2% / -1% / 0%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>41% / 48% / 66%</td>
<td>/ /</td>
<td>7% / 6% / 5%</td>
</tr>
<tr>
<td>Telecom</td>
<td>36% / 45% / 70%</td>
<td>/ /</td>
<td>-7% / -5% / -8%</td>
</tr>
<tr>
<td>Utilities</td>
<td>40% / 51% / 71%</td>
<td>/ /</td>
<td>18% / 15% / 8%</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
<table>
<thead>
<tr>
<th>Sector</th>
<th>Momentum</th>
<th>Strength</th>
</tr>
</thead>
<tbody>
<tr>
<td>PaperPkg</td>
<td>16 stocks; $73bn</td>
<td></td>
</tr>
<tr>
<td>PapProd</td>
<td>23 stocks; $96bn</td>
<td></td>
</tr>
<tr>
<td>MtGisCnt</td>
<td>15 stocks; $52bn</td>
<td></td>
</tr>
<tr>
<td>SpecChm</td>
<td>24 stocks; $655bn</td>
<td></td>
</tr>
<tr>
<td>Gold</td>
<td>10 stocks; $119bn</td>
<td></td>
</tr>
<tr>
<td>ComdChm</td>
<td>38 stocks; $265bn</td>
<td></td>
</tr>
<tr>
<td>Fert&amp;Ag</td>
<td>35 stocks; $218bn</td>
<td></td>
</tr>
<tr>
<td>FrstPrd</td>
<td>12 stocks; $16bn</td>
<td></td>
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<tr>
<td>DvrsMng</td>
<td>57 stocks; $321bn</td>
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</tr>
<tr>
<td>PrecMet</td>
<td>23 stocks; $43bn</td>
<td></td>
</tr>
<tr>
<td>Alumin</td>
<td>12 stocks; $43bn</td>
<td></td>
</tr>
<tr>
<td>Steel</td>
<td>69 stocks; $245bn</td>
<td></td>
</tr>
<tr>
<td>Coal&amp;Uran</td>
<td>93 stocks; $63bn</td>
<td></td>
</tr>
<tr>
<td>DiversChm</td>
<td>19 stocks; $251bn</td>
<td></td>
</tr>
<tr>
<td>IndusGas</td>
<td>10 stocks; $151bn</td>
<td></td>
</tr>
<tr>
<td>Int O&amp;G</td>
<td>34 stocks; $1514bn</td>
<td></td>
</tr>
<tr>
<td>OG Drill</td>
<td>24 stocks; $43bn</td>
<td></td>
</tr>
<tr>
<td>Silver</td>
<td>10 stocks; $11bn</td>
<td></td>
</tr>
<tr>
<td>OG E&amp;P</td>
<td>144 stocks; $730bn</td>
<td></td>
</tr>
<tr>
<td>OG RfMkt</td>
<td>47 stocks; $357bn</td>
<td></td>
</tr>
<tr>
<td>CstrMat</td>
<td>27 stocks; $191bn</td>
<td></td>
</tr>
<tr>
<td>OG StTr</td>
<td>87 stocks; $584bn</td>
<td></td>
</tr>
<tr>
<td>OG Equip</td>
<td>68 stocks; $299bn</td>
<td></td>
</tr>
</tbody>
</table>
October 19, 2015

Energy

Momentum

Strength

Coal & Uran
23 stocks; $63bn

Int O&G
24 stocks; $151bn

OG Drill
24 stocks; $43bn

OG E&P
144 stocks; $730bn

OG RfMkt
47 stocks; $357bn

OG StTr
87 stocks; $584bn

OG Equip
68 stocks; $299bn
Consumer Staples

- **Brewers**: 4 stocks; $505bn
- **DrugRetail**: 8 stocks; $233bn
- **AgriProd**: 30 stocks; $107bn
- **HhldPrdct**: 17 stocks; $524bn
- **FdDistri**: 11 stocks; $44bn
- **FdRetail**: 40 stocks; $354bn
- **Tobacco**: 14 stocks; $640bn
- **PersPrdct**: 27 stocks; $341bn
- **SprCntrs**: 17 stocks; $411bn
- **SoftDrinks**: 17 stocks; $456bn
- **Dist&Vnt**: 12 stocks; $212bn
- **PkgFdMt**: 120 stocks; $1049bn
Momentum

Strength

October 19, 2015

Telecommunication Services

Mark Steele (416) 359-4641

WlsTelSrv
40 stocks, $919bn

IntgTelSrv
60 stocks, $1260bn

AltCar
15 stocks, $54bn
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.
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</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>
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<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;
(S) = Speculative investment;
NR = No rating at this time; and
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