Group Selection
Priced as of August 6, 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**

*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.
OG Drill | 28 stocks; $46bn
OG E&P | 169 stocks; $74bn
Coal & Uran | 23 stocks; $75bn
Int O&G | 34 stocks; $151bn
OG RfMkt | 19 stocks; $55bn
OG Equip | 75 stocks; $319bn
OG StTr | 90 stocks; $612bn
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<th>Category</th>
<th>Momentum</th>
<th>Strength</th>
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<td>Tobacco</td>
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<td>PersPrdct</td>
<td>25 stocks</td>
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<td>PkgFdMt</td>
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<td>$1069bn</td>
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<tr>
<td>Dist&amp;Vnt</td>
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<td>HhldPrdct</td>
<td>17 stocks</td>
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<td>DrugRetail</td>
<td>8 stocks</td>
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<td>SoftDrnks</td>
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<tr>
<td>FdRetail</td>
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<td>$366bn</td>
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<td>FdDistri</td>
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<td>AgriProd</td>
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<tr>
<td>SprCntrs</td>
<td>17 stocks</td>
<td>$458bn</td>
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</table>

**August 6, 2015**

Mark Steele (416) 359-4641
### Financials

#### August 6, 2015

Mark Steele (416) 359-4641

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<thead>
<tr>
<th>Sector</th>
<th>Stocks</th>
<th>Assets</th>
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<tr>
<td>Other Dividends</td>
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<td>REIT Services</td>
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<td>Thrift &amp; Mortgage</td>
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<td>Region Banks</td>
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<td>P&amp;C Insurance</td>
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<td>REIT Development</td>
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<tr>
<td>Insurers Brokers</td>
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<tr>
<td>Diversified REITs</td>
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<tr>
<td>Consolidaed Markets</td>
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<tr>
<td>Diversified Banks</td>
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<tr>
<td>Retail REITs</td>
<td>47</td>
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<tr>
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<td>$164bn</td>
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<tr>
<td>Consolidaed Markets</td>
<td>25</td>
<td>$248bn</td>
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</tbody>
</table>
Telecommunication Services

Mark Steele (416) 359-4641

AltCar
16 stocks; $61bn

WlsTelSrv
47 stocks; $998bn

IntgTelSrv
59 stocks; $1331bn

August 6, 2015
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).
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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<td>Buy</td>
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<td>18.6%</td>
<td>58.2%</td>
<td>42.7%</td>
<td>55.5%</td>
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<td>Hold</td>
<td>Market Perform</td>
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<td>10.4%</td>
<td>38.5%</td>
<td>52.1%</td>
<td>41.9%</td>
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<tr>
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<td>Underperform</td>
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<td>9.4%</td>
<td>3.3%</td>
<td>5.2%</td>
<td>2.6%</td>
<td>5.5%</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.
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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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