Group Selection
Priced as of October 7, 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*

- **Energy**: 13% / 15% / 27% 39% / 38% / 23%
- **Materials**: 29% / 34% / 51% 10% / 7% / -4%
- **Industrials**: 35% / 43% / 64% 8% / 6% / -12%
- **CMR Disc**: 43% / 49% / 69% -1% / -3% / -19%
- **CMR Stap**: 47% / 52% / 71% 7% / 7% / -10%
- **Hlth Care**: 59% / 63% / 77% -34% / -36% / -47%
- **Financials**: 44% / 53% / 76% 8% / 1% / -18%
- **Info Tech**: 42% / 47% / 67% 10% / 7% / -8%
- **Telecom**: 35% / 45% / 68% -3% / -5% / -25%
- **Utilities**: 39% / 51% / 69% 15% / 12% / -3%

*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.
Railroads 22 stocks; $388bn

Hwy&Rail 9 stocks; $74bn

CmclPrtr 12 stocks; $250bn

Ind Mach 115 stocks; $508bn

Airline 43 stocks; $260bn

Ind Congl 37 stocks; $912bn

Cns&Eng 68 stocks; $267bn

Marine 27 stocks; $77bn

BldPrdcts 47 stocks; $176bn

Ind Mach 9 stocks; $74bn

RsrcCslt 26 stocks; $128bn

OfficServ 12 stocks; $288bn

Airline 23 stocks; $227bn

ElcCmpEq 17 stocks; $267bn

Air Frght 23 stocks; $227bn

CnstMch&Tr 26 stocks; $72bn

Ag&Farm 12 stocks; $67bn

HvyeleEq 18 stocks; $76bn

Sec&Alm 7 stocks; $50bn

DvSpSrv 26 stocks; $72bn

HREmpl 25 stocks; $100bn

Aero Def 57 stocks; $771bn

MarineSrv 12 stocks; $57bn

AirprtSrv 24 stocks; $94bn

EnviroServ 25 stocks; $100bn

TrdgDist 64 stocks; $242bn

Trucking 28 stocks; $83bn

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EnviroServ 25 stocks; $100bn

TrdgDist 64 stocks; $242bn

Trucking 28 stocks; $83bn
October 7, 2015

Health Care

Momentum

Strength

- Mark Steele (416) 359-4641

Health Care

- MngHCare (74 stocks; $272bn)
- Pharma (93 stocks; $252bn)
- HCSuppl (30 stocks; $109bn)
- HCDistrib (15 stocks; $132bn)
- LfSciSrv (30 stocks; $174bn)
- HCEquip (70 stocks; $541bn)
- Biotech (118 stocks; $882bn)
- HCEquip (31 stocks; $140bn)
- HCFacility (31 stocks; $140bn)

- 14 stocks; $272bn
- 93 stocks; $252bn
- 30 stocks; $109bn
- 15 stocks; $132bn
- 30 stocks; $174bn
- 70 stocks; $541bn
- 118 stocks; $882bn
- 31 stocks; $140bn
- 31 stocks; $140bn
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.
User Guide 2 - Momentum

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”
- 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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Distribution of Ratings (March 31, 2015)

<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>Stamina Universe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buy</td>
<td>Outperform</td>
<td>43.7%</td>
<td>18.6%</td>
<td>38.2%</td>
<td>42.7%</td>
<td>55.5%</td>
<td>54.1%</td>
</tr>
<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.
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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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