Group Selection
Priced as of June 10, 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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Strength

Momentum

2015-06-10

Energy

Materials

Industrials

CMR Disc

CMR Stap

Utilities

Hlth Care

Financials

Info Tech

Telecom

Sales

Momentum

2015-06-10

Energy

Materials

Industrials

CMR Disc

CMR Stap

Utilities

Hlth Care

Financials

Info Tech

Telecom

Sector View

Sector Relative Strength Profiles*

<table>
<thead>
<tr>
<th>Hyperlink</th>
<th>% Outperforming</th>
<th>Reward/Risk</th>
<th>Trend Psn</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US/GBL/CDA</td>
<td>US/GBL/CDA</td>
<td>US/GBL/CDA</td>
</tr>
<tr>
<td>Energy</td>
<td>49% / 42% / 51%</td>
<td>2% / 6% / 4%</td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>50% / 46% / 58%</td>
<td>3% / 6% / 2%</td>
<td></td>
</tr>
<tr>
<td>Industrials</td>
<td>53% / 50% / 66%</td>
<td>1% / 4% / -3%</td>
<td></td>
</tr>
<tr>
<td>CMR Disc</td>
<td>58% / 50% / 66%</td>
<td>-1% / 3% / -5%</td>
<td></td>
</tr>
<tr>
<td>CMR Stap</td>
<td>51% / 50% / 61%</td>
<td>-3% / 1% / -6%</td>
<td></td>
</tr>
<tr>
<td>Hlth Care</td>
<td>67% / 62% / 74%</td>
<td>-1% / 4% / -4%</td>
<td></td>
</tr>
<tr>
<td>Financials</td>
<td>51% / 50% / 68%</td>
<td>4% / 4% / -2%</td>
<td></td>
</tr>
<tr>
<td>Info Tech</td>
<td>59% / 57% / 71%</td>
<td>4% / 4% / 0%</td>
<td></td>
</tr>
<tr>
<td>Telecom</td>
<td>47% / 43% / 64%</td>
<td>-2% / -2% / -7%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>42% / 39% / 52%</td>
<td>-13% / -5% / -6%</td>
<td></td>
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</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
### Strength Changes Last Session

<table>
<thead>
<tr>
<th>Momentum</th>
<th>Strength</th>
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<tbody>
<tr>
<td>LifeHthIns</td>
<td>ITConsult</td>
</tr>
<tr>
<td></td>
<td>Multi-Lfnns</td>
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<tr>
<td>Reinsuran</td>
<td>DiversChm</td>
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<tr>
<td>ElcCmpEq</td>
<td>OthDivFS</td>
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<td></td>
<td></td>
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<tr>
<td>LeisFcll</td>
<td>InetRtl</td>
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<tr>
<td></td>
<td>PersPrdct</td>
</tr>
<tr>
<td></td>
<td>Htl&amp;Rsrt</td>
</tr>
<tr>
<td>LeisProd</td>
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<td>SpecChm</td>
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<td>DataProc</td>
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<td></td>
</tr>
<tr>
<td>HomeBld</td>
<td>ComdChm</td>
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</tbody>
</table>

**BMO Capital Markets**

Mark Steele (416) 359-4641

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June 10, 2015
Momentum

June 10, 2015

Mark Steele (416) 359-4641

Consumer Staples

Strength

Dist&Vnt ↑
18 stocks; $239bn

PersPrdct ↑
24 stocks; $259bn

DrugRetail ↑
2 stocks; $234bn

HhldPrdct
18 stocks; $541bn

Brewers
15 stocks; $509bn

Tobacco
15 stocks; $568bn

PkgFdMt
122 stocks; $1186bn

SoftDrinks ↑
15 stocks; $415bn

SprCntrs
17 stocks; $461bn

AgriProd ↓
32 stocks; $122bn

FdRetail ↑
39 stocks; $356bn

Dist&Vnt
18 stocks; $239bn

PersPrdct
24 stocks; $259bn

DrugRetail
2 stocks; $234bn

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SoftDrinks
15 stocks; $415bn

SprCntrs
17 stocks; $461bn

AgriProd
32 stocks; $122bn

FdRetail
39 stocks; $356bn
June 10, 2015

Utilities

Momentum

Strength

IPPTrad
24 stocks; $125bn

WaterUtil
22 stocks; $74bn

RenewElec
23 stocks; $58bn

GasUtil
37 stocks; $213bn

ElecUtil
33 stocks; $854bn

MultiUtil
40 stocks; $461bn
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 they 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).

![Diagram showing group relative strength and potential actions like buy, hold, trim, sell, and 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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Distribution of Ratings (December 31, 2014)

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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>Starmine Universe</th>
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</thead>
<tbody>
<tr>
<td>Buy</td>
<td>Outperform</td>
<td>43.4%</td>
<td>16.2%</td>
<td>60.6%</td>
<td>42.6%</td>
<td>51.7%</td>
<td>55.6%</td>
</tr>
<tr>
<td>Hold</td>
<td>Market Perform</td>
<td>52.6%</td>
<td>8.1%</td>
<td>36.6%</td>
<td>53.0%</td>
<td>45.8%</td>
<td>39.9%</td>
</tr>
<tr>
<td>Sell</td>
<td>Underperform</td>
<td>3.9%</td>
<td>8.3%</td>
<td>2.8%</td>
<td>4.5%</td>
<td>2.5%</td>
<td>4.9%</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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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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