Group Selection
Priced as of December 31, 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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13. Information Technology
14. Telecom
15. Utilities
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### Sector Relative Strength Profiles*

<table>
<thead>
<tr>
<th>Sector</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>11% / 15% / 31%</td>
<td>/</td>
<td>2% / 0% / 7%</td>
</tr>
<tr>
<td>Materials</td>
<td>23% / 32% / 51%</td>
<td>/</td>
<td>6% / 4% / 10%</td>
</tr>
<tr>
<td>Industrials</td>
<td>32% / 42% / 67%</td>
<td>/</td>
<td>0% / -1% / 8%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>37% / 46% / 65%</td>
<td>/</td>
<td>-2% / -4% / 9%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>50% / 58% / 75%</td>
<td>/</td>
<td>6% / 3% / 11%</td>
</tr>
<tr>
<td>HLth Care</td>
<td>49% / 57% / 75%</td>
<td>/</td>
<td>12% / 8% / 15%</td>
</tr>
<tr>
<td>Financials</td>
<td>37% / 50% / 77%</td>
<td>/</td>
<td>-1% / -4% / 7%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>45% / 53% / 73%</td>
<td>/</td>
<td>0% / -2% / 4%</td>
</tr>
<tr>
<td>Telecom</td>
<td>34% / 39% / 68%</td>
<td>/</td>
<td>1% / 1% / 9%</td>
</tr>
<tr>
<td>Utilities</td>
<td>40% / 52% / 71%</td>
<td>/</td>
<td>11% / 10% / 20%</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.
Momentum

Strength

December 31, 2015

Mark Steele (416) 359-4641

Health Care

HCareTec 17 stocks; $60bn
HCService 12 stocks; $205bn
Pharma 25 stocks; $2620bn
Biotech 128 stocks; $983bn
HCEquip 70 stocks; $590bn
LfSciSrv 29 stocks; $197bn
MngHCare 14 stocks; $276bn
HCSuppls 28 stocks; $116bn
HCDistrib 18 stocks; $149bn
HCFacility 32 stocks; $133bn

Health Care Equities:

- HCareTec: 17 stocks, $60bn
- HCService: 12 stocks, $205bn
- Pharma: 25 stocks, $2620bn
- Biotech: 128 stocks, $983bn
- HCEquip: 70 stocks, $590bn
- LfSciSrv: 29 stocks, $197bn
- MngHCare: 14 stocks, $276bn
- HCSuppls: 28 stocks, $116bn
- HCDistrib: 18 stocks, $149bn
- HCFacility: 32 stocks, $133bn

Markets:

- Health Care (HCareTec, HCService)
- Pharma
- Biotech
- HCEquip
- LfSciSrv
- MngHCare
- HCSuppls
- HCDistrib
- HCFacility

Stocks and Value:

- 32 Stocks, $133bn
- 28 Stocks, $116bn
- 25 Stocks, $2620bn
- 128 Stocks, $983bn
- 17 Stocks, $60bn
- 18 Stocks, $149bn
- 70 Stocks, $590bn
- 14 Stocks, $276bn
- 29 Stocks, $197bn
- 12 Stocks, $205bn
<table>
<thead>
<tr>
<th>Momentum</th>
<th>Strength</th>
</tr>
</thead>
<tbody>
<tr>
<td>AltCar</td>
<td>14 stocks; $58bn</td>
</tr>
<tr>
<td>IntgTelSrv</td>
<td>59 stocks; $1254bn</td>
</tr>
<tr>
<td>WlsTelSrv</td>
<td>44 stocks; $865bn</td>
</tr>
</tbody>
</table>
Momentum

Strength

Utilities

GasUtil
36 stocks; $194bn

RenewElec
24 stocks; $50bn

IPPTrad
25 stocks; $101bn

ElecUtil
82 stocks; $882bn

MultiUtil
59 stocks; $440bn

WaterUtil
23 stocks; $77bn

December 31, 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 group’s members are outperforming
2. How consistent that outperformance is
3. How are the 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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<table>
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<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>
</tr>
</thead>
<tbody>
<tr>
<td>Buy</td>
<td>Outperform</td>
<td>42.2%</td>
<td>18.6%</td>
<td>54.7%</td>
<td>44.3%</td>
<td>56.9%</td>
<td>56.3%</td>
</tr>
<tr>
<td>Hold</td>
<td>Market Perform</td>
<td>54.3%</td>
<td>11.3%</td>
<td>42.7%</td>
<td>51.8%</td>
<td>40.9%</td>
<td>38.7%</td>
</tr>
<tr>
<td>Sell</td>
<td>Underperform</td>
<td>3.5%</td>
<td>11.1%</td>
<td>2.7%</td>
<td>3.9%</td>
<td>2.2%</td>
<td>5.0%</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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(S) = Speculative investment;
NR = No rating at this time; and
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