Group Selection

Priced as of December 3, 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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*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 3, 2015

Mark Steele (416) 359-4641

Energy

OG Equip
68 stocks; $291bn

OG E&P
140 stocks; $673bn

OG StTr
87 stocks; $475bn

Coal&Uran
22 stocks; $56bn

OG RfMkt
47 stocks; $364bn

OG Drill
20 stocks; $40bn

Int O&G
34 stocks; $1440bn
December 3, 2015

Momentum

Strength

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Materials

Alumin
12 stocks; $41bn

Silver
10 stocks; $10bn

Gold
58 stocks; $106bn

Steel
61 stocks; $224bn

PaperPkg
16 stocks; $74bn

SpecChm
51 stocks; $392bn

ComdChm
38 stocks; $281bn

DvrsMng
51 stocks; $356bn

DiversMet
31 stocks; $357bn

MtGlsCnt
15 stocks; $54bn

Fert&Ag
35 stocks; $213bn

PapProd
27 stocks; $93bn

IndusGas
18 stocks; $147bn

DiversChm
18 stocks; $263bn

CstrMat
26 stocks; $188bn

FrstPrd
12 stocks; $17bn
## Consumer Discretionary

**Mark Steele**
(416) 359-4641

<table>
<thead>
<tr>
<th>Momentum</th>
<th>Strength</th>
</tr>
</thead>
<tbody>
<tr>
<td>SpCmSrv</td>
<td>11 stocks; $30bn</td>
</tr>
<tr>
<td>LeisFcil</td>
<td>11 stocks; $45bn</td>
</tr>
<tr>
<td>HomeBld</td>
<td>30 stocks; $131bn</td>
</tr>
<tr>
<td>GMrchStrs</td>
<td>15 stocks; $129bn</td>
</tr>
<tr>
<td>Advert</td>
<td>19 stocks; $122bn</td>
</tr>
<tr>
<td>InetRtl</td>
<td>28 stocks; $576bn</td>
</tr>
<tr>
<td>AutoParts</td>
<td>38 stocks; $328bn</td>
</tr>
<tr>
<td>HhidApl</td>
<td>14 stocks; $80bn</td>
</tr>
<tr>
<td>CmpElRtl</td>
<td>10 stocks; $34bn</td>
</tr>
<tr>
<td>HmImpRtl</td>
<td>0 stocks; $251bn</td>
</tr>
<tr>
<td>AutoMgf</td>
<td>37 stocks; $100bn</td>
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<tr>
<td>Publishing</td>
<td>23 stocks; $145bn</td>
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<tr>
<td>Htl&amp;Rst</td>
<td>20 stocks; $200bn</td>
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<tr>
<td>CmrElec</td>
<td>12 stocks; $101bn</td>
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<tr>
<td>AutoRtl</td>
<td>17 stocks; $105bn</td>
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<tr>
<td>Broadcast</td>
<td>33 stocks; $154bn</td>
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<tr>
<td>Cas&amp;Gam</td>
<td>30 stocks; $208bn</td>
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<tr>
<td>SpecStors</td>
<td>30 stocks; $110bn</td>
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<tr>
<td>Mov&amp;Ent</td>
<td>24 stocks; $358bn</td>
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<tr>
<td>Hsware</td>
<td>5 stocks; $26bn</td>
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<tr>
<td>Rstaurnt</td>
<td>17 stocks; $388bn</td>
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<tr>
<td>AppariRtl</td>
<td>27 stocks; $399bn</td>
</tr>
<tr>
<td>April&amp;Gds</td>
<td>42 stocks; $465bn</td>
</tr>
<tr>
<td>Textiles</td>
<td>3 stocks; $9bn</td>
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<tr>
<td>Footwear</td>
<td>15 stocks; $132bn</td>
</tr>
<tr>
<td>DeptStrs</td>
<td>23 stocks; $124bn</td>
</tr>
<tr>
<td>LeisPrd</td>
<td>20 stocks; $64bn</td>
</tr>
<tr>
<td>Educat</td>
<td>20 stocks; $35bn</td>
</tr>
<tr>
<td>HmFrnsh</td>
<td>8 stocks; $51bn</td>
</tr>
<tr>
<td>Educat</td>
<td>20 stocks; $35bn</td>
</tr>
<tr>
<td>MotcyMfg</td>
<td>4 stocks; $36bn</td>
</tr>
</tbody>
</table>
December 3, 2015

**Health Care**

- **Momentum**
  - HCSuppls: 28 stocks; $118bn
  - HCEquip: 99 stocks; $567bn
  - LfSciSrv: 30 stocks; $190bn

- **Strength**
  - HCDistrib: 18 stocks; $145bn
  - MngHCare: 14 stocks; $264bn
  - HCEquip: 99 stocks; $567bn
  - Pharma: 94 stocks; $2578bn

- **Category Breakdown**
  - HCFacility: 31 stocks; $131bn
  - Biotech: 123 stocks; $911bn
  - HCFacility: 31 stocks; $131bn
  - Biotech: 123 stocks; $911bn
  - HCFacility: 31 stocks; $131bn
  - Biotech: 123 stocks; $911bn

- **Total Health Care**
  - 288 stocks; $918bn

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BMO Capital Markets
Telecommunication Services

Momentum

Strength

December 3, 2015

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Telecommunication Services

AltCar
14 stocks; $57bn

IntgTelSrv
58 stocks; $1248bn

WlsTelSrv
44 stocks; $884bn
Utilities

December 3, 2015

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22 stocks; $78bn

WaterUtil

39 stocks; $432bn

MultiUtil

25 stocks; $97bn

IPPTrad

83 stocks; $866bn

ElecUtil

36 stocks; $197bn

GasUtil

23 stocks; $49bn

RenewElec

39 stocks; $432bn
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 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>
<thead>
<tr>
<th>Rating Category</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>58.2%</td>
<td>42.7%</td>
<td>55.5%</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>
</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>
</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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