Group Selection

Priced as of July 27, 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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Mark Steele  (416) 359-4641
July 27, 2015

**Sector View**

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### 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>32% / 29% / 44%</td>
<td>/ / -40%</td>
<td>-37% / -24%</td>
</tr>
<tr>
<td>Materials</td>
<td>43% / 43% / 59%</td>
<td>/ / -27%</td>
<td>-24% / -5%</td>
</tr>
<tr>
<td>Industrials</td>
<td>48% / 47% / 65%</td>
<td>/ / -18%</td>
<td>-12% / 11%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>53% / 53% / 66%</td>
<td>/ / -11%</td>
<td>-5% / 16%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>48% / 49% / 66%</td>
<td>/ / 1%</td>
<td>6% / 30%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>66% / 67% / 76%</td>
<td>/ / 1%</td>
<td>6% / 25%</td>
</tr>
<tr>
<td>Financials</td>
<td>53% / 53% / 71%</td>
<td>/ / -3%</td>
<td>3% / 32%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>55% / 54% / 66%</td>
<td>/ / -17%</td>
<td>-13% / 8%</td>
</tr>
<tr>
<td>Telecom</td>
<td>39% / 39% / 62%</td>
<td>/ / -2%</td>
<td>7% / 32%</td>
</tr>
<tr>
<td>Utilities</td>
<td>35% / 36% / 58%</td>
<td>/ / -3%</td>
<td>8% / 33%</td>
</tr>
</tbody>
</table>

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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.
Strength Changes Last Session

PapProd ← HCSuppls ← CatalgRtl ← MotcyMfg ← Rstaurnt ← MarineSrv
REstSrv ← Advert ← HvyElcEq ← InetSftSrv ← CmrElec ← HhldApl
MltSecHld ← HCDistrib ← Distib ← ElecUtil ← Fert&Ag
MltSecHld ← MltSecHld ← HCDistrib ← HCDistrib ← HCDistrib
AirFrght ← Tobacco ← ElecCmpEq ← HmImpRtl ← REstDvAct
AirFrght ← Multi-LnIns ← Tire&Rub ← LeisFcil ← RetailREIT
AirFrght ← AirFrght ← Multi-LnIns ← Multi-LnIns ← Multi-LnIns
HomeFurn ← EnviroServ ← InvBnkBrk ← WaterUtil ← GasUtil ← FdRetail
HomeFurn ← SpecialFin ← OthrDivFS ← CstrMat ← MultiUtil ← MultiUtil
HomeFurn ← SpecialFin ← OthrDivFS ← OthrDivFS ← OthrDivFS
ComdChm ← PersPrdct ← Hsware ← InetRtl ← REstDevl ← REstDevl
ComdChm ← HomeBld ← ConsmrFin ← ConsmrFin ← ConsmrFin
OG RfMkt ← OG RfMkt ← HomeBld ← HomeBld ← HomeBld
DeptStrs ← AltCar ← OfficeServ ← OfficeServ ← OfficeServ
DeptStrs ← Cabl&Sat ← Ag&Farm ← Ag&Farm ← Ag&Farm
DeptStrs ← AutoRtl ← Aer&Def ← Aer&Def ← Aer&Def
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July 27, 2015

Momentum

Strength

Materials

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PapProd
30 stocks; $101bn

SpecChm
36 stocks; $426bn

Fert&Ag
35 stocks; $244bn

CstrMat
29 stocks; $223bn

IndusGas
10 stocks; $156bn

ComdChm
28 stocks; $209bn

DiversChm
19 stocks; $261bn

MtGlsCnt
15 stocks; $55bn

DvrsMng
21 stocks; $308bn

Steel
67 stocks; $268bn

Alumin
19 stocks; $42bn

Gold
60 stocks; $101bn

PrecMet
22 stocks; $43bn

Silver
11 stocks; $70bn

FrstPrd
12 stocks; $17bn
Momentum

Strength

Health Care

July 27, 2015

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LfSciSrv 31 stocks; $197bn

HCSupps 30 stocks; $112bn

HCEquip 71 stocks; $586bn

HCDistrib 15 stocks; $149bn

HCFacility 33 stocks; $156bn

HCService 36 stocks; $230bn

Pharma 99 stocks; $288bn

MngHCare 74 stocks; $233bn

HCareTec 16 stocks; $61bn

Biotech 124 stocks; $921bn

BMO Capital Markets
Information Technology

July 27, 2015

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[Diagram of the Information Technology sector with labels and metrics for different categories such as Systems Software (SystmSwr), Internet Services (InetStfSrV), EMS, ComEquipment (ComEqdept), ApplicSoftware (ApplicSwr), IT Consulting (ITConsult), Data Processing (DataProc), HmEntSoftware (HmEntSwr), Semi Equipment (SemiEqp), TechDistribution (TechDist), HdwrSt&P, Electric Instr (ElecInstr), Electric Components (ElecComp), Hardware & Semi (HdwrSt&P), and Software (Semi). Each category shows the number of stocks and their market capitalization in billions of dollars.]
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.
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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<table>
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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>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>
<td>54.1%</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>
<td>40.5%</td>
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<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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(S) = Speculative investment;
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