Group Selection

Priced as of December 17, 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 View

Sector Relative Strength Profiles*

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>11% / 16% / 30%</td>
<td>-28% / -29% / -17%</td>
<td></td>
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<tr>
<td>Materials</td>
<td>23% / 31% / 50%</td>
<td>-7% / -7% / 6%</td>
<td></td>
</tr>
<tr>
<td>Industrials</td>
<td>31% / 40% / 67%</td>
<td>-7% / -4% / 12%</td>
<td></td>
</tr>
<tr>
<td>CMR Disc</td>
<td>37% / 47% / 68%</td>
<td>-8% / -7% / 15%</td>
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<tr>
<td>CMR Stap</td>
<td>48% / 60% / 74%</td>
<td>4% / 4% / 23%</td>
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</tr>
<tr>
<td>Hlth Care</td>
<td>50% / 59% / 75%</td>
<td>6% / 6% / 19%</td>
<td></td>
</tr>
<tr>
<td>Financials</td>
<td>38% / 51% / 77%</td>
<td>-5% / -2% / 18%</td>
<td></td>
</tr>
<tr>
<td>Info Tech</td>
<td>42% / 52% / 72%</td>
<td>5% / 6% / 23%</td>
<td></td>
</tr>
<tr>
<td>Telecom</td>
<td>33% / 39% / 67%</td>
<td>-7% / -3% / 18%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>38% / 51% / 72%</td>
<td>4% / 3% / 23%</td>
<td></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 (up/down 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
December 17, 2015

Energy

Momentum

Strength

OG Equip
68 stocks; $263bn

OG Drill
20 stocks; $35bn

Int O&G
34 stocks; $135bn

OG E&P
140 stocks; $584bn

OG STTr
87 stocks; $427bn

Coal&Uran
22 stocks; $52bn

OG RfMkt
17 stocks; $356bn

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Consumer Staples

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HhldPrdct
26 stocks; $329bn

SoftDrinks
17 stocks; $346bn

Tobacco
13 stocks; $619bn

PersPrdct
39 stocks; $334bn

SprCntrs
17 stocks; $409bn

AgriProd
30 stocks; $350bn

PkgFdMt
119 stocks; $1026bn

DrugRetail
9 stocks; $219bn

Dist&Vnt
12 stocks; $210bn

Brewers
14 stocks; $511bn

11 stocks; $41bn

17 stocks; $467bn

17 stocks; $467bn

39 stocks; $334bn

32 stocks; $334bn

8 stocks; $219bn

12 stocks; $210bn

14 stocks; $511bn
Momentum

Strength

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Health Care

Pharma ➔ 34 stocks; $2607bn
HCareTec ➔ 77 stocks; $55bn
MngHCare ➔ 14 stocks; $276bn
Biotech ➔ 128 stocks; $963bn

HCDistrib ➔ 18 stocks; $145bn
HCEquip ➔ 69 stocks; $560bn
LiSciSrv ➔ 29 stocks; $192bn
HCSuppls ➔ 28 stocks; $115bn
HCFacility ➔ 32 stocks; $130bn
HCSuppl ➔ 31 stocks; $202bn

94 stocks; $2607bn
17 stocks; $55bn
14 stocks; $276bn
128 stocks; $963bn
18 stocks; $145bn
69 stocks; $560bn
29 stocks; $192bn
28 stocks; $115bn
32 stocks; $130bn
31 stocks; $202bn
Telecommunication Services

Momentum vs. Strength

IntgTelSrv: 59 stocks; $1252bn
AltCar: 14 stocks; $57bn
WlsTelSrv: 44 stocks; $869bn

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Utilities

Momentum

Strength

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ElecUtil
82 stocks; $877bn

MultiUtil
39 stocks; $438bn

WaterUtil
23 stocks; $77bn

GasUtil
36 stocks; $191bn

RenewElec
22 stocks; $49bn

IPPTrad
25 stocks; $95bn

Utilities

32 stocks; $871bn

23 stocks; $49bn

MultiUtil
39 stocks; $438bn

WaterUtil
23 stocks; $77bn

IPPTrad
25 stocks; $95bn

36 stocks; $191bn

RenewElec
22 stocks; $49bn

GasUtil
36 stocks; $191bn

IPPTrad
25 stocks; $95bn

36 stocks; $191bn

RenewElec
22 stocks; $49bn

IPPTrad
25 stocks; $95bn
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).
**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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<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>
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<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>
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* 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.
**** Reflects rating distribution of all companies covered by BMO Capital Markets equity research analysts.
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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
R = Restricted - Dissemination of research is currently restricted.

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