Group Selection

Priced as of April 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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**Sector Relative Strength Profiles**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>12% / 13% / 25%</td>
<td>/ / /</td>
<td>38% / 27% / 18%</td>
</tr>
<tr>
<td>Materials</td>
<td>40% / 44% / 59%</td>
<td>/ / /</td>
<td>21% / 8% / -6%</td>
</tr>
<tr>
<td>Industrials</td>
<td>43% / 49% / 71%</td>
<td>/ / /</td>
<td>15% / 2% / -16%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>56% / 58% / 76%</td>
<td>/ / /</td>
<td>8% / -8% / -22%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>39% / 49% / 72%</td>
<td>/ / /</td>
<td>11% / -7% / -23%</td>
</tr>
<tr>
<td>Health</td>
<td>69% / 71% / 87%</td>
<td>/ / /</td>
<td>-3% / -18% / -34%</td>
</tr>
<tr>
<td>Financials</td>
<td>46% / 53% / 82%</td>
<td>/ / /</td>
<td>15% / -6% / -29%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>55% / 59% / 80%</td>
<td>/ / /</td>
<td>5% / -5% / -23%</td>
</tr>
<tr>
<td>Telecom</td>
<td>38% / 46% / 71%</td>
<td>/ / /</td>
<td>20% / 7% / -10%</td>
</tr>
<tr>
<td>Utilities</td>
<td>37% / 46% / 73%</td>
<td>/ / /</td>
<td>25% / 0% / -12%</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.
### Consumer Staples

<table>
<thead>
<tr>
<th>Sector</th>
<th>Stocks</th>
<th>Market Cap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household Products (HhldPrdct)</td>
<td>15</td>
<td>$554bn</td>
</tr>
<tr>
<td>Tobacco</td>
<td>15</td>
<td>$616bn</td>
</tr>
<tr>
<td>Distribution &amp; Vent (Dist&amp;Vnt)</td>
<td>13</td>
<td>$235bn</td>
</tr>
<tr>
<td>Brewers</td>
<td>15</td>
<td>$524bn</td>
</tr>
<tr>
<td>Agriculture Products (AgriProd)</td>
<td>32</td>
<td>$121bn</td>
</tr>
<tr>
<td>Drug Retail (DrugRetail)</td>
<td>9</td>
<td>$233bn</td>
</tr>
<tr>
<td>Soft Drinks (SoftDrnks)</td>
<td>15</td>
<td>$424bn</td>
</tr>
<tr>
<td>Personal Products (PersPrdct)</td>
<td>25</td>
<td>$265bn</td>
</tr>
<tr>
<td>Sprinklers (SprCntrs)</td>
<td>17</td>
<td>$489bn</td>
</tr>
<tr>
<td>Food Distribution (FdDistri)</td>
<td>11</td>
<td>$41bn</td>
</tr>
<tr>
<td>Pkg Fd Mt (PkgFdMt)</td>
<td>11</td>
<td>$41bn</td>
</tr>
<tr>
<td>Food Retail (FdRetail)</td>
<td>40</td>
<td>$372bn</td>
</tr>
</tbody>
</table>
| 122 stocks; $1203bn

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Information Technology

Momentum

Strength

SystmSwr ↓
40 stocks; $730bn

HmEntSwr ↩
18 stocks; $99bn

InetSftSrv ↑
104 stocks; $1266bn

SemiEqp ↑
39 stocks; $203bn

ComEquip ↓
54 stocks; $461bn

EMS ↓
22 stocks; $123bn

DataProc ↑
47 stocks; $643bn

TechDist ↓
16 stocks; $41bn

ApplicSwr ↓
63 stocks; $465bn

ElecComp ↓
40 stocks; $253bn

Semi ↩
100 stocks; $833bn

HdwrSt&P ↑
49 stocks; $1370bn

ITConsult ↑
45 stocks; $581bn

ElecInstr ↓
40 stocks; $157bn
Telecommunication Services

Momentum

Strength

AltCar
16 stocks; $64bn

IntgTelSrv
60 stocks; $135bn

WlsTelSrv
46 stocks; $106bn

April 27, 2015

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April 27, 2015

Utilities

- WaterUtil: 19 stocks; $72bn
- MultiUtil: 39 stocks; $484bn
- IPPTrad: 23 stocks; $126bn
- GasUtil: 37 stocks; $225bn
- ElecUtil: 84 stocks; $893bn
- RenewElec: 22 stocks; $55bn

Momentum

Strength
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 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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<table>
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<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>Starmine Universe</th>
</tr>
</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>
</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>
</tr>
<tr>
<td>Sell</td>
<td>Underperform</td>
<td>3.9%</td>
<td>8.3%</td>
<td>2.8%</td>
<td>5.5%</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.
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- **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;
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