Group Selection
Priced as of December 17, 2014

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***

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<tbody>
<tr>
<td>Energy</td>
<td>14% / 21% / 26%</td>
<td>/</td>
<td>-43% / -36% / -31%</td>
</tr>
<tr>
<td>Materials</td>
<td>19% / 29% / 38%</td>
<td>/</td>
<td>-8% / 0% / 2%</td>
</tr>
<tr>
<td>Industrials</td>
<td>23% / 37% / 48%</td>
<td>/</td>
<td>-2% / 10% / 14%</td>
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<tr>
<td>CMR Disc</td>
<td>32% / 44% / 55%</td>
<td>/</td>
<td>9% / 19% / 18%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>30% / 44% / 53%</td>
<td>/</td>
<td>-8% / 0% / 6%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>52% / 63% / 72%</td>
<td>/</td>
<td>12% / 20% / 21%</td>
</tr>
<tr>
<td>Financials</td>
<td>32% / 55% / 68%</td>
<td>/</td>
<td>4% / 19% / 22%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>36% / 48% / 60%</td>
<td>/</td>
<td>8% / 19% / 18%</td>
</tr>
<tr>
<td>Telecom</td>
<td>30% / 50% / 54%</td>
<td>/</td>
<td>-17% / -2% / 5%</td>
</tr>
<tr>
<td>Utilities</td>
<td>35% / 52% / 63%</td>
<td>/</td>
<td>-6% / 9% / 20%</td>
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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.
**Materials**

- **PapProd**: 17 stocks, $85bn
- **PapPkg**: 17 stocks, $85bn
- **MtGlsCnt**: 16 stocks, $48bn
- **FrstPrd**: 12 stocks, $20bn
- **IndusGas**: 10 stocks, $16bn
- **SpecChm**: 17 stocks, $406bn
- **Alumin**: 12 stocks, $58bn
- **CstrMat**: 29 stocks, $168bn
- **Fert&Ag**: 37 stocks, $236bn
- **ComdChm**: 74 stocks, $321bn
- **DvrsChm**: 67 stocks, $406bn
- **DvrsMng**: 76 stocks, $461bn
- **Gold**: 78 stocks, $126bn
- **PrecMet**: 22 stocks, $49bn
- **Silver**: 13 stocks, $15bn
- **Steel**: 74 stocks, $321bn
Telecommunication Services

- **AltCar**: 16 stocks; $61bn
- **WlsTelSrv**: 46 stocks; $91bn
- **IntgTelSrv**: 63 stocks; $129bn
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 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/picky):

  - 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.
IMPORTANT DISCLOSURES

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Company Specific Disclosures
For Important Disclosures on the stocks discussed in this report, please go to

Distribution of Ratings (March 31, 2014)

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<td>Buy</td>
<td>Outperform</td>
<td>42.0%</td>
<td>21.5%</td>
<td>60.7%</td>
<td>40.8%</td>
<td>53.6%</td>
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<tr>
<td>Hold</td>
<td>Market Perform</td>
<td>52.8%</td>
<td>10.8%</td>
<td>38.2%</td>
<td>52.8%</td>
<td>45.3%</td>
<td>45.3%</td>
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<tr>
<td>Sell</td>
<td>Underperform</td>
<td>5.2%</td>
<td>3.2%</td>
<td>1.1%</td>
<td>6.3%</td>
<td>2.7%</td>
<td>2.7%</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.
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***** Reflects rating distribution of all companies from which BMO Capital Markets has received compensation for Investment Banking services as percentage of Investment Banking clients.

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We use the following ratings system definitions:
OP = Outperform - Forecast to outperform the analyst's coverage universe on a total return basis;
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;
(S) = Speculative investment;
NR = No rating at this time; and
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