Group Selection
Priced as of August 4, 2016

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>
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</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>58% / 61% / 46%</td>
<td>/ /</td>
<td>-2% / -2% / 1%</td>
</tr>
<tr>
<td>Materials</td>
<td>63% / 65% / 52%</td>
<td>/ /</td>
<td>3% / 3% / 8%</td>
</tr>
<tr>
<td>Industrials</td>
<td>49% / 53% / 32%</td>
<td>/ /</td>
<td>0% / -2% / 6%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>39% / 42% / 25%</td>
<td>/ /</td>
<td>2% / 2% / 7%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>52% / 57% / 29%</td>
<td>/ /</td>
<td>-4% / -7% / 1%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>49% / 53% / 36%</td>
<td>/ /</td>
<td>6% / 7% / 11%</td>
</tr>
<tr>
<td>Financials</td>
<td>48% / 52% / 30%</td>
<td>/ /</td>
<td>4% / 1% / 8%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>49% / 53% / 35%</td>
<td>/ /</td>
<td>9% / 9% / 13%</td>
</tr>
<tr>
<td>Telecom</td>
<td>43% / 48% / 29%</td>
<td>/ /</td>
<td>0% / -1% / 8%</td>
</tr>
<tr>
<td>Utilities</td>
<td>63% / 63% / 37%</td>
<td>/ /</td>
<td>1% / 0% / 7%</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.
August 4, 2016

Gold 8 stocks; $137bn
Silver 9 stocks; $29bn
CstrMat 27 stocks; $210bn
PrecMet 22 stocks; $66bn
FrstPrd 12 stocks; $18bn
SpecChm 64 stocks; $427bn
Fert&Ag 34 stocks; $200bn

IndusGas 8 stocks; $137bn
DvrsMng 60 stocks; $336bn
Steel 60 stocks; $277bn
DiversChm 19 stocks; $303bn
MtGlsCnt 14 stocks; $54bn
Alumin 12 stocks; $49bn
ComdChm 40 stocks; $270bn
PapProd 26 stocks; $70bn
PaperPkg 19 stocks; $547bn
Consumer Staples

- **PersPrdct**: 28 stocks; $370bn
- **Dist&Vnt**: 12 stocks; $242bn
- **PkgFdMt**: 116 stocks; $1211bn
- **HhldPrdct**: 18 stocks; $575bn
- **DrugRetail**: 7 stocks; $209bn
- **AgriProd**: 28 stocks; $108bn
- **Tobacco**: 13 stocks; $685bn
- **Brewers**: 14 stocks; $538bn
- **FdRetail**: 37 stocks; $345bn
- **FdDistri**: 12 stocks; $50bn
- **SoftDrns**: 17 stocks; $454bn
- **SprCntrs**: 17 stocks; $454bn

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Momentum
Strength

August 4, 2016

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Information Technology

- **ElecInstr**: 43 stocks; $164bn
- **ITConsult**: 50 stocks; $606bn
- **InetSftSrv**: 92 stocks; $1342bn
- **43 stocks; $916bn**
- **HdwrSt&P**: 46 stocks; $1077bn
- **Semi**: 46 stocks; $1077bn
- **SystmSwr**: 37 stocks; $754bn
- **99 stocks; $1342bn**
- **TechDist**: 15 stocks; $37bn
- **AppliSwr**: 68 stocks; $490bn
- **DataProc**: 48 stocks; $627bn
- **ElecComp**: 39 stocks; $208bn
- **24 stocks; $101bn**
- **SemiEqp**: 38 stocks; $167bn
- **EMS**: 19 stocks; $114bn
- **ComEquip**: 47 stocks; $326bn
- **14 stocks; $124bn**

ElecInstr: Information Technology

ITConsult: Information Technology

InetSftSrv: Information Technology

SystmSwr: Information Technology

ElecComp: Information Technology

Semi: Information Technology

SemiEqp: Information Technology

EMS: Information Technology

ComEquip: Information Technology

TechDist: Information Technology

AppliSwr: Information Technology

HmEntSwr: Information Technology

DataProc: Information Technology

HdwrSt&P: Information Technology
Utilities

August 4, 2016

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MultiUtil 37 stocks; $448bn

RenewElec 24 stocks; $53bn

ElecUtil 29 stocks; $105bn

GasUtil 36 stocks; $214bn

WaterUtil 23 stocks; $84bn

IPPTrad 25 stocks; $101bn

Utilities

Strength

Momentum
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 groups members are outperforming
2. How consistent that outperformance is
3. How are 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”
- 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>Starmine Universe</th>
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<tr>
<td>Buy</td>
<td>Outperform</td>
<td>42.2%</td>
<td>18.6%</td>
<td>54.7%</td>
<td>44.3%</td>
<td>56.9%</td>
<td>56.3%</td>
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<tr>
<td>Hold</td>
<td>Market Perform</td>
<td>54.3%</td>
<td>11.3%</td>
<td>42.7%</td>
<td>51.8%</td>
<td>40.9%</td>
<td>38.7%</td>
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<tr>
<td>Sell</td>
<td>Underperform</td>
<td>3.5%</td>
<td>11.1%</td>
<td>2.7%</td>
<td>3.9%</td>
<td>2.2%</td>
<td>5.0%</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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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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