Group Selection

Priced as of November 10, 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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14. Telecom
15. Utilities
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Sector View

Sector Relative Strength Profiles*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>57% / 53% / 54%</td>
<td>-4% / 3% / 8%</td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>64% / 61% / 63%</td>
<td>-2% / 5% / 11%</td>
<td></td>
</tr>
<tr>
<td>Industrials</td>
<td>49% / 48% / 48%</td>
<td>7% / 16% / 25%</td>
<td></td>
</tr>
<tr>
<td>CMR Disc</td>
<td>44% / 44% / 44%</td>
<td>-6% / 2% / 8%</td>
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</tr>
<tr>
<td>CMR Stap</td>
<td>49% / 45% / 42%</td>
<td>-38% / -29% / -19%</td>
<td></td>
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<tr>
<td>Hlth Care</td>
<td>51% / 51% / 49%</td>
<td>-11% / -3% / 3%</td>
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<tr>
<td>Financials</td>
<td>54% / 53% / 55%</td>
<td>23% / 33% / 41%</td>
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</tr>
<tr>
<td>Info Tech</td>
<td>62% / 61% / 62%</td>
<td>-13% / -4% / 3%</td>
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<tr>
<td>Telecom</td>
<td>35% / 36% / 33%</td>
<td>-41% / -26% / -15%</td>
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<tr>
<td>Utilities</td>
<td>43% / 42% / 38%</td>
<td>-47% / -32% / -19%</td>
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</tr>
<tr>
<td>Real Estate</td>
<td>53% / 53% / 48%</td>
<td>-53% / -40% / -28%</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 ( / 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.
<table>
<thead>
<tr>
<th>Category</th>
<th>Momentum</th>
<th>Strength</th>
<th>Stocks</th>
<th>Value (bn)</th>
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<tbody>
<tr>
<td>Coal &amp; Uran</td>
<td>]</td>
<td>[</td>
<td>22</td>
<td>$78bn</td>
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<tr>
<td>OG RfMkt</td>
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<td>[</td>
<td>42</td>
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<tr>
<td>OG Equip</td>
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<td>63</td>
<td>$312bn</td>
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<tr>
<td>OG E&amp;P</td>
<td>↑</td>
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<tr>
<td>OG StTr</td>
<td>↑</td>
<td></td>
<td>94</td>
<td>$595bn</td>
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<tr>
<td>OG Drill</td>
<td>↑</td>
<td></td>
<td>19</td>
<td>$33bn</td>
</tr>
<tr>
<td>Int O&amp;G</td>
<td>↓</td>
<td></td>
<td>11</td>
<td>$1540bn</td>
</tr>
</tbody>
</table>
Industrials

November 10, 2016
Mark Steele (416) 359-4641

ElcCmpEq
37 stocks; $299bn

CnstMch&T
44 stocks; $259bn

Ind Mach
117 stocks; $566bn

Trucking
29 stocks; $79bn

AirFrght
22 stocks; $235bn

BldPrdcts
42 stocks; $242bn

TrdgDist
48 stocks; $264bn

CmclPrt
12 stocks; $24bn

Airline
31 stocks; $233bn

Cns&Eng
69 stocks; $282bn

Railroads
25 stocks; $414bn

IREmpl
23 stocks; $89bn

OfficeServ
13 stocks; $35bn

Aero&Def
56 stocks; $713bn

HREmpl
23 stocks; $89bn

Marine
117 stocks; $57bn

Hvy&ElecEq
17 stocks; $738bn

Hwy&Rail
14 stocks; $37bn

RsccSlt
30 stocks; $179bn

Ag&Farm
12 stocks; $73bn

DvSpSrv
24 stocks; $51bn

Sec&Alm
5 stocks; $33bn

Sec&Alm
5 stocks; $33bn

MarineSrv
12 stocks; $49bn

AirprtSrv
17 stocks; $104bn

IndCongl
48 stocks; $1023bn
Consumer Discretionary

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November 10, 2016

**Consumer Staples**

- **Momentum**
  - Dist&Vnt: 12 stocks, $228bn
  - AgriProd: 4 stocks, $46bn
  - PkgFdMt: 116 stocks, $1113bn
  - SprCntrs: 16 stocks, $423bn
  - Brewers: 13 stocks, $448bn
  - SoftDrinks: 17 stocks, $433bn
  - FdDistri: 11 stocks, $48bn
  - SoftDrinks: 17 stocks, $433bn
  - HhldPrdct: 18 stocks, $533bn
  - Tobacco: 14 stocks, $662bn
  - FdRetail: 38 stocks, $347bn
  - PersPrdct: 30 stocks, $367bn
  - DrugRetail: 7 stocks, $198bn

- **Strength**
November 10, 2016

Financials

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Momentum

Strength

P&C Insur
62 stocks; $442bn

InvBnkBrk
38 stocks; $352bn

FnlExchDt
22 stocks; $284bn

AsstMgmt
85 stocks; $462bn

Thrift&Mtg
43 stocks; $114bn

LifeHthIns
47 stocks; $738bn

MortgREIT
7 stocks; $79bn

Reinsuran
12 stocks; $124bn

OthrDivFS
7 stocks; $79bn

27 stocks; $53bn

RegionBnk
138 stocks; $536bn

Multi-LnIns
30 stocks; $463bn

ConsmrFin
28 stocks; $230bn

DivCpMkt
7 stocks; $124bn

DiversBnk
165 stocks; $436bn

InsurBrkrs
7 stocks; $190bn

MltSecHld
26 stocks; $334bn

SpecialFin
9 stocks; $196bn
Momentum

Strength

November 10, 2016

Telecommunication Services

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AltCar
11 stocks; $51bn

WlsTelSrv
43 stocks; $849bn

IntgTelSrv
43 stocks; $1260bn
November 10, 2016

Real Estate

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REstSrv
11 stocks; $25bn

HotelREIT
17 stocks; $40bn

IndusREIT
20 stocks; $75bn
DiversREIT
40 stocks; $138bn

ResidREIT
25 stocks; $135bn

RetailREIT
49 stocks; $323bn

REstOpCo
30 stocks; $159bn

HCareREIT
16 stocks; $87bn

OfficeREIT
31 stocks; $142bn

SpecREIT
28 stocks; $244bn

REstDevl
31 stocks; $186bn

REstDvAct
33 stocks; $299bn
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.
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”
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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<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>Starmine Universe</th>
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</thead>
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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>
</tr>
<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>
</tr>
<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>
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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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- Mkt = Market Perform - Forecast to perform roughly in line with the analyst’s coverage universe on a total return basis;
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