Group Selection
Priced as of March 31, 2017

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*

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<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Energy</td>
<td>48% / 51% / 53%</td>
<td>/ / /</td>
<td>2% / 0% / 2%</td>
</tr>
<tr>
<td>Materials</td>
<td>52% / 57% / 60%</td>
<td>/ / /</td>
<td>2% / -3% / 2%</td>
</tr>
<tr>
<td>Industrials</td>
<td>52% / 56% / 59%</td>
<td>/ / /</td>
<td>6% / 5% / 8%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>40% / 46% / 49%</td>
<td>/ / /</td>
<td>12% / 10% / 13%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>25% / 30% / 29%</td>
<td>/ / /</td>
<td>10% / 8% / 12%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>33% / 37% / 40%</td>
<td>/ / /</td>
<td>12% / 11% / 13%</td>
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<tr>
<td>Financials</td>
<td>65% / 69% / 72%</td>
<td>/ / /</td>
<td>0% / -3% / 0%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>49% / 52% / 54%</td>
<td>/ / /</td>
<td>8% / 5% / 10%</td>
</tr>
<tr>
<td>Telecom</td>
<td>25% / 30% / 33%</td>
<td>/ / /</td>
<td>14% / 15% / 17%</td>
</tr>
<tr>
<td>Utilities</td>
<td>28% / 37% / 41%</td>
<td>/ / /</td>
<td>17% / 17% / 20%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>24% / 29% / 31%</td>
<td>/ / /</td>
<td>13% / 10% / 11%</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
<table>
<thead>
<tr>
<th>Sector</th>
<th>Momentum</th>
<th>Strength</th>
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<tr>
<td>OG StTr</td>
<td></td>
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<tr>
<td>OG Equip</td>
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<td>OG E&amp;P</td>
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<td>OG RfMkt</td>
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<td>Int O&amp;G</td>
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<tr>
<td>OG Drill</td>
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<td></td>
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<tr>
<td>Coal&amp;Uran</td>
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</tbody>
</table>

- **OG StTr**: 33 stocks, $690bn
- **OG Equip**: 54 stocks, $327bn
- **OG E&P**: 118 stocks, $815bn
- **OG RfMkt**: 44 stocks, $407bn
- **Int O&G**: 29 stocks, $1559bn
- **OG Drill**: 18 stocks, $36bn
- **Coal&Uran**: 21 stocks, $77bn

**March 31, 2017**

**Mark Steele (416) 359-4641**
March 31, 2017

Consumer Staples

Momentum

Strength

Mark Steele (416) 359-4641

Consumer Staples

- FdDistri: 12 stocks, $54bn
- SprCntrs: 15 stocks, $450bn
- SoftDrinks: 17 stocks, $482bn
- HhldPrdct: 18 stocks, $575bn
- Tobacco: 14 stocks, $760bn
- Dist&Vnt: 12 stocks, $256bn
- AgriProd: 22 stocks, $710bn
- PersPrdct: 29 stocks, $395bn
- PkgFdMt: 116 stocks, $1180bn
- FdRetail: 18 stocks, $353bn
- DrugRetail: 2 stocks, $192bn

BMO Capital Markets

12 stocks; $54bn
15 stocks; $450bn
17 stocks; $482bn
18 stocks; $575bn
14 stocks; $760bn
12 stocks; $256bn
22 stocks; $710bn
29 stocks; $395bn
116 stocks; $1180bn

March 31, 2017

Health Care

Strength

Momentum

HCService:
- 31 stocks; $199bn

HCSupplls:
- 29 stocks; $135bn

HCareTec:
- 17 stocks; $54bn

HCFacility:
- 30 stocks; $120bn

LfSciSrv:
- 31 stocks; $225bn

Pharma:
- 98 stocks; $2394bn

Biotech:
- 126 stocks; $941bn

MngHCare:
- 12 stocks; $341bn

HCDistrib:
- 19 stocks; $129bn

HCEquip:
- 72 stocks; $727bn

31 stocks; $199bn
28 stocks; $135bn
17 stocks; $54bn
30 stocks; $120bn
31 stocks; $225bn
98 stocks; $2394bn
126 stocks; $941bn
12 stocks; $341bn
19 stocks; $129bn
72 stocks; $727bn
Momentum

Mark Steele (416) 359-4641

March 31, 2017

Financials

AsstMgmt $489bn

26 stocks

MortgREIT $58bn

61 stocks

Thrft&Mtg $132bn

46 stocks

ConsmrFin $254bn

30 stocks

InvBnkBrk $366bn

35 stocks

RegionBnk $161bn

142 stocks

OthrDivFS $83bn

8 stocks

Multi-LnIns $495bn

30 stocks

DiversBnk $4914bn

162 stocks

FnlExchDt $300bn

23 stocks

Reinsuran $128bn

12 stocks

P&C Insur $477bn

61 stocks

MltSecHld $366bn

26 stocks

DivCpMkt $161bn

9 stocks

InsurBrkrs $107bn

7 stocks

LifeHthIns $798bn

47 stocks

SpecialFin $233bn

10 stocks

InvBnkBrk $132bn

46 stocks

46 stocks

ConsmrFin $254bn

30 stocks
March 31, 2017

Information Technology

Momentum

Strength

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SystmSwr
34 stocks; $848bn

DataProc
46 stocks; $668bn

34 stocks; $848bn

TechDist
18 stocks; $482bn

HmEntSwr
46 stocks; $668bn

15 stocks; $482bn

14 stocks; $144bn

46 stocks; $668bn

14 stocks; $144bn

34 stocks; $848bn

25 stocks; $356bn

43 stocks; $222bn

14 stocks; $144bn

78 stocks; $1023bn

18 stocks; $142bn

71 stocks; $560bn

44 stocks; $186bn

18 stocks; $142bn

94 stocks; $1561bn

37 stocks; $250bn

43 stocks; $356bn

77 stocks; $1328bn

47 stocks; $1328bn

39 stocks; $222bn

37 stocks; $250bn

45 stocks; $356bn

18 stocks; $142bn

94 stocks; $1561bn

39 stocks; $222bn

EMS
18 stocks; $142bn

EMS
18 stocks; $142bn

InetSftSrv
94 stocks; $1561bn

ComEquip
43 stocks; $356bn

InetSftSrv
94 stocks; $1561bn

77 stocks; $1328bn

77 stocks; $1328bn

ITConsult
59 stocks; $631bn

77 stocks; $1328bn

77 stocks; $1328bn

37 stocks; $250bn

37 stocks; $250bn
March 31, 2017

Utilities

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Momentum

Strength

- **ElecUtil**
  - 90 stocks
  - $1087bn
- **MultiUtil**
  - 37 stocks
  - $436bn
- **GasUtil**
  - 33 stocks
  - $192bn
- **RenewElec**
  - 24 stocks
  - $54bn
- **IPPTrad**
  - 25 stocks
  - $102bn
- **WaterUtil**
  - 24 stocks
  - $85bn
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 members are 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:
  ...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.
Disclosures

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<td>Buy</td>
<td>Outperform</td>
<td>41.8%</td>
<td>20.0%</td>
<td>53.3%</td>
<td>42.7%</td>
<td>54.1%</td>
<td>52.9%</td>
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<tr>
<td>Hold</td>
<td>Market Perform</td>
<td>54.4%</td>
<td>13.1%</td>
<td>45.6%</td>
<td>53.8%</td>
<td>43.8%</td>
<td>41.4%</td>
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<td>Sell</td>
<td>Underperform</td>
<td>3.7%</td>
<td>4.8%</td>
<td>1.1%</td>
<td>3.0%</td>
<td>1.6%</td>
<td>5.7%</td>
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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.
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