Group Selection
Priced as of March 7, 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**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>57% / 63% / 60%</td>
<td>-21% / -22% / -5%</td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>54% / 58% / 58%</td>
<td>-11% / -10% / 0%</td>
<td></td>
</tr>
<tr>
<td>Industrials</td>
<td>52% / 56% / 54%</td>
<td>-5% / -2% / 12%</td>
<td></td>
</tr>
<tr>
<td>CMR Disc</td>
<td>39% / 44% / 43%</td>
<td>-3% / -2% / 12%</td>
<td></td>
</tr>
<tr>
<td>CMR Stap</td>
<td>27% / 29% / 27%</td>
<td>-2% / 0% / 17%</td>
<td></td>
</tr>
<tr>
<td>Hlth Care</td>
<td>33% / 37% / 35%</td>
<td>1% / 3% / 15%</td>
<td></td>
</tr>
<tr>
<td>Financials</td>
<td>64% / 70% / 67%</td>
<td>-9% / -5% / 8%</td>
<td></td>
</tr>
<tr>
<td>Info Tech</td>
<td>49% / 52% / 51%</td>
<td>-3% / -1% / 12%</td>
<td></td>
</tr>
<tr>
<td>Telecom</td>
<td>25% / 30% / 28%</td>
<td>-5% / -4% / 12%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>28% / 33% / 34%</td>
<td>6% / 10% / 27%</td>
<td></td>
</tr>
<tr>
<td>Real Estate</td>
<td>22% / 28% / 25%</td>
<td>-2% / -1% / 16%</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.
March 7, 2017

Mark Steele (416) 359-4641

Energy

- **OG StTr**: 93 stocks, $690bn
- **OG RFmkt**: 45 stocks, $401bn
- **OG Equip**: 63 stocks, $330bn
- **Int O&G**: 29 stocks, $1566bn
- **Coal&Uran**: 21 stocks, $76bn
- **OG E&P**: 118 stocks, $815bn
- **OG Drill**: 18 stocks, $37bn
### Consumer Staples

<table>
<thead>
<tr>
<th>Sector</th>
<th>Stocks</th>
<th>Market Cap</th>
</tr>
</thead>
<tbody>
<tr>
<td>AgriProd</td>
<td>28</td>
<td>$109bn</td>
</tr>
<tr>
<td>SoftDrinks</td>
<td>17</td>
<td>$469bn</td>
</tr>
<tr>
<td>HhldPrdct</td>
<td>18</td>
<td>$570bn</td>
</tr>
<tr>
<td>FdDistri</td>
<td>12</td>
<td>$54bn</td>
</tr>
<tr>
<td>Brewers</td>
<td>13</td>
<td>$453bn</td>
</tr>
<tr>
<td>PkgFdMt</td>
<td>116</td>
<td>$1161bn</td>
</tr>
<tr>
<td>PersPrdct</td>
<td>29</td>
<td>$380bn</td>
</tr>
<tr>
<td>SprCntrs</td>
<td>15</td>
<td>$435bn</td>
</tr>
<tr>
<td>Tobacco</td>
<td>14</td>
<td>$752bn</td>
</tr>
<tr>
<td>Dist&amp;Vnt</td>
<td>12</td>
<td>$246bn</td>
</tr>
<tr>
<td>DrugRetail</td>
<td>7</td>
<td>$153bn</td>
</tr>
<tr>
<td>FdRetail</td>
<td>38</td>
<td>$343bn</td>
</tr>
</tbody>
</table>

**Mark Steele**

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<table>
<thead>
<tr>
<th>Sector</th>
<th>Stocks</th>
<th>Market Cap ($bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>WaterUtil</td>
<td>24</td>
<td>844</td>
</tr>
<tr>
<td>ElecUtil</td>
<td>90</td>
<td>1060</td>
</tr>
<tr>
<td>GasUtil</td>
<td>33</td>
<td>187</td>
</tr>
<tr>
<td>IPPTrad</td>
<td>25</td>
<td>99</td>
</tr>
<tr>
<td>MultiUtil</td>
<td>37</td>
<td>423</td>
</tr>
<tr>
<td>RenewElec</td>
<td>24</td>
<td>53</td>
</tr>
<tr>
<td>90 stocks; 1060bn</td>
<td>33 stocks; 187bn</td>
<td>25 stocks; 99bn</td>
</tr>
</tbody>
</table>
ResidREIT 26 stocks; $149bn

REstDevl 31 stocks; $199bn

SpecREIT 31 stocks; $290bn

OfficeREIT 31 stocks; $159bn

IndusREIT 20 stocks; $82bn

REstDvAct 33 stocks; $309bn

REstOpCo 30 stocks; $171bn

HotelREIT 17 stocks; $45bn

DiversREIT 32 stocks; $145bn

HCareREIT 16 stocks; $97bn

RetailREIT 29 stocks; $321bn

March 7, 2017

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Real Estate

BMO Capital Markets
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.
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>
</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>
<td>55.6%</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>
<td>39.5%</td>
</tr>
<tr>
<td>Sell</td>
<td>Underperform</td>
<td>3.9%</td>
<td>8.3%</td>
<td>2.8%</td>
<td>4.5%</td>
<td>2.5%</td>
<td>4.9%</td>
</tr>
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</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;
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