Group Selection

Priced as of November 18, 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 View

Sector Relative Strength Profiles*

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>54% / 55% / 54%</td>
<td>/ / /</td>
<td>-2% / 7% / 4%</td>
</tr>
<tr>
<td>Materials</td>
<td>61% / 60% / 62%</td>
<td>/ / /</td>
<td>-13% / -2% / -7%</td>
</tr>
<tr>
<td>Industrials</td>
<td>52% / 51% / 50%</td>
<td>/ / /</td>
<td>5% / 19% / 14%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>46% / 45% / 45%</td>
<td>/ / /</td>
<td>0% / 11% / 7%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>45% / 43% / 39%</td>
<td>/ / /</td>
<td>-33% / -18% / -24%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>50% / 49% / 48%</td>
<td>/ / /</td>
<td>-10% / 0% / -1%</td>
</tr>
<tr>
<td>Financials</td>
<td>55% / 57% / 57%</td>
<td>/ / /</td>
<td>25% / 38% / 32%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>61% / 61% / 63%</td>
<td>/ / /</td>
<td>1% / 12% / 9%</td>
</tr>
<tr>
<td>Telecom</td>
<td>32% / 32% / 30%</td>
<td>/ / /</td>
<td>-27% / -20% / -26%</td>
</tr>
<tr>
<td>Utilities</td>
<td>38% / 39% / 36%</td>
<td>/ / /</td>
<td>-38% / -22% / -24%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>52% / 52% / 45%</td>
<td>/ / /</td>
<td>-40% / -25% / -23%</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.
Industrials

November 18, 2016

Mark Steele (416) 359-4641

BldPrdcts
42 stocks; $241bn

Aero&Def
36 stocks; $704bn

TrdgDist
48 stocks; $265bn

RsCslt
30 stocks; $189bn

OfficeServ
13 stocks; $26bn

Ind Mach
117 stocks; $565bn

Trucking
28 stocks; $87bn

Ag&Farm
12 stocks; $73bn

HREmpl
22 stocks; $58bn

CnclPrt
12 stocks; $25bn

Marine
17 stocks; $57bn

EnviroServ
43 stocks; $108bn

CnstMch&Tr
44 stocks; $256bn

DvSpSrv
24 stocks; $92bn

AirFrcht
22 stocks; $239bn

ElcCmpEq
37 stocks; $289bn

Airline
31 stocks; $244bn

Railroads
25 stocks; $414bn

Momentum

Strength
November 18, 2016

**Consumer Discretionary**

### Momentum

- **AutoParts** ↓ 45 stocks; $294bn
- **HmFrnsh** ↓ 11 stocks; $31bn
- **SpCmSrv** ↓ 10 stocks; $23bn
- **AutoRtl** ↓ 14 stocks; $93bn
- **CmpElRtl** ↓ 9 stocks; $35bn
- **SpecStors** → 28 stocks; $101bn
- **CmrElec** → 12 stocks; $105bn
- **ApparRtl** → 26 stocks; $346bn
- **CABL&Sat** ↑ 32 stocks; $445bn
- **InetDmRtl** ↑ 32 stocks; $631bn
- **Mov&Ent** ↑ 23 stocks; $335bn
- **Educat** ↑ 19 stocks; $43bn
- **Ht&Rst** ↑ 24 stocks; $183bn
- **Rstaurnt** ↑ 60 stocks; $376bn
- **GMrchStrs** ↑ 14 stocks; $128bn
- **HomeBld** ↑ 32 stocks; $115bn
- **HmImpRtl** ↓ 8 stocks; $233bn
- **Aprl&Gds** ↓ 43 stocks; $458bn
- **HomeFurn** ↓ 9 stocks; $50bn

### Strength

- **Broadcast** → 62 stocks; $129bn
- **Cabl&Sat** ↓ 32 stocks; $445bn
- **CmrElec** ↓ 12 stocks; $105bn
- **ApparRtl** ↓ 26 stocks; $346bn
- **CmrElec** ↓ 12 stocks; $105bn
- **ApparRtl** ↓ 26 stocks; $346bn
- **InetDmRtl** ↓ 32 stocks; $631bn
- **Mov&Ent** ↓ 23 stocks; $335bn
- **Educat** ↓ 19 stocks; $43bn
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- **Aprl&Gds** ↑ 43 stocks; $458bn
- **HomeFurn** ↑ 9 stocks; $50bn

### Other Groups

- **Hware** ↓ 4 stocks; $26bn
- **Tire&Rub** ↓ 10 stocks; $35bn
- **Footwear** ↑ 15 stocks; $108bn
- **HhlidApl** ↓ 14 stocks; $60bn
- **DeptStrs** ↓ 14 stocks; $60bn
- **Distrib** ↑ 23 stocks; $50bn
- **AutoMfg** ↑ 37 stocks; $892bn
- **LeisFcil** ↑ 11 stocks; $45bn
- **LeisPrd** ↓ 11 stocks; $45bn
- **MotcyMfg** ↓ 2 stocks; $38bn
- **Publishing** ↑ 17 stocks; $50bn
- **Advert** ↓ 18 stocks; $115bn
- **LeisPrd** ↓ 22 stocks; $80bn
- **Hsware** ↓ 4 stocks; $26bn
- **Hware** ↓ 4 stocks; $26bn

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**BMO Capital Markets**

Mark Steele (416) 359-4641
November 18, 2016

Real Estate

HotelREIT ➔ 17 stocks; $42bn
OfficeREIT ➔ 31 stocks; $143bn
SpecREIT ➔ 28 stocks; $245bn
RetailREIT ➔ 49 stocks; $321bn
IndusREIT ➔ 20 stocks; $75bn
HCareREIT ➔ 16 stocks; $89bn
DiversREIT ➔ 40 stocks; $133bn
REstDvAct ➔ 33 stocks; $291bn
REstDevl ➔ 31 stocks; $180bn
ResidREIT ➔ 25 stocks; $133bn
REstOpCo ➔ 30 stocks; $156bn

HotelREIT
OfficeREIT
SpecREIT
RetailREIT
IndusREIT
HCareREIT
DiversREIT
REstDvAct
REstDevl
ResidREIT
REstOpCo
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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<th>Rating Category</th>
<th>BMO Rating</th>
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<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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<td>Buy</td>
<td>Outperform</td>
<td>42.2%</td>
<td>18.6%</td>
<td>54.7%</td>
<td>44.3%</td>
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<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>
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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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(S) = Speculative investment;
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