Group Selection

Priced as of December 12, 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
Table of Contents

3. Sector View
4. Strength Changes Last Session
5. Resource Summary
6. Energy
7. Materials
8. Industrials
9. Consumer Discretionary
10. Consumer Staples
11. Health Care
12. Financials
13. Information Technology
14. Telecom
15. Utilities
16. Real Estate
17. User Guide
### Sector Relative Strength Profiles*

<table>
<thead>
<tr>
<th>Hyperlink</th>
<th>% Outperforming</th>
<th>Reward/Risk</th>
<th>Trend Psn</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US/GBL/CDA</td>
<td>US/GBL/CDA</td>
<td>US/GBL/CDA</td>
</tr>
<tr>
<td>Energy</td>
<td>58% / 58% / 58%</td>
<td>15% / 21% / 15%</td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>58% / 58% / 59%</td>
<td>0% / 7% / -3%</td>
<td></td>
</tr>
<tr>
<td>Industrials</td>
<td>56% / 56% / 54%</td>
<td>4% / 9% / -2%</td>
<td></td>
</tr>
<tr>
<td>CMR Disc</td>
<td>47% / 48% / 46%</td>
<td>-1% / 5% / -2%</td>
<td></td>
</tr>
<tr>
<td>CMR Stap</td>
<td>39% / 39% / 34%</td>
<td>-15% / -10% / -18%</td>
<td></td>
</tr>
<tr>
<td>Hlth Care</td>
<td>48% / 47% / 47%</td>
<td>-20% / -14% / -18%</td>
<td></td>
</tr>
<tr>
<td>Financials</td>
<td>61% / 60% / 67%</td>
<td>17% / 25% / 4%</td>
<td></td>
</tr>
<tr>
<td>Info Tech</td>
<td>60% / 60% / 59%</td>
<td>-12% / -9% / -13%</td>
<td></td>
</tr>
<tr>
<td>Telecom</td>
<td>28% / 28% / 28%</td>
<td>-3% / -2% / -11%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>32% / 34% / 33%</td>
<td>-11% / -8% / -16%</td>
<td></td>
</tr>
<tr>
<td>Real Estate</td>
<td>37% / 35% / 31%</td>
<td>-7% / 2% / -11%</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.
OG RfMkt
45 stocks; $330bn
OG Equip
64 stocks; $348bn
OG E&P
119 stocks; $884bn
OG Int O&G
29 stocks; $164bn
OG Drill
18 stocks; $44bn
Coal&Uran
21 stocks; $74bn
OG StTr
93 stocks; $610bn
OG Equip
64 stocks; $348bn
OG Drill
18 stocks; $44bn
Coal&Uran
21 stocks; $74bn
OG StTr
93 stocks; $610bn
OG E&P
119 stocks; $884bn
OG Int O&G
29 stocks; $164bn
OG RfMkt
45 stocks; $330bn
Momentum

Strength

December 12, 2016

Mark Steele (416) 359-4641

Materials

FrstPrd
12 stocks; $17bn

Fert&Ag
33 stocks; $219bn

DiversChm
20 stocks; $319bn

PapProd
26 stocks; $78bn

Alumin
12 stocks; $48bn

DvrsMng
47 stocks; $354bn

Steel
69 stocks; $346bn

ComdChm
40 stocks; $307bn

Copper
14 stocks; $86bn

specChm
64 stocks; $428bn

IndusGas
6 stocks; $153bn

CstrMat
20 stocks; $226bn

PaperPkg
19 stocks; $112bn

Gold
62 stocks; $759bn

MtGlsCnt
14 stocks; $55bn

Silver
1 stocks; $20bn
### Consumer Staples

<table>
<thead>
<tr>
<th>Sector</th>
<th>Stocks</th>
<th>Market Cap (bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FdDistri</td>
<td>12</td>
<td>$55bn</td>
</tr>
<tr>
<td>SprCntrs</td>
<td>15</td>
<td>$433bn</td>
</tr>
<tr>
<td>FdRetail</td>
<td>38</td>
<td>$354bn</td>
</tr>
<tr>
<td>PkgFdMt</td>
<td>115</td>
<td>$1131bn</td>
</tr>
<tr>
<td>DrugRetail</td>
<td>7</td>
<td>$196bn</td>
</tr>
<tr>
<td>SoftDrinks</td>
<td>17</td>
<td>$455bn</td>
</tr>
<tr>
<td>HhdPrdct</td>
<td>18</td>
<td>$353bn</td>
</tr>
<tr>
<td>PersPrdct</td>
<td>29</td>
<td>$356bn</td>
</tr>
<tr>
<td>AgriProd</td>
<td>26</td>
<td>$111bn</td>
</tr>
<tr>
<td>Dist&amp;Vnt</td>
<td>12</td>
<td>$228bn</td>
</tr>
<tr>
<td>Tobacco</td>
<td>14</td>
<td>$673bn</td>
</tr>
<tr>
<td>Brewers</td>
<td>13</td>
<td>$426bn</td>
</tr>
<tr>
<td>Tobacco</td>
<td>14</td>
<td>$673bn</td>
</tr>
<tr>
<td>Brewers</td>
<td>13</td>
<td>$426bn</td>
</tr>
</tbody>
</table>
Telecommunication Services

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Momentum

Strength

AltCar 11 stocks; $51bn
IntgTelSrv 63 stocks; $739bn
WlsTelSrv 42 stocks; $856bn
Utilities

PPTTrad
25 stocks; $95bn

MultiUtil
37 stocks; $405bn

ElecUtil
69 stocks; $1007bn

RenewElec
23 stocks; $48bn

GasUtil
35 stocks; $187bn

WaterUtil
23 stocks; $80bn

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December 12, 2016
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 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).
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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Distribution of Ratings (September 30, 2015)

<table>
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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>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>
</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>
</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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