Group Selection

Priced as of June 2, 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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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.
Momentum

<table>
<thead>
<tr>
<th>Sector</th>
<th>Strength</th>
<th>Stocks</th>
<th>Market Cap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrials</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EnviroServ</td>
<td>23 stocks; $99bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ElcCmpEq</td>
<td>39 stocks; $283bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OffceServ</td>
<td>13 stocks; $26bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sec&amp;Alm</td>
<td>6 stocks; $51bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ag&amp;Farm</td>
<td>12 stocks; $67bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HREmpl</td>
<td>23 stocks; $88bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HvyElcEq</td>
<td>17 stocks; $70bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IndCongl</td>
<td>39 stocks; $926bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BldPrdcts</td>
<td>42 stocks; $103bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DvSpSrv</td>
<td>26 stocks; $89bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ind Mach</td>
<td>118 stocks; $526bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CmclPrt</td>
<td>12 stocks; $26bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aero&amp;Def</td>
<td>57 stocks; $748bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RecrCslt</td>
<td>27 stocks; $145bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CnstMch&amp;</td>
<td>45 stocks; $220bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AirprtSrv</td>
<td>18 stocks; $109bn</td>
<td></td>
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<tr>
<td>Hwy&amp;Rail</td>
<td>14 stocks; $84bn</td>
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<tr>
<td>AirFrght</td>
<td>21 stocks; $221bn</td>
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<td>Marine</td>
<td>18 stocks; $61bn</td>
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<tr>
<td>CnstMch&amp;</td>
<td>45 stocks; $220bn</td>
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<tr>
<td>AirFrght</td>
<td>21 stocks; $221bn</td>
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<tr>
<td>Airline</td>
<td>32 stocks; $232bn</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
June 2, 2016

**Consumer Staples**

- **Momentum**
  - FdRetail: 38 stocks, $347bn
  - PkgFdMt: 118 stocks, $1176bn
  - HhldPrdct: 18 stocks, $554bn
  - Brewers: 14 stocks, $226bn
  - AgriProd: 29 stocks, $108bn
  - PersPrdct: 28 stocks, $368bn
  - FdDistri: 12 stocks, $48bn
  - Tobacco: 13 stocks, $676bn
- **Strength**
  - SoftDrnks: 17 stocks, $481bn
  - SprCntrs: 16 stocks, $435bn
  - Dist&Vnt: 12 stocks, $226bn
  - DrugRetail: 7 stocks, $208bn
  - 29 stocks, $108bn
  - 17 stocks, $481bn
  - 16 stocks, $435bn
  - 12 stocks, $226bn
  - 7 stocks, $208bn

Mark Steele (416) 359-4641
Health Care

Momentum

Strength

June 2, 2016

Mark Steele (416) 359-4641

Health Care

HCDistrib
18 stocks;$140bn

HCareTec
18 stocks;$62bn

HCSuppls
30 stocks;$125bn

MngHCare
13 stocks;$292bn

Biotech
129 stocks;$902bn

HCEquip
72 stocks;$363bn

LfSciSrv
29 stocks;$197bn

HCFacility
73 stocks;$137bn

Pharma
96 stocks;$2494bn

HCService
33 stocks;$201bn

18 stocks;$62bn

19 stocks;$125bn

13 stocks;$292bn

129 stocks;$902bn

72 stocks;$363bn

29 stocks;$197bn

73 stocks;$137bn

96 stocks;$2494bn

33 stocks;$201bn
<table>
<thead>
<tr>
<th>Sector</th>
<th>Stocks</th>
<th>Market Cap ($bn)</th>
</tr>
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<tbody>
<tr>
<td>MultiUtil</td>
<td>28</td>
<td>$432bn</td>
</tr>
<tr>
<td>RenewElec</td>
<td>25</td>
<td>$47bn</td>
</tr>
<tr>
<td>GasUtil</td>
<td>37</td>
<td>$210bn</td>
</tr>
<tr>
<td>WaterUtil</td>
<td>23</td>
<td>$81bn</td>
</tr>
<tr>
<td>ElecUtil</td>
<td>89</td>
<td>$1000bn</td>
</tr>
<tr>
<td>IPPTrad</td>
<td>25</td>
<td>$100bn</td>
</tr>
</tbody>
</table>

June 2, 2016

BMO Capital Markets
Mark Steele (416) 359-4641
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 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.
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”
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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<table>
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<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>
</tr>
<tr>
<td>Hold</td>
<td>Market Perform</td>
<td>54.3%</td>
<td>11.3%</td>
<td>42.7%</td>
<td>31.8%</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;
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