Group Selection

Priced as of November 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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**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>56% / 56% / 55%</td>
<td>/ / /</td>
<td>-3% / -6% / -6%</td>
</tr>
<tr>
<td>Materials</td>
<td>62% / 60% / 60%</td>
<td>/ / /</td>
<td>5% / 4% / 4%</td>
</tr>
<tr>
<td>Industrials</td>
<td>49% / 48% / 45%</td>
<td>/ / /</td>
<td>2% / -1% / 1%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>44% / 44% / 42%</td>
<td>/ / /</td>
<td>2% / 0% / 3%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>47% / 47% / 42%</td>
<td>/ / /</td>
<td>5% / 0% / 6%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>52% / 52% / 51%</td>
<td>/ / /</td>
<td>-17% / -20% / -17%</td>
</tr>
<tr>
<td>Financials</td>
<td>53% / 52% / 53%</td>
<td>/ / /</td>
<td>10% / 7% / 10%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>63% / 61% / 62%</td>
<td>/ / /</td>
<td>-4% / -6% / -5%</td>
</tr>
<tr>
<td>Telecom</td>
<td>36% / 36% / 33%</td>
<td>/ / /</td>
<td>4% / -2% / 0%</td>
</tr>
<tr>
<td>Utilities</td>
<td>45% / 44% / 39%</td>
<td>/ / /</td>
<td>2% / -1% / 3%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>56% / 56% / 52%</td>
<td>/ / /</td>
<td>-26% / -25% / -19%</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
Resources

- **Alumín**
  - 9 stocks; $42bn

- **DvrsMng**
  - 46 stocks; $302bn

- **PrecMet**
  - 22 stocks; $62bn

- **SpecChm**
  - 64 stocks; $415bn

- **PapProd**
  - 26 stocks; $73bn

- **FrstPrd**
  - 12 stocks; $16bn

- **MtGlsCnt**
  - 14 stocks; $54bn

- **Silver**
  - 9 stocks; $23bn

- **Coal&Uran**
  - 22 stocks; $77bn

- **DiversChm**
  - 19 stocks; $286bn

- **CstrMat**
  - 28 stocks; $223bn

- **ComdChm**
  - 40 stocks; $293bn

- **Steel**
  - 50 stocks; $298bn

- **Copper**
  - 14 stocks; $64bn

- **PaperPkg**
  - 19 stocks; $109bn

- **Fert&Ag**
  - 32 stocks; $199bn

- **Int O&G**
  - 31 stocks; $151bn

- **OG RfMkt**
  - 46 stocks; $361bn

- **Gold**
  - 42 stocks; $191bn

- **OG E&P**
  - 120 stocks; $767bn

- **OG Equip**
  - 63 stocks; $298bn

- **OG StTr**
  - 93 stocks; $561bn

- **OG Drill**
  - 19 stocks; $32bn

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Coal & Uran: 22 stocks; $77bn
Int O&G: 37 stocks; $151bn
OG RfMkt: 45 stocks; $361bn
OG E&P: 120 stocks; $767bn
OG Equip: 63 stocks; $295bn
OG StTr: 93 stocks; $561bn
OG Drill: 19 stocks; $32bn
<table>
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<tr>
<th>Sector</th>
<th>Number of Stocks</th>
<th>Market Cap (Bn)</th>
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<tr>
<td>AgriProd</td>
<td>26</td>
<td>$110bn</td>
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<tr>
<td>FdRetail</td>
<td>38</td>
<td>$355bn</td>
</tr>
<tr>
<td>Tobacco</td>
<td>14</td>
<td>$698bn</td>
</tr>
<tr>
<td>DrugRetail</td>
<td>7</td>
<td>$198bn</td>
</tr>
<tr>
<td>HhldPrdct</td>
<td>18</td>
<td>$1165bn</td>
</tr>
<tr>
<td>PersPrdct</td>
<td>30</td>
<td>$381bn</td>
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<tr>
<td>Dist&amp;Vnt</td>
<td>12</td>
<td>$236bn</td>
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<tr>
<td>PkgFdMt</td>
<td>116</td>
<td>$1165bn</td>
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<tr>
<td>SprCntrs</td>
<td>16</td>
<td>$423bn</td>
</tr>
<tr>
<td>FdDistri</td>
<td>11</td>
<td>$45bn</td>
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<td>Brewers</td>
<td>13</td>
<td>$472bn</td>
</tr>
<tr>
<td>SoftDrinks</td>
<td>17</td>
<td>$469bn</td>
</tr>
</tbody>
</table>
November 2, 2016

Health Care

Momentum

Strength

HCSupplis
29 stocks, $121bn

HCDistrib
12 stocks, $124bn

Pharma
94 stocks, $224bn

HCFacility
93 stocks, $126bn

HCEquip
75 stocks, $668bn

MngHCare
13 stocks, $282bn

HCService
84 stocks, $187bn

HCareTec
17 stocks, $51bn

Biotech
31 stocks, $817bn

LfSciSrv
30 stocks, $201bn

Health Care

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Information Technology

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SemiEqp
39 stocks; $172bn

HmEntSwr
14 stocks; $153bn

EMS
18 stocks; $118bn

HdwrSt&P
46 stocks; $1064bn

39 stocks; $172bn

41 stocks; $165bn

51 stocks; $577bn

48 stocks; $628bn

14 stocks; $133bn

46 stocks; $1064bn

SystmSwr
33 stocks; $743bn

ElecrInstr
41 stocks; $165bn

ITConsult
51 stocks; $577bn

DataProc
48 stocks; $628bn

18 stocks; $118bn

46 stocks; $1064bn

Semi
79 stocks; $913bn

ElecComp
39 stocks; $213bn

15 stocks; $37bn

ComEquip
46 stocks; $316bn

TechDist
15 stocks; $37bn

ApplicSwr
71 stocks; $487bn

93 stocks; $1417bn

SystmSwr
33 stocks; $743bn

46 stocks; $1064bn

14 stocks; $133bn

48 stocks; $628bn

18 stocks; $118bn

39 stocks; $172bn

79 stocks; $913bn

39 stocks; $213bn

93 stocks; $1417bn

71 stocks; $487bn
November 2, 2016

Telecommunication Services

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Momentum

Strength

AltCar 11 stocks; $50bn
IntgTelSvc 63 stocks; $128.9bn
WlsTelSvc 43 stocks; $87.2bn
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.
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>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>
<td>56.9%</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>
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<td></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>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5.0%</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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***** Reflects rating distribution of all companies from which BMO Capital Markets has received compensation for Investment Banking services as percentage of Investment Banking clients.

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OP = Outperform - Forecast to outperform the analyst’s coverage universe on a total return basis;
Mkt = Market Perform - Forecast to perform roughly in line with the analyst’s coverage universe on a total return basis;
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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