Group Selection

Priced as of June 20, 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 Relative Strength Profiles*

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>48% / 50% / 33%</td>
<td>/ /</td>
<td>17% / 15% / 15%</td>
</tr>
<tr>
<td>Materials</td>
<td>55% / 58% / 42%</td>
<td>/ /</td>
<td>10% / 7% / 3%</td>
</tr>
<tr>
<td>Industrials</td>
<td>52% / 56% / 26%</td>
<td>/ /</td>
<td>8% / 3% / 3%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>39% / 45% / 21%</td>
<td>/ /</td>
<td>7% / 3% / 3%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>61% / 68% / 34%</td>
<td>/ /</td>
<td>2% / -3% / -2%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>36% / 40% / 20%</td>
<td>/ /</td>
<td>6% / 1% / 2%</td>
</tr>
<tr>
<td>Financials</td>
<td>42% / 47% / 23%</td>
<td>/ /</td>
<td>8% / 3% / 1%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>41% / 45% / 23%</td>
<td>/ /</td>
<td>12% / 8% / 7%</td>
</tr>
<tr>
<td>Telecom</td>
<td>46% / 49% / 26%</td>
<td>/ /</td>
<td>6% / -4% / -5%</td>
</tr>
<tr>
<td>Utilities</td>
<td>62% / 68% / 37%</td>
<td>/ /</td>
<td>6% / 2% / 2%</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.
June 20, 2016

Energy

Momentum

Strength

OG Drill
19 stocks; $37bn

OG StTr
96 stocks; $554bn

OG E&P
129 stocks; $743bn

OG Equip
64 stocks; $292bn

Int O&G
32 stocks; $153bn

Coal&Uran
23 stocks; $62bn

OG RfMkt
45 stocks; $326bn
Consumer Staples

June 20, 2016

Mark Steele (416) 359-4641

DrugRetail ➔
7 stocks; $209bn

SprCntrs ➔
16 stocks; $437bn

SoftDrnks ←
17 stocks; $466bn

Dist&Vnt ➔
12 stocks; $226bn

HhldPrdct ➔
18 stocks; $562bn

PkgFdMt ↓
17 stocks; $1160bn

Tobacco ↓
13 stocks; $687bn

FdDistri ↓
12 stocks; $49bn

PersPrdct ↓
28 stocks; $367bn

AgriProd ←
29 stocks; $108bn

Brewers ➔
14 stocks; $549bn

FdRetail ↓
38 stocks; $338bn

Dist&Vnt ➔
12 stocks; $226bn

HhldPrdct ➔
18 stocks; $562bn

PkgFdMt ↓
17 stocks; $1160bn

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AgriProd ←
29 stocks; $108bn

Brewers ➔
14 stocks; $549bn

FdRetail ↓
38 stocks; $338bn
Financials

Momentum

RetailREIT  ResidREIT  HotelREIT  OthrDivFS
49 stocks; $365bn  25 stocks; $140bn  17 stocks; $39bn  6 stocks; $57bn

OfficeREIT  MortgREIT
31 stocks; $145bn  30 stocks; $54bn

MortgREIT  HCareREIT  REstDvAct  DiversBnk
16 stocks; $99bn  32 stocks; $304bn  16 stocks; $397bn

DiversREIT  SpecREIT  IndusREIT
41 stocks; $152bn  28 stocks; $267bn  20 stocks; $378bn

IndusREIT  REstOpCo  MitSecHld  InvBnkBrk
20 stocks; $177bn  26 stocks; $303bn  26 stocks; $295bn

InsurBrkrs  MitSecHld  AsstMgmt  Multi-Lnlns
25 stocks; $97bn  26 stocks; $303bn  31 stocks; $448bn

MitSecHld  REstOpCo  AsstMgmt  Multi-Lnlns
26 stocks; $303bn  26 stocks; $157bn  31 stocks; $448bn

RegionBnk  REstSrv  LifeHthIns  REstOpCo
142 stocks; $441bn  111 stocks; $397bn  46 stocks; $674bn

REstOpCo  MitSecHld  AsstMgmt  Multi-Lnlns
26 stocks; $303bn  26 stocks; $157bn  31 stocks; $448bn

REstOpCo  MitSecHld  AsstMgmt  Multi-Lnlns
26 stocks; $303bn  26 stocks; $157bn  31 stocks; $448bn

LifeHthIns  REstDevl  Reinsuran  ConsmrFin
46 stocks; $674bn  30 stocks; $166bn  19 stocks; $116bn

Reinsuran  ConsmrFin  Thrft&Mtg
19 stocks; $116bn  46 stocks; $108bn
June 20, 2016

Utilities

- WaterUtil: 23 stocks, $62bn
- ElecUtil: 90 stocks, $1037bn
- RenewElec: 25 stocks, $48bn
- GasUtil: 37 stocks, $214bn
- MultiUtil: 38 stocks, $446bn
- IPPTrad: 25 stocks, $100bn
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).
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>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>
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<tbody>
<tr>
<td>Buy 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 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 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>
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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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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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