Group Selection
Priced as of August 19, 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*

### Hyperlink

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>Energy</strong></td>
<td>60% / 62% / 48%</td>
<td><img src="image" alt="Graph" /></td>
<td>8% / 7% / 12%</td>
</tr>
<tr>
<td><strong>Materials</strong></td>
<td>63% / 65% / 53%</td>
<td><img src="image" alt="Graph" /></td>
<td>5% / 5% / 8%</td>
</tr>
<tr>
<td><strong>Industrials</strong></td>
<td>49% / 53% / 34%</td>
<td><img src="image" alt="Graph" /></td>
<td>10% / 5% / 10%</td>
</tr>
<tr>
<td><strong>CMR Disc</strong></td>
<td>38% / 41% / 26%</td>
<td><img src="image" alt="Graph" /></td>
<td>11% / 8% / 12%</td>
</tr>
<tr>
<td><strong>CMR Stap</strong></td>
<td>52% / 57% / 32%</td>
<td><img src="image" alt="Graph" /></td>
<td>-1% / -3% / 1%</td>
</tr>
<tr>
<td><strong>Hlth Care</strong></td>
<td>51% / 53% / 41%</td>
<td><img src="image" alt="Graph" /></td>
<td>-1% / -6% / -4%</td>
</tr>
<tr>
<td><strong>Financials</strong></td>
<td>50% / 53% / 34%</td>
<td><img src="image" alt="Graph" /></td>
<td>4% / 1% / 8%</td>
</tr>
<tr>
<td><strong>Info Tech</strong></td>
<td>51% / 54% / 38%</td>
<td><img src="image" alt="Graph" /></td>
<td>13% / 9% / 12%</td>
</tr>
<tr>
<td><strong>Telecom</strong></td>
<td>43% / 42% / 30%</td>
<td><img src="image" alt="Graph" /></td>
<td>-6% / -10% / -4%</td>
</tr>
<tr>
<td><strong>Utilities</strong></td>
<td>58% / 61% / 39%</td>
<td><img src="image" alt="Graph" /></td>
<td>-7% / -15% / -2%</td>
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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 (green / red 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.
Energy

Strength

Momentum

OG StTr
95 stocks; $592bn

OG Equip
55 stocks; $312bn

OG RfMkt
44 stocks; $349bn

OG Drill
19 stocks; $34bn

OG E&P
128 stocks; $790bn

Coal&Uran
23 stocks; $69bn

Int O&G
33 stocks; $1543bn

96 stocks; $592bn

65 stocks; $312bn

44 stocks; $349bn

19 stocks; $34bn

23 stocks; $69bn

33 stocks; $1543bn
Consumer Staples

- Dist&Vnt: 12 stocks; $240bn
- AgriProd: 27 stocks; $110bn
- Tobacco: 13 stocks; $668bn
- SoftDrinks: 17 stocks; $467bn
- FdRetail: 17 stocks; $300bn
- PersPrdct: 28 stocks; $375bn
- HhldPrdct: 18 stocks; $580bn
- SprCntrs: 17 stocks; $450bn
- Brewers: 14 stocks; $468bn
- FdDistri: 12 stocks; $51bn

- PkgFdMt: 116 stocks; $1232bn
- DrugRetail: 7 stocks; $211bn
Momentum

Strength

Telecommunication Services

Mark Steele (416) 359-4641

WlsTelSrv ➔
42 stocks, $944bn

AltCar ➔
31 stocks, $49bn

IntgTelSrv ➔
41 stocks, $1384bn

August 19, 2016
**Utilities**

**Momentum**

- **RenewElec**: 24 stocks; $54bn
- **GasUtil**: 36 stocks; $214bn
- **IPPTrad**: 25 stocks; $101bn
- **WaterUtil**: 23 stocks; $84bn
- **ElecUtil**: 88 stocks; $1034bn
- **MultiUtil**: 37 stocks; $439bn

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**Strength**

August 19, 2016

Mark Steele (416) 359-4641

Utilities

BMO Capital Markets
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”
- 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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<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>31.8%</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>
</tr>
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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.
*** 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.
**** Reflects rating distribution of all companies covered by BMO Capital Markets equity research analysts.
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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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