Group Selection
Priced as of January 5, 2017

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>64% / 66% / 66%</td>
<td></td>
<td>15% / 12% / 6%</td>
</tr>
<tr>
<td>Materials</td>
<td>58% / 58% / 58%</td>
<td></td>
<td>9% / 8% / 1%</td>
</tr>
<tr>
<td>Industrials</td>
<td>56% / 57% / 56%</td>
<td></td>
<td>2% / 1% / -6%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>46% / 47% / 47%</td>
<td></td>
<td>-1% / -3% / -10%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>35% / 34% / 31%</td>
<td></td>
<td>3% / 2% / -5%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>41% / 43% / 41%</td>
<td></td>
<td>8% / 7% / -4%</td>
</tr>
<tr>
<td>Financials</td>
<td>66% / 69% / 71%</td>
<td></td>
<td>0% / -2% / -7%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>55% / 57% / 55%</td>
<td></td>
<td>18% / 22% / 8%</td>
</tr>
<tr>
<td>Telecom</td>
<td>22% / 25% / 25%</td>
<td></td>
<td>3% / 2% / -3%</td>
</tr>
<tr>
<td>Utilities</td>
<td>25% / 29% / 29%</td>
<td></td>
<td>13% / 17% / 0%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>27% / 29% / 23%</td>
<td></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.
January 5, 2017

Momentum

Strength

Fert&Ag
33 stocks; $222bn

PrecMet
23 stocks; $56bn

Copper
14 stocks; $22bn

DvrsMng
47 stocks; $334bn

CstrMat
28 stocks; $230bn

Silver
9 stocks; $22bn

Gold
61 stocks; $179bn

Copper
14 stocks; $22bn

DvrsMng
47 stocks; $334bn

CstrMat
28 stocks; $230bn

Silver
9 stocks; $22bn

Gold
61 stocks; $179bn

Materials

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CstrMat
28 stocks; $230bn

Silver
9 stocks; $22bn

DvrsMng
47 stocks; $334bn

Copper
14 stocks; $22bn

Fert&Ag
33 stocks; $222bn

ComdChm
40 stocks; $307bn

PapProd
26 stocks; $81bn

Alumin
12 stocks; $46bn

Steel
59 stocks; $334bn

DiversChm
20 stocks; $325bn

IndusGas
8 stocks; $149bn

FrstPrd
12 stocks; $17bn

SpecChm
24 stocks; $330bn

MtGlsCnt
14 stocks; $55bn

PaperPkg
19 stocks; $113bn

ComdChm
40 stocks; $307bn

PapProd
26 stocks; $81bn

Alumin
12 stocks; $46bn

Steel
59 stocks; $334bn

DiversChm
20 stocks; $325bn

IndusGas
8 stocks; $149bn

FrstPrd
12 stocks; $17bn

SpecChm
24 stocks; $330bn

MtGlsCnt
14 stocks; $55bn

PaperPkg
19 stocks; $113bn
January 5, 2017

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Health Care

Momentum

Strength

Biotech
125 stocks; $904bn

HCService
31 stocks; $197bn

HCSupplies
29 stocks; $125bn

MngHCare
13 stocks; $329bn

Pharma
96 stocks; $2314bn

HCDistrib
19 stocks; $120bn

HCareTec
17 stocks; $48bn

HCFacility
32 stocks; $121bn

LfSciSrv
30 stocks; $208bn

HCEquip
72 stocks; $645bn

HCFacility
32 stocks; $121bn
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 groups 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>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>
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</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>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>
</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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(S) = Speculative investment;
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