Group Selection

Priced as of December 7, 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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December 7, 2016

Sector View

Sector Relative Strength Profiles*

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>56% / 57% / 57%</td>
<td>/ /</td>
<td>13% / 21% / 16%</td>
</tr>
<tr>
<td>Materials</td>
<td>58% / 58% / 60%</td>
<td>/ /</td>
<td>4% / 9% / 3%</td>
</tr>
<tr>
<td>Industrials</td>
<td>55% / 55% / 53%</td>
<td>/ /</td>
<td>9% / 14% / 7%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>46% / 47% / 46%</td>
<td>/ /</td>
<td>7% / 11% / 3%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>40% / 40% / 36%</td>
<td>/ /</td>
<td>-24% / -21% / -27%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>49% / 49% / 48%</td>
<td>/ /</td>
<td>-22% / -18% / -25%</td>
</tr>
<tr>
<td>Financials</td>
<td>58% / 60% / 65%</td>
<td>/ /</td>
<td>25% / 31% / 13%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>59% / 61% / 60%</td>
<td>/ /</td>
<td>-10% / -5% / -10%</td>
</tr>
<tr>
<td>Telecom</td>
<td>28% / 27% / 27%</td>
<td>/ /</td>
<td>-4% / -3% / -10%</td>
</tr>
<tr>
<td>Utilities</td>
<td>33% / 35% / 33%</td>
<td>/ /</td>
<td>-19% / -10% / -17%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>38% / 37% / 34%</td>
<td>/ /</td>
<td>-6% / 1% / -6%</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
December 7, 2016

**Resources**

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- **Momentum**
  - OG Equip
    - 64 stocks; $343bn
  - OG E&P
    - 119 stocks; $873bn
  - OG Drill
    - 19 stocks; $43bn
  - Fert & Ag
    - 33 stocks; $217bn
  - Int O&G
    - 29 stocks; $1593bn
  - OG RFMkt
    - 45 stocks; $379bn
  - DiversChm
    - 28 stocks; $316bn
  - Coal & Uran
    - 21 stocks; $75bn
  - ComdChm
    - 40 stocks; $395bn
  - Alumin
    - 12 stocks; $44bn
  - IndusGas
    - 2 stocks; $152bn
  - DvrsMng
    - 47 stocks; $353bn
  - Steel
    - 59 stocks; $349bn
  - SpecChm
    - 24 stocks; $725bn
  - Copper
    - 14 stocks; $85bn
  - PapProd
    - 26 stocks; $78bn
  - PaperPkg
    - 19 stocks; $112bn
  - Silver
    - 9 stocks; $21bn
  - Gold
    - 62 stocks; $104bn
  - MtGlsCnt
    - 14 stocks; $54bn

- **Strength**
Momentum

Strength

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Materials

Fert&Ag
33 stocks; $217bn

FrstPrd
12 stocks; $17bn

DiversChm
20 stocks; $316bn

CstrMat
28 stocks; $232bn

PrecMet
23 stocks; $54bn

ComdChm
40 stocks; $305bn

Alumin
12 stocks; $48bn

IndusGas
8 stocks; $152bn

DvrsMng
47 stocks; $353bn

Steel
59 stocks; $349bn

SpecChm
54 stocks; $425bn

Copper
14 stocks; $85bn

PapProd
26 stocks; $78bn

PaperPkg
19 stocks; $172bn

Silver
9 stocks; $21bn

Gold
62 stocks; $764bn

MtGlsCnt
14 stocks; $54bn
December 7, 2016

Consumer Discretionary

**Momentum**
- AutoParts: 45 stocks, $310bn
- MotcyMfg: 6 stocks, $46bn
- Ht&Rsrt: 24 stocks, $194bn
- CmpElRtl: 2 stocks, $38bn

**Strength**
- Footwear: 16 stocks, $13bn
- HomeFurn: 8 stocks, $52bn
- ApparlRtl: 35 stocks, $358bn
- HmImpRtl: 7 stocks, $242bn
- Distrib: 10 stocks, $52bn

**AutoParts**
- Ht&Rsrt: 24 stocks, $194bn
- AutoMfg: 36 stocks, $173bn
- HomeFurn: 8 stocks, $52bn
- Footwear: 16 stocks, $13bn

**MotcyMfg**
- ApparlRtl: 35 stocks, $358bn
- HmImpRtl: 7 stocks, $242bn
- Distrib: 10 stocks, $52bn
- Footwear: 16 stocks, $13bn

**Consumer Discretionary**
- 9 stocks, $38bn
- 14 stocks, $112bn
- 45 stocks, $310bn
- 14 stocks, $101bn
- 32 stocks, $119bn
- 3 stocks, $87bn
- 28 stocks, $104bn
- 5 stocks, $385bn
- 31 stocks, $640bn
- 12 stocks, $112bn
- 14 stocks, $61bn
- 8 stocks, $52bn
- 32 stocks, $119bn
- 3 stocks, $87bn
- 9 stocks, $385bn
- 3 stocks, $87bn
- 31 stocks, $640bn
- 3 stocks, $87bn

**AutoParts**
- Ht&Rsrt: 24 stocks, $194bn
- AutoMfg: 36 stocks, $173bn
- HomeFurn: 8 stocks, $52bn
- Footwear: 16 stocks, $13bn

**MotcyMfg**
- ApparlRtl: 35 stocks, $358bn
- HmImpRtl: 7 stocks, $242bn
- Distrib: 10 stocks, $52bn
- Footwear: 16 stocks, $13bn

**Ht&Rsrt**
- AutoMfg: 36 stocks, $173bn
- HomeFurn: 8 stocks, $52bn
- Footwear: 16 stocks, $13bn
- ApparlRtl: 35 stocks, $358bn

**AutoMfg**
- HomeFurn: 8 stocks, $52bn
- Footwear: 16 stocks, $13bn
- ApparlRtl: 35 stocks, $358bn
- HmImpRtl: 7 stocks, $242bn

**HomeFurn**
- Footwear: 16 stocks, $13bn
- ApparlRtl: 35 stocks, $358bn
- HmImpRtl: 7 stocks, $242bn
- Distrib: 10 stocks, $52bn

**Footwear**
- HomeFurn: 8 stocks, $52bn
- ApparlRtl: 35 stocks, $358bn
- HmImpRtl: 7 stocks, $242bn
- Distrib: 10 stocks, $52bn

**ApparlRtl**
- HomeFurn: 8 stocks, $52bn
- Footwear: 16 stocks, $13bn
- HmImpRtl: 7 stocks, $242bn
- Distrib: 10 stocks, $52bn

**HmImpRtl**
- Footwear: 16 stocks, $13bn
- HomeFurn: 8 stocks, $52bn
- Distrib: 10 stocks, $52bn
- ApparlRtl: 35 stocks, $358bn

**Distrib**
- Footwear: 16 stocks, $13bn
- HomeFurn: 8 stocks, $52bn
- Distrib: 10 stocks, $52bn
- ApparlRtl: 35 stocks, $358bn

**Consumer Discretionary**
- 9 stocks, $38bn
- 14 stocks, $112bn
- 45 stocks, $310bn
- 14 stocks, $101bn
- 36 stocks, $173bn
- 8 stocks, $52bn

**Strength**
- Consumer Discretionary
- 14 stocks, $112bn
- 36 stocks, $173bn
- 8 stocks, $52bn

**Momentum**
- Consumer Discretionary
- 9 stocks, $38bn
- 14 stocks, $112bn
- 45 stocks, $310bn
- 14 stocks, $101bn
- 36 stocks, $173bn
- 8 stocks, $52bn
Consumer Staples

December 7, 2016

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Momentum

Strength

FdDistri 12 stocks; $54bn

AgriProd 26 stocks; $110bn

SprCntrs 15 stocks; $424bn

FdRetail 38 stocks; $350bn

Dist&Vnt 12 stocks; $226bn

Brewers 13 stocks; $427bn

PkgFdMt 115 stocks; $1111bn

PersPrdct 29 stocks; $352bn

Tobacco 14 stocks; $666bn

DrugRetail 7 stocks; $195bn

SoftDrinks 17 stocks; $448bn

HhdlPrdct 18 stocks; $537bn

15 stocks; $424bn

12 stocks; $54bn

26 stocks; $110bn

15 stocks; $424bn

13 stocks; $427bn

115 stocks; $1111bn

29 stocks; $352bn

14 stocks; $666bn

7 stocks; $195bn

17 stocks; $448bn

18 stocks; $537bn
December 7, 2016

**Telecommunication Services**

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**IntgTelSrv**
43 stocks; $1310bn

**WlsTelSrv**
42 stocks; $858bn

**AltCar**
11 stocks; $51bn
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”
- 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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<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>51.8%</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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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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