Group Selection

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Mark Steele
(416) 359-4641
mark.steele@bmo.com

Tiberiu Stoichita
(416) 359-4684
tiberiu.stoichita@bmo.com

Jin Li
(416) 359-7689
jin.li@bmo.com

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>54% / 54% / 53%</td>
<td>17% / 16% / 12%</td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>61% / 61% / 59%</td>
<td>5% / 2% / -1%</td>
<td></td>
</tr>
<tr>
<td>Industrials</td>
<td>49% / 49% / 44%</td>
<td>3% / -2% / -2%</td>
<td></td>
</tr>
<tr>
<td>CMR Disc</td>
<td>42% / 42% / 40%</td>
<td>4% / 3% / -1%</td>
<td></td>
</tr>
<tr>
<td>CMR Stap</td>
<td>48% / 48% / 44%</td>
<td>3% / 1% / -1%</td>
<td></td>
</tr>
<tr>
<td>HLth Care</td>
<td>53% / 54% / 53%</td>
<td>-5% / -8% / -7%</td>
<td></td>
</tr>
<tr>
<td>Financials</td>
<td>51% / 50% / 50%</td>
<td>12% / 9% / 6%</td>
<td></td>
</tr>
<tr>
<td>Info Tech</td>
<td>60% / 62% / 61%</td>
<td>-1% / -3% / -7%</td>
<td></td>
</tr>
<tr>
<td>Telecom</td>
<td>38% / 41% / 36%</td>
<td>-2% / -6% / -8%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>47% / 49% / 42%</td>
<td>4% / 1% / 3%</td>
<td></td>
</tr>
<tr>
<td>Real Estate</td>
<td>62% / 62% / 59%</td>
<td>-3% / -8% / -8%</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
Consumer Staples

October 20, 2016

Mark Steele (416) 359-4641

Momentum

Strength

SprCntrs
16 stocks; $429bn

FdRetail
38 stocks; $363bn

PkgFdMt
16 stocks; $1186bn

SoftDrnks
17 stocks; $470bn

AgriProd
28 stocks; $107bn

Brewers
13 stocks; $511bn

DrugRetail
7 stocks; $201bn

Dist&Vnt
12 stocks; $238bn

PersPrdct
30 stocks; $395bn

FdDistri
11 stocks; $45bn

Tobacco
14 stocks; $685bn

HhldPrdct
18 stocks; $550bn

116 stocks; $1186bn

38 stocks; $363bn

26 stocks; $107bn

7 stocks; $201bn

12 stocks; $238bn

30 stocks; $395bn

11 stocks; $45bn

14 stocks; $685bn

18 stocks; $550bn
Momentum
Strength

October 20, 2016

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Financials

Thrift&Mtg
43 stocks; $107bn

Reinsuran
13 stocks; $127bn

MitSecHld
26 stocks; $322bn

DiversBnk
65 stocks; $424bn

SpecialFin
9 stocks; $20bn

MultiLnIns
30 stocks; $453bn

MortgREIT
27 stocks; $53bn

LifeHthIns
37 stocks; $706bn

RegionBnk
47 stocks; $469bn

InsurBrkrs
7 stocks; $97bn

DivCpMkt
7 stocks; $115bn

P&CIInsur
62 stocks; $440bn

OthrDivFS
7 stocks; $76bn

P&CIInsur
22 stocks; $278bn

FnlExchDt
38 stocks; $324bn

ConsmrFin
28 stocks; $225bn

AsstMgmt
85 stocks; $446bn
October 20, 2016

Telecommunication Services

Strength

Momentum

AltCar
11 stocks; $48bn

WlsTelSrv
43 stocks; $896bn

IntgTelSrv
62 stocks; $1324bn
### Utilities

**Strength**

<table>
<thead>
<tr>
<th>Group</th>
<th>Count</th>
<th>Market Cap</th>
</tr>
</thead>
<tbody>
<tr>
<td>WaterUtil</td>
<td>23</td>
<td>$83bn</td>
</tr>
<tr>
<td>GasUtil</td>
<td>36</td>
<td>$213bn</td>
</tr>
<tr>
<td>RenewElec</td>
<td>24</td>
<td>$53bn</td>
</tr>
<tr>
<td>ElecUtil</td>
<td>88</td>
<td>$1018bn</td>
</tr>
<tr>
<td>MultiUtil</td>
<td>17</td>
<td>$416bn</td>
</tr>
<tr>
<td>IPPTrad</td>
<td>25</td>
<td>$95bn</td>
</tr>
</tbody>
</table>

**Momentum**

- WaterUtil: 23 stocks, $83bn
- GasUtil: 36 stocks, $213bn
- RenewElec: 24 stocks, $53bn
- ElecUtil: 88 stocks, $1018bn
- MultiUtil: 17 stocks, $416bn
- IPPTrad: 25 stocks, $95bn
October 20, 2016

**Real Estate**

- **IndusREIT** 20 stocks; $81bn
- **DiversREIT** 40 stocks; $150bn
- **HCareREIT** 16 stocks; $103bn
- **ResidREIT** 25 stocks; $138bn
- **HotelREIT** 17 stocks; $40bn
- **OfficeREIT** 31 stocks; $146bn
- **SpecREIT** 28 stocks; $257bn
- **REstOpCo** 30 stocks; $168bn
- **REstSrv** 17 stocks; $26bn
- **REstDvAct** 31 stocks; $305bn
- **REstDevl** 31 stocks; $190bn
- **RetailREIT** 49 stocks; $348bn

**Momentum**

**Strength**

20 stocks; $81bn
40 stocks; $150bn
16 stocks; $103bn
25 stocks; $138bn
17 stocks; $40bn
31 stocks; $146bn
28 stocks; $257bn
30 stocks; $168bn
17 stocks; $26bn
31 stocks; $305bn
31 stocks; $190bn
49 stocks; $348bn
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”
- 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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<table>
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<tr>
<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>
</tr>
</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>
</tr>
<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>
</tr>
<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.
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