Group Selection

Priced as of February 3, 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 Relative Strength Profiles*

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<tbody>
<tr>
<td>Energy</td>
<td>65% / 67% / 66%</td>
<td>/ / /</td>
<td>3% / 1% / -1%</td>
</tr>
<tr>
<td>Materials</td>
<td>54% / 57% / 55%</td>
<td>/ / /</td>
<td>16% / 16% / 14%</td>
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<tr>
<td>Industrials</td>
<td>54% / 58% / 55%</td>
<td>/ / /</td>
<td>3% / 3% / 2%</td>
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<tr>
<td>CMR Disc</td>
<td>41% / 45% / 42%</td>
<td>/ / /</td>
<td>-2% / -3% / -5%</td>
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<tr>
<td>CMR Stap</td>
<td>30% / 32% / 27%</td>
<td>/ / /</td>
<td>5% / 8% / 4%</td>
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<tr>
<td>Hlth Care</td>
<td>36% / 37% / 33%</td>
<td>/ / /</td>
<td>8% / 7% / 6%</td>
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<tr>
<td>Financials</td>
<td>65% / 69% / 68%</td>
<td>/ / /</td>
<td>3% / 4% / -2%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>51% / 54% / 50%</td>
<td>/ / /</td>
<td>6% / 6% / 3%</td>
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<tr>
<td>Telecom</td>
<td>26% / 32% / 28%</td>
<td>/ / /</td>
<td>9% / 9% / 5%</td>
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<tr>
<td>Utilities</td>
<td>29% / 34% / 31%</td>
<td>/ / /</td>
<td>4% / 1% / 4%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>24% / 27% / 20%</td>
<td>/ / /</td>
<td>11% / 12% / 8%</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.
February 3, 2017

Energy

Momentum

Strength

OG StTr 94 stocks; $683bn

OG RfMkt 45 stocks; $387bn

Coal&Uran 21 stocks; $76bn

Int O&G 29 stocks; $162bn

OG Equip 63 stocks; $366bn

OG Drill 18 stocks; $42bn

OG E&P 120 stocks; $858bn

OG RfMkt 45 stocks; $387bn

OG StTr 94 stocks; $683bn

BMO Capital Markets
Mark Steele (416) 359-4641
<table>
<thead>
<tr>
<th>Sector</th>
<th>Momentum</th>
<th>Strength</th>
<th>Materials</th>
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<tr>
<td>SpecChm</td>
<td>64 stocks; $451bn</td>
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<tr>
<td>DvrsMng</td>
<td>47 stocks; $364bn</td>
<td></td>
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<tr>
<td>DiversChm</td>
<td>22 stocks; $337bn</td>
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<tr>
<td>Alumin</td>
<td>12 stocks; $56bn</td>
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<tr>
<td>Copper</td>
<td>14 stocks; $93bn</td>
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<tr>
<td>ComdChm</td>
<td>40 stocks; $328bn</td>
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<tr>
<td>Steel</td>
<td>89 stocks; $350bn</td>
<td></td>
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<tr>
<td>Fert&amp;Ag</td>
<td>33 stocks; $229bn</td>
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<tr>
<td>CstrMat</td>
<td>27 stocks; $241bn</td>
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<tr>
<td>PrecMet</td>
<td>22 stocks; $62bn</td>
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<td>PaperPkg</td>
<td>17 stocks; $114bn</td>
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<tr>
<td>PapProd</td>
<td>26 stocks; $83bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FrstPrd</td>
<td>12 stocks; $17bn</td>
<td></td>
<td></td>
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<tr>
<td>IndusGas</td>
<td>8 stocks; $147bn</td>
<td></td>
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Real Estate

Momentum

Strength

February 3, 2017

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REstOpCo
30 stocks; $169bn

ResidREIT
26 stocks; $144bn

REstDevl
31 stocks; $186bn

RetailREIT
50 stocks; $330bn

REstDvAct
33 stocks; $300bn

REstSrv
11 stocks; $28bn

HotelREIT
17 stocks; $46bn

SpecREIT
29 stocks; $265bn

DiversREIT
38 stocks; $143bn

IndusREIT
20 stocks; $80bn

OfficeREIT
31 stocks; $155bn

HCareREIT
16 stocks; $94bn
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”
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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<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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<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>
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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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