Group Selection

Priced as of July 26, 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*

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<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Energy</td>
<td>59% / 62% / 45%</td>
<td>-13% / -14% / -3%</td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>63% / 65% / 49%</td>
<td>0% / 1% / 9%</td>
<td></td>
</tr>
<tr>
<td>Industrials</td>
<td>50% / 54% / 28%</td>
<td>0% / -1% / 15%</td>
<td></td>
</tr>
<tr>
<td>CMR Disc</td>
<td>38% / 42% / 22%</td>
<td>5% / 5% / 19%</td>
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<tr>
<td>CMR Stap</td>
<td>53% / 59% / 28%</td>
<td>-8% / -8% / 10%</td>
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<tr>
<td>Hlth Care</td>
<td>48% / 50% / 30%</td>
<td>6% / 6% / 18%</td>
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<tr>
<td>Financials</td>
<td>46% / 51% / 26%</td>
<td>3% / 2% / 15%</td>
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</tr>
<tr>
<td>Info Tech</td>
<td>47% / 50% / 29%</td>
<td>8% / 8% / 23%</td>
<td></td>
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<tr>
<td>Telecom</td>
<td>45% / 47% / 28%</td>
<td>1% / 3% / 14%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>63% / 64% / 35%</td>
<td>5% / 5% / 17%</td>
<td></td>
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</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.
July 26, 2016

Momentum

Strength

Energy

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Coal&Uran
23 stocks; $69bn

OG StTr
36 stocks; $568bn

OG E&P
129 stocks; $724bn

Int O&G
33 stocks; $153bn

OG Equip
44 stocks; $568bn

OG RfMkt
44 stocks; $335bn

OG Drill
19 stocks; $35bn

OG E&P
129 stocks; $724bn
Consumer Staples

Momentum

SoftDrinks 17 stocks; $548bn

SprCntrs 17 stocks; $458bn

FdRetail 37 stocks; $349bn

AgriProd 28 stocks; $107bn

PersPrdct 28 stocks; $377bn

Tobacco 13 stocks; $660bn

PkgFdMt 117 stocks; $1226bn

HhldPrdct 18 stocks; $570bn

Dist&Vnt 12 stocks; $245bn

FdDistri 12 stocks; $51bn

DrugRetail 7 stocks; $208bn

Brewers 14 stocks; $548bn

14 stocks; $548bn

July 26, 2016

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Consumer Staples

Momentum

SoftDrinks 17 stocks; $548bn

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July 26, 2016

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<table>
<thead>
<tr>
<th>Sector</th>
<th>Momentum</th>
<th>Strength</th>
<th>Financials</th>
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<tbody>
<tr>
<td>MortgREIT</td>
<td></td>
<td></td>
<td>$54bn 29 stocks</td>
</tr>
<tr>
<td>InsurBrkers</td>
<td></td>
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<td>$99bn 7 stocks</td>
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<tr>
<td>REstDevl</td>
<td></td>
<td></td>
<td>$168bn 31 stocks</td>
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<tr>
<td>REstDvAct</td>
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<td>$291bn 31 stocks</td>
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<tr>
<td>REstOpCo</td>
<td></td>
<td></td>
<td>$168bn 28 stocks</td>
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<tr>
<td>IndusREIT</td>
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<td></td>
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<tr>
<td>HCareREIT</td>
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<td></td>
<td>$107bn 16 stocks</td>
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<tr>
<td>RetailREIT</td>
<td></td>
<td></td>
<td>$387bn 49 stocks</td>
</tr>
<tr>
<td>RegionBnk</td>
<td></td>
<td></td>
<td>$452bn 142 stocks</td>
</tr>
<tr>
<td>SpecialFin</td>
<td></td>
<td></td>
<td>$279bn 32 stocks</td>
</tr>
<tr>
<td>MltSecHld</td>
<td></td>
<td></td>
<td>$309bn 25 stocks</td>
</tr>
<tr>
<td>DiversREIT</td>
<td></td>
<td></td>
<td>$158bn 41 stocks</td>
</tr>
<tr>
<td>OfficeREIT</td>
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<td>$155bn 37 stocks</td>
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<tr>
<td>SpecREIT</td>
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<td>$280bn 28 stocks</td>
</tr>
<tr>
<td>ResidREIT</td>
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<td></td>
<td>$148bn 25 stocks</td>
</tr>
<tr>
<td>Thrft&amp;Mtg</td>
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<td></td>
<td>$113bn 45 stocks</td>
</tr>
<tr>
<td>DiversBnk</td>
<td></td>
<td></td>
<td>$114bn 168 stocks</td>
</tr>
<tr>
<td>ConsmrFin</td>
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<td></td>
<td>$213bn 28 stocks</td>
</tr>
</tbody>
</table>

MortgREIT: 29 stocks, $54bn
InsurBrkers: 7 stocks, $99bn
REstDevl: 31 stocks, $168bn
REstDvAct: 31 stocks, $291bn
REstOpCo: 28 stocks, $168bn
IndusREIT: 28 stocks, $291bn
HCareREIT: 16 stocks, $107bn
RetailREIT: 49 stocks, $387bn
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SpecialFin: 32 stocks, $279bn
MltSecHld: 25 stocks, $309bn
DiversREIT: 41 stocks, $158bn
OfficeREIT: 37 stocks, $155bn
SpecREIT: 28 stocks, $280bn
ResidREIT: 25 stocks, $148bn
Thrf&Mtg: 45 stocks, $113bn
DiversBnk: 168 stocks, $114bn
ConsmrFin: 28 stocks, $213bn
Telecommunication Services

July 26, 2016

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Momentum

Strength

WlsTelSrv
42 stocks; $932bn

IntgTelSrv
61 stocks; $1404bn

AltCar
12 stocks; $53bn
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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<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>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.
*** 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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