Group Selection

Priced as of December 1, 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 View

Sector Relative Strength Profiles*

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>54% / 55% / 55%</td>
<td>/ / /</td>
<td>19% / 27% / 19%</td>
</tr>
<tr>
<td>Materials</td>
<td>57% / 58% / 62%</td>
<td>/ / /</td>
<td>3% / 8% / -5%</td>
</tr>
<tr>
<td>Industrials</td>
<td>54% / 54% / 52%</td>
<td>/ / /</td>
<td>13% / 18% / 4%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>45% / 47% / 46%</td>
<td>/ / /</td>
<td>4% / 7% / -2%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>41% / 41% / 37%</td>
<td>/ / /</td>
<td>-28% / -22% / -33%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>50% / 50% / 47%</td>
<td>/ / /</td>
<td>-22% / -17% / -26%</td>
</tr>
<tr>
<td>Financials</td>
<td>56% / 58% / 62%</td>
<td>/ / /</td>
<td>25% / 31% / 11%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>60% / 62% / 62%</td>
<td>/ / /</td>
<td>-17% / -12% / -23%</td>
</tr>
<tr>
<td>Telecom</td>
<td>28% / 30% / 26%</td>
<td>/ / /</td>
<td>-10% / -12% / -24%</td>
</tr>
<tr>
<td>Utilities</td>
<td>34% / 36% / 35%</td>
<td>/ / /</td>
<td>-20% / -19% / -26%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>44% / 44% / 39%</td>
<td>/ / /</td>
<td>-15% / -8% / -20%</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 1, 2016

**Resources**

**IndusGas** (8 stocks; $146bn)

**CstrMat** (29 stocks; $223bn)

**Fert&Ag** (33 stocks; $211bn)

**SpecChm** (64 stocks; $417bn)

**Int O&G** (29 stocks; $157bn)

**PapProd** (26 stocks; $75bn)

**OG Drill** (19 stocks; $41bn)

**OG Equip** (64 stocks; $356bn)

**Copper** (14 stocks; $82bn)

**OG RfMkt** (45 stocks; $366bn)

**PrecMet** (23 stocks; $33bn)

**MtGlsCnt** (14 stocks; $54bn)

**Alumin** (12 stocks; $46bn)

**DvrsMng** (47 stocks; $336bn)

**Steel** (69 stocks; $327bn)

**ComdChm** (40 stocks; $303bn)

**DiversChm** (29 stocks; $386bn)

**FrstPrd** (12 stocks; $146bn)

**Silver** (9 stocks; $20bn)

**OG StTr** (93 stocks; $600bn)

**OG E&P** (110 stocks; $866bn)

**Coal&Uran** (27 stocks; $73bn)

**Gold** (13 stocks; $159bn)
December 1, 2016

Momentum

Strength

Energy

Int O&G
29 stocks; $157.3bn

OG Equip
64 stocks; $33.6bn

OG Drill
19 stocks; $41bn

OG RfMkt
45 stocks; $36.6bn

Coal & Uran
21 stocks; $7.3bn

OG E&P
110 stocks; $86.6bn

OG StTr
93 stocks; $600bn
December 1, 2016

Consumer Staples

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Brewers
13 stocks; $415bn

SprCntrs
15 stocks; $422bn

DrugRetail
7 stocks; $191bn

Tobacco
14 stocks; $665bn

7 stocks; $191bn

15 stocks; $422bn

14 stocks; $665bn

AgriProd
26 stocks; $107bn

Dist&Vnt
12 stocks; $222bn

PkgFdMt
115 stocks; $1087bn

FdRetail
18 stocks; $344bn

SoftDrnks
17 stocks; $430bn

FdDistri
12 stocks; $52bn

HhldPrdct
18 stocks; $523bn

PersPrdct
29 stocks; $347bn

26 stocks; $107bn

12 stocks; $222bn

115 stocks; $1087bn

18 stocks; $344bn

17 stocks; $430bn

12 stocks; $52bn

18 stocks; $523bn

29 stocks; $347bn
December 1, 2016

Momentum

Health Care

Strength

MngHCare
12 stocks; $332bn

HCEquip
73 stocks; $642bn

Biotech
125 stocks; $867bn

HCSupplls
29 stocks; $119bn

HCareTec
17 stocks; $48bn

LfSciSrv
30 stocks; $199bn

Pharma
97 stocks; $171bn

HCDistrib
19 stocks; $121bn

HCServic
32 stocks; $107bn

HCFacility
37 stocks; $120bn

BMO Capital Markets
Mark Steele (416) 359-4641

32 stocks; $187bn

73 stocks; $642bn

125 stocks; $867bn

29 stocks; $119bn

17 stocks; $48bn

30 stocks; $199bn

97 stocks; $171bn

19 stocks; $121bn

32 stocks; $107bn

37 stocks; $120bn

32 stocks; $187bn

73 stocks; $642bn

125 stocks; $867bn

29 stocks; $119bn

17 stocks; $48bn

30 stocks; $199bn

97 stocks; $171bn

19 stocks; $121bn

32 stocks; $107bn

37 stocks; $120bn
Information Technology

December 1, 2016

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ElecComp
38 stocks; $215bn

ITConsult
51 stocks; $583bn

TechDist
15 stocks; $42bn

InetStfSrv
93 stocks; $1338bn

EMS
18 stocks; $119bn

SemiEqp
39 stocks; $174bn

ComEquip
45 stocks; $314bn

Semi
29 stocks; $288bn

ElecInstr
11 stocks; $166bn

HdwrSt&P
46 stocks; $1069bn

HmEntSwr
14 stocks; $123bn

SystmSwr
33 stocks; $740bn

ApplicSwr
69 stocks; $471bn

DataProc
48 stocks; $612bn

38 stocks; $215bn

51 stocks; $583bn

15 stocks; $42bn

93 stocks; $1338bn

18 stocks; $119bn

39 stocks; $174bn

45 stocks; $314bn

29 stocks; $288bn

11 stocks; $166bn

46 stocks; $1069bn

14 stocks; $123bn

33 stocks; $740bn

69 stocks; $471bn

48 stocks; $612bn
Momentum
Strength
Utilities

December 1, 2016

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IPPTrad →
25 stocks; $91bn

ElecUtil
38 stocks; $954bn

WaterUtil
23 stocks; $79bn

MultiUtil
37 stocks; $389bn

GasUtil
35 stocks; $183bn

RenewElec
23 stocks; $47bn

25 stocks; $91bn
Momentum

December 1, 2016

Real Estate

HotelREIT 17 stocks; $44bn

REstDevl 31 stocks; $187bn

IndusREIT 20 stocks; $77bn

REstDvAct 33 stocks; $297bn

OfficeREIT 31 stocks; $145bn

REstOpCo 30 stocks; $157bn

REstSrv 11 stocks; $26bn

17 stocks; $44bn

11 stocks; $26bn

11 stocks; $26bn

11 stocks; $26bn

31 stocks; $187bn

33 stocks; $297bn

33 stocks; $297bn

33 stocks; $297bn

31 stocks; $145bn

31 stocks; $145bn

31 stocks; $145bn

30 stocks; $157bn

30 stocks; $157bn

30 stocks; $157bn

20 stocks; $77bn

20 stocks; $77bn

20 stocks; $77bn

20 stocks; $77bn

IndusREIT 20 stocks; $77bn

IndusREIT 20 stocks; $77bn

IndusREIT 20 stocks; $77bn

IndusREIT 20 stocks; $77bn

OfficeREIT 31 stocks; $145bn

OfficeREIT 31 stocks; $145bn

OfficeREIT 31 stocks; $145bn

OfficeREIT 31 stocks; $145bn

REstDevl 31 stocks; $187bn

REstDevl 31 stocks; $187bn

REstDevl 31 stocks; $187bn

REstDevl 31 stocks; $187bn

HotelREIT 17 stocks; $44bn

HotelREIT 17 stocks; $44bn

HotelREIT 17 stocks; $44bn

HotelREIT 17 stocks; $44bn

HCareREIT 16 stocks; $88bn

HCareREIT 16 stocks; $88bn

HCareREIT 16 stocks; $88bn

HCareREIT 16 stocks; $88bn

DiversREIT 40 stocks; $138bn

DiversREIT 40 stocks; $138bn

DiversREIT 40 stocks; $138bn

DiversREIT 40 stocks; $138bn

ResidREIT 25 stocks; $132bn

ResidREIT 25 stocks; $132bn

ResidREIT 25 stocks; $132bn

ResidREIT 25 stocks; $132bn

RetailREIT 69 stocks; $316bn

RetailREIT 69 stocks; $316bn

RetailREIT 69 stocks; $316bn

RetailREIT 69 stocks; $316bn

SpecREIT 28 stocks; $242bn

SpecREIT 28 stocks; $242bn

SpecREIT 28 stocks; $242bn

SpecREIT 28 stocks; $242bn
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).
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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<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>
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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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