Group Selection
Priced as of August 17, 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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13. Information Technology
14. Telecom
15. Utilities
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### Sector View

#### Sector Relative Strength Profiles*

<table>
<thead>
<tr>
<th></th>
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<td>Energy</td>
<td>60% / 61% / 48%</td>
<td>8% / 6% / 8%</td>
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<tr>
<td>Materials</td>
<td>63% / 65% / 53%</td>
<td>4% / 1% / 3%</td>
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<tr>
<td>Industrials</td>
<td>49% / 53% / 34%</td>
<td>7% / 3% / 3%</td>
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<tr>
<td>CMR Disc</td>
<td>38% / 42% / 25%</td>
<td>8% / 5% / 8%</td>
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<tr>
<td>CMR Stap</td>
<td>53% / 58% / 32%</td>
<td>0% / -4% / 4%</td>
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<td>Hlth Care</td>
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<td>Financials</td>
<td>50% / 53% / 34%</td>
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<td>Info Tech</td>
<td>51% / 54% / 37%</td>
<td>8% / 4% / 5%</td>
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<tr>
<td>Telecom</td>
<td>42% / 45% / 29%</td>
<td>-4% / -9% / -6%</td>
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<tr>
<td>Utilities</td>
<td>59% / 62% / 39%</td>
<td>-9% / -14% / -3%</td>
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</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.
Momentum

Strength

OG StTr
96 stocks; $590bn

OG Equip
85 stocks; $305bn

OG RfMkt
44 stocks; $350bn

OG E&P
128 stocks; $777bn

Int O&G
33 stocks; $1540bn

Coal&Uran
23 stocks; $72bn

OG Drill
19 stocks; $33bn

Energy

OG Drill

OG StTr

OG Equip

OG RfMkt

Int O&G

Coal&Uran

OG E&P

Energy

BMO Capital Markets
Mark Steele (416) 359-4641
### Consumer Discretionary

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<tr>
<th>Sector</th>
<th>Stocks</th>
<th>Market Cap</th>
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<td>Cas&amp;Gam</td>
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<td>$232bn</td>
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<tr>
<td>SpCmSrv</td>
<td>10</td>
<td>$33bn</td>
</tr>
<tr>
<td>Mov&amp;Ent</td>
<td>21</td>
<td>$324bn</td>
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<tr>
<td>DeptStrs</td>
<td>23</td>
<td>$110bn</td>
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<tr>
<td>Aprl&amp;Gds</td>
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<td>$475bn</td>
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<tr>
<td>Tire&amp;Rub</td>
<td>8</td>
<td>$76bn</td>
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<tr>
<td>ApparRtl</td>
<td>30</td>
<td>$361bn</td>
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<tr>
<td>Rstaurnt</td>
<td>59</td>
<td>$393bn</td>
</tr>
<tr>
<td>SpecStors</td>
<td>99</td>
<td>$107bn</td>
</tr>
<tr>
<td>Hsware</td>
<td>6</td>
<td>$30bn</td>
</tr>
<tr>
<td>Htlt&amp;Rsrt</td>
<td>26</td>
<td>$182bn</td>
</tr>
<tr>
<td>HmFrnsh</td>
<td>13</td>
<td>$55bn</td>
</tr>
<tr>
<td>Cabl&amp;Sat</td>
<td>25</td>
<td>$442bn</td>
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<tr>
<td>Advert</td>
<td>18</td>
<td>$127bn</td>
</tr>
<tr>
<td>HmImpRtl</td>
<td>8</td>
<td>$252bn</td>
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<td>CmplElRtl</td>
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<td>HomeFurn</td>
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<td>HomeBld</td>
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<td>$11bn</td>
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<td>Hsware</td>
<td>4</td>
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<tr>
<td>Htlt&amp;Rsrt</td>
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<tr>
<td>CmrElec</td>
<td>12</td>
<td>$113bn</td>
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<td>AutoRtl</td>
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<td>$101bn</td>
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<tr>
<td>LeisFcil</td>
<td>72</td>
<td>$49bn</td>
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<tr>
<td>AutoMfg</td>
<td>43</td>
<td>$113bn</td>
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<tr>
<td>AutoParts</td>
<td>6</td>
<td>$55bn</td>
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<tr>
<td>Educat</td>
<td>19</td>
<td>$40bn</td>
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<td>12</td>
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<tr>
<td>Educat</td>
<td>19</td>
<td>$40bn</td>
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</table>
**Consumer Staples**

- **Momentum**
  - Dist&Vnt: 12 stocks; $240bn
  - PersPrdct: 28 stocks; $380bn
  - AgriProd: 27 stocks; $109bn
  - SoftDrinks: 17 stocks; $489bn
  - SprCntrs: 17 stocks; $457bn
  - Tobacco: 13 stocks; $694bn
  - HhldPrdct: 18 stocks; $580bn
  - Brewers: 14 stocks; $551bn
  - PkgFdMt: 116 stocks; $1231bn
  - DrugRetail: 7 stocks; $212bn
  - FdDistri: 12 stocks; $56bn
  - FdRetail: 37 stocks; $355bn

- **Strength**
  - Consumer Staples
    - Dist&Vnt
    - PersPrdct
    - AgriProd
    - SoftDrinks
    - SprCntrs
    - Tobacco
    - HhldPrdct
    - Brewers
    - PkgFdMt
    - DrugRetail
    - FdDistri
    - FdRetail

August 17, 2016

Mark Steele (416) 359-4641
Momentum

Strength

Health Care

MngHCare 13 stocks; $298bn

HCSupplis 30 stocks; $131bn

HCEquip 71 stocks; $722bn

HCareTec 19 stocks; $69bn

LfSciSrv 30 stocks; $208bn

Biotech 130 stocks; $943bn

Pharma 94 stocks; $2495bn

HCFacility 32 stocks; $132bn

HCDistrib 33 stocks; $143bn

HCService 130 stocks; $943bn

HCService 130 stocks; $943bn
**Financials**

- **ConsmrFin**: 28 stocks; $215bn
- **InvBnkBrk**: 38 stocks; $310bn
- **DivCpMkt**: 7 stocks; $112bn
- **DiversBnk**: 168 stocks; $415bn
- **LifeHthIns**: 46 stocks; $690bn

**REstDevl**: 31 stocks; $195bn
**MltSecHld**: 25 stocks; $223bn
**HotelREIT**: 16 stocks; $42bn
**REstDvAct**: 32 stocks; $204bn
**DiversREIT**: 40 stocks; $159bn
**REstOpCo**: 29 stocks; $172bn
**IndusREIT**: 20 stocks; $84bn
**RegionBnk**: 138 stocks; $458bn
**HCareREIT**: 16 stocks; $109bn

**SpecREIT**: 28 stocks; $267bn
**SpecialFin**: 30 stocks; $273bn
**OthDivFS**: 6 stocks; $74bn

**RetailREIT**: 28 stocks; $379bn
**MortgREIT**: 29 stocks; $55bn
**ResidREIT**: 28 stocks; $146bn
**OfficeREIT**: 31 stocks; $156bn

**AsstMgmt**: 86 stocks; $459bn
**Reinsuran**: 13 stocks; $177bn
**Multi-LnIns**: 31 stocks; $440bn
**P&C Insur**: 62 stocks; $447bn

**REstSrv**: 11 stocks; $228bn
**InsurBrkrs**: 7 stocks; $98bn
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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Distribution of Ratings (September 30, 2015)

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<th>Rating Category</th>
<th>BMO Rating</th>
<th>BMOCM US Universe*</th>
<th>BMOCM US IB Clients**</th>
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<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>
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<td>56.9%</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>
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<td>11.1%</td>
<td>2.7%</td>
<td>3.9%</td>
<td>2.2%</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.
***** Reflects rating distribution of all companies from which BMO Capital Markets has received compensation for Investment Banking services as percentage of Investment Banking clients.

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- Mkt = Market Perform - Forecast to perform roughly in line with the analyst’s coverage universe on a total return basis;
- 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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