Group Selection

Priced as of June 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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Sector View

Sector Relative Strength Profiles*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
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<tbody>
<tr>
<td>Energy</td>
<td>47% / 49% / 33%</td>
<td>/ / /</td>
<td>16% / 18% / 14%</td>
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<td>Materials</td>
<td>55% / 58% / 42%</td>
<td>/ / /</td>
<td>4% / 5% / 0%</td>
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<td>Industrials</td>
<td>52% / 56% / 27%</td>
<td>/ / /</td>
<td>1% / 1% / 2%</td>
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<tr>
<td>CMR Disc</td>
<td>39% / 45% / 22%</td>
<td>/ / /</td>
<td>0% / 2% / 1%</td>
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<td>CMR Stap</td>
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<td>/ / /</td>
<td>-3% / -3% / -1%</td>
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<td>Hlth Care</td>
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<td>0% / 3% / 1%</td>
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<td>Financials</td>
<td>42% / 47% / 23%</td>
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<td>2% / 4% / 1%</td>
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<td>Info Tech</td>
<td>41% / 45% / 23%</td>
<td>/ / /</td>
<td>8% / 11% / 6%</td>
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<tr>
<td>Telecom</td>
<td>46% / 49% / 27%</td>
<td>/ / /</td>
<td>-6% / -7% / -6%</td>
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<tr>
<td>Utilities</td>
<td>62% / 68% / 37%</td>
<td>/ / /</td>
<td>1% / 3% / 5%</td>
</tr>
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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

Energy

OG Drill
79 stocks; $37bn

OG StTr
96 stocks; $553bn

OG E&P
129 stocks; $726bn

OG Equip
64 stocks; $291bn

Int O&G
33 stocks; $150bn

Coal & Uran
23 stocks; $61bn

OG RfMkt
45 stocks; $323bn

June 17, 2016

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<table>
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<tr>
<th>Sector</th>
<th>Strength: Momentum</th>
<th>Stocks</th>
<th>Market Cap ($bn)</th>
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<tr>
<td>BldPrdcts</td>
<td>↑</td>
<td>42</td>
<td>$167bn</td>
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<tr>
<td>EnviroServ</td>
<td>↑</td>
<td>22</td>
<td>$109bn</td>
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<tr>
<td>RsrcCsit</td>
<td>↑</td>
<td>27</td>
<td>$142bn</td>
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<tr>
<td>OffceServ</td>
<td>↓</td>
<td>13</td>
<td>$27bn</td>
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<tr>
<td>IndCongl</td>
<td>↑</td>
<td>39</td>
<td>$925bn</td>
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<tr>
<td>Aero&amp;Def</td>
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<td>57</td>
<td>$742bn</td>
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<td>AirFrght</td>
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<td>21</td>
<td>$219bn</td>
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<td>32</td>
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<td>Marine</td>
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<td>MarineSrv</td>
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<tr>
<td>Ind Mach</td>
<td>↑</td>
<td>118</td>
<td>$516bn</td>
</tr>
<tr>
<td>DvSpSrv</td>
<td>↑</td>
<td>28</td>
<td>$67bn</td>
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<tr>
<td>AirprtSrv</td>
<td>↓</td>
<td>18</td>
<td>$108bn</td>
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<tr>
<td>HvyRail</td>
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<td>14</td>
<td>$63bn</td>
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<tr>
<td>TrdgDist</td>
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<td>48</td>
<td>$237bn</td>
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<tr>
<td>Trucking</td>
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<td>28</td>
<td>$76bn</td>
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<td>HREmpl</td>
<td>↓</td>
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<td>$166bn</td>
</tr>
<tr>
<td>CnstMch&amp;Tr</td>
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<td>$218bn</td>
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<tr>
<td>Ag&amp;Farm</td>
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<td>12</td>
<td>$67bn</td>
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<tr>
<td>ElcCmpEq</td>
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<td>$275bn</td>
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<tr>
<td>Cns&amp;Eng</td>
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<td>67</td>
<td>$270bn</td>
</tr>
<tr>
<td>CmclPrt</td>
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<td>$26bn</td>
</tr>
<tr>
<td>CnstMch&amp;Tr</td>
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<tr>
<td>Cns&amp;Eng</td>
<td></td>
<td>67</td>
<td>$270bn</td>
</tr>
</tbody>
</table>
**Consumer Staples**

- **DrugRetail**: 7 stocks, $210bn
- **SprCntrs**: 16 stocks, $433bn
- **HhldPrdct**: 18 stocks, $558bn
- **Dist&Vnt**: 12 stocks, $223bn
- **PkgFdMt**: 118 stocks, $1177bn
- **SoftDrnks**: 17 stocks, $483bn
- **Tobacco**: 13 stocks, $675bn
- **FdDistri**: 12 stocks, $49bn
- **FdRetail**: 38 stocks, $332bn
- **PersPrdct**: 20 stocks, $360bn
- **AgriProd**: 29 stocks, $107bn
- **Brewers**: 14 stocks, $534bn

**Momentum**

- **Strength**

**June 17, 2016**
Telecommunication Services

Momentum

Strength

AltCar
12 stocks; $51bn

WisTelSrv
41 stocks; $857bn

IntgTelSrv
61 stocks; $1349bn

June 17, 2016

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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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<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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</thead>
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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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<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>
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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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</tbody>
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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.
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