Group Selection

Priced as of March 21, 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
Table of Contents

3. Sector View
4. Strength Changes Last Session
5. Resource Summary
6. Energy
7. Materials
8. Industrials
9. Consumer Discretionary
10. Consumer Staples
11. Health Care
12. Financials
13. Information Technology
14. Telecom
15. Utilities
16. Real Estate
17. User Guide
Sector Relative Strength Profiles*

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>52% / 57% / 56%</td>
<td>/ / /</td>
<td>-12% / -24% / -8%</td>
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<tr>
<td>Materials</td>
<td>52% / 57% / 59%</td>
<td>/ / /</td>
<td>5% / -2% / 13%</td>
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<tr>
<td>Industrials</td>
<td>51% / 55% / 58%</td>
<td>/ / /</td>
<td>7% / -1% / 22%</td>
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<td>CMR Disc</td>
<td>39% / 47% / 47%</td>
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<td>10% / 0% / 21%</td>
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<td>CMR Stap</td>
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<td>23% / 16% / 37%</td>
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<tr>
<td>Hlth Care</td>
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<td>8% / 1% / 19%</td>
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<td>/ / /</td>
<td>-9% / -15% / 5%</td>
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<tr>
<td>Info Tech</td>
<td>47% / 51% / 53%</td>
<td>/ / /</td>
<td>7% / -3% / 18%</td>
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<tr>
<td>Telecom</td>
<td>26% / 30% / 33%</td>
<td>/ / /</td>
<td>21% / 21% / 45%</td>
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<tr>
<td>Utilities</td>
<td>27% / 33% / 36%</td>
<td>/ / /</td>
<td>26% / 18% / 45%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>23% / 27% / 26%</td>
<td>/ / /</td>
<td>12% / 5% / 28%</td>
</tr>
</tbody>
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*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

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Strength Changes Last Session

HmImpRtl ↔ SpecialFin →
MortgREIT ↔
Dist&Vnt →
Airline →
RestDevl →
Semi ↓
ComEquip ↓
Footwear ↓
PapProd ←
DiversBnk ←
Marine ←
SprCntrs ←
HREmpl ←
EMS ←
Htl&Rsrt ←
Broadcast ←
HmEntSwr

MltSecHld →
HvyElecEq →

DvSpSrv ↑
IndusREIT ↑
HcareTec ↑
AirFrght ↑
OfficeREIT ↓
Gold ←

Brewers →
MultiUtil →
April&Gds ↑
SpecStors ↓

ResidREIT ↑
HmEntSwr ↓
REstOpCo ↓
OfficeServ →
OG E&P ↓
CmpEIRtl ↓

AgriProd ←
FdDistri ←
EnviroServ ←
REstSrv ←
ElecInstr ←

GasUtil ←
TechDist ↓

FrstPrd →
Biotech →
Sec&Alm ↓
MtGlsCnt →

PapProd
DiversBnk
Marine
SprCntrs
HREmpl
EMS
Htl&Rsrt
Broadcast
AgriProd
FdDistri
EnviroServ
REstSrv
ElecInstr
GasUtil
TechDist
FrstPrd
Biotech
Sec&Alm
MtGlsCnt

HmImpRtl
MortgREIT
Dist&Vnt
Airline
RestDevl
Semi
ComEquip
Footwear
PapProd
DiversBnk
Marine
SprCntrs
HREmpl
EMS
Htl&Rsrt
Broadcast
AgriProd
FdDistri
EnviroServ
REstSrv
ElecInstr
GasUtil
TechDist
FrstPrd
Biotech
Sec&Alm
MtGlsCnt
March 21, 2017

Energy

Momentum

Strength

Int O&G
29 stocks; $1552bn

OG RfMkt
46 stocks; $404bn

OG Equip
63 stocks; $322bn

Coal&Uran
21 stocks; $76bn

OG StTr
93 stocks; $670bn

OG Drill
18 stocks; $35bn

OG E&P
118 stocks; $788bn

OG RfMkt
45 stocks; $404bn

OG Equip
63 stocks; $322bn

Coal&Uran
21 stocks; $76bn

OG StTr
93 stocks; $670bn

OG Drill
18 stocks; $35bn

OG E&P
118 stocks; $788bn
March 21, 2017

Consumer Staples

Momentum

Strength

Dist&Vnt → 12 stocks; $258bn

SoftDrinks ↑ 17 stocks; $480bn

Brewers ← 13 stocks; $477bn

PkgFdMt 116 stocks; $1180bn

PersPrdct ↓ 29 stocks; $395bn

FdRetail → 58 stocks; $351bn

SprCntrs ← 15 stocks; $441bn

HhldPrdct 18 stocks; $581bn

AgriProd ↑ 25 stocks; $110bn

Tobacco ← 14 stocks; $770bn

DrugRetail 7 stocks; $168bn
March 21, 2017

Health Care

Momentum

Strength

HCareTec →
17 stocks; $52bn

HCDistrib →
19 stocks; $129bn

Pharma →
98 stocks; $2398bn

MngHCare →
12 stocks; $466bn

LfSciSrv →
31 stocks; $222bn

Biotech →
126 stocks; $932bn

HCEquip ➡
71 stocks; $721bn

HCService ➡
31 stocks; $796bn

HCSuppls ➡
28 stocks; $133bn

HCService ➡
71 stocks; $721bn

Pharma ➡
98 stocks; $2398bn

MngHCare ➡
12 stocks; $466bn

LfSciSrv ➡
31 stocks; $222bn

Biotech ➡
126 stocks; $932bn

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12 stocks; $466bn

LfSciSrv ➡
31 stocks; $222bn

Biotech ➡
126 stocks; $932bn
Financials

**Momentum**

**Strength**

- **MortgREIT** 26 stocks; $58bn
- **SpecialFin** 9 stocks; $22bn
- **InsurBrkrs** 7 stocks; $106bn
- **ConsmrFin** 30 stocks; $249bn
- **LifeHthIns** 47 stocks; $814bn
- **OthrDivFS** 8 stocks; $58bn
- **Reinsuran** 12 stocks; $128bn
- **MltSecHld** 26 stocks; $369bn
- **DivCpMkt** 9 stocks; $161bn
- **DiversBnk** 162 stocks; $492bn
- **Multi-LnIns** 30 stocks; $498bn
- **RegionBnk** 142 stocks; $597bn
- **FnlExchDt** 22 stocks; $298bn
- **InvBnkBrk** 35 stocks; $368bn
- **Thrift&Mtg** 46 stocks; $130bn
- **P&C Insur** 61 stocks; $482bn

March 21, 2017

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Information Technology

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HdwrSt&P
47 stocks; $1308bn

ComEquip
45 stocks; $354bn

Semi
78 stocks; $1001bn

ElecComp
37 stocks; $248bn

SemiEqp
99 stocks; $215bn

EMS
89 stocks; $140bn

ElecInstr
44 stocks; $107bn

HmEntSwr
14 stocks; $143bn

TechDist
15 stocks; $44bn

ITConsult
50 stocks; $632bn

ApplicSwr
71 stocks; $552bn

DataProc
96 stocks; $662bn

InetSftSrv
94 stocks; $1552bn

SystmSwr
94 stocks; $632bn

ElecComp
45 stocks; $354bn

ComEquip
45 stocks; $354bn

Semi
78 stocks; $1001bn

ElecComp
37 stocks; $248bn

SemiEqp
99 stocks; $215bn

EMS
89 stocks; $140bn

ElecInstr
44 stocks; $107bn

HmEntSwr
14 stocks; $143bn

TechDist
15 stocks; $44bn

ITConsult
50 stocks; $632bn

ApplicSwr
71 stocks; $552bn

DataProc
96 stocks; $662bn

InetSftSrv
94 stocks; $1552bn

SystmSwr
94 stocks; $632bn

ElecComp
45 stocks; $354bn

ComEquip
45 stocks; $354bn

Semi
78 stocks; $1001bn

ElecComp
37 stocks; $248bn

SemiEqp
99 stocks; $215bn

EMS
89 stocks; $140bn

ElecInstr
44 stocks; $107bn

HmEntSwr
14 stocks; $143bn

TechDist
15 stocks; $44bn

ITConsult
50 stocks; $632bn

ApplicSwr
71 stocks; $552bn

DataProc
96 stocks; $662bn
Telecommunication Services

Momentum

Strength

March 21, 2017

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WlsTelSrv: 42 stocks; $929bn

AltCar: 10 stocks; $555bn

IntgTelSrv: 63 stocks; $1352bn

42 stocks; $929bn

63 stocks; $1352bn
Utilities

March 21, 2017

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WaterUtil
24 stocks; $85bn

ElecUtil
90 stocks; $1073bn

IPPTrad
25 stocks; $102bn

MultiUtil
37 stocks; $432bn

RenewElec
24 stocks; $53bn

GasUtil
33 stocks; $190bn
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 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).
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”
- 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.
Disclosures

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<tr>
<td>Buy</td>
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<tr>
<td>Hold</td>
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<tr>
<td>Sell</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 from which BMO Capital Markets has received compensation for Investment Banking services as percentage of Investment Banking clients.
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Und = Underperform - Forecast to underperform the analyst’s coverage universe on a total return basis;
(S) = Speculative investment;
Spd = Suspended - Coverage and rating suspended until coverage is reinstated;
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