Group Selection

Priced as of June 9, 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*

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Energy</td>
<td>43% / 45% / 31%</td>
<td>27% / 29% / 21%</td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>54% / 58% / 44%</td>
<td>11% / 9% / 0%</td>
<td></td>
</tr>
<tr>
<td>Industrials</td>
<td>50% / 55% / 29%</td>
<td>8% / 5% / -2%</td>
<td></td>
</tr>
<tr>
<td>CMR Disc</td>
<td>40% / 45% / 23%</td>
<td>4% / 1% / -5%</td>
<td></td>
</tr>
<tr>
<td>CMR Stap</td>
<td>62% / 68% / 34%</td>
<td>1% / 0% / -4%</td>
<td></td>
</tr>
<tr>
<td>Hlth Care</td>
<td>36% / 39% / 21%</td>
<td>14% / 12% / 3%</td>
<td></td>
</tr>
<tr>
<td>Financials</td>
<td>41% / 46% / 25%</td>
<td>6% / 4% / -4%</td>
<td></td>
</tr>
<tr>
<td>Info Tech</td>
<td>40% / 44% / 24%</td>
<td>14% / 13% / 3%</td>
<td></td>
</tr>
<tr>
<td>Telecom</td>
<td>46% / 49% / 31%</td>
<td>0% / -4% / -15%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>60% / 68% / 47%</td>
<td>3% / 1% / -5%</td>
<td></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.
Industrials

June 9, 2016

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- Cns&Eng: 57 stocks, $283bn
- Railroads: 26 stocks, $410bn
- HvyElcEq: 17 stocks, $76bn
- IndCongl: 29 stocks, $290bn

- Ag&Farm: 12 stocks, $69bn
- OfficeServ: 13 stocks, $29bn
- HREmpl: 23 stocks, $90bn

- CnstMch&Tr: 45 stocks, $227bn
- Railroads: 26 stocks, $227bn
- HvyElcEq: 17 stocks, $77bn
- IndCongl: 29 stocks, $290bn

- Industrials: 67 stocks, $283bn
- Railroads: 26 stocks, $410bn
- HvyElcEq: 17 stocks, $76bn
- IndCongl: 29 stocks, $290bn

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Consumer Staples

Momentum

Strength

AgriProd
29 stocks; $110bn

PersPrdct
28 stocks; $375bn

DrugRetail
7 stocks; $209bn

Brewers
14 stocks; $557bn

HhlldPrdct
16 stocks; $562bn

SprCntrs
16 stocks; $439bn

PkgFdMt
18 stocks; $1203bn

Tobacco
13 stocks; $693bn

Dist&Vnt
12 stocks; $228bn

FdDistri
12 stocks; $49bn

SoftDrnks
17 stocks; $491bn

FdRetail
38 stocks; $350bn
June 9, 2016

**Health Care**

- **Momentum**
  - HCareTec: 18 stocks; $64bn
  - HCSupplis: 30 stocks; $127bn
  - HCEquip: 72 stocks; $640bn

- **Strength**
  - HCareFacility: 33 stocks; $740bn
  - HCSupplis: 30 stocks; $127bn
  - HCEquip: 72 stocks; $640bn

- **Health Care**
  - HC_Supplies: 30 stocks; $127bn
  - HC_Equipment: 72 stocks; $640bn
  - HC_Distributors: 18 stocks; $141bn
  - HC_Service: 33 stocks; $202bn
  - LfSciSrv: 29 stocks; $196bn
  - Pharmacy: 95 stocks; $2478bn
  - Biotech: 129 stocks; $889bn

- **MngHCare**
  - 13 stocks; $298bn
**Information Technology**

**Momentum**

- TechDist: 15 stocks, $37bn
- SystmSwr: 38 stocks, $700bn
- ElecComp: 29 stocks, $196bn
- InetSftSrv: 96 stocks, $1290bn
- ElecInstr: 144 stocks, $152bn
- ITConsult: 50 stocks, $606bn
- Semi: 83 stocks, $841bn
- ComEquip: 48 stocks, $319bn
- DataProc: 42 stocks, $631bn

**Strength**

- HmEntSwr: 14 stocks, $115bn
- EMS: 22 stocks, $109bn
- ApplicSwr: 74 stocks, $483bn
- SemiEqp: 40 stocks, $156bn
- ElecEqp: 40 stocks, $156bn
- ElecInstr: 144 stocks, $152bn
- ITConsult: 50 stocks, $606bn
- Semi: 83 stocks, $841bn
- ComEquip: 48 stocks, $319bn
- DataProc: 42 stocks, $631bn
<table>
<thead>
<tr>
<th>Telecommunication Services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>WlsTelSrv</strong></td>
</tr>
<tr>
<td>41 stocks; $888bn</td>
</tr>
<tr>
<td><strong>IntgTelSrv</strong></td>
</tr>
<tr>
<td>61 stocks; $1377bn</td>
</tr>
<tr>
<td><strong>AltCar</strong></td>
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<tr>
<td>12 stocks; $53bn</td>
</tr>
</tbody>
</table>

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**Utilities**

June 9, 2016

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1. PPTrad: 25 stocks; $104bn
2. RenewElec: 25 stocks; $48bn
3. ElectUtil: 39 stocks; $1031bn
4. GasUtil: 37 stocks; $217bn
5. MultiUtil: 38 stocks; $447bn
6. WaterUtil: 23 stocks; $83bn
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).
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.
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<tr>
<th>Rating Category</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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<tbody>
<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>
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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>
</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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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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