Group Selection

Priced as of December 22, 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>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>60% / 61% / 61%</td>
<td>/ / /</td>
<td>3% / 13% / 16%</td>
</tr>
<tr>
<td>Materials</td>
<td>58% / 58% / 59%</td>
<td>/ / /</td>
<td>-12% / -8% / -6%</td>
</tr>
<tr>
<td>Industrials</td>
<td>55% / 57% / 56%</td>
<td>/ / /</td>
<td>-6% / 2% / 6%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>46% / 49% / 50%</td>
<td>/ / /</td>
<td>-9% / -4% / 0%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>36% / 38% / 31%</td>
<td>/ / /</td>
<td>-19% / -9% / -3%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>44% / 45% / 44%</td>
<td>/ / /</td>
<td>-18% / -11% / -7%</td>
</tr>
<tr>
<td>Financials</td>
<td>64% / 66% / 70%</td>
<td>/ / /</td>
<td>3% / 14% / 10%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>58% / 58% / 57%</td>
<td>/ / /</td>
<td>-14% / -6% / -1%</td>
</tr>
<tr>
<td>Telecom</td>
<td>23% / 26% / 24%</td>
<td>/ / /</td>
<td>-8% / 3% / 7%</td>
</tr>
<tr>
<td>Utilities</td>
<td>28% / 30% / 29%</td>
<td>/ / /</td>
<td>-6% / -2% / 5%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>29% / 30% / 26%</td>
<td>/ / /</td>
<td>-13% / -4% / -1%</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.
<table>
<thead>
<tr>
<th>Sector</th>
<th>Strength</th>
<th>Momentum</th>
</tr>
</thead>
<tbody>
<tr>
<td>PapProd</td>
<td>26 stocks; $78bn</td>
<td>DiversChm</td>
</tr>
<tr>
<td>MtGlsCnt</td>
<td>14 stocks; $55bn</td>
<td></td>
</tr>
<tr>
<td>ComdChm</td>
<td>40 stocks; $30bn</td>
<td>SpecChm</td>
</tr>
<tr>
<td>DiversChm</td>
<td>20 stocks; $318bn</td>
<td></td>
</tr>
<tr>
<td>Steel</td>
<td>59 stocks; $32bn</td>
<td>FrstPrd</td>
</tr>
<tr>
<td></td>
<td></td>
<td>PaperPkg</td>
</tr>
<tr>
<td>Gold</td>
<td>62 stocks; $147bn</td>
<td></td>
</tr>
<tr>
<td>SpecChm</td>
<td>54 stocks; $422bn</td>
<td></td>
</tr>
<tr>
<td>IndusGas</td>
<td>4 stocks; $149bn</td>
<td></td>
</tr>
<tr>
<td>Fert&amp;Ag</td>
<td>33 stocks; $215bn</td>
<td></td>
</tr>
<tr>
<td>CstrMat</td>
<td>28 stocks; $222bn</td>
<td></td>
</tr>
<tr>
<td>DvrsMng</td>
<td>47 stocks; $321bn</td>
<td></td>
</tr>
<tr>
<td>Alumin</td>
<td>12 stocks; $45bn</td>
<td></td>
</tr>
<tr>
<td>Copper</td>
<td>14 stocks; $78bn</td>
<td></td>
</tr>
<tr>
<td>PrecMet</td>
<td>23 stocks; $51bn</td>
<td></td>
</tr>
</tbody>
</table>

Note: The table represents the strength and momentum of different sectors in the Materials industry as of December 22, 2016.
<table>
<thead>
<tr>
<th>Sector</th>
<th>Momentum</th>
<th>Strength</th>
<th>Stocks</th>
<th>Market Cap</th>
</tr>
</thead>
<tbody>
<tr>
<td>FdDistri</td>
<td>Green</td>
<td>Green</td>
<td>12</td>
<td>$56bn</td>
</tr>
<tr>
<td>HldPrdct</td>
<td>Red</td>
<td>Blue</td>
<td>18</td>
<td>$533bn</td>
</tr>
<tr>
<td>Tobaccc</td>
<td>Red</td>
<td>Blue</td>
<td>14</td>
<td>$672bn</td>
</tr>
<tr>
<td>PkgFdMt</td>
<td>Green</td>
<td>Green</td>
<td>115</td>
<td>$1129bn</td>
</tr>
<tr>
<td>DrugRetail</td>
<td>Red</td>
<td>Blue</td>
<td>7</td>
<td>$192bn</td>
</tr>
<tr>
<td>AgriProd</td>
<td>Green</td>
<td>Green</td>
<td>26</td>
<td>$108bn</td>
</tr>
<tr>
<td>FdRetail</td>
<td>Red</td>
<td>Blue</td>
<td>38</td>
<td>$348bn</td>
</tr>
<tr>
<td>Brewers</td>
<td>Green</td>
<td>Red</td>
<td>38</td>
<td>$421bn</td>
</tr>
<tr>
<td>SoftDrinks</td>
<td>Red</td>
<td>Blue</td>
<td>17</td>
<td>$454bn</td>
</tr>
<tr>
<td>PersPrdct</td>
<td>Red</td>
<td>Blue</td>
<td>29</td>
<td>$356bn</td>
</tr>
<tr>
<td>SprCntrs</td>
<td>Green</td>
<td>Green</td>
<td>15</td>
<td>$423bn</td>
</tr>
<tr>
<td>Dist&amp;Vnt</td>
<td>Green</td>
<td>Green</td>
<td>12</td>
<td>$224bn</td>
</tr>
</tbody>
</table>
Momentum

Strength

December 22, 2016

Mark Steele (416) 359-4641

Financials

Multi-LnIns
30 stocks; $478bn

P&C Insur
62 stocks; $467bn

AsstMgmt
85 stocks; $477bn

DivCpMkt
7 stocks; $131bn

MortgREIT
27 stocks; $56bn

Reinsuran
12 stocks; $123bn

MortgREIT
27 stocks; $56bn

InsurBrkrs
7 stocks; $100bn

RegionBnk
196 stocks; $5056bn

OthrDivFS
7 stocks; $82bn

ConsmrFin
26 stocks; $247bn

MltSecHld
26 stocks; $349bn

Thrift&Mtg
114 stocks; $132bn

LifeHthIns
47 stocks; $756bn

InvBnkBrk
37 stocks; $368bn

SpecialFin
7 stocks; $20bn

LifeHthIns
47 stocks; $756bn

InvBnkBrk
37 stocks; $368bn

DiversBnk
165 stocks; $4577bn

FnlExchDt
22 stocks; $277bn
Telecommunication Services

December 22, 2016

Mark Steele (416) 359-4641

Strength

Momentum

AltCar
11 stocks; $52bn

IntgTelSrv
62 stocks; $1333bn

WlsTelSrv
42 stocks; $847bn
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).
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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<table>
<thead>
<tr>
<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>
</tr>
</thead>
<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>
<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>
</tr>
<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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- **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;
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