Group Selection
Priced as of August 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 View

Strength

Momentum

2016-08-09

Energy
Materials
Financials
Industrials
CMR Disc
CMR Stap
Hlth Care
Technology
Utilities

Sector Relative Strength Profiles*

<table>
<thead>
<tr>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>58% / 61% / 46%</td>
<td>/ / /</td>
<td>1% / -1% / 4%</td>
</tr>
<tr>
<td>Materials</td>
<td>63% / 65% / 53%</td>
<td>/ / /</td>
<td>5% / 2% / 10%</td>
</tr>
<tr>
<td>Industrials</td>
<td>49% / 53% / 32%</td>
<td>/ / /</td>
<td>7% / 1% / 9%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>38% / 42% / 25%</td>
<td>/ / /</td>
<td>5% / 2% / 10%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>53% / 56% / 31%</td>
<td>/ / /</td>
<td>-3% / -9% / 3%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>50% / 54% / 38%</td>
<td>/ / /</td>
<td>4% / -2% / 6%</td>
</tr>
<tr>
<td>Financials</td>
<td>49% / 53% / 31%</td>
<td>/ / /</td>
<td>11% / 4% / 14%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>49% / 54% / 36%</td>
<td>/ / /</td>
<td>14% / 7% / 15%</td>
</tr>
<tr>
<td>Telecom</td>
<td>44% / 46% / 31%</td>
<td>/ / /</td>
<td>1% / -3% / 5%</td>
</tr>
<tr>
<td>Utilities</td>
<td>61% / 62% / 38%</td>
<td>/ / /</td>
<td>-8% / -14% / 2%</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
Momentum
Strength

August 9, 2016

Mark Steele (416) 359-4641

Energy

OG E&P
128 stocks; $374bn

OG StTr
66 stocks; $580bn

OG Equip
64 stocks; $298bn

OG RfMkt
44 stocks; $345bn

OG Drill
19 stocks; $34bn

Coal & Uran
23 stocks; $71bn

Int O&G
33 stocks; $1518bn

96 stocks; $580bn

64 stocks; $298bn

44 stocks; $345bn

19 stocks; $34bn

23 stocks; $71bn

33 stocks; $1518bn
Momentum
Strength

August 9, 2016

Materials

Fert&Ag
34 stocks; $205bn

IndusGas
8 stocks; $140bn

Alumin
12 stocks; $50bn

SpecChm
64 stocks; $435bn

DvrsMng
60 stocks; $344bn

ComdChm
40 stocks; $275bn

Steel
60 stocks; $285bn

CstrMat
37 stocks; $219bn

PrecMet
22 stocks; $59bn

Gold
20 stocks; $230bn

FrstPrd
12 stocks; $14bn

PapProd
26 stocks; $71bn

DiversChm
19 stocks; $269bn

MtGlsCnt
14 stocks; $54bn

PaperPkg
19 stocks; $583bn
August 9, 2016

Consumer Staples

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- Brewers: 14 stocks; $542bn
- HhldPrdct: 18 stocks; $578bn
- FdRetail: 37 stocks; $351bn
- AgriProd: 27 stocks; $109bn
- DrugRetail: 7 stocks; $211bn
- SoftDrinks: 17 stocks; $484bn
- SprCntrs: 17 stocks; $458bn
- Tobacco: 13 stocks; $683bn
- FdDistri: 12 stocks; $50bn
- PersPrdct: 28 stocks; $375bn
Utilities

Momentum

Strength

August 9, 2016

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GasUtil
36 stocks; $214bn

RenewElec
24 stocks; $53bn

ElecUtil
88 stocks; $1048bn

WaterUtil
23 stocks; $84bn

MultiUtil
37 stocks; $443bn

IPPTrad
25 stocks; $100bn

Utilities

GasUtil
36 stocks; $214bn

RenewElec
24 stocks; $53bn

ElecUtil
88 stocks; $1048bn

WaterUtil
23 stocks; $84bn

MultiUtil
37 stocks; $443bn

IPPTrad
25 stocks; $100bn
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.
IMPORTANT DISCLOSURES

Analyst's Certification
I, Mark Steele, hereby certify that the views expressed in this report accurately reflect my personal views about the subject securities or issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

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For Important Disclosures on the stocks discussed in this report, please go to http://researchglobal.bmocapitalmarkets.com/Public/Company_Disclosure_Public.aspx

Distribution of Ratings (September 30, 2015)

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<th>Rating Category</th>
<th>BMO US Rating</th>
<th>BMO CM US IB Clients**</th>
<th>BMO CM US IB Clients***</th>
<th>BMO CM Universe****</th>
<th>BMO CM IB Clients*****</th>
<th>Starmine Universe</th>
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<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.
**** 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.

Rating and Sector Key (as of April 5, 2013)
We use the following ratings system definitions:
OP = Outperform - Forecast to outperform the analyst’s coverage universe on a total return basis;
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
R = Restricted - Dissemination of research is currently restricted.

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Prior BMO Capital Markets Rating System (January 4, 2010 - April 4, 2013)

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