Group Selection

Priced as of February 28, 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

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## Sector Relative Strength Profiles*

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>58% / 64% / 60%</td>
<td>-26% / -21% / -2%</td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>55% / 58% / 58%</td>
<td>-10% / -7% / 13%</td>
<td></td>
</tr>
<tr>
<td>Industrials</td>
<td>53% / 57% / 53%</td>
<td>-7% / -2% / 22%</td>
<td></td>
</tr>
<tr>
<td>CMR Disc</td>
<td>40% / 43% / 42%</td>
<td>-6% / -3% / 20%</td>
<td></td>
</tr>
<tr>
<td>CMR Stap</td>
<td>28% / 31% / 27%</td>
<td>-1% / 1% / 29%</td>
<td></td>
</tr>
<tr>
<td>Hlth Care</td>
<td>35% / 37% / 33%</td>
<td>7% / 10% / 32%</td>
<td></td>
</tr>
<tr>
<td>Financials</td>
<td>65% / 70% / 67%</td>
<td>-12% / -5% / 17%</td>
<td></td>
</tr>
<tr>
<td>Info Tech</td>
<td>50% / 54% / 49%</td>
<td>-7% / -3% / 22%</td>
<td></td>
</tr>
<tr>
<td>Telecom</td>
<td>29% / 33% / 30%</td>
<td>-3% / 1% / 26%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>29% / 34% / 33%</td>
<td>4% / 8% / 41%</td>
<td></td>
</tr>
<tr>
<td>Real Estate</td>
<td>21% / 28% / 21%</td>
<td>7% / 14% / 53%</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
Momentum

Strength

Materials

February 28, 2017

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MtGlsCnt
14 stocks; $56bn

FrstPrd
72 stocks; $19bn

SpecChm
64 stocks; $456bn

CstrMat
27 stocks; $237bn

DiversChm
80 stocks; $346bn

Steel
59 stocks; $367bn

PapProd
26 stocks; $83bn

Alumin
12 stocks; $33bn

ComdChm
60 stocks; $224bn

PapPkg
17 stocks; $112bn

Silver
9 stocks; $27bn

IndusGas
3 stocks; $14bn

PrecMet
22 stocks; $58bn

Gold
61 stocks; $179bn

DvrsMng
17 stocks; $349bn

Copper
14 stocks; $68bn

Fert&Ag
33 stocks; $224bn
February 28, 2017

Consumer Staples

[Diagram showing the categories and their performances: Tobacco, PkgFdMt, PersPrdct, Brewers, SprCntrs, HhldPrdct, SoftDrinks, DrugRetail, FdRetail, Dist&Vnt, FdDistri, AgriProd. Each category is labeled with the number of stocks and their market capitalization (in billions).]

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Information Technology

Momentum

Strength

February 28, 2017

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Semi
79 stocks; $994bn

DataProc
47 stocks; $363bn

ITConsult
50 stocks; $629bn

EMS
18 stocks; $137bn

SemiEqp
40 stocks; $207bn

TechDist
15 stocks; $44bn

ElecComp
37 stocks; $207bn

ElecInstr
44 stocks; $163bn

ComEquip
47 stocks; $357bn

HdwrSt&P
47 stocks; $1263bn

InetSftSrv
35 stocks; $1510bn

SystmSwr
34 stocks; $821bn

ApplicSwr
71 stocks; $538bn

HmEntSwr
14 stocks; $134bn
Telecommunication Services

February 28, 2017

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AltCar
11 stocks; $53bn

WlsTelSrv
42 stocks; $904bn

IntgTelSrv
65 stocks; $1337bn
February 28, 2017

Real Estate

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SpecREIT 30 stocks; $276bn
ResidREIT 26 stocks; $151bn
HCareREIT 16 stocks; $100bn
OfficeREIT 31 stocks; $162bn
IndusREIT 20 stocks; $83bn
RetailREIT 26 stocks; $83bn
REstDvAct 33 stocks; $310bn
DiversREIT 38 stocks; $147bn
REstDevI 31 stocks; $198bn
REstOpCo 30 stocks; $177bn

HotelREIT 17 stocks; $45bn
REstSrv 11 stocks; $31bn

OfficeREIT, IndusREIT, and RetailREIT are moving to the right, indicating strength.
SpecREIT, HCareREIT, OfficeREIT, IndusREIT, and RetailREIT are moving up, indicating momentum.
REstDvAct, DiversREIT, and REstDevI are moving down, indicating weakness.
HotelREIT, REstSrv, and REstOpCo are moving to the left, indicating weakness.

OfficeREIT: 31 stocks; $162bn
IndusREIT: 20 stocks; $147bn
RetailREIT: 26 stocks; $147bn
SpecREIT: 30 stocks; $276bn
HCareREIT: 16 stocks; $100bn
REstDvAct: 33 stocks; $310bn
DiversREIT: 38 stocks; $147bn
REstDevI: 31 stocks; $198bn
REstOpCo: 30 stocks; $177bn

HotelREIT: 17 stocks; $45bn
REstSrv: 11 stocks; $31bn
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 are 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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<tr>
<td>Buy</td>
<td>Outperform</td>
<td>43.4%</td>
<td>16.2%</td>
<td>60.6%</td>
<td>42.6%</td>
<td>51.7%</td>
<td>55.6%</td>
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<tr>
<td>Hold</td>
<td>Market Perform</td>
<td>52.6%</td>
<td>8.1%</td>
<td>36.6%</td>
<td>53.0%</td>
<td>45.8%</td>
<td>39.5%</td>
</tr>
<tr>
<td>Sell</td>
<td>Underperform</td>
<td>3.9%</td>
<td>8.3%</td>
<td>2.8%</td>
<td>4.5%</td>
<td>2.5%</td>
<td>4.9%</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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***** 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;
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