Group Selection

Priced as of June 8, 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**

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<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Energy</td>
<td>41% / 44% / 30%</td>
<td>33% / 30% / 21%</td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>54% / 58% / 44%</td>
<td>15% / 11% / 2%</td>
<td></td>
</tr>
<tr>
<td>Industrials</td>
<td>50% / 55% / 30%</td>
<td>13% / 6% / -2%</td>
<td></td>
</tr>
<tr>
<td>CMR Disc</td>
<td>39% / 45% / 23%</td>
<td>6% / 2% / -5%</td>
<td></td>
</tr>
<tr>
<td>CMR Stap</td>
<td>62% / 68% / 35%</td>
<td>4% / -1% / -4%</td>
<td></td>
</tr>
<tr>
<td>Hlth Care</td>
<td>36% / 38% / 22%</td>
<td>18% / 14% / 3%</td>
<td></td>
</tr>
<tr>
<td>Financials</td>
<td>41% / 46% / 26%</td>
<td>9% / 5% / -5%</td>
<td></td>
</tr>
<tr>
<td>Info Tech</td>
<td>40% / 44% / 25%</td>
<td>16% / 12% / 2%</td>
<td></td>
</tr>
<tr>
<td>Telecom</td>
<td>46% / 49% / 32%</td>
<td>3% / -3% / -12%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>61% / 68% / 49%</td>
<td>5% / 2% / -9%</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
Strength Changes Last Session

Momentum

Int O&G 🔶 AgriProd 🔶 Steel 🔶

HCSupplls 🔶 Cns&Eng 🔶 Brewers 🔶 Educat 🔶

HCEquip 🔶

DiversREIT 🔶

HmFrnsh 🔶 RenewElec 🔶 Cabl&Sat 🔶

WlsTelSrv 🔶

Publishing 🔶

REstSrv 🔶

REstDvAct 🔶 Railroads 🔶

Alumin 🔶 Footwear 🔶 SprCntrs 🔶 SpecStors 🔶

HREmpl 🔶

Rstaurnt 🔶 MotcyMfg 🔶

Biotech 🔶

Cas&Gam 🔶 Semi 🔶 CmrElec 🔶 IndusGas 🔶

Broadcast 🔶

Pharma 🔶

Reinsuran 🔶 AsstMgmt 🔶

CmpEIrtl 🔶 Trcking 🔶

Truckng 🔶

Tire&Rub 🔶 ConsmrFin 🔶 CatalgRtl 🔶

P&C Insur 🔶

LeisPrd 🔶 TrdgDist 🔶

Hwy&Rail 🔶

LifeHthIns 🔶
Momentum

June 8, 2016

Mark Steele (416) 359-4641

Consumer Staples

PersPrdct
28 stocks; $378bn

AgriProd
29 stocks; $111bn

Brewers
14 stocks; $563bn

DrugRetail
7 stocks; $211bn

SprCntrs
16 stocks; $442bn

HhdPrdct
18 stocks; $564bn

PkgFdMt
16 stocks; $1204bn

Dist&Vnt
12 stocks; $231bn

Tobacco
13 stocks; $694bn

FdRetail
38 stocks; $355bn

FdDistri
12 stocks; $49bn

SoftDrnks
17 stocks; $497bn

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17 stocks; $497bn
Momentum

Health Care

June 8, 2016

Mark Steele (416) 359-4641

HCSupplis → 30 stocks; $128bn
HCareTec ↓ 18 stocks; $64bn
HCFacility ↑ 33 stocks; $141bn

HCEquip ↑ 72 stocks; $638bn

HCDistrib ↓ 76 stocks; $141bn

LfSciSrv ↑ 29 stocks; $197bn
HCService ↓ 33 stocks; $203bn

MngHCare ↑ 33 stocks; $299bn

Pharma ↑ 95 stocks; $2492bn

Biotech ↑ 129 stocks; $904bn
June 8, 2016

Information Technology

Mark Steele (416) 359-4641

Momentum

Strength

TechDist
18 stocks; $37bn

SystmSwr
38 stocks; $705bn

InetSftSrv
96 stocks; $1290bn

HdwrSt&P
46 stocks; $1025bn

EMS
20 stocks; $110bn

ElecComp
39 stocks; $197bn

Semi
83 stocks; $841bn

SemiEqp
40 stocks; $156bn

ComEquip
48 stocks; $321bn

HmEntSwr
14 stocks; $115bn

ApplicSwr
33 stocks; $485bn

ItConsult
50 stocks; $613bn

ElecInstr
44 stocks; $162bn

DataProc
48 stocks; $634bn
June 8, 2016

Telecommunication Services

Mark Steele (416) 359-4641

WlsTelSrv
41 stocks; $900bn

IntgTelSrv
61 stocks; $1386bn

AltCar
72 stocks; $53bn
Momentum

June 8, 2016

Strength

Utilities

Mark Steele (416) 359-4641

RenewElec
25 stocks; $49bn

IPPTrad
25 stocks; $105bn

MultiUtil
38 stocks; $447bn

GasUtil
37 stocks; $218bn

ElecUtil
89 stocks; $1030bn

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).
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).

![Decile Chart](image1)

- Each chart is hyperlinked to the group membership, in our RS Filter Toolkit.

![Group Membership](image2)
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<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>
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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>
<td>56.3%</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>
<td>38.7%</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>
<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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