Group Selection
Priced as of June 8, 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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13. Information Technology  
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Sector View

Sector Relative Strength Profiles*

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Energy</td>
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<tr>
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<td></td>
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<tr>
<td>Industrials</td>
<td>55% / 49% / 71%</td>
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<tr>
<td>CMR Disc</td>
<td>49% / 45% / 63%</td>
<td>0% / 2% / 6%</td>
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<tr>
<td>CMR Stap</td>
<td>54% / 50% / 68%</td>
<td>3% / 2% / 11%</td>
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<tr>
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<tr>
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<tr>
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<td>5% / 6% / 11%</td>
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<tr>
<td>Real Estate</td>
<td>47% / 41% / 68%</td>
<td>1% / 3% / 12%</td>
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<tr>
<td>CMR Stap</td>
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<td>3% / 5% / 9%</td>
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<tr>
<td>CMR Disc</td>
<td>54% / 68% / -23%</td>
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<td>Utilities</td>
<td>60% / 76% / 5%</td>
<td>6% / 11% / 1%</td>
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</tr>
<tr>
<td>Real Estate</td>
<td>47% / 68% / 1%</td>
<td>3% / 12% / 1%</td>
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</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.
### Consumer Discretionary

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<th>Stocks</th>
<th>Market Cap</th>
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<td>$43bn</td>
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<tr>
<td>Tire&amp;Rub</td>
<td>10</td>
<td>$100bn</td>
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<tr>
<td>CmpElRtl</td>
<td>8</td>
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<tr>
<td>CmrElec</td>
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<td>$137bn</td>
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<tr>
<td>AutoMfg</td>
<td>36</td>
<td>$969bn</td>
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<tr>
<td>AutoParts</td>
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<td>$343bn</td>
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<tr>
<td>AutoParts</td>
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<td>$343bn</td>
</tr>
<tr>
<td>Tire&amp;Rub</td>
<td>10</td>
<td>$100bn</td>
</tr>
<tr>
<td>HhldApl</td>
<td>10</td>
<td>$278bn</td>
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<tr>
<td>HmFrnsh</td>
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<td>$35bn</td>
</tr>
<tr>
<td>SpecStors</td>
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<td>$102bn</td>
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<tr>
<td>Cas&amp;Gam</td>
<td>97</td>
<td>$293bn</td>
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<td>Hl&amp;Rsrts</td>
<td>24</td>
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<tr>
<td>Educat</td>
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<td>InetDmRtl</td>
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<td>$834bn</td>
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<td>LeisFcil</td>
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<td>$56bn</td>
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<td>16</td>
<td>$54bn</td>
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<td>Footwear</td>
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<td>$116bn</td>
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<td>Mov&amp;Ent</td>
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<td>$351bn</td>
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<td>ApparlRtl</td>
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<td>14</td>
<td>$62bn</td>
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<td>Distrib</td>
<td>10</td>
<td>$53bn</td>
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<tr>
<td>SpCmSrv</td>
<td>9</td>
<td>$24bn</td>
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<td>$262bn</td>
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<td>HomeFurn</td>
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<tr>
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<td>$117bn</td>
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<tr>
<td>Sector</td>
<td>Momentum</td>
<td>Strength</td>
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<tr>
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<tr>
<td>PersPrdct</td>
<td></td>
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<tr>
<td>Tobacco</td>
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<td></td>
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<tr>
<td>Dist&amp;Vnt</td>
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<td></td>
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<tr>
<td>HhldPrdct</td>
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<tr>
<td>SoftDrinks</td>
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<tr>
<td>Brewers</td>
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<tr>
<td>SprCntrs</td>
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<tr>
<td>FdRetail</td>
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<td>PkgFdMt</td>
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<tr>
<td>DrugRetail</td>
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</tr>
<tr>
<td>FdDistri</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AgriProd</td>
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</tr>
</tbody>
</table>

- **PersPrdct**: 29 stocks; $443bn
- **Tobacco**: 14 stocks; $972bn
- **Dist&Vnt**: 12 stocks; $298bn
- **HhldPrdct**: 12 stocks; $593bn
- **SoftDrinks**: 17 stocks; $508bn
- **Brewers**: 13 stocks; $494bn
- **SprCntrs**: 15 stocks; $471bn
- **FdRetail**: 37 stocks; $367bn
- **PkgFdMt**: 122 stocks; $1262bn
- **DrugRetail**: 8 stocks; $192bn
- **FdDistri**: 12 stocks; $56bn
- **AgriProd**: 25 stocks; $107bn
Momentum

Strength

June 8, 2017

Mark Steele (416) 359-4641

Financials

ConsmrFin
30 stocks; $240bn

Thrft&Mtg
46 stocks; $135bn

InvBnkBrk
55 stocks; $362bn

InsurBrkers
7 stocks; $114bn

AsstMgmt
82 stocks; $532bn

RegionBnk
162 stocks; $623bn

MortgREIT
29 stocks; $56bn

MortgREIT
29 stocks; $56bn

FnlExchDt
23 stocks; $333bn

Multi-LnIns
30 stocks; $511bn

DiversBnk
160 stocks; $499bn

MltSecHld
25 stocks; $375bn

P&C Insur
60 stocks; $497bn

P&C Insur
60 stocks; $497bn

Multi-LnIns
30 stocks; $511bn

MltSecHld
25 stocks; $375bn

DiversBnk
160 stocks; $499bn

MltSecHld
25 stocks; $375bn

P&C Insur
60 stocks; $497bn

Reinsuran
12 stocks; $127bn

LifeHthIns
10 stocks; $23bn

OthrDivFS
8 stocks; $37bn

DivCpMkt
9 stocks; $170bn
June 8, 2017

Utilities

Momentum

Strength

Mark Steele (416) 359-4641

Utilities

WaterUtil
24 stocks; $96bn

RenewElec
23 stocks; $55bn

ElecUtil
90 stocks; $1147bn

MultiUtil
GasUtil
37 stocks; $476bn
IPPTrad
33 stocks; $202bn
25 stocks; $103bn

Utilities

WaterUtil
24 stocks; $96bn

RenewElec
23 stocks; $55bn

ElecUtil
90 stocks; $1147bn

MultiUtil
GasUtil
37 stocks; $476bn
IPPTrad
33 stocks; $202bn
25 stocks; $103bn
<table>
<thead>
<tr>
<th>Category</th>
<th>Momentum</th>
<th>Strength</th>
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</thead>
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<tr>
<td>ResidREIT</td>
<td>$158bn</td>
<td>28 stocks</td>
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<tr>
<td>REstOpCo</td>
<td>$200bn</td>
<td>37 stocks</td>
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<tr>
<td>ResDvAct</td>
<td>$338bn</td>
<td>34 stocks</td>
</tr>
<tr>
<td>HCareREIT</td>
<td>$108bn</td>
<td>19 stocks</td>
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<tr>
<td>SpecREIT</td>
<td>$310bn</td>
<td>31 stocks</td>
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<tr>
<td>HotelREIT</td>
<td>$161bn</td>
<td>30 stocks</td>
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<tr>
<td>OfficeREIT</td>
<td>$146bn</td>
<td>32 stocks</td>
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<tr>
<td>RetailREIT</td>
<td>$309bn</td>
<td>30 stocks</td>
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<tr>
<td>IndusREIT</td>
<td>$93bn</td>
<td>20 stocks</td>
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<tr>
<td>REstSrvc</td>
<td>$31bn</td>
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<tr>
<td>REstDevl</td>
<td>$242bn</td>
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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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<tr>
<td>Buy</td>
<td>Outperform</td>
<td>43.2%</td>
<td>22.8%</td>
<td>57.4%</td>
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<td>Hold</td>
<td>Market Perform</td>
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<td>13.1%</td>
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<td>52.6%</td>
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<tr>
<td>Sell</td>
<td>Underperform</td>
<td>3.7%</td>
<td>9.5%</td>
<td>2.0%</td>
<td>3.2%</td>
<td>1.6%</td>
<td>5.5%</td>
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* 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.
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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;
Spd = Suspended - Coverage and rating suspended until coverage is reinstated;
NR = No Rated - No rating at this time; and
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(January 2010 - April 2013)

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