Group Selection
Priced as of March 29, 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 View**

### Sector Relative Strength Profiles*

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<tbody>
<tr>
<td>Energy</td>
<td>48% / 52% / 53%</td>
<td>/ / /</td>
<td>2% / -1% / 1%</td>
</tr>
<tr>
<td>Materials</td>
<td>52% / 57% / 60%</td>
<td>/ / /</td>
<td>2% / -4% / -3%</td>
</tr>
<tr>
<td>Industrials</td>
<td>52% / 56% / 59%</td>
<td>/ / /</td>
<td>6% / 2% / 5%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>39% / 46% / 49%</td>
<td>/ / /</td>
<td>12% / 8% / 9%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>25% / 30% / 30%</td>
<td>/ / /</td>
<td>15% / 12% / 15%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>32% / 37% / 41%</td>
<td>/ / /</td>
<td>15% / 8% / 10%</td>
</tr>
<tr>
<td>Financials</td>
<td>65% / 68% / 72%</td>
<td>/ / /</td>
<td>-6% / -11% / -11%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>48% / 52% / 54%</td>
<td>/ / /</td>
<td>6% / 3% / 6%</td>
</tr>
<tr>
<td>Telecom</td>
<td>25% / 30% / 32%</td>
<td>/ / /</td>
<td>13% / 15% / 15%</td>
</tr>
<tr>
<td>Utilities</td>
<td>28% / 36% / 39%</td>
<td>/ / /</td>
<td>19% / 12% / 13%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>24% / 29% / 30%</td>
<td>/ / /</td>
<td>13% / 8% / 8%</td>
</tr>
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*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.
March 29, 2017

**Energy**

- **OG StTr**: 93 stocks; $684bn
- **Int O&G**: 29 stocks; $156bn
- **OG E&P**: 118 stocks; $813bn
- **OG RfMkt**: 64 stocks; $128bn
- **OG Equip**: 64 stocks; $128bn
- **OG Drill**: 18 stocks; $36bn
- **Coal&Uran**: 21 stocks; $78bn
Materials

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ComdChm
39 stocks; $328bn

Fert&Ag
33 stocks; $226bn

IndusGas
8 stocks; $150bn

MtGlsCnt
14 stocks; $56bn

PrecMet
22 stocks; $60bn

SpecChm
64 stocks; $471bn

Alumin
12 stocks; $52bn

Silver
3 stocks; $21bn

Copper
14 stocks; $46bn

PapProd
26 stocks; $84bn

FrstPrd
12 stocks; $19bn

D diversMng
46 stocks; $346bn

22 stocks; $60bn

DiversChm
20 stocks; $354bn

CstrMat
27 stocks; $243bn

Gold
61 stocks; $1780bn

Steel
59 stocks; $354bn

PaperPkg
17 stocks; $111bn

DiversChm
20 stocks; $354bn

CstrMat
27 stocks; $243bn

Gold
61 stocks; $1780bn

FrstPrd
12 stocks; $19bn

DiversChm
20 stocks; $354bn

CstrMat
27 stocks; $243bn

Gold
61 stocks; $1780bn

FrstPrd
12 stocks; $19bn

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Gold
61 stocks; $1780bn

FrstPrd
12 stocks; $19bn
Momentum

Strength

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Consumer Staples

- **FdDistri**
  - 12 stocks; $54bn

- **SoftDrnks**
  - 17 stocks; $483bn

- **SprCntrs**
  - 15 stocks; $447bn

- **HhldPrdct**
  - 18 stocks; $578bn

- **Brewers**
  - 13 stocks; $473bn

- **DrugRetail**
  - 8 stocks; $194bn

- **Dist&Vnt**
  - 12 stocks; $256bn

- **PersPrdct**
  - 29 stocks; $309bn

- **PkgFdMt**
  - 116 stocks; $1191bn

- **AgriProd**
  - 25 stocks; $111bn

- **Tobacco**
  - 14 stocks; $768bn

- **FdRetail**
  - 38 stocks; $354bn

- **Tobacco**
  - 14 stocks; $768bn
Momentum

Strength

March 29, 2017

HCSupplls
28 stocks; $135bn

Pharma
98 stocks; $2412bn

HCServive
31 stocks; $199bn

28 stocks; $135bn

98 stocks; $2412bn

31 stocks; $199bn

HCFacility
30 stocks; $120bn

HCDistrib
19 stocks; $131bn

30 stocks; $120bn

19 stocks; $131bn

HCEquip
71 stocks; $727bn

MngHCare
12 stocks; $340bn

HCareTec
17 stocks; $54bn

Biotech
125 stocks; $943bn

LfSciSrv
31 stocks; $224bn

31 stocks; $224bn
Momentum
Strength

March 29, 2017

Telecommunication Services

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WlsTelSrv
42 stocks; $922bn

AltCar
10 stocks; $55bn

IntgTelSrv
62 stocks; $1350bn

42 stocks; $922bn
63 stocks; $1350bn
Utilities

March 29, 2017

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ElecUtil
90 stocks; $1684bn

MultiUtil
37 stocks; $435bn

GasUtil
33 stocks; $193bn

IPPTrad
25 stocks; $102bn

RenewElec
24 stocks; $54bn

WaterUtil
24 stocks; $85bn
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 groups 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.
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.
Disclosures

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<td>Buy</td>
<td>Outperform</td>
<td>41.8%</td>
<td>20.0%</td>
<td>53.3%</td>
<td>42.7%</td>
<td>54.1%</td>
<td>52.9%</td>
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<tr>
<td>Hold</td>
<td>Market Perform</td>
<td>54.4%</td>
<td>13.1%</td>
<td>45.6%</td>
<td>53.8%</td>
<td>43.8%</td>
<td>41.4%</td>
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<tr>
<td>Sell</td>
<td>Underperform</td>
<td>3.7%</td>
<td>4.8%</td>
<td>1.1%</td>
<td>3.0%</td>
<td>1.6%</td>
<td>5.7%</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.
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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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