Group Selection
Priced as of November 22, 2018

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*

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<tbody>
<tr>
<td>Energy</td>
<td>30% / 44% / 47%</td>
<td>/</td>
<td>-12% / -19% / -24%</td>
</tr>
<tr>
<td>Materials</td>
<td>20% / 26% / 30%</td>
<td>/</td>
<td>14% / 5% / -2%</td>
</tr>
<tr>
<td>Industrials</td>
<td>26% / 38% / 40%</td>
<td>/</td>
<td>16% / 5% / -3%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>24% / 32% / 35%</td>
<td>/</td>
<td>17% / 9% / 1%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>30% / 43% / 47%</td>
<td>/</td>
<td>33% / 22% / 13%</td>
</tr>
<tr>
<td>Health Care</td>
<td>47% / 56% / 57%</td>
<td>/</td>
<td>2% / -5% / -11%</td>
</tr>
<tr>
<td>Financials</td>
<td>22% / 37% / 43%</td>
<td>/</td>
<td>30% / 16% / 4%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>37% / 48% / 51%</td>
<td>/</td>
<td>3% / -7% / -15%</td>
</tr>
<tr>
<td>Comm Srv</td>
<td>31% / 42% / 45%</td>
<td>/</td>
<td>22% / 16% / 7%</td>
</tr>
<tr>
<td>Utilities</td>
<td>35% / 52% / 55%</td>
<td>/</td>
<td>52% / 37% / 26%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>36% / 50% / 55%</td>
<td>/</td>
<td>41% / 28% / 19%</td>
</tr>
</tbody>
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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 (baseline 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 Staples

Mark Steele (416) 359-4641

November 22, 2018

PkgFdMt
122 stocks; $1160bn

PersPrdct
33 stocks; $472bn

Brewers
14 stocks; $395bn

FdRetail
35 stocks; $356bn

FdDistri
11 stocks; $56bn

HhldPrdct
17 stocks; $560bn

SprCntrs
13 stocks; $568bn

Tobacco
13 stocks; $504bn

AgriProd
25 stocks; $103bn

Dist&Vnt
12 stocks; $323bn

SoftDrnks
19 stocks; $539bn

DrugRetail
6 stocks; $94bn
Health Care

November 22, 2018

Mark Steele (416) 359-4641

HCFacility 32 stocks;$154bn
HCSupplis 30 stocks;$184bn
HCareTec 19 stocks;$71bn
Biotech 127 stocks;$980bn

Pharma 112 stocks;$2622bn
HCDistrib 18 stocks;$115bn
HCEquip 77 stocks;$1031bn
HCService 28 stocks;$266bn

MngHCare 12 stocks;$538bn
LfSciSrv 11 stocks;$361bn

32 stocks;$154bn
30 stocks;$184bn
19 stocks;$71bn
127 stocks;$980bn

112 stocks;$2622bn
18 stocks;$115bn
77 stocks;$1031bn
28 stocks;$266bn

12 stocks;$538bn
11 stocks;$361bn

HCDistrib
HCEquip
HCService
November 22, 2018

Financials

MortgREIT
22 stocks; $63bn

InsurBrkers
7 stocks; $126bn

P&C Insur
55 stocks; $481bn

LifeHthIns
46 stocks; $791bn

Multi-LnIns
20 stocks; $472bn

DiversBnk
161 stocks; $5182bn

Momentum

Reinsuran
11 stocks; $124bn

FnlExchDt
22 stocks; $402bn

Strength

Thrft&Mtg
42 stocks; $119bn

RegionBnk
141 stocks; $627bn

MltSecHld
22 stocks; $415bn

OthrDivFS
10 stocks; $105bn

DivCpMkt
8 stocks; $161bn

InvBnkBrk
37 stocks; $354bn

ConsmrFin
31 stocks; $272bn

AsstMgmt
82 stocks; $506bn

SpecialFin
2 stocks; $27bn
Telecommunication Services

November 22, 2018

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IntgTelSrv - 27 stocks, $1259bn

TelSrv - 45 stocks, $833bn

WlsTelSrv - 45 stocks, $833bn

AltCar - 10 stocks, $49bn

IntHmEnt - 18 stocks, $202bn

Cabl&Sat - 23 stocks, $443bn

Mov&Ent - 27 stocks, $455bn

Publishing - 14 stocks, $48bn

Broadcast - 29 stocks, $48bn

Advert - 18 stocks, $105bn

IntMeSer - 40 stocks, $1243bn

WlsTelSrv - 45 stocks, $833bn

Momentum

Strength
November 22, 2018

Utilities

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Momentum

Strength

WaterUtil 22 stocks; $83bn
IPPTrad 23 stocks; $112bn
ElecUtil 88 stocks; $1150bn
GasUtil 37 stocks; $235bn
RenewElec 20 stocks; $52bn
MultiUtil 55 stocks; $442bn

Utilities

BMO Capital Markets

22 stocks; $83bn
23 stocks; $112bn
88 stocks; $1150bn
37 stocks; $235bn
20 stocks; $52bn
55 stocks; $442bn

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November 22, 2018

Momentum

Strength

DiversREIT
34 stocks; $146bn

ResidREIT
27 stocks; $169bn

IndusREIT
23 stocks; $122bn

HCareREIT
17 stocks; $103bn

SpecREIT
22 stocks; $362bn

REstOpCo
38 stocks; $237bn

RetailREIT
50 stocks; $284bn

OfficeREIT
34 stocks; $161bn

REstDvAct
34 stocks; $207bn

HotelREIT
18 stocks; $54bn

REstSrv
12 stocks; $35bn

REstDevl
34 stocks; $287bn

Real Estate

BMO Capital Markets
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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 members are 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.
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<tr>
<td>Buy</td>
<td>Outperform</td>
<td>43.2%</td>
<td>22.8%</td>
<td>57.4%</td>
<td>44.1%</td>
<td>57.0%</td>
<td>52.8%</td>
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<tr>
<td>Hold</td>
<td>Market Perform</td>
<td>53.2%</td>
<td>13.1%</td>
<td>40.6%</td>
<td>52.6%</td>
<td>41.1%</td>
<td>41.6%</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>
</tr>
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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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- **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;
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