Group Selection
Priced as of June 26, 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*

<table>
<thead>
<tr>
<th>Sector</th>
<th>% Outperforming</th>
<th>Reward/Risk</th>
<th>Trend Psn</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US/GBL/CDA</td>
<td>US/GBL/CDA</td>
<td>US/GBL/CDA</td>
</tr>
<tr>
<td>Energy</td>
<td>46% / 48% / 57%</td>
<td>7% / 15% / 5%</td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>41% / 44% / 51%</td>
<td>-13% / -6% / -17%</td>
<td></td>
</tr>
<tr>
<td>Industrials</td>
<td>41% / 44% / 54%</td>
<td>-13% / -3% / -19%</td>
<td></td>
</tr>
<tr>
<td>CMR Disc</td>
<td>45% / 47% / 54%</td>
<td>-1% / 7% / -4%</td>
<td></td>
</tr>
<tr>
<td>CMR Stap</td>
<td>39% / 43% / 49%</td>
<td>10% / 19% / 5%</td>
<td></td>
</tr>
<tr>
<td>Hlth Care</td>
<td>55% / 57% / 62%</td>
<td>5% / 12% / 2%</td>
<td></td>
</tr>
<tr>
<td>Financials</td>
<td>47% / 51% / 62%</td>
<td>-13% / -4% / -15%</td>
<td></td>
</tr>
<tr>
<td>Info Tech</td>
<td>56% / 57% / 65%</td>
<td>-8% / 0% / -10%</td>
<td></td>
</tr>
<tr>
<td>Telecom</td>
<td>25% / 32% / 44%</td>
<td>-16% / -10% / -18%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>30% / 33% / 49%</td>
<td>2% / 11% / 0%</td>
<td></td>
</tr>
<tr>
<td>Real Estate</td>
<td>36% / 39% / 55%</td>
<td>19% / 28% / 12%</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

Strenght

IndusREIT ← OG E&P ↑
SpCmSrv ←
REstSrv →

DrugRetail →

ComdChm ←
Cns&Eng ←
AutoRtl ↓
Cabl&Sat →
OG RfMkt ↓
OG Equip ←
HCDistrib ←
Hwy&Rail ↓

DataProc ↓
Int O&G ←
HCareREIT ←

GMrchStrs ←
Airline ↓

Footwear ←
Brewers ←
EnviroServ ↓

LiSciSrv →
SpecChm →
EMS ←
HmEntSwr ↓

Trucking →

CmpElRtl ←
OthrDivFS ←

BidPrdcts ←
Multi-LnIns ↓
Ind Mach ←
LifeHthIns ↓

ComEquip ←
OfficeServ ←
AirFrght →
TrdgDist ↓

PapProd ←
SystmSwr ↓
HmFrnsh ←
IndusGas →

Alumin ←
Htl&Rsrt ←
REstDevl →

Fert&Ag →

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BMO Capital Markets

June 26, 2018
Momentum

June 26, 2018

Health Care

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HCDistrib
19 stocks; $179bn

HCareTec
20 stocks; $78bn

HCSuppls
27 stocks; $179bn

HCService
29 stocks; $285bn

HCFacility
31 stocks; $137bn

HCEquip
79 stocks; $1017bn

HCSuppls
27 stocks; $179bn

MngHCare
12 stocks; $498bn

LifeSciSrv
37 stocks; $333bn

Biotech
133 stocks; $1050bn

Pharma
112 stocks; $2484bn

Health Care
Information Technology

Momentum

Strength

June 26, 2018

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DataProc
47 stocks; $998bn

TechDist
14 stocks; $49bn

EMS
17 stocks; $139bn

SemiEqp
45 stocks; $301bn

InetSftSrv
98 stocks; $2346bn

HmEntSwr
12 stocks; $214bn

Semi
80 stocks; $1391bn

ApplicSwr
68 stocks; $818bn

ComEquip
41 stocks; $398bn

ElecInstr
43 stocks; $254bn

SystmSwr
34 stocks; $1146bn

ElecComp
43 stocks; $1465bn

Emc
48 stocks; $281bn

ComEquip
41 stocks; $398bn

HdwrSt&P
43 stocks; $1465bn

ElecComp
43 stocks; $1465bn
June 26, 2018

Real Estate

Momentum

Strength

IndusREIT ← SpecREIT ↑ ResidREIT ↑ REstSrv →
21 stocks; $113bn
23 stocks; $350bn
28 stocks; $164bn
12 stocks; $41bn

HotelREIT ↑
18 stocks; $59bn

OfficeREIT ↓
24 stocks; $163bn

REstOpCo ↑ HCareREIT ↓ RetailREIT ↑
38 stocks; $236bn
18 stocks; $96bn
50 stocks; $284bn

REstDvAct
24 stocks; $317bn

REstDevl →
36 stocks; $331bn

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Real Estate

IndusREIT, SpecREIT, ResidREIT, REstSrv, HotelREIT, OfficeREIT, REstOpCo, HCareREIT, RetailREIT, REstDvAct, REstDevl.
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.
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”
- 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>
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<tbody>
<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>
</tr>
<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.
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(S) = Speculative investment;
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