Group Selection

Priced as of July 17, 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>18% / 16% / 30%</td>
<td>/ / /</td>
<td>14% / 13% / -2%</td>
</tr>
<tr>
<td>Materials</td>
<td>44% / 41% / 57%</td>
<td>/ / /</td>
<td>17% / 17% / 4%</td>
</tr>
<tr>
<td>Industrials</td>
<td>55% / 50% / 72%</td>
<td>/ / /</td>
<td>6% / 4% / -8%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>50% / 47% / 66%</td>
<td>/ / /</td>
<td>-2% / -3% / -13%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>52% / 48% / 68%</td>
<td>/ / /</td>
<td>-1% / -5% / -19%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>59% / 55% / 72%</td>
<td>/ / /</td>
<td>2% / 1% / -9%</td>
</tr>
<tr>
<td>Financials</td>
<td>45% / 40% / 69%</td>
<td>/ / /</td>
<td>8% / 5% / -8%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>63% / 59% / 77%</td>
<td>/ / /</td>
<td>3% / 2% / -8%</td>
</tr>
<tr>
<td>Telecom</td>
<td>50% / 46% / 70%</td>
<td>/ / /</td>
<td>-2% / -4% / -16%</td>
</tr>
<tr>
<td>Utilities</td>
<td>61% / 51% / 77%</td>
<td>/ / /</td>
<td>-1% / -7% / -19%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>50% / 43% / 69%</td>
<td>/ / /</td>
<td>6% / 3% / -11%</td>
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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
Coal & Uran: 22 stocks, $73bn
OG E&P: 115 stocks, $717bn
OG Equip: 58 stocks, $281bn
Int O&G: 29 stocks, $1538bn
OG Drill: 16 stocks, $27bn
OG StTr: 89 stocks, $673bn
OG RfMkt: 44 stocks, $439bn
July 17, 2017

Momentum

Strength

Financials

DivCpMkt
9 stocks; $191bn

MltSecHld
25 stocks; $385bn

DiversBnk
169 stocks; $526bn

LifeHthIns
47 stocks; $871bn

AsstMgmt
42 stocks; $961bn

Multi-LnIns
60 stocks; $533bn

InvBnkBrk
32 stocks; $372bn

ConsmrFin
30 stocks; $257bn

InvBnkBrk
32 stocks; $577bn

OthrDivFS
8 stocks; $36bn

Reinsuran
12 stocks; $133bn

OthrDivFS
8 stocks; $36bn

Thrt&Mtg
14 stocks; $136bn

RegionBnk
441 stocks; $537bn

SpecialFin
10 stocks; $23bn

RegionBnk
441 stocks; $537bn

P&C Insur
60 stocks; $509bn

MortgREIT
25 stocks; $60bn

FnlExchDt
23 stocks; $344bn

FnlExchDt
23 stocks; $344bn

InsurBrkr
7 stocks; $177bn

InsurBrkr
7 stocks; $177bn

P&C Insur
60 stocks; $509bn

P&C Insur
60 stocks; $509bn
Momentum

Strength

Utilities

Mark Steele (416) 359-4641

IPPTrad
25 stocks; $106bn

WaterUtil
24 stocks; $86bn

MultiUtil
37 stocks; $466bn

ElecUtil
90 stocks; $1128bn

RenewElec
23 stocks; $55bn

GasUtil
33 stocks; $205bn

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Real Estate

IndusREIT
20 stocks; $95bn

REstDev1
32 stocks; $247bn

REstDvAct
34 stocks; $334bn

HotelREIT
19 stocks; $57bn

DiversREIT
41 stocks; $163bn

REstOpCo
31 stocks; $200bn

ResidREIT
26 stocks; $156bn

SpecREIT
31 stocks; $311bn

HCareREIT
19 stocks; $110bn

REstSrv
11 stocks; $33bn

OfficeREIT
23 stocks; $156bn

Momentum

Strength
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>
<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>
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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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