Group Selection

Priced as of May 1, 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 Relative Strength Profiles*  

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<tbody>
<tr>
<td>Energy</td>
<td>44% / 47% / 53%</td>
<td>-14% / -18% / -2%</td>
<td></td>
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<tr>
<td>Materials</td>
<td>51% / 53% / 59%</td>
<td>-3% / -6% / 13%</td>
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<tr>
<td>Industrials</td>
<td>54% / 57% / 62%</td>
<td>10% / 6% / 34%</td>
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<tr>
<td>CMR Disc</td>
<td>46% / 48% / 55%</td>
<td>11% / 9% / 31%</td>
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<tr>
<td>CMR Stap</td>
<td>30% / 36% / 36%</td>
<td>12% / 6% / 38%</td>
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<tr>
<td>Healthcare</td>
<td>44% / 46% / 53%</td>
<td>17% / 15% / 29%</td>
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<tr>
<td>Financials</td>
<td>60% / 64% / 71%</td>
<td>3% / -2% / 23%</td>
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<tr>
<td>Info Tech</td>
<td>52% / 54% / 63%</td>
<td>13% / 10% / 32%</td>
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<tr>
<td>Telecom</td>
<td>32% / 39% / 43%</td>
<td>10% / 2% / 30%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>38% / 43% / 47%</td>
<td>7% / 3% / 30%</td>
<td></td>
</tr>
<tr>
<td>Real Estate</td>
<td>38% / 40% / 56%</td>
<td>3% / -1% / 26%</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.
### Health Care

<table>
<thead>
<tr>
<th>Category</th>
<th>Strength</th>
<th>Momentum</th>
<th>Stocks</th>
<th>Value</th>
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<tr>
<td>HCareTec</td>
<td></td>
<td></td>
<td>18</td>
<td>$62bn</td>
</tr>
<tr>
<td>LfSciSrv</td>
<td></td>
<td></td>
<td>12</td>
<td>$242bn</td>
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<tr>
<td>Biotech</td>
<td></td>
<td></td>
<td>126</td>
<td>$959bn</td>
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<tr>
<td>HCEquip</td>
<td></td>
<td></td>
<td>72</td>
<td>$757bn</td>
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<tr>
<td>MngHCare</td>
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<td>72</td>
<td>$363bn</td>
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<tr>
<td>HCSupplies</td>
<td></td>
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<td>27</td>
<td>$138bn</td>
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<td>HCServcies</td>
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<td></td>
<td>29</td>
<td>$195bn</td>
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<tr>
<td>Pharma</td>
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<td>102</td>
<td>$2424bn</td>
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<td>HCFacility</td>
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<td>28</td>
<td>$107bn</td>
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<td>HCDistrib</td>
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<td>19</td>
<td>$724bn</td>
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**May 1, 2017**

Mark Steele (416) 359-4641
Momentum

Strength

Financials

DivCpMkt
9 stocks; $181bn

OthrDivFS
4 stocks; $85bn

DiversBnk
161 stocks; $4982bn

Multi-LnIns
30 stocks; $506bn

MitSecHld
26 stocks; $372bn

Reinsuran
12 stocks; $126bn

AsstMgmt
53 stocks; $508bn

LifeHthIns
46 stocks; $809bn

MortgREIT
26 stocks; $60bn

P&C Insur
61 stocks; $496bn

InvBnkBrk
25 stocks; $362bn

RegionBnk
141 stocks; $615bn

FnlExchDt
23 stocks; $120bn

Thrft&Mtg
46 stocks; $134bn

ConsmrFin
30 stocks; $246bn

InsurBrkrs
7 stocks; $108bn

SpecialFin
10 stocks; $24bn
<table>
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<tr>
<th>Sector</th>
<th>Stocks</th>
<th>Market Cap (bn)</th>
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<tbody>
<tr>
<td>ITConsult</td>
<td>49</td>
<td>$604bn</td>
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<tr>
<td>InetStsSrv</td>
<td>93</td>
<td>$1678bn</td>
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<tr>
<td>DataProc</td>
<td>47</td>
<td>$692bn</td>
</tr>
<tr>
<td>SystmSwr</td>
<td>34</td>
<td>$881bn</td>
</tr>
<tr>
<td>Semi</td>
<td>77</td>
<td>$1020bn</td>
</tr>
<tr>
<td>ComEquip</td>
<td>44</td>
<td>$358bn</td>
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<tr>
<td>ElecComp</td>
<td>37</td>
<td>$256bn</td>
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<tr>
<td>EMS</td>
<td>18</td>
<td>$151bn</td>
</tr>
<tr>
<td>TechDist</td>
<td>16</td>
<td>$46bn</td>
</tr>
<tr>
<td>HdwrSt&amp;P</td>
<td>45</td>
<td>$1353bn</td>
</tr>
</tbody>
</table>

**Information Technology**

May 1, 2017

Mark Steele (416) 359-4641
Momentum

Strength

May 1, 2017

Telecommunication Services

Mark Steele (416) 359-4641

WlsTelSrv
42 stocks; $922bn

IntgTelSrv
63 stocks; $1312bn

AltCar
10 stocks; $58bn
May 1, 2017

Utilities

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Momentum

Strength

MultiUtil
37 stocks; $452bn

RenewElec
24 stocks; $54bn

ElecUtil
90 stocks; $1088bn

GasUtil
33 stocks; $194bn

IPPTrad
25 stocks; $101bn

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.
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).
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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<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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NR = No Rated - No rating at this time; and
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(April 2013 – October 2016)

(January 2010 – April 2013)

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