Group Selection

Priced as of May 8, 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>45% / 47% / 59%</td>
<td>/</td>
<td>19% / 18% / 10%</td>
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<tr>
<td>Materials</td>
<td>45% / 46% / 64%</td>
<td>/</td>
<td>3% / 1% / -9%</td>
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<tr>
<td>Industrials</td>
<td>44% / 45% / 65%</td>
<td>/</td>
<td>7% / 6% / -4%</td>
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<tr>
<td>CMR Disc</td>
<td>51% / 53% / 66%</td>
<td>/</td>
<td>2% / 1% / -11%</td>
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<tr>
<td>CMR Stap</td>
<td>46% / 47% / 61%</td>
<td>/</td>
<td>-3% / -4% / -17%</td>
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<tr>
<td>Hlth Care</td>
<td>54% / 54% / 66%</td>
<td>/</td>
<td>6% / 6% / -5%</td>
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<td>Financials</td>
<td>52% / 53% / 75%</td>
<td>/</td>
<td>4% / 5% / -8%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>55% / 55% / 67%</td>
<td>/</td>
<td>10% / 11% / -2%</td>
</tr>
<tr>
<td>Telecom</td>
<td>34% / 36% / 55%</td>
<td>/</td>
<td>-7% / -8% / -21%</td>
</tr>
<tr>
<td>Utilities</td>
<td>27% / 28% / 48%</td>
<td>/</td>
<td>13% / 13% / 3%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>34% / 36% / 54%</td>
<td>/</td>
<td>23% / 23% / 13%</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.
Consumer Discretionary

Momentum

Strength

LeisPrd
22 stocks; $85bn

Educat
16 stocks; $67bn

Cas&Gam
16 stocks; $166bn

Aprl&Gds
42 stocks; $754bn

Publishing
19 stocks; $66bn

LeisFcil
9 stocks; $68bn

Restaurnt
24 stocks; $434bn

Footwear
14 stocks; $143bn

ApparlRtl
34 stocks; $322bn

SpCmSrv
9 stocks; $39bn

SpecStors
24 stocks; $94bn

GMrchStrs
12 stocks; $143bn

HomeBld
35 stocks; $169bn

HmlImpRtl
8 stocks; $300bn

DeptStrs
19 stocks; $97bn

AutoMfg
26 stocks; $1086bn

CmpElRtl
9 stocks; $46bn

CmrElec
19 stocks; $112bn

Broadcast
29 stocks; $109bn

Tire&Rub
11 stocks; $99bn

HomeFurn
8 stocks; $28bn

Cabl&Sat
24 stocks; $471bn

Distrib
9 stocks; $86bn

HhldApl
14 stocks; $76bn

HmImpRtl
8 stocks; $300bn

DeptStrs
19 stocks; $97bn

Mov&Ent
23 stocks; $355bn

InetDmRtl
26 stocks; $1187bn

AutoRtl
16 stocks; $86bn

HmFrnsh
10 stocks; $34bn

AutoParts
42 stocks; $401bn

MotcyMfg
9 stocks; $41bn

Educat
16 stocks; $86bn

AutoRtl
16 stocks; $86bn

HmFrnsh
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DeptStrs
19 stocks; $97bn
# Health Care

<table>
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<tr>
<th>Sector</th>
<th>Stocks</th>
<th>Market Cap ($bn)</th>
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<tbody>
<tr>
<td>HCSuppl</td>
<td>26</td>
<td>$168bn</td>
</tr>
<tr>
<td>HCFacility</td>
<td>30</td>
<td>$134bn</td>
</tr>
<tr>
<td>HCareTec</td>
<td>19</td>
<td>$72bn</td>
</tr>
<tr>
<td>LfSciSrv</td>
<td>20</td>
<td>$315bn</td>
</tr>
<tr>
<td>HCServce</td>
<td>29</td>
<td>$263bn</td>
</tr>
<tr>
<td>Biotech</td>
<td>126</td>
<td>$1000bn</td>
</tr>
<tr>
<td>Pharma</td>
<td>110</td>
<td>$2443bn</td>
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<tr>
<td>HCEquip</td>
<td>78</td>
<td>$964bn</td>
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<tr>
<td>HCDistrib</td>
<td>18</td>
<td>$117bn</td>
</tr>
<tr>
<td>MngHCare</td>
<td>12</td>
<td>$463bn</td>
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</table>

May 8, 2018

Mark Steele (416) 359-4641
Momentum

Strength

May 8, 2018

Mark Steele (416) 359-4641

Telecommunication Services

AltCar
7 stocks; $56bn

IntgTelSrv
58 stocks; $126bn

WisTelSrv
43 stocks; $902bn

BMO Capital Markets
May 8, 2018

Utilities

IPP Trad
25 stocks; $724bn

Water Util
24 stocks; $84bn

Renew Elec
22 stocks; $57bn

Multi Util
35 stocks; $454bn

Gas Util
34 stocks; $227bn

Elec Util
89 stocks; $1,153bn
Real Estate

IndusREIT ↑
21 stocks; $111bn

DiversREIT ↓
39 stocks; $160bn

OfficeREIT →
33 stocks; $155bn

HotelREIT ↑
19 stocks; $50bn

ResidREIT ↓
27 stocks; $159bn

SpecREIT ↓
33 stocks; $332bn

REstDvAct ←
33 stocks; $332bn

REstSrv
12 stocks; $41bn

REstDevl ↓
34 stocks; $359bn

REstOpCo ←
35 stocks; $372bn

HCareREIT
18 stocks; $90bn

RetailREIT
51 stocks; $303bn

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May 8, 2018
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).
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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Inverse ETFs seek to provide the opposite of the investment returns, also daily, of a given index or benchmark, either in whole or by multiples. Due to the effects of compounding and possible correlation errors, leveraged and inverse ETFs may experience greater losses than one would ordinarily expect.

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<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>
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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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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;
(S) = Speculative investment;
Spd = Suspended - Coverage and rating suspended until coverage is reinstated;
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(January 2010 - April 2013)

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