Group Selection

Priced as of June 20, 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>21% / 19% / 34%</td>
<td>/ / -25% -24% -26%</td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>49% / 43% / 63%</td>
<td>/ / -8% -4% -4%</td>
<td></td>
</tr>
<tr>
<td>Industrials</td>
<td>55% / 51% / 71%</td>
<td>/ / -1% 0% 4%</td>
<td></td>
</tr>
<tr>
<td>CMR Disc</td>
<td>52% / 45% / 65%</td>
<td>/ / -5% -3% -1%</td>
<td></td>
</tr>
<tr>
<td>CMR Stap</td>
<td>55% / 51% / 71%</td>
<td>/ / -7% -4% -3%</td>
<td></td>
</tr>
<tr>
<td>Hlth Care</td>
<td>54% / 51% / 72%</td>
<td>/ / 11% 12% 12%</td>
<td></td>
</tr>
<tr>
<td>Financials</td>
<td>45% / 39% / 68%</td>
<td>/ / 2% 4% 6%</td>
<td></td>
</tr>
<tr>
<td>Info Tech</td>
<td>64% / 60% / 77%</td>
<td>/ / -1% 1% 4%</td>
<td></td>
</tr>
<tr>
<td>Telecom</td>
<td>53% / 47% / 75%</td>
<td>/ / -10% -10% -5%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>63% / 55% / 78%</td>
<td>/ / 5% 5% 4%</td>
<td></td>
</tr>
<tr>
<td>Real Estate</td>
<td>47% / 45% / 71%</td>
<td>/ / 3% 7% 10%</td>
<td></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
Information Technology

- **Momentum**
  - ITConsult: 49 stocks, $627bn
  - ElecInstr: 43 stocks, $214bn
  - SemiEqp: 39 stocks, $239bn
  - ComEquip: 43 stocks, $359bn
- **Strength**
  - HmEntSwr: 14 stocks, $185bn
  - ElecComp: 36 stocks, $267bn
  - ApplicSwr: 26 stocks, $596bn
  - SystmSwr: 34 stocks, $589bn
  - DataProc: 47 stocks, $721bn
  - ApplicSwr: 38 stocks, $267bn
  - SystmSwr: 34 stocks, $589bn
  - DataProc: 47 stocks, $721bn
  - SystmSwr: 38 stocks, $267bn
  - DataProc: 47 stocks, $721bn
  - SystmSwr: 38 stocks, $267bn
  - DataProc: 47 stocks, $721bn
- **HdwrSt&P**
  - 45 stocks, $1341bn
  - TechDist: 16 stocks, $48bn
  - ElecInstr: 43 stocks, $214bn
  - SemiEqp: 39 stocks, $239bn
- **EMS**
  - 16 stocks, $135bn
  - Semi: 79 stocks, $1089bn
- **InetSftSrv**
  - 92 stocks, $1774bn
  - 43 stocks, $359bn
  - 16 stocks, $48bn
- **Semi**
  - 78 stocks, $1089bn
  - 16 stocks, $135bn
  - 79 stocks, $1089bn
Telecommunication Services

June 20, 2017

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Momentum

Strength

AltCar
10 stocks; $58bn

WlsTelSrv
42 stocks; $928bn

IntgTelSrv
62 stocks; $1344bn
June 20, 2017

Momentum

Utilities

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MultiUtil 37 stocks; $478bn
IPPTrad 25 stocks; $102bn
GasUtil 33 stocks; $200bn
WaterUtil 24 stocks; $85bn
ElecUtil 90 stocks; $1144bn
RenewElec 23 stocks; $55bn
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:
  ...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”
- 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>
</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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(S) = Speculative investment;
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NR = No Rated - No rating at this time; and
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(January 2010 - April 2013)

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