Group Selection

Priced as of January 29, 2019

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*

<table>
<thead>
<tr>
<th>Hyperlink</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>25% / 30% / 33%</td>
<td>/ / /</td>
<td>7% / 0% / -13%</td>
</tr>
<tr>
<td>Materials</td>
<td>31% / 34% / 38%</td>
<td>/ / /</td>
<td>24% / 16% / 0%</td>
</tr>
<tr>
<td>Industrials</td>
<td>31% / 35% / 42%</td>
<td>/ / /</td>
<td>21% / 13% / -4%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>31% / 35% / 40%</td>
<td>/ / /</td>
<td>21% / 14% / 0%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>47% / 55% / 59%</td>
<td>/ / /</td>
<td>7% / -1% / -16%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>45% / 47% / 53%</td>
<td>/ / /</td>
<td>4% / -3% / -17%</td>
</tr>
<tr>
<td>Financials</td>
<td>34% / 41% / 45%</td>
<td>/ / /</td>
<td>24% / 14% / -8%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>37% / 42% / 45%</td>
<td>/ / /</td>
<td>21% / 15% / 2%</td>
</tr>
<tr>
<td>Comm Srv</td>
<td>46% / 49% / 53%</td>
<td>/ / /</td>
<td>14% / 6% / -12%</td>
</tr>
<tr>
<td>Utilities</td>
<td>58% / 69% / 73%</td>
<td>/ / /</td>
<td>18% / 9% / -7%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>52% / 56% / 64%</td>
<td>/ / /</td>
<td>37% / 29% / 4%</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 (up / down 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.
January 29, 2019

Momentum

Strength

Coal&Uran ↓
21 stocks; $72bn

OG StTr ↕
71 stocks; $608bn

Int O&G ↕
31 stocks; $1715bn

OG RfMkt ↓
37 stocks; $470bn

OG E&P ↑
104 stocks; $732bn

OG Equip ↑
59 stocks; $208bn

OG Drill →
12 stocks; $24bn

OG Drill →
12 stocks; $24bn
Materials

Gold
66 stocks; $194bn

Copper
14 stocks; $79bn

FrstPrd
11 stocks; $24bn

Silver
10 stocks; $10bn

PaperPkg
17 stocks; $10bn

Steel
19 stocks; $364bn

PrecMet
15 stocks; $49bn

CstrMat
28 stocks; $21bn

IndusGas
7 stocks; $18bn

ComdChm
43 stocks; $380bn

SpecChm
67 stocks; $503bn

MtGlsCnt
14 stocks; $66bn

IndusGas
7 stocks; $18bn

ComdChm
43 stocks; $380bn

SpecChm
67 stocks; $503bn

Fert&Ag
29 stocks; $145bn

DiversChm
22 stocks; $330bn

Alumin
50 stocks; $35bn

DvrsMng
53 stocks; $374bn
Momentum
Strength

Consumer Staples

January 29, 2019

Mark Steele (416) 359-4641

Dist&Vnt
12 stocks; $347bn
SoftDrinks
19 stocks; $527bn

PersPrdct
34 stocks; $466bn

12 stocks; $366bn

35 stocks; $1154bn

18 stocks; $564bn

118 stocks; $1154bn

18 stocks; $564bn

11 stocks; $566bn

10 stocks; $566bn

18 stocks; $564bn

12 stocks; $481bn

34 stocks; $466bn

14 stocks; $394bn

6 stocks; $84bn

6 stocks; $84bn

6 stocks; $84bn

13 stocks; $474bn

12 stocks; $481bn

25 stocks; $107bn

PkgFdMt
118 stocks; $1154bn

SprCntrs
12 stocks; $481bn

118 stocks; $1154bn

HhldPrdct
18 stocks; $564bn

AgriProd
25 stocks; $107bn

Tobacco
13 stocks; $474bn

DrugRetail
6 stocks; $84bn

Brewers
14 stocks; $394bn

FdDistri
11 stocks; $566bn

PkgFdMt
118 stocks; $1154bn

FdRetail
18 stocks; $366bn

SoftDrinks
19 stocks; $527bn

Dist&Vnt
12 stocks; $347bn

BMO Capital Markets
Utilities

Momentum

Strength

Utilities
- MultiUtil: 34 stocks; $454bn
- RenewElec: 20 stocks; $56bn
- ElecUtil: 87 stocks; $1193bn
- WaterUtil: 22 stocks; $90bn
- IPPTrad: 23 stocks; $117bn
- GasUtil: 35 stocks; $242bn

January 29, 2019

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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.
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>
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<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.
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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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