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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*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.
<table>
<thead>
<tr>
<th>Momentum</th>
<th>Strength</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PaperPkg</strong></td>
<td>17 stocks; $125bn</td>
</tr>
<tr>
<td><strong>PapProd</strong></td>
<td>26 stocks; $101bn</td>
</tr>
<tr>
<td><strong>DiversChm</strong></td>
<td>19 stocks; $384bn</td>
</tr>
<tr>
<td><strong>DvrsMng</strong></td>
<td>16 stocks; $4,168bn</td>
</tr>
<tr>
<td><strong>Alumin</strong></td>
<td>11 stocks; $62bn</td>
</tr>
<tr>
<td><strong>FrstPrd</strong></td>
<td>12 stocks; $28bn</td>
</tr>
<tr>
<td><strong>OG RfMkt</strong></td>
<td>29 stocks; $1612bn</td>
</tr>
<tr>
<td><strong>CstrMat</strong></td>
<td>27 stocks; $259bn</td>
</tr>
<tr>
<td><strong>COl&amp;Uran</strong></td>
<td>22 stocks; $579bn</td>
</tr>
<tr>
<td><strong>OG StTr</strong></td>
<td>90 stocks; $667bn</td>
</tr>
<tr>
<td><strong>Int O&amp;G</strong></td>
<td>29 stocks; $1612bn</td>
</tr>
<tr>
<td><strong>Gold</strong></td>
<td>27 stocks; $194bn</td>
</tr>
<tr>
<td><strong>Silver</strong></td>
<td>27 stocks; $27bn</td>
</tr>
<tr>
<td><strong>PrecMet</strong></td>
<td>22 stocks; $60bn</td>
</tr>
<tr>
<td><strong>Copper</strong></td>
<td>14 stocks; $101bn</td>
</tr>
<tr>
<td><strong>MtGlsCnt</strong></td>
<td>14 stocks; $62bn</td>
</tr>
</tbody>
</table>
Strength

Momentum

PaperPkg ↑ 17 stocks; $125bn
PapProd ↑ 26 stocks; $101bn
DiversChm 19 stocks; $384bn
Steel 58 stocks; $414bn
ComdChm ↑ 40 stocks; $359bn
DvrsMng ↓ 45 stocks; $435bn

Fert&Ag 32 stocks; $194bn
SpecChm → 64 stocks; $511bn
IndusGas ↑ 6 stocks; $168bn

PapProd 58 stocks; $259bn

Alumin 11 stocks; $62bn
FrstPrd 12 stocks; $28bn
CstrMat 27 stocks; $259bn

Gold ↓ 61 stocks; $194bn
Silver ↓ 14 stocks; $27bn
PrecMet → 22 stocks; $66bn

Copper ↓ 14 stocks; $101bn
MtGlSCnt ↓ 14 stocks; $62bn
Consumer Staples

- **DrugRetail**: 8 stocks, $197bn
- **FdDistri**: 12 stocks, $55bn
- **PkgFdMt**: 119 stocks, $1241bn
- **Dist&Vnt**: 12 stocks, $197bn
- **SoftDrinks**: 17 stocks, $520bn
- **PersPrdct**: 29 stocks, $454bn
- **Brewers**: 19 stocks, $534bn
- **AgriProd**: 25 stocks, $106bn
- **Tobacco**: 13 stocks, $197bn
- **HhldPrdct**: 13 stocks, $680bn
- **SprCntrs**: 14 stocks, $452bn

Mark Steele (416) 359-4641
Momentum

Strength

September 12, 2017

Mark Steele (416) 359-4641

Health Care

LCareTec
19 stocks; $68bn

HCareSupplis
26 stocks; $149bn

Biotech
126 stocks; $1093bn

HCEquip
77 stocks; $863bn

Pharma
102 stocks; $2523bn

MngHCare
12 stocks; $413bn

MngHCare
72 stocks; $149bn

HCFacility
28 stocks; $106bn

HCEquip
29 stocks; $279bn

HCFacility
26 stocks; $106bn

HCDistrib
19 stocks; $128bn

HCDistrib
19 stocks; $128bn

HCEquip
29 stocks; $200bn
September 12, 2017

Telecommunication Services

Momentum

Strength

AltCar
10 stocks; $57bn

IntgTelsrv
62 stocks; $134bn

WlsTelsrv
42 stocks; $940bn

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Telecommunication Services

Momentum

Strength

AltCar
10 stocks; $57bn

IntgTelsrv
62 stocks; $134bn

WlsTelsrv
42 stocks; $940bn

Mark Steele (416) 359-4641
Utilities

September 12, 2017

Mark Steele (416) 359-4641

- RenewElec: 22 stocks, $58bn
- MultiUtil: 36 stocks, $492bn
- IPPTrad: 25 stocks, $109bn
- ElecUtil: 90 stocks, $118bn
- GasUtil: 33 stocks, $208bn
- WaterUtil: 24 stocks, $88bn
- Utilities

22 stocks, $58bn

36 stocks, $492bn

24 stocks, $88bn

90 stocks, $118bn

33 stocks, $208bn

109 stocks, $118bn

36 stocks, $492bn
Real Estate

Momentum

Strength

September 12, 2017

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HotelREIT  
18 stocks; $56bn

RetailREIT  
59 stocks; $373bn

REstOpCo  
30 stocks; $194bn

HCareREIT  
18 stocks; $110bn

ResidREIT  
26 stocks; $164bn

DiversREIT  
40 stocks; $170bn

REstDevl  
20 stocks; $287bn

IndusREIT  
20 stocks; $103bn

REstDvAct  
33 stocks; $343bn

SpecREIT  
32 stocks; $331bn

OfficeREIT  
32 stocks; $34bn

ResidREIT  
26 stocks; $164bn

IndusREIT  
20 stocks; $103bn
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.
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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<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>
</tr>
<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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</tbody>
</table>

* 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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