Group Selection
Priced as of April 11, 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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15. Utilities
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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>47% / 50% / 52%</td>
<td>/ / /</td>
<td>5% / 6% / 2%</td>
</tr>
<tr>
<td>Materials</td>
<td>53% / 58% / 61%</td>
<td>/ / /</td>
<td>7% / 4% / -1%</td>
</tr>
<tr>
<td>Industrials</td>
<td>51% / 56% / 60%</td>
<td>/ / /</td>
<td>10% / 8% / 3%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>42% / 45% / 50%</td>
<td>/ / /</td>
<td>11% / 7% / 4%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>25% / 29% / 31%</td>
<td>/ / /</td>
<td>15% / 14% / 9%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>34% / 38% / 42%</td>
<td>/ / /</td>
<td>8% / 5% / 2%</td>
</tr>
<tr>
<td>Financials</td>
<td>64% / 69% / 73%</td>
<td>/ / /</td>
<td>-2% / -4% / -14%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>49% / 52% / 56%</td>
<td>/ / /</td>
<td>0% / -1% / -3%</td>
</tr>
<tr>
<td>Telecom</td>
<td>27% / 33% / 35%</td>
<td>/ / /</td>
<td>10% / 10% / 5%</td>
</tr>
<tr>
<td>Utilities</td>
<td>31% / 38% / 42%</td>
<td>/ / /</td>
<td>18% / 16% / 12%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>27% / 33% / 38%</td>
<td>/ / /</td>
<td>32% / 24% / 17%</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 ( / / 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
Strength Changes Last Session

- IndusREIT → SpecialFin → OfficeREIT → DiversREIT → ResidREIT → SpecStors
- SpecREIT → Copper → REstDvAct → MngHCare → HmImpRtl
- Alumin → HCareTec → AsstMgmt → CstrMat
- Airline → ElcCmpEq → FdDistri
- Cns&Eng → MotcyMfg → Marine → MultiUtil → OG Drill
- TrdgDist → EMS → HCService
- LeisFcil → DiversBnk → ElecInstr
- OG RfMkt
- ComEquip
- Semi
- ConsmrFin
- OthrDivFS
- HCSuppls
- AgriProd
- AirFrght
- Sec&Alm
- FnlExchDt
- LfSciSrv
- SystmSwr
- AutoMfg
- HDwrSt&P
- HmEntSwr
- IndCongl
- HvyElcEq
- DvrsMng
- MngHCare
- InetSftSrv
- Railroads
- Org E&P
- Silver
- Bull
- Dull
- Weak
Coal & Uran
22 stocks; $81bn

OG Equip
64 stocks; $333bn

OG StTr
93 stocks; $694bn

OG E&P
178 stocks; $929bn

118 stocks; $829bn

OG Drill
18 stocks; $37bn

Int O&G
29 stocks; $158bn

OG RfMkt
45 stocks; $419bn

OG E&P
178 stocks; $929bn

118 stocks; $829bn

OG Drill
18 stocks; $37bn

Int O&G
29 stocks; $158bn

OG RfMkt
45 stocks; $419bn
Health Care

Momentum

Strength

MngHCare
12 stocks; $345bn

HCareTec
17 stocks; $55bn

HCService
30 stocks; $197bn

HCEquip
72 stocks; $724bn

Pharma
98 stocks; $2388bn

Biotech
177 stocks; $906bn

LfSciSrv
31 stocks; $224bn

HCEquip
72 stocks; $724bn

Pharma
98 stocks; $2388bn

HCDistrib
19 stocks; $129bn

HCService
30 stocks; $197bn

HCSuppls
28 stocks; $134bn

HCService
30 stocks; $197bn

HCSuppls
28 stocks; $134bn

BMO Capital Markets
Mark Steele (416) 359-4641

April 11, 2017
April 11, 2017

Telecommunication Services

Momentum

Strength

AltCar
10 stocks; $56bn

IntgTelSrv
63 stocks; $1331bn

WlsTelSrv
42 stocks; $908bn
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).
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”
- 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.
Disclosures

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</tr>
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<tbody>
<tr>
<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>
</tr>
</tbody>
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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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**** Reflects rating distribution of all companies from which BMO Capital Markets has received compensation for Investment Banking services as percentage of Investment Banking clients.
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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;
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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