Group Selection

Priced as of February 25, 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*

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<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Energy</td>
<td>25% / 29% / 29%</td>
<td>/ / /</td>
<td>6% / 4% / 0%</td>
</tr>
<tr>
<td>Materials</td>
<td>36% / 37% / 38%</td>
<td>/ / /</td>
<td>15% / 14% / 11%</td>
</tr>
<tr>
<td>Industrials</td>
<td>35% / 39% / 39%</td>
<td>/ / /</td>
<td>17% / 11% / 6%</td>
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<tr>
<td>CMR Disc</td>
<td>36% / 38% / 37%</td>
<td>/ / /</td>
<td>11% / 8% / 5%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>51% / 55% / 54%</td>
<td>/ / /</td>
<td>-9% / -14% / -13%</td>
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<tr>
<td>Hlth Care</td>
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<td>6% / 4% / 0%</td>
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<tr>
<td>Financials</td>
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<td>/ / /</td>
<td>12% / 5% / -2%</td>
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<tr>
<td>Info Tech</td>
<td>45% / 46% / 46%</td>
<td>/ / /</td>
<td>27% / 22% / 16%</td>
</tr>
<tr>
<td>Comm Srv</td>
<td>47% / 48% / 50%</td>
<td>/ / /</td>
<td>-5% / -6% / -11%</td>
</tr>
<tr>
<td>Utilities</td>
<td>73% / 77% / 78%</td>
<td>/ / /</td>
<td>-9% / -13% / -19%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>64% / 66% / 67%</td>
<td>/ / /</td>
<td>4% / -1% / -8%</td>
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</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
Momentum

Strength

February 25, 2019

Mark Steele (416) 359-4641

Resources

Copper
14 stocks; $92bn

PrecMet
15 stocks; $49bn

Silver
10 stocks; $15bn

IndusGas
7 stocks; $20bn

DvrsMng
53 stocks; $406bn

SpecChm
68 stocks; $537bn

Alumin
10 stocks; $36bn

OG RfMkt
37 stocks; $490bn

OG Equip
67 stocks; $217bn

OG E&P
98 stocks; $752bn

Gold
60 stocks; $201bn

Coal&Uran
20 stocks; $71bn

CstrMat
31 stocks; $220bn

Int O&G
31 stocks; $180bn

ComdChm
44 stocks; $160bn

DiversChm
27 stocks; $220bn

OG Drill
12 stocks; $25bn

OG StTr
48 stocks; $66bn

OG Equip
26 stocks; $69bn

OG E&P
12 stocks; $69bn

MtGlsCnt
15 stocks; $66bn

OG StTr
48 stocks; $66bn

PapProd
24 stocks; $10bn

PaperPkg
17 stocks; $110bn

Fert&Ag
29 stocks; $150bn

OG Equip
26 stocks; $66bn

Fert&Ag
29 stocks; $150bn
February 25, 2019

Energy

Momentum

Strength

OG RfMkt
37 stocks; $490bn
OG Equip
67 stocks; $217bn
OG E&P
98 stocks; $752bn
OG Drill
12 stocks; $25bn
Int O&G
31 stocks; $180bn
OG StTr
69 stocks; $624bn
Coal&Uran
20 stocks; $71bn

37 stocks; $490bn
67 stocks; $217bn
98 stocks; $752bn
12 stocks; $25bn
31 stocks; $180bn
69 stocks; $624bn
20 stocks; $71bn
Utilities

GasUtil
35 stocks; $252bn

MultiUtil
34 stocks; $474bn

WaterUtil
23 stocks; $94bn

ElecUtil
26 stocks; $122bn

RenewElec
20 stocks; $57bn

IPP Trad
23 stocks; $120bn

February 25, 2019
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<table>
<thead>
<tr>
<th>Index</th>
<th>Description</th>
<th>Stocks</th>
<th>Market Cap (bn)</th>
</tr>
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<tbody>
<tr>
<td>IndustREIT</td>
<td></td>
<td>24</td>
<td>$135bn</td>
</tr>
<tr>
<td>SpecREIT</td>
<td></td>
<td>31</td>
<td>$321bn</td>
</tr>
<tr>
<td>CareREIT</td>
<td></td>
<td>24</td>
<td>$135bn</td>
</tr>
<tr>
<td>ResidREIT</td>
<td></td>
<td>38</td>
<td>$257bn</td>
</tr>
<tr>
<td>RestDevl</td>
<td></td>
<td>34</td>
<td>$323bn</td>
</tr>
<tr>
<td>IndusREIT</td>
<td></td>
<td>24</td>
<td>$135bn</td>
</tr>
<tr>
<td>RestOpCo</td>
<td></td>
<td>2</td>
<td>$28bn</td>
</tr>
<tr>
<td>ResiDev</td>
<td></td>
<td>2</td>
<td>$28bn</td>
</tr>
<tr>
<td>OfficeREIT</td>
<td></td>
<td>17</td>
<td>$110bn</td>
</tr>
<tr>
<td>HotelREIT</td>
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<td>18</td>
<td>$169bn</td>
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<td>RetailREIT</td>
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<td>51</td>
<td>$293bn</td>
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<tr>
<td>OfficeREIT</td>
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<td>17</td>
<td>$110bn</td>
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<tr>
<td>HotelREIT</td>
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<td>IndusREIT</td>
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<td>$169bn</td>
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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.
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>
<td>52.8%</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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<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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