Group Selection
Priced as of March 30, 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 Relative Strength Profiles*

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<tbody>
<tr>
<td>Energy</td>
<td>48% / 51% / 53%</td>
<td>/ / /</td>
<td>-1% / -3% / 1%</td>
</tr>
<tr>
<td>Materials</td>
<td>52% / 57% / 61%</td>
<td>/ / /</td>
<td>-1% / -5% / 1%</td>
</tr>
<tr>
<td>Industrials</td>
<td>52% / 56% / 59%</td>
<td>/ / /</td>
<td>6% / 4% / 9%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>39% / 46% / 49%</td>
<td>/ / /</td>
<td>10% / 7% / 13%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>25% / 30% / 29%</td>
<td>/ / /</td>
<td>8% / 5% / 14%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>33% / 37% / 40%</td>
<td>/ / /</td>
<td>10% / 8% / 11%</td>
</tr>
<tr>
<td>Financials</td>
<td>65% / 69% / 72%</td>
<td>/ / /</td>
<td>0% / -4% / 4%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>49% / 52% / 54%</td>
<td>/ / /</td>
<td>4% / 3% / 9%</td>
</tr>
<tr>
<td>Telecom</td>
<td>25% / 30% / 33%</td>
<td>/ / /</td>
<td>14% / 16% / 23%</td>
</tr>
<tr>
<td>Utilities</td>
<td>28% / 37% / 39%</td>
<td>/ / /</td>
<td>12% / 11% / 18%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>24% / 29% / 31%</td>
<td>/ / /</td>
<td>10% / 8% / 11%</td>
</tr>
</tbody>
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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
March 30, 2017

**Consumer Discretionary**

- **Momentum**
  - HhldApl: 14 stocks, $67bn
  - Footwear: 15 stocks, $122bn
  - HmFrnsh: 11 stocks, $33bn
  - HhldApl: 14 stocks, $67bn
  - Footwear: 15 stocks, $122bn
  - HmFrnsh: 11 stocks, $33bn

- **Strength**
  - Rstaurnt: 57 stocks, $397bn
  - Mov&Ent: 23 stocks, $370bn
  - HmFrnsh: 11 stocks, $33bn
  - Advert: 17 stocks, $124bn
  - HhldApl: 14 stocks, $67bn
  - Footwear: 15 stocks, $122bn

- **Market Capitalization**
  - 57 stocks: $397bn
  - 23 stocks: $370bn
  - 11 stocks: $33bn
  - 17 stocks: $124bn
  - 14 stocks: $67bn
  - 15 stocks: $122bn

**Markets**

- **Electrical Goods**
  - 43 stocks: $520bn

- **Home & Furnishings**
  - 31 stocks: $377bn

- **Retail**
  - 14 stocks: $92bn

- **Automotive**
  - 14 stocks: $92bn

- **Media**
  - 45 stocks: $332bn

- **Broadcast**
  - 31 stocks: $727bn

**Industry**

- **Housware**
  - 28 stocks: $116bn

- **Leisure**
  - 33 stocks: $175bn

- **Publishing**
  - 34 stocks: $135bn

- **Retail**
  - 35 stocks: $334bn

**Sub-Industries**

- **Home Furnishings**
  - 8 stocks: $52bn

- **Apparel Retail**
  - 35 stocks: $334bn

- **Consumer Discretionary**
  - 23 stocks: $592bn

- **Housseware**
  - 28 stocks: $116bn

**Other**

- **BMO Capital Markets
  - Mark Steele (416) 359-4641
March 30, 2017

Consumer Staples

Momentum

Strength

FdDistri
12 stocks; $54bn

SprCntrs
15 stocks; $450bn

SoftDrinks
17 stocks; $483bn

HhldPrdct
18 stocks; $577bn

Brewers
13 stocks; $471bn

FdRetail
18 stocks; $577bn

DrugRetail
38 stocks; $353bn

Tobacco
14 stocks; $763bn

Dist&Vnt
12 stocks; $258bn

AgriProd
12 stocks; $111bn

PkgFdMt
116 stocks; $1183bn

PersPrdct
29 stocks; $395bn

Consumer Staples

Mark Steele (416) 359-4641
March 30, 2017

Information Technology

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Semi
78 stocks, $1024bn

Electrical Instruments
44 stocks, $160bn

Hardware & Software
47 stocks, $133bn

Technology Distribution
15 stocks, $44bn

Hospitality Software
14 stocks, $14bn

EMS
18 stocks, $143bn

Semiconductor Equipment
39 stocks, $222bn

Electrical Components
37 stocks, $250bn

Internet Software Services
94 stocks, $1568bn

Computer Equipment
45 stocks, $355bn

Application Software
71 stocks, $599bn

IT Consulting
50 stocks, $651bn

Data Processing
46 stocks, $669bn

InetSftSrv
44 stocks, $1668bn
March 30, 2017

Telecommunication Services

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WlsTelSrv
42 stocks; $918bn

AltCar
10 stocks; $55bn

IntgTelSrv
63 stocks; $1347bn
March 30, 2017

Utilities

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GasUtil 33 stocks; $192bn

ElecUtil 90 stocks; $1079bn

MultiUtil 37 stocks; $433bn

RenewElec 24 stocks; $54bn

IPPTrad 25 stocks; $101bn

WaterUtil 24 stocks; $84bn
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).
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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<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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<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>
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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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Und = Underperform - Forecast to underperform the analyst’s coverage universe on a total return basis;
(S) = Speculative investment;
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(January 2010 – April 2013)

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