Group Selection
Priced as of July 25, 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>17% / 15% / 29%</td>
<td>/ / /</td>
<td>17% / 20% / 3%</td>
</tr>
<tr>
<td>Materials</td>
<td>44% / 42% / 56%</td>
<td>/ / /</td>
<td>8% / 8% / -5%</td>
</tr>
<tr>
<td>Industrials</td>
<td>55% / 50% / 71%</td>
<td>/ / /</td>
<td>-4% / -2% / -21%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>51% / 48% / 65%</td>
<td>/ / /</td>
<td>-4% / -2% / -18%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>50% / 47% / 65%</td>
<td>/ / /</td>
<td>-5% / -3% / -24%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>59% / 55% / 72%</td>
<td>/ / /</td>
<td>-1% / -1% / -20%</td>
</tr>
<tr>
<td>Financials</td>
<td>47% / 41% / 68%</td>
<td>/ / /</td>
<td>15% / 14% / -11%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>65% / 59% / 76%</td>
<td>/ / /</td>
<td>5% / 7% / -11%</td>
</tr>
<tr>
<td>Telecom</td>
<td>52% / 46% / 68%</td>
<td>/ / /</td>
<td>1% / 3% / -20%</td>
</tr>
<tr>
<td>Utilities</td>
<td>61% / 49% / 76%</td>
<td>/ / /</td>
<td>-2% / 2% / -22%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>50% / 43% / 66%</td>
<td>/ / /</td>
<td>2% / 3% / -21%</td>
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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
Momentum

Mark Steele (416) 359-4641

Strength

**OG RfMkt**
- 24 stocks: $447bn

**OG Drill**
- 16 stocks: $28bn

**Coal&Uran**
- 22 stocks: $76bn

**OG E&P**
- 115 stocks: $731bn

**OG StTr**
- 89 stocks: $678bn

**Int O&G**
- 29 stocks: $154bn

**OG Equip**
- 29 stocks: $278bn

Energy

OG RfMkt

OG Drill

Coal&Uran

OG E&P

OG StTr

Int O&G

OG Equip
July 25, 2017

**Materials**

- **IndusGas**: 8 stocks; $166bn
- **Fert&Ag**: 33 stocks; $233bn
- **PrecMet**: 22 stocks; $57bn
- **ComdChm**: 40 stocks; $343bn
- **DvrsMng**: 45 stocks; $368bn
- **Alumin**: 11 stocks; $51bn
- **PapProd**: 26 stocks; $93bn
- **Copper**: 14 stocks; $98bn
- **MtGlsCnt**: 14 stocks; $64bn
- **CstrMat**: 27 stocks; $258bn
- **Steel**: 58 stocks; $367bn
- **DiversChm**: 20 stocks; $368bn
- **SpecChm**: 64 stocks; $505bn
- **PaperPkg**: 17 stocks; $122bn
- **FrstPrd**: 12 stocks; $296bn
- **Silver**: 9 stocks; $20bn
- **Gold**: 61 stocks; $175bn

**Mark Steele**
(416) 359-4641
Momentum

Strength

July 25, 2017

Mark Steele (416) 359-4641

Consumer Staples

DrugRetail
8 stocks; $189bn

FdRetail
12 stocks; $360bn

PkgFdMt
420 stocks; $1229bn

AgriProd
25 stocks; $108bn

PersPrdct
29 stocks; $440bn

Brewers
13 stocks; $499bn

HhldPrdct
17 stocks; $566bn

SoftDrnks
17 stocks; $513bn

Dist&Vnt
12 stocks; $297bn

Tobacco
13 stocks; $690bn

FdDistri
12 stocks; $54bn

SprCntrs
14 stocks; $446bn

37 stocks; $360bn

120 stocks; $1229bn

29 stocks; $440bn

12 stocks; $297bn

17 stocks; $513bn

13 stocks; $690bn

25 stocks; $108bn

17 stocks; $448bn

14 stocks; $446bn
July 25, 2017

Financials

Momentum

Strength

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SpecialFin
10 stocks; $24bn

FnlExchDt
23 stocks; $350bn

InsurBrkers
7 stocks; $119bn

LifeHthIns
47 stocks; $679bn

P&C Insur
60 stocks; $515bn

Multi-LnIns
30 stocks; $562bn

DivCpMkt
4 stocks; $194bn

MltSecHld
28 stocks; $388bn

DiversBnk
159 stocks; $5275bn

AsstMgmt
92 stocks; $567bn

Reinsuran
12 stocks; $135bn

InvBnkBrk
35 stocks; $384bn

P&OFS
8 stocks; $270bn

OthrDivFS

MortgREIT
25 stocks; $60bn

RegionBnk
141 stocks; $642bn

MortgREIT
7 stocks; $350bn

ConsmrFin
30 stocks; $267bn

MltSecHld
46 stocks; $141bn

ConsmrFin
15 stocks; $267bn

MltSecHld
25 stocks; $542bn

30 stocks; $607bn

P&OFS
8 stocks; $384bn

141 stocks; $879bn

12 stocks; $135bn

10 stocks; $24bn
Momentum

ElecComp
38 stocks; $260bn

HmEntSwr
14 stocks; $184bn

SemiEqp
99 stocks; $260bn

ElecInstr
43 stocks; $224bn

EMS
16 stocks; $190bn

ApplicSwr
96 stocks; $603bn

ITConsult
50 stocks; $643bn

ComEquip
43 stocks; $361bn

InetSftSrv
92 stocks; $1688bn

SystmSwr
34 stocks; $952bn

DataProc
47 stocks; $757bn

TechDist
15 stocks; $49bn

HdwrSt&P
45 stocks; $140bn

Semi
78 stocks; $1112bn

July 25, 2017

Information Technology

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<table>
<thead>
<tr>
<th>Momentum</th>
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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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<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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<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>
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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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