Group Selection

Priced as of October 9, 2018

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>38% / 50% / 52%</td>
<td>/ / /</td>
<td>14% / 16% / 16%</td>
</tr>
<tr>
<td>Materials</td>
<td>17% / 29% / 28%</td>
<td>/ / /</td>
<td>-8% / -3% / -3%</td>
</tr>
<tr>
<td>Industrials</td>
<td>30% / 43% / 41%</td>
<td>/ / /</td>
<td>-14% / -9% / -8%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>33% / 40% / 38%</td>
<td>/ / /</td>
<td>-19% / -15% / -13%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>29% / 39% / 36%</td>
<td>/ / /</td>
<td>-10% / -3% / -2%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>53% / 62% / 62%</td>
<td>/ / /</td>
<td>-22% / -16% / -16%</td>
</tr>
<tr>
<td>Financials</td>
<td>22% / 41% / 38%</td>
<td>/ / /</td>
<td>-3% / 1% / 1%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>45% / 54% / 53%</td>
<td>/ / /</td>
<td>-34% / -31% / -26%</td>
</tr>
<tr>
<td>Comm Srv</td>
<td>32% / 41% / 38%</td>
<td>/ / /</td>
<td>-2% / -1% / 0%</td>
</tr>
<tr>
<td>Utilities</td>
<td>25% / 44% / 42%</td>
<td>/ / /</td>
<td>5% / 6% / 9%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>35% / 53% / 52%</td>
<td>/ / /</td>
<td>-10% / -7% / -4%</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.
October 9, 2018

**Resources**

- **Gold**
  - 72 stocks; $161bn

- **Silver**
  - 11 stocks; $17bn

- **FrstPrd**
  - 11 stocks; $220bn

- **ComdChm**
  - 43 stocks; $409bn

- **OG E&P**
  - 111 stocks; $952bn

- **IndusGas**
  - 9 stocks; $533bn

- **OG StTr**
  - 63 stocks; $665bn

- **Coal&Uran**
  - 22 stocks; $80bn

- **OG Equip**
  - 60 stocks; $290bn

- **MtGlsCnt**
  - 13 stocks; $64bn

- **OG Drill**
  - 26 stocks; $39bn

- **Int O&G**
  - 31 stocks; $158bn

- **OG RfMkt**
  - 87 stocks; $532bn

- **Steel**
  - 80 stocks; $432bn

- **PrecMet**
  - 17 stocks; $42bn

- **PapProd**
  - 25 stocks; $119bn

- **Fert&Ag**
  - 29 stocks; $157bn

- **DvrsChm**
  - 62 stocks; $362bn

- **DvrsMng**
  - 62 stocks; $390bn

- **Alumin**
  - 10 stocks; $41bn

- **PaperPkg**
  - 17 stocks; $109bn

- **Copper**
  - 18 stocks; $93bn

- **CstrMat**
  - 28 stocks; $221bn

- **SpecChm**
  - 67 stocks; $538bn

- **BMO Capital Markets**
  - Mark Steele (416) 359-4641
October 9, 2018

Consumer Staples

Mark Steele (416) 359-4641

SprCntrs
13 stocks; $540bn

HhldPrdct
17 stocks; $539bn

PkgFdMt
121 stocks; $1142bn

Tobacco
13 stocks; $548bn

Dist&Vnt
12 stocks; $352bn

DrugRetail
6 stocks; $92bn

AgriProd
25 stocks; $109bn

Brewers
14 stocks; $422bn

FdRetail
35 stocks; $346bn

PersPrdct
33 stocks; $479bn

SoftDrnks
19 stocks; $518bn
October 9, 2018

Momentum

Strength

Health Care

Mark Steele (416) 359-4641

Pharma
111 stocks; $2693bn

MngHCare
12 stocks; $561bn

HCService
29 stocks; $303bn

HCareTec
19 stocks; $79bn

HCareDistrib
18 stocks; $121bn

HCSuppls
29 stocks; $204bn

HCEquip
77 stocks; $1098bn

HCFacility
30 stocks; $152bn

Biotech
130 stocks; $1083bn

LfSciSrv
30 stocks; $377bn

HFacility
30 stocks; $152bn

111 stocks; $2693bn

12 stocks; $561bn

29 stocks; $303bn

19 stocks; $79bn

18 stocks; $121bn

29 stocks; $204bn

30 stocks; $377bn

77 stocks; $1098bn

130 stocks; $1083bn
Momentum

Strength

Telecommunication Services

October 9, 2018

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Publishing↑
4 stocks; $48bn

Cabl&Sat↑
24 stocks; $486bn

AltCar↓
11 stocks; $56bn

Broadcast↓
29 stocks; $101bn

Advert↑
18 stocks; $114bn

Mov&Ent
27 stocks; $510bn

IntgTelSrv↓
58 stocks; $1253bn

WisTelSrv↓
45 stocks; $886bn

IntMeSer
41 stocks; $1353bn

IntHmEnt↑
18 stocks; $246bn
Momentum

Strength

October 9, 2018

Utilities

ElecUtil 36 stocks; $1151bn

MultiUtil 35 stocks; $441bn

GasUtil 36 stocks; $237bn

WaterUtil 22 stocks; $82bn

IPP Trad 23 stocks; $116bn

RenewElec 20 stocks; $52bn

Utilities

BMO Capital Markets
Mark Steele (416) 359-4641
IndusREIT: 22 stocks; $120bn
SpecREIT: 32 stocks; $340bn
DiversREIT: 36 stocks; $145bn
HCareREIT: 36 stocks; $127bn
RetailREIT: 50 stocks; $282bn
ResidREIT: 27 stocks; $166bn
REstOpCo: 34 stocks; $242bn
HotelREIT: 18 stocks; $57bn
OfficeREIT: 49 stocks; $162bn
ReStSrv: 12 stocks; $36bn
ReStDev: 14 stocks; $269bn
ReStDvAct: 34 stocks; $286bn

Real Estate

October 9, 2018

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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>
<td>52.8%</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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Und = Underperform - Forecast to underperform the analyst’s coverage universe on a total return basis;
(S) = Speculative investment;
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