Group Selection

Priced as of April 17, 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>47% / 50% / 51%</td>
<td>/ / /</td>
<td>-1% / -2% / -4%</td>
</tr>
<tr>
<td>Materials</td>
<td>53% / 57% / 60%</td>
<td>/ / /</td>
<td>-2% / -9% / -6%</td>
</tr>
<tr>
<td>Industrials</td>
<td>51% / 56% / 61%</td>
<td>/ / /</td>
<td>8% / 3% / 1%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>43% / 47% / 51%</td>
<td>/ / /</td>
<td>11% / 5% / 5%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>26% / 31% / 33%</td>
<td>/ / /</td>
<td>20% / 16% / 18%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>34% / 39% / 43%</td>
<td>/ / /</td>
<td>11% / 7% / 6%</td>
</tr>
<tr>
<td>Financials</td>
<td>63% / 67% / 73%</td>
<td>/ / /</td>
<td>-4% / -6% / -15%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>50% / 53% / 58%</td>
<td>/ / /</td>
<td>2% / -4% / -3%</td>
</tr>
<tr>
<td>Telecom</td>
<td>28% / 34% / 35%</td>
<td>/ / /</td>
<td>14% / 12% / 10%</td>
</tr>
<tr>
<td>Utilities</td>
<td>32% / 39% / 41%</td>
<td>/ / /</td>
<td>26% / 23% / 18%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>30% / 35% / 40%</td>
<td>/ / /</td>
<td>37% / 32% / 25%</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.
April 17, 2017

Energy

Momentum

Strength

OG RfMkt
47 stocks; $418bn

OG Equip
64 stocks; $325bn

OG StTr
94 stocks; $690bn

Coal&Uran
18 stocks; $35bn

OG Drill
22 stocks; $79bn

OG E&P
119 stocks; $814bn

Int O&G
29 stocks; $157bn
Consumer Staples

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12 stocks; $54bn

Momentum

Strength

FdDistri

HhdlPrdct

SoftDrinks

SprCntrs

Dist&Vnt

Brewers

13 stocks; $475bn

18 stocks; $582bn

17 stocks; $468bn

15 stocks; $454bn

12 stocks; $259bn

14 stocks; $773bn

12 stocks; $540bn

18 stocks; $582bn

7 stocks; $123bn

18 stocks; $582bn

18 stocks; $582bn

12 stocks; $259bn

8 stocks; $195bn

38 stocks; $356bn

17 stocks; $488bn

8 stocks; $195bn

PkgFdMt

PersPrdct

15 stocks; $454bn

122 stocks; $1196bn

13 stocks; $475bn

29 stocks; $399bn

AgriProd

Tobacco

12 stocks; $259bn

14 stocks; $773bn

25 stocks; $107bn

12 stocks; $259bn

14 stocks; $773bn

25 stocks; $107bn
April 17, 2017

Health Care

Biotech (129 stocks; $935bn)

MngHCare (72 stocks; $346bn)

HCService (39 stocks; $198bn)

HCEquip (73 stocks; $726bn)

HCSuppls (28 stocks; $135bn)

HCDistrib (19 stocks; $128bn)

HCFacility (20 stocks; $118bn)

HCEquip (73 stocks; $726bn)

Pharma (98 stocks; $2390bn)

HCDistrib (19 stocks; $128bn)

LfSciSrv (32 stocks; $225bn)

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Telecommunication Services

Momentum

Strength

AltCar
10 stocks; $57bn

WlsTelSrv
42 stocks; $909bn

IntgTelSrv
43 stocks; $1328bn

April 17, 2017
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Real Estate

April 17, 2017

Momentum

Strength

REstSrv
11 stocks; $30bn

OfficeREIT
34 stocks; $164bn

DiversREIT
41 stocks; $161bn

ResidREIT
26 stocks; $152bn

REstOpCo
30 stocks; $181bn

IndusREIT
20 stocks; $90bn

SpecREIT
21 stocks; $90bn

HCareREIT
18 stocks; $107bn

RetailREIT
50 stocks; $330bn

REstDvAct
34 stocks; $327bn

REstDevl
31 stocks; $216bn

HotelREIT
18 stocks; $50bn
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 groups 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.
**Disclosures**

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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>
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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>
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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.
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(S) = Speculative investment;
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(January 2010 – April 2013)

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