Group Selection

Priced as of August 21, 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 View

Sector Relative Strength Profiles*

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<tbody>
<tr>
<td>Energy</td>
<td>19% / 15% / 26%</td>
<td>-3% / -4% / -17%</td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>48% / 41% / 56%</td>
<td>6% / 7% / -1%</td>
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<tr>
<td>Industrials</td>
<td>56% / 49% / 66%</td>
<td>-6% / -8% / -18%</td>
<td></td>
</tr>
<tr>
<td>CMR Disc</td>
<td>53% / 48% / 61%</td>
<td>-3% / -4% / -17%</td>
<td></td>
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<tr>
<td>CMR Stap</td>
<td>51% / 45% / 61%</td>
<td>9% / 8% / -3%</td>
<td></td>
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<tr>
<td>Health Care</td>
<td>57% / 52% / 63%</td>
<td>-3% / -6% / -12%</td>
<td></td>
</tr>
<tr>
<td>Financials</td>
<td>49% / 42% / 62%</td>
<td>3% / -1% / -11%</td>
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<tr>
<td>Info Tech</td>
<td>64% / 57% / 71%</td>
<td>-2% / -4% / -15%</td>
<td></td>
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<tr>
<td>Telecom</td>
<td>54% / 47% / 62%</td>
<td>5% / 6% / -6%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>63% / 52% / 73%</td>
<td>20% / 19% / 1%</td>
<td></td>
</tr>
<tr>
<td>Real Estate</td>
<td>50% / 41% / 61%</td>
<td>8% / 8% / -5%</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

Strength

Consumer Staples

PersPrdct ➔
22 stocks; $443bn

DrugRetail ➔
12 stocks; $160bn

Dist&Vnt ➔
12 stocks; $315bn

Tobacco ➔
13 stocks; $676bn

SprCntrs ➔
14 stocks; $459bn

PkgFdMt ➔
119 stocks; $1235bn

FdDistri ➔
12 stocks; $54bn

HhldPrdct ➔
17 stocks; $598bn

Brewers ➔
13 stocks; $512bn

SoftDrnks ➔
17 stocks; $523bn

Tobacco ➔
13 stocks; $676bn

SprCntrs ➔
14 stocks; $459bn

PkgFdMt ➔
119 stocks; $1235bn

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12 stocks; $315bn

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13 stocks; $512bn

SoftDrnks ➔
17 stocks; $523bn

HhldPrdct ➔
17 stocks; $598bn

TdRetail ➔
37 stocks; $355bn

AgriProd ➔
25 stocks; $104bn
Financials

Momentum

Strength

August 21, 2017

Mark Steele (416) 359-4641

FnlExchDt
23 stocks; $348bn

MortgREIT
26 stocks; $62bn

OthrDivFS
9 stocks; $105bn

DiversBnk
169 stocks; $5205bn

ConsmrFin
30 stocks; $253bn

Multi-LnIns
30 stocks; $540bn

Thrft&Mgr
46 stocks; $141bn

InvBnkBrk
45 stocks; $363bn

InsurBrkrs
7 stocks; $115bn

MltSecHld
25 stocks; $400bn

AsstMgmt
80 stocks; $543bn

P&C Insur
60 stocks; $508bn

DivCpMkt
9 stocks; $170bn

SpecialFin
10 stocks; $22bn

LifeHthIns
46 stocks; $840bn

Reinsuran
12 stocks; $131bn

RegionBnk
147 stocks; $604bn
Information Technology

Momentum

Strength

August 21, 2017

Mark Steele (416) 359-4641

DataProc
37 stocks; $757bn

InetSftSrv
97 stocks; $1949bn

ElecInstr
43 stocks; $223bn

ApplicSwr
66 stocks; $597bn

SystmSwr
36 stocks; $924bn

ITConsult
50 stocks; $626bn

HdwrSt&P
44 stocks; $1384bn

ComEquip
43 stocks; $346bn

EMS
16 stocks; $135bn

HmEntSwr
14 stocks; $191bn

Semi
78 stocks; $1085bn

ElecComp
38 stocks; $246bn

SemiEqp
39 stocks; $246bn

TechDist
14 stocks; $44bn

122 stocks; $223bn

43 stocks; $223bn

66 stocks; $597bn

36 stocks; $924bn

50 stocks; $626bn

44 stocks; $1384bn

43 stocks; $346bn

16 stocks; $135bn

14 stocks; $191bn

78 stocks; $1085bn

38 stocks; $246bn

39 stocks; $246bn

14 stocks; $44bn

43 stocks; $223bn

66 stocks; $597bn

36 stocks; $924bn

50 stocks; $626bn

44 stocks; $1384bn

43 stocks; $346bn

16 stocks; $135bn

14 stocks; $191bn

78 stocks; $1085bn

38 stocks; $246bn

39 stocks; $246bn

14 stocks; $44bn
Telecommunication Services

Mark Steele (416) 359-4641

WlsTelSrv
42 stocks; $952bn

IntgTelSrv
42 stocks; $1368bn

AltCar
10 stocks; $56bn
Momentum

Strength

Utilities

RenewElec
22 stocks; $56bn

IPPTrad
25 stocks; $108bn

MultiUtil
36 stocks; $484bn

ElecUtil
90 stocks; $173bn

GasUtil
33 stocks; $106bn

WaterUtil
24 stocks; $86bn

GasUtil
23 stocks; $206bn

MultiUtil
36 stocks; $484bn

RenewElec
22 stocks; $56bn

ElecUtil
90 stocks; $173bn

IPPTrad
25 stocks; $108bn

WaterUtil
24 stocks; $86bn
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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<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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<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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