Group Selection

Priced as of August 14, 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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<tr>
<td>Energy</td>
<td>19% / 14% / 27%</td>
<td>-5% / -3% / -11%</td>
<td></td>
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<tr>
<td>Materials</td>
<td>47% / 42% / 56%</td>
<td>-1% / 1% / 0%</td>
<td></td>
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<tr>
<td>Industrials</td>
<td>56% / 49% / 67%</td>
<td>-7% / -5% / -5%</td>
<td></td>
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<tr>
<td>CMR Disc</td>
<td>53% / 48% / 63%</td>
<td>-5% / -3% / -6%</td>
<td></td>
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<tr>
<td>CMR Stap</td>
<td>50% / 45% / 60%</td>
<td>-3% / 0% / -3%</td>
<td></td>
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<tr>
<td>Hlth Care</td>
<td>58% / 53% / 65%</td>
<td>-14% / -11% / -10%</td>
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<tr>
<td>Financials</td>
<td>48% / 42% / 64%</td>
<td>0% / 3% / -3%</td>
<td></td>
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<tr>
<td>Info Tech</td>
<td>65% / 59% / 73%</td>
<td>-8% / -4% / -8%</td>
<td></td>
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<tr>
<td>Telecom</td>
<td>54% / 46% / 66%</td>
<td>7% / 10% / 2%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>62% / 51% / 74%</td>
<td>1% / 6% / 0%</td>
<td></td>
</tr>
<tr>
<td>Real Estate</td>
<td>50% / 40% / 64%</td>
<td>1% / 4% / 0%</td>
<td></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

August 14, 2017

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Materials

Gold
61 stocks; $163bn

IndusGas
8 stocks; $163bn

PaperPkg
17 stocks; $120bn

Fert&Ag
32 stocks; $189bn

DvrsMng
45 stocks; $378bn

MtGlsCnt
14 stocks; $62bn

Alumin
11 stocks; $54bn

FrstPrd
12 stocks; $26bn

PapProd
26 stocks; $93bn

Steel
58 stocks; $369bn

DiversChm
20 stocks; $159bn

CstrMat
27 stocks; $250bn

ComdChm
40 stocks; $341bn

SpecChm
64 stocks; $493bn

Silver
0 stocks; $20bn

Copper
14 stocks; $95bn

Gold
21 stocks; $57bn

PrecMet
21 stocks; $57bn

IndusGas
8 stocks; $163bn

PaperPkg
17 stocks; $120bn

Fert&Ag
32 stocks; $189bn

DvrsMng
45 stocks; $378bn

MtGlsCnt
14 stocks; $62bn

Alumin
11 stocks; $54bn

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27 stocks; $250bn

ComdChm
40 stocks; $341bn

SpecChm
64 stocks; $493bn

Silver
0 stocks; $20bn

Copper
14 stocks; $95bn
Industrials

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- **Railroads**: 25 stocks, $470bn
- **CnstMch&Tr**: 46 stocks, $315bn
- **Trucking**: 28 stocks, $41bn
- **Marine**: 28 stocks, $91bn
- **HREmpl**: 23 stocks, $106bn
- **BldPrdcts**: 49 stocks, $269bn
- **Hwy&Rail**: 15 stocks, $102bn
- **Airline**: 31 stocks, $285bn
- **MarineSrv**: 14 stocks, $69bn
- **AirFrght**: 20 stocks, $257bn
- **DvSpSrv**: 23 stocks, $93bn
- **IndCongl**: 43 stocks, $106bn
- **CmclPrt**: 11 stocks, $25bn
- **HvyElcEq**: 18 stocks, $92bn
- **Aero&Def**: 57 stocks, $876bn
- **Ag&Farm**: 12 stocks, $97bn
- **Ind Mach**: 120 stocks, $686bn
- **RsrcCslt**: 28 stocks, $218bn
- **ElcCmpEq**: 37 stocks, $336bn
- **Sec&Alm**: 5 stocks, $37bn
- **TrdgDist**: 54 stocks, $294bn
- **Cns&Eng**: 70 stocks, $331bn
- **EnviroServ**: 25 stocks, $124bn
- **CmclPrt**: 11 stocks, $25bn
- **TrdgDist**: 54 stocks, $294bn
- **Cns&Eng**: 70 stocks, $331bn

**Momentum**

**Strength**
August 14, 2017

Consumer Staples

Momentum

Strength

DrugRetail
8 stocks; $191bn

PersPrdct
29 stocks; $440bn

PkgFdMt
119 stocks; $1231bn

AgriProd
25 stocks; $105bn

SoftDrnks
17 stocks; $521bn

DrugRetail
8 stocks; $191bn

PersPrdct
29 stocks; $440bn

PkgFdMt
119 stocks; $1231bn

AgriProd
25 stocks; $105bn

SoftDrnks
17 stocks; $521bn

Brewers
13 stocks; $518bn

Dist&Vnt
12 stocks; $394bn

FdBnct
17 stocks; $566bn

Brewers
13 stocks; $518bn

Dist&Vnt
12 stocks; $394bn

FdBnct
17 stocks; $566bn

HhldPrdct
17 stocks; $566bn

SoftDrnks
17 stocks; $521bn

Brewers
13 stocks; $518bn

Dist&Vnt
12 stocks; $394bn

FdBnct
17 stocks; $566bn

HhldPrdct
17 stocks; $566bn

Brewers
13 stocks; $518bn

Dist&Vnt
12 stocks; $394bn

FdBnct
17 stocks; $566bn

HhldPrdct
17 stocks; $566bn
Momentum
Strength

Utilities

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WaterUtil
24 stocks; $86bn

IPPTrad
25 stocks; $107bn

MultiUtil
36 stocks; $479bn

ElecUtil
90 stocks; $1165bn

GasUtil
33 stocks; $207bn

RenewElec
22 stocks; $56bn

33 stocks; $207bn

36 stocks; $479bn

90 stocks; $1165bn
Momentum

Strength

August 14, 2017

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Real Estate

REstDvAct
34 stocks; $341bn

OfficeREIT
32 stocks; $152bn

DiversREIT
40 stocks; $163bn

ResidREIT
26 stocks; $165bn

IndusREIT
20 stocks; $99bn

REstSrv
11 stocks; $33bn

RetailREIT
50 stocks; $313bn

34 stocks; $341bn

REstDevl
30 stocks; $253bn

HCareREIT
19 stocks; $107bn

REstOpCo
30 stocks; $193bn

SpecREIT
31 stocks; $319bn

HotelREIT
19 stocks; $55bn

26 stocks; $165bn

REstSrv
11 stocks; $33bn

DiversREIT
40 stocks; $163bn

IndusREIT
20 stocks; $99bn

ResidREIT
26 stocks; $165bn

REstDvAct
34 stocks; $341bn

26 stocks; $165bn

11 stocks; $33bn

19 stocks; $107bn

30 stocks; $193bn

31 stocks; $319bn

19 stocks; $55bn
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).
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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(S) = Speculative investment;
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