Group Selection
Priced as of October 22, 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 View

Sector Relative Strength Profiles*

<table>
<thead>
<tr>
<th>Hyperlink</th>
<th>% Outperforming</th>
<th>Reward/Risk</th>
<th>Trend Psn</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US/GBL/CDA</td>
<td>US/GBL/CDA</td>
<td>US/GBL/CDA</td>
</tr>
<tr>
<td>Energy</td>
<td>34% / 48% / 50%</td>
<td>/ / -1%</td>
<td>/ -1% / -4%</td>
</tr>
<tr>
<td>Materials</td>
<td>17% / 27% / 28%</td>
<td>/ / -3%</td>
<td>/ -5% / -3%</td>
</tr>
<tr>
<td>Industrials</td>
<td>29% / 42% / 42%</td>
<td>/ / -11%</td>
<td>/ -16% / -12%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>31% / 38% / 37%</td>
<td>/ / -9%</td>
<td>/ -10% / -10%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>29% / 39% / 39%</td>
<td>/ / 18%</td>
<td>/ 17% / 16%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>51% / 61% / 61%</td>
<td>/ / -8%</td>
<td>/ -9% / -11%</td>
</tr>
<tr>
<td>Financials</td>
<td>20% / 38% / 37%</td>
<td>/ / -7%</td>
<td>/ -10% / -8%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>42% / 53% / 52%</td>
<td>/ / -8%</td>
<td>/ -11% / -8%</td>
</tr>
<tr>
<td>Comm Srv</td>
<td>34% / 42% / 43%</td>
<td>/ / 17%</td>
<td>/ 11% / 16%</td>
</tr>
<tr>
<td>Utilities</td>
<td>28% / 45% / 45%</td>
<td>/ / 29%</td>
<td>/ 28% / 30%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>33% / 54% / 53%</td>
<td>/ / 10%</td>
<td>/ 4% / 8%</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
Momentum

Strength

October 22, 2018

Gold
72 stocks; $174bn

PrecMet
17 stocks; $42bn

Copper
18 stocks; $85bn

PaperPkg
47 stocks; $102bn

IndusGas
8 stocks; $749bn

SpecChm
67 stocks; $513bn

DvrsMng
62 stocks; $374bn

FrstPrd
11 stocks; $24bn

CstrMat
11 stocks; $202bn

PrecMet
17 stocks; $42bn

Copper
18 stocks; $85bn

PaperPkg
47 stocks; $102bn

IndusGas
8 stocks; $749bn

Copper
18 stocks; $85bn

PrecMet
17 stocks; $42bn

Momentum
Momentum

Strength

October 22, 2018

Mark Steele (416) 359-4641

Consumer Staples

Tobacco
13 stocks; $350bn

SoftDrinks
19 stocks; $514bn

PkgFdMt
121 stocks; $1153bn

PersPrdct
33 stocks; $463bn

HhdPrdct
17 stocks; $544bn

FdDistri
11 stocks; $59bn

SprCntrs
13 stocks; $543bn

FdRetail
35 stocks; $341bn

Dist&Vnt
12 stocks; $346bn

DrugRetail
6 stocks; $92bn

Brewers
14 stocks; $413bn

AgriProd
25 stocks; $106bn
October 22, 2018

Health Care

- HCareTec: 19 stocks, $78bn
- LfSciSrv: 30 stocks, $366bn
- Biotech: 130 stocks, $1027bn
- HCEquip: 77 stocks, $1057bn
- MngHCare: 12 stocks, $547bn
- HCDistrib: 18 stocks, $116bn
- Pharma: 111 stocks, $2663bn
- HCSuppls: 29 stocks, $196bn
- HCSuppls: 29 stocks, $196bn
- HCFacility: 30 stocks, $147bn
- HCFacility: 30 stocks, $147bn
- HCServices: 28 stocks, $274bn
- HCServices: 28 stocks, $274bn

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Real Estate

Momentum

October 22, 2018

REstOpCo
38 stocks; $241bn

OfficeREIT
34 stocks; $157bn

REstSrv
12 stocks; $35bn

REstDvAct
34 stocks; $291bn

SpecREIT
33 stocks; $333bn

DiversREIT
36 stocks; $142bn

HCareREIT
17 stocks; $96bn

ResidREIT
27 stocks; $167bn

RetailREIT
50 stocks; $277bn

IndusREIT
22 stocks; $117bn

HotelREIT
18 stocks; $53bn

REstDevl
17 stocks; $96bn

OfficeREIT
34 stocks; $127bn

REstSrv
12 stocks; $35bn

REstDvAct
34 stocks; $291bn

SpecREIT
33 stocks; $333bn

DiversREIT
36 stocks; $142bn

HCareREIT
17 stocks; $96bn

ResidREIT
27 stocks; $167bn

RetailREIT
50 stocks; $277bn

IndusREIT
22 stocks; $117bn

HotelREIT
18 stocks; $53bn

REstDevl
17 stocks; $96bn
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 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.
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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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<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>
</tr>
<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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