Group Selection
Priced as of August 30, 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>51% / 59% / 57%</td>
<td>-7% / -4% / -2%</td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>27% / 34% / 32%</td>
<td>-13% / -8% / -7%</td>
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<tr>
<td>Industrials</td>
<td>34% / 44% / 40%</td>
<td>-3% / 1% / 7%</td>
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<tr>
<td>CMR Disc</td>
<td>39% / 46% / 42%</td>
<td>-7% / -5% / 1%</td>
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<tr>
<td>CMR Stap</td>
<td>36% / 44% / 38%</td>
<td>-15% / -10% / -6%</td>
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<tr>
<td>Hlth Care</td>
<td>54% / 61% / 57%</td>
<td>0% / 5% / 13%</td>
<td></td>
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<tr>
<td>Financials</td>
<td>33% / 46% / 37%</td>
<td>-13% / -7% / 0%</td>
<td></td>
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<tr>
<td>Info Tech</td>
<td>49% / 56% / 54%</td>
<td>0% / 5% / 9%</td>
<td></td>
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<tr>
<td>Telecom</td>
<td>21% / 30% / 24%</td>
<td>-9% / -1% / 8%</td>
<td></td>
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<tr>
<td>Utilities</td>
<td>36% / 50% / 43%</td>
<td>-10% / -11% / -6%</td>
<td></td>
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<tr>
<td>Real Estate</td>
<td>49% / 65% / 53%</td>
<td>-11% / -6% / 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.
### Strength Changes Last Session

<table>
<thead>
<tr>
<th>Momentum</th>
<th>Strength</th>
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</thead>
<tbody>
<tr>
<td>PersPrdct</td>
<td>HREmpl</td>
</tr>
<tr>
<td>LeisFcil</td>
<td>ElecInstr</td>
</tr>
<tr>
<td>HmEntSwr</td>
<td>ElecComp</td>
</tr>
<tr>
<td>SprCntrs</td>
<td>MltSecHld</td>
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<tr>
<td>HREmpl</td>
<td>ElecInstr</td>
</tr>
<tr>
<td>LeisFcil</td>
<td>ElecInstr</td>
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<tr>
<td>ITConsult</td>
<td>SystmSwr</td>
</tr>
<tr>
<td>HCEquip</td>
<td>OG RfMkt</td>
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<tr>
<td>LeisPrd</td>
<td>OG Drill</td>
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<tr>
<td>CnstMch&amp;T</td>
<td>InetDmRtl</td>
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<tr>
<td>AltCar</td>
<td>PapProd</td>
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<tr>
<td>DataProc</td>
<td>HlmpRtl</td>
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<tr>
<td>EnviroServ</td>
<td>Aero&amp;Def</td>
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<tr>
<td>RsrcCslt</td>
<td>HCService</td>
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<tr>
<td>HlvdPrdct</td>
<td>SoftDrnks</td>
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<tr>
<td>Trucking</td>
<td>Trvlng</td>
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<tr>
<td>Fert&amp;Ag</td>
<td>AutoRtl</td>
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<tr>
<td>Thrft&amp;Mtg</td>
<td>GMrcHsSts</td>
</tr>
</tbody>
</table>
August 30, 2018

Mark Steele (416) 359-4641

Energy

Momentum

Strength

Int O&G
37 stocks; $1697bn

OG E&P
112 stocks; $909bn

OG RfMkt
47 stocks; $588bn

OG Drill
14 stocks; $33bn

OG StTr
83 stocks; $668bn

OG Equip
60 stocks; $288bn

Coal&Uran
24 stocks; $83bn

OG E&P
112 stocks; $909bn

OG RfMkt
47 stocks; $588bn

OG Drill
14 stocks; $33bn

OG StTr
83 stocks; $668bn

OG Equip
60 stocks; $288bn

Coal&Uran
24 stocks; $83bn
Consumer Staples

Momentum

Strength

Mark Steele (416) 359-4641

August 30, 2018

PersPrdct
33 stocks; $517bn

SprCntrs
13 stocks; $541bn

Dist&Vnt
12 stocks; $353bn

DrugRetail
3 stocks; $27bn

HhldPrdct
17 stocks; $568bn

SoftDrnks
19 stocks; $521bn

Brewers
14 stocks; $454bn

PkgFdMt
123 stocks; $1173bn

AgriProd
25 stocks; $109bn

FdRetail
36 stocks; $353bn

Tobacco
13 stocks; $54bn

FdDistri
11 stocks; $63bn
Momentum

Strength

August 30, 2018

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Health Care

Biotech ➺ 30 stocks; $1132bn

HCDistrib ➺ 19 stocks; $117bn

HCEquip ← 79 stocks; $108bn

LfSciSrv ← 31 stocks; $384bn

HCSuppls ➺ 28 stocks; $195bn

Pharma ➺ 111 stocks; $268bn

HCareTec 19 stocks; $85bn

HCFacility 29 stocks; $146bn

HCFacility 29 stocks; $146bn

MngHCare 12 stocks; $54bn

HCServicė 29 stocks; $294bn

130 stocks; $1132bn

19 stocks; $117bn

79 stocks; $108bn

31 stocks; $384bn

28 stocks; $195bn

111 stocks; $268bn

19 stocks; $85bn

29 stocks; $146bn

12 stocks; $54bn

29 stocks; $294bn
Telecommunication Services

August 30, 2018

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WlsTelSrv
44 stocks $883bn

IntgTelSrv
37 stocks $725bn

AltCar
11 stocks $60bn
Utilities

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- GasUtil: 36 stocks; $243bn
- ElecUtil: 88 stocks; $1146bn
- IPPTrad: 23 stocks; $111bn
- RenewElec: 23 stocks; $81bn
- MultiUtil: 36 stocks; $468bn

Momentum
Strength

Utilities

BMO Capital Markets
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.
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”
- 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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<tbody>
<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>
</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>
</tr>
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* Reflects rating distribution of all companies covered by BMO Capital Markets Corp. equity research analysts.
** Reflects rating distribution of all companies from which BMO Capital Markets Corp. has received compensation for Investment Banking services as percentage within ratings category.
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(S) = Speculative investment;
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