Group Selection
Priced as of December 6, 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></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>31% / 41% / 44%</td>
<td>‾ / ‾ / ‾</td>
<td>-33% / -35% / -26%</td>
</tr>
<tr>
<td>Materials</td>
<td>21% / 27% / 33%</td>
<td>‾ / ‾ / ‾</td>
<td>-8% / -8% / 1%</td>
</tr>
<tr>
<td>Industrials</td>
<td>26% / 39% / 41%</td>
<td>‾ / ‾ / ‾</td>
<td>-11% / -10% / -1%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>25% / 34% / 36%</td>
<td>‾ / ‾ / ‾</td>
<td>-1% / 1% / 10%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>32% / 43% / 51%</td>
<td>‾ / ‾ / ‾</td>
<td>6% / 9% / 20%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>46% / 56% / 55%</td>
<td>‾ / ‾ / ‾</td>
<td>-6% / -6% / 1%</td>
</tr>
<tr>
<td>Financials</td>
<td>24% / 38% / 45%</td>
<td>‾ / ‾ / ‾</td>
<td>-8% / -8% / 5%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>36% / 45% / 49%</td>
<td>‾ / ‾ / ‾</td>
<td>-3% / -3% / 6%</td>
</tr>
<tr>
<td>Comm Srv</td>
<td>32% / 42% / 47%</td>
<td>‾ / ‾ / ‾</td>
<td>8% / 12% / 17%</td>
</tr>
<tr>
<td>Utilities</td>
<td>41% / 54% / 60%</td>
<td>‾ / ‾ / ‾</td>
<td>27% / 34% / 47%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>37% / 52% / 56%</td>
<td>‾ / ‾ / ‾</td>
<td>30% / 33% / 47%</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

OG StTr
76 stocks; $597bn

Coal&Uran
21 stocks; $71bn

Int O&G
31 stocks; $1747bn

OG RfMkt
19 stocks; $471bn

OG E&P
105 stocks; $737bn

OG Equip
57 stocks; $199bn

OG Drill
13 stocks; $25bn
Momentum

Strength

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Health Care

MngHCare
11 stocks; $493bn

HCFacility
31 stocks; $158bn

LfSciSrv
30 stocks; $353bn

HCEquip
74 stocks; $1061bn

HCSuppls
29 stocks; $194bn

Pharma
111 stocks; $2635bn

HCService
28 stocks; $288bn

HCareTec
17 stocks; $66bn

Biotech
123 stocks; $1016bn

HCDistrib
17 stocks; $115bn

17 stocks; $115bn

123 stocks; $1016bn

111 stocks; $2635bn

28 stocks; $288bn

17 stocks; $66bn

30 stocks; $353bn

31 stocks; $158bn

29 stocks; $194bn

74 stocks; $1061bn

11 stocks; $493bn

22 stocks; $115bn

30 stocks; $353bn

74 stocks; $1061bn

29 stocks; $194bn

111 stocks; $2635bn
Information Technology

Momentum

Strength

InetSrv&In
12 stocks; $86bn

ApplicSwr
37 stocks; $875bn

TechDist
13 stocks; $46bn

Eleclnstr
44 stocks; $231bn

Semi
75 stocks; $1192bn

SystmSwr
36 stocks; $1246bn

DataProc
46 stocks; $999bn

ComEquip
40 stocks; $1324bn

HdwrSt&P
40 stocks; $1324bn

ElecComp
36 stocks; $244bn

ITConsult
49 stocks; $662bn

SemiEqp
42 stocks; $237bn

EMS
78 stocks; $98bn

TechDist
13 stocks; $46bn

ElecComp
36 stocks; $244bn

SystmSwr
36 stocks; $1246bn

ApplicSwr
37 stocks; $875bn

InetSrv&In
12 stocks; $86bn

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Information Technology

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Utilities

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Momentum

Strength

RenewElec
20 stocks; $53bn

IPPTrad
23 stocks; $112bn

ElecUtil
87 stocks; $1170bn

MultiUtil
95 stocks; $449bn

GasUtil
95 stocks; $241bn

WaterUtil
22 stocks; $85bn

Gas Util
35 stocks; $241bn

Water Util
22 stocks; $85bn

Multi Util
95 stocks; $449bn

Renew Elec
20 stocks; $53bn

IPP Trad
23 stocks; $112bn

Elec Util
87 stocks; $1170bn

Utilities

BMO Capital Markets

Momentum

Strength
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).
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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<th>Rating Category</th>
<th>BMO Rating</th>
<th>BMOCM US Universe*</th>
<th>BMOCM US IB Clients**</th>
<th>BMOCM US IB Clients***</th>
<th>BMOCM Universe****</th>
<th>BMOCM IB Clients*****</th>
<th>StarMine Universe*</th>
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</thead>
<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>
</tbody>
</table>

* 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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