Group Selection
Priced as of September 22, 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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<tbody>
<tr>
<td>Energy</td>
<td>21% / 18% / 23%</td>
<td>38% / 38% / 20%</td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>53% / 46% / 56%</td>
<td>8% / 7% / -8%</td>
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<tr>
<td>Industrials</td>
<td>52% / 46% / 57%</td>
<td>9% / 9% / -4%</td>
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<tr>
<td>CMR Disc</td>
<td>49% / 45% / 53%</td>
<td>7% / 7% / -6%</td>
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<tr>
<td>CMR Stap</td>
<td>50% / 43% / 50%</td>
<td>-9% / -9% / -29%</td>
<td></td>
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<tr>
<td>HLth Care</td>
<td>55% / 53% / 59%</td>
<td>-2% / -1% / -12%</td>
<td></td>
</tr>
<tr>
<td>Financials</td>
<td>50% / 42% / 54%</td>
<td>6% / 6% / -9%</td>
<td></td>
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<tr>
<td>Info Tech</td>
<td>65% / 58% / 65%</td>
<td>-1% / -1% / -13%</td>
<td></td>
</tr>
<tr>
<td>Telecom</td>
<td>52% / 46% / 55%</td>
<td>-12% / -11% / -28%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>61% / 51% / 63%</td>
<td>-11% / -12% / -32%</td>
<td></td>
</tr>
<tr>
<td>Real Estate</td>
<td>47% / 42% / 50%</td>
<td>-5% / -4% / -23%</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

September 22, 2017

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Energy

OG Equip
60 stocks; $280bn

OG E&P
116 stocks; $766bn

OG Drill
15 stocks; $27bn

OG RfMkt
43 stocks; $428bn

Int O&G
29 stocks; $1654bn

Coal&Uran
22 stocks; $77bn

OG StTr
90 stocks; $662bn
Consumer Discretionary

Momentum

AutoMfg → MotcyMfg → MotcyMfg
36 stocks; $1060bn
4 stocks; $44bn

SpCmSrv
8 stocks; $26bn

AutoParts
46 stocks; $383bn

HomeBld
35 stocks; $151bn

Cabl&Sat
22 stocks; $306bn

HmImpRtl
7 stocks; $617bn

Mov&Ent
23 stocks; $345bn

DeptStrs
20 stocks; $100bn

Rstaurnt
15 stocks; $82bn

Education
17 stocks; $61bn

Cas&Gam
37 stocks; $304bn

Footwear
14 stocks; $118bn

InetDmRtl
30 stocks; $915bn

HhldApl
15 stocks; $77bn

CmpElRtl
9 stocks; $39bn

Hmtl&Rsrt
37 stocks; $238bn

HmFrmsh
10 stocks; $33bn

GMrchStrs
12 stocks; $128bn

 especStors
24 stocks; $91bn

CmrElec
11 stocks; $157bn

Mov&Ent
15 stocks; $111bn

Broadcast
32 stocks; $140bn

Rstaurnt
56 stocks; $429bn

Advert
15 stocks; $111bn

Broadcast
32 stocks; $140bn

Rstaurnt
56 stocks; $429bn

LeisPrd
20 stocks; $76bn

LeisFcil
9 stocks; $57bn

HomeFurn
8 stocks; $52bn

Publishing
16 stocks; $52bn

Distrib
8 stocks; $52bn

ApparlRtl
35 stocks; $327bn

Tire&Rub
10 stocks; $102bn

Avrl&Gds
48 stocks; $615bn

Aprl&Gds
48 stocks; $615bn

Cas&Gam
37 stocks; $304bn

Htmrsh
10 stocks; $33bn

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September 22, 2017

Consumer Staples

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September 22, 2017

Health Care

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Momentum

Strength

Biotech
126 stocks; $108.5bn

Pharma
102 stocks; $252.1bn

LiSciSrv
29 stocks; $27.4bn

HCDistrib
19 stocks; $12.4bn

HCFacility
28 stocks; $103bn

Health Care

HCEquip
77 stocks; $85.0bn

HCService
29 stocks; $19.5bn

HCareTec
18 stocks; $6.7bn

MngHCare
12 stocks; $40.1bn

HCSupplls
26 stocks; $14.6bn

77 stocks; $850bn

26 stocks; $146bn

29 stocks; $195bn

29 stocks; $27.4bn

Biotech
126 stocks; $108.5bn
Momentum

September 22, 2017

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Telecommunication Services

AltCar → 10 stocks; $57bn

IntgTelSrv → 62 stocks; $136bn

WlsTelSrv → 2 stocks; $932bn
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 groups 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”
- 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>
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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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<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.
** 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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- **Mkt** = Market Perform - Forecast to perform roughly in line with the analyst's coverage universe on a total return basis;
- **Und** = Underperform - Forecast to underperform the analyst's coverage universe on a total return basis;
- **(S)** = Speculative investment;
- **Spd** = Suspended - Coverage and rating suspended until coverage is reinstated;
- **NR** = No Rated - No rating at this time; and
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