Group Selection
Priced as of July 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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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 (up / down 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.
IndusGas: 6 stocks, $154bn
ComdChm: 43 stocks, $433bn
SpecChm: 68 stocks, $584bn
PapProd: 24 stocks, $109bn
Steel: 60 stocks, $446bn
PaperPkg: 17 stocks, $128bn
Alumin: 19 stocks, $44bn
Gold: 69 stocks, $180bn
DiversChm: 22 stocks, $400bn
Gold: 69 stocks, $180bn
DvrsMng: 18 stocks, $109bn
CstrMat: 28 stocks, $246bn
Silver: 11 stocks, $10bn
PrecMet: 21 stocks, $47bn
Copper: 18 stocks, $110bn
MtGlscnt: 14 stocks, $58bn
FratPrd: 11 stocks, $29bn
Fert&Ag: 29 stocks, $151bn
Consumer Staples

Momentum

Strength

SoftDrnks
19 stocks; $533bn

SprCntrs
12 stocks; $516bn

Dist&Vnt
12 stocks; $367bn

DrugRetail
7 stocks; $159bn

PkgFdMt
123 stocks; $1188bn

Tobacco
13 stocks; $588bn

AgriProd
25 stocks; $108bn

PersPrdct
33 stocks; $514bn

HhldPrdct
17 stocks; $547bn

Brewers
14 stocks; $402bn

FdRetail
36 stocks; $366bn

FdDistri
11 stocks; $20bn
## Telecommunication Services

<table>
<thead>
<tr>
<th>Strength</th>
<th>Momentum</th>
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</thead>
<tbody>
<tr>
<td><strong>AltCar</strong>&lt;br&gt;11 stocks; $59bn</td>
<td><strong>Momentum</strong></td>
</tr>
<tr>
<td><strong>WlsTelSrv</strong>&lt;br&gt;44 stocks; $881bn</td>
<td><strong>Strength</strong></td>
</tr>
<tr>
<td><strong>IntgTelSrv</strong>&lt;br&gt;50 stocks; $1275bn</td>
<td><strong>Momentum</strong></td>
</tr>
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</table>
GasUtil
24 stocks; $239bn

ElecUtil
89 stocks; $1159bn

WaterUtil
23 stocks; $82bn

MultiUtil
34 stocks; $455bn

IPPTrad
24 stocks; $116bn

RenewElec
20 stocks; $55bn
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”
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>
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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>
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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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