Group Selection
Priced as of May 31, 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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<tr>
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<tbody>
<tr>
<td>Energy</td>
<td>28% / 25% / 40%</td>
<td>/ / -15%</td>
<td>-17% / -10%</td>
</tr>
<tr>
<td>Materials</td>
<td>50% / 44% / 63%</td>
<td>/ / -5%</td>
<td>-5% / 2%</td>
</tr>
<tr>
<td>Industrials</td>
<td>54% / 49% / 69%</td>
<td>/ / 3%</td>
<td>2% / 13%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>48% / 46% / 62%</td>
<td>/ / 2%</td>
<td>1% / 12%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>52% / 46% / 66%</td>
<td>/ / 6%</td>
<td>7% / 19%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>48% / 46% / 62%</td>
<td>/ / 2%</td>
<td>1% / 12%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>52% / 46% / 66%</td>
<td>/ / 6%</td>
<td>7% / 19%</td>
</tr>
<tr>
<td>Financials</td>
<td>45% / 42% / 64%</td>
<td>/ / -4%</td>
<td>-7% / 4%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>64% / 59% / 73%</td>
<td>/ / 10%</td>
<td>9% / 18%</td>
</tr>
<tr>
<td>Telecom</td>
<td>50% / 50% / 72%</td>
<td>/ / 9%</td>
<td>8% / 17%</td>
</tr>
<tr>
<td>Utilities</td>
<td>60% / 51% / 73%</td>
<td>/ / 14%</td>
<td>12% / 22%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>46% / 42% / 68%</td>
<td>/ / 0%</td>
<td>-1% / 9%</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

May 31, 2017

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Energy

Coal & Uran
22 stocks; $72bn

OG Drill
16 stocks; $28bn

OG Equip
58 stocks; $290bn

OG RfMkt
46 stocks; $452bn

Int O&G
29 stocks; $155bn

OG StTr
90 stocks; $652bn

OG E&P
114 stocks; $731bn
Materials

Momentum

Strength

FrstPrd
11 stocks; $18bn

MtGlsCnt
14 stocks; $62bn

SpecChm
64 stocks; $492bn

PapProd
26 stocks; $92bn

Alumin
11 stocks; $45bn

PaperPkg
17 stocks; $115bn

CstrMat
27 stocks; $249bn

DiversChm
20 stocks; $347bn

IndusGas
8 stocks; $162bn

Copper
14 stocks; $82bn

Fert&Ag
33 stocks; $127bn

ComdChm
40 stocks; $327bn

Silver
9 stocks; $27bn

Steel
28 stocks; $226bn

DvrsMng
26 stocks; $322bn

Gold
61 stocks; $175bn

PrecMet
22 stocks; $57bn

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May 31, 2017
**Consumer Staples**

**Momentum**

- HhldPrdct (16 stocks; $592bn)
- Brewers (13 stocks; $500bn)
- SoftDrinks (17 stocks; $510bn)

**Strength**

- DrugRetail (8 stocks; $190bn)
- Brewers (13 stocks; $500bn)
- SoftDrinks (17 stocks; $510bn)

- Dist&Vnt (12 stocks; $287bn)
- PersPrdct (5 stocks; $436bn)
- Tobacco (14 stocks; $813bn)

- PkgFdMt (122 stocks; $1257bn)
- FdDistri (12 stocks; $56bn)
- SprCntrs (15 stocks; $472bn)

- AgriProd (25 stocks; $107bn)
- FdRetail (37 stocks; $368bn)
May 31, 2017

Telecommunication Services

Momentum

Strength

AltCar
10 stocks; $58bn

IntgTelSrv
63 stocks; $136bn

WlsTelSrv
42 stocks; $948bn

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Momentum

Strength

Utilities

May 31, 2017

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ElecUtil 33 stocks; $201bn

GasUtil 33 stocks; $201bn

WaterUtil 24 stocks; $86bn

RenewElec 24 stocks; $54bn

IPP Trad 25 stocks; $104bn

MultiUtil 37 stocks; $478bn

Utilities

GasUtil

WaterUtil

RenewElec

IPP Trad

MultiUtil

ElecUtil

Strength

Momentum
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 group's members are outperforming
2. How consistent that outperformance is
3. How the members are 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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ETFs designed to track an index or asset may experience a discrepancy between the ETF’s performance and the performance of its target index known as tracking error. A variety of factors can create a performance gap between ETF and its target index such as the impact of transaction fees and expenses incurred by the ETF, changes in composition of the underlying index/assets, the ETF portfolio manager’s replication strategy and sampling techniques, and the timing of purchases and redemptions of ETF’s shares.

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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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<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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<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.

** 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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(January 2010 - April 2013)

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