Group Selection

Priced as of January 12, 2010

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>Hyperlink</th>
<th>% Outperforming GBL / CDA</th>
<th>Reward/Risk GBL / CDA</th>
<th>Trend Psn GBL / CDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>68% / 63%</td>
<td>★ / ★</td>
<td>9% / 10%</td>
</tr>
<tr>
<td>Materials</td>
<td>68% / 66%</td>
<td>★★ / ★</td>
<td>8% / 9%</td>
</tr>
<tr>
<td>Industrials</td>
<td>55% / 51%</td>
<td>★ / ★</td>
<td>11% / 11%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>57% / 54%</td>
<td>★ / ★</td>
<td>5% / 6%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>51% / 48%</td>
<td>★ / ★</td>
<td>0% / 0%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>47% / 46%</td>
<td>☆ / ☆</td>
<td>6% / 6%</td>
</tr>
<tr>
<td>Financials</td>
<td>51% / 48%</td>
<td>★ / ★</td>
<td>0% / 0%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>55% / 48%</td>
<td>★ / ★</td>
<td>5% / 7%</td>
</tr>
<tr>
<td>Telecom</td>
<td>39% / 36%</td>
<td>☆ / ☆</td>
<td>4% / 5%</td>
</tr>
<tr>
<td>Utilities</td>
<td>34% / 33%</td>
<td>☆ / ☆</td>
<td>3% / 4%</td>
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<tr>
<td>CMR Disc</td>
<td>57% / 54%</td>
<td>★ / ★</td>
<td>5% / 6%</td>
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<td>☆ / ☆</td>
<td>3% / 4%</td>
</tr>
</tbody>
</table>

*Three terms define the relative performance Z-Score rating versus the markets (GBL = S&P Global 1200; CDA = S&P/TSX Composite)

(a) % Outperforming - what percentage of sector members is outperforming the market,
(b) Reward/Risk - how consistent the median relative strength performance of the sector membership (star/bomb ranking), and
(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.
January 12, 2010

Momentum

Strength

OG Drill
29 stocks; $105bn

OG Equip
66 stocks; $317bn

OG RfMkt
53 stocks; $161bn

Int O&G
39 stocks; $221bn

OG StTr
49 stocks; $145bn

OG E&P
99 stocks; $911bn

Coal&Uran
49 stocks; $145bn

Energy

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January 12, 2010

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**Consumer Staples**

- **SprCntrs** 14 stocks; $396bn
- **Dist&Vnt** 13 stocks; $131bn
- **Tobacco** 16 stocks; $348bn
- **AgriProd** 21 stocks; $113bn
- **HhldPrdct** 14 stocks; $341bn
- **DrugRetail** 14 stocks; $101bn
- **SoftDrnks** 16 stocks; $286bn
- **Brewers** 15 stocks; $246bn
- **FdRetail** 30 stocks; $239bn
- **PersPrdct** 26 stocks; $152bn
- **PkgFdMt** 79 stocks; $615bn
- **FdDistri** 11 stocks; $228bn
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Health Care

Momentum

Strength

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13 stocks; $23bn

22 stocks; $23bn

70 stocks; $112bn

22 stocks; $27bn

70 stocks; $1518bn

28 stocks; $82bn

98 stocks; $257bn

28 stocks; $257bn

70 stocks; $336bn

16 stocks; $79bn

10 stocks; $49bn

35 stocks; $122bn

HCService

HCEquip

MngHCare

Biotech

Pharma

HCFacility

HCSuppls

LFSciSrv

HCareTec

HCService

HCDistrib

MngHCare

70 stocks; $336bn

15 stocks; $112bn

13 stocks; $23bn

28 stocks; $82bn

22 stocks; $23bn

98 stocks; $257bn

70 stocks; $1518bn

16 stocks; $79bn

10 stocks; $49bn

35 stocks; $122bn

Health Care
January 12, 2010

Telecommunication Services

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Momentum

Strength

AltCar
17 stocks; $37bn

IntegTelSr
62 stocks; $109bn

WlsTelSrv
44 stocks; $77bn

31 stocks; $37bn

62 stocks; $109bn

44 stocks; $77bn
**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 4,000 securities.
- Groups have a:
  - Minimum of 9 constituents
  - Median depth of 17
  - Average depth of 26

**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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