Group Selection

Priced as of August 19, 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</th>
<th>Reward/Risk</th>
<th>Trend Psn</th>
</tr>
</thead>
<tbody>
<tr>
<td>GBL / CDA</td>
<td>GBL / CDA</td>
<td>GBL / CDA</td>
<td>GBL / CDA</td>
</tr>
<tr>
<td>Energy</td>
<td>51% / 40%</td>
<td>★ / ★</td>
<td>-2% / -1%</td>
</tr>
<tr>
<td>Materials</td>
<td>52% / 43%</td>
<td>★ / ★</td>
<td>11% / 11%</td>
</tr>
<tr>
<td>Industrials</td>
<td>60% / 44%</td>
<td>★ / ★</td>
<td>-6% / -6%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>62% / 48%</td>
<td>★ / ★</td>
<td>-7% / -6%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>69% / 51%</td>
<td>★ / ★</td>
<td>4% / 5%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>52% / 36%</td>
<td>★ / ★</td>
<td>-11% / -8%</td>
</tr>
<tr>
<td>Financials</td>
<td>63% / 48%</td>
<td>★ / ★</td>
<td>-9% / -9%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>54% / 41%</td>
<td>★ / ★</td>
<td>-8% / -11%</td>
</tr>
<tr>
<td>Telecom</td>
<td>63% / 43%</td>
<td>★ / ★</td>
<td>9% / 8%</td>
</tr>
<tr>
<td>Utilities</td>
<td>69% / 51%</td>
<td>★ / ★</td>
<td>5% / 2%</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.
Momentum

Strength

August 19, 2010

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Strength Changes Last Session

- GMarchStrs
- REstDvAct
- SystmSwr
- PkgFdMt
- Marine
- PkgFdMt

- WsTelSrv
- PlkGdMt
- Marine
- HhldApl

- DiversREIT
- AirFrght
- MortgREIT
- SpecStors
- ITConsult
- CompHdwr
- LeisFcl

- MtGlsCnt
- EtcComp
- SpecStors
- Aero&Def
- HhldApl
- DvSpSrv

- REstSrv
- SpecialFin
- IndusREIT
- MarineSr
- Pharma

- ResdREIT
- DiversREIT
- AirFrght
- MarineSr
- HmFnl

- BREmRfMkt
- BREmRfMkt
- BREmRfMkt
- BREmRfMkt
- BREmRfMkt

- Brewers
- DiversBnk
- MilSecHld
- Footwear
- TrdgDist

- Airline
- April&Gds
- ApplicSwr
- AutoParts

- Applied
- Hl&Rsr

- Rstaurnt
- ConsmrFin

- DivCpMkt
- Railroads
- LeisPrd
- SpecChm

- DeptStrs
- TechDist

- SprCntrs

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- SpecChm

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- TechDist

- DeptStrs

- ConsmrFin

- SpecChm

- LeisPrd

- Railroads

- DivCpMkt
Momentum

Strength

OG StTr
56 stocks;$244bn

OG RfMkt
42 stocks;$180bn

Coal&Uran
51 stocks;$127bn

OG Drill
30 stocks;$81bn

OG E&P
215 stocks;$821bn

Int O&G
40 stocks;$189bn

OG Equip
75 stocks;$305bn

OG StTr
56 stocks;$244bn

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75 stocks;$305bn

August 19, 2010

Mark Steele (416) 359-4641

Energy

BMO Capital Markets
## Materials

**August 19, 2010**

**Mark Steele (416) 359-4641**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Stocks</th>
<th>Market Value ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gold</strong></td>
<td>118</td>
<td>323bn</td>
</tr>
<tr>
<td><strong>ComdChm</strong></td>
<td>27</td>
<td>176bn</td>
</tr>
<tr>
<td><strong>MtGlsCnt</strong></td>
<td>12</td>
<td>355bn</td>
</tr>
<tr>
<td><strong>DvrsMng</strong></td>
<td>156</td>
<td>664bn</td>
</tr>
<tr>
<td><strong>PrecMet</strong></td>
<td>57</td>
<td>111bn</td>
</tr>
<tr>
<td><strong>Fert&amp;Ag</strong></td>
<td>40</td>
<td>228bn</td>
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<tr>
<td><strong>IndusGas</strong></td>
<td>10</td>
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<tr>
<td><strong>PaperPkg</strong></td>
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<td><strong>PapProd</strong></td>
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<td><strong>Steel</strong></td>
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<td>592bn</td>
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<tr>
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<td>144bn</td>
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<td><strong>DiversChm</strong></td>
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<td>181bn</td>
</tr>
<tr>
<td><strong>FrstPrd</strong></td>
<td>14</td>
<td>14bn</td>
</tr>
<tr>
<td><strong>Alumin</strong></td>
<td>71</td>
<td>671bn</td>
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<tr>
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<td>14bn</td>
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</tbody>
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Momentum
August 19, 2010

Industrials

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Strength

AirFrght ↑
16 stocks; $138bn

CnstFmM ↑
59 stocks; $303bn

IndCongl ↓
34 stocks; $596bn

Airline ↑
36 stocks; $120bn

Trucking
29 stocks; $40bn

Railroads ↑
13 stocks; $191bn

AirprtSrv
9 stocks; $23bn

Ind Mach ↓
93 stocks; $315bn

Hwy&Rail ↓
9 stocks; $56bn

HvyElcEq ↑
22 stocks; $137bn

TrdgDist ↑
37 stocks; $189bn

OffceServ ↑
13 stocks; $15bn

Cns&Eng ↓
66 stocks; $238bn

BldPrdcts
25 stocks; $65bn

CmclPrt ↑
13 stocks; $23bn

HREmpl
16 stocks; $79bn

DvSpSrv ↓
23 stocks; $30bn

EnvironSer ↓
27 stocks; $62bn

RsrcCslt ↑
26 stocks; $50bn

Marine
35 stocks; $86bn

Aero&Def ↑
52 stocks; $405bn

MarineSrv ↓
14 stocks; $51bn

35 stocks; $86bn

321 stocks; $405bn

52 stocks; $405bn

14 stocks; $51bn

321 stocks; $405bn

321 stocks; $405bn

14 stocks; $51bn

321 stocks; $405bn

321 stocks; $405bn

14 stocks; $51bn

321 stocks; $405bn

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14 stocks; $51bn
August 19, 2010

**Consumer Staples**

**Mark Steele**  
(416) 359-4641

- **Tobacco**  
  16 stocks; $360bn

- **HhldPrdct**  
  14 stocks; $333bn

- **SoftDrinks**  
  16 stocks; $299bn

- **Dist&Vnt**  
  14 stocks; $129bn

- **PkgFdMt**  
  87 stocks; $639bn

- **16 stocks; $360bn**

- **14 stocks; $129bn**

- **87 stocks; $639bn**

- **14 stocks; $129bn**

- **87 stocks; $639bn**

- **16 stocks; $265bn**

- **29 stocks; $124bn**

- **10 stocks; $81bn**

- **16 stocks; $265bn**

- **29 stocks; $124bn**

- **10 stocks; $81bn**

- **11 stocks; $30bn**

- **28 stocks; $166bn**

- **22 stocks; $124bn**

- **12 stocks; $90bn**

- **28 stocks; $166bn**

- **22 stocks; $124bn**

- **12 stocks; $90bn**

- **28 stocks; $166bn**

- **22 stocks; $124bn**

- **12 stocks; $90bn**

- **28 stocks; $166bn**

- **22 stocks; $124bn**

- **12 stocks; $90bn**
Momentum

Strength

HCareTec 12 stocks; $18bn

HCEquip 10 stocks; $309bn

Pharma 81 stocks; $1408bn

HCEquip 10 stocks; $309bn

HCFacility 27 stocks; $32bn

HCService 38 stocks; $112bn

HCDistrib 12 stocks; $51bn

HCSuppls 22 stocks; $87bn

Biotech 106 stocks; $238bn

MngHCare 16 stocks; $100bn

LfSciSrv 29 stocks; $77bn

Health Care

August 19, 2010

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Health Care

HCareTec 12 stocks; $18bn

HCEquip 10 stocks; $309bn

Pharma 81 stocks; $1408bn

HCEquip 10 stocks; $309bn

HCFacility 27 stocks; $32bn

HCService 38 stocks; $112bn

HCDistrib 12 stocks; $51bn

HCSuppls 22 stocks; $87bn

Biotech 106 stocks; $238bn

MngHCare 16 stocks; $100bn

LfSciSrv 29 stocks; $77bn
August 19, 2010

Utilities

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- IPPTrad: 58 stocks, $173bn
- ElecUtil: 75 stocks, $828bn
- MultiUtil: 41 stocks, $386bn
- WaterUtil: 24 stocks, $31bn
- GasUtil: 31 stocks, $139bn
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”
- 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.
BMO NB hereby certifies that the views expressed in this report accurately reflect the firm’s quantitative research model. BMO NB also certifies that no part of the firm’s compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

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