Group Selection

Priced as of May 26, 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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10. Financials
11. Telecom
12. Utilities
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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>66% / 51%</td>
<td>★ / ★</td>
<td>-10% / -16%</td>
</tr>
<tr>
<td>Materials</td>
<td>60% / 48%</td>
<td>★ / ★★</td>
<td>-3% / -8%</td>
</tr>
<tr>
<td>Industrials</td>
<td>64% / 48%</td>
<td>★ / ★★</td>
<td>2% / -3%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>76% / 63%</td>
<td>★★ / ★</td>
<td>3% / -2%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>60% / 40%</td>
<td>★ / ★★</td>
<td>13% / 3%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>65% / 47%</td>
<td>★ / ★★</td>
<td>5% / -2%</td>
</tr>
<tr>
<td>Financials</td>
<td>68% / 49%</td>
<td>★★ / ★★</td>
<td>3% / -3%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>73% / 53%</td>
<td>★★ / ★</td>
<td>6% / -1%</td>
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<tr>
<td>Telecom</td>
<td>55% / 32%</td>
<td>★ / ★★★</td>
<td>26% / 14%</td>
</tr>
<tr>
<td>Utilities</td>
<td>58% / 32%</td>
<td>★ / ★★★</td>
<td>15% / 1%</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.
Strength Changes Last Session

Momentum

May 26, 2010

Strength

WlsTelSrv ← Tobacco ← Brewers ← PkgFdMt → MultiUtil → Reinsuran →
PersPrdct ← ElecUtil ← ConsmrFin ← Educat ←
HldPrdct ← CompHdwr ← ITConsult ← Sec&Alm ←
Mov&Ent ← HmlImpRtl ←
HCFacility ←
RetailREIT ← CmpEIRtl ← LeisFcli ←
ApparRtl ← CmclPrt ← DataProc ←
Airline ←
ApplicSwr ← REstSrv ← OthrDivFS ←
P&C Insur ←

Broadcast ←
GasUtil ←
RegionBnk →

Railroads ← SprCntrs ←

OG StTr ←
ElecComp ← AirFrgh → PapProd ← LifeHthIns ←
Aprl&Gds ← MngHCare ← REstOpCo ←
ElecInstr ←

MotcyMfg ← Aero&Def ← IndCongl ← BldPrdcts ←

Thrt&Mtg ← AutoParts ← HCEquip ←

Ind Mach ←
EMS ←
Advert ←
CnstFmM ←

Hsdware ←
PrcMet ←
CmclChm ←
OG Equip ←
IndsReiT ←

PCStor&P ←
IntrRti ←

Dist&Vnt ←
Alumin ←

DistHCare ←
Prfg →

HhldApl ←
Rbld ←

HCSrv ←
CstrMat ←
MltSecHld ←

HomeBld ← REstDvAct →

InvBnkBrk ←
Multi-Lnlns →

EnvionServ ←

BldPrdct ←

HhldAppl ←

OG Equip ←

Reinsuran ←

Biotech ←
DrugRetail ←

IndusREIT ←

HCSuppls ←

DiversREIT ↓

Cas&Gam ←

PCStor&P ←

Dist&Vnt ←

Alumin ←

Dist&Vnt ←

OG Equip ←

HCSuppls ←

DiversREIT ↓

Cas&Gam ←
<table>
<thead>
<tr>
<th>Sector</th>
<th>Stocks</th>
<th>Market Cap ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>OG StTr</td>
<td>55</td>
<td>216bn</td>
</tr>
<tr>
<td>OG RfMkt</td>
<td>41</td>
<td>172bn</td>
</tr>
<tr>
<td>OG Equip</td>
<td>74</td>
<td>289bn</td>
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<tr>
<td>OG E&amp;P</td>
<td>216</td>
<td>784bn</td>
</tr>
<tr>
<td>OG Drill</td>
<td>30</td>
<td>74bn</td>
</tr>
<tr>
<td>Int O&amp;G</td>
<td>40</td>
<td>1802bn</td>
</tr>
<tr>
<td>Coal&amp;Uran</td>
<td>52</td>
<td>115bn</td>
</tr>
</tbody>
</table>

**Momentum**

**Strength**

May 26, 2010

Mark Steele (416) 359-4641
<table>
<thead>
<tr>
<th>Sector</th>
<th>Strength</th>
<th>Momentum</th>
</tr>
</thead>
<tbody>
<tr>
<td>MtGlsCnt</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14 stocks; $32bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IndusGas</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 stocks; $94bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SpecChm</td>
<td></td>
<td></td>
</tr>
<tr>
<td>47 stocks; $123bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DiversChm</td>
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<tr>
<td>20 stocks; $77bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CstrMat</td>
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<td></td>
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<tr>
<td>21 stocks; $120bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fert&amp;Ag</td>
<td></td>
<td></td>
</tr>
<tr>
<td>40 stocks; $180bn</td>
<td></td>
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<tr>
<td>FrstPrd</td>
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<td></td>
</tr>
<tr>
<td>14 stocks; $19bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PapProd</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30 stocks; $76bn</td>
<td></td>
<td></td>
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<tr>
<td>PaperPkg</td>
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<tr>
<td>10 stocks; $24bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Steel</td>
<td></td>
<td></td>
</tr>
<tr>
<td>69 stocks; $446bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DvrsMng</td>
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<td></td>
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<tr>
<td>162 stocks; $688bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gold</td>
<td></td>
<td></td>
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<tr>
<td>114 stocks; $293bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ComdChm</td>
<td></td>
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</tr>
<tr>
<td>27 stocks; $148bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PrecMet</td>
<td></td>
<td></td>
</tr>
<tr>
<td>57 stocks; $100bn</td>
<td></td>
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</tr>
</tbody>
</table>
Industrials

May 26, 2010

Mark Steele (416) 359-4641

Momentum

Strength

OfficeServ 19 stocks; $177bn
Airline 36 stocks; $107bn
CmclPrt 13 stocks; $24bn
Sec&Alm 9 stocks; $24bn
IndCongl 35 stocks; $558bn
BldPrdcts 24 stocks; $64bn
EnvionSer 20 stocks; $59bn
AirprtSrv 9 stocks; $21bn
DvSpSrv 20 stocks; $29bn

Railroads 13 stocks; $185bn
RsrcCslt 26 stocks; $46bn
MarineSrv 14 stocks; $48bn
Hwy&Rail 9 stocks; $47bn
HvyElcEq 21 stocks; $120bn
ElcCmpEq 78 stocks; $175bn

OffceServ 19 stocks; $177bn
Airline 36 stocks; $107bn
CmclPrt 13 stocks; $24bn
Sec&Alm 9 stocks; $24bn
IndCongl 35 stocks; $558bn
BldPrdcts 24 stocks; $64bn
EnvionSer 20 stocks; $59bn
AirprtSrv 9 stocks; $21bn
DvSpSrv 20 stocks; $29bn

TrdgDist 17 stocks; $165bn
Trucking 29 stocks; $40bn
Aero&Def 55 stocks; $498bn
IndCongl 35 stocks; $558bn
BldPrdcts 24 stocks; $64bn
EnvionSer 20 stocks; $59bn
AirprtSrv 9 stocks; $21bn
DvSpSrv 20 stocks; $29bn

TrdgDist 17 stocks; $165bn
Trucking 29 stocks; $40bn
Aero&Def 55 stocks; $498bn
IndCongl 35 stocks; $558bn
BldPrdcts 24 stocks; $64bn
EnvionSer 20 stocks; $59bn
AirprtSrv 9 stocks; $21bn
DvSpSrv 20 stocks; $29bn

TrdgDist 17 stocks; $165bn
Trucking 29 stocks; $40bn
Aero&Def 55 stocks; $498bn
IndCongl 35 stocks; $558bn
BldPrdcts 24 stocks; $64bn
EnvionSer 20 stocks; $59bn
AirprtSrv 9 stocks; $21bn
DvSpSrv 20 stocks; $29bn

Ind Mach 91 stocks; $293bn
CnstFmM 55 stocks; $253bn

Ind Mach 91 stocks; $293bn
CnstFmM 55 stocks; $253bn

Ind Mach 91 stocks; $293bn
CnstFmM 55 stocks; $253bn
May 26, 2010

Consumer Staples

Mark Steele (416) 359-4641

Momentum

Strength

FdRetail
14 stocks; $237bn

Tobacco
16 stocks; $313bn

Brewers
16 stocks; $237bn

PkgFdMt
85 stocks; $597bn

PersPrdct
27 stocks; $136bn

HhldPrdct
7 stocks; $339bn

FdDistri
10 stocks; $28bn

SoftDrinks
15 stocks; $271bn

SprCntrs
14 stocks; $352bn

Dist&Vnt
13 stocks; $112bn

AgriProd
22 stocks; $577bn

DrugRetail
10 stocks; $92bn

Consumer Staples

Consumer Staples

Consumer Staples

Consumer Staples

Consumer Staples

Consumer Staples

Consumer Staples
<table>
<thead>
<tr>
<th>Utilities</th>
<th>Momentum</th>
<th>Strength</th>
</tr>
</thead>
<tbody>
<tr>
<td>ElecUtil</td>
<td>74 stocks; $758bn</td>
<td></td>
</tr>
<tr>
<td>MultiUtil</td>
<td>41 stocks; $384bn</td>
<td></td>
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<tr>
<td>IPPTrad</td>
<td>55 stocks; $152bn</td>
<td></td>
</tr>
<tr>
<td>GasUtil</td>
<td>32 stocks; $135bn</td>
<td></td>
</tr>
<tr>
<td>WaterUtil</td>
<td>25 stocks; $32bn</td>
<td></td>
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</tbody>
</table>
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.
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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