Group Selection

Priced as of June 7, 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 Relative Strength Profiles*

<table>
<thead>
<tr>
<th>Sector</th>
<th>% Outperforming</th>
<th>Reward/Risk</th>
<th>Trend Psn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>64% / 50%</td>
<td>* / ♣</td>
<td>-4% / -10%</td>
</tr>
<tr>
<td>Materials</td>
<td>60% / 47%</td>
<td>* / ♣</td>
<td>-10% / -15%</td>
</tr>
<tr>
<td>Industrials</td>
<td>64% / 46%</td>
<td>* / ♣</td>
<td>-7% / -16%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>76% / 63%</td>
<td>** / *</td>
<td>-12% / -19%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>62% / 39%</td>
<td>* / ♣</td>
<td>15% / 4%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>65% / 48%</td>
<td>* / ♣</td>
<td>3% / -4%</td>
</tr>
<tr>
<td>Financials</td>
<td>67% / 48%</td>
<td>** / ♣</td>
<td>-6% / -13%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>71% / 48%</td>
<td>** / ♣</td>
<td>-6% / -15%</td>
</tr>
<tr>
<td>Telecom</td>
<td>55% / 32%</td>
<td>* / ♣ ♣</td>
<td>25% / 9%</td>
</tr>
<tr>
<td>Utilities</td>
<td>59% / 28%</td>
<td>* / ♣ ♣ ♣</td>
<td>20% / 6%</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.
<table>
<thead>
<tr>
<th>Sector</th>
<th>Momentum</th>
<th>Strength</th>
</tr>
</thead>
<tbody>
<tr>
<td>OG E&amp;P</td>
<td>215 stocks; $304bn</td>
<td></td>
</tr>
<tr>
<td>OG RfMkt</td>
<td>41 stocks; $172bn</td>
<td></td>
</tr>
<tr>
<td>Int O&amp;G</td>
<td>40 stocks; $180bn</td>
<td></td>
</tr>
<tr>
<td>OG StTr</td>
<td>55 stocks; $219bn</td>
<td></td>
</tr>
<tr>
<td>OG Equip</td>
<td>74 stocks; $270bn</td>
<td></td>
</tr>
<tr>
<td>Coal&amp;Uran</td>
<td>52 stocks; $112bn</td>
<td></td>
</tr>
<tr>
<td>OG Drill</td>
<td>30 stocks; $69bn</td>
<td></td>
</tr>
</tbody>
</table>
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**Consumer Staples**

<table>
<thead>
<tr>
<th>Division</th>
<th>Green</th>
<th>Red</th>
</tr>
</thead>
<tbody>
<tr>
<td>FdDistri</td>
<td>↑</td>
<td></td>
</tr>
<tr>
<td>HhldPrdct</td>
<td>↑</td>
<td></td>
</tr>
<tr>
<td>PkgFdMt</td>
<td>↑</td>
<td></td>
</tr>
<tr>
<td>Dist&amp;Vnt</td>
<td>↓</td>
<td></td>
</tr>
<tr>
<td>FdRetail</td>
<td>↑</td>
<td></td>
</tr>
<tr>
<td>SoftDrns</td>
<td>↑</td>
<td></td>
</tr>
<tr>
<td>Brewers</td>
<td>↑</td>
<td></td>
</tr>
<tr>
<td>AgriProd</td>
<td>↑</td>
<td></td>
</tr>
<tr>
<td>Tobacco</td>
<td>↑</td>
<td></td>
</tr>
<tr>
<td>SprCntrs</td>
<td>↓</td>
<td></td>
</tr>
<tr>
<td>PersPrdct</td>
<td>↓</td>
<td></td>
</tr>
<tr>
<td>DrugRetail</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Green Division**
  - FdDistri: 10 stocks; $28bn
  - HhldPrdct: 14 stocks; $32bn
  - PkgFdMt: 15 stocks; $67bn
  - FdRetail: 34 stocks; $238bn
  - SoftDrns: 12 stocks; $272bn
  - Tobacco: 16 stocks; $320bn
  - SprCntrs: 14 stocks; $350bn
  - PersPrdct: 28 stocks; $148bn

- **Red Division**
  - Dist&Vnt: 13 stocks; $113bn
  - AgriProd: 22 stocks; $98bn
  - DrugRetail: 10 stocks; $86bn

**Total**

- **Green Division**
  - 108 stocks; $1,449bn

- **Red Division**
  - 103 stocks; $1,272bn

**Cumulative Total**: 211 stocks; $2,721bn
Momentum

Strength

June 7, 2010

Telecommunication Services

AltCar
76 stocks; $26bn

IntegTelSrv
66 stocks; $922bn

WlsTelSrv
45 stocks; $740bn

Mark Steele (416) 359-4641
June 7, 2010

Utilities

Momentum

Strength

GasUtil 42 stocks: $392bn

MultiUtil 24 stocks: $28bn

WaterUtil 74 stocks: $755bn

ElecUtil 112 stocks: $136bn

IPPTrad 55 stocks: $153bn
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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