Group Selection
Priced as of September 22, 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 GBL / CDA</th>
<th>Reward/Risk GBL / CDA</th>
<th>Trend Psn GBL / CDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>52% / 38%</td>
<td>★ / ★</td>
<td>-1% / 10%</td>
</tr>
<tr>
<td>Materials</td>
<td>52% / 43%</td>
<td>★ / ★</td>
<td>16% / 26%</td>
</tr>
<tr>
<td>Industrials</td>
<td>54% / 41%</td>
<td>★ / ★</td>
<td>0% / 9%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>52% / 40%</td>
<td>★ / ★</td>
<td>1% / 10%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>72% / 54%</td>
<td>★★ / ★★</td>
<td>-3% / 10%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>49% / 37%</td>
<td>★ / ★</td>
<td>-1% / 7%</td>
</tr>
<tr>
<td>Financials</td>
<td>54% / 41%</td>
<td>★ / ★</td>
<td>-4% / 8%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>47% / 36%</td>
<td>★ / ★</td>
<td>1% / 13%</td>
</tr>
<tr>
<td>Telecom</td>
<td>70% / 58%</td>
<td>★★ / ★★</td>
<td>5% / 17%</td>
</tr>
<tr>
<td>Utilities</td>
<td>70% / 59%</td>
<td>★★ / ★★</td>
<td>-8% / 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.
September 22, 2010

Resources

Mark Steele (416) 359-4641

Momentum

Strength

IndusGas ➔ 10 stocks; $114bn
DiversChm ➔ 19 stocks; $198bn
OG RfMkt ➔ 42 stocks; $215bn

SpecChm ➔ 50 stocks; $157bn
OG Equip ➔ 74 stocks; $225bn
Alumin ➔ 11 stocks; $66bn

ComdChm ➔ 27 stocks; $188bn
Coal&Uran ➔ 13 stocks; $135bn
MtGlsCnt ➔ 11 stocks; $36bn

PrecMet ➔ 59 stocks; $127bn
DvrsMng ➔ 154 stocks; $735bn

Gold ➔ 123 stocks; $362bn
OG StTr ➔ 39 stocks; $557bn

PapProd ➔ 30 stocks; $87bn
Fert&Ag ➔ 40 stocks; $237bn

Steel ➔ 70 stocks; $614bn
CstrMat ➔ 21 stocks; $123bn

Int O&G ➔ 38 stocks; $199bn
PaperPkg ➔ 10 stocks; $27bn

OG Drill ➔ 30 stocks; $90bn
OG E&P ➔ 216 stocks; $860bn

FrstPrd ➔ 74 stocks; $188bn

Resources

BMO Capital Markets
September 22, 2010

**Consumer Staples**

- **HhldPrdct**: 14 stocks; $347bn
- **SprCntrs**: 14 stocks; $395bn
- **PersPrdct**: 28 stocks; $179bn
- **FdRetail**: 34 stocks; $272bn
- **AgriProd**: 29 stocks; $133bn
- **Tobacco**: 16 stocks; $385bn
- **Dist&Vnt**: 14 stocks; $135bn
- **Brewers**: 16 stocks; $296bn
- **SoftDrnks**: 15 stocks; $306bn
- **DrugRetail**: 10 stocks; $86bn
- **PkgFdMt**: 88 stocks; $668bn
- **FdDistri**: 11 stocks; $32bn

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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 are members 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.
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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