Group Selection
Priced as of February 4, 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>69% / 63%</td>
<td>★★ / ★</td>
<td>-1% / 2%</td>
</tr>
<tr>
<td>Materials</td>
<td>67% / 64%</td>
<td>★★ / ★</td>
<td>-9% / -10%</td>
</tr>
<tr>
<td>Industrials</td>
<td>54% / 48%</td>
<td>★ / ★</td>
<td>4% / 6%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>56% / 50%</td>
<td>★ / ★</td>
<td>10% / 13%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>58% / 53%</td>
<td>★ / ★</td>
<td>17% / 21%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>57% / 50%</td>
<td>★ / ★</td>
<td>11% / 11%</td>
</tr>
<tr>
<td>Financials</td>
<td>49% / 42%</td>
<td>★ / ★</td>
<td>7% / 7%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>55% / 51%</td>
<td>★ / ★</td>
<td>5% / 7%</td>
</tr>
<tr>
<td>Telecom</td>
<td>46% / 43%</td>
<td>★ / ★</td>
<td>11% / 10%</td>
</tr>
<tr>
<td>Utilities</td>
<td>49% / 42%</td>
<td>★ / ★</td>
<td>7% / 9%</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.
February 4, 2010

Energy

Momentum

Strength

OG Drill
30 stocks, $103bn

Coal & Uran
50 stocks, $123bn

OG StTr
54 stocks, $205bn

OG Equip
72 stocks, $311bn

OG E&P
202 stocks, $771bn

Int O&G
29 stocks, $199bn

OG RfMkt
41 stocks, $184bn

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Momentum

Strength

Fert&Ag
39 stocks; $215bn

ComdChm
22 stocks; $1.39tn

DiversChm
17 stocks; $177bn

PrecMet
58 stocks; $1.03tn

FrstPrd
14 stocks; $18bn

Steel
66 stocks; $492bn

PapProd
30 stocks; $76bn

Alumin
10 stocks; $48bn

IndusGas
10 stocks; $96bn

PaperPkg
10 stocks; $23bn

Gold
107 stocks; $243bn

CstrMat
20 stocks; $127bn

DvrsMng
151 stocks; $737bn

SpecChm
42 stocks; $110bn

MtGlsCnt
14 stocks; $31bn
Telecommunication Services

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AltCar
16 stocks; $33bn

WlsTelSrv
45 stocks; $753bn

IntegTelSr
87 stocks; $1002bn

Momentum

Strength
Utilities

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Utilities

WaterUtil
24 stocks; $31bn

MultiUtil
39 stocks; $430bn

IPPTrad
52 stocks; $176bn

GasUtil
31 stocks; $135bn

ElecUtil
72 stocks; $861bn
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).
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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