Group Selection

Priced as of July 13, 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>53% / 39%</td>
<td>0% / 2%</td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>56% / 40%</td>
<td>-6% / -2%</td>
<td></td>
</tr>
<tr>
<td>Industrials</td>
<td>62% / 42%</td>
<td>-3% / 4%</td>
<td></td>
</tr>
<tr>
<td>CMR Disc</td>
<td>69% / 51%</td>
<td>-10% / -5%</td>
<td></td>
</tr>
<tr>
<td>CMR Stap</td>
<td>71% / 44%</td>
<td>3% / 6%</td>
<td></td>
</tr>
<tr>
<td>Hlth Care</td>
<td>58% / 40%</td>
<td>-12% / -5%</td>
<td></td>
</tr>
<tr>
<td>Financials</td>
<td>68% / 45%</td>
<td>2% / 8%</td>
<td></td>
</tr>
<tr>
<td>Info Tech</td>
<td>61% / 40%</td>
<td>2% / 4%</td>
<td></td>
</tr>
<tr>
<td>Telecom</td>
<td>65% / 32%</td>
<td>15% / 17%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>65% / 33%</td>
<td>7% / 10%</td>
<td></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

July 13, 2010

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Resources

- Paper Pkg
  - 10 stocks: $25bn
- Divers Chm
  - 19 stocks: $162bn
- Spec Chm
  - 19 stocks: $135bn
- Pap Prod
  - 30 stocks: $80bn
- Indus Gas
  - 10 stocks: $104bn
- Int O&G
  - 40 stocks: $792bn
- Cstr Mat
  - 27 stocks: $123bn
- Fert & Ag
  - 49 stocks: $185bn
- Coal & Uran
  - 71 stocks: $122bn
- Frst Prd
  - 14 stocks: $18bn
- Steel
  - 71 stocks: $548bn
- OG Drill
  - 30 stocks: $83bn
- Dvrs Mng
  - 157 stocks: $631bn
- OG St Tr
  - 55 stocks: $242bn
- Mt Gls Cnt
  - 18 stocks: $34bn
- OG Rf Mkt
  - 41 stocks: $186bn
- OG E&P
  - 213 stocks: $619bn
- Gold
  - 18 stocks: $304bn
- Alumin
  - 10 stocks: $44bn
- Prec Met
  - 56 stocks: $114bn
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Momentum

Strength

Materials

PaperPkg
10 stocks; $2.6bn

DiversChm
19 stocks; $1.62bn

SpecChm
10 stocks; $1.35bn

PapProd
10 stocks; $5.0bn

IndusGas
10 stocks; $1.04bn

CstrMat
21 stocks; $1.23bn

Fert&Ag
49 stocks; $1.95bn

FrstPrd
14 stocks; $1.08bn

Steel
71 stocks; $5.48bn

DvrsMng
157 stocks; $6.31bn

ComdChm
27 stocks; $1.72bn

MtGlsCnt
12 stocks; $3.4bn

Alumin
10 stocks; $4.4bn

Gold
118 stocks; $30.4bn

PrecMet
56 stocks; $11.4bn
Consumer Staples

Brewers
16 stocks; $265bn

SoftDrinks
15 stocks; $296bn

Tobacco
16 stocks; $348bn

FdDistri
10 stocks; $30bn

FdRetail
34 stocks; $252bn

SprCntrs
14 stocks; $364bn

PersPrdct
28 stocks; $169bn

HhdlPrdct
14 stocks; $343bn

PkgFdMt
85 stocks; $646bn

Dist&Vnt
13 stocks; $123bn

AgriProd
22 stocks; $108bn

DrugRetail
10 stocks; $65bn

PersPrdct
28 stocks; $169bn

HhdlPrdct
14 stocks; $343bn

PkgFdMt
85 stocks; $646bn

Dist&Vnt
13 stocks; $123bn

AgriProd
22 stocks; $108bn

DrugRetail
10 stocks; $65bn
July 13, 2010

Information Technology

Momentum

Strength

Semi
11 stocks; $371bn

SemiEqp
41 stocks; $966bn

ElecComp
29 stocks; $148bn

TechDist
15 stocks; $248bn

ComEquip
73 stocks; $403bn

PCStor&P
25 stocks; $101bn

SystmSwr
35 stocks; $422bn

OffElectr
10 stocks; $89bn

EMS
25 stocks; $77bn

ITConsult
39 stocks; $374bn

CompHdwr
19 stocks; $446bn

ApplicSwr
79 stocks; $326bn

ElecInstr
50 stocks; $76bn

InetSftSrv
64 stocks; $228bn

DataProc
36 stocks; $193bn

HmEntSwr
18 stocks; $78bn

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Strength

AltCar
16 stocks; $27bn

InteTelSr
66 stocks; $101bn

WisTelSrv
45 stocks; $824bn

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Telecommunication Services

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Momentum

Strength

Utilities

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MultiUtil
41 stocks; $380bn

IPPTrad
57 stocks; $168bn

ElecUtil
75 stocks; $810bn

GasUtil
32 stocks; $142bn

WaterUtil
24 stocks; $31bn
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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