Group Selection

Priced as of February 5, 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>0% / -5%</td>
</tr>
<tr>
<td>Materials</td>
<td>67% / 65%</td>
<td>** / *</td>
<td>-4% / -13%</td>
</tr>
<tr>
<td>Industrials</td>
<td>54% / 48%</td>
<td>* / *</td>
<td>5% / -4%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>56% / 50%</td>
<td>* / *</td>
<td>12% / 2%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>58% / 53%</td>
<td>* / *</td>
<td>16% / 7%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>57% / 50%</td>
<td>* / *</td>
<td>15% / 5%</td>
</tr>
<tr>
<td>Financials</td>
<td>48% / 42%</td>
<td>/ *</td>
<td>10% / 1%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>55% / 51%</td>
<td>* / *</td>
<td>11% / 2%</td>
</tr>
<tr>
<td>Telecom</td>
<td>46% / 41%</td>
<td>/ *</td>
<td>11% / -3%</td>
</tr>
<tr>
<td>Utilities</td>
<td>50% / 42%</td>
<td>/ *</td>
<td>16% / 2%</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.

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*Strength = % of sector members outperforming GBL/CDA. Momentum = Trend Psn.*
February 5, 2010

Consumer Staples

Mark Steele (416) 359-4641

Momentum

Strength

FdRetail
37 stocks; $234bn

PersPrdct
30 stocks; $156bn

PkgFdMt
80 stocks; $589bn

SoftDrnks
16 stocks; $272bn

AgriProd
23 stocks; $109bn

HhdlPrdct
14 stocks; $334bn

SprCntrs
14 stocks; $370bn

DrugRetail
10 stocks; $94bn

Brewers
15 stocks; $226bn

Dist&Vnt
13 stocks; $125bn

Tobacco
16 stocks; $337bn

FdDistri
11 stocks; $27bn

31 stocks; $234bn

23 stocks; $109bn

80 stocks; $589bn

14 stocks; $334bn

14 stocks; $370bn

10 stocks; $94bn

15 stocks; $226bn

13 stocks; $125bn

16 stocks; $337bn

11 stocks; $27bn

Consumer Staples

BMO Capital Markets

Mark Steele (416) 359-4641
Health Care

February 5, 2010

Mark Steele (416) 359-4641

Momentum

Strength

MngHCare  
16 stocks; $111bn

HCSuppls  
18 stocks; $82bn

Biotech  
100 stocks; $254bn

HCDistrib  
10 stocks; $48bn

HCFacility  
24 stocks; $31bn

HCEquip  
72 stocks; $323bn

Pharma  
73 stocks; $144bn

HCService  
38 stocks; $122bn

LifeSciSrv  
28 stocks; $77bn

HCareTec  
13 stocks; $21bn

Healthcare

18 stocks; $82bn

16 stocks; $111bn

100 stocks; $254bn

10 stocks; $48bn

24 stocks; $31bn

72 stocks; $323bn

73 stocks; $144bn

38 stocks; $122bn

28 stocks; $77bn

13 stocks; $21bn
Telecommunication Services

February 5, 2010

Mark Steele (416) 359-4641

WlsTelSrv
45 stocks; $747bn

AltCar
16 stocks; $33bn

IntegTelSr
47 stocks; $997bn

Momentum
Strength

Telecommunication Services
The diagram represents the utilities sector, divided into three categories: WaterUtil, MultiUtil, and GasUtil. Each category is further divided into two quadrants based on momentum and strength.

- **WaterUtil**: 24 stocks; $31bn
- **MultiUtil**: 39 stocks; $424bn
- **GasUtil**: 31 stocks; $133bn
- **IPPTrad**: 52 stocks; $162bn
- **ElecUtil**: 72 stocks; $849bn
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.
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”
- 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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