Group Selection

Priced as of September 3, 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>49% / 39%</td>
<td>★ / ★</td>
<td>2% / -2%</td>
</tr>
<tr>
<td>Materials</td>
<td>52% / 42%</td>
<td>★ / ★</td>
<td>12% / 9%</td>
</tr>
<tr>
<td>Industrials</td>
<td>57% / 44%</td>
<td>★ / ★</td>
<td>-1% / -3%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>57% / 44%</td>
<td>★ / ★</td>
<td>0% / -3%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>70% / 54%</td>
<td>★ / ★</td>
<td>-1% / -6%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>50% / 37%</td>
<td>★ / ★</td>
<td>-7% / -8%</td>
</tr>
<tr>
<td>Financials</td>
<td>59% / 45%</td>
<td>★ / ★</td>
<td>0% / -3%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>51% / 39%</td>
<td>★ / ★</td>
<td>-1% / -3%</td>
</tr>
<tr>
<td>Telecom</td>
<td>67% / 52%</td>
<td>★ / ★</td>
<td>3% / -1%</td>
</tr>
<tr>
<td>Utilities</td>
<td>71% / 59%</td>
<td>★★ / ★★</td>
<td>-1% / -7%</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 3, 2010

**Momentum**

**Strength**

Coal & Uran 51 stocks; $129bn
OG Equip 74 stocks; $313bn

Int O&G 65 stocks; $198bn
OG Drill 30 stocks; $85bn

OG E&P 213 stocks; $837bn
OG StTr 58 stocks; $253bn

OG RfMkt 42 stocks; $180bn

OG Equip K

Energy
### Industrials

<table>
<thead>
<tr>
<th>Sector</th>
<th>Stocks</th>
<th>Market Cap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Railroads</td>
<td>13</td>
<td>$200bn</td>
</tr>
<tr>
<td>CnstFmM</td>
<td>99</td>
<td>$312bn</td>
</tr>
<tr>
<td>Airline</td>
<td>35</td>
<td>$122bn</td>
</tr>
<tr>
<td>Ind Mach</td>
<td>92</td>
<td>$324bn</td>
</tr>
<tr>
<td>MarineSrV</td>
<td>14</td>
<td>$52bn</td>
</tr>
<tr>
<td>RsrcCslt</td>
<td>26</td>
<td>$51bn</td>
</tr>
<tr>
<td>IndCongl</td>
<td>33</td>
<td>$609bn</td>
</tr>
<tr>
<td>TrdgDist</td>
<td>38</td>
<td>$187bn</td>
</tr>
<tr>
<td>OfficeSrV</td>
<td>13</td>
<td>$16bn</td>
</tr>
<tr>
<td>HREmpl</td>
<td>16</td>
<td>$31bn</td>
</tr>
<tr>
<td>HvyElcEq</td>
<td>22</td>
<td>$133bn</td>
</tr>
<tr>
<td>BldPrdcts</td>
<td>25</td>
<td>$66bn</td>
</tr>
<tr>
<td>AirprtSrV</td>
<td>9</td>
<td>$24bn</td>
</tr>
<tr>
<td>ElcCmpEq</td>
<td>47</td>
<td>$170bn</td>
</tr>
<tr>
<td>EnvironSr</td>
<td>29</td>
<td>$64bn</td>
</tr>
<tr>
<td>Aero&amp;Def</td>
<td>52</td>
<td>$410bn</td>
</tr>
<tr>
<td>Hwy&amp;Rail</td>
<td>9</td>
<td>$58bn</td>
</tr>
<tr>
<td>CmclPrt</td>
<td>13</td>
<td>$23bn</td>
</tr>
<tr>
<td>Marine</td>
<td>35</td>
<td>$84bn</td>
</tr>
<tr>
<td>AirFrght</td>
<td>16</td>
<td>$142bn</td>
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<tr>
<td>Trucking</td>
<td>29</td>
<td>$41bn</td>
</tr>
<tr>
<td>DvSpSrV</td>
<td>23</td>
<td>$32bn</td>
</tr>
</tbody>
</table>

*September 3, 2010*

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September 3, 2010

Consumer Staples

Momentum

Strength

SprCntrs
14 stocks; $377bn

AgriProd
29 stocks; $127bn

DrugRetail
10 stocks; $82bn

SoftDrinks
15 stocks; $302bn

Dist&Vnt
14 stocks; $132bn

FdDistri
17 stocks; $31bn

HhldPrdct
14 stocks; $335bn

Brewers
16 stocks; $274bn

Tobacco
16 stocks; $368bn

PersPrdct
28 stocks; $173bn

FdRetail
24 stocks; $261bn

PkgFdMt
88 stocks; $655bn

Consumer Staples

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BMO Capital Markets

14 stocks; $377bn
29 stocks; $127bn
10 stocks; $82bn
15 stocks; $302bn
14 stocks; $132bn
17 stocks; $31bn
14 stocks; $335bn
16 stocks; $274bn
16 stocks; $368bn
28 stocks; $173bn
24 stocks; $261bn
88 stocks; $655bn
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 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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