Group Selection

Priced as of June 11, 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
Table of Contents

1. Sector View
2. Strength Changes Last Session
3. Resource Summary
4. Energy
5. Materials
6. Industrials
7. Consumer Discretionary
8. Consumer Staples
9. Health Care
10. Financials
11. Telecom
12. Utilities
13. User Guide
## Sector Relative Strength Profiles*

<table>
<thead>
<tr>
<th>Sector</th>
<th>% Outperforming GBL</th>
<th>Reward/Risk GBL</th>
<th>Trend Psn GBL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>63% / 48%</td>
<td>★ / ★</td>
<td>6% / 1%</td>
</tr>
<tr>
<td>Materials</td>
<td>60% / 45%</td>
<td>★ / ★</td>
<td>0% / -4%</td>
</tr>
<tr>
<td>Industrials</td>
<td>63% / 46%</td>
<td>★ / ★</td>
<td>-1% / -4%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>75% / 61%</td>
<td>★★ / ★</td>
<td>-5% / -7%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>64% / 39%</td>
<td>★ / ★</td>
<td>9% / 1%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>64% / 46%</td>
<td>★ / ★</td>
<td>1% / -4%</td>
</tr>
<tr>
<td>Financials</td>
<td>67% / 47%</td>
<td>★★ / ★</td>
<td>-3% / -6%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>70% / 47%</td>
<td>★ / ★</td>
<td>-4% / -8%</td>
</tr>
<tr>
<td>Telecom</td>
<td>56% / 31%</td>
<td>★ / ★</td>
<td>21% / 9%</td>
</tr>
<tr>
<td>Utilities</td>
<td>61% / 26%</td>
<td>★ / ★</td>
<td>4% / -1%</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

Strength

June 11, 2010

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Resources

MtGlScnt
14 stocks; $34bn

OG E&P
215 stocks; $849bn

Gold
116 stocks; $307bn

PapProd
10 stocks; $25bn

PaperPkg
10 stocks; $25bn

PrecMet
27 stocks; $111bn

ComdChm
27 stocks; $158bn

DiversChm
20 stocks; $185bn

OG StTr
55 stocks; $230bn

FrstPrd
14 stocks; $19bn

OG RfMkt
41 stocks; $179bn

IndusGas
10 stocks; $98bn

OG Equip
74 stocks; $292bn

OG Drill
30 stocks; $72bn

Fert&Ag
20 stocks; $196bn

CstrMat
21 stocks; $125bn

Alumin
10 stocks; $43bn

Steel
21 stocks; $544bn

14 stocks; $34bn

215 stocks; $849bn

116 stocks; $307bn

10 stocks; $25bn

10 stocks; $25bn

27 stocks; $111bn

27 stocks; $158bn

20 stocks; $185bn

55 stocks; $230bn

14 stocks; $19bn

41 stocks; $179bn

10 stocks; $98bn

74 stocks; $292bn

30 stocks; $72bn

20 stocks; $196bn

21 stocks; $125bn

10 stocks; $43bn

21 stocks; $544bn

14 stocks; $34bn

215 stocks; $849bn

116 stocks; $307bn

10 stocks; $25bn

10 stocks; $25bn

27 stocks; $111bn

27 stocks; $158bn

20 stocks; $185bn

55 stocks; $230bn

14 stocks; $19bn

41 stocks; $179bn

10 stocks; $98bn

74 stocks; $292bn

30 stocks; $72bn

20 stocks; $196bn

21 stocks; $125bn

10 stocks; $43bn

21 stocks; $544bn
June 11, 2010

Momentum vs. Strength

Materials

MtGlsCnt
14 stocks; $34bn

Gold
176 stocks; $307bn

PapProd
30 stocks; $81bn

PaperPkg
10 stocks; $25bn

PrecMet
27 stocks; $111bn

ComdChm
27 stocks; $158bn

DiversChm
20 stocks; $185bn

FrstPrd
14 stocks; $19bn

SpecChm
48 stocks; $135bn

IndusGas
10 stocks; $98bn

DvrsMng
159 stocks; $527bn

Fert&Ag
80 stocks; $186bn

CstrMat
24 stocks; $126bn

Alumin
10 stocks; $43bn

Steel
71 stocks; $544bn

Mark Steele (416) 359-4641

BMO Capital Markets
June 11, 2010

Consumer Staples

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Momentum

Strength

PkgFdMt
15 stocks; $630bn

Dist&Vnt
13 stocks; $120bn

Tobacco
16 stocks; $327bn

FdDistri
10 stocks; $36bn

HhlPrdct
14 stocks; $334bn

Brewers
14 stocks; $248bn

SprCntrs
14 stocks; $358bn

AgriProd
22 stocks; $102bn

FdRetail
34 stocks; $242bn

SoftDrnks
15 stocks; $280bn

DrugRetail
10 stocks; $87bn

PersPrdct
28 stocks; $155bn
Health Care

Momentum

Strength

June 11, 2010

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Health Care

HCareTec

13 stocks; $19bn

HCService

39 stocks; $131bn

Pharma

81 stocks; $1364bn

LiSciSrv

29 stocks; $85bn

HCDistrib

72 stocks; $57bn

Biotech

104 stocks; $235bn

MngHCare

16 stocks; $103bn

HCEquip

82 stocks; $219bn

HCFacility

27 stocks; $36bn

HCSuppls

22 stocks; $80bn
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Utilities

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GasUtil
32 stocks; $142bn

MultiUtil
42 stocks; $399bn

ElecUtil
74 stocks; $774bn

WaterUtil
24 stocks; $29bn

IPPTrad
56 stocks; $161bn
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 runs 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).
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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