Group Selection

Priced as of February 24, 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>70% / 63%</td>
<td>★★ / ★</td>
<td>1% / 1%</td>
</tr>
<tr>
<td>Materials</td>
<td>67% / 62%</td>
<td>★★ / ★</td>
<td>-2% / -4%</td>
</tr>
<tr>
<td>Industrials</td>
<td>54% / 47%</td>
<td>★ / ★</td>
<td>5% / 3%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>58% / 50%</td>
<td>★ / ★</td>
<td>12% / 10%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>62% / 52%</td>
<td>★ / ★</td>
<td>12% / 7%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>59% / 51%</td>
<td>★ / ★</td>
<td>9% / 8%</td>
</tr>
<tr>
<td>Financials</td>
<td>48% / 39%</td>
<td>★ / ★</td>
<td>16% / 10%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>57% / 49%</td>
<td>★ / ★</td>
<td>11% / 9%</td>
</tr>
<tr>
<td>Telecom</td>
<td>47% / 39%</td>
<td>★ / ★</td>
<td>-6% / -2%</td>
</tr>
<tr>
<td>Utilities</td>
<td>55% / 41%</td>
<td>★ / ★</td>
<td>2% / -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.
Strength Changes Last Session

OfficeServ ↩ PaperPkg ↩ ApparlRtl ↩ AsstMgmt ↩ AsstMgmt ↩ DvSpSrv ↩
DiversChm ↩ TrdgDist ↩ TechDist ↩ GMrchStrs ↩ GMrchStrs ↩

Tobacco ↩ AgriProd ↩ ComdChm ↩ Semi ↩
AutoParts ↩ LeisPrd ↩ GasUtil ↩
PersPrdct ↩ PkgFdMt ↩ HhdlPrdct ↩ Coal&Uran ↩

Fert&Ag ↩ Brewers ↩ HCSupplls ↩
SpecStors ↩ MngHCare ↩
Htl&Rsrt ↩ AirprtSrv ↩ ApplcSwr ↩ CnstFmM ↩ Footwear ↩
SoftDrnks ↩ Advert ↩

Educat ↩ Multi-LnIns ↩ Hsware ↩
Distrib ↩ AirFght ↩
Aprl&Gds ↩ SpCmSrv ↩ MarineSrv ↩
OthrDivFS ↩ MtGlsCnt ↩ Trucking ↩ DrugRetail ↩ ElcCmpEq ↩

Hw&Rail ↩ CatalgRtl ↩ Int O&G ↩
HCFacility ↩ LifeHthIns ↩ OG RfMkt ↩
FdRetail ↩ HmlmpRtl ↩
ElecInstr ↩
AutoMfg ↩ Biotech ↩
Sec&Alm ↩ SemiEqp ↩
CmclPrt ↩ OffElectr ↩ Publishing ↩
February 24, 2010

Consumer Staples

Mark Steele (416) 359-4641

Momentum

Strength

FdDistri 17 stocks; $29bn
AgriProd 23 stocks; $114bn
Tobacco 16 stocks; $352bn

PersPrdct 80 stocks; $162bn
PkgFdMt 80 stocks; $612bn
HhldPrdct 14 stocks; $348bn

Brewers 15 stocks; $234bn

DrugRetail 10 stocks; $101bn

SoftDrinks 16 stocks; $283bn

Dist&Vnt 13 stocks; $126bn

Suppliers

Tobacco

DrugRetail

PersPrdct

PkgFdMt

HhldPrdct

Brewers

SoftDrinks

Dist&Vnt
**Health Care**

**Momentum**

- **HCService**
  - 39 stocks; $126bn

- **HCDistrib**
  - 11 stocks; $49bn

- **HCEquip**
  - 78 stocks; $339bn

- **HCSupplis**
  - 20 stocks; $81bn

- **MngHCare**
  - 16 stocks; $111bn

- **HCFacility**
  - 25 stocks; $32bn

- **Biotech**
  - 101 stocks; $261bn

- **Pharma**
  - 74 stocks; $146bn

**Strength**

- **HCareTec**
  - 73 stocks; $22bn

- **Health Care**
  - 13 stocks; $22bn

- **HCService**
  - 39 stocks; $126bn

- **HCDistrib**
  - 11 stocks; $49bn

- **HCEquip**
  - 78 stocks; $339bn

- **HCSupplis**
  - 20 stocks; $81bn

- **MngHCare**
  - 16 stocks; $111bn

- **HCFacility**
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  - 74 stocks; $146bn
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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