Group Selection

Priced as of July 22, 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>Hyperlink</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>54% / 39%</td>
<td>★ / ★</td>
<td>0% / 8%</td>
</tr>
<tr>
<td>Materials</td>
<td>56% / 40%</td>
<td>★ / ★</td>
<td>0% / 9%</td>
</tr>
<tr>
<td>Industrials</td>
<td>61% / 41%</td>
<td>★ / ★</td>
<td>1% / 11%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>67% / 49%</td>
<td>★ / ★</td>
<td>-4% / 5%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>73% / 46%</td>
<td>★ / ★</td>
<td>5% / 12%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>57% / 38%</td>
<td>★ / ★</td>
<td>-20% / -11%</td>
</tr>
<tr>
<td>Financials</td>
<td>66% / 44%</td>
<td>★ / ★</td>
<td>-2% / 10%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>59% / 40%</td>
<td>★ / ★</td>
<td>-4% / 7%</td>
</tr>
<tr>
<td>Telecom</td>
<td>61% / 34%</td>
<td>★ / ★</td>
<td>11% / 25%</td>
</tr>
<tr>
<td>Utilities</td>
<td>67% / 34%</td>
<td>★ / ★</td>
<td>7% / 19%</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

July 22, 2010

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Energy

Int O&G
40 stocks; $193.2bn

Coal&Uran
51 stocks; $125bn

OG StTr
55 stocks; $248bn

OG Equip
74 stocks; $314bn

OG Drill
30 stocks; $81bn

OG E&P
212 stocks; $819bn

OG RfMkt
41 stocks; $184bn

OG StTr
55 stocks; $248bn
July 22, 2010

Industrials

Momentum

Strength

CnstFmM 59 stocks, $269bn
Aero&Def 34 stocks, $411bn
CnstFmM 59 stocks, $269bn
Aero&Def 34 stocks, $411bn

TrdgDist 14 stocks, $50bn
EnvironServ 27 stocks, $62bn
TrdgDist 14 stocks, $50bn
EnvironServ 27 stocks, $62bn

AirFght 16 stocks, $135bn
Hwy&Rail 8 stocks, $56bn
AirFght 16 stocks, $135bn
Hwy&Rail 8 stocks, $56bn

CnstFmM 59 stocks, $269bn
Aero&Def 34 stocks, $411bn
CnstFmM 59 stocks, $269bn
Aero&Def 34 stocks, $411bn

EnvironServ 27 stocks, $62bn
Marine 35 stocks, $67bn
EnvironServ 27 stocks, $62bn
Marine 35 stocks, $67bn

Ind Mach 92 stocks, $321bn
AirprtSrv 9 stocks, $23bn
Ind Mach 92 stocks, $321bn
AirprtSrv 9 stocks, $23bn

HREmpl 16 stocks, $31bn
Cns&Eng 65 stocks, $239bn
HREmpl 16 stocks, $31bn
Cns&Eng 65 stocks, $239bn

IndCongl 156 stocks, $594bn
Airline 36 stocks, $117bn
IndCongl 156 stocks, $594bn
Airline 36 stocks, $117bn

Trucking 29 stocks, $42bn
Railroads 29 stocks, $42bn
Trucking 29 stocks, $42bn
Railroads 29 stocks, $42bn

CmclPrt 13 stocks, $23bn
OffceServ 13 stocks, $17bn
CmclPrt 13 stocks, $23bn
OffceServ 13 stocks, $17bn

RsrcCslt 27 stocks, $51bn
Sec&Alm 8 stocks, $25bn
RsrcCslt 27 stocks, $51bn
Sec&Alm 8 stocks, $25bn

ElcCmpEq 50 stocks, $174bn
HvyElcEq 21 stocks, $132bn
ElcCmpEq 50 stocks, $174bn
HvyElcEq 21 stocks, $132bn

Railroads 29 stocks, $42bn
Ind Congl 156 stocks, $594bn
Railroads 29 stocks, $42bn
Ind Congl 156 stocks, $594bn

BldPrdcts 25 stocks, $65bn
OffceServ 13 stocks, $17bn
BldPrdcts 25 stocks, $65bn
OffceServ 13 stocks, $17bn
Consumer Staples

Momentum

Strength

July 22, 2010

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Consumer Staples

- Dist&Vnt → 13 stocks; $126bn
- AgriProd → 22 stocks; $110bn
- HhldPrduct → 14 stocks; $341bn
- PersPrdct → 28 stocks; $171bn
- DrugRetail → 10 stocks; $84bn
- PkgFdMt → 85 stocks; $652bn
- SprCntrs → 14 stocks; $366bn
- FdRetail → 34 stocks; $253bn
- FdDistri → 19 stocks; $30bn
- Brewers → 16 stocks; $267bn
- Tobacco → 16 stocks; $352bn
- SoftDrinks → 12 stocks; $289bn
- PersPrdct → 28 stocks; $171bn
- HhldPrduct → 14 stocks; $341bn

Dist&Vnt
- 13 stocks; $126bn
- AgriProd
- 22 stocks; $110bn

AgriProd
- 22 stocks; $110bn
July 22, 2010

Telecommunication Services

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- WlsTelSrv: 45 stocks, $833bn
- IntegTelSrv: 67 stocks, $1044bn
- AltCar: 16 stocks, $27bn

BMO Capital Markets
Utilities

- GasUtil: 32 stocks, $136bn
- MultiUtil: 41 stocks, $382bn
- WaterUtil: 24 stocks, $31bn
- IPPTrad: 27 stocks, $70bn
- ElecUtil: 75 stocks, $519bn
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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