

Outlook 2022: No Quiet on the Inflation Front

Douglas Porter, CFA

Chief Economist and
Managing Director,
BMO Financial Group
douglas.porter@bmo.com

BMO  **Financial Group**

We're here to help.™

A presentation of BMO Economics
<https://economics.bmo.com>

Russia invades Ukraine



Apart from the human tragedy,
a stagflation shock to the global economy:

Higher commodity prices

Further disruption of global supply chains

Sanctions on Russia:

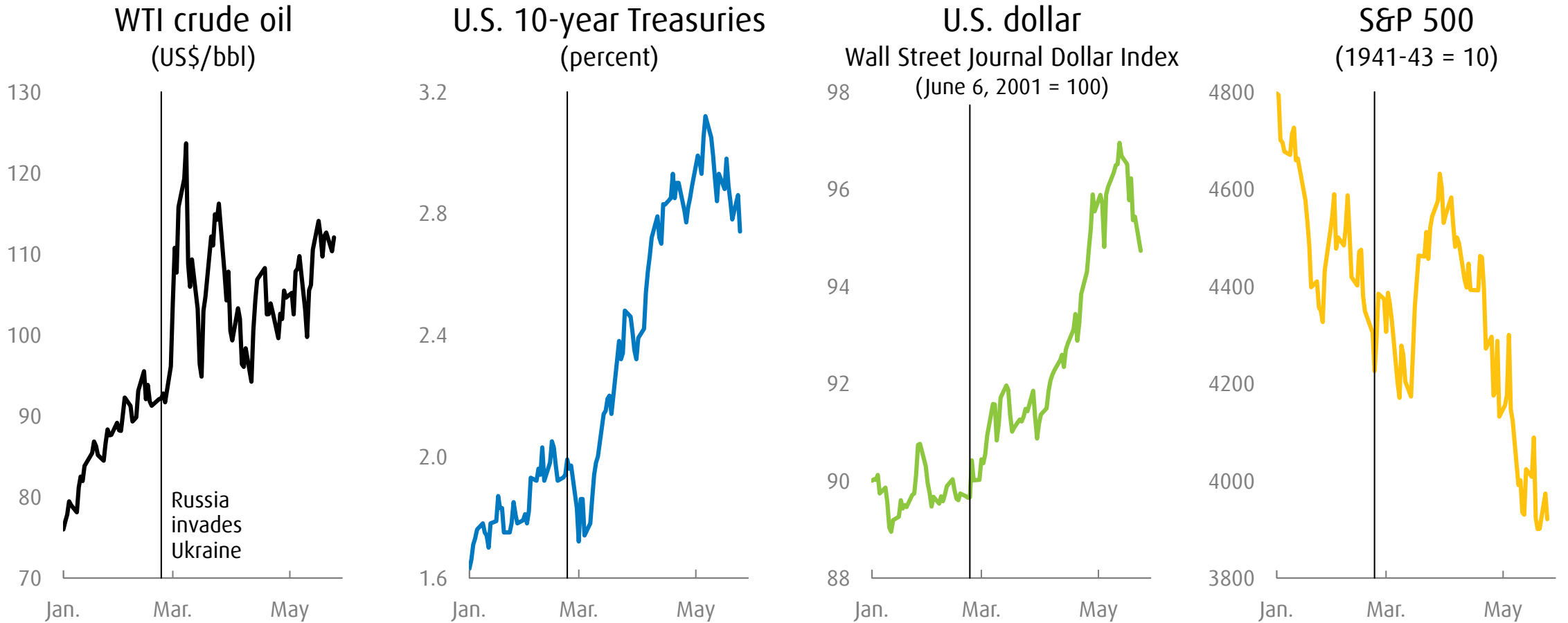
By governments

By companies

Bottom line: Inflation \uparrow , Growth \downarrow

Financial market reaction

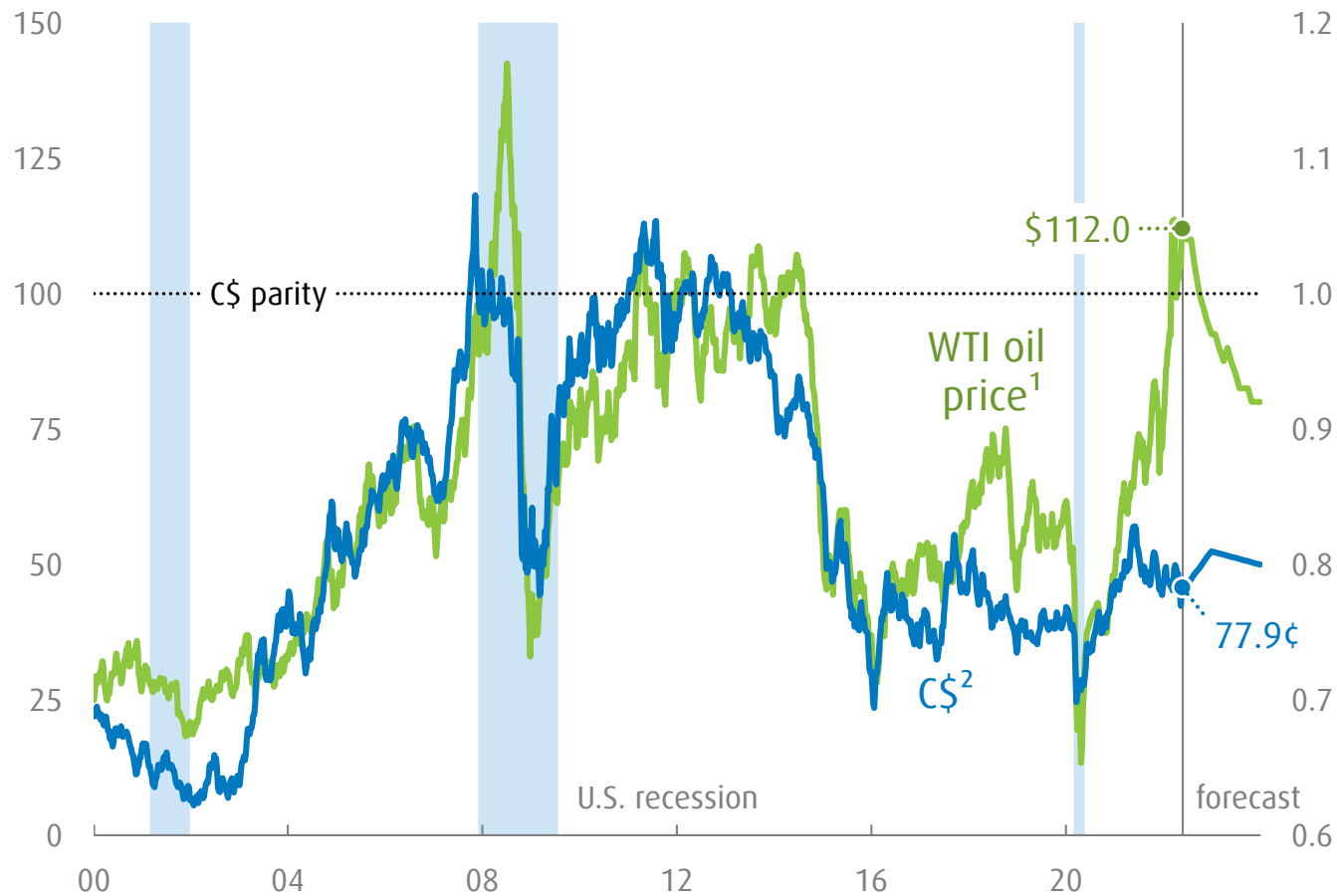
2022 (as of 12:30 p.m., May 24, 2022)



¹ Inverted scale

Canadian dollar and oil: Drift apart

(as of 12:30 p.m., May 24, 2022)



¹ (lhs : US\$/bbl) • ² (rhs : US\$/C\$)

BoC to match the Fed

Current account close to balance

Commodities very supportive

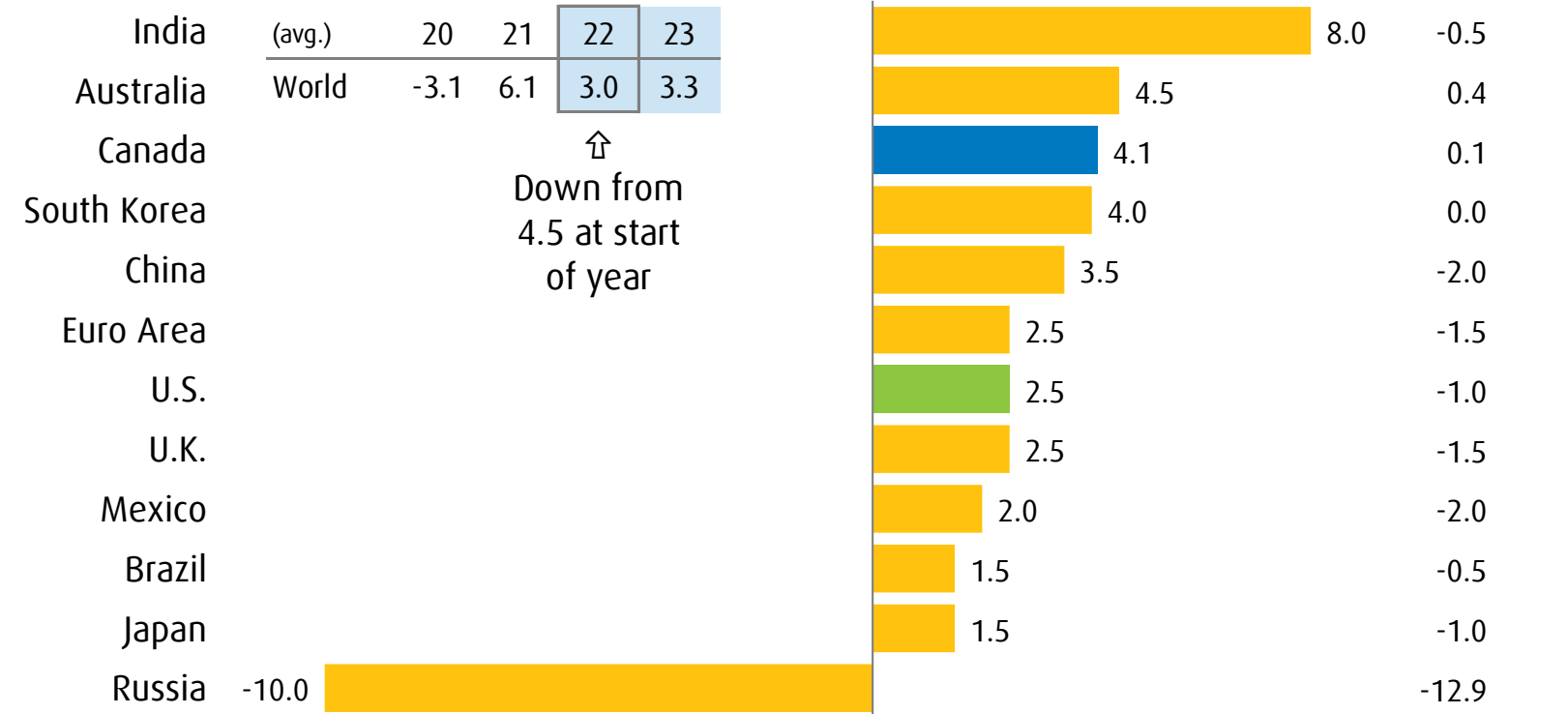
U.S. dollar to weaken in 2023

Growth to slow

2022 forecast (% chng)



Real GDP

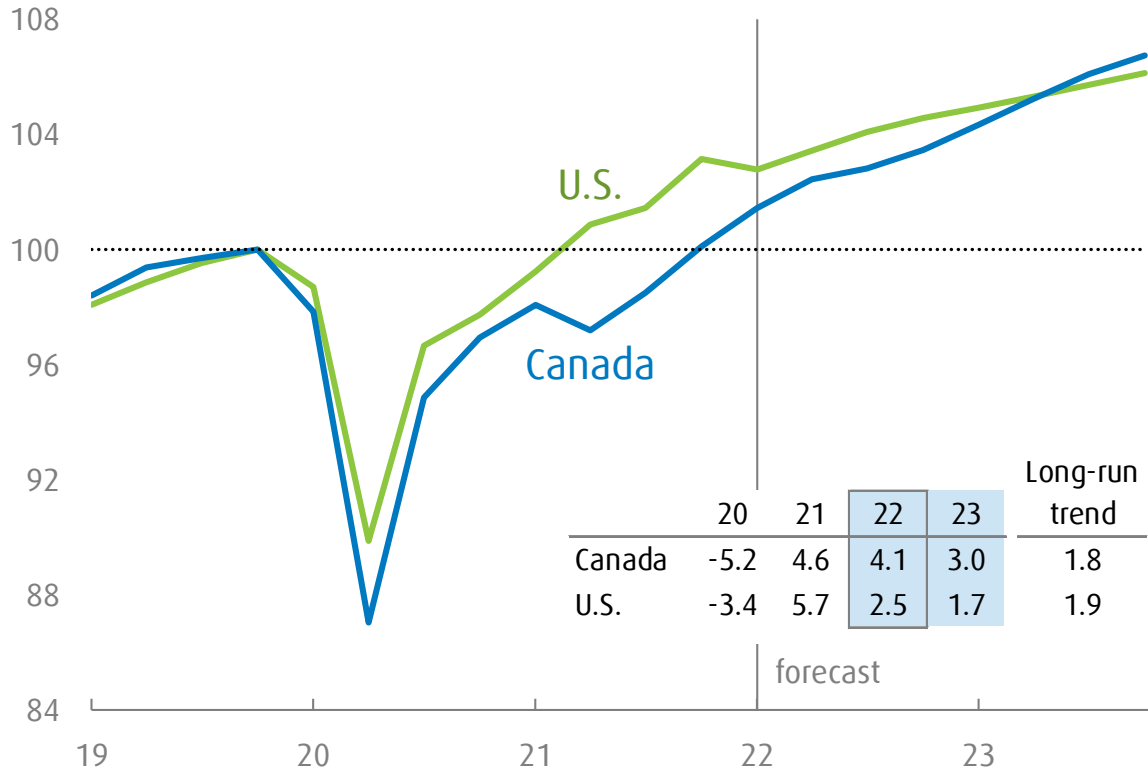


In the way: Supply shortages, higher prices, war

North America slowing after fast start

(2019Q4 = 100)

Real GDP



Recession:

Just two months long, but deepest on record

Recovery:

Solid so far, but conflict clouds outlook

2022:

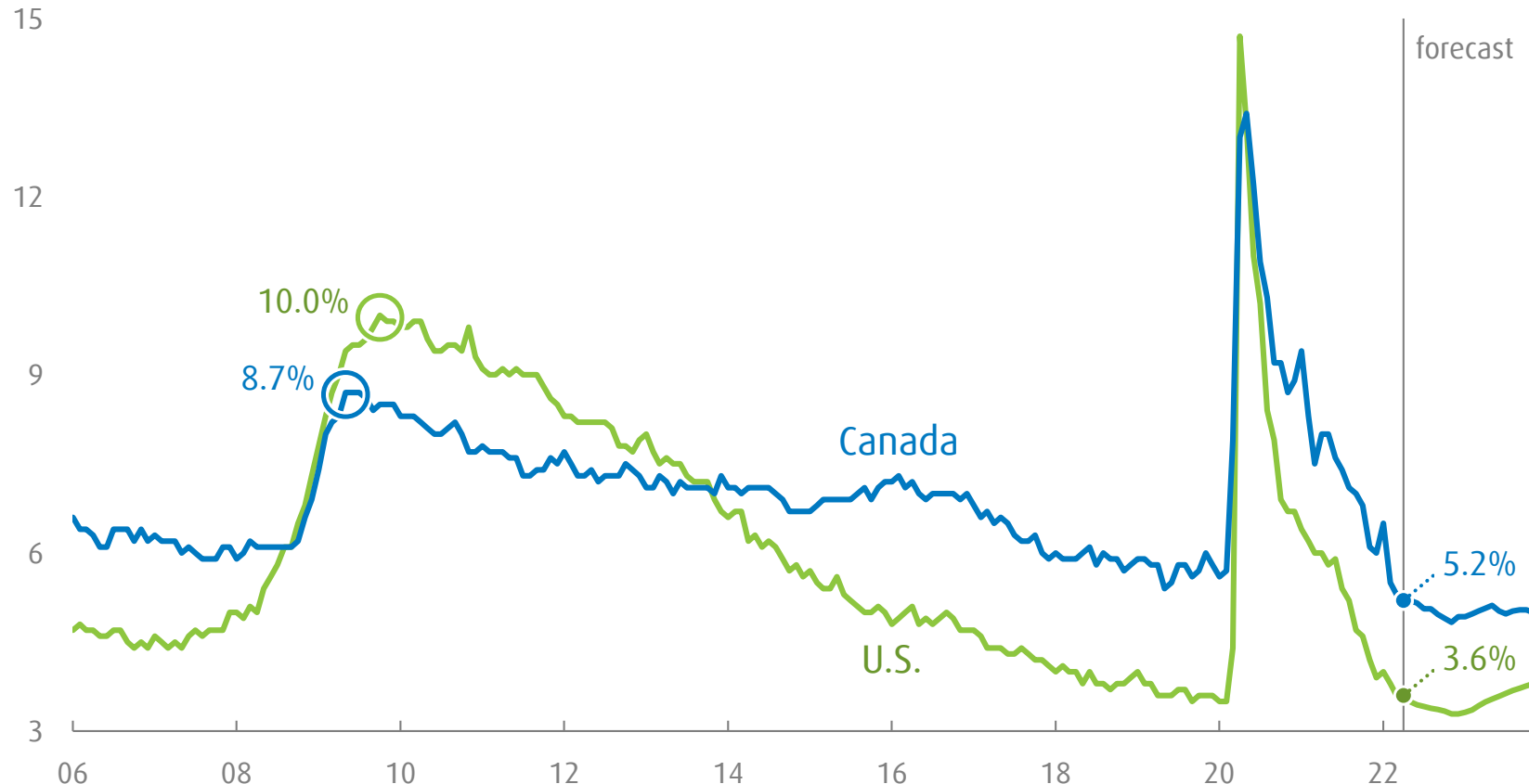
Canada catching up

Canadian GDP: Up 2.1% from pre-pandemic peak in March

Canada: [2022Q1] BMO Economics estimate

Jobless rates: Back to normal

Unemployment rate (percent)



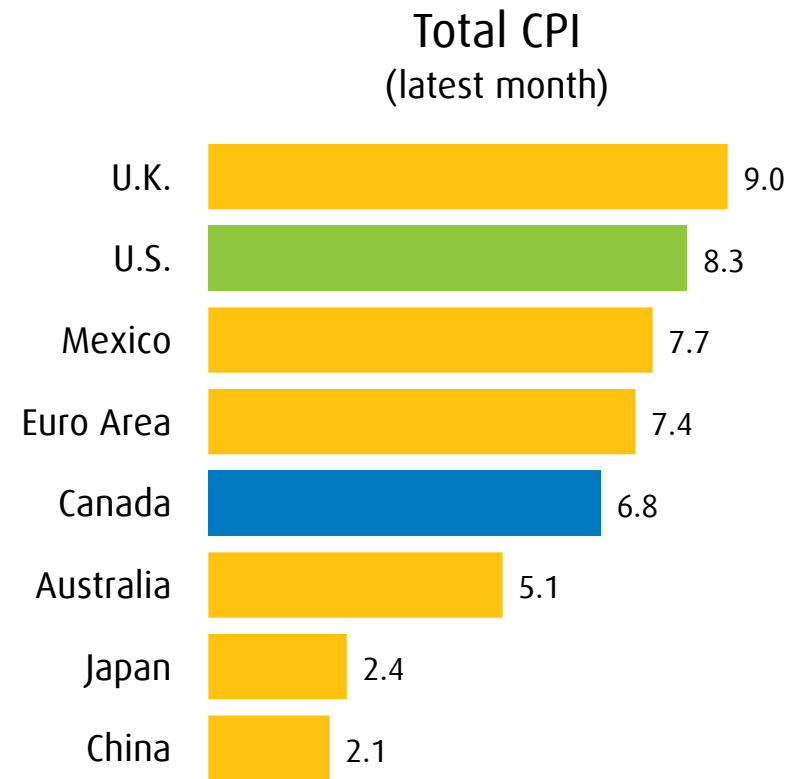
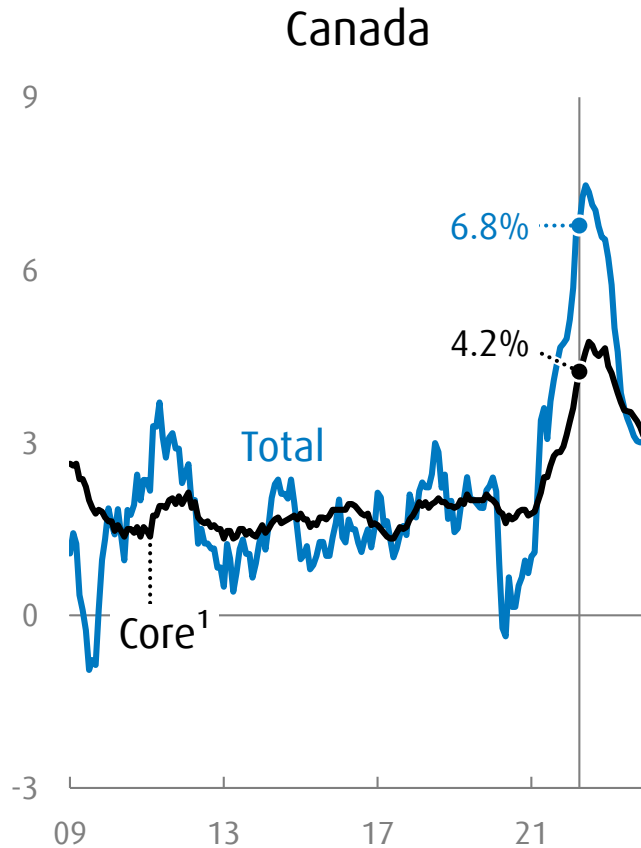
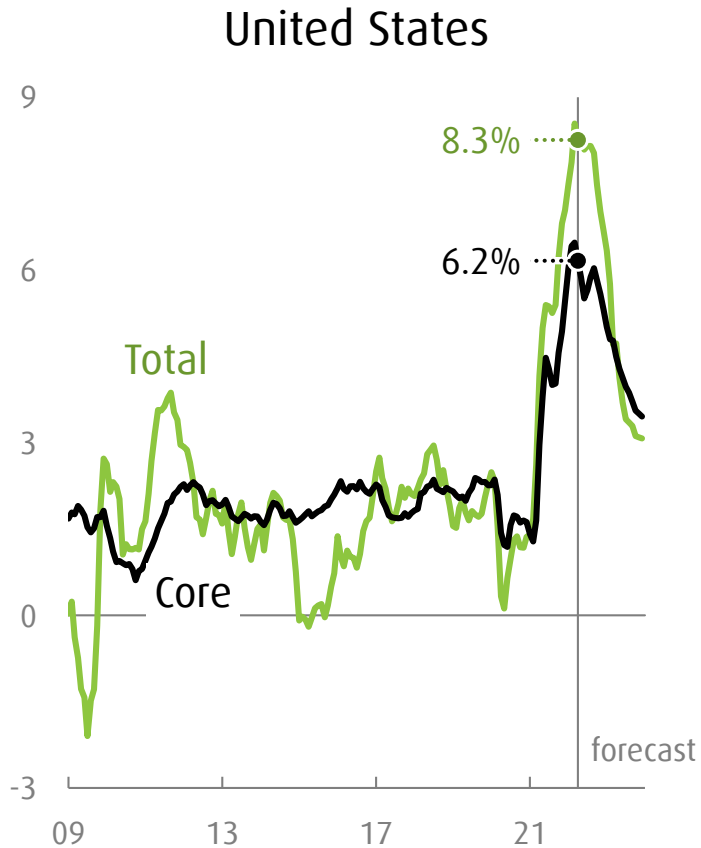
	Current	Pre-COVID ¹
Spain	13.5	13.7
Greece	12.2	15.7
Italy	8.3	9.6
Sweden	7.6	7.9
France	7.4	7.8
Portugal	5.7	6.5
Canada	5.2	5.7
Ireland	4.8	4.8
U.K.	4.1	3.1
Australia	3.9	5.1
U.S.	3.6	3.5
Germany	2.9	3.5
Japan	2.6	2.4

Record job vacancies

¹ February 2020

Inflation jumps... For how long?

Consumer price index (y/y % chng)



Canada calmer: Currency, cars, COVID

¹ Average of three core inflation measures

Inflation and deflation in Canada

Canada – Consumer price index (y/y % chng : as of April 2022)

Deflationary

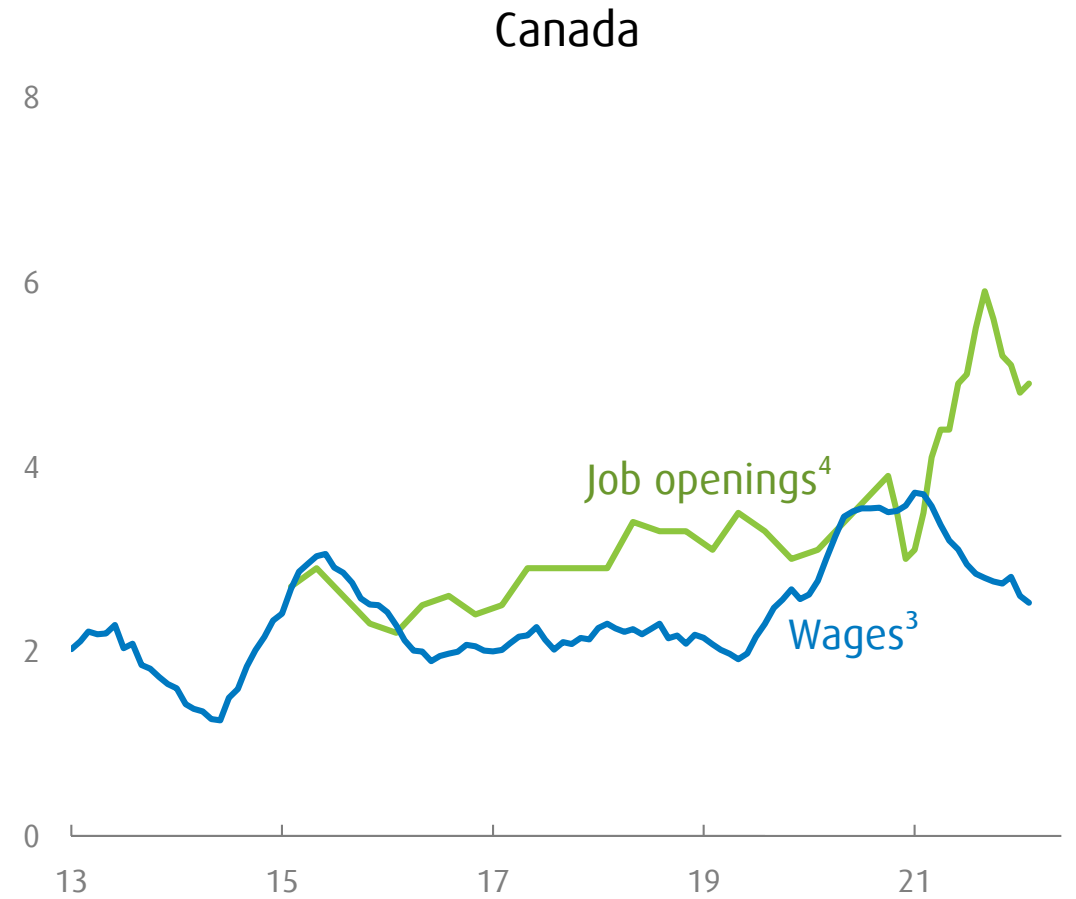
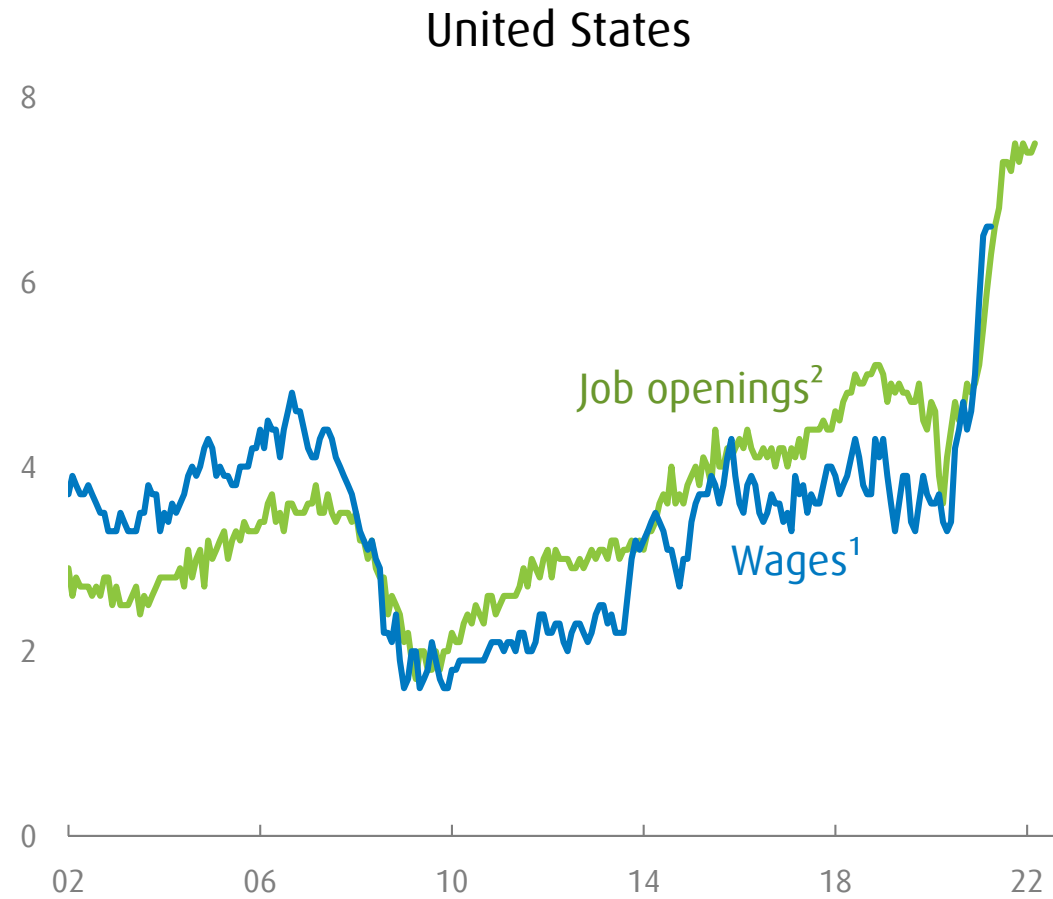
Multipurpose digital devices	-11.6
Computer equipment	-7.2
Telephone services	-6.7
Mortgage interest	-4.4
Public transit	-4.2
Medicinal cannabis	-4.1
Household tools	-3.5
Auto insurance	-3.0
Recreational services	-1.8
Clothing	-1.2

Inflationary

Gasoline	36.3
Hotel/motel rates	30.9
Natural gas	22.2
Car rentals	19.4
Household furniture	13.7
New homes	13.0
Household appliances	12.0
Meat	10.1
Cigarettes	7.1
Rent	4.5

Overall CPI: 6.8%

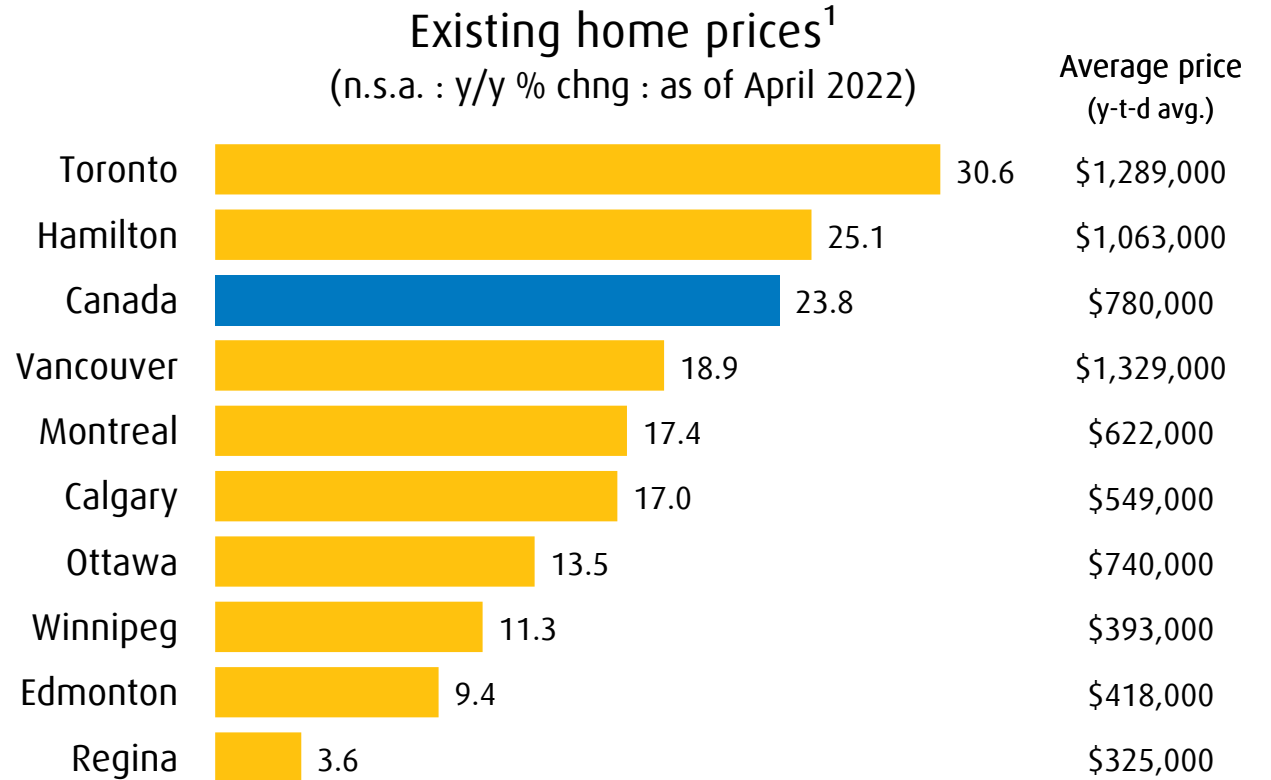
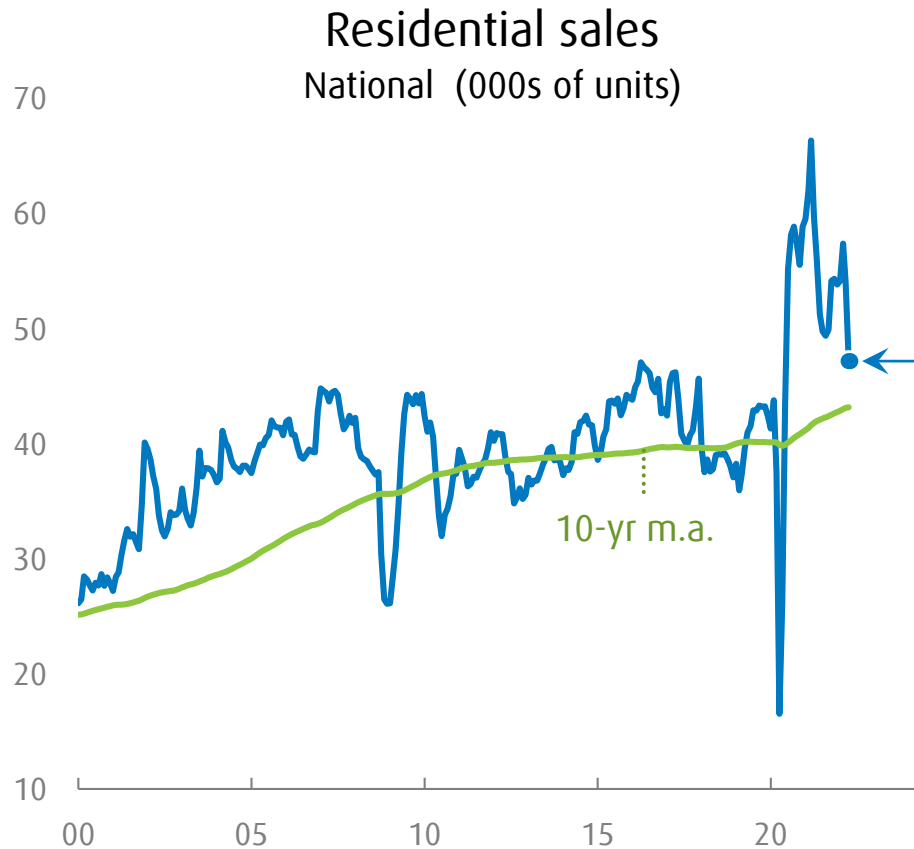
Labour supply a lasting challenge



¹ FRB Atlanta Wage Tracker (weighted : 3-mth m.a. : y/y % chng : lagged 12 mths) • ² Total private (%) • ³ Average Hourly Earnings (12-mth m.a. : y/y % chng) • ⁴ Job Vacancy Rate (%)

Canadian housing: Off the boil

Canada – Homes



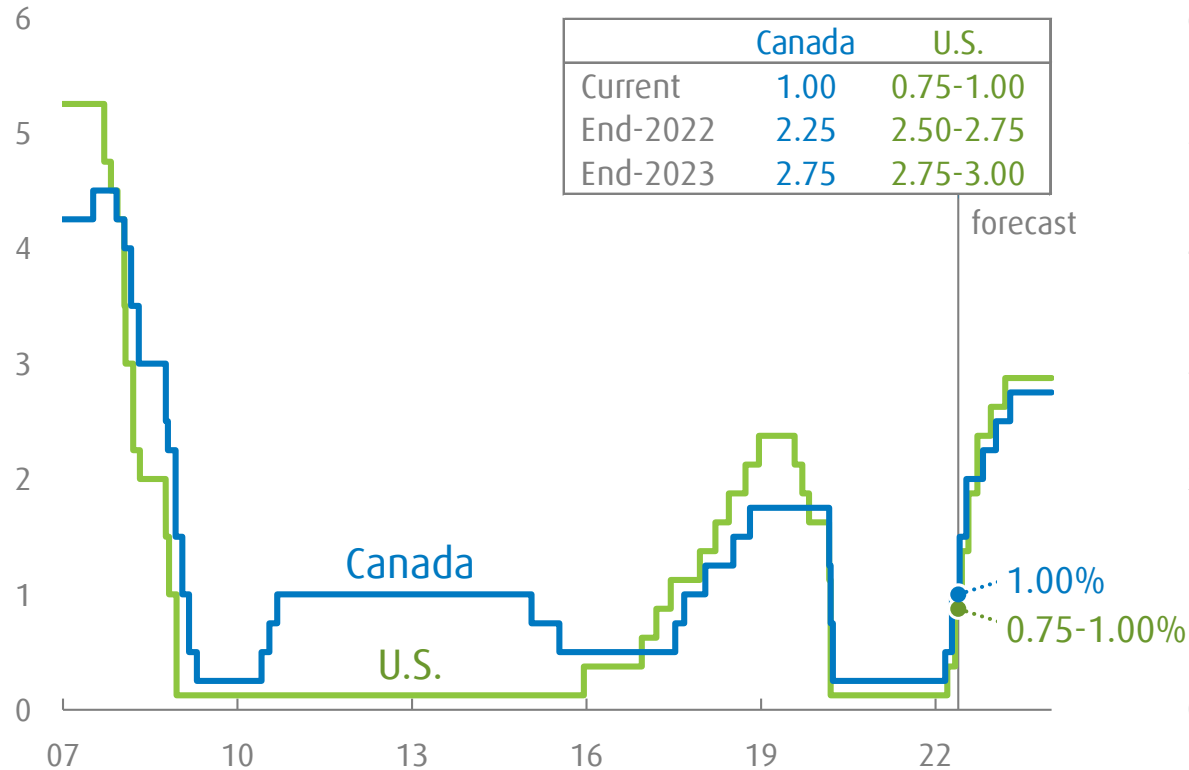
Prices surge in smaller cities, cottage country

¹ HPI composite benchmark

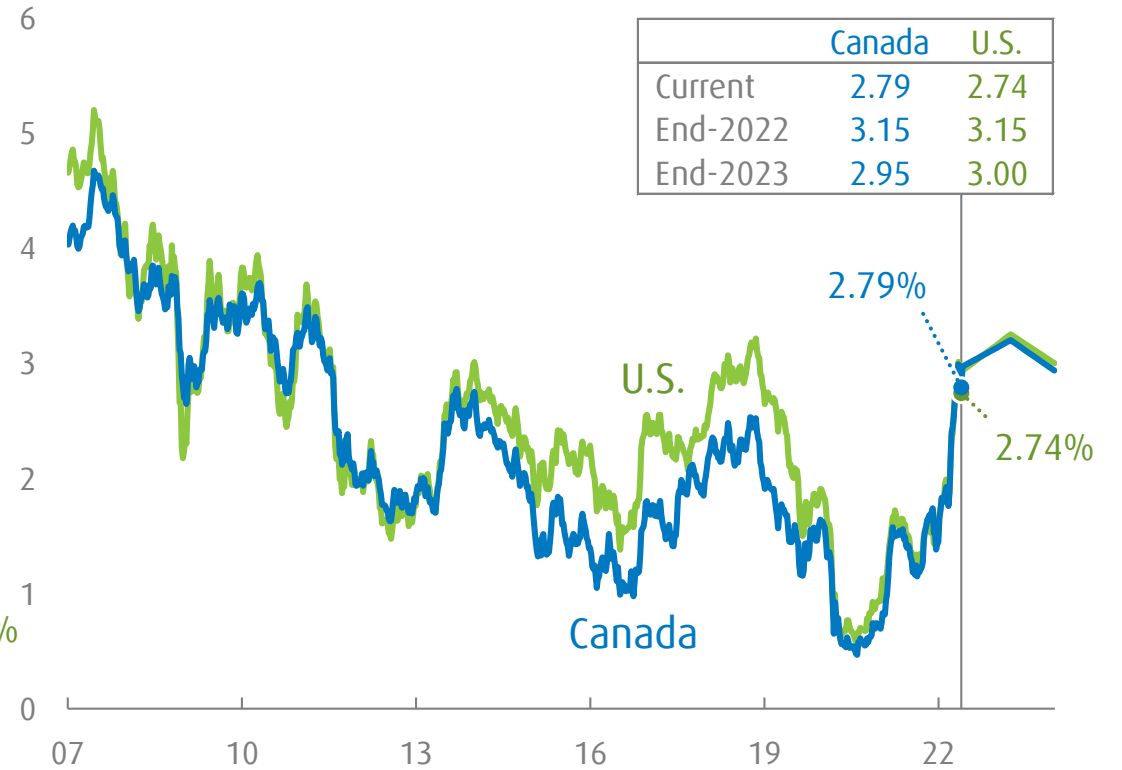
Rising rates: We've only just begun

(% : as of 12:30 p.m., May 24, 2022)

Overnight rate

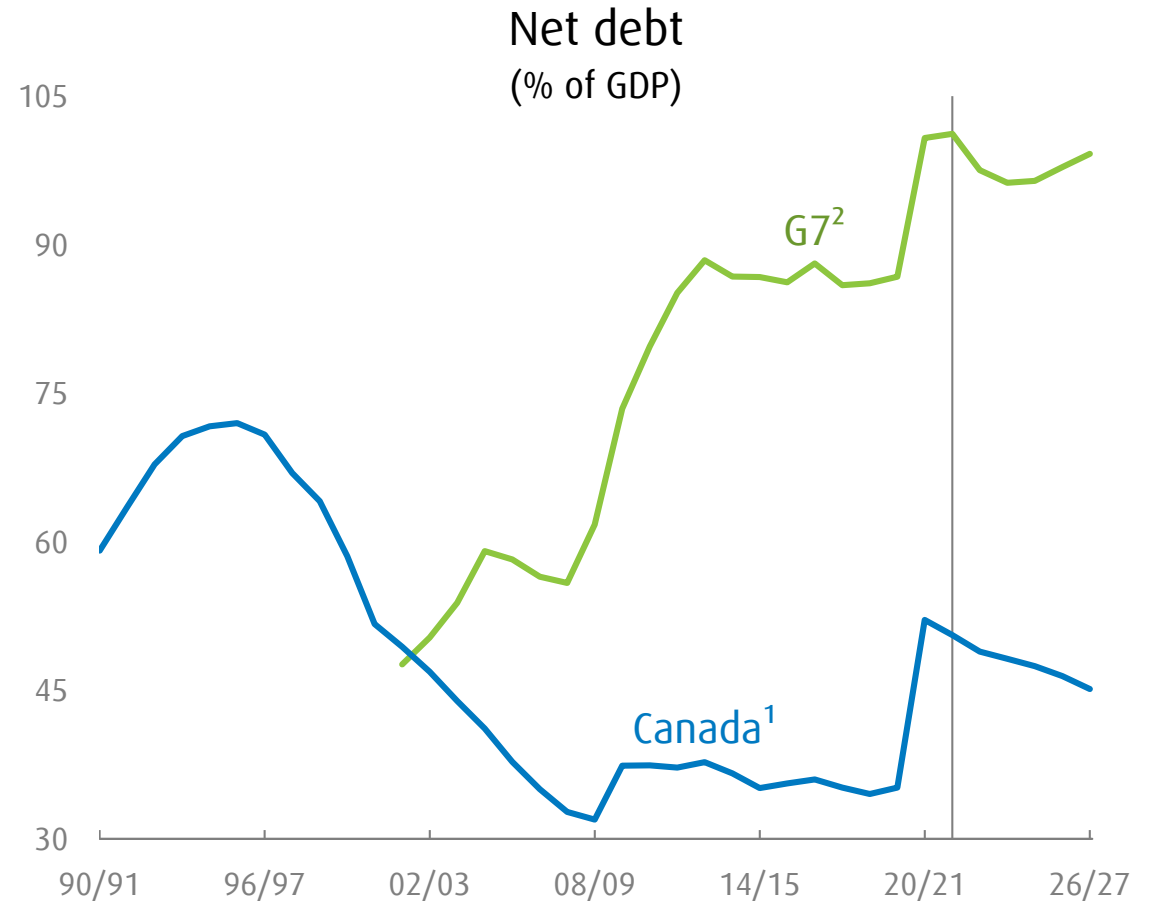
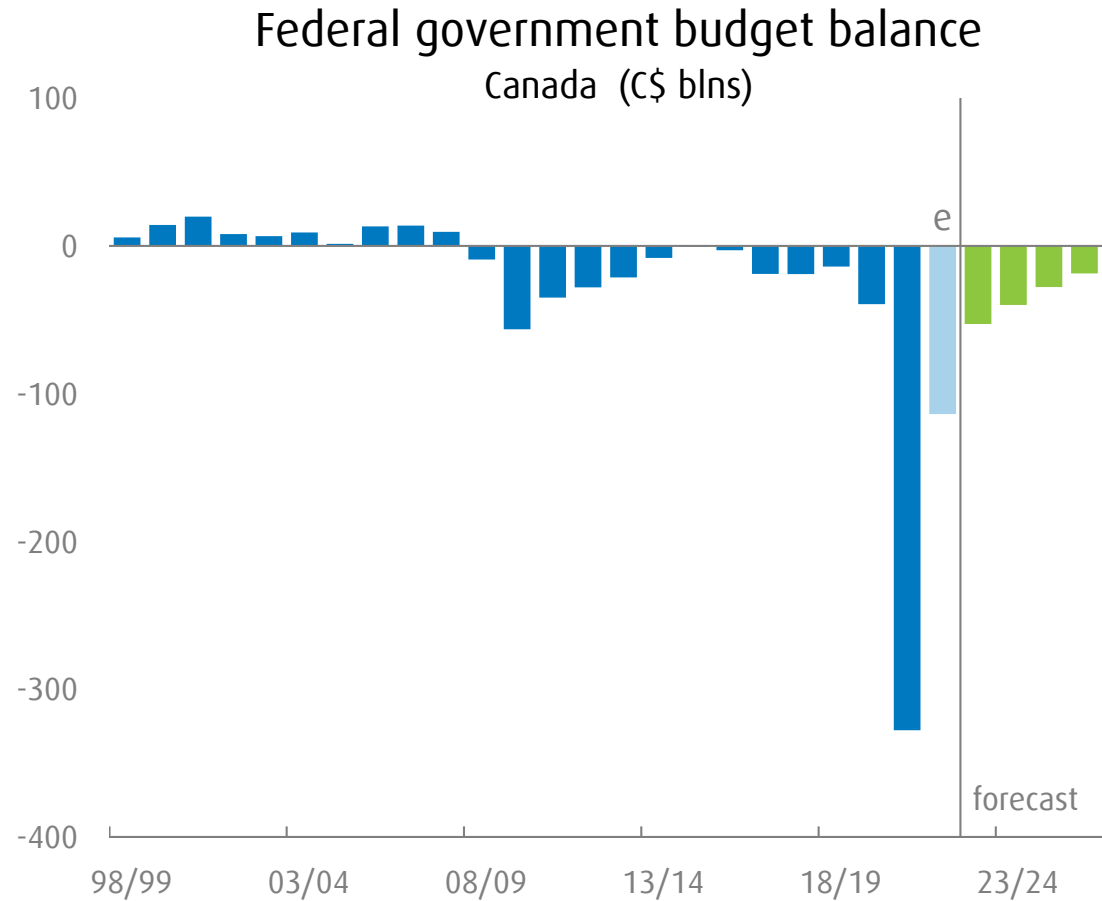


10-year bonds



Quantitative tightening (QT) also incoming

Paying for the pandemic... Debt coming down the mountain



e = estimate • ¹ Federal government • ² General government (April 19, 2022 IMF update)

Important disclosures

General Disclosures

BMO Capital Markets is a trade name used by BMO Financial Group for the wholesale banking businesses of Bank of Montreal, BMO Harris Bank N.A. (member FDIC), Bank of Montreal Europe p.l.c, and Bank of Montreal (China) Co. Ltd, the institutional broker dealer business of BMO Capital Markets Corp. (Member FINRA and SIPC) and the agency broker dealer business of Clearpool Execution Services, LLC (Member FINRA and SIPC) in the U.S., and the institutional broker dealer businesses of BMO Nesbitt Burns Inc. (Member Investment Industry Regulatory Organization of Canada and Member Canadian Investor Protection Fund) in Canada and Asia, Bank of Montreal Europe p.l.c. (authorised and regulated by the Central Bank of Ireland) in Europe and BMO Capital Markets Limited (authorised and regulated by the Financial Conduct Authority) in the UK and Australia. BMO does not represent that this document may be lawfully distributed, or that any financial products may be lawfully offered or dealt with, in compliance with any regulatory requirements in other jurisdictions, or pursuant to an exemption available thereunder. This document is directed only at entities or persons in jurisdictions or countries where access to and use of the information is not contrary to local laws or regulations. Their contents have not been reviewed by any regulatory authority. Bank of Montreal or its subsidiaries ("BMO Financial Group") has lending arrangements with, or provide other remunerated services to, many issuers covered by BMO Capital Markets. The opinions, estimates and projections contained in this report are those of BMO Capital Markets as of the date of this report and are subject to change without notice. BMO Capital Markets endeavours to ensure that the contents have been compiled or derived from sources that we believe are reliable and contain information and opinions that are accurate and complete. However, BMO Capital Markets makes no representation or warranty, express or implied, in respect thereof, takes no responsibility for any errors and omissions contained herein and accepts no liability whatsoever for any loss arising from any use of, or reliance on, this report or its contents. Information may be available to BMO Capital Markets or its affiliates that is not reflected in this report. The information in this report is not intended to be used as the primary basis of investment decisions, and because of individual client objectives, should not be construed as advice designed to meet the particular investment needs of any investor. This document is not to be construed as an offer to sell, a solicitation for or an offer to buy, any products or services referenced herein (including, without limitation, any commodities, securities or other financial instruments), nor shall such information be considered as investment advice or as a recommendation to enter into any transaction. Each investor should consider obtaining independent advice before making any financial decisions. This document is provided for general information only and does not take into account any investor's particular needs, financial status or investment objectives. BMO Capital Markets or its affiliates will buy from or sell to customers the securities of issuers mentioned in this report on a principal basis. BMO Capital Markets or its affiliates, officers, directors or employees have a long or short position in many of the securities discussed herein, related securities or in options, futures or other derivative instruments based thereon. The reader should assume that BMO Capital Markets or its affiliates may have a conflict of interest and should not rely solely on this report in evaluating whether or not to buy or sell securities of issuers discussed herein.

Dissemination of Economic Publications

Our publications are disseminated via email and may also be available via our web site <https://economics.bmo.com>. Please contact your BMO Financial Group Representative for more information.

Additional Matters

This report is directed only at entities or persons in jurisdictions or countries where access to and use of the information is not contrary to local laws or regulations. Its contents have not been reviewed by any regulatory authority. BMO Capital Markets does not represent that this report may be lawfully distributed or that any financial products may be lawfully offered or dealt with, in compliance with regulatory requirements in other jurisdictions, or pursuant to an exemption available thereunder.

To Australian residents: BMO Capital Markets Limited and Bank of Montreal are exempt from the requirement to hold an Australian financial services licence under the Corporations Act in respect of financial services they provide to wholesale investors (as defined in the Corporations Act). BMO Capital Markets Limited is regulated by the UK Financial Conduct Authority under UK laws, and Bank of Montreal in Hong Kong is regulated by the Hong Kong Monetary Authority and the Securities and Futures Commission which differ from Australian laws. This document is only intended for wholesale clients (as defined in the Corporations Act 2001), Eligible Counterparties or Professional Clients (as defined in Annex II to MiFID II) and Professional Investors (as defined in the Securities and Futures Ordinance and the Securities and Futures (Professional Investor) Rules under the Securities and Futures Ordinance of Hong Kong).

To Canadian Residents: BMO Nesbitt Burns Inc. furnishes this report to Canadian residents and accepts responsibility for the contents herein subject to the terms set out above. Any Canadian person wishing to effect transactions in any of the securities included in this report should do so through BMO Nesbitt Burns Inc.

To E.U. Residents: In an E.U. Member State this document is issued and distributed by Bank of Montreal Europe plc which is authorised and regulated in Ireland and operates in the E.U. on a passported basis. This document is only intended for Eligible Counterparties or Professional Clients, as defined in Annex II to "Markets in Financial Instruments Directive" 2014/65/EU ("MiFID II").

To U.K. Residents: In the UK this document is published by BMO Capital Markets Limited which is authorised and regulated by the Financial Conduct Authority. The contents hereof are intended solely for the use of, and may only be issued or passed on to, (I) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (II) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together referred to as "relevant persons"). The contents hereof are not intended for the use of and may not be issued or passed on to retail clients.

To Hong Kong Residents: In Hong Kong, this report is published and distributed by Bank of Montreal. Bank of Montreal (incorporated in Canada with limited liability) is an authorized institution under the Banking Ordinance and a registered institution with the Securities and Futures Commission (CE No. AAK809) to carry on Type 1 (dealing in securities) and Type 4 (advising in securities) regulated activities under the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong). This report has not been reviewed or approved by any regulatory authority in Hong Kong. Accordingly this report must not be issued, circulated or distributed in Hong Kong other than (a) to professional investors as defined in the Securities and Futures Ordinance and the Securities and Futures (Professional Investor) Rules under the Securities and Futures Ordinance of Hong Kong, or (b) in circumstances which do not result in or constitute an offer to the public in Hong Kong.

Continued on next page...

Important disclosures (continued)

Additional Matters (continued)

To Israeli residents: BMO Capital Markets is not licensed under the Israeli Law for the Regulation of Investment Advice, Investment Marketing and Portfolio Management of 1995 (the "Advice Law") nor does it carry insurance as required thereunder. This document is to be distributed solely to persons that are qualified clients (as defined under the Advice Law) and qualified investors under the Israeli Securities Law of 1968. This document represents the analysis of the analyst but there is no assurance that any assumption or estimation will materialize.

To Korean Residents: This report has been provided to you without charge for your convenience only. All information contained in this report is factual information and does not reflect any opinion or judgement of BMO Capital Markets. The information contained in this report should not be construed as offer, marketing, solicitation or investment advice with respect to financial investment products in this report.

To Japan Residents: This report has not been reviewed by any regulatory authority in Japan. This report is provided for information purposes only and it should not be construed as an offer to sell, a solicitation to buy, or a recommendation for any security, or as an offer to provide investment management or advisory or other services in Japan. Securities may not be offered or sold in Japan by means of this report or any other document other than to Qualified Financial Institutions within the meaning of item (i) of Article 17-3 of the Government Ordinance to enforce the Financial Instruments and Exchange Act (Kinyu Shohin Torihiki Ho Sekou Rei). Unless specified otherwise, the securities that may be offered to you are not and will not be registered in Japan pursuant to the Financial Instruments and Exchange Acts.

To Taiwanese Residents: This report is not intended to constitute investment advice nor a public offer for any investment products to investors in Taiwan. This report should only be accessed by investors in Taiwan that are qualified to invest in investment products pursuant to relevant Taiwanese laws and regulations, and subject to sales restrictions as set forth in the relevant Taiwanese laws and regulations. BMO Capital Markets has not and will not secure the required licenses in Taiwan for the offer of securities and investment services. Any offer of securities has not been and will not be registered or filed with or approved by the Financial Commission of Taiwan and/or other regulatory authority pursuant to relevant securities laws and regulations of Taiwan, and may not be issued, offered or sold within Taiwan through a public offering or in circumstances which constitute an offer that requires a registration, filing or approval of the Financial Supervisory Commission of Taiwan and/or other regulatory authority in Taiwan under relevant securities laws and regulations of Taiwan. No person or entity in Taiwan has been authorized to offer or sell the securities in Taiwan.

To PRC Residents: This material does not constitute an offer to sell or the solicitation of an offer to buy any financial products in the People's Republic of China (excluding Hong Kong, Macau and Taiwan, the "PRC"). BMO and its affiliates do not represent that this material may be lawfully distributed, or that any financial products may be lawfully offered, in compliance with any applicable registration or other requirements in the PRC, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. This material may not be distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations.

Singapore Residents: This report is intended for general circulation and does not and is not intended to constitute the provision of financial advisory services, whether directly or indirectly, to persons in Singapore. You should seek advice from a financial adviser regarding the suitability of the investment products, taking into account your specific investment objectives, financial situation or particular needs before you make a commitment to purchase the investment product. This report has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, it should not be circulated or distributed, nor may the securities described herein be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor or a relevant person as defined in and pursuant to and in accordance with the conditions of the relevant provisions of the Securities and Futures Act of Singapore or (b) otherwise pursuant to and in accordance with the conditions of, any other applicable provision of the SFA.

To Thai Residents: The contents hereof are intended solely for the use of persons qualified as Institutional Investors according to Notification of the Securities and Exchange Commission No. GorKor. 11/2547 Re: Characteristics of Advice which are not deemed as Conducting Derivatives Advisory Services dated 23 January 2004 (as amended). BMO and its affiliates do not represent that the material may be lawfully distributed, or that any financial products may be lawfully offered, in compliance with any regulatory requirements in Thailand, or pursuant to an exemption available under any applicable laws and regulations.

To U.S. Residents: BMO Capital Markets Corp. furnishes this report to U.S. residents and accepts responsibility for the contents herein, except to the extent that it refers to securities of Bank of Montreal.

These documents are provided to you on the express understanding that they must be held in complete confidence and not republished, retransmitted, distributed, disclosed, or otherwise made available, in whole or in part, directly or indirectly, in hard or soft copy, through any means, to any person, except with the prior written consent of BMO Capital Markets.

ADDITIONAL INFORMATION IS AVAILABLE UPON REQUEST

BMO Financial Group (NYSE, TSX: BMO) is an integrated financial services provider offering a range of retail banking, wealth management, and investment and corporate banking products. BMO serves Canadian retail clients through BMO Bank of Montreal and BMO Nesbitt Burns. In the United States, personal and commercial banking clients are served by BMO Harris Bank N.A., (Member FDIC). Investment and corporate banking services are provided in Canada and the US through BMO Capital Markets.

® Registered trademark of Bank of Montreal in the United States, Canada and elsewhere.

™ Trademark Bank of Montreal in the United States and Canada.

© COPYRIGHT 2022 BMO CAPITAL MARKETS CORP.

A member of BMO Financial Group

BMO Private Wealth Canada

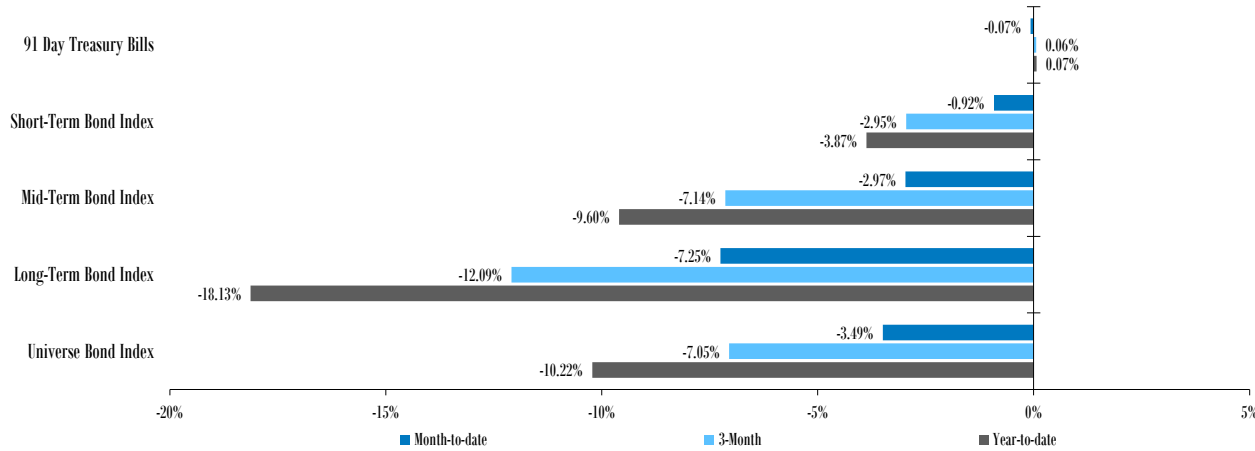
What to expect as inflation becomes more entrenched

May 25, 2022

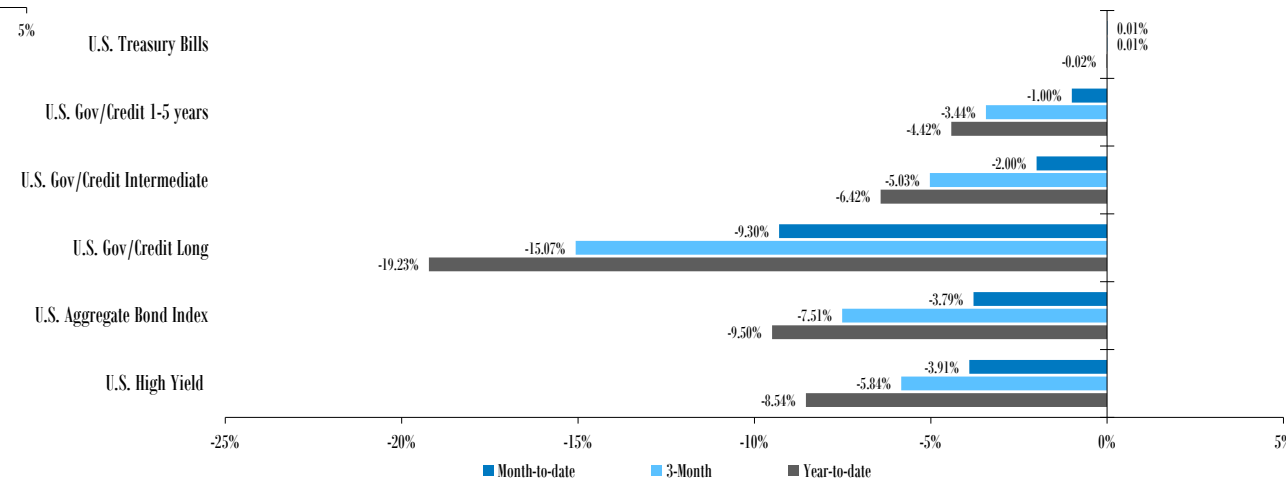
Richard Belley, CFA
Fixed Income Strategist and Portfolio Manager
BMO Private Wealth

Canada/US Bond Indices Returns (April 2022)

FTSE Canada Bond Universe Index Returns



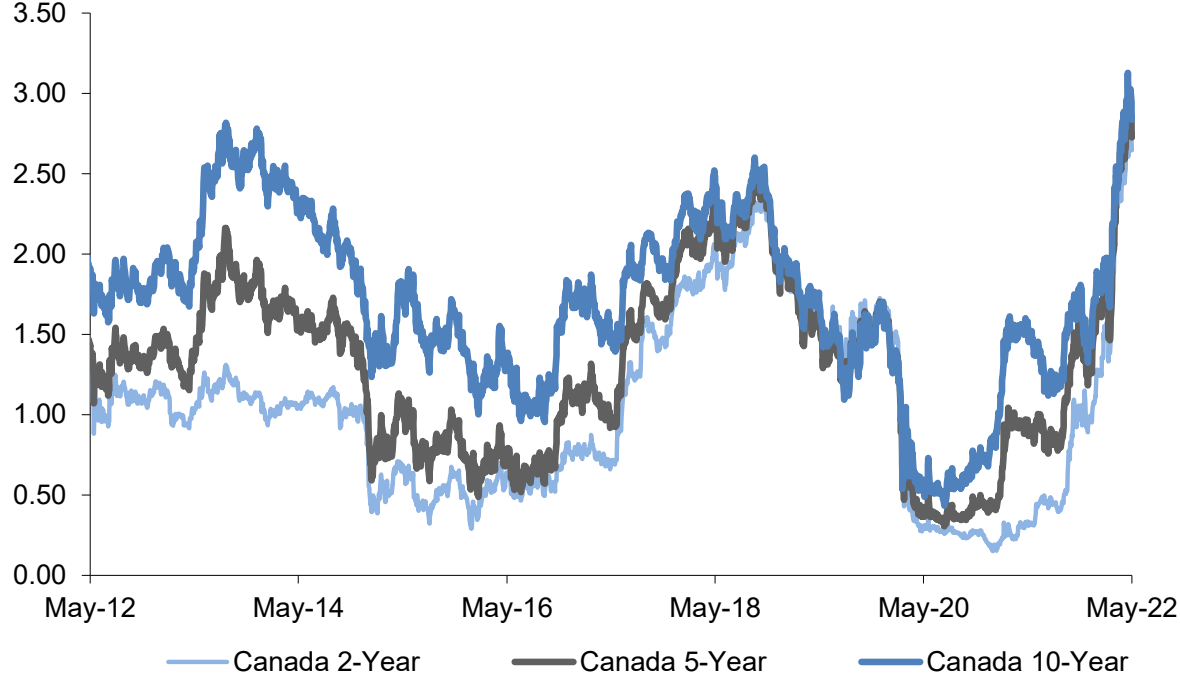
Barclays U.S. Bond Index Returns



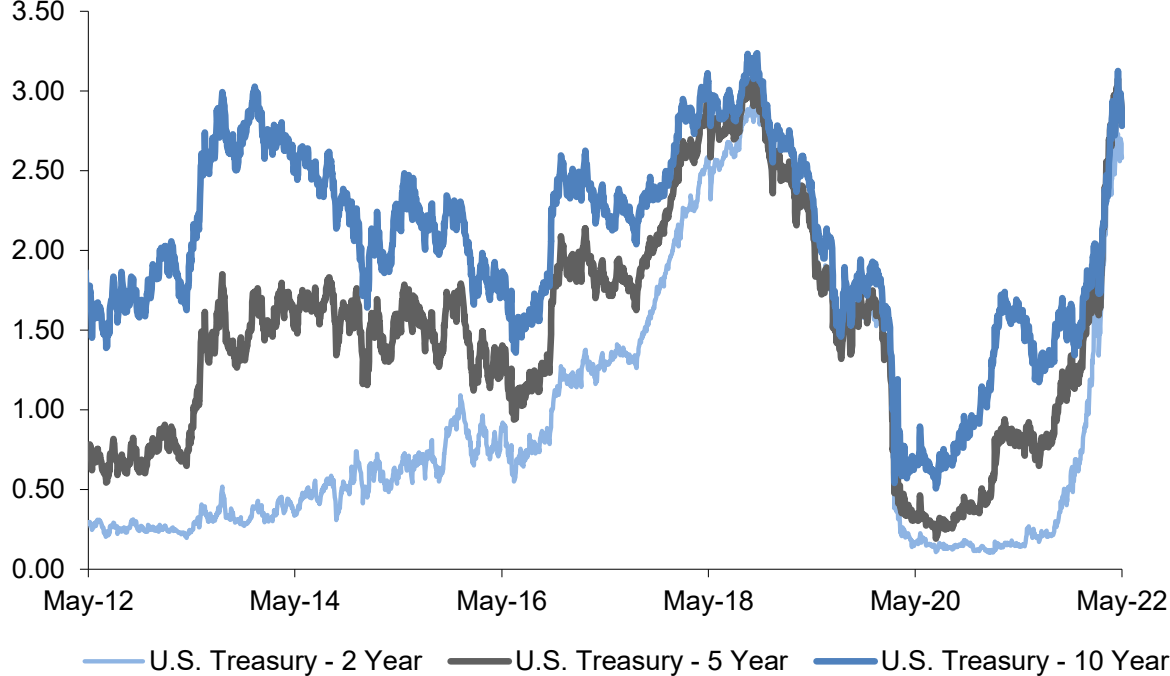
Source: FTSE Russell, Barclays

Government of Canada / U.S. Treasury Yields

Government of Canada Bond Yields



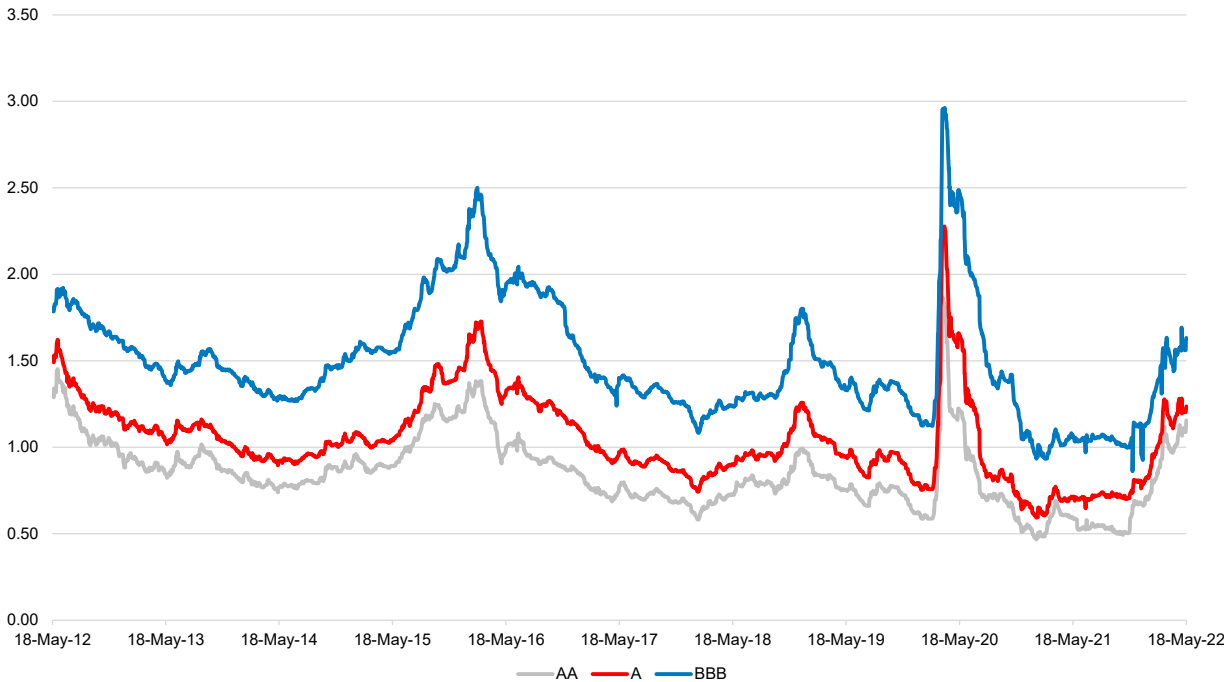
U.S. Treasury Note Yields



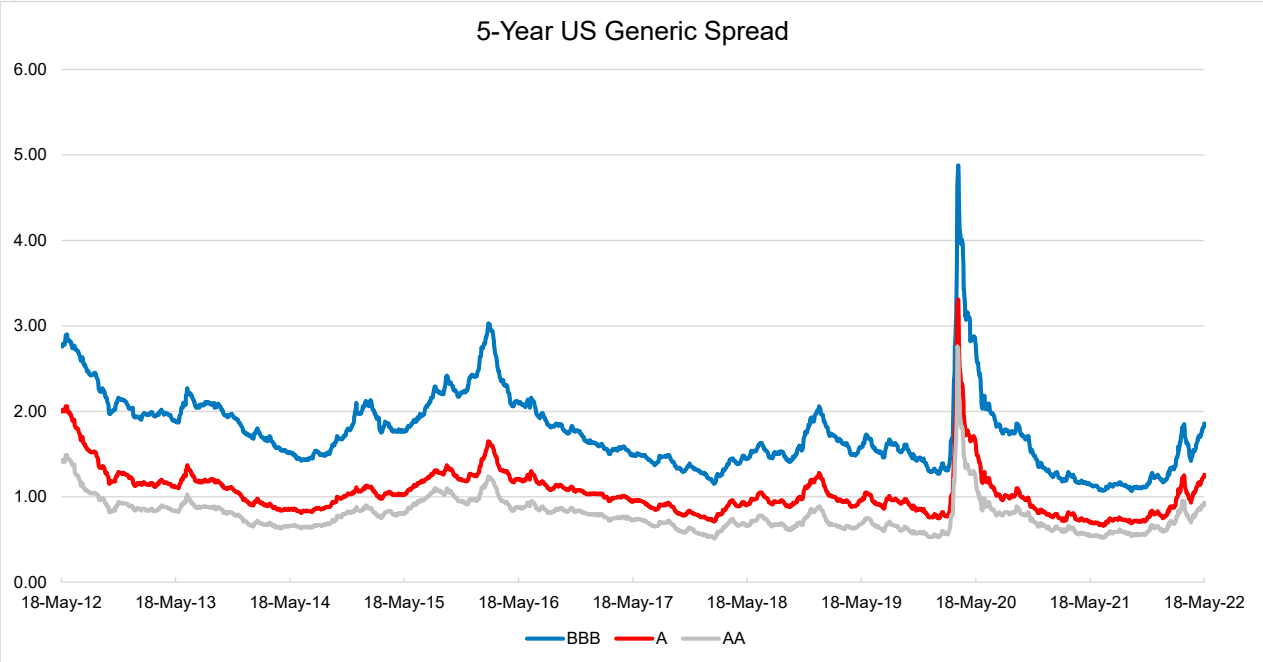
Source: Bloomberg

Corporate Yield Spreads Widening – A Perfect Storm

5-Year Canada Generic Spread

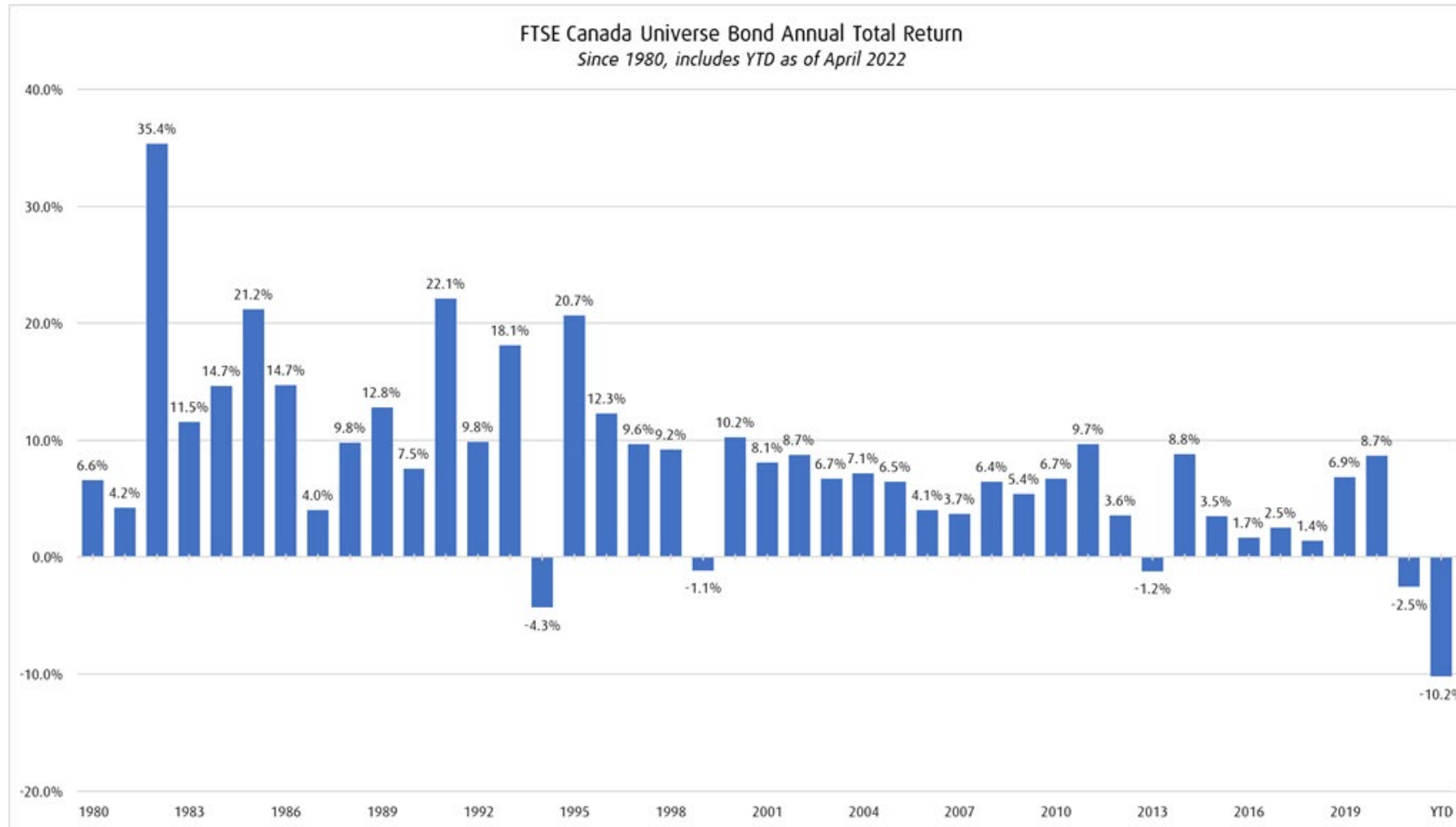


5-Year US Generic Spread



Source: BMO Capital Markets, Bloomberg

Canada Universe Bond Index Annual Returns

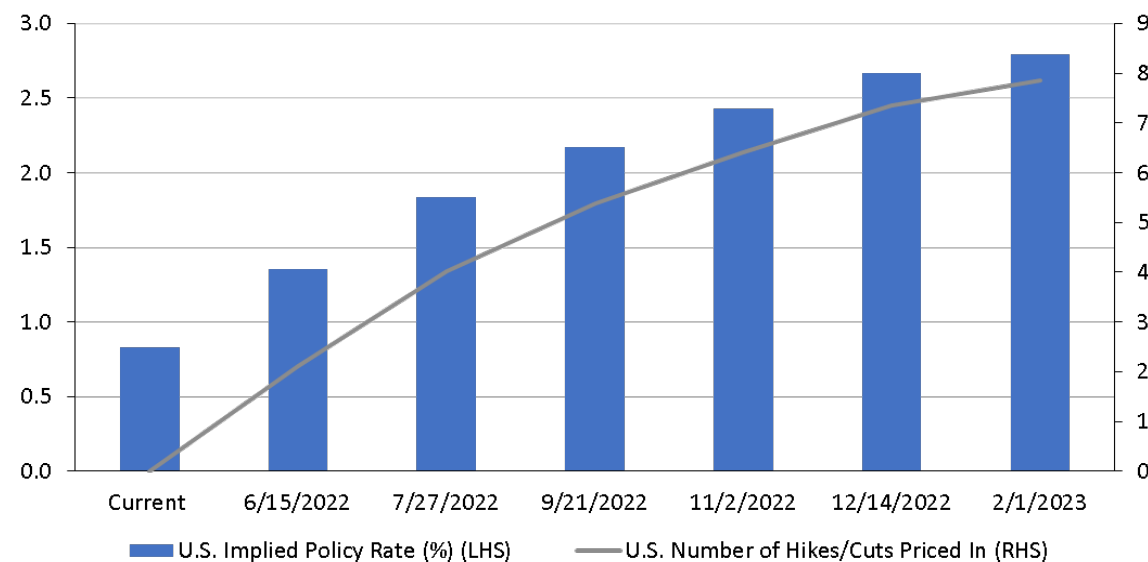
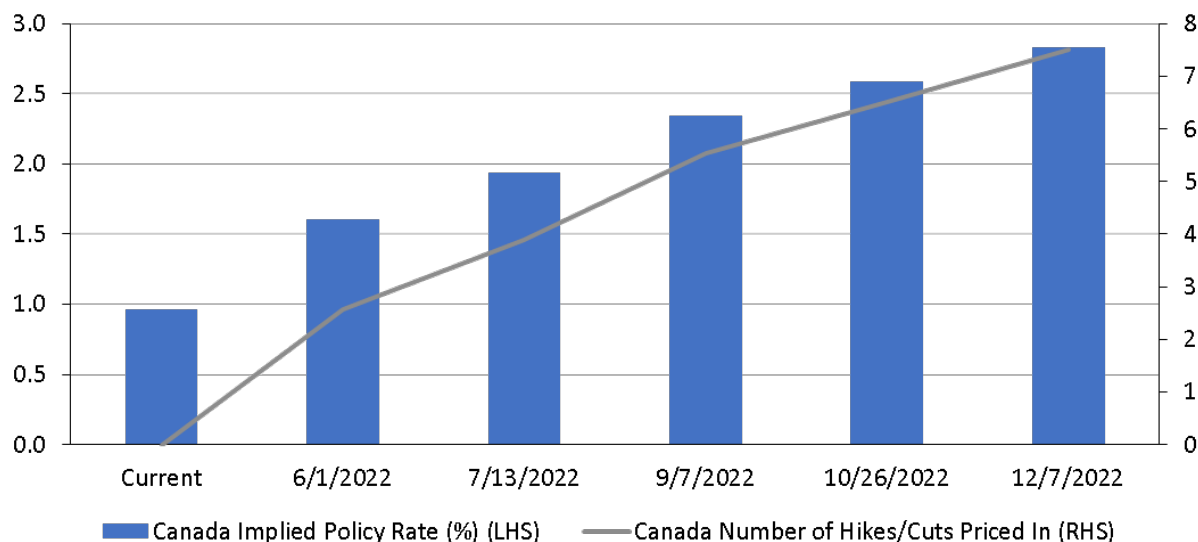


Source: FTSE Russell

Forward Looking – Long Term Gains

- No permanent capital impairment – low default rates for investment grade bonds
- Market tightening expectations (below) and forecasts signal limited upside for long term rates
- Average yields exceeding 3% to 4% - more attractive reinvestment rates
- Lowest interest rate sensitivity in 10 years
- Relative valuations becoming attractive

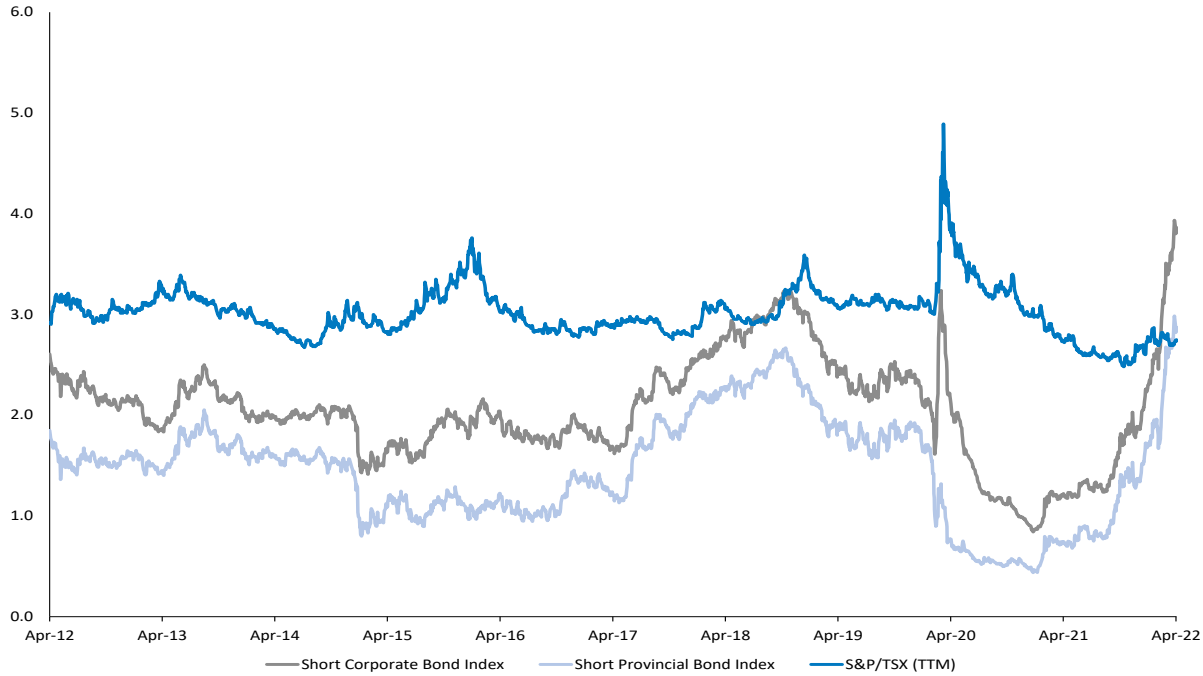
Market Expectations: Bank of Canada and U.S. Federal Reserve Potential Tightening policy



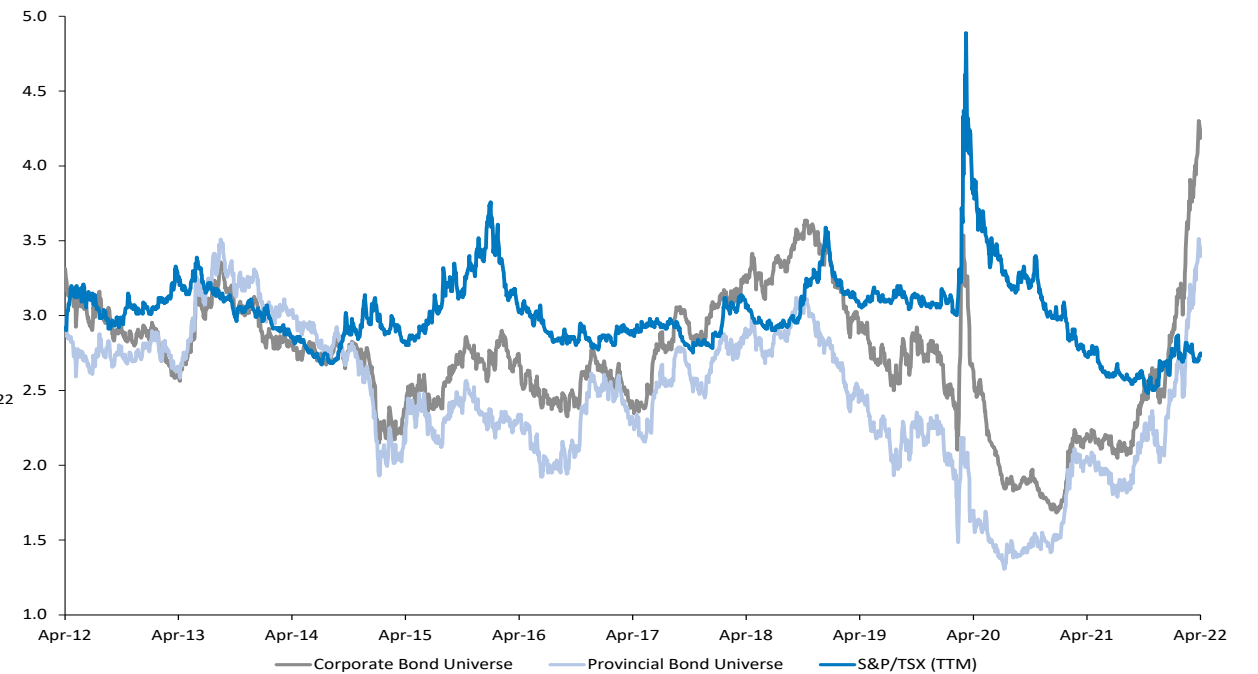
Source: BMO Private Wealth, Bloomberg

Credit Markets – Relative Valuations Attractive Again

Short Corporate/Provincial Bond Yields compared to S&P/TSX Dividend Yield



Corporate/Provincial Bond Yields compared to S&P/TSX Dividend Yield



Source: BMO Private Wealth, FTSE Russell, Bloomberg

General Disclosure

The information and opinions in this report were prepared by BMO Nesbitt Burns Inc. Portfolio Advisory Team ("BMO Nesbitt Burns"). This publication is protected by copyright laws. Views or opinions expressed herein may differ from the views expressed by BMO Capital Markets' Research Department. No part of this publication or its contents may be copied, downloaded, stored in a retrieval system, further transmitted, or otherwise reproduced, stored, disseminated, transferred or used, in any form or by any means by any third parties, except with the prior written permission of BMO Nesbitt Burns. Any further disclosure or use, distribution, dissemination or copying of this publication, message or any attachment is strictly prohibited. If you have received this report in error, please notify the sender immediately and delete or destroy this report without reading, copying or forwarding. The opinions, estimates and projections contained in this report are those of BMO Nesbitt Burns as of the date of this report and are subject to change without notice. BMO Nesbitt Burns endeavours to ensure that the contents have been compiled or derived from sources that we believe are reliable and contain information and opinions that are accurate and complete. However, BMO Nesbitt Burns makes no representation or warranty, express or implied, in respect thereof, takes no responsibility for any errors and omissions contained herein and accepts no liability whatsoever for any loss arising from any use of, or reliance on, this report or its contents. Information may be available to BMO Nesbitt Burns or its affiliates that is not reflected in this report. This report is not to be construed as an offer to sell or solicitation of an offer to buy or sell any security. BMO Nesbitt Burns or its affiliates will buy from or sell to customers the securities of issuers mentioned in this report on a principal basis. BMO Nesbitt Burns, its affiliates, officers, directors or employees may have a long or short position in the securities discussed herein, related securities or in options, futures or other derivative instruments based thereon. BMO Nesbitt Burns or its affiliates may act as financial advisor and/or underwriter for the issuers mentioned herein and may receive remuneration for same. Bank of Montreal or its affiliates ("BMO") has lending arrangements with, or provides other remunerated services to, many issuers covered by BMO Nesbitt Burns' Portfolio Advisory Team. A significant lending relationship may exist between BMO and certain of the issuers mentioned herein. BMO Nesbitt Burns Inc. is a wholly owned subsidiary of Bank of Montreal. Dissemination of Reports: BMO Nesbitt Burns Portfolio Advisory Team's reports are made widely available at the same time to all BMO Nesbitt Burns investment advisors. Additional Matters TO U.S. RESIDENTS: Any U.S. person wishing to effect transactions in any security discussed herein should do so through BMO Capital Markets Corp. ("BMO CM") and/or BMO Nesbitt Burns Securities Ltd. ("BMO NBSL"). TO U.K. RESIDENTS: The contents hereof are intended solely for the use of, and may only be issued or passed onto, persons described in part VI of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001. BMO Wealth Management is the brand name for a business group consisting of Bank of Montreal and certain of its affiliates, including BMO Nesbitt Burns Inc., in providing wealth management products and services.

BMO Nesbitt Burns Inc. is a Member-Canadian Investor Protection Fund and a Member of the Investment Industry Regulatory Organization of Canada.

BMO CM and BMO NBSL are Members of SIPC. © BMO and the roundel symbol are registered trade-marks of Bank of Montreal, used under license. © "Nesbitt Burns" is a registered trade-mark of BMO Nesbitt Burns Inc. If you are already a client of BMO Nesbitt Burns, please contact your investment Advisor for more information.

Company Specific Disclosures

BMO CM and BMO NBSL are Members of SIPC. © BMO and the roundel symbol are registered trade-marks of Bank of Montreal, used under license. © "Nesbitt Burns" is a registered trade-mark of BMO Nesbitt Burns Inc. If you are already a client of BMO Nesbitt Burns, please contact your investment Advisor for more information.

The author(s) of this report (or their household members) directly or beneficially own securities of this issuer: n/a

Ratings and Sector Key

BMO Capital Markets uses the following ratings system definitions:

- OP = Outperform — Forecast to outperform the analyst's coverage universe on a total return basis;
- Mkt = Market Perform — Forecast to perform roughly in line with the analyst's coverage universe on a total return basis;
- Und = Underperform — Forecast to underperform the analyst's coverage universe on a total return basis;
- (S) = speculative investment;
- NR = No rating at this time;
- R = Restricted — Dissemination of research is currently restricted.

Prior BMO Capital Markets Rating System (January 4, 2010 – April 5, 2013):

http://researchglobal.bmocapitalmarkets.com/documents/2013/prior_rating_system.pdf

BMO Private Wealth Canada

What to expect as inflation becomes more entrenched

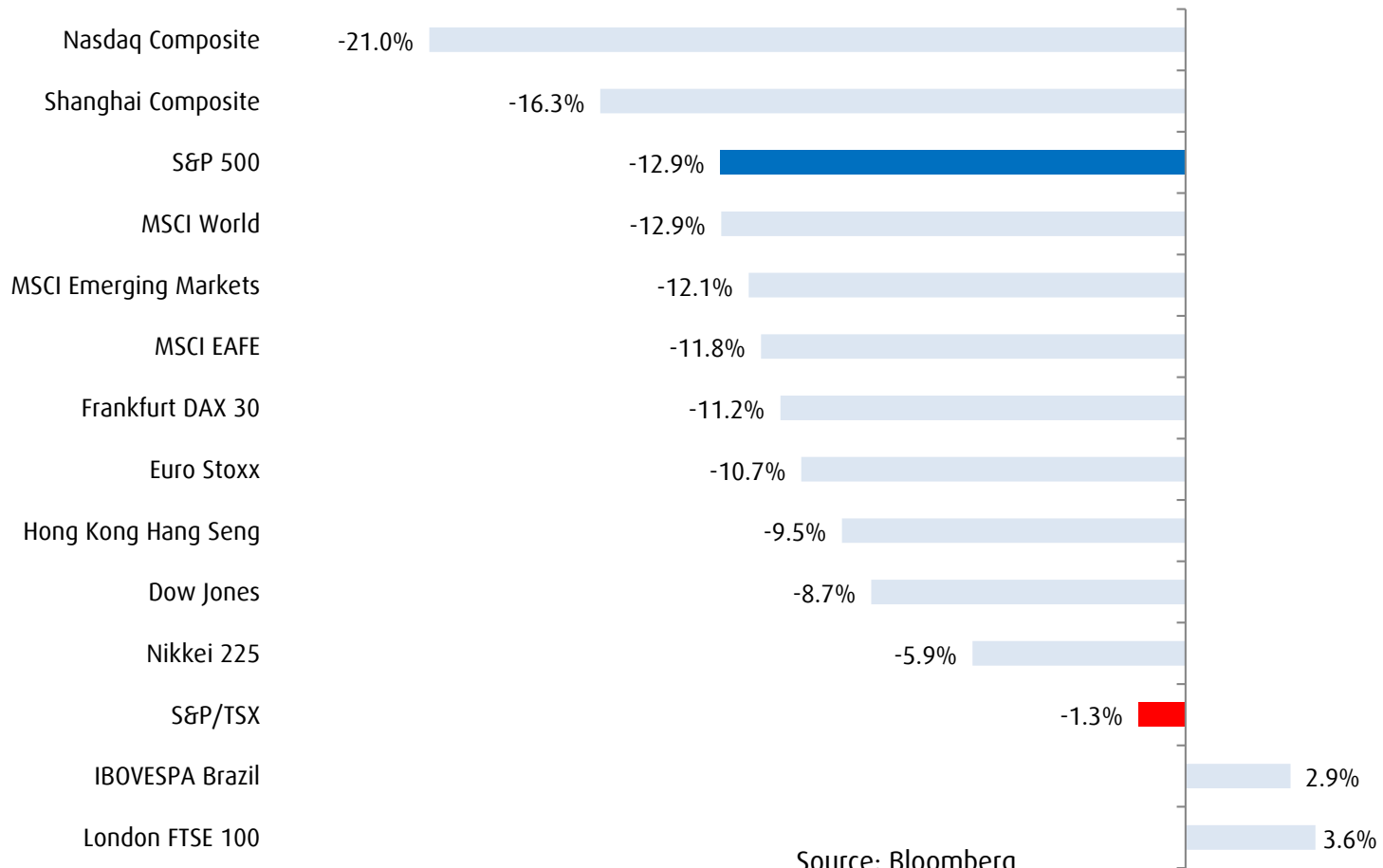
May 25, 2022

Brent Joyce, CFA
Chief Investment Strategist
BMO Private Investment Counsel Inc.

A Painful Adjustment for Stocks

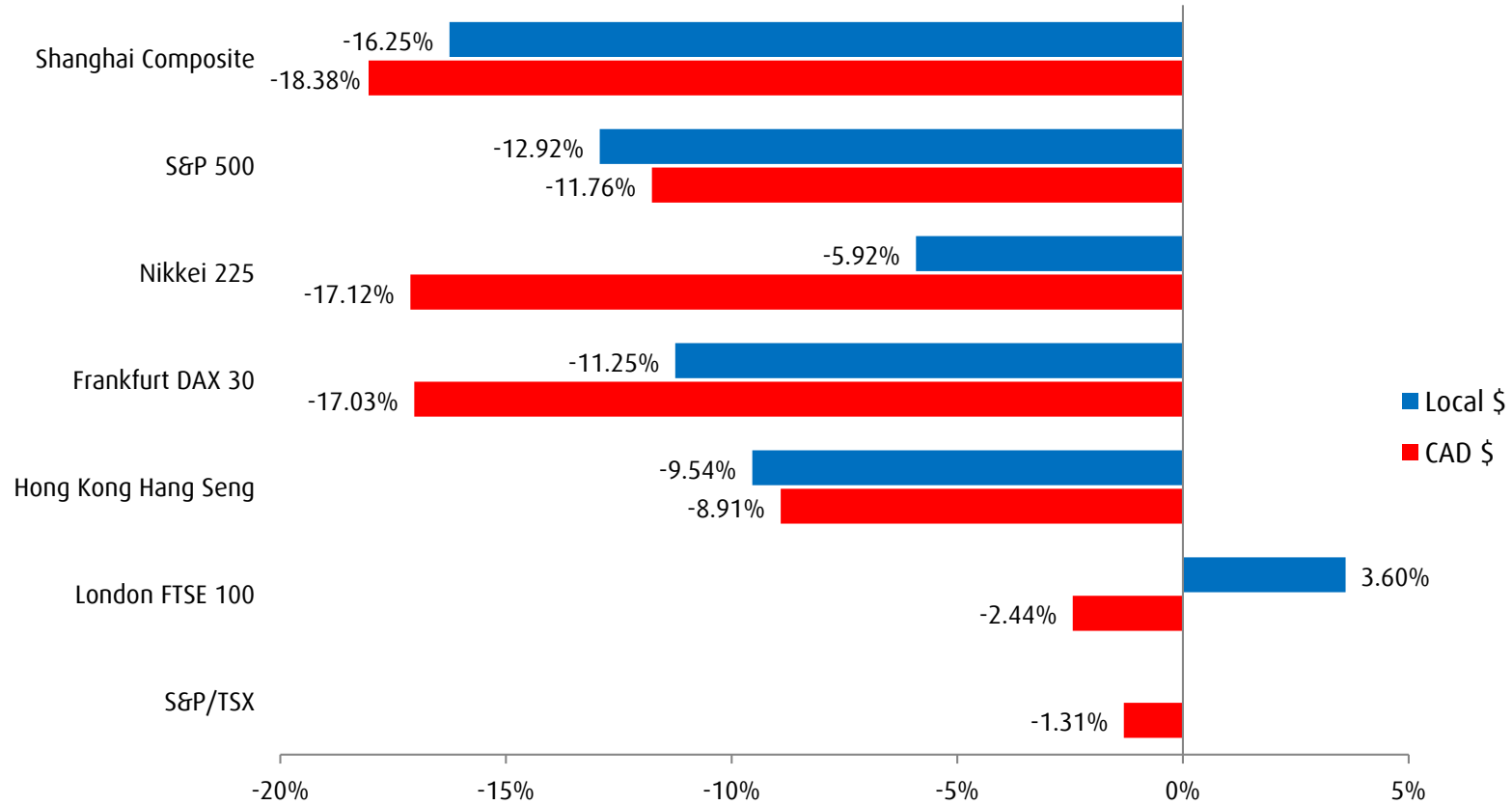
World Markets Performance

YTD Total Return in Local Currency – as of April 29, 2022



Currencies Matter

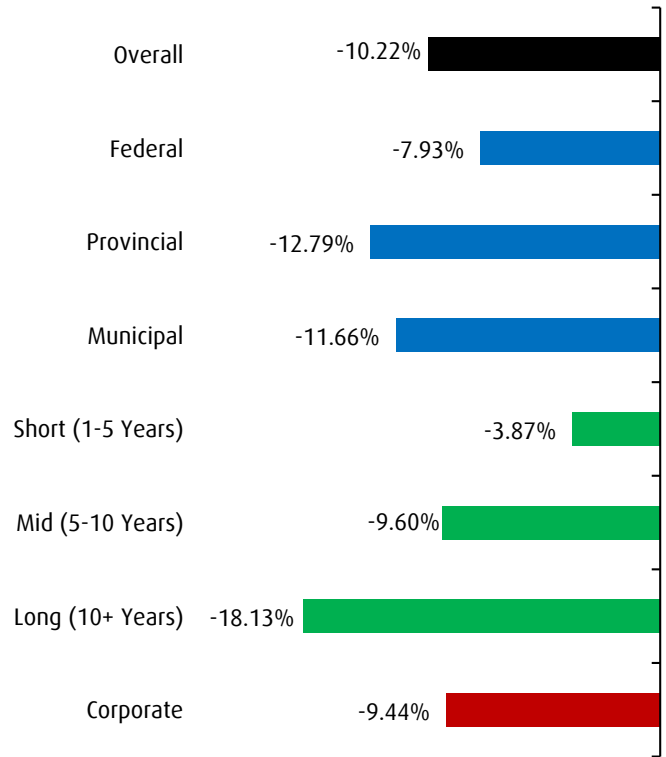
World Markets Performance Year to Date Total Return – as of April 29, 2022



Source: Bloomberg

Canadian Fixed Income Performance

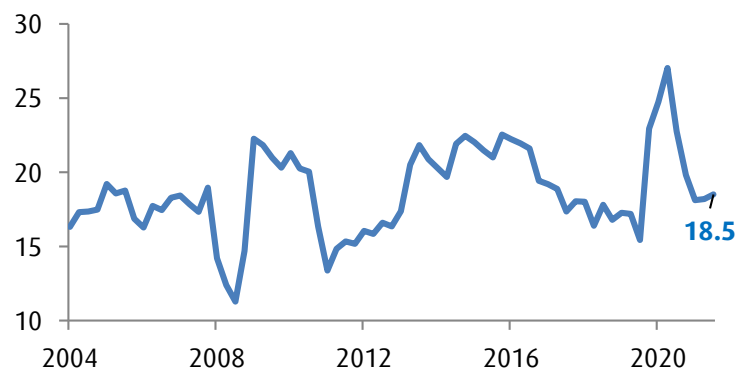
Total Return – YTD as of April 29, 2022



Source: Bloomberg

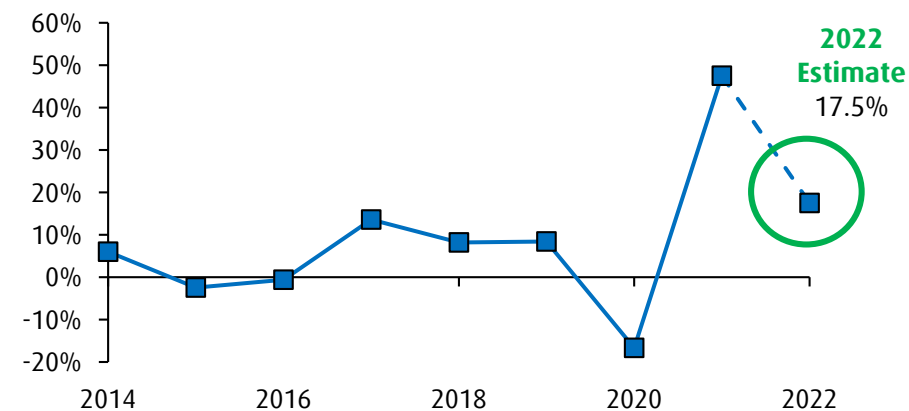


Trailing Price to Earnings Ratio 2004-2022 Q1



Source: Bloomberg

Earnings Growth 2014-2021 (with 2022 estimate)

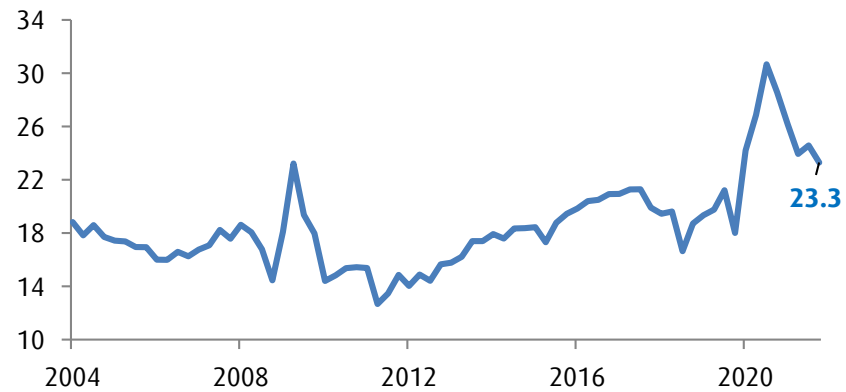


Source: Bloomberg

S&P 500 Valuation Metrics

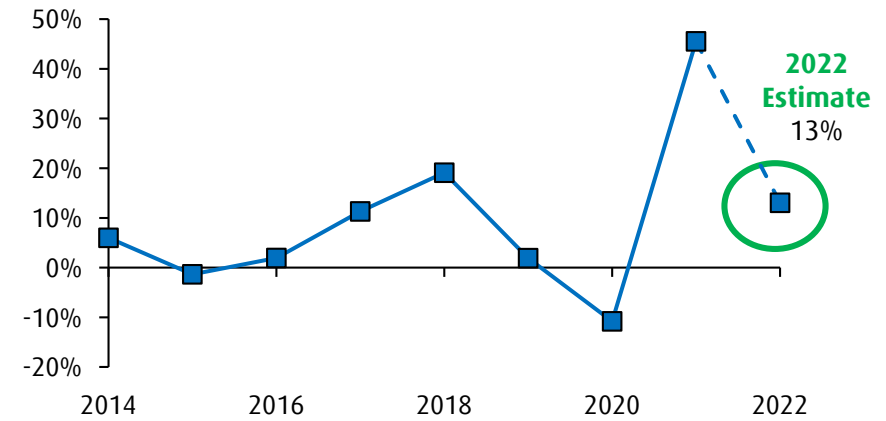


Trailing Price to Earnings Ratio 2004 -2022 Q1



Source: Bloomberg

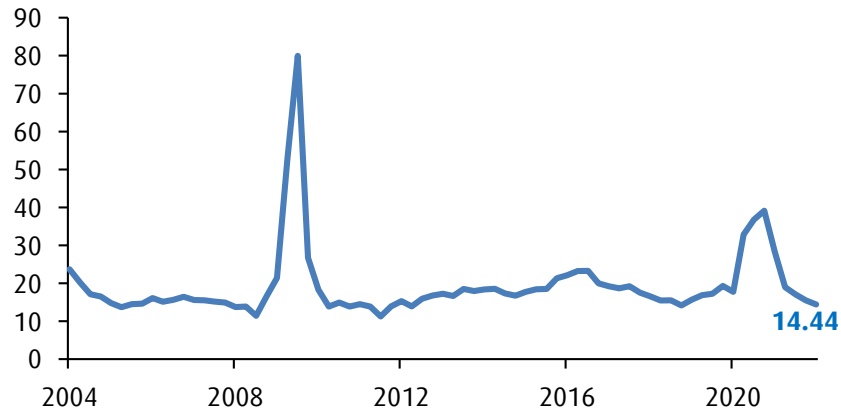
Earnings Growth 2014-2021 (with 2022 estimate)



Source: Bloomberg

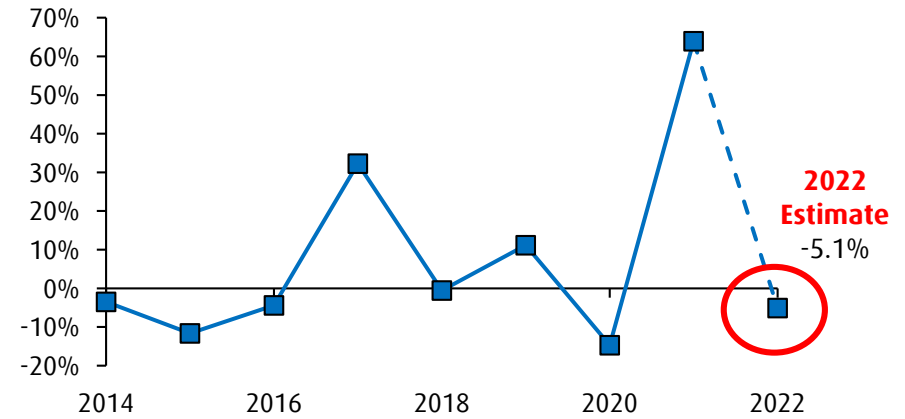


Trailing Price to Earnings Ratio 2004 -2022 Q1



Source: Bloomberg

Earnings Growth 2014-2021 (with 2022 estimate)

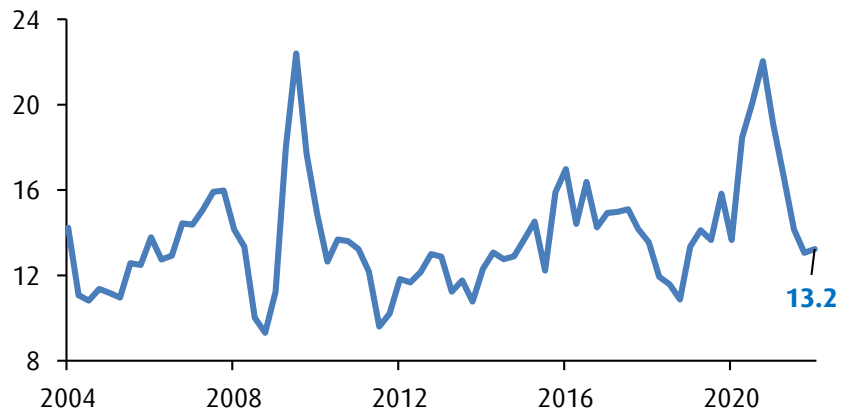


Source: Bloomberg

MSCI EM Valuation Metrics

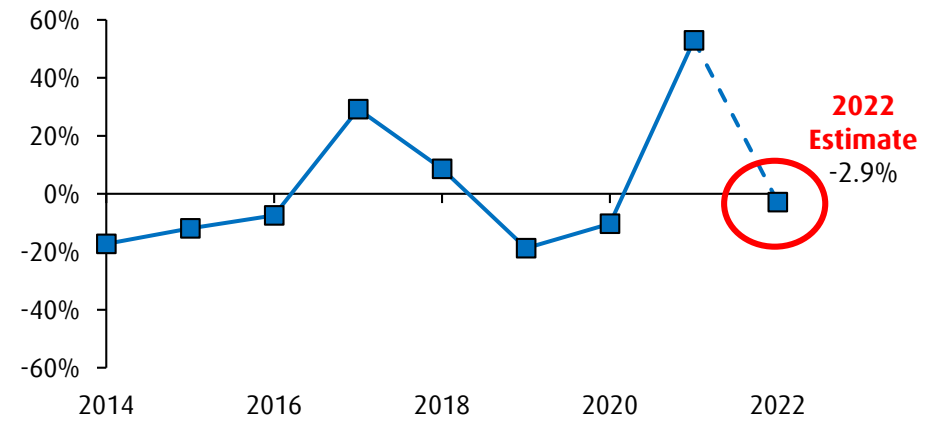


Trailing Price to Earnings Ratio 2004 -2022 Q1



Source: Bloomberg

Earnings Growth 2014-2021 (with 2022 estimate)



Source: Bloomberg

Strategy Summary

Asset class outlook

Category	Economy	Policy	Valuation	Sentiment	Our Positioning			Rationale
					Under	Neutral	Over	
Major Asset Class								
Fixed Income								Upside limited as hawkish narrative is likely to continue
Equities								Equities can continue to perform despite hawkish policy and valuations are now more attractive
Equities by Geography								
Canada								Canada set to benefit from commodity surge. Cyclical likely to continue to lead in short term
United States								Strong growth expectations with more attractive valuations given recent pullback
Europe								Geopolitical conflicts cause uncertainty in the region
Japan								Valuations are attractive but growth remains limited on a relative basis
Emerging Markets								Vaccination rates continue to drastically lag, and geopolitical conflicts impact major EM

As of May 2022

Disclosure

Information contained in this publication is based on sources such as issuer reports, statistical services and industry communications, which we believe are reliable but are not represented as accurate or complete. Opinions expressed in this publication are current opinions only and are subject to change. BMO Private Investment Counsel Inc. accepts no liability whatsoever for any loss arising from any use of this commentary or its contents. The information, opinions, estimates, projections and other materials contained herein are not to be construed as an offer to sell, a solicitation for or an offer to buy, any products or services referenced herein (including, without limitation, any commodities, securities or other financial instruments), nor shall such information, opinions, estimates, projections and other materials be considered as investment advice, tax advice, a recommendation to enter into any transaction or an assurance or guarantee as to the expected results of any transaction.

You should not act or rely on the information contained in this publication without seeking the advice of an appropriate professional advisor.

There are risks associated with investing, including the risk of losing a portion or all of your initial investment.

BMO Private Wealth is a brand name for a business group consisting of Bank of Montreal and certain of its affiliates in providing Private wealth management products and services. Not all products and services are offered by all legal entities within BMO Private Wealth. Banking services are offered through Bank of Montreal. Investment management, wealth planning, tax planning, philanthropy planning services are offered through BMO Nesbitt Burns Inc. and BMO Private Investment Counsel Inc. Estate, trust, and custodial services are offered through BMO Trust Company. Insurance services and products are offered through BMO Estate Insurance Advisory Services Inc., a wholly-owned subsidiary of BMO Nesbitt Burns Inc. BMO Private Wealth legal entities do not offer tax advice. BMO Nesbitt Burns Inc. is a member of the Canadian Investor Protection Fund and the Investment Industry Regulatory Organization of Canada. BMO Trust Company and BMO Bank of Montreal are Members of CDIC. © Registered trademark of Bank of Montreal, used under license.

Additional information about the BMO Private Portfolios (“Portfolios”) offered by BMO Private Investment Counsel Inc. is available in the Portfolios’ annual information form, fund facts, management reports of fund performance and financial statements. These documents and other information about the Portfolios such as information circulars and material contracts are available at BMO Private Investment Counsel Inc.’s internet site at www.bmoprivatebanking.com or at www.sedar.com.