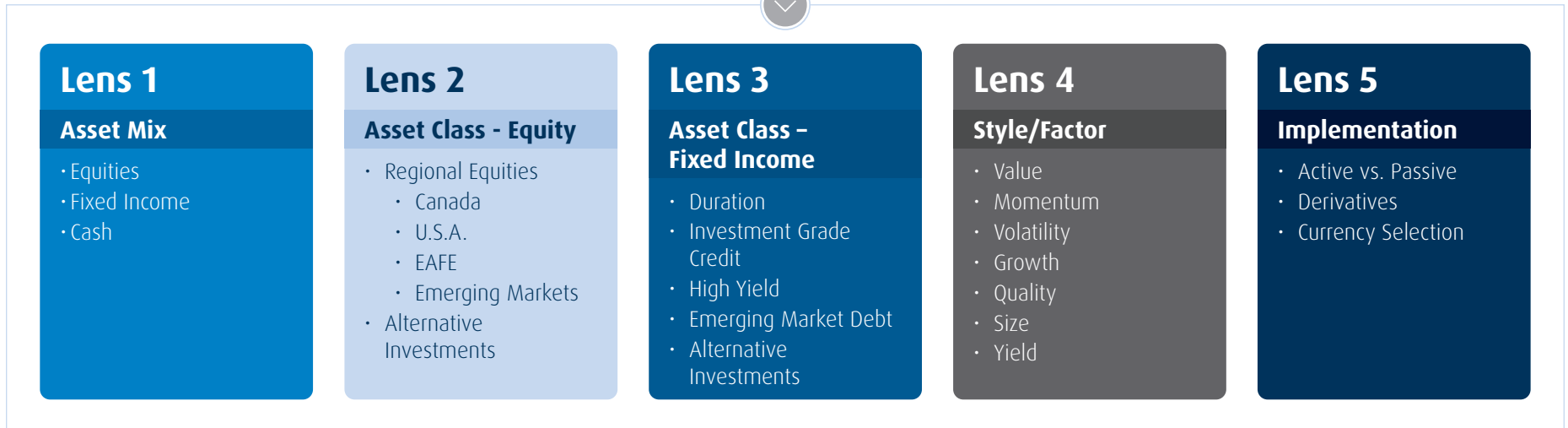


BMO's "Five Lenses" Strategy

BMO Multi-Asset Solutions Team

At BMO Global Asset Management (BMO GAM) we recognize that asset allocation is the primary driver of long-term portfolio performance. That's why we've created a group of asset allocators called the Multi-Asset Solutions Team (MAST), who follow

a consistent investment philosophy to focus on global idea generation with local portfolio implementation. The MAST has developed a simplified "Five Lenses" view to help explain what is driving their asset allocation decisions.



BMO Global Asset Management is a brand name that comprises BMO Asset Management Inc. and BMO Investments Inc.

Commissions, trailing commissions (if applicable), management fees and expenses all may be associated with mutual fund investments. Please read the fund facts or prospectus of the relevant mutual fund before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Distributions are not guaranteed and are subject to change and/or elimination. For a summary of the risks of an investment in BMO Mutual Funds, please see the specific risks set out in the prospectus.

BMO Mutual Funds are managed by BMO Investments Inc., which is an investment fund manager and a separate legal entity from Bank of Montreal.

Any statement that necessarily depends on future events may be a forward-looking statement. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Although such statements are based on assumptions that are believed to be reasonable, there can be no assurance that actual results will not differ materially from expectations. Investors are cautioned not to rely unduly on any forward-looking statements. In connection with any forward-looking statements, investors should carefully consider the areas of risk described in the most recent simplified prospectus.

The information provided on this report is intended for informational purposes only. Particular investments or trading strategies should be evaluated relative to each individual. The foregoing is not intended to be and should not be construed as legal, investment or tax advice to any party and a professional should be consulted with respect to any circumstance.

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At BMO GAM, we've always promoted the value of long-term investing. To us, that's always been the most important decision. In a similar vein, the Five Lenses process begins with the strategic asset allocation, which takes into account the long term expected returns, standard deviations and correlations of various asset classes, adjusted for recent experience. This establishes our longer-term view (4-5 years) that defines the neutral asset mix and the design choices of each portfolio (subject to its objectives). However, we recognize that there are times when our short term views (3-12 months) differ substantially from our longer term views. This is where our tactical asset allocation is employed, and forms part of our risk management framework. How we make our tactical asset allocation decisions forms the DNA for our Five Lenses. Our process first decides where we want to be

more or less bullish, whether we need to adjust our geographic weightings (both within equities and bonds) and whether there are certain exposure we like to have more or less of (i.e., high yield vs. corporate bonds). We then decide whether there are certain styles or factors we want to adjust. The process concludes with how we want to implement those changes. We update tactical changes via our scorecard and communicate it via the Fives Lenses each month. Each portfolio is designed with specific portfolio parameters in mind to allow for sufficient degrees of freedom to implement meaningful tactical calls when appropriate, such as overweight U.S. equities, for example. For us, portfolio management involves both strategic and tactical decisions. We will continue to evolve our Five Lenses Strategy to produce better outcomes for our clients.

Five Lenses, as of December 2022

Lens 1 Asset Mix	Lens 2 Asset Class - Equity	Lens 3 Asset Class - Fixed Income	Lens 4 Style/Factor	Lens 5 Implementation																																
<ul style="list-style-type: none"> Aggressive monetary-policy tightening is increasing the odds of global recession, but the odds of a soft landing have recently increased as the U.S. economy proved more resilient than feared. Bonds could soon be attractive once the recession starts. Now neutral across equities and bonds, but the lingering uncertainty around the economic outlook should bring choppy markets over coming months. 	<ul style="list-style-type: none"> Downgraded North American equities to neutral as economic growth slowed due to rate hikes. Europe remains challenged by the energy outlook, but the severity of the energy shock, while severe, appears more manageable than expected. China is set to continue lifting COVID-related restrictions, which should provide a significant tailwind to its economy and support the broader EM complex. 	<ul style="list-style-type: none"> Rates hikes are not done, but we are nearing the peak of the hiking cycle while the pace of economic growth is moderating. Inflation remains elevated and a concern for markets, but we expect markets to increasingly worry about an economic slowdown. We think riskier high-yield credit is exposed to a worsening economic outlook. 	<ul style="list-style-type: none"> Value stocks are well positioned for sticky inflation and energy cycle. Growth stocks could suffer in the early innings of the recession because of their higher multiples. Quality and low volatility companies should be well shielded against economic and earnings downside. 	<ul style="list-style-type: none"> As we approach the end of the U.S. Federal Reserve hiking cycle, we expect to see a broad decline of the U.S. Dollar, which should benefit the Canadian dollar into 2023. The rising odds of U.S. soft landing should also alleviate demand for safe-haven U.S. assets. 																																
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