

Investment Analysis





Executive Summary

With the new changes to Client Focused Reforms (CFR), BMO aims to support Registered Individuals with information about the recommended securities and tools to help address the Know Your Product (KYP) and Suitability expectations and guidelines. With consideration to understanding client-investment suitability, Registered Individuals must be able to demonstrate their assessment and understanding of a reasonable range of alternative securities made available through the firm.

To make a suitability determination, Registered Individuals need to take reasonable steps to understand the securities that they purchase, sell, or recommend for a client, including the initial and ongoing costs associated with acquiring and holding each security, the security's structure, features, and risks, and the impact of the action on their clients' accounts, including liquidity, concentration, and the actual and potential impact of costs on the client's return. Registered Individuals also must obtain approval from the firm to offer the security to their client.

In addition to putting their clients' interests first, the ability to meet the KYP requirements is pertinent to making a suitability determination. The Registered Individual must provide a reasonable range of alternative actions available at the time of determination. This refers to a suitable range of comparable securities that are available through the firm that fall within a similar risk level, suitability, and category when compared to a client's risk profile. Once these requirements are met, the Registered Individual may then present this recommendation to their client.

Completion of all the above KYP requirements should be recorded in a format that can be readily provided to regulating bodies upon request to ensure that adequate steps were taken. With the following presentation and checklist, it can help evidence that KYP obligations have been completed in order to conduct a suitability determination.



KYP Checklist

- Has the security been approved by the firm to be made available to the client?
- Have reasonable steps been taken by the Registered Individual to understand the securities to enable a suitability determination?
- Has the risk rating of the recommendation and the impact of the action on the client's account been evaluated?
- Has a reasonable range of alternative products been reviewed within the comparison at the time of the suitability determination?

Commentary

BMO Covered Call US High Dividend ETF Fund has a Medium risk rating and is built for investors looking for pure exposure to blue chip US dividend paying companies. The covered call writing provides additional yield on a monthly basis for clients looking for an enhanced level of income to fund their lifestyle needs. The overall result is a cash flow and growth strategy, based on a variety of reliable dividend paying sectors in the US.

Covered Call Writing Execution:

- Calls are written on ~50% of the portfolio
- 50% of the Portfolio has long exposure to US Dividend paying companies with no upside ceiling.
- The call writing on avg. provides an additional 150-200bps of current yield.
- Calls are written 2-4% Out of the Money (OTM) and are typically: 75% 30 days out, 25% 60 days out
- No calls are written out more than 60 days allowing changes in market volatility to be captured as quickly as possible.

Relative to the included peer group the BMO Covered Call US High Dividend ETF Fund has:

- provided comparable risk/reward profile and decent downside protection over the last 5 years.
- the highest distribution yield
- the lowest MER among the peer group at 0.73% (approximately 30%-40% less expensive than the peer group)

Summary:

BMO Covered Call U.S. High Dividend ETF Fund is an attractive solution for clients looking for a Medium risk, cash flow and growth strategy that provides pure exposure to U.S dividend paying equities with an enhanced yield that is paid on a monthly basis.

Source: BMO Global Asset Management as of 31st August 2023.

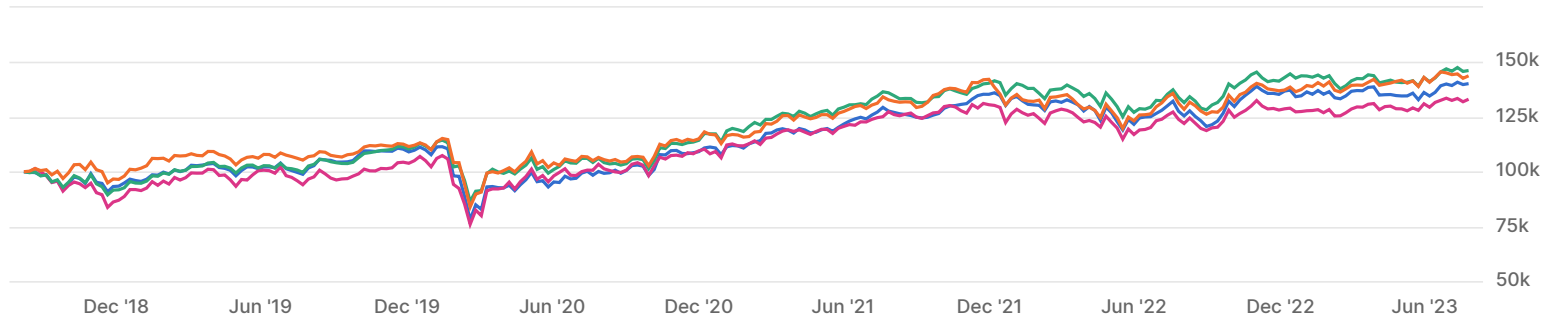


Hypothetical Return Graph

Growth of \$100,000.00

From 2018-09 to 2023-08

● BMO Covered Call U.S. High Dividend ETF Series F :	\$140,262.52	● Mackenzie US Dividend Series F :	\$133,125.47
● Fidelity U.S. Dividend Series F :	\$146,245.99	● CI U.S. Dividend Registered Fund Series F :	\$143,830.46



Hypothetical returns are net of fees and are based on weekly performance for the period ending on 25/08/23 for ● BMO95766, ● MFC4736, ● FID978 and ● CIG4186. For periods greater than one year, the indicated rates of return are the average annual compound total returns as of the date indicated including changes in unit value and the reinvestment of all distributions and do not take into account sales, redemption, distribution or other optional charges or income taxes payable by any unitholder that would have reduced returns.

Overview

	● BMO Covered Call U.S. High Dividend ETF Series F	● Mackenzie US Dividend Series F	● Fidelity U.S. Dividend Series F	● CI U.S. Dividend Registered Fund Series F
YTD Return	0.07%	0.89%	1.01%	0.95%
6 Month Return	0.57%	2.01%	2.26%	0.53%
1 Year Return	10.68%	8.69%	11.37%	8.91%
3 Year Return	10.88%	9.06%	11.48%	10.61%
5 Year Return	6.43%	5.05%	7.55%	6.85%
10 Year Return	N/A	N/A	10.53%	N/A
Beta	0.73	0.71	0.85	0.76
MER	0.73%	1.04%	1.10%	1.35%

Performance is net of fees. Performance data for period ending on 27/09/23 for ● BMO95766, ● MFC4736, ● FID978 and ● CIG4186. Risk data for period ending on 31/08/23 for ● BMO95766, ● MFC4736, ● FID978 and ● CIG4186. MER provided by Funddata for the following items: ● Fidelity U.S. Divide... and ● CI U.S. Dividend Reg...

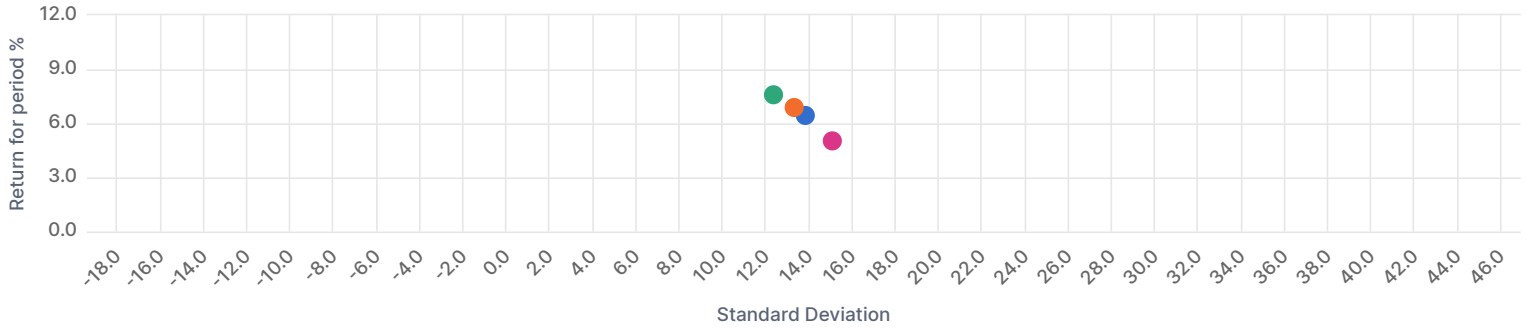
Asset Allocation

	● BMO Covered Call U.S. High Dividend ETF Series F	● Mackenzie US Dividend Series F	● Fidelity U.S. Dividend Series F	● CI U.S. Dividend Registered Fund Series F
Fixed Income	0.00%	0.00%	0.00%	0.00%
Cash	0.51%	3.09%	4.15%	3.68%
Canadian Equity	0.00%	0.00%	2.48%	0.00%
United States Equity	96.24%	90.64%	79.54%	90.84%
International Equity	4.09%	5.64%	13.89%	5.49%
Other	-0.84%	0.64%	-0.06%	-0.01%

Allocations data as at 31/08/23 for ● BMO95766 and ● CIG4186, as at 30/06/23 for ● MFC4736 and as at 31/07/23 for ● FID978. The "Other" category will also compensate for data that is currently unavailable.

Risk / Reward Analysis (5 Years)

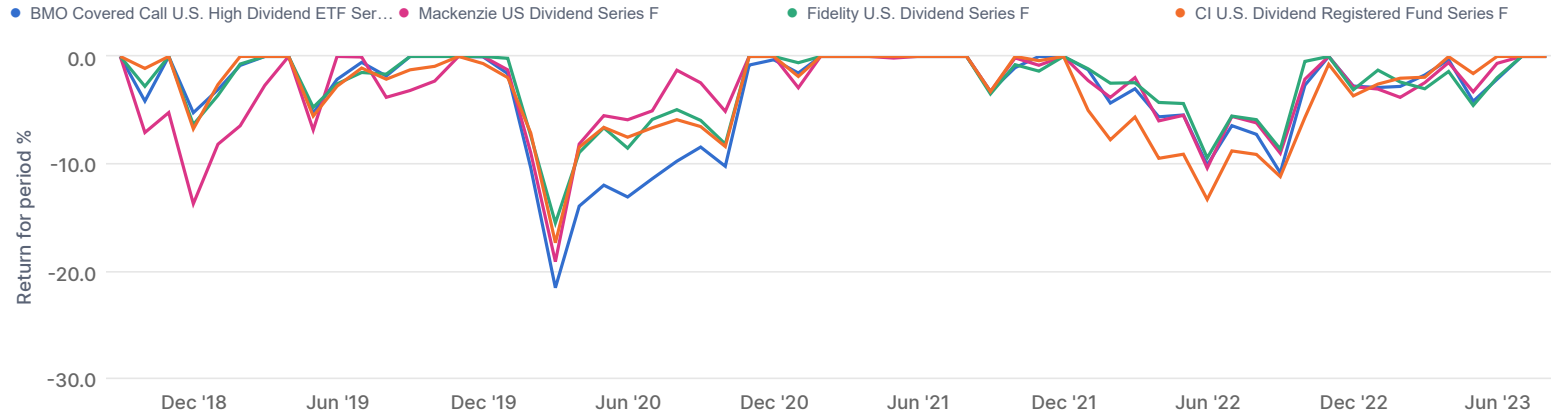
● BMO Covered Call U.S. High Dividend ETF S... Std. Dev.: 13.86 | Return: 6.43%
 ● Mackenzie US Dividend Series F Std. Dev.: 15.08 | Return: 5.05%
 ● Fidelity U.S. Dividend Series F Std. Dev.: 12.38 | Return: 7.55%
 ● CI U.S. Dividend Registered Fund Series F Std. Dev.: 13.32 | Return: 6.85%



Risk data for period ending on 31/08/23 for ● BMO95766, ● MFC4736, ● FID978 and ● CIG4186. Performance is net of fees. Performance data for period ending on 27/09/23 for ● BMO95766, ● MFC4736, ● FID978 and ● CIG4186.

Drawdown Analysis

From 2018-09 to 2023-08







For periods greater than one year, the indicated rates of return are the average annual compound total returns as of the date indicated including changes in unit value and the reinvestment of all distributions and do not take into account sales, redemption, distribution or other optional charges or income taxes payable by any unitholder that would have reduced returns. Drawdown data is net of fees and is based on monthly performance for the period ending on 31/08/23 for ● BMO95766, ● MFC4736, ● FID978 and ● CIG4186.

Trailing Returns

	● BMO Covered Call U.S. High Dividend ETF Series F	● Mackenzie US Dividend Series F	● Fidelity U.S. Dividend Series F	● CI U.S. Dividend Registered Fund Series F
1 Month Return	-3.44%	-2.85%	-2.34%	-3.84%
3 Month Return	1.08%	0.84%	1.71%	-1.19%
6 Month Return	0.57%	2.01%	2.26%	0.53%
YTD Return	0.07%	0.89%	1.01%	0.95%
1 Year Return	10.68%	8.69%	11.37%	8.91%
2 Year Return	3.77%	0.98%	3.45%	2.53%
3 Year Return	10.88%	9.06%	11.48%	10.61%
4 Year Return	6.52%	7.43%	8.10%	7.09%
5 Year Return	6.43%	5.05%	7.55%	6.85%
10 Year Return	N/A	N/A	10.53%	N/A
Since Inception	7.64%	9.33%	11.87%	8.73%





Performance is net of fees. Performance data for period ending on 27/09/23 for ● BMO95766, ● MFC4736, ● FID978 and ● CIG4186.

Calendar Year Returns (5 Years)

	 BMO Covered Call U.S. High Dividend ETF Series F	 Mackenzie US Dividend Series F	 Fidelity U.S. Dividend Series F	 CI U.S. Dividend Registered Fund Series F
2022	-0.03%	-1.86%	0.69%	-3.68%
2021	24.01%	19.22%	22.80%	26.40%
2020	-0.27%	5.82%	3.63%	3.21%
2019	16.57%	20.09%	19.54%	14.52%
2018	0.96%	-10.58%	-1.92%	7.09%

Performance is net of fees.

Top 5 Equity Industry Holdings

	 BMO Covered Call U.S. High Dividend ETF Series F	 Mackenzie US Dividend Series F	 Fidelity U.S. Dividend Series F	 CI U.S. Dividend Registered Fund Series F
First	22.13% Technology	22.61% Technology	18.69% Financials	24.36% Technology
Second	15.78% Financials	17.72% Health Care	16.52% Industrials	19.14% Financials
Third	13.35% Health Care	16.77% Financials	14.49% Health Care	18.87% Industrials
Fourth	12.86% Consumer Services	12.71% Consumer Services	12.00% Technology	10.79% Health Care
Fifth	12.52% Consumer Goods	9.83% Consumer Goods	10.03% Consumer Services	10.63% Consumer Services

Allocations data as at 31/08/23 for  BMO95766 and  CIG4186, as at 30/06/23 for  MFC4736 and as at 31/07/23 for  FID978.

Top 5 Country Allocations

	BMO Covered Call U.S. High Dividend ETF Series F	Mackenzie US Dividend Series F	Fidelity U.S. Dividend Series F	CI U.S. Dividend Registered Fund Series F
First	96.72% United States of Ameri...	90.64% United States of Ameri...	81.34% United States of Ameri...	94.35% United States of Ameri...
Second	2.07% Ireland	3.73% Unidentified	3.83% United Kingdom	2.44% Ireland
Third	2.01% United Kingdom	3.60% Ireland	3.15% Canada	2.20% United Kingdom
Fourth	0.03% Canada	2.04% United Kingdom	2.62% Switzerland	0.85% Germany
Fifth	-0.84% Unidentified	N/A	1.93% France	0.17% Canada

Core Equity Metrics

	BMO Covered Call U.S. High Dividend ETF Series F	Mackenzie US Dividend Series F	Fidelity U.S. Dividend Series F	CI U.S. Dividend Registered Fund Series F
Equity Allocation	100.33%	96.27%	95.91%	96.33%
Price-To-Book Ratio	5.95	7.94	3.77	9.09
Price-To-Earnings Ratio	20.67	32.38	19.23	26.57
Distribution Yield	5.48%	0.00%	0.71%	0.00%
Return on Equity	N/A	32.67%	21.52%	35.05%

Allocations data as at 31/08/23 for **BMO95766** and **CIG4186**, as at 30/06/23 for **MFC4736** and as at 31/07/23 for **FID978**. Return on equity as at 31/08/23 for **BMO95766** and **CIG4186** and as at 31/07/23 for **FID978**. Other equity metrics as at 31/08/23 for **BMO95766** and **CIG4186**, as at 30/06/23 for **MFC4736** and as at 31/07/23 for **FID978**.

Equity Style Breakdown

	BMO Covered Call U.S. High Dividend ETF Series F	Mackenzie US Dividend Series F	Fidelity U.S. Dividend Series F	CI U.S. Dividend Registered Fund Series F
Equity Style				
Value	6.14%	0.53%	8.73%	1.06%
Blend	18.46%	10.14%	20.63%	7.40%
Growth	75.40%	89.34%	70.64%	91.54%
Market Cap				
Large Cap	100.00%	100.00%	99.00%	96.85%
Mid Cap	0.00%	0.00%	1.00%	3.15%
Small Cap	0.00%	0.00%	0.00%	0.00%

Equity style provided by Funddata and is as at 31/08/23 for **BMO95766** and **CIG4186**, as at 30/06/23 for **MFC4736** and as at 31/07/23 for **FID978**.

Core Risk Metrics (5 Years)

	● BMO Covered Call U.S. High Dividend ETF Series F	● Mackenzie US Dividend Series F	● Fidelity U.S. Dividend Series F	● CI U.S. Dividend Registered Fund Series F
Risk Rating	Medium	Medium	Medium	Medium
Beta	0.84	0.93	0.83	0.82
Standard Deviation	13.86	15.08	12.38	13.32
Sharpe Ratio	0.41	0.28	0.52	0.51
Maximum Drawdown	-21.61%	-19.17%	-15.55%	-17.40%
R-Squared	0.77	0.79	0.96	0.79
Correlation Coefficient	0.88	0.89	0.98	0.89
Upside / Downside	↑ 69.0% ↓ 84.6%	↑ 75.6% ↓ 99.9%	↑ 85.7% ↓ 83.0%	↑ 69.1% ↓ 79.0%

Risk data for period ending on 31/08/23 for ● BMO95766, ● MFC4736, ● FID978 and ● CIG4186. The risk metrics for ● BMO95766 and ● MFC4736 were calculated with S&P 500 TR CAD and FTSE CAD 3 Months Eurodeposit. The risk metrics for ● FID978 were calculated with Russell 3000 Value TR and FTSE CAD 3 Months Eurodeposit. The risk metrics for ● CIG4186 were calculated with S&P 500 TR and FTSE CAD 3 Months Eurodeposit.

Top 5 Holdings

	● BMO Covered Call U.S. High Dividend ETF Series F	● Mackenzie US Dividend Series F	● Fidelity U.S. Dividend Series F	● CI U.S. Dividend Registered Fund Series F
First	99.94% BMO US High Dividend...	7.95% Microsoft Corp ORD	3.56% JPMorgan Chase & Co ...	5.61% Microsoft Corp ORD
Second	0.03% USD Cash	4.37% Johnson & Johnson ORD	3.35% Fidelity U.S. Money Ma...	4.74% S&P Global Inc ORD
Third	0.03% CAD Cash	4.10% Alphabet Inc Class A O...	3.24% Exxon Mobil Corp ORD	4.70% Broadcom Inc ORD
Fourth	N/A	3.92% Becton Dickinson and ...	2.21% Johnson & Johnson ORD	4.48% Republic Services Inc ...
Fifth	N/A	3.36% Visa Inc ORD	2.19% Linde PLC ORD	4.09% Apple Inc ORD
Sub Total	100.00%	23.71%	14.56%	23.62%

Holdings data as at 31/08/23 for ● BMO95766 and ● CIG4186, as at 30/06/23 for ● MFC4736 and as at 31/07/23 for ● FID978.

Glossary

Alpha

Alpha is a measure of performance. It indicates when an investment has beaten the market over a period of time.

Beta

Beta is used as a measure of volatility of an investment compared to the risk of the entire market. A score of 1 indicates the investment is as volatile as the market. Less than 1 indicates it is less volatile than the market.

Consistent Return

The Lipper Rating for Consistent Return identifies a fund that has provided relatively superior consistency and risk-adjusted returns when compared to a group of similar funds. Funds which achieve high ratings for Consistent Return may be the best fit for investors who value a fund's year-to-year consistency relative to other funds in a particular peer group.

Investors are cautioned that some peer groups are inherently more volatile than others, and even Lipper Leaders for Consistent Return in the most volatile groups may not be well suited to shorter-term goals or less risk-tolerant investors.

Information Ratio

Information Ratio measures a portfolio's return beyond the returns of a benchmark and compares it to the volatility of the returns.

Lipper Leader Scores

<http://www.lipperleaders.com/quickinfo.aspx>

Funds are ranked against their Lipper peer group classifications each month for 3-, 5-, 10-year, and overall periods. These ratings are based on an equal-weighted average of percentile ranks of the five Lipper Leaders metrics.

For each metric:

- the top 20% of funds receive a rating of '5' and are named Lipper Leaders;
- the next 20% of funds receive a rating of '4';
- the middle 20% of funds receive a rating of '3';
- the next 20% of funds receive a rating of '2';
- the lowest 20% of funds receive a rating of '1'.

Lipper Leaders provide context and perspective for making informed investment decisions but do not predict future performance.

Management Expense Ratio

Management Expense Ratio ("MER") indicates how much a fund pays in management fees, operating expenses, taxes, and potentially commissions to advisors.

Maximum Drawdown

Maximum Drawdown is the maximum compounded loss an investment incurred during a period.

Portfolio Correlation

Portfolio Correlation measures how much two investments move relative to each other. Correlation falls between -1.0 and 1.0.

Preservation

Choosing a Lipper Rating for Preservation may help to minimize downside risk relative to other fund choices in the same asset class. Investors are cautioned that equity funds have historically been more volatile than mixed-equity or fixed-income funds, and that even the Lipper Rating for Preservation in more volatile asset classes may not be well suited to shorter-term goals or less risk-tolerant investors.

R-Squared

R-squared measures what percentage of an investment's performance is caused by movements in its benchmark. R-squared values range from 0 to 100%.

Sharpe Ratio

Sharpe Ratio describes how much excess return an investment produces relative to its volatility.

Sortino Ratio

Sortino Ratio describes how much excess return an investment produces relative to its downside volatility.

Standard Deviation

Standard Deviation measures the historical volatility of an investment. It compares the variance of performance relative to its average over time.

Total Return

The Lipper Rating for Total Return denotes a fund that has provided superior total returns (income from dividends and interest as well as capital appreciation) when compared to a group of similar funds.

Tracking Error

Tracking Error is the difference between the standard deviation of a fund and its benchmark. It is used to indicate how closely a fund replicates a benchmark.

Upside/Downside Capture

Upside/Downside Capture is a measure of an investment's performance during positive and negative market periods. It's used to determine how well an investment performed during periods where market returns have been positive or negative. It's presented as a percentage.

The KYP Tool is provided to Financial Advisors only, for educational and informational purposes only and solely as a tool for advisors to support the assessment of investment suitability for investors. Investors are expected to consult their advisors to determine suitability for their investment objectives and portfolio. The information, analysis and opinions expressed herein are for general information only and are not intended to provide specific advice or recommendations for any individual security. Please note that the information presented may not be appropriate for all. The KYP Tool is not intended to be an exhaustive or definitive examination, professional advice should be obtained.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments and the use of an asset allocation service. Please read the fund facts or prospectus of the mutual funds in which investment may be made before investing, including mutual fund investments under an asset allocation service. The indicated rates of return (other than for each money market fund) are the historical annual compounded total returns assuming the investment strategy recommended by the asset allocation service is used and after deduction of the fees in respect of the service. The returns are based on the historical annual compounded total returns of the participating funds including changes in unit value and reinvestment of all distributions and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder in respect of a participating fund that would have reduced returns. In case of BMO Money Market Fund note that mutual fund securities are not covered by the Canada Deposit Insurance Corporation or by any other government deposit insurer. There can be no assurances that the Fund will be able to maintain its net asset value per security at a constant amount or that the full amount of your investment in the fund will be returned to you. Past performance may not be repeated. The indicated rate of return for each money market fund is an annualized historical yield based on the seven-day period ended as indicated and annualized in the case of effective yield by compounding the seven-day return and does not represent an actual one-year return.

Risk tolerance measures the degree of uncertainty that an investor can handle regarding fluctuations in the value of their portfolio. The amount of risk associated with any particular investment depends largely on your own personal circumstances including your time horizon, liquidity needs, portfolio size, income, investment knowledge and attitude toward price fluctuations. Investors should consult their financial advisor before making a decision as to whether this Fund is a suitable investment for them.

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