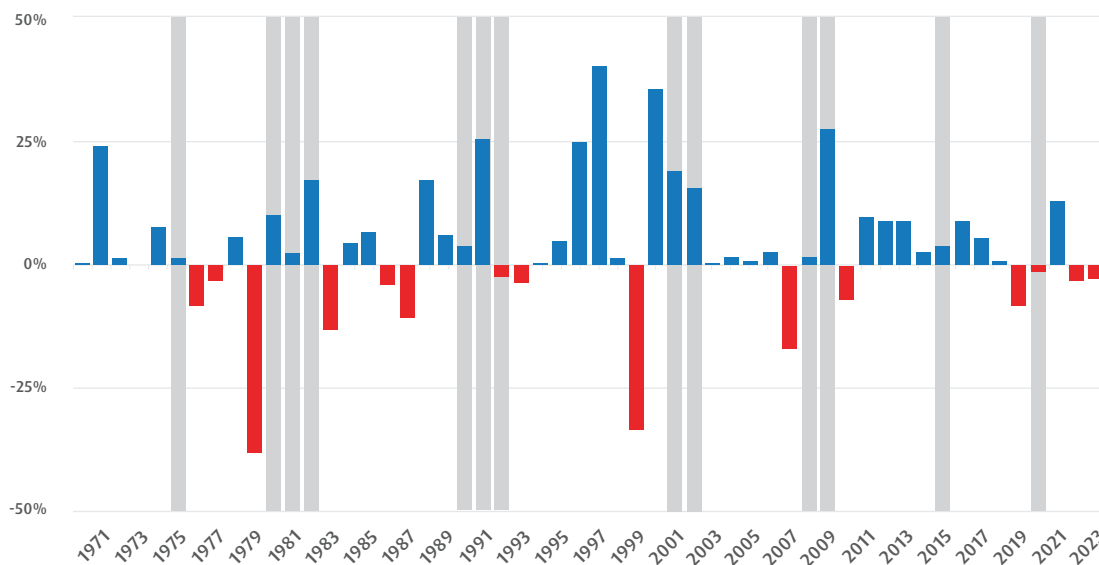


Chart: Canadian Banks Have Not Underperformed 3 Years in a Row in Over Half a Century

In 2023, the “Big Six” underperformed the S&P/TSX composite index for the second consecutive year following a challenging stretch for Financials. History shows, however, that it could be time for a rebound. As the chart below demonstrates, the Canadian bank index has not underperformed relative to the S&P/TSX Composite Index three years in a row in over half a century. The banks’ strong fundamentals and the improving macroeconomic landscape could bode well for the year ahead and beyond.



Canadian Bank Index Annual Total Return vs. S&P/TSX 1970 to 2023





Shaded grey areas represent recessions (1975, 1980-82, 1990-92, 2008-09, 2020) or slowdowns (2001-02 and 2015). Last datapoint for total return is Dec 29, 2023. Total return on a calendar year basis. Source: Bloomberg, BMO Capital Markets. Index returns do not reflect transactions costs or the deduction of other fees and expenses and it is not possible to invest directly in an Index. Past performance is not indicative of future results.

Banks on Sale

Previous market troughs, such as 2009 and 2020, proved to be opportune entry points into Canadian bank stocks, meaning historical trends could be on investors' side. In 2024, Canadian banks are trading at attractive valuations on a Dividend Yield and price-to-earnings (P/E)¹ level.

- Canadian Banks, as a group, are **trading at roughly 10X earnings¹**
- **100+ year** history of paying dividends²
- **Monthly** distribution frequency
- **Single-ticket access** to Canada's "Big Six"

	BM0 Canadian Banks ETF Fund - Series F	<ul style="list-style-type: none"> • 3.5 cents monthly distribution • 4.75%⁴ annualized distribution yield • Series F code — BM095262 • Fund profile and fund facts • \$250,000 = \$999.25 a month⁵
	BM0 Covered Call Canadian Banks ETF Fund - Series F	<ul style="list-style-type: none"> • 6.7 cents monthly distribution • 7.40%⁴ annualized distribution yield • Series F code — BM095765 • Fund profile and fund facts • \$250,000 = \$1,579.47 a month⁶

Fund Performance (%) ⁴	1 Mo	3 Mo	1 Yr	2 Yrr	3 Yr	5 Yr	SI	Inception Date
BM0 Covered Call Canadian Banks ETF Fund - Series F	7.49	9.26	6.71	-2.65	7.38	7.49	7.55	Apr 27, 2016
BM0 Canadian Banks ETF Fund - Series F	10.81	12.94	10.64	-	-	-	-0.64	May 29, 2022

BM0 Global Asset Management, as of December 30, 2023.

- ¹ Source for P/E/ ratios: Bloomberg, as of December 6, 2023. Forward P/E ratio = The forward price to earnings ratio is the ratio for valuing a company that measures its current share price relative to its forecasted per-share earnings (EPS).
- ² Source: [Nasdaq Dividend History Database](#).
- ³ Management Expense Ratio (MER) as of September 30, 2022
- ⁴ As of December 30, 2023. Annualized Distribution Yield: This yield is calculated by taking the most recent regular distribution, or expected distribution, (excluding additional year end distributions) annualized for frequency, divided by current NAV. The yield calculation does not include reinvested distributions.
- ⁵ \$250,000 invested on January 1, 2024 would generate \$999.25 a month ($\$250,000 / \$8.7566 = 28,549.89$ units paying \$0.035 per unit).
- ⁶ \$250,000 invested on January 1, 2024 would generate \$1,579.47 a month ($\$250,000 / \$10.6048 = 23,574.23$ units paying \$0.067 per unit).

Disclosures:

Commissions, management fees and expenses (if applicable) all may be associated with investments in mutual funds. Trailing commissions may be associated with investments in certain series of securities of mutual funds. Please read the fund facts, ETF 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 the BMO Mutual Funds, please see the specific risks set out in the prospectus. ETF Series of the BMO Mutual Funds trade like stocks, fluctuate in market value and may trade at a discount to their net asset value, which may increase the risk of loss. Distributions are not guaranteed and are subject to change and/or elimination.

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

Series F units are only available to investors who participate in eligible wrap programs or flat fee accounts with their registered dealers that have entered into a Series F Agreement with BMO Investment Inc.

Distribution yields are calculated by using the most recent regular distribution, or expected distribution, (which may be based on income, dividends, return of capital, and option premiums, as applicable) and excluding additional year end distributions, and special reinvested distributions annualized for frequency, divided by current net asset value (NAV). **Distributions are not guaranteed, may fluctuate and are subject to change and/or elimination. Distribution rates may change without notice (up or down) depending on market conditions and NAV fluctuations.** The payment of distributions should not be confused with a BMO Mutual Fund's performance, rate of return or yield. If distributions paid by a BMO Mutual Fund are greater than the performance of the investment fund, your original investment will shrink. Distributions paid as a result of capital gains realized by a BMO Mutual Fund, and income and dividends earned by a BMO Mutual Fund, are taxable in your hands in the year they are paid. **Your adjusted cost base will be reduced by the amount of any returns of capital. If your adjusted cost base goes below zero, you will have to pay capital gains tax on the amount below zero.** Distributions, if any, for all series of securities of a BMO Mutual Fund (other than ETF Series) are automatically reinvested in additional securities of the same series of the applicable BMO Mutual Fund, unless the securityholder elects in writing that they prefer to receive cash distributions. For ETF Series securities of a BMO Mutual Fund, distributions, if any, may be paid in cash or reinvested automatically in additional ETF Series securities of the applicable BMO Mutual Fund and the ETF Series securities will be immediately consolidated such that the number of outstanding ETF Series securities following the distribution will equal the number of ETF Series securities outstanding prior to the distribution. If a securityholder is enrolled in a distribution reinvestment plan, distributions, if any, will be automatically reinvested in additional ETF Series securities of the applicable BMO Mutual Fund pursuant to the distribution reinvestment plan. For further information, see the distribution policy for the applicable BMO Mutual Fund in the simplified prospectus.

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