

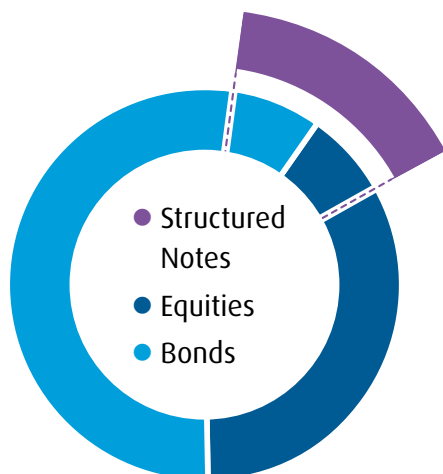
BMO Strategic Equity Yield Fund

Missing Piece Between Equity and Fixed Income

Income
Generation
with Structured
Outcomes¹

STRUCTURED NOTES: A COMPLEMENT TO THE 60/40 PORTFOLIO?

The diversification powers of the traditional 60/40 balanced portfolio came under scrutiny in 2022, as global monetary tightening saw both equities and fixed income underperform and become highly correlated. Structured notes are hybrid securities whose returns are linked to some reference asset, such as an equity index. They allow holders to customize potential outcomes and risk/return profile, and can be a valuable addition to stabilize portfolios in volatile times.



IMPROVE RISK-ADJUSTED RETURNS

- Structured notes are built for return diversification from traditional asset classes
- Above-average income and contingent downside protection can help optimize risk-reward trade-off

BMO STRATEGIC EQUITY YIELD FUND

BMO Strategic Equity Yield Fund seeks to replicate the outcome of an actively managed portfolio of diversified autocallable notes offered by Canadian and international issuers through the use of derivatives or structured products. Autocallable notes are a subset of structured notes that seek to provide enhanced yield plus contingent downside protection².

**Higher Level of
Monthly Cash
Flow^{*}**

**Diversified
Network of
Dealers:
Competitive
Pricing³**

**Downside
Protection:**
Mitigate risk via
contingent buffered
protection⁴

**Risk Rating:
Low to Medium**

^{*} As compared to traditional Fixed Income investments. Source: [Halo Investing, "Structured Notes 101 - Infographic," Halo Journal, August 31, 2022.](#)

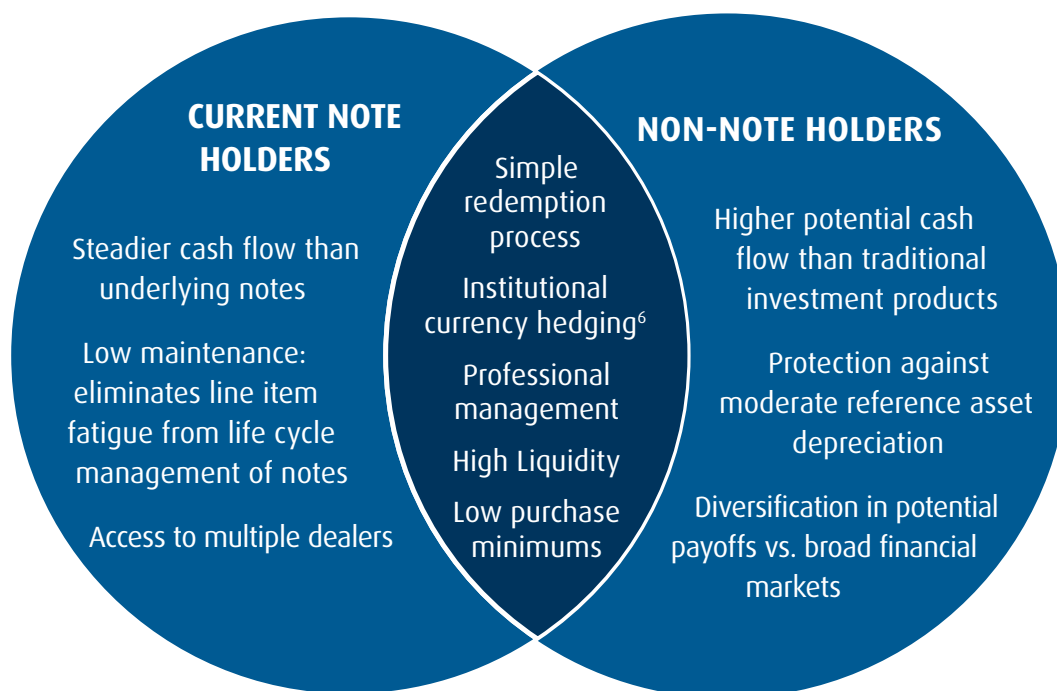
PROCESS



REFERENCE EXPOSURE

Geography (max weight)	Reference Asset	Target Weight ⁵
Canada (70%)	Canadian Banks	20-40%
	Canadian Broad Equities	5-20%
	Canadian Telecommunications	0-10%
	Canadian Utilities	0-10%
	Canadian Pipelines	0-5%
United States (50%)	U.S. Index	5-20%
	U.S. Banks	0-10%
	U.S. Life Insurance	0-10%
	U.S. Technology	0-10%
	U.S. Energy	0-10%
Global (10%)	European Broad Equities	0-10%
Other (10%)	Other	0-10%

KEY BENEFITS FOR...



CODES MER

Series	Code	Series Code MER(%) [*]
A Series	290	1.86

^{*} The listed target Management Expense Ratio (MER) are estimated. As the series of funds are less than one year old, actual MER costs will not be known until the fund financial statements for the current fiscal year are released.

¹ Structured Outcomes: a family of solutions designed to enhance predictability to an investor's results. Generally, they include a customizable risk-return profile through enhanced upsides and/or downside protection.

² The autocallable note exposure in the fund is currently obtained through the use of total returns swaps with different dealers, which replicate the exposure of a portfolio of autocallable notes.

³ Through a network of multiple dealers, the fund is able to pursue more competitive pricing for financial instruments versus dealing with a single counterparty.

⁴ Contingent buffered protection: the note provides principal protection at or above a principal protection level. Below the principal protection level, the note begins experiencing a loss. The loss profile is always less than the underlying reference asset's loss.

⁵ Target weights are subject to change.

⁶ Institutional Currency Hedging: the management team hedges offsets currency exposure in the underlying assets through forward agreements with counterparties.

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.

Distributions are not guaranteed and may fluctuate. Distribution rates may change without notice (up or down) depending on market conditions. The payment of distributions should not be confused with an investment fund's performance, rate of return or yield. If distributions paid by an investment fund are greater than the performance of the fund, your original investment will shrink. Distributions paid as a result of capital gains realized by an investment fund, and income and dividends earned by an investment 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. Please refer to the distribution policy for BMO Mutual Fund set out in the prospectus.

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.

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. The indicated rates of return are the historical annual compounded total returns for the period indicated 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 that would have reduced returns. 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.

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