



**Brian Belski**  
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Portfolio Manager  
BMO Capital Markets Corp.

Brian Belski – Chief Investment Strategist and leader of the Investment Strategy Group, BMO Capital Markets - has a strong track record of forecasting equity markets and is a regular resource in the business media and a frequent guest on CNBC, Fox Business, Bloomberg and BNN. Brian is also the Portfolio Manager of BMO U.S. Equity Plus Fund and BMO U.S. All Cap Equity Fund.

Brian and his capital markets team have provided the following research update that is influencing their portfolio management of the BMO U.S. Equity Plus Fund and the BMO U.S. All Cap Equity Fund.

## Summary

In this report Brian presents the **U.S. Strategy Snapshot** and **Canadian Strategy Snapshot** for **March 2025**.

### U.S. Strategy Snapshot- Key Points – Focus On Tactical SMID-Cap Opportunities – March 2025

Summary: **Uncertain Times Require Discipline Not Reaction**

#### Main Points:

- A High Quality and GARP approach to SMID has an attractive long term track record
- Current Fundamentals for this group appear attractive

### Canadian Strategy Snapshot - Key Points – Yes, Facts Are Facts – Canada Is Outperforming – March 2025

#### Main Points:

- Canada's strong relative value position has created a downside performance buffer
- Foreign flows into Canada have clearly rebounded, adding continued support for Canadian equities
- The S&P 500 has experienced more corrections over the last decade than the S&P/TSX

## Performance as of February 28, 2025

### Annualized Rates of Return (%) in CAD – As of February 28, 2025 - Trailing Returns (%)<sup>1</sup>

Name	Inception Date	1M	3M	YTD	1Y	3Y	5Y	10Y	SI <sup>2</sup>	Morningstar Rating Overall <sup>3</sup>
<b>BMO U.S. Equity Plus Fund - Series F</b>	<b>2014-11-13</b>	<b>-1.32</b>	<b>2.09</b>	<b>3.28</b>	<b>30.30</b>	<b>17.58</b>	<b>17.93</b>	<b>13.63</b>	<b>14.32</b>	<b>★★★★</b>
Canada Fund US Equity Category		-2.09	0.49	1.79	20.46	13.19	14.55	10.84	11.74	-
Excess Return		0.77	1.60	1.49	9.84	4.39	3.38	2.79	2.58	-
# Funds in Category		1,203	1,202	1,202	1,166	1,019	898	556	-	-

Name	Inception Date	1M	3M	6M	YTD	1Y	2Y	3Y	SI <sup>4</sup>	Morningstar Rating Overall <sup>3</sup>
<b>BMO U.S. All Cap Equity Fund - Series F</b>	<b>2021-06-01</b>	<b>-2.60</b>	<b>0.04</b>	<b>15.77</b>	<b>1.83</b>	<b>29.12</b>	<b>29.64</b>	<b>17.10</b>	<b>15.10</b>	<b>★★★★</b>
Canada Fund US Equity Category		-2.09	0.49	10.54	1.79	20.46	22.26	13.19	12.13	-
Excess Return		-0.51	-0.45	5.23	0.04	8.66	7.38	3.91	2.97	-
# Funds in Category		1,203	1,202	1,193	1,202	1,166	-	1,019	-	-

<sup>1</sup>Returns are calculated as Total Return.

### Annual Rates of Return (%) in CAD – As of February 28, 2025 - Calendar Year Returns (%)

Name	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>BMO U.S. Equity Plus Fund - Series F</b>	<b>37.73</b>	<b>25.40</b>	<b>-14.67</b>	<b>26.89</b>	<b>14.31</b>	<b>26.92</b>	<b>-0.75</b>	<b>12.26</b>	<b>8.98</b>	<b>15.73</b>
Canada Fund US Equity Category	27.73	17.98	-13.32	23.46	12.60	22.62	-0.64	12.73	5.60	13.49
Excess Return	10.00	7.42	-1.35	3.43	1.71	4.30	-0.12	-0.46	3.39	2.24
# Funds in Category	1,156	1,359	1,400	1,427	1,636	1,565	1,432	1,300	1,124	1,019

Name	2024	2023	2022
<b>BMO U.S. All Cap Equity Fund - Series F</b>	<b>39.06</b>	<b>24.73</b>	<b>-17.19</b>
Canada Fund US Equity Category	17.98	17.98	-13.32
Excess Return	21.08	6.75	-3.87
# Funds in Category	1,156	1,359	1,400

Source – BMO GAM. Data through February 28, 2025. US Equity Category is represented by Morningstar's Canada Fund US Equity Category. <sup>1</sup>Since inception returns are presented from November 14, 2014 to February 28, 2025. <sup>2</sup>Since inception returns are presented from June 2, 2021 to January 31, 2025. Past performance is not indicative of future results. 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. <sup>3</sup>**BMO US Equity Plus Fund - Series F:** Overall Rating of 4 stars out of 1,203 funds. The Fund received a Morningstar Rating of 4 stars over 3 years (1,019 funds), 4 stars over 5 years (898 funds) and 4 stars over 10 years (556 funds). <sup>4</sup>**BMO US All Cap Fund - Series F:** Overall Rating of 4 stars out of 1,203 funds. The Fund received a Morningstar Rating of 4 stars over 3 years (1,019 funds). Morningstar Rating is for the F share class only; other classes may have different performance characteristics. Past performance is no guarantee of future results.

## Fund at a Glance – BMO U.S. Equity Plus Fund

Investment Objective	This fund's objective is to provide long-term capital growth by investing primarily in equity securities of U.S. and Canadian large capitalization companies.
Investment process	Bottom-Up fundamental analysis
Risk Rating <sup>1</sup>	Medium
Typical Holdings	50 - 70 names
Benchmark Index	75% S&P 500 TR Index (C\$) and 25% S&P/TSX Composite TR Index
Sector Constraints	+/-10% Sector Weight
Market Exposure	Large Cap

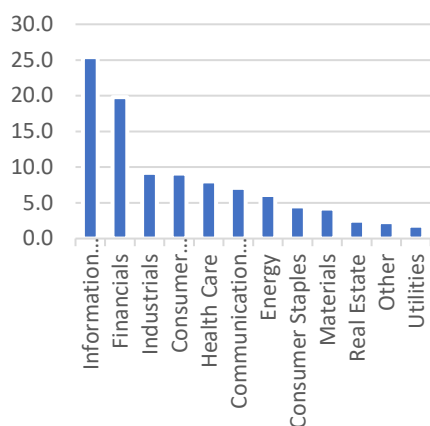
<sup>1</sup>All investments involve risk. The value of a Mutual Fund can go down as well as up and you could lose money. The risk of a Mutual Fund is rated based on the volatility of the Mutual Fund's returns using the standardized risk classification methodology mandated by the Canadian Securities Administrators. Historical volatility doesn't tell you how volatile a Mutual Fund will be in the future. A Mutual Fund with a risk rating of "low" can still lose money. For more information about the risk rating and specific risks that can affect a Mutual Fund's returns, see the BMO Mutual Fund's simplified prospectus.

Top Holdings<sup>2</sup>

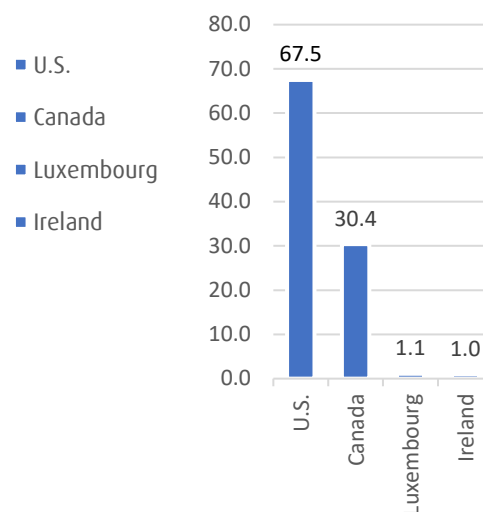
Apple Inc.	5.6%
Microsoft Corp.	4.8%
NVIDIA Corp.	4.0%
Bank of Montreal	3.5%
Bank of America	3.1%
UnitedHealth Group Inc.	3.0%
Shopify Inc.	2.9%
Amazon.com Inc.	2.9%
Costco Wholesale Corp.	2.5%
Oracle Corp.	2.4%
<b>TOTAL</b>	<b>34.6%</b>

- Information Technology
- Financials
- Industrials
- Consumer Discretionary
- Health Care
- Communication Services
- Energy
- Consumer Staples
- Materials
- Real Estate
- Other
- Utilities

## Sector Breakdown (%)



## Region Breakdown (%)



<sup>2</sup>Top Ten Holdings as of February 28, 2025. Sector & Region Breakdown as of February 28, 2025. For illustrative purposes only. The portfolio holdings are subject to change without notice and only represent a small percentage of portfolio holdings. They are not recommendations to buy or sell any particular security.

## Fund at a Glance – BMO U.S. All Cap Equity Fund

Investment Objective	This fund’s objective is to provide long-term capital growth by investing primarily in equity securities of U.S. companies of any size of market capitalization
Investment process	Bottom-Up fundamental analysis
Risk Rating <sup>1</sup>	Medium
Typical Holdings	60 - 80 names
Benchmark Index	S&P 1500 Index
Sector Constraints	No Sector Constraints
Market Exposure	All Cap

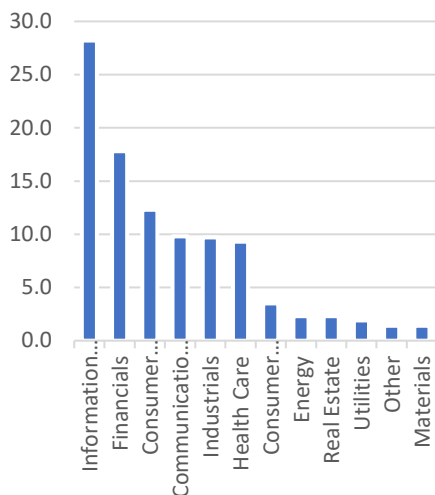
## Top Holdings<sup>2</sup>

Apple Inc.	7.5%
Microsoft Corp.	6.3%
NVIDIA Corp.	3.9%
UnitedHealth Group Inc.	3.5%
Oracle Corp.	3.3%
Berkshire Hathaway Inc.	3.2%
Amazon.com Inc.	3.0%
Bank of America	2.5%
Shopify Inc.	2.5%
Alphabet Inc. Cl A	2.3%
<b>TOTAL</b>	<b>38.1%</b>

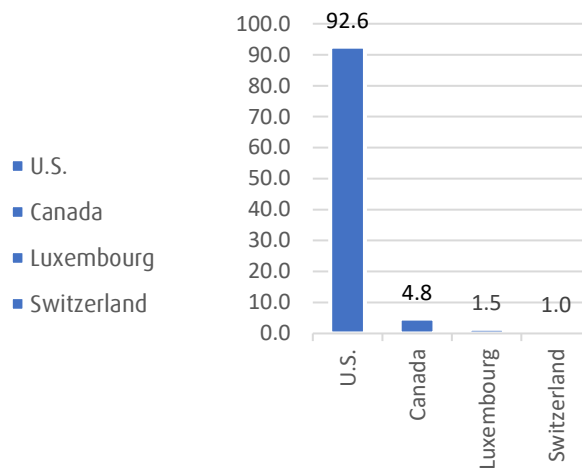
<sup>1</sup>All investments involve risk. The value of a Mutual Fund can go down as well as up and you could lose money. The risk of a Mutual Fund is rated based on the volatility of the Mutual Fund’s returns using the standardized risk classification methodology mandated by the Canadian Securities Administrators. Historical volatility doesn’t tell you how volatile a Mutual Fund will be in the future. A Mutual Fund with a risk rating of “low” can still lose money. For more information about the risk rating and specific risks that can affect a Mutual Fund’s returns, see the BMO Mutual Fund’s simplified prospectus.

- Information Technology
- Financials
- Consumer Discretionary
- Communication Services
- Industrials
- Health Care
- Consumer Staples
- Energy
- Real Estate
- Utilities
- Other
- Materials

### Sector Breakdown (%)



### Region Breakdown (%)



<sup>2</sup>Top Ten Holdings as of February 28, 2025. Sector & Region Breakdown as of February 28, 2025. For illustrative purposes only. The portfolio holdings are subject to change without notice and only represent a small percentage of portfolio holdings. They are not recommendations to buy or sell any particular security.

## Fund Codes

Series	MER (%)	Front End*	Low Load†	DSC‡
<b>BMO U.S. Equity Plus Fund</b>				
Advisor Series / US\$ Advisor	2.20/2.20	BM099744/BM079744	BM098744/BM078744	BM097744/BM077744
F Series / US\$ F	0.82/ 0.82	BM095744/BM040744	-	-
<b>BMO U.S. All Cap Equity Fund</b>				
US\$ Advisor / Advisor Series	1.90/ 1.90	BM079125/BM099115	-	-
US\$ F / F Series	0.82/ 0.82	BM040125/BM095115	-	-

\*Front End = Sales Charge † Low Load and DSC purchase options are no longer available for sale. MER as of March 31, 2024.

## Disclaimers (All charts are as of February 28, 2025 unless noted differently.)

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.

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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 simplified 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.

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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.

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## US Strategy Snapshot

### Focus On Tactical SMID-Cap Opportunities

**Bottom Line:** Small-to-mid-cap stocks (SMID) have been particularly hard hit amid recent market struggles underperforming their larger-cap counterparts by a significant margin YTD. While we remain neutral across the US stock market cap spectrum, recent trends suggest to us that a tactical opportunity may be presenting itself within the SMID-cap space for active-minded investors. Yes, we understand that the “risk-on” nature of these stocks coupled with elevated uncertainty will likely continue to weigh on performance despite the group’s extremely discounted relative valuation and improved earnings growth expectations. But even with this obstacle, we believe select outperformance opportunities can and do exist within this space. Specifically, we believe that combining quality and growth-at-a-reasonable price (GARP) attributes within SMID can be a beneficial approach in the current market environment. Our analysis suggests that not only does this subset of stocks have a long outperformance track record, but they also currently trade at even bigger relative discounted levels and offer better growth expectations compared to the index. In addition, relative performance has started to rebound from a multi-month period of underperformance, which suggests to us that trends may be slowly reverting to historical norms providing an opportune time to consider these stocks.

#### Main Points:

- **A High Quality and GARP Approach to SMID Has an Attractive Long Term Track Record**
  - ✓ This strategy has produced a 9.6% annualized return using a simple CAGR based on monthly price changes compared to 8.1% for the S&P 1000. More important, the strategy has done so with a slightly better risk profile compared to the index.
  - ✓ Outperformance trends have held up in recent years as well with the strategy surpassing the index in each of the past 3, 5 and 10-year holding periods. In fact, these trends have led to a widening price appreciation gap in recent years suggesting that the efficacy of the strategy has improved.
- **Current Fundamentals for This Group Appear Attractive**
  - ✓ Relative valuation for the strategy has been in a multi-year decline with the latest levels at more than a 10% discount to the historical average.
  - ✓ Earnings growth expectations are more than 20% for each of the next two calendar years, while estimate revision trends have been considerably more positive compared to the index.

#### BMO Outperform-Rated Stocks That Fit the Theme: EQH, PFGC, SIGI.

#### Implementation Strategies:

- US Tactical Equity, US Dividend Growth, US Disciplined Value, US SMID portfolios
- Please see US Strategy Portfolios and Investment Strategy Portfolios for recent changes

#### Investment Strategy

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Legal Entity: BMO Capital Markets Corp.

#### US Strategy – S&P 500 Targets

Price Target Model	2025E
DDM	6,800
Fair Value P/E	6,200
<b>Price Target</b>	<b>6,700</b>
EPS Target Model	2025E
Macro Regression	\$270
Bottom-Up Consensus	\$272
Normalized EPS	\$240
<b>EPS Target</b>	<b>\$275</b>
<b>Implied P/E</b>	<b>24.4x</b>

Source: BMO Capital Markets Investment Strategy

#### US Strategy – Recommended S&P 500 Sector Weightings

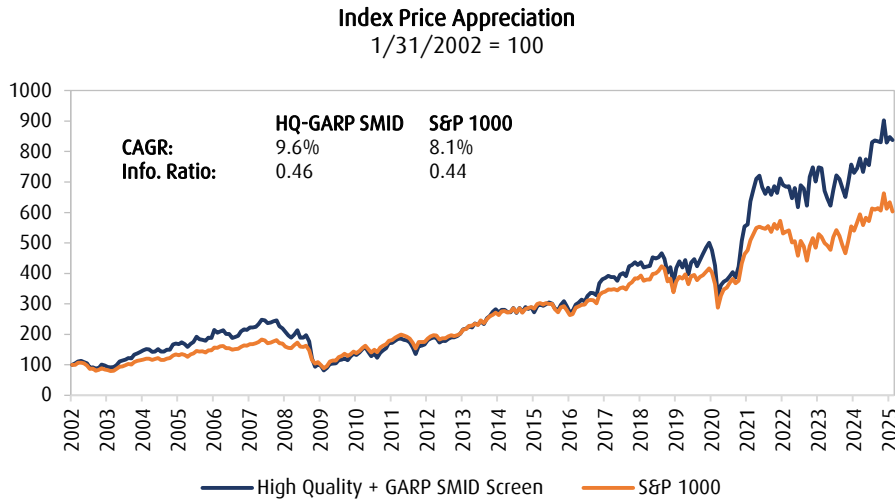
Sector	Opinion	Tgt. Wgt.
Communication Services	MW	9%
Consumer Discretionary	OW	11%
Consumer Staples	UW	4.5%
Energy	MW	3.5%
Financials	OW	14.5%
Health Care	UW	9.5%
Industrials	MW	8.5%
Information Technology	OW	33%
Materials	MW	3%
Real Estate	MW	2.5%
Utilities	MW	2%

Source: BMO Capital Markets Investment Strategy

OW: Overweight  
MW: Market Weight  
UW: Underweight

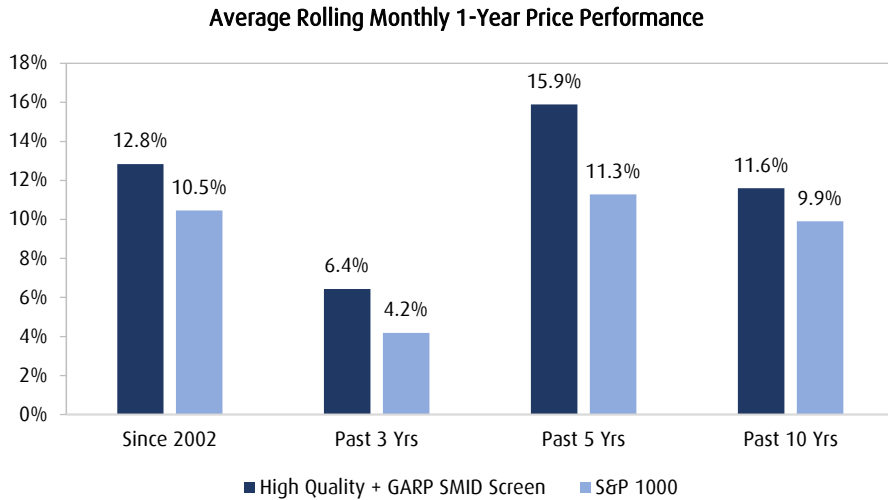
## A High Quality and GARP Approach to SMID Has an Attractive Long Term Track Record

### High Quality and GARP SMID Has Been a Successful Long-Term Strategy



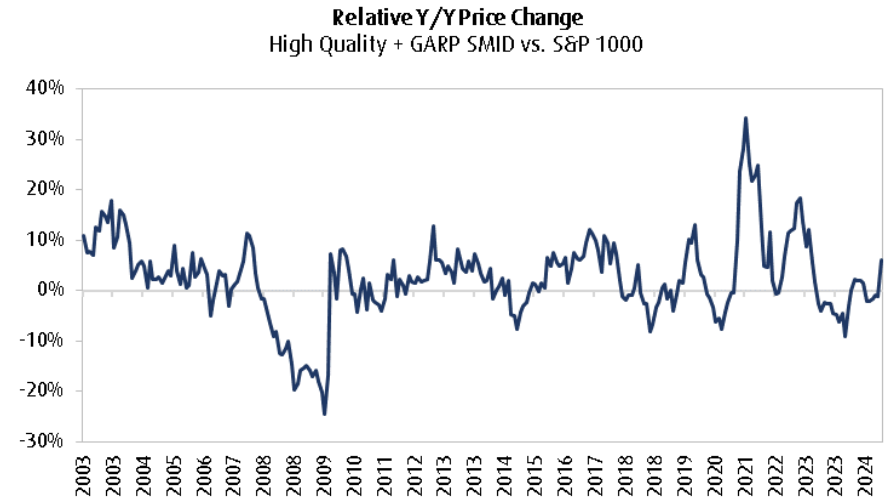
Source: BMO Investment Strategy Group, FactSet.

### Outperformance Trends Have Held Up In Recent Years



Source: BMO Investment Strategy Group, FactSet.

### Near Term Rebound Suggesting a Return to Historical Performance Norms

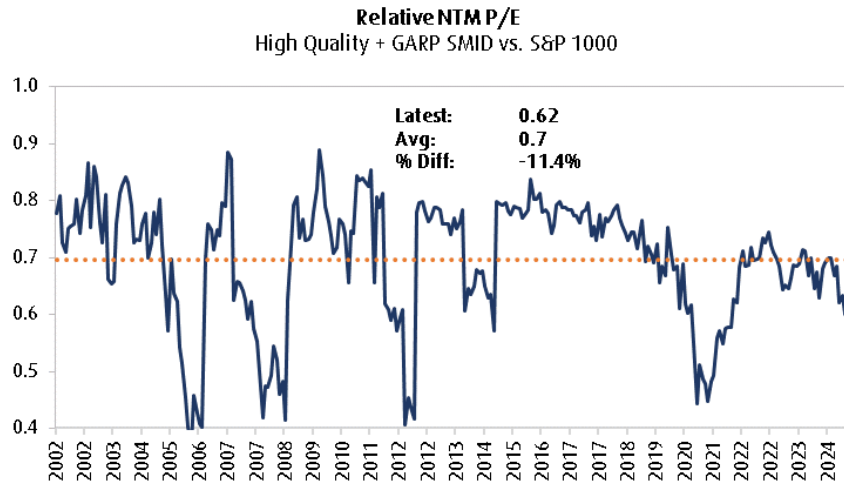


Source: BMO Investment Strategy Group, FactSet.

- A high quality and GARP SMID strategy has been a successful long-term investment strategy outperforming the S&P 1000 by a significant margin. Based on our analysis, this strategy has produced a 9.6% annualized return using a simple CAGR based on monthly price changes. This compares to 8.1% for the S&P 1000. More important, this strategy has done so with a slightly better risk profile judging by its higher information ratio or the CAGR divided by the annualized standard deviation of monthly price changes.
- Outperformance trends have held up in recent years as well with the strategy surpassing the index in each of the past 3, 5 and 10-year holding periods. In fact, these trends have led to a widening price appreciation gap in recent years suggesting that the efficacy of the strategy has improved, in our view.
- However, the strategy has had an uncharacteristic stretch of underperformance since late 2023, but very recent trends have rebounded and potentially signals a return to historical norms leaving investors plenty of time to capture the anticipated upside if history is any sort of guide.

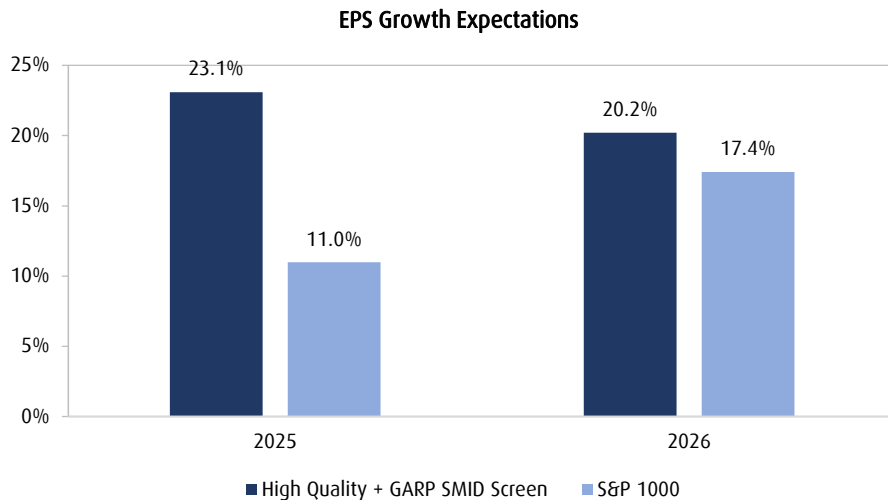
## Current Fundamentals for This Group Appear Attractive

### High Quality and GARP SMID Trade at a Meaningful Discount



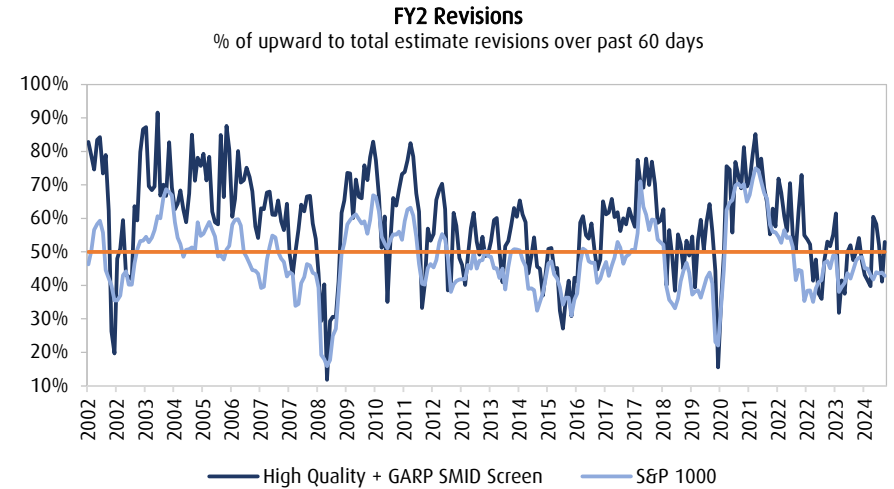
Source: BMO Investment Strategy Group, FactSet, IBES.

### Growth Expectations Far Outpace Robust Index Outlook



Source: BMO Investment Strategy Group, FactSet, IBES.

### Analysts Have Been More Optimistic for High Quality and GARP SMID EPS



Source: BMO Investment Strategy Group, FactSet, IBES.

- Relative valuation for high quality GARP SMID has been in a sharp downtrend since the start of this bull market in late 2022 with the latest NTM P/E at a roughly 11% discount compared to the S&P 1000, which we believe makes these stocks even more attractive considering that the index also trades at a significant relative discount compared to large-caps.
- The earnings growth outlook makes the case even more compelling as these stocks are expected to grow EPS more than 20% for the next two calendar years which easily outpaces already strong index expectations.
- Finally, earnings estimate revision trends have run counter to the index levels. While S&P 1000 revisions have been in a subtle downtrend since late 2023, revisions for these stocks, while volatile, have been improving lately with more analysts now increasing than decreasing estimates (i.e., >50% revision ratio compared to 42% for the index).



## High Quality and GARP SMID Screen

**Screening Methodology:** S&P 1000 stocks that have 5-year EPS and price volatility lower than the index (i.e., quality attributes) along with a NTM P/E lower than the index and NTM EPS growth higher than the index (i.e., GARP attributes).

Ticker	Company	Price	BMO Rating
AMG	Affiliated Managers Group, Inc.	\$172.80	NR
AL	Air Lease Corporation Class A	\$48.91	NR
ALLY	Ally Financial Inc	\$37.44	NR
AUB	Atlantic Union Bankshares Corporation	\$32.34	NR
AESI	Atlas Energy Solutions Inc.	\$18.54	NR
ALV	Autoliv Inc.	\$93.74	NR
AVT	Avnet, Inc.	\$48.80	NR
BHLB	Berkshire Hills Bancorp, Inc.	\$26.66	NR
BRKL	Brookline Bancorp, Inc.	\$11.12	NR
CABO	Cable One, Inc.	\$264.46	NR
CFFN	Capitol Federal Financial, Inc.	\$5.67	NR
CG	Carlyle Group Inc	\$46.53	NR
CPF	Central Pacific Financial Corp.	\$27.30	NR
CBU	Community Financial System, Inc.	\$58.27	NR
DCOM	Dime Community Bancshares, Inc.	\$28.26	NR
EGBN	Eagle Bancorp, Inc.	\$21.64	NR
EQH	Equitable Holdings, Inc.	\$54.30	OP
EVR	Evercore Inc. Class A	\$217.19	NR
FHI	Federated Hermes, Inc. Class B	\$41.21	NR
FNF	Fidelity National Financial, Inc. - FNF Group	\$65.27	NR
FAF	First American Financial Corporation	\$65.70	NR
FBNC	First Bancorp	\$41.14	NR
FCFS	FirstCash Holdings, Inc.	\$118.59	NR
FBRT	Franklin BSP Realty Trust, Inc.	\$13.04	NR
ROCK	Gibraltar Industries, Inc.	\$62.99	NR
HFWA	Heritage Financial Corporation	\$24.15	NR
HOPE	Hope Bancorp, Inc.	\$10.61	NR
INDB	Independent Bank Corp.	\$65.18	NR
KBR	KBR, Inc.	\$51.43	NR
KREF	KKR Real Estate Finance Trust, Inc.	\$11.26	NR
NFG	National Fuel Gas Company	\$78.33	NR
NBTB	NBT Bancorp Inc.	\$43.92	NR
ONB	Old National Bancorp	\$21.47	NR
PFGC	Performance Food Group Co	\$76.80	OP
PAHC	Phibro Animal Health Corporation Class A	\$21.51	NR
PNFP	Pinnacle Financial Partners, Inc.	\$110.19	NR

Ticker	Company	Price	BMO Rating
PB	Prosperity Bancshares, Inc.(R)	\$72.05	NR
PFS	Provident Financial Services, Inc.	\$17.44	NR
SAFT	Safety Insurance Group, Inc.	\$78.33	NR
SANM	Sanmina Corporation	\$78.58	NR
SCHL	Scholastic Corporation	\$18.85	NR
SIGI	Selective Insurance Group, Inc.	\$89.63	OP
SON	Sonoco Products Company	\$46.41	NR
SF	Stifel Financial Corp	\$101.88	NR
TTMI	TTM Technologies, Inc.	\$22.89	NR
VLY	Valley National Bancorp	\$9.11	NR

Source: BMO Capital Markets Investment Strategy. Prices as of 3/25/25. \*Rating Key, according to BMO Capital Markets Equity Research: OP: Outperform, Mkt: Market Perform, Und: Underperform, NR: Not rated by BMO Capital Markets. Some stocks in the table above may be covered by our Canadian affiliate BMO Nesbitt Burns Inc. Click here for disclosures on those stocks: [https://research.bmo.com/public/disclosure\\_statements](https://research.bmo.com/public/disclosure_statements)

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### Distribution of Ratings (March 25, 2025)

Rating category	BMO rating	BMOCM US Universe*	BMOCM US IB Clients**	BMOCM US IB Clients***	BMOCM Universe****	BMOCM IB Clients*****	StarMine Universe~
Buy	Outperform	54.1 %	23.9 %	62.6 %	59.0 %	70.2 %	57.7%
Hold	Market Perform	42.8 %	16.1 %	33.3 %	39.2 %	28.2 %	37.5%
Sell	Underperform	2.9 %	21.4 %	3.0 %	1.7 %	1.2 %	4.8%

\* Reflects rating distribution of all companies covered by BMO Capital Markets Corp. equity research analysts.

\*\* Reflects rating distribution of all companies from which BMO Capital Markets Corp. has received compensation for Investment Banking services as percentage within ratings category.

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## Canadian Strategy Snapshot

### Yes, Facts Are Facts – Canada Is Outperforming

#### Bottom Line

Despite extreme levels of pessimism, fear, and elevated rhetoric to say the least, the S&P/TSX has climbed the proverbial wall of worry and is now up 2.3% year to date, outperforming the S&P 500, which is down 1.9% as of March 24, 2025. As we cue our broken record, we believe Canada’s strong relative value position, returning equity flows, and overall broadening of US equity performance are all helping Canada outperform its neighbour to the south – period. From our perspective, none of these core drivers have changed. Canada remains a strong relative value play that can and will continue to converge with the US. In fact, we believe the value proposition that Canadian stocks offer will continue to act as a strong buffer during down days, thereby limiting the downside of the TSX relative to the US. Furthermore, our models are depicting a sharp reversal in net foreign equity flows into Canada over the last six months, with 12-month trailing net equity flows turning positive for the first time since 2022. Overall, our view on Canada remains resolute. Canadian equities remain well-positioned for normalization and will likely continue to outperform as North American equity performance broadens out, valuations normalize, and earnings growth trends stabilize.

#### Highlights:

- **Canada’s Strong Relative Value Position Has Created a Downside Performance Buffer**
  - ✓ As we have been saying for some time, Canadian equities’ attractive relative value position creates downside protection, being a major factor for Canada’s recent outperformance. We continue to expect this valuation spread versus the US to narrow as the TSX earnings recovery continues.
- **Foreign Flows Into Canada Have Clearly Rebounded, Adding Continued Support for Canadian Equities**
  - ✓ On a one-year sum basis, equity flows into Canada have turned sharply positive since the fourth quarter of 2024. This has aligned with the sharp improvement in Canadian equity relative performance versus the US.
- **The S&P 500 Has Experienced More Corrections Over the Last Decade Than the S&P/TSX**
  - ✓ There has been no Canadian correction or bear market that wasn’t also a US correction or bear market over the last decade, but there have been three US corrections that did not result in a Canadian correction.

#### Implementation Strategies:

- Some High-Quality Canadian Brands That Fit the Theme: SHOP, WCN, ATD, ATZ, RY, TD, MFC, BN
- North American Dividend Growth Portfolio; Canadian Large Cap PLUS Portfolio; US Equity PLUS Portfolio+  
Anything but the Big 3 Portfolio; Canadian Small Cap Portfolio

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#### CDN Strategy – S&P/TSX Targets

S&P/TSX Price Target	
2025 Calendar Year End	28,500
S&P/TSX EPS Target	
2025 Calendar Year End	\$1600

Source: BMO Capital Markets Investment Strategy.

#### CDN Strategy – Recommended S&P/TSX Sector Weightings

Sector	Opinion	Tgt. Wgt.
Communication Services	MW	3.0%
Consumer Discretionary	OW	4.5%
Consumer Staples	UW	2.5%
Energy	MW	17.0%
Financials	OW	33.5%
Health Care	UW	0.0%
Industrials	MW	12.5%
Information Technology	OW	9.5%
Materials	MW	12.0%
Real Estate	OW	3.0%
Utilities	UW	2.5%

Source: BMO Capital Markets Investment Strategy.

OW: Overweight  
MW: Market Weight  
UW: Underweight

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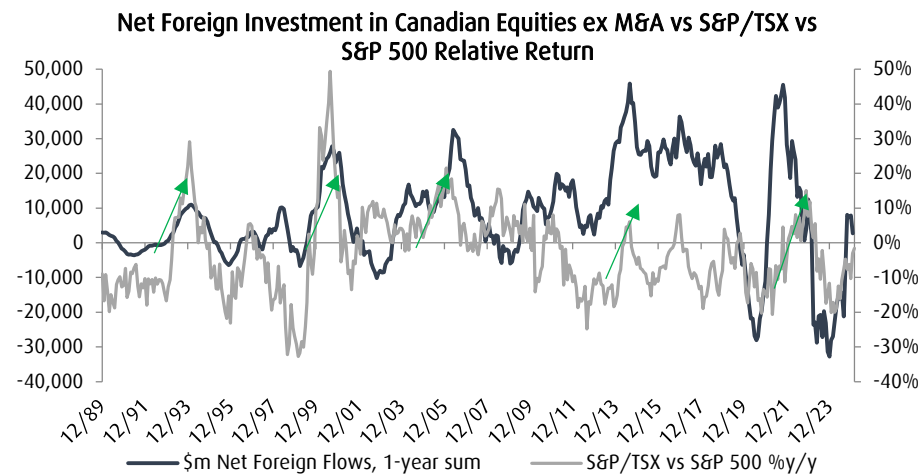
## TSX Outperforms on Improving Flows and Relative Value

### TSX Outperforming in Both Local and USD Year to Date

	%YTD (local)	%YTD (USD)
Canada S&P/TSX Composite	2.33%	2.96%
S&P 500	-1.94%	-1.94%
NASDAQ Composite Index	-5.81%	-5.81%
S&P 500 Equal Weighted	0.42%	0.42%

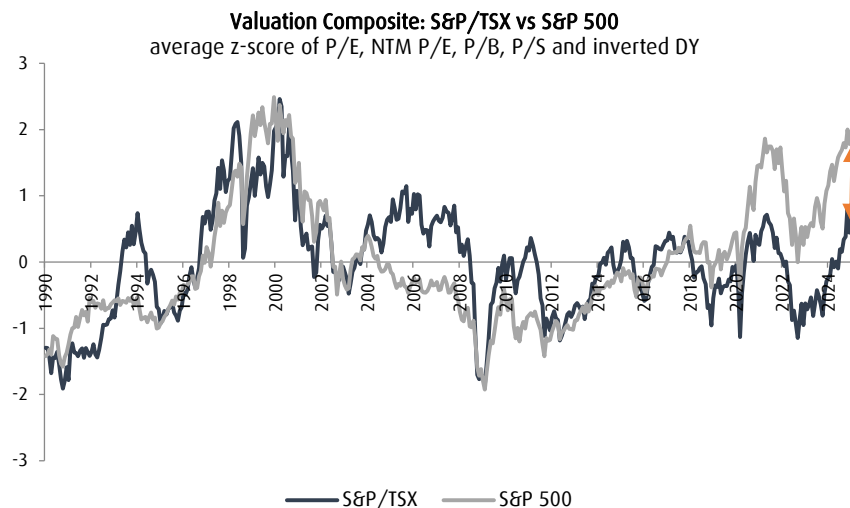
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### Rebounding Equity Flows Remain Key Tailwind for Canadian Equities



Source: BMO Capital Markets Investment Strategy Group, FactSet, Compustat, IBES.

### TSX Relative Value Position Helps Limits Downside Risk



Source: BMO Capital Markets Investment Strategy Group, FactSet, Compustat, IBES.

### The SPX Has Experienced More Market Corrections Than the TSX Over the Last Decade

Canadian and US Correction History Over Last Decade				
SPX Start	SPX End	SPX % Decline	TSX %Decline	
5/21/2015	8/25/2015	-12.4%	-13.5%	
11/3/2015	2/11/2016	-13.3%	-11.8%	
1/26/2018	2/8/2018	-10.2%	-7.2%	US Correction Only
9/20/2018	12/24/2018	-19.8%	-15.0%	
<b>2/19/2020</b>	<b>3/23/2020</b>	<b>-33.9%</b>	<b>-37.4%</b>	
1/3/2022	10/12/2022	-25.4%	-14.2%	
7/31/2023	10/27/2023	-10.3%	-9.2%	US Correction Only
2/19/2025	3/13/2025	-10.1%	-5.6%	US Correction Only

Source: BMO Capital Markets Investment Strategy Group, FactSet, Compustat, IBES.

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Buy	Outperform	54.1 %	23.9 %	62.6 %	59.0 %	70.0 %	57.7%
Hold	Market Perform	42.8 %	16.1 %	33.3 %	39.2 %	28.3 %	37.5%
Sell	Underperform	2.9 %	21.4 %	3.0 %	1.7 %	1.2 %	4.8%

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The recommendation contained in this report was produced at March 25, 2025, 13:25 ET. and disseminated at March 25, 2025, 13:25 ET.

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