

Canadian Election Aftermath

As we move on

Liberals win election but fall short of majority. Where do we go from here?



Source: [CBC.ca](https://www.cbc.ca), May 5th, 2025.

With a minority government and uncertainty ahead of us, there are three themes that the Liberals, Conservatives and Bloc Québécois have in common. Here are a few ways to invest around the Canadian election.

Common Themes	 	 	 
Housing	Build, preserve, and repair homes. Act as developer overseeing construction of affordable housing, investing in and speeding up housing development.	Tie federal funding to cities to number of housing starts, cut municipal development charges with incentives, sell off federally owned buildings to use land for affordable homes.	Unconditional transfer of federal housing infrastructure fund dollars to Quebec, integrate funding to existing or new program.
Infrastructure	Funding for transportation and trade infrastructure to support building of highways, bridges, ports, airports, rails.	Implement national energy corridor that makes it easier to fast-track approvals for large-scale infrastructure projects.	Support high-speed rail system connecting Quebec City to Toronto, double public-transit funding.
Defence	Aim to increase NATO spending to exceed NATO target (2% of GDP) by 2030.	Meet NATO defence spending target (2% of GDP) by 2030.	Meet NATO defence spending target (2% of GDP) within 4 years.

Why you may want to consider investing in these sectors and factors.

- **Utilities:**

As greater emphasis is placed on increasing housing supply, companies that support residential development and provide essential services such as utilities may stand to benefit.

- **Industrials:**

Given the intense focus on transport and defence spending in Canada, companies involved in such areas may see increased demands for their services and products as the government prioritizes critical transportation networks and defence capabilities.

- **Low Volatility & Dividend:**

Given where we are in the economic cycle here in Canada paired with the trade uncertainty, companies that are more defensive in nature could show resilience during periods of slower economic growth.

Sectors and Factors to Consider	ETF Solutions Available	Ticker
Utilities	BMO Equal Weight Utilities Index ETF	ZUT
	BMO Covered Call Utilities ETF	ZWU
Industrials	BMO Equal Weight Industrials Index ETF	ZIN
Low Volatility	BMO Low Volatility Canadian Equity ETF	ZLB
Dividend	BMO Canadian Dividend ETF	ZDV

To learn more about BMO ETFs, please contact your [ETF Specialist](#).



Exchange Traded Funds by BMO Global Asset Management

Volatility: Measures how much the price of a security, derivative, or index fluctuates. The most commonly used measure of volatility when it comes to investment funds is standard deviation.

Disclaimers

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.

Third Party Links and Content

This communication may contain links to other sites that BMO Global Asset Management does not own or operate. Also, links to sites that BMO Global Asset Management owns or operates may be featured on third party websites on which we advertise, or in instances that we have not endorsed. Links to other websites or references to products, services or publications other than those of BMO Global Asset Management on this communication do not imply the endorsement or approval of such websites, products, services or publication by BMO Global Asset Management. We do not manage, and we are not responsible for, the digital marketing and cookie practices of third parties. The linked websites have separate and independent privacy statements, notices and terms of use, which we recommend you read carefully.

Any content from or links to a third-party website are not reviewed or endorsed by us. You use any external websites or third-party content at your own risk. Accordingly, we disclaim any responsibility for them.

The viewpoints expressed by the Portfolio Manager represents their assessment of the markets at the time of publication. Those views are subject to change without notice at any time. The information provided herein does not constitute a solicitation of an offer to buy, or an offer to sell securities nor should the information be relied upon as investment advice. Past performance is no guarantee of future results. This communication is intended for informational purposes only.

Commissions, management fees and expenses (if applicable) may be associated with investments in mutual funds and exchange traded funds (ETFs). Trailing commissions may be associated with investments in mutual funds. Please read the fund facts, ETF Facts or simplified prospectus of the relevant mutual fund or ETF before investing. Mutual funds and ETFs are not guaranteed, their values change frequently and past performance may not be repeated.

For a summary of the risks of an investment in BMO Mutual Funds or BMO ETFs, please see the specific risks set out in the simplified prospectus of the relevant mutual fund or ETF. BMO ETFs 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 offered by BMO Investments Inc., a financial services firm and separate entity from Bank of Montreal. BMO ETFs are managed and administered by BMO Asset Management Inc., an investment fund manager and portfolio manager and separate legal entity from Bank of Montreal.

BMO Global Asset Management is a brand name under which BMO Asset Management Inc. and BMO Investments Inc. operate.

This communication is for information purposes only. The information contained herein is not, and should not be construed as investment, tax or legal advice to any party. Particular investments and/or trading strategies should be evaluated and professional advice should be obtained with respect to any circumstance.

"BMO (M-bar roundel symbol)" is a registered trademark of Bank of Montreal, used under licence.