BMO Dividend Fund

Philip Harrington, CFA
Director & Portfolio Manager
Fundamental Canadian Equities
BMO Asset Management Inc.

Lutz Zeitler, CFA
Managing Director & Portfolio Manager
Head of Canadian Fundamental Equities
BMO Asset Management Inc.

"Have Tariff Anxiety? Look To Dividends."

"You can't predict, but you can prepare"—Howard Marks

In turbulent markets like today, dividend-paying stocks offer a strategic edge for investors seeking a combination of cash flow, stability, and long-term value preservation. In short--cash is king! Dividend stocks provide a tangible return in the form of cash payouts, helping investors stay invested and maintain cash flow even when capital appreciation is elusive. This becomes especially relevant when interest rates are volatile or when economic uncertainty clouds the outlook for earnings growth.

Dividend stocks—particularly those quality names that we traffic in—tend to be associated with mature, financially sound companies. These firms often operate in essential sectors such as consumer staples, healthcare, and utilities, and serve other businesses where demand tends to remain steady regardless of economic cycles and headlines. Their earnings stability allows them to continue rewarding shareholders through dividends, effectively acting as a cushion against portfolio volatility[1]. Moreover, dividends can help offset inflation over time, especially when companies have pricing power and the ability to grow distributions.

From a total return perspective, dividends historically account for a significant portion of long-term equity returns. During periods when markets are flat or negative, reinvested dividends play an even more important role in compounding wealth. Because many dividend stocks exhibit lower beta[2], they often outperform the broader market on a risk-adjusted basis during downturns. Owning dividend stocks in chaotic markets is not just about hiding out in yield—it's about finding business models that offer dividend durability, consistent capital discipline, and a history of coming out the other side even stronger! As shown below, the BMO Dividend Fund's top exposures have a history of dividend success in major market meltdowns.*

[1] Volatility: Measures how much the price of a security, derivative, or index fluctuates.
[2] Beta is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole.

*Dividends are not guaranteed and may fluctuate. Past performance is not indicative of future results.

Dividend Actions During Past Bear Market Corrections--Top 10 Exposures

Major Market Correction** Name	US Debt Downgrade -20% 2011	Trade War Fears, Fed Hikes -20% 2018	COVID Pandemic Shocks -34% 2020	Inflation Spike, Fed Hikes -25% 2022
MICROSOFT CORP	Increase	Increase	Increase	Increase
INTACT FINANCIAL CORP	Increase	Increase	Increase	Increase
JPMORGAN CHASE & CO	Increase	Increase	Increase	Increase
MOTOROLA SOLUTIONS INC	Increase	Increase	Increase	Increase
VISA INC-CLASS A SHARES	Increase	Increase	Increase	Increase
BROOKFIELD INFRASTRUCTURE PA	Increase	Increase	Increase	Increase
WASTE CONNECTIONS INC	Increase	Increase	Increase	Increase
COSTCO WHOLESALE CORP	Increase	Increase	Increase	Increase
S&P GLOBAL INC	Increase	Increase	Increase	Increase
TJX COMPANIES INC	Increase	Increase	Increase	Increase

Source: BMO GAM, Bloomberg, **S&P500 peak to trough loss. April 30, 2025. 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.

In fact, the current roster of businesses within the BMO Dividend Fund have had a strong track record of not just holding the line on dividends in tough times but actually increasing them.

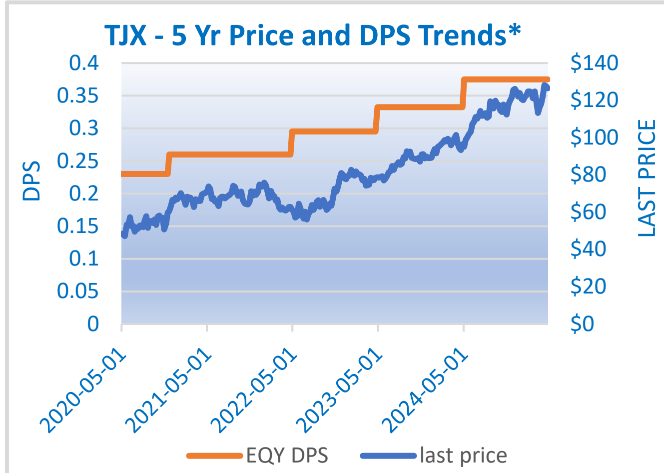
Dividend Actions During Past Bear Market Corrections

BMO Dividend Fund Holdings That...	US Debt Downgrade, -20% 2011	Trade War Fears, Fed Hikes -20% 2018	COVID Pandemic Shocks -34% 2020	Inflation Spike, Fed Hikes -25% 2022
Increased their dividend	79%	90%	92%	90%
Held flat	21%	10%	8%	10%
Cut their dividend	0%	0%	0%	0%

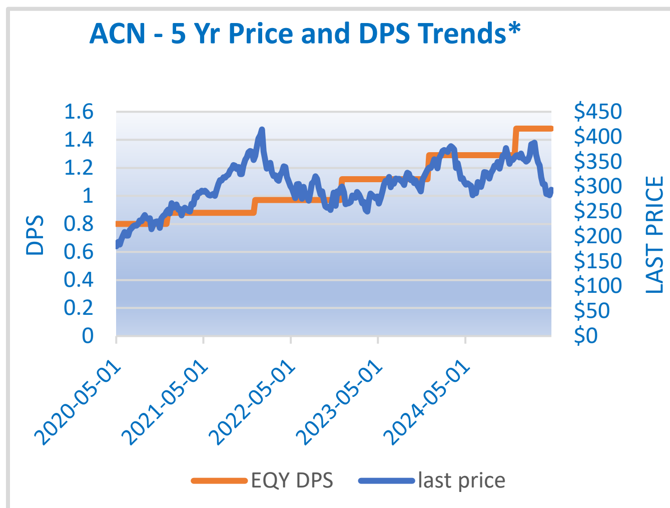
Source: BMO GAM, Bloomberg, S&P500 peak to trough loss. April 30, 2025.

Great examples of other dividend compounders in the Fund include:

Long time holding , TJX Companies is a leading off-price apparel & home fashions retailer operating under names such as T.J. Maxx, Marshalls, and HomeGoods. Known for its treasure-hunt shopping experience, the company sources excess inventory and closeouts from brand-name manufacturers and offers goods at prices typically 20-60% below full-price competitors. This resilient business model thrives in any economic environment as TJX is able to deliver consistent value to cost-conscious consumers, driving traffic during downturns when shoppers seek discounts. Periods of overstock and softened demand in the wholesale channel also grants TJX even better access to high margin branded merchandise that drive traffic into the store. As a proven recession-era winner and beneficiary of trade-down trends, TJX's off—price concept resonates with both budget minded and value driven shoppers. Financially, the company also maintains a strong balance sheet evidenced by its net debt/EBITDA[3] of 1x, providing flexibility to continually reinvest and grow the business and dividends.



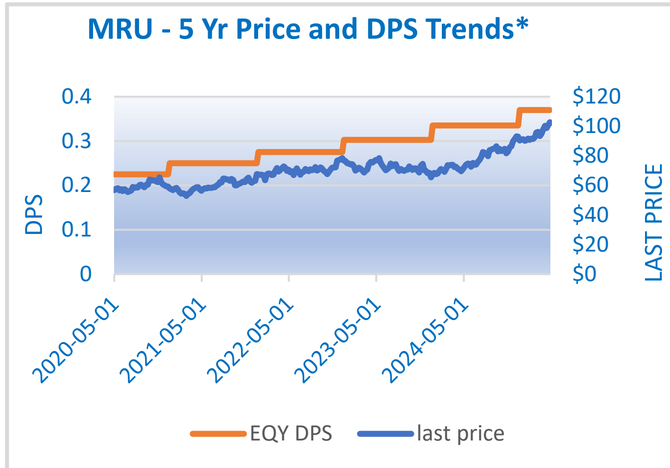
Accenture(ACN) had been on our watchlist for a while and the recent volatility offered a great opportunity to invest in this world-class IT services company which is benefiting from long term IT spending tailwinds from continued cloud modernizations and growth in AI as companies continue to invest in digital transformation. Accenture helps other companies figure out their technology roadmaps. Accenture has proven to be a leader in next generation technologies (including cloud and SaaS) and has been quickly expanding its genAI-related bookings. Accenture's strong competitive positioning is strengthened by partnerships with companies like Microsoft, Amazon AWS, Alphabet, SAP, and Oracle – with Accenture being the #1 partner for its top 10 ecosystem partners. The strength of the resilient business model has delivered a 16% CAGR[4] for the stock price over the last 20 years. With a low payout ratio[5], 10-15% yearly dividend growth, and long-term growth tailwinds, we believe Accenture is positioned well for continued growth for the foreseeable future.



[3] EBITDA or earnings before interest, taxes, depreciation, and amortization is an alternate measure of profitability to net income. By including depreciation and amortization as well as taxes and debt payment costs, EBITDA attempts to represent the cash profit generated by the company's operations.

[4] CAGR stands for "Compound Annual Growth Rate" and reflects the annualized rate of growth over a given time period that exceeds one year.

[5] Dividend payout ratio represents how much of a company's earnings after tax are paid to shareholders and is calculated by dividing dividends paid by earnings after tax and multiplying the result by 100.



Grocery businesses have been sneaky wealth compounders over time. Metro remains a key pillar of our defensive sleeve, and we remain pleased with how strongly the business continues to perform. Operating as a merchandiser in food and drug stores across Ontario and Quebec, Metro owns core banners such as Food Basics, Adonis, and Jean Coutu. This balance of conventional, discount, multicultural, and pharmacy is a key strength of the business. Amidst high population growth and a stretched consumer, discount and multicultural grocery has grown over the last several years and we do not believe this is likely to revert backwards. The company has been led by strong capital allocators with a long track record of operational excellence. Their clearly defined financial framework has allowed for consistent and repeatable performance, growing both topline, EPS (Earnings per Share), and dividends over the long term. As they have now completed their transition year of completing large capital investments to ensure the long-term strength of the business, MRU has returned to its growth algorithm. Finally, we also acknowledge that in recent uncertain times, there has been emphasis placed on quality management teams to help navigate through unprecedented situations. We believe that Metro has clearly demonstrated this over the years, earning the business a 'sleep at night' premium valuation in an uncertain macroeconomic environment. In terms of dividend stability, metro has increased its dividend for 29 consecutive years!

* All charts are as of April 30, 2025. BMO Global Asset Management, Bloomberg. All Company data sourced from Company press releases.

Fund Codes and Fees

FundSERV Codes	Front End*	MER (%)	Low Load†	Deferred Sales Charge†
Advisor	BMO99146	1.80	BMO98146	BMO97146
F (Fee Based)	BMO95146	0.70	-	-

* Sales Charge. † Low Load and DSC purchase options are no longer available for sale. MER as of September 30, 2024

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For a summary of the risks of an investment in BMO Mutual Funds, please see the specific risks set out in the simplified prospectus.

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