



**BMO Asset
Management**

BMO Dividend Fund

***Driving and Delivering
Growth With Dividends***



Global Asset Management

Presented by:

Canadian Fundamental Equities

Lutz Zeitler, CFA, Managing Director & Head of Fundamental Equities

Phil Harrington, CFA, Director and Portfolio Manager

As of May 31, 2025, unless otherwise noted.

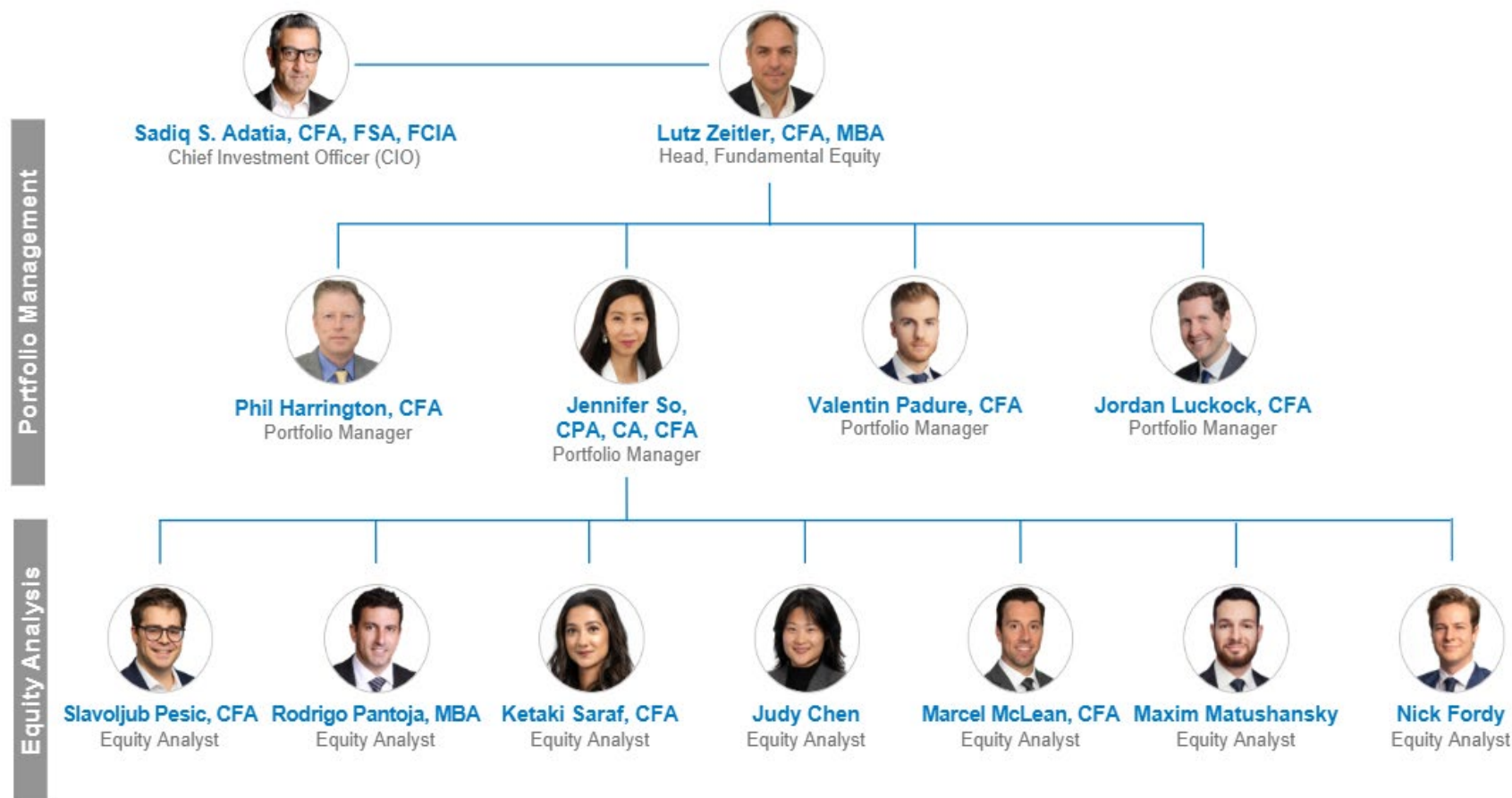
July 2025

BMO Dividend Fund



¹Source: Morningstar, BMO Asset Management – as at Jan 16, 2025. AUM numbers include assets invested in all Series' of the Fund.

Fundamental Equity Team



Collaborative team-based culture with shared philosophy and process

Consistent Set Of Investment Beliefs

Sustainable business models

We are business analysts, not stock market speculators

High quality businesses with strong moats led by excellent capital allocators

Considers all stakeholders and risks not captured in financial statements

Long-term value creation

Compounded growth creates value over the long term

What could this company look like in 5 to 10 years?

Focus on the key long-term business drivers

Risk Management

Stock – view risk from a business owner's perspective

Portfolio – Conviction-, diversification-, and liquidity-based

Compliance & Oversight

Concentrated Portfolios

Construct a concentrated and high conviction-weighted portfolio

Capitalize on highest conviction ideas

Focus on exceptional business models

How We Work



We focus on

- Managing a concentrated portfolio
- Assessment of quality, value and risk
- Bottom-up investing focused on long-term
- Minimizing downside risk
- Being disciplined, avoiding short term 'noise'



We avoid

- Speculating
- High amounts of leverage
- High trading
- Excessive commodity & cyclical exposure
- Binary outcomes

Investing In Higher Quality, Sustainable Business Models...Our 4 Pillar Process.

**Investment decisions based on careful analysis
across four key pillars**



Leadership



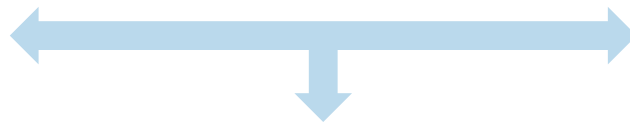
**Growth
Potential**



**Economic
Moat**



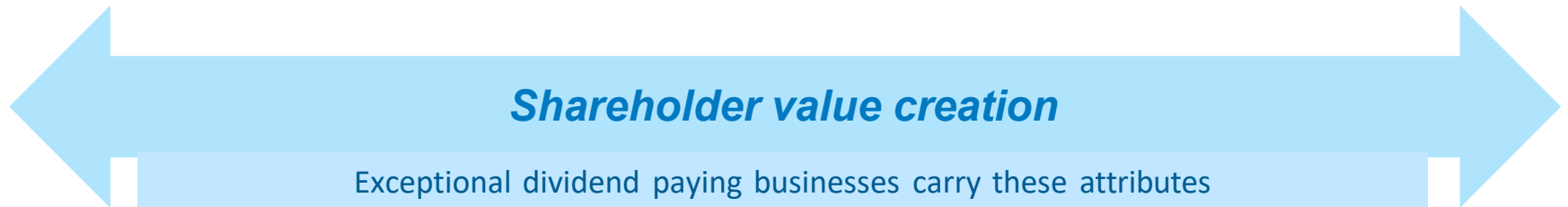
**Business
Value**



Is This A High Quality Business?



Is This A Good Investment?

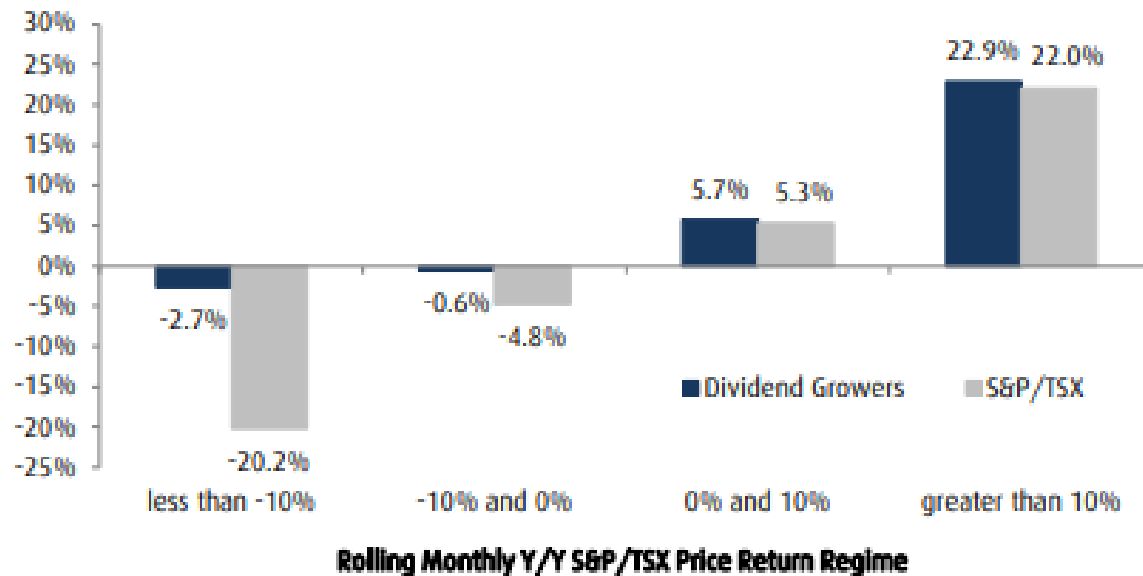


High Quality Dividend Growth Is The 'All Weather Tire'

Dividend Growers Can Outperform in ALL Market Environments

Average Price Return in Various Market Scenarios: Dividend Growers vs. S&P/TSX

rolling monthly y/y periods since 1990











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

Source – As at Feb 19, 2025. For Illustrative Purposes Only.

Why the BMO Dividend Fund?

Attractive *Long-Term Performance*

CAD | YTD Investment as of Jun 10, 2025 | Category: Canadian Dividend and Income Equity as of Jun 10, 2025 | Index: Morningstar Canada DYF GR CAD as of Jun 10, 2025

Trailing Returns	Day End	Month End	Quarter End						
	1-Month	3-Month	YTD	1-Year	3-Year	5-Year	10-Year	15-Year	Earliest Available
Total Return %									
Investment	4.72	2.53	7.10	18.84	9.97	12.67	8.64	9.28	9.13
Category	4.63	3.32	5.85	16.68	7.74	13.17	7.32	8.04	—
Index	4.37	4.77	4.28	18.67	4.46	13.18	7.17	9.29	—
Quartile Rank									—
Percentile Rank	52	76	23	20	9	60	15	16	—
Tax Adj. Returns %*	4.72	2.09	6.65	16.79	7.95	10.84	7.27	7.96	7.91
Percentile Rank (tax)	48	74	20	18	10	58	13	14	—
Tax Cost Ratio	—	—	—	1.73	1.84	1.63	1.26	1.21	—
# of Invest. in Cat.	411	410	409	406	384	355	245	141	—

CAD | Investment return as of May 31, 2025 | Category: Canadian Dividend and Income Equity as of May 31, 2025 | Index: Morningstar Canada DYF GR CAD as of May 31, 2025 | Earliest Available Nov 03, 2008 | Time periods greater than 1 year are annualized | Tax-adjusted returns are calculated using load.

Source – Date through May 31, 2025. Morningstar.

Percentile rank is a standardized way of ranking items within a peer group, in this case, funds with the same Morningstar category. The observation with the largest numerical value is ranked one; the observation with the smallest numerical value is ranked 100. The remaining observations are placed equal distance from one another on the rating scale. Note that lower percentile ranks are generally more favorable for returns (high returns), while higher percentile ranks are generally more favorable for risk measures (low risk). Percentile ranks within categories are most useful in those categories that have a large number of funds. For small universes, funds will be ranked at the highest percentage possible. For instance, if there are only two international hybrid funds with 10-year average total returns, Morningstar will assign a percentile rank of 1 to the top-performing fund, and the second fund will earn a percentile rank of 51 (indicating the fund underperformed 50% of the sample). Note for closed-end funds: This is the fund's NAV total return or market total return percentile rank relative to all open-end mutual funds and closed-end funds with the same Morningstar category.

Why Dividends Are Still Your Core Equity Strategy?

Why Dividends?

- Cash returns are tangible and make up an important part of total return
- Dividends represent an acid test of the profitability of a business
- Dividends instill a level of capital allocation discipline on management
- Dividend stocks carry favourable long term risk reward characteristics



Why Dividend Growth?

- Historically higher returns with less volatility
- Lower sensitivity to interest rate changes
- Reflects strong fundamental competitive advantages, sustainably growing business model, with sound capital allocation
- Reflects Management's long term confidence in business

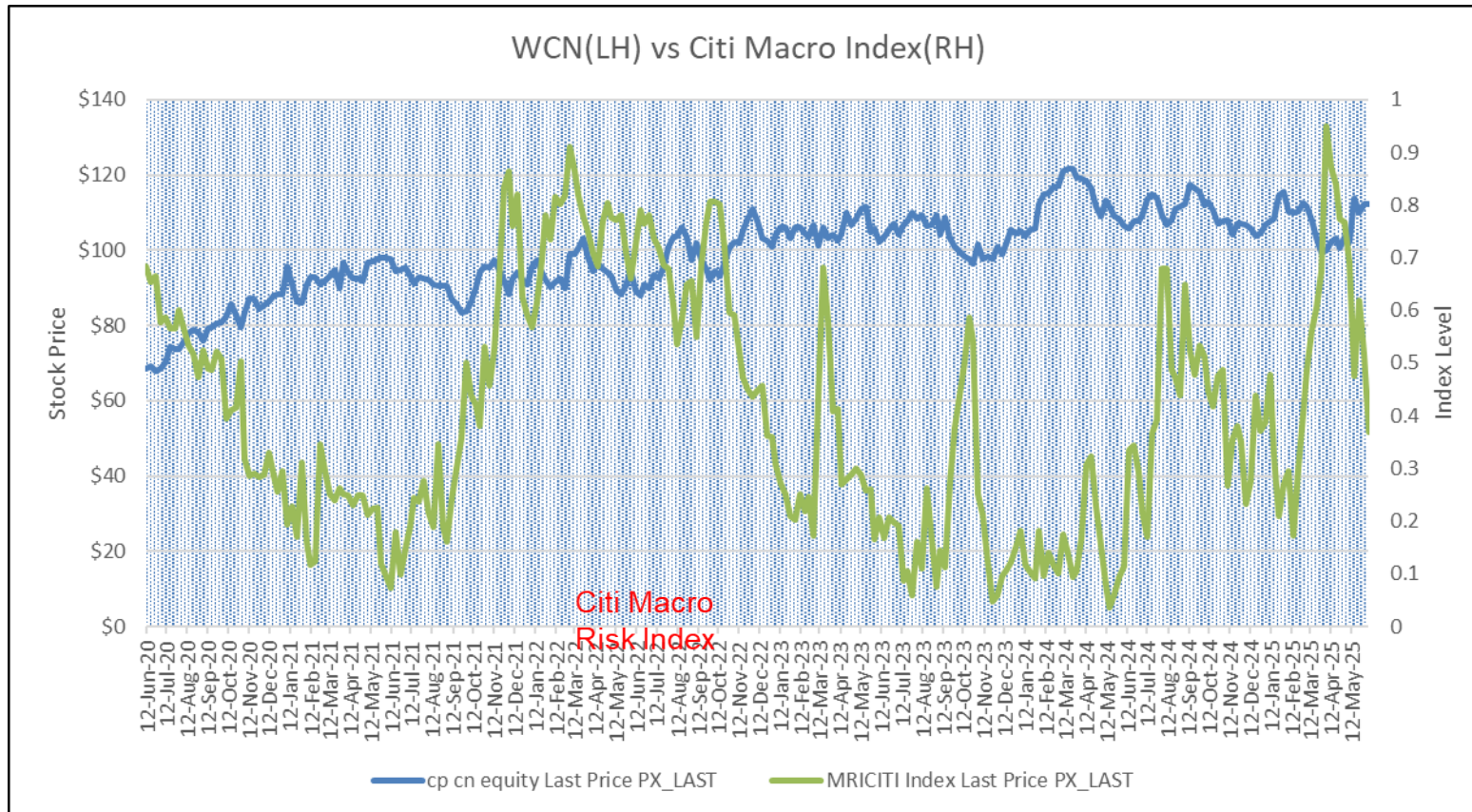
The High-Quality Recipe for Dividends and Durable Value Creation...

High Quality			
Mission Critical			
Strong Customer Positioning			
Truly Differentiated Products			
High Switching Costs			
Few Alternatives			
Little Customer Concentration			
Strong Network Effects			
Regulatory Benefits			

Translates into higher levels of recurring revenues, profitability, growth, free cash flow and franchise value

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These Attributes Provide Excellent Return Potential

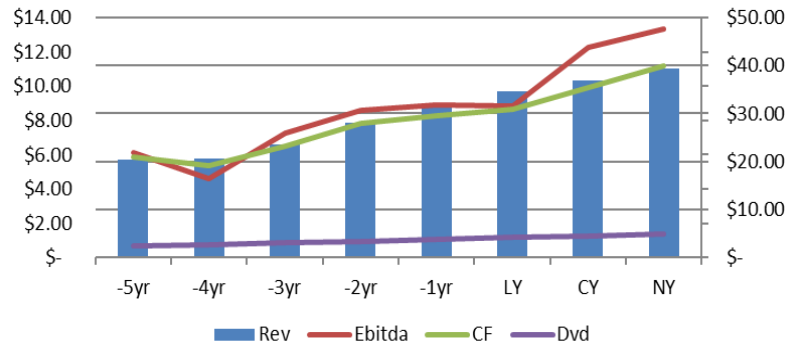


*Exceptional businesses not only survive
market volatility but thrive!*

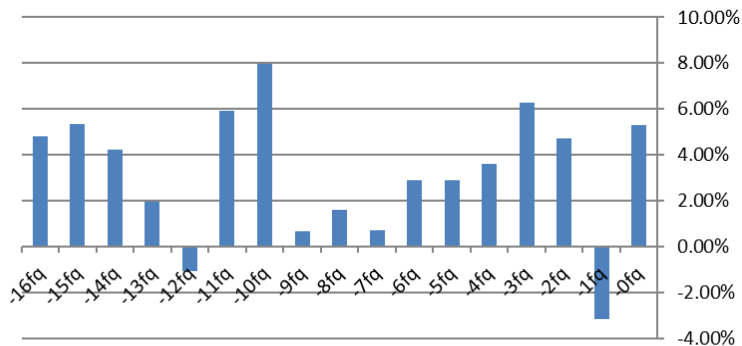
Source: BMO GAM, Bloomberg, As at June 11, 2025. All logos and trademarks of other companies are the property of those respective companies.

Great Businesses Build Dividends & Value Over Time

Yearly Per Share Metrics



Quarterly EPS Surprise



5Yr Price and Dividend

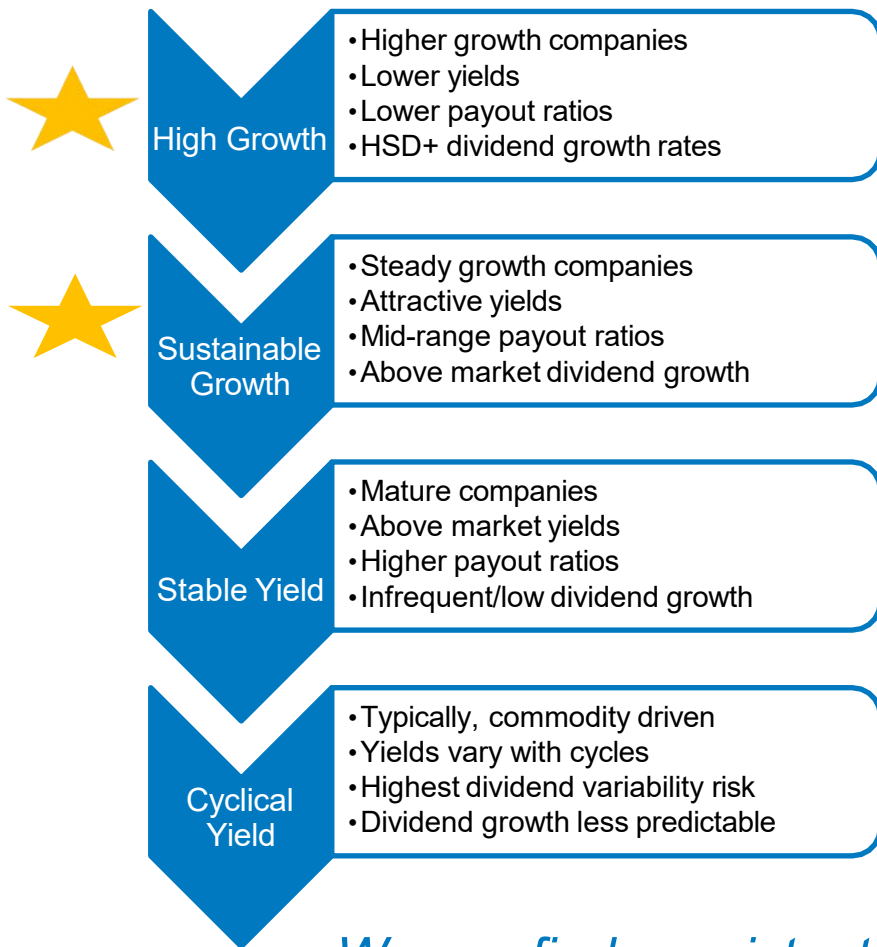


Dividend Drivers	LY	LY-1	LY-2	LY-3	LY-4
Capex Intensity	13%	12%	12%	13%	12%
FCF Margin	14%	13%	15%	15%	16%
Debt/FCF	5.9x	7.1x	5.9x	6.4x	5.5x
FCF Payout Ratio	25%	26%	23%	22%	23%

Source: BMO GAM, Bloomberg. As at June 11, 2025. FQ=Fiscal Quarter, LY=Last Year All logos and trademarks of other companies are the property of those respective companies.

BMO Dividend Fund

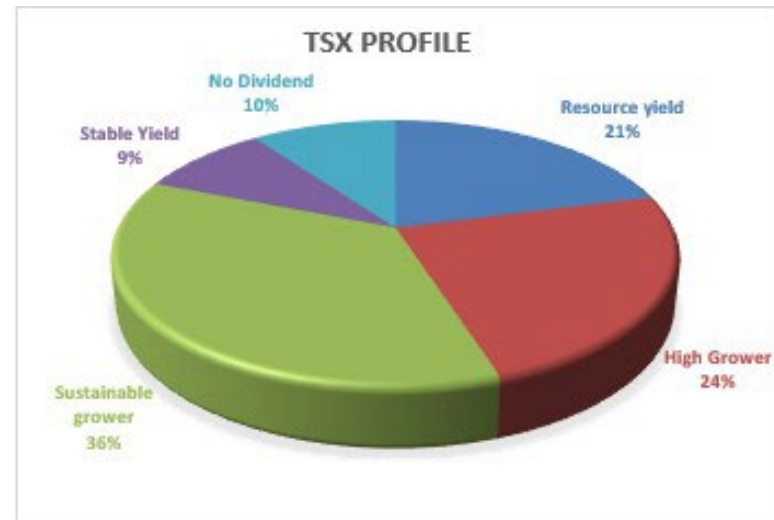
Focused on Dividend Growth



We can find consistent growth in a variety of ways

Source: BMO GAM, Bloomberg. All logos and trademarks of other companies are the property of those respective companies.
Data as at June 11, 2025.

Positioning By Growth Bucket



Portfolio is biased for dividend growth.

Every stock pays a dividend.

Source: BMO GAM, Bloomberg, as of June 11, 2025. The portfolio holdings are subject to change without notice.

Focus Is Bottom-Up vs Top Down Which Drives Alpha

Sector	Port %	SPTSX %	Spread
FINANCIALS	38.4%	32.7%	5.7%
INDUSTRIALS	17.6%	12.9%	4.7%
CONSUMER DISCRETIONARY	4.5%	3.4%	1.1%
UTILITY	4.8%	3.8%	1.0%
CONSUMER STAPLES	4.6%	3.7%	0.9%
REITS	1.6%	1.8%	-0.2%
HEALTH CARE	0.0%	0.3%	-0.3%
TELECOM	2.1%	2.3%	-0.2%
TECHNOLOGY	7.4%	9.7%	-2.3%
ENERGY	11.8%	15.9%	-4.0%
MATERIALS	4.9%	13.6%	-8.7%

Top 10 Holdings By Exposure	Active %
MICROSOFT CORP	4.13%
INTACT FINANCIAL CORP	2.95%
JPMORGAN CHASE & CO	2.80%
BROOKFIELD INFRASTRUCTURE PA	2.51%
VISA INC-CLASS A SHARES	2.37%
MOTOROLA SOLUTIONS INC	2.30%
WASTE CONNECTIONS INC	2.09%
S&P GLOBAL INC	1.98%
BROOKFIELD CORP	1.91%
COSTCO WHOLESALE CORP	1.85%

38 holdings within the portfolio=high conviction

Source: BMO GAM, Bloomberg, as of July 2, 2025. The portfolio holdings are subject to change without notice.

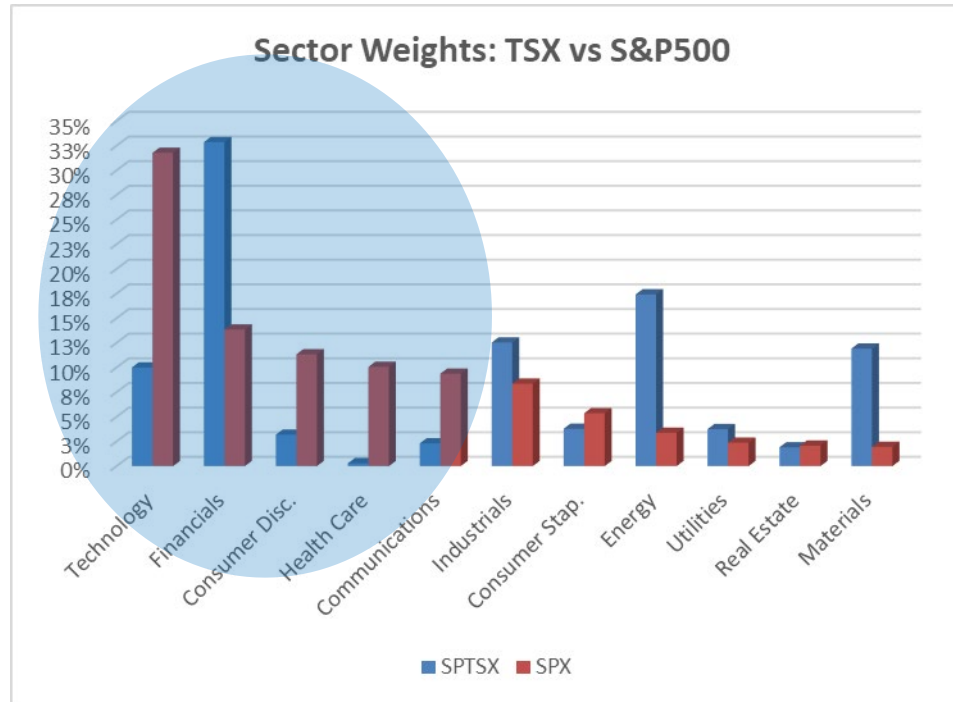
The Power of Conviction, Patience and Dividend Growth

Power Of 10 Yrs Of Dividend Growth						
Industry	Holding	Yield Today	Price 10 Yrs Ago	DVD Today (Last annualized)	Yield On Purchase 10 Years Ago	
Energy	CANADIAN NATURAL RESOURCES	5.25%	\$ 18.94	\$ 2.70	14.3%	
Financials	ROYAL BANK OF CANADA	3.52%	\$ 79.07	\$ 5.60	7.1%	
Industrials	CANADIAN NATL RAILWAY CO	2.48%	\$ 73.77	\$ 3.38	4.6%	
Communication Services	TELUS CORP	7.59%	\$ 21.17	\$ 1.56	7.4%	
Utilities	BROOKFIELD INFRASTRUCTURE PA	5.13%	\$ 21.67	\$ 1.62	7.5%	
Consumer Staples	COSTCO WHOLESALE CORP	0.52%	\$ 142.59	\$ 19.36	13.6%	
Real Estate	PROLOGIS INC	3.71%	\$ 39.59	\$ 3.84	9.7%	

Superior dividend compounding over the long term (past 10yrs) leads to strong 'cash yield' on original purchase

Source: BMO AM Inc., Bloomberg. As at May 31, 2025. For Illustrative Purposes Only.

Making Use Of US Dividend Growth Opportunities



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New Addition—Cintas Corp.(CTAS)

A Simple Business That Generates Consistent Cash



Investment Thesis: Superior business that keeps getting better

- One of the leading commercial uniform businesses in North America serving over 1mln customers over a diverse set of industries including healthcare, hospitality, manufacturing, education and government. CTAS offers essential services to businesses at a discount to what it would cost them to do it themselves while allowing them to focus on their core businesses.

The Investment Pillars:

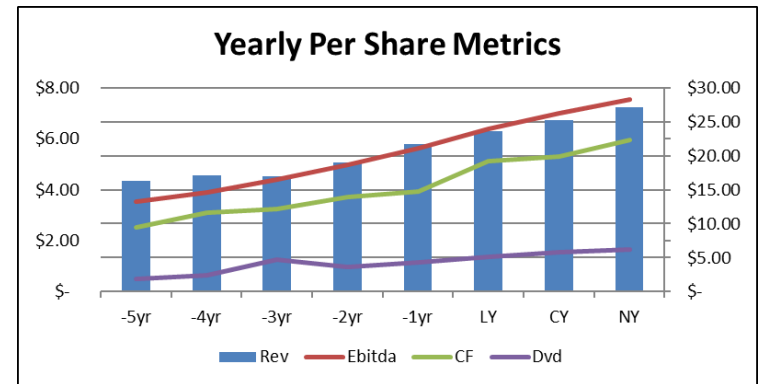
- Economic Moat:** hard to replicate service moat based on scale and network advantages. Route density leads to superior customer economics and high barriers to entry. Additional services in laundry, safety, fire, then cross sold to enhance value per client.
- Management:** led by legendary Chairman Scott Farmer(founding family)with history of success, leadership and culture development. Strong culture permeates the organization.
- Growth Potential:** strong visibility on multi-year growth supported by 1) organic revenue growth via pricing and service cross selling 2) ongoing market share gains given network advantage 3) tuck in acquisitions 4) improving margins alongside its growing scale of operations and efficiency program.
- Valuation:** generates high levels of FCF benefitting from high FCF conversion rates and low leverage. This translates into an attractive free cash flow per share yield. DCF analysis points to mispriced growth duration.

Dividend Prospects:

- Very shareholder friendly management team—buybacks + dividends consistent part of return playbook.
- 43 years of continuous dividend growth—on its way to Dividend King status.
- Consistent free cash flow: strong FCF (free cash flow) generation and conversion is expected to lead to above average dividend growth.

What Isn't Being Counted That Will With Time:

- Resiliency of the business through the cycle given a growing level of recurring revenues
- Ongoing market share gains given strength of its physical distribution networks.
- Higher than expected capital returns to shareholders



Dividend Drivers	LY	LY-1	LY-2	LY-3	LY-4
Capex Intensity	4%	4%	4%	3%	2%
FCF Margin	17%	17%	14%	17%	17%
Debt/FCF	1.2x	1.3x	2.1x	2.0x	1.5x
FCF Payout Ratio	35%	33%	37%	30%	43%
2025 Outlook					Years of Consecutive Div Hikes: 43
OCF	\$ 2,325.50				
capex	-\$ 422.75				
dvd	-\$ 625.04				
Surplus FCF	\$ 1,277.70				
Surplus FCF Conversion	55%				
					5 Year Dvd Growth CAGR: 19.60%

Source: BMO GAM, Bloomberg. As at June 11,2025. Data as at June 12,2025. All logos and trademarks of other companies are the property of those respective companies.

Portfolio Poised For Future Dividend Growth

Name	# Cons Yrs Hiking	Dividend Yield	Forecast 3Y dvd CAGR
CANADIAN PACIFIC KANSAS CITY	19.0	0.8	16.4
GENERAL ELECTRIC	1.0	0.6	16.1
DOLLARAMA INC	14.0	0.2	16.1
ACCENTURE PLC-CL A	20.0	1.9	13.5
ALIMENTATION COUCHE-TARD INC	16.0	1.1	12.0
VISA INC-CLASS A SHARES	10.0	0.6	11.0
PROLOGIS INC	18.0	3.7	10.0
MOTOROLA SOLUTIONS INC	0.0	1.1	9.9
MICROSOFT CORP	28.0	0.7	9.9
FASTENAL CO	13.0	2.1	9.4
WASTE CONNECTIONS INC	21.0	0.7	9.4
THOMSON REUTERS CORP	27.0	1.3	9.3
BROOKFIELD CORP	14.0	0.6	9.2
BROOKFIELD ASSET MGMT-A	15.0	3.1	8.7
CINTAS CORP	43.0	0.7	8.6
INTACT FINANCIAL CORP	17.0	1.8	8.5
COSTCO WHOLESALE CORP	12.0	0.5	8.0
TJX COMPANIES INC	20.0	1.4	8.0
JPMORGAN CHASE & CO	13.0	2.1	7.9
CANADIAN NATL RAILWAY CO	13.0	2.5	7.5
ARC RESOURCES LTD	5.0	2.5	6.9
S&P GLOBAL INC	10.0	0.7	6.4
BROOKFIELD INFRASTRUCTURE PA	14.0	5.1	6.0
METRO INC/CN	13.0	1.4	5.9
TELUS CORP	19.0	7.6	5.8
ROYAL BANK OF CANADA	12.0	3.5	5.7
TORONTO-DOMINION BANK	13.0	4.4	5.5
FRANCO-NEVADA CORP	17.0	0.9	5.2
TC ENERGY CORP	51.0	5.1	5.0
BANK OF MONTREAL	12.0	4.4	4.9
CANADIAN NATURAL RESOURCES	12.0	5.3	4.4
PEMBINA PIPELINE CORP	12.0	5.6	4.0
FORTIS INC	11.0	3.8	3.9
BANK OF NOVA SCOTIA	12.0	6.0	3.1
ENBRIDGE INC	51.0	6.0	3.0
CAN APARTMENT PROP REAL ESTA	27.0	3.5	3.0
WSP GLOBAL INC	12.0	0.6	0.0
ROGERS COMMUNICATIONS INC-B	24.0	5.4	0.0
AGNICO EAGLE MINES LTD	0.0	1.4	0.0
	17.6	2.6	7.2

High and Sustainable Growers

Stable Yielders

Emerging Growers—Building For Future Growth

Source: BMO GAM, Bloomberg. As at June 11, 2025. The portfolio holdings are subject to change without notice.

With Several Thematic Trends Driving Growth Potential

MEGA THEMES

Demographics

Energy transition

Technology

Digitization

Cashless Society

Global Infrastructure

Changing Consumer

TRENDS AT PLAY

Aging population
Urbanization
Emerging Middle Class

Renewable Energy
EV
Green Finance

AI/AR/VR
Data monetization
Machine learning

Mobile computing
5G/Internet of Things
Industrial tech

Digital payments
Crypto and Blockchain
Fintech

Greening of the grid
Aging infrastructure
Smart society

Personalization
Ecommerce
Sharing economy

HOLDINGS



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Theme: Re-shoring Beneficiary

Fastenal Co. (FAST)—A quiet dividend compounder



Investment Thesis: Maniacal customer focus

- High quality, asset light, growing annuity that generates high ROIC and free cash flow.

What We Like? The Investment Pillars:

- Mgt—strong cultured team led by industry veteran Daniel Florness
- Moat —unparalleled scale and distribution advantages. Unique business model focused on supply chain integration.
- Growth—We see durable domestic market share growth given fragmentation and unique nature of offering
- Responsible—Continuously reducing environmental footprint.
- Value — Durable earnings growth is incorrectly priced.

Dividend Prospects:

- Strong balance sheet focus with high focus on capital return to shareholders.
- Quarterly dividends since 1991. Specials are part of the program like 2023. 18% 5 yr dividend growth CAGR all in.
- Initiated \$1bn share repurchase (~3% share outstanding) in August 2023. Dividend yield of 3% with growth potential.

What is not being counted but will with time:

- Margin expansion alongside growing percentage of sales driven by Onsite and ecommerce offerings.
- Market share growth
- International expansion.

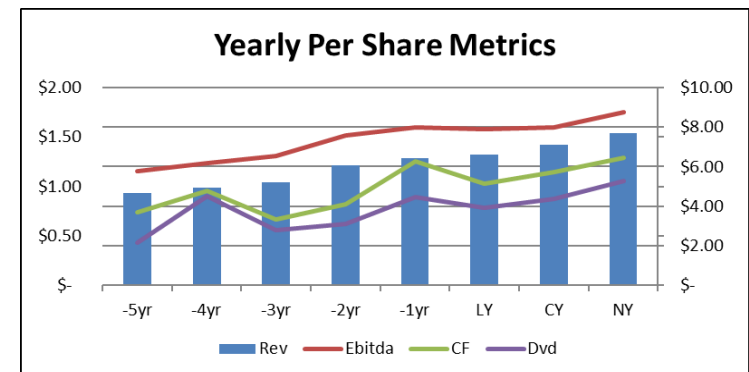
Source – BMO GAM, Bloomberg. Data through June 11, 2025.

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Dividend Drivers	LY	LY-1	LY-2	LY-3	LY-4
Capex Intensity	3%	3%	2%	2%	3%
FCF Margin	12%	13%	17%	11%	10%
Debt/FCF	0.1x	0.3x	0.3x	0.7x	0.8x
FCF Payout Ratio	101%	94%	81%	92%	105%

2025 Outlook	Consecutive Years Of Dvd Hikes:	25
OCF	\$ 1,558.63	
capex	-\$ 269.30	
dvd	-\$ 999.87	
dvd po	77.55%	
Surplus FCF	\$ 289.46	
Surplus FCF Conversion	19%	
	5 YR Dividend Growth CAGR:	18%



Summary

- Team-based collaborative culture
- Unwavering focus on long-term investment process
- Concentrated portfolios constructed with long term sustainable business models
- Risk Management at the stock, portfolio, and behavioral levels
- Consistency of performance reflects discipline

Biographies



Lutz Zeitler, CFA, MBA

Head of Fundamental Equity, Fundamental Equities

Lutz joined BMO Asset Management Inc.'s Canadian equity team in March 2012 as a portfolio manager primarily focused on the firm's large cap Canadian dividend and income strategies. Prior to joining BMO AM, Lutz was a portfolio manager with BMO Harris Investment Management where he managed several Canadian equity yield and core mandates. In addition to Lutz's over two decades of experience in both portfolio management and research, he holds a Master of Business Administration from the Richard Ivey School of Business and is a CFA charterholder.



Philip Harrington, CFA, M.Fin.

Portfolio Manager, Fundamental Equities

Philip joined BMO Asset Management Inc. in March 2012 and brings with him over two decades of experience in the investment industry. Philip is a member of the large cap portfolio management team at BMO AM responsible for the firm's Canadian dividend and income strategies. Previously, he worked as both an analyst and portfolio manager at BMO Harris Investment Management. A graduate from the University of Toronto, Philip holds a Bachelor of Commerce degree, received his Master of Finance from the Rotman School of Business and is a CFA charterholder.

Fund Codes & Fees

FundSERV Codes	Front End [*]	MER (%)	Low Load [†]	Deferred Sales Charge [†]
Advisor	BM099146	1.80	BM098146	BM097146
F (Fee Based)	BM095146	0.70	-	-

Disclosure/Disclaimer

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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 simplified 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 BMO Mutual Funds, please see the specific risks set out in the simplified prospectus.

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