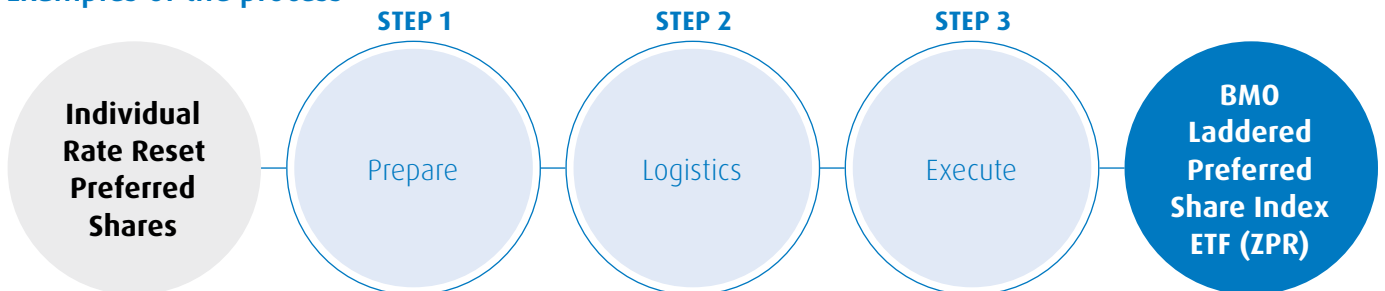


Exchange Individual Bonds & Rate Reset Preferred Shares to Utilize the Benefits of ETFs and Tax-Loss Harvesting

What is the advantage?

- Investors have the ability to crystallize losses on individual bonds or rate reset preferreds for tax-loss harvesting.
- BMO Exchange Traded Funds (ETFs) has introduced a process in which an investor can convert their individual Canadian bonds or rate reset preferred shares for shares in a corresponding ETF. For example, Canadian short corporate bonds can easily be converted directly into shares of BMO Short Corporate Bond Index ETF (ZCS). This process enables an investor to utilize the benefits of ETFs, while providing standardization, transparency, and diversification, across client accounts.
- Relative to individual bonds and rate reset preferreds, ETFs provide significant benefits to investors. ETFs provide the ability to achieve instant diversification through a single trade. As well, ETFs provide significant liquidity benefits for investors that are looking to manage a specific allocation or model across several client accounts. ETFs, at worst, will trade at bid-offer spreads that are equal to the underlying fixed income bonds or rate reset preferreds, but generally trade at significantly tighter spreads, due to the secondary liquidity that is available on the exchange. ETFs provide investors with a cost-efficient, diversified, and scalable solution for fixed income and preferreds.

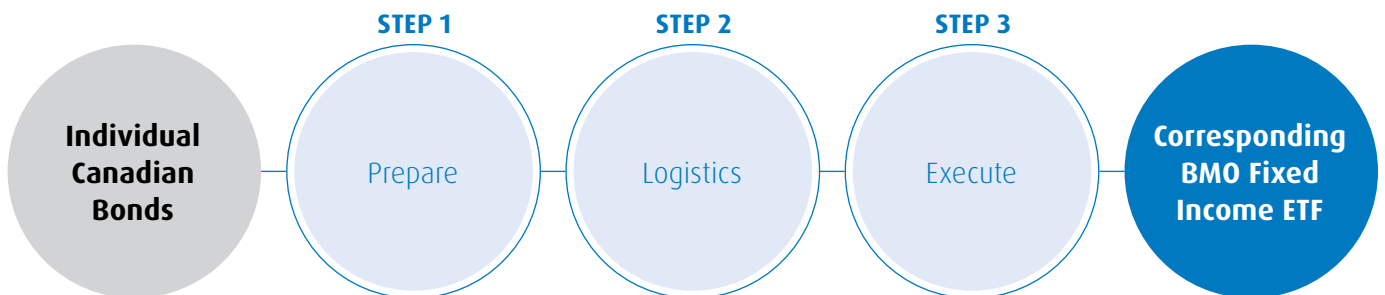
Examples of the process



Send your list of individual Canadian bonds to: BMOETFIndexEquity@bmo.com
 Be sure to include the ticker, SEDOL or CUSIP and the number of units you are holding.
 Minimum list size for conversion is a combined \$1 Million CDN.

BMO ETFs will determine which ones can be purchased and the amount. BMO ETFs will contact you to confirm.
 Logistics will be worked out between the ETF market maker and your retail trading desk.
 Confirm logistics with your trading desk.

BMO ETFs will buy the preferred shares at the closing price and deliver units of ZPR at net asset value (NAV) plus transaction costs (approximately \$0.005 to \$0.01 to the market maker). All regular commissions apply.



Send your list of individual Canadian bonds to: BMOGAMCANADAETFFixedIncomePMs@bmo.com
 Be sure to include the name of issue, CUSIP and the number of units you are holding.
 Minimum list size for conversion is a combined \$1 Million CDN.

BMO ETFs will determine which ones can be purchased and the amount. BMO ETFs will contact you to confirm.
 Logistics will be worked out between the ETF market maker and your retail trading desk.
 Confirm logistics with your trading desk.

BMO ETFs will buy the bonds at the closing price and deliver units of the corresponding BMO Fixed Income ETF at net asset value (NAV) plus transaction costs (approximately \$0.005 to \$0.01 to the market maker). All regular commissions apply.



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Visit bmo.com/etfs or contact Client Services at 1-800-361-1392.

This should not be construed to be legal or tax advice, as each client's situation is different. Please consult your own legal and tax advisor.

Commissions, management fees and expenses all may be associated with investments in exchange traded funds. Please read the ETF Facts or prospectus of the BMO ETFs before investing. Exchange traded funds are not guaranteed, their values change frequently and past performance may not be repeated.

For a summary of the risks of an investment in the BMO ETFs, please see the specific risks set out in the BMO ETF's prospectus. 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.

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