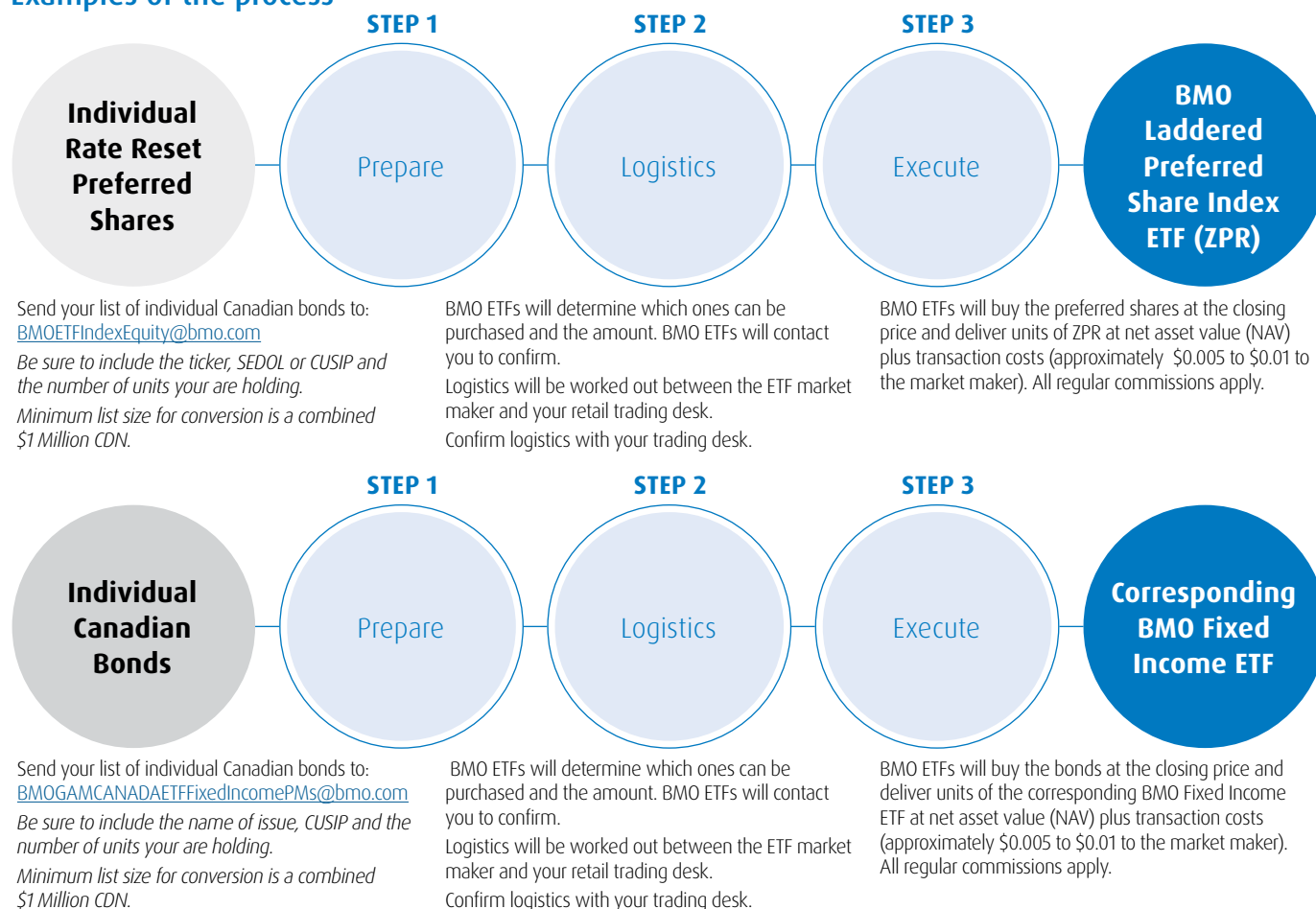


Exchange Individual Bonds & Rate Reset Preferred Shares to Utilize the Benefits of ETFs and Tax-Loss Harvesting

What is the advantage?

- Investors may be looking 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





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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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