May 18, 2023

US Strategy Snapshot

Beneath the Surface Market Observations

Bottom Line: With so much focus and attention put on market-level performance, valuation, and earnings growth, many investors are overlooking some key trends materializing beneath the surface, in our view – trends that stress the importance of stock selection in the current market environment. In this report, we discuss these developments which relate to falling intra-stock performance correlations across S&P 500 stocks, and increased dispersion levels when it comes to individual stock returns, NTM P/E multiples, and earnings growth forecasts. We also touch on the matter of top-heavy market cap concentration in the S&P 500 index and what it potentially means for future market performance as this has been a common concern brought up during our recent client interactions.

Main Points:

- Intra-stock Performance Correlation Among US Stocks Falling, Performance Dispersion Rising
  - ✓ S&P 500 126-day intra-stock performance correlation has significantly dropped since last October, falling back down to its post-financial crisis average
  - ✓ Six-month performance dispersion has increased above its long-term median to some of the highest pre-pandemic levels of the past 10 years
- Index-Level NTM P/E May Be Above Average, but Plenty of Stocks Currently Trading at Discounted Valuations
  - ✓ S&P 500 NTM P/E is currently above average, but S&P 500 ex-MFAANG NTM P/E is below average
  - ✓ 32% of S&P 500 stocks have NTM P/E ratios which rank in the 0-20 percentile range of their historical values
- Highly Differentiated Earnings Growth Rates Present Across S&P 500 Companies
  - ✓ NTM EPS growth dispersion among S&P 500 companies currently ranks in 93rd percentile
  - ✓ More than one-third of S&P 500 have forecasted NTM EPS growth rates above 10%, while >20% of companies are projected to register declines in NTM EPS
- Top-Heavy Market Cap Concentration in S&P 500 Not Necessarily Detrimental for Performance
  - ✓ The weight of the top 5 stocks by market cap has risen to >20% of S&P 500, from 17% at the start of the year
  - ✓ S&P 500 has recorded a ~4% average gain six months following previous peaks in market cap concentration with improvements in performance breadth

For disclosure statements, including the Analyst Certification, please refer to page(s) 7 to 10.

BMO Capital Markets

Investment Strategy

Brian G. Belski — Chief Investment Strategist
brian.belski@bmo.com (212) 885-4151

Nicholas Roccanova, CFA — Head of US Equity Strategy
nicholas.roccanova@bmo.com (212) 885-4179

Andrew Birstingl — Senior US Investment Strategist
andrew.birstingl@bmo.com (212) 885-4172

Legal Entity: BMO Capital Markets Corp.

US Strategy – S&P 500 Targets

Price Target Model	2023E
DDM	4,500
Fair Value P/E	4,000
Price Target	**4,300**
EPS Target Model	**2023E**
Macro Regression	$210
Bottom-Up Consensus	$230
Normalized EPS	$197
EPS Target	**$220**
Implied P/E	**19.5x**

Source: BMO Capital Markets Investment Strategy

US Strategy – Recommended S&P 500 Sector Weightings

Sector	Opinion	Tgt. Wgt.
Communication Services	OW	9%
Consumer Discretionary	MW	10.5%
Consumer Staples	UW	5%
Energy	MW	4.5%
Financials	OW	14%
Health Care	OW	15.5%
Industrials	MW	8.5%
Information Technology	MW	26%
Materials	MW	2.5%
Real Estate	MW	2.5%
Utilities	UW	2%

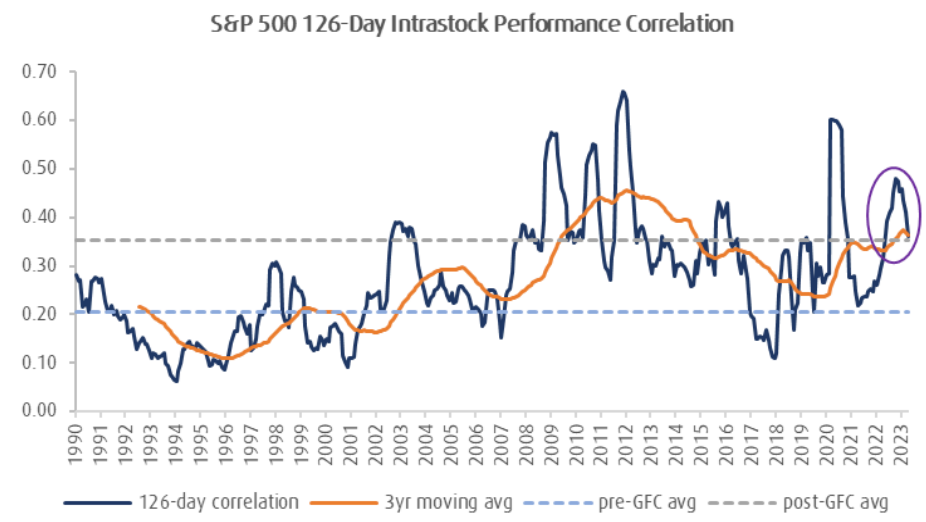
Source: BMO Capital Markets Investment Strategy

OW: Overweight
MW: Market Weight
UW: Underweight

09:10 ET~

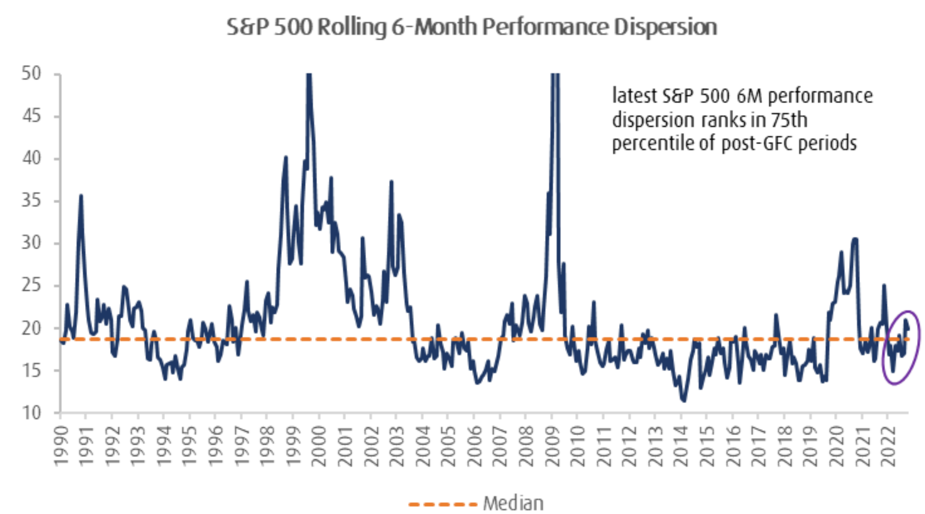
Intra-stock Performance Correlation Among US Stocks Falling, Performance Dispersion Rising

SPX 126D Intra-stock Performance Correlation Has Fallen Back Down to Its Post-GFC Avg



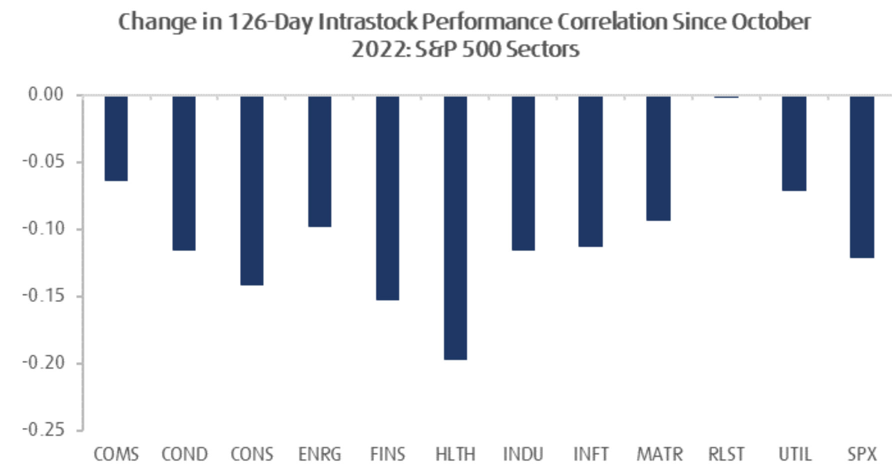
Source: BMO Investment Strategy Group, FactSet.

Dispersion of 6M Price Returns Across S&P 500 Stocks Has Been Rising



Source: BMO Investment Strategy Group, FactSet.

All 11 SPX Sectors Have Seen Performance Correlations Drop Since October

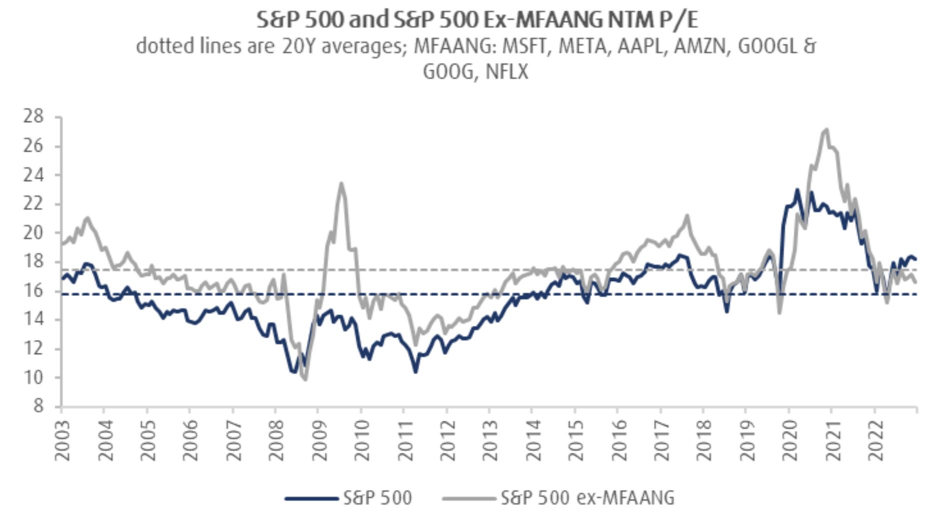


Source: BMO Investment Strategy Group, FactSet.

- The movement among US stocks has become less synchronized in recent months with individual stock prices once again moving more independently of one another from a directional standpoint.
- Indeed, the S&P 500 126-day intra-stock correlation has significantly dropped since last October, falling back down to its post-financial crisis average and now also a touch below its three-year moving average. This is a trend we expect to continue as the range-bound market forces investors to become less macro-driven and more stock selection focused.
  - ✓ All 11 S&P 500 GICS sectors have exhibited declines to their 126-day intra-stock performance correlations since October with Health Care recording the biggest drop.
- The variation of price returns across US stocks has also increased with six-month performance dispersion rising above its long-term median to some of the highest pre-pandemic levels of the past 10 years. In fact, S&P 500 six-month performance dispersion currently ranks in the 75th percentile of post-GFC monthly periods.
- From our perspective, this combination of falling intra-stock correlations and high performance dispersion sets up an environment that is conducive for potential alpha generation and one that should favor stock-pickers.

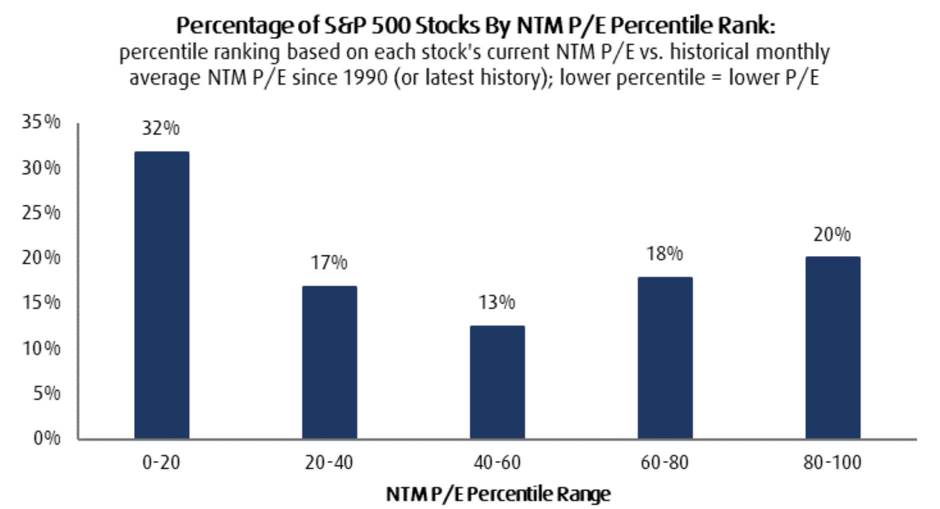
Index-Level NTM P/E May Be Above Average, but Plenty of Stocks Currently Trading at Discounted Valuations

S&P 500 NTM P/E is Above Its 20Y Avg, but SPX Ex-MFAANG NTM P/E Is Below Average



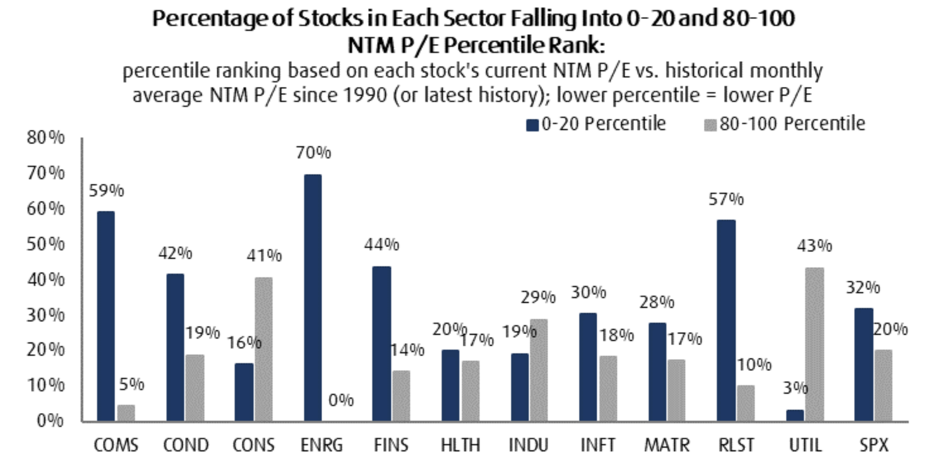
Source: BMO Investment Strategy Group, FactSet, IBES.

32% of SPX Stocks Have NTM P/E Ratios Ranking in 0-20 Percentile of Historical Values



Source: BMO Investment Strategy Group, FactSet, IBES.

ENRG, COMS, RLST, FINS, COND All Have >40% of Stocks With NTM P/Es in 0-20 Percentile

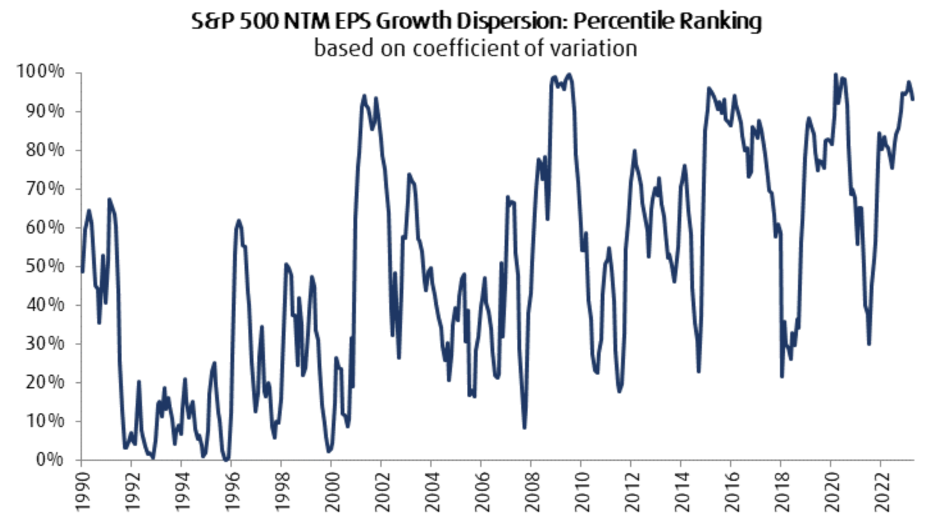


Source: BMO Investment Strategy Group, FactSet, IBES.

- Valuation for the broader market continues to be flagged as a major concern during our client conversations, and seems to be one of the main reasons that many investors are calling for a sharp price drawdown between now and year-end.
- There is no denying that aggregate NTM P/E for the market is above its 20-year historical average (18.2x vs. 15.8x). However, when looking at S&P 500 ex-MFAANG, current NTM P/E is 16.6x vs. a 20-year average of 17.4x, indicating to us that there are plenty of stocks trading at discounted valuations.
- From our perspective, the focus is too much on index-level valuation. However, an important trend that continues to fly under the radar and one that we have written about extensively is the elevated level of NTM P/E dispersion across S&P 500 companies, which carries a z-score of 0.8 vs. its three-year moving average (see page 11 of US Chartbook).
- Indeed, looking under the surface, 32% of S&P 500 stocks currently have NTM P/E multiples which rank in the 0-20 percentile range of their historical values going back to 1990, compared to the 20% of stocks with NTM P/Es falling into the 80-100 percentiles. Energy, Communication Services, Real Estate, Financials, and Consumer Discretionary each have more than 40% of stocks in their sectors carrying NTM P/E ratios that rank in the 0-20 percentile range, while Utilities and Consumer Staples have the largest percentage of stocks in the 80-100 percentile NTM P/E range.

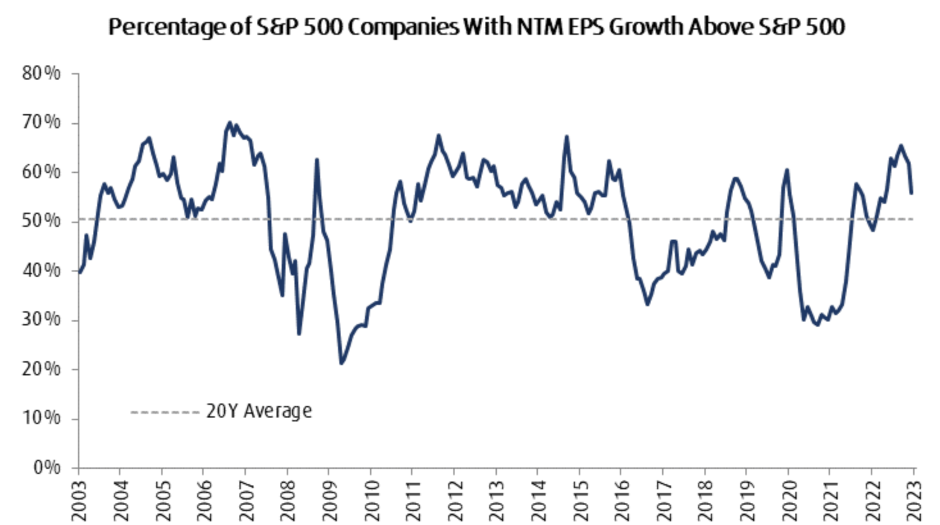
Highly Differentiated Earnings Growth Rates Present Across S&P 500 Companies

S&P 500 NTM EPS Growth Dispersion Currently Ranks in 93rd Percentile



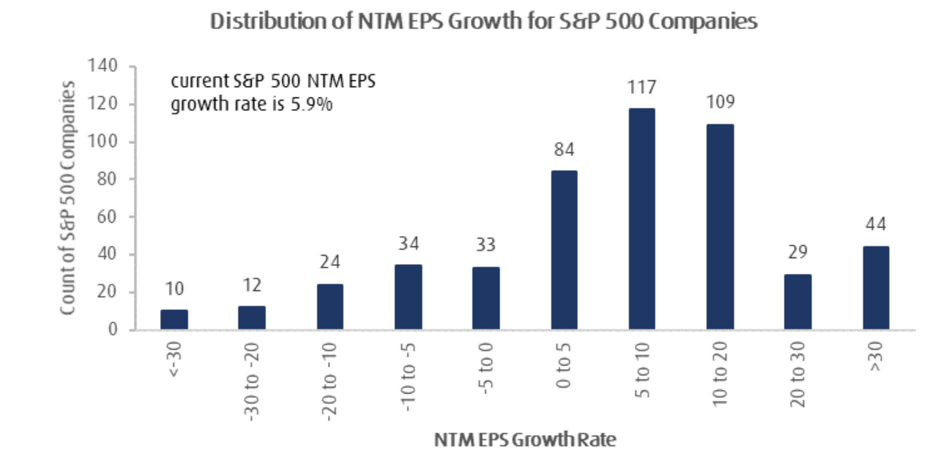
Source: BMO Investment Strategy Group, FactSet, IBES.

56% of S&P 500 Index Expected to Growth NTM EPS at a Higher Clip Than Market



Source: BMO Investment Strategy Group, FactSet, IBES.

More Than One-Third of SPX Companies Have NTM EPS Growth Rates Above 10%

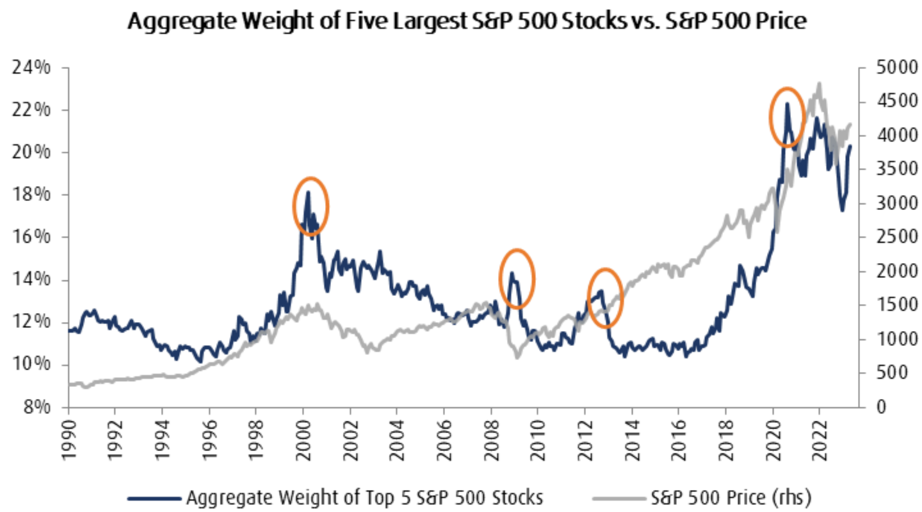


Source: BMO Investment Strategy Group, FactSet, IBES.

- On the earnings front, S&P 500 2023 EPS growth is expected to be roughly 1%, while NTM earnings is forecasted to grow at a 5.9% clip. Once again, however, a key trend that has been overlooked, in our view, is the dispersion of NTM EPS growth across S&P 500 companies, which currently stands in the 93rd percentile of historical values since 1990.
- This degree of earnings differentiation does not necessarily come as a huge surprise to us as companies have been forced to contend with a number of developments over the past year or so, such as higher inflation, higher interest rates, and slowing economic growth. Therefore, it makes sense that some firms are faring much better, and others are faring much worse from a growth standpoint. As a result, investors will be required to be more selective in their investment approach in order to outperform in such an environment, in our view.
- Looking beneath the surface, 56% of S&P 500 companies are estimated to grow NTM EPS by more than the market, higher than the 20-year average of 51%. Indeed,117 firms have NTM EPS growth rates between 5% and 10% and another 109 companies are projected to see NTM EPS growth in the 10-20% range. By contrast, 113 S&P 500 companies are estimated to exhibit declines in NTM EPS with 46 of those expected to be double-digit declines, once again highlighting the importance of being selective.

Top-Heavy Market Cap Concentration in S&P 500 Not Necessarily Detrimental for Performance

Weight of Top 5 SPX Stocks Has Increased This Year, Now Comprising >20% of Index



Source: BMO Investment Strategy Group, FactSet, S&P.

SPX Has Logged a 4% Average Return 6-Mos After Prior Peaks in Mkt Cap Concentration

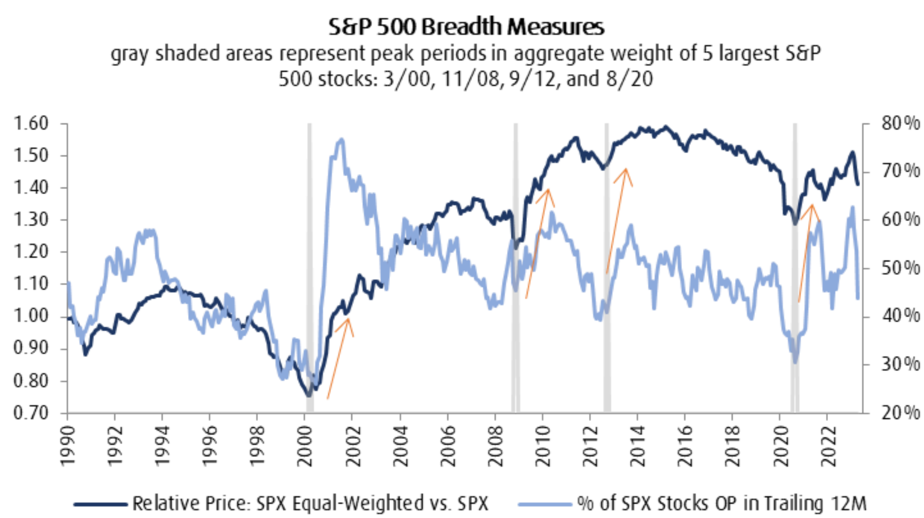
S&P 500 & S&P 500 Equal Weight Performance Following Peaks in Aggregate Weight of Five Largest S&P 500 Stocks

	S&P 500		
	+3-Mos	+6-Mos	+12-Mos
3/31/2000	-2.9	-4.1	-22.6
11/30/2008	-18.0	2.6	22.2
9/30/2012	-2.7	8.9	16.7
8/31/2020	3.5	8.9	29.2
Average	**-5.0**	**4.1**	**11.4**

	S&P 500 Equal-Weight		
	+3-Mos	+6-Mos	+12-Mos
3/31/2000	-0.5	4.9	3.1
11/30/2008	-16.6	15.8	40.6
9/30/2012	0.4	14.5	24.9
8/31/2020	10.2	20.4	40.2
Average	**-1.6**	**13.9**	**27.2**

Source: BMO Investment Strategy Group, FactSet, S&P.

Performance Breadth Has Improved After Previous Peaks in Market Cap Concentration



Source: BMO Investment Strategy Group, FactSet, S&P.

- Apple, Microsoft, Amazon, NVIDIA, and Alphabet Class A are the largest stocks by market cap in the S&P 500 and now make up more than 20% of the index. This current aggregate weight represents a notable increase from the 17% at the start of the year and is slowly beginning to approach the record level set in 2020 (22.3%). As a result, many investors have become increasingly worried about the potential effects that this top-heavy concentration could have on market performance, especially if these names begin to stumble.

- While we do understand the concern to a degree, when looking at price performance following prior peaks in the aggregate weight of the five largest stocks (Mar '00, Nov '08, Sep '12, and Aug '20), the S&P 500 tends to struggle in the first three months (5% loss), but ends up logging 4.1% and 11.4% average gains in the six- and 12-months post-peak periods, respectively. In addition, performance breadth appears to increase in the six and 12 months after these top-heavy market cap concentration peaks, as highlighted by the uptick in the percentage of outperforming stocks and uptrends in relative price of the S&P 500 Equal-Weighted index.

- It is important to note as well that the current composition is also a result of these secular growth names becoming more stable, staple-ish types of stocks that many investors now tend to navigate to during periods of uncertainty.

Recent US Strategy Research Reports

Date	Title
	Comments and Snapshot Reports
5/11/2023	US Strategy Comment: Revisiting Dividend Growth
4/28/2023	US Strategy Comment: Roadmap for a Range-Bound Market
4/20/2023	US Strategy Snapshot: Earnings Recession Fears May Be Overblown
4/13/2023	US Strategy Comment: Reiterating Our Value Preference
4/5/2023	US Strategy Snapshot: Buying the Dip in Financials
3/23/2023	US Strategy Comment: Selloff in SMID-Caps Presenting a Buying Opportunity
3/17/2023	US Strategy Comment: Deploy a Barbell Strategy as Active Investing Gains Steam
3/2/2023	US Strategy Comment: Examining the Upcoming S&P GICS Changes
2/23/2023	US Strategy Snapshot: Bear Fables and Bull Facts
2/15/2023	US Strategy Snapshot: Improving Market Breadth Underpins Recent Equity Rally
2/2/2023	US Strategy Comment: Earnings Pessimism May Be Overstated
1/20/2023	US Strategy Comment: Our Take on the New Price Low Debate
1/12/2023	US Strategy Comment: Reinforcing Our Market Call and 2023 Price Target
12/13/2022	US Strategy Comment: 2023 US Sector Positioning
12/8/2022	US Strategy Comment: Thematic Report – Reshoring 2.0
	Monthly Reports
5/4/2023	US Strategy: US Chartbook – May 2023
5/4/2023	US Strategy: US Factor Profiles – May 2023
5/4/2023	US Strategy: US Multi-Factor Profiles – May 2023
	Investment Strategy Snapshots and Special Reports
11/30/2022	2023 Market Outlook - The Year Ahead for the U.S. and Canada
9/6/2022	Investment Strategy Comment: Hold the Line

IMPORTANT DISCLOSURES

Analyst's Certification

We, Brian G. Belski and Nicholas Roccanova, hereby certify that the views expressed in this report accurately reflect our personal views about the subject securities or issuers. We also certify that no part of our compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

Analysts who prepared this report are compensated based upon (among other factors) the overall profitability of BMO Capital Markets and their affiliates, which includes the overall profitability of investment banking services. Compensation for research is based on effectiveness in generating new ideas and in communication of ideas to clients, performance of recommendations, accuracy of earnings estimates, and service to clients.

Analysts employed by BMO Nesbitt Burns Inc. and/or BMO Capital Markets Limited are not registered as research analysts with FINRA. These analysts may not be associated persons of BMO Capital Markets Corp. and therefore may not be subject to the FINRA Rule 2241 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Company Specific Disclosures

For Important Disclosures on the stocks discussed in this report, please go to https://researchglobal0.bmocapitalmarkets.com/public-disclosure/ .

Distribution of Ratings (May 17, 2023)

Rating category	BMO rating	BMOCM US Universe*	BMOCM US IB Clients**	BMOCM US IB Clients***	BMOCM Universe****	BMOCM IB Clients*****	StarMine Universe~
Buy	Outperform	47.4 %	17.6 %	50.6 %	53.6 %	61.2 %	57.7%
Hold	Market Perform	50.1 %	15.4 %	46.8 %	44.8 %	37.3 %	37.5%
Sell	Underperform	2.5 %	16.7 %	2.5 %	1.5 %	1.0 %	4.8%

* Reflects rating distribution of all companies covered by BMO Capital Markets Corp. equity research analysts.

** Reflects rating distribution of all companies from which BMO Capital Markets Corp. has received compensation for Investment Banking services as percentage within ratings category.

*** Reflects rating distribution of all companies from which BMO Capital Markets Corp. has received compensation for Investment Banking services as percentage of Investment Banking clients.

**** Reflects rating distribution of all companies covered by BMO Capital Markets equity research analysts.

***** Reflects rating distribution of all companies from which BMO Capital Markets has received compensation for Investment Banking services as percentage of Investment Banking clients.

~ As of April 1, 2019.

Ratings Key (as of October 2016)

We use the following ratings system definitions:
OP = Outperform - Forecast to outperform the analyst’s coverage universe on a total return basis;
Mkt = Market Perform - Forecast to perform roughly in line with the analyst’s coverage universe on a total return basis;
Und = Underperform - Forecast to underperform the analyst’s coverage universe on a total return basis;
(S) = Speculative investment;
Spd = Suspended - Coverage and rating suspended until coverage is reinstated;
NR = No Rated - No rating at this time; and
R = Restricted - Dissemination of research is currently restricted.

The total return potential, target price and the associated time horizon is 12 months unless otherwise stated in each report. BMO Capital Markets' seven Top 15 lists guide investors to our best ideas according to different objectives (CDN Large Cap, CDN Small Cap, US Large Cap, US Small Cap, Income, CDN Quant, and US Quant have replaced the Top Pick rating).

Prior BMO Capital Markets Rating System

(April 2013 - October 2016)
http://researchglobal.bmocapitalmarkets.com/documents/2013/rating_key_2013_to_2016.pdf

(January 2010 - April 2013)
http://researchglobal.bmocapitalmarkets.com/documents/2013/prior_rating_system.pdf

Other Important Disclosures

For Important Disclosures on the stocks discussed in this report, please go to https://researchglobal0.bmocapitalmarkets.com/public-disclosure/ or write to Editorial Department, BMO Capital Markets, 151 West 42nd St, 33rd Floor, New York, NY 10036 or Editorial Department, BMO Capital Markets, 1 First Canadian Place, Toronto, Ontario, M5X 1H3.

Dissemination of Research

Dissemination of fundamental BMO Capital Markets Equity Research is available via our website https://researchglobal0.bmocapitalmarkets.com/ . Institutional clients may also simultaneously receive our fundamental research via email and/or via services such as Refinitiv, Bloomberg, FactSet, Visible Alpha, and S&P Capital IQ.

BMO Capital Markets issues a variety of research products in addition to fundamental research. Institutional clients may request notification when additional research content is made available on our website. BMO Capital Markets may use proprietary models in the preparation of reports. Material information about such models may be obtained by contacting the research analyst directly. There is no planned frequency of model updates.

The analyst(s) named in this report may discuss trading strategies that reference a catalyst or event that may have a near or long term impact on the market price of the equity securities discussed. In some cases, the impact may directionally counter the analyst's published 12 month target price and rating. Any such trading or alternative strategies can be based on differing time horizons, methodologies, or otherwise and are distinct from and do not affect the analysts' fundamental equity rating in the report.

Research coverage of licensed cannabis producers and other cannabis-related companies is made available only to eligible approved North American, Australian, and EU-based BMO Nesbitt Burns Inc., BMO Capital Markets Limited, Bank of Montreal Europe Plc and BMO Capital Markets Corp. clients via email, our website and select third party platforms.

~ Research distribution and approval times are provided on the cover of each report. Times are approximations as system and distribution processes are not exact and can vary based on the sender and recipients' services. Unless otherwise noted, times are Eastern Standard and when two times are provided, the approval time precedes the distribution time.

For recommendations disseminated during the preceding 12-month period, please visit: https://researchglobal0.bmocapitalmarkets.com/public-disclosure/ .

General Disclaimer

"BMO Capital Markets" is a trade name used by BMO Financial Group for the wholesale banking businesses of Bank of Montreal, BMO Harris Bank N.A. (member FDIC), Bank of Montreal Europe p.l.c, and Bank of Montreal (China) Co. Ltd, the institutional broker dealer business of BMO Capital Markets Corp. (Member FINRA and SIPC) and the agency broker dealer business of Clearpool Execution Services, LLC (Member FINRA and SIPC) in the U.S., and the institutional broker dealer businesses of BMO Nesbitt Burns Inc. (Member Investment Industry Regulatory Organization of Canada and Member Canadian Investor Protection Fund) in Canada and Asia, Bank of Montreal Europe p.l.c. (authorised and regulated by the Central Bank of Ireland) in Europe and BMO Capital Markets Limited (authorised and regulated by the Financial Conduct Authority) in the UK and Australia. Bank of Montreal or its subsidiaries ("BMO Financial Group") has lending arrangements with, or provide other remunerated services to, many issuers covered by BMO Capital Markets. The opinions, estimates and projections contained in this report are those of BMO Capital Markets as of the date of this report and are subject to change without notice. BMO Capital Markets endeavours to ensure that the contents have been compiled or derived from sources that we believe are reliable and contain information and opinions that are accurate and complete. However, BMO Capital Markets makes no representation or warranty, express or implied, in respect thereof, takes no responsibility for any errors and omissions contained herein and accepts no liability whatsoever for any loss arising from any use of, or reliance on, this report or its contents. Information may be available to BMO Capital Markets or its affiliates that is not reflected in this report. The information in this report is not intended to be used as the primary basis of investment decisions, and because of individual client objectives, should not be construed as advice designed to meet the particular investment needs of any investor. Nothing herein constitutes any investment, legal, tax or other advice nor is it to be relied on in any investment or decision. If you are in doubt about any of the contents of this document, the reader should obtain independent professional advice. This material is for information purposes only and is not an offer to sell or the solicitation of an offer to buy any security. BMO Capital Markets or its affiliates will buy from or sell to customers the securities of issuers mentioned in this report on a principal basis. BMO Capital Markets or its affiliates, officers, directors or employees have a long or short position in many of the securities discussed herein, related securities or in options, futures or other derivative instruments based thereon. The reader should assume that BMO Capital Markets or its affiliates may have a conflict of interest and should not rely solely on this report in evaluating whether or not to buy or sell securities of issuers discussed herein.

Additional Matters

This report is directed only at entities or persons in jurisdictions or countries where access to and use of the information is not contrary to local laws or regulations. Its contents have not been reviewed by any regulatory authority. BMO Capital Markets does not represent that this report may be lawfully distributed or that any financial products may be lawfully offered or dealt with, in compliance with regulatory requirements in other jurisdictions, or pursuant to an exemption available thereunder.

To Australian residents: BMO Capital Markets Limited and Bank of Montreal are exempt from the requirement to hold an Australian financial services licence under the Corporations Act in respect of financial services they provide to wholesale investors (as defined in the Corporations Act). BMO Capital Markets Limited is regulated by the UK Financial Conduct Authority under UK laws, and Bank of Montreal in Hong Kong is regulated by the Hong Kong Monetary Authority and the Securities and Futures Commission, which differ from Australia laws. This document is only intended for wholesale clients (as defined in the Corporations Act 2001), Eligible Counterparties or Professional Clients (as defined in Annex

II to MiFID II) and Professional Investors (as defined in the Securities and Futures Ordinance and the Securities and Futures (Professional Investor) Rules under the Securities and Futures Ordinance of Hong Kong).

To Canadian Residents: BMO Nesbitt Burns Inc. furnishes this report to Canadian residents and accepts responsibility for the contents herein subject to the terms set out above. Any Canadian person wishing to effect transactions in any of the securities included in this report should do so through BMO Nesbitt Burns Inc.

The following applies if this research was prepared in whole or in part by Colin Hamilton, Alexander Pearce or Raj Ray:

This research is not prepared subject to Canadian disclosure requirements. This research is prepared by BMO Capital Markets Limited and distributed by BMO Capital Markets Limited or Bank of Montreal Europe Plc and is subject to the regulations of the Financial Conduct Authority (FCA) in the United Kingdom and the Central Bank of Ireland (CBI) in Ireland. FCA and CBI regulations require that a firm providing research disclose its ownership interest in the issuer that is the subject of the research if it and its affiliates own 5% or more of the equity of the issuer. Canadian regulations require that a firm providing research disclose its ownership interest in the issuer that is the subject of the research if it and its affiliates own 1% or more of the equity of the issuer that is the subject of the research. Therefore each of BMO Capital Markets Limited and Bank of Montreal Europe Plc will disclose its and its affiliates' ownership interest in the subject issuer only if such ownership exceeds 5% of the equity of the issuer.

To E.U. Residents: In an E.U. Member State this document is issued and distributed by Bank of Montreal Europe plc which is authorised and regulated in Ireland and operates in the E.U. on a passported basis. This document is only intended for Eligible Counterparties or Professional Clients, as defined in Annex II to "Markets in Financial Instruments Directive" 2014/65/EU ("MiFID II").

To U.S. Residents: BMO Capital Markets Corp. furnishes this report to U.S. residents and accepts responsibility for the contents herein, except to the extent that it refers to securities of Bank of Montreal. Any U.S. person wishing to effect transactions in any security discussed herein should do so through BMO Capital Markets Corp.

To U.K. Residents: In the UK this document is published by BMO Capital Markets Limited which is authorised and regulated by the Financial Conduct Authority. The contents hereof are intended solely for the use of, and may only be issued or passed on to, (I) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (II) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together referred to as "relevant persons"). The contents hereof are not intended for the use of and may not be issued or passed on to retail clients.

To Hong Kong Residents: In Hong Kong, this report is published and distributed by Bank of Montreal. Bank of Montreal (incorporated in Canada with limited liability) is an authorized institution under the Banking Ordinance and a registered institution with the Securities and Futures Commission (CE No. AAK809) to carry on Type 1 (dealing in securities) and Type 4 (advising in securities) regulated activities under the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong). This report has not been reviewed or approved by any regulatory authority in Hong Kong. Accordingly this report must not be issued, circulated or distributed in Hong Kong other than (a) to professional investors as defined in the Securities and Futures Ordinance and the Securities and Futures (Professional Investor) Rules under the Securities and Futures Ordinance of Hong Kong, or (b) in circumstances which do not result in or constitute an offer to the public in Hong Kong.

To Korean Residents: This report has been provided to you without charge for your convenience only. All information contained in this report is factual information and does not reflect any opinion or judgement of BMO Capital Markets. The information contained in this report should not be construed as offer, marketing, solicitation or investment advice with respect to financial investment products in this report.

To Japan Residents: This report has not been reviewed by any regulatory authority in Japan. This report is provided for information purposes only and it should not be construed as an offer to sell, a solicitation to buy, or a recommendation for any security, or as an offer to provide investment management or advisory or other services in Japan. Securities may not be offered or sold in Japan by means of this report or any other document other than to Qualified Financial Institutions within the meaning of item (i) of Article 17-3 of the Government Ordinance to enforce the Financial Instruments and Exchange Act (Kinyu Shohin Torihiki Ho Sekou Rei). Unless specified otherwise, the securities that may be offered to you are not and will not be registered in Japan pursuant to the Financial Instruments and Exchange Acts.

To Taiwanese Residents: This report is not intended to constitute investment advice nor a public offer for any investment products to investors in Taiwan. This report should only be accessed by investors in Taiwan that are qualified to invest in investment products pursuant to relevant Taiwanese laws and regulations, and subject to sales restrictions as set forth in the relevant Taiwanese laws and regulations. BMO Capital Markets has not and will not secure the required licenses in Taiwan for the offer of securities and investment services. Any offer of securities has not been and will not be registered or filed with or approved by the Financial Commission of Taiwan and/or other regulatory authority pursuant to relevant securities laws and regulations of Taiwan, and may not be issued, offered or sold within Taiwan through a public offering or in circumstances which constitute an offer that requires a registration, filing or approval of the Financial Supervisory Commission of Taiwan and/or other regulatory authority in Taiwan under relevant securities laws and regulations of Taiwan. No person or entity in Taiwan has been authorized to offer or sell the securities in Taiwan.

To Singapore Residents: This report is intended for general circulation and does not and is not intended to constitute the provision of financial advisory services, whether directly or indirectly, to persons in Singapore. You should seek advice from a financial adviser regarding the suitability of the investment products, taking into account your specific investment objectives, financial situation or particular needs before you make a commitment to purchase the investment product. This report has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, it should not be circulated or distributed, nor may the securities described herein be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor or a relevant person as defined in and pursuant to and in accordance with the conditions of the relevant provisions of the Securities and Futures Act of Singapore or (b) otherwise pursuant to and in accordance with the conditions of, any other applicable provision of the SFA.

To Israeli residents: BMO Capital Markets is not licensed under the Israeli Law for the Regulation of Investment Advice, Investment Marketing and Portfolio Management of 1995 (the "Advice Law") nor does it carry insurance as required thereunder. This document is to be distributed solely to persons that are qualified clients (as defined under the Advice Law) and qualified investors under the Israeli Securities Law of 1968. This document represents the analysis of the analyst but there is no assurance that any assumption or estimation will materialize.

These documents are provided to you on the express understanding that they must be held in complete confidence and not republished, retransmitted, distributed, disclosed, or otherwise made available, in whole or in part, directly or indirectly, in hard or soft copy, through any means, to any person, except with the prior written consent of BMO Capital Markets.

Click here for data vendor disclosures when referenced within a BMO Capital Markets research document.

For assistance with accessible formats of online content, please contact research@bmo.com.

The recommendation contained in this report was produced at May 18, 2023, 09:10 ET. and disseminated at May 18, 2023, 09:10 ET.