

US Strategy Snapshot

S&P 500 Target Update

Raising S&P 500 Year-End Price Target to 4,550

Through five months of the year, it has become increasingly clear to us that stock market resilience is here to stay. Admittedly we entered the year more cautious than we have been in the past given the host of uncertainties the market faced to begin 2023, but it seems that all the doom and gloom that many others were prognosticating has yet come to fruition. We have always taken our cues from the data and the biggest worry entering the year was that the Fed would “hike” our economy into a severe recession. Well after 5 ppt points of rate hikes, inflation has clearly subsided, and yet labor market strength has remained intact. In other words, we believe the anticipated recipe for disaster is simply not present. So, from our perspective, all the worries that damaged 2022 market performance are slowly beginning to subside. Yes, earnings growth is likely to remain a sticking point, but it appears investors fully understand this and are looking past 2023 results and expecting growth to reaccelerate in 2024 and beyond. Therefore, we expect market price momentum to persist, albeit at a slightly slower clip for the remainder of the year, and are raising our 2023 S&P 500 year-end price target to 4,550 from 4,300.

Swapping Technology for Health Care

We are also making two sector opinion changes: upgrading Technology from Market Weight to Overweight and downgrading Health Care from Overweight to Market Weight. From our perspective, the AI hype surrounding the Tech sector is real and likely to propel future growth for many stocks within the space. So, despite an extremely strong YTD sector performance, we believe the momentum, even if it slows a bit, is likely persist for the foreseeable future. By contrast, the COVID-fueled boost has clearly evaporated for Health Care and the sector has struggled from both a performance and earnings growth perspective. Despite this weakness, we do believe the sector has some redeemable qualities and are not suggesting that investors avoid it entirely. Instead, we believe it is best to be highly selective within the sector and would recommend a barbell approach as the primary stock selection strategy. As a result of these changes and YTD index composition trends of the S&P 500, we are also adjusting our target weights for several sectors:

US Strategy – Recommended S&P 500 Sector Target Weight Revisions

Sector	Index	New	Old	Chg.	Sector	Index	New	Old	Chg.
Communication Services	8.8%	9.5%	9%	0.5%	Industrials	8.2%	8.5%	8.5%	0%
Consumer Discretionary	10.2%	10.25%	10.5%	-0.25%	Information Technology	28.1%	29%	26%	3%
Consumer Staples	6.9%	5%	5%	0%	Materials	2.4%	2.5%	2.5%	0%
Energy	4.2%	4%	4.5%	-0.5%	Real Estate	2.4%	2.5%	2.5%	0%
Financials	12.5%	13.5%	14%	-0.5%	Utilities	2.7%	1.5%	2%	-0.5%
Health Care	13.7%	13.75%	15.5%	-1.75%					

Source: BMO Capital Markets Investment Strategy. Index weights as of 5/31/23.

For disclosure statements, including the Analyst Certification, please refer to page(s) 6 to 9.

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	4,750
Fair Value P/E	4,350
Price Target	4,550
EPS Target Model	2023E
Macro Regression	\$215
Bottom-Up Consensus	\$220
Normalized EPS	\$200
EPS Target	\$220
Implied P/E	20.7x

Source: BMO Capital Markets Investment Strategy

US Strategy – Recommended S&P 500 Sector Weightings

Sector	Opinion	Tgt. Wgt.
Communication Services	OW	9.5%
Consumer Discretionary	MW	10.25%
Consumer Staples	UW	5%
Energy	MW	4%
Financials	OW	13.5%
Health Care	MW	13.75%
Industrials	MW	8.5%
Information Technology	OW	29%
Materials	MW	2.5%
Real Estate	MW	2.5%
Utilities	UW	1.5%

Source: BMO Capital Markets Investment Strategy

OW: Overweight
MW: Market Weight
UW: Underweight

Raising 2023 Year-End S&P 500 Price Target to 4,550

2023 S&P 500 Targets

Price Target

Model	Category	2023E
Dividend Discount Model	Fundamental	4,750
Fair Value Price-to-Earnings Model	Valuation	4,350
Expected Return*		6.2%
Latest S&P 500 Close		4,282
Price Target		4,550

Earnings Per Share Target

Model	Category	2023E
Macroeconomic Regression Model	Macro	\$210
Bottom Up Mean Consensus Expectation	Fundamental	\$230
Normalized EPS	Mean Reversion	\$197

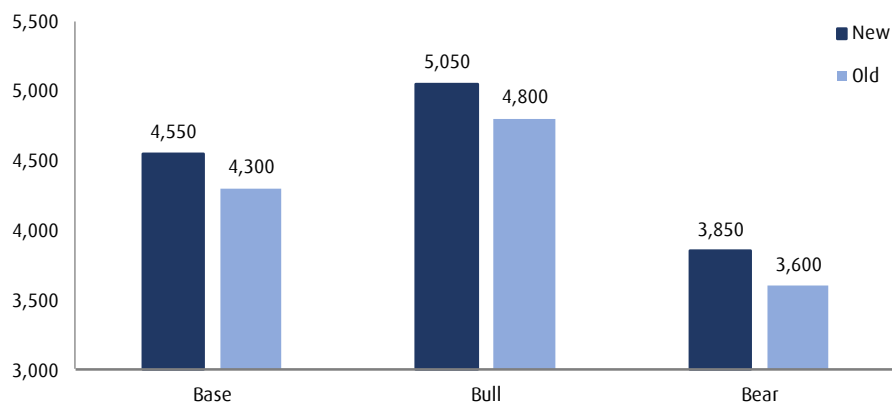
Expected EPS Growth	0.4%
Prior Year S&P 500 EPS	\$219
EPS Target	\$220

Implied P/E	20.7x
--------------------	--------------

*Based on 6/4/23 closing price.

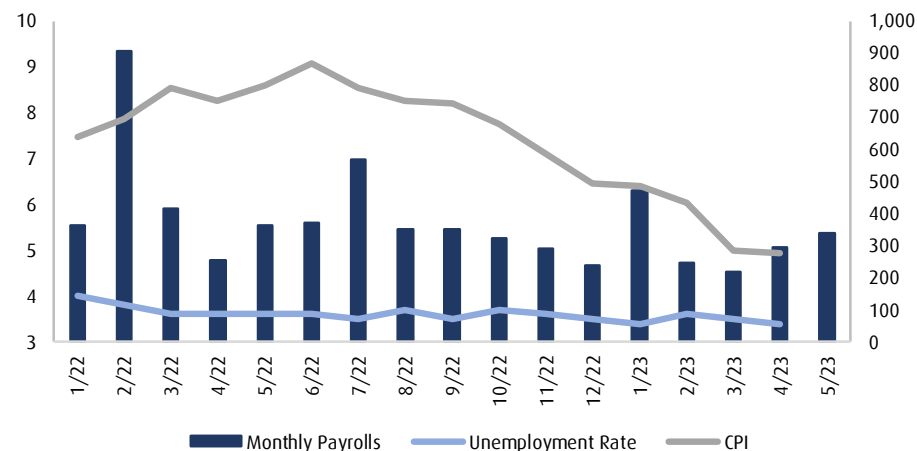
Source: BMO Investment Strategy Group.

2023 S&P 500 Price Target Scenarios



Source: BMO Investment Strategy Group, FactSet.

Inflation and Labor Market Trends Have Been Better than Expected



Source: BMO Investment Strategy Group, FactSet, BLS, DOL.

Entering 2023, the biggest worry was that the Fed was underestimating its tightening campaign and that the cumulative effect would lead the economy into a severe recession. Well, after 5 ppt of rate hikes it has become increasingly clear that the worst-case scenario has not materialized. In fact, inflation has continued to decelerate at a faster than expected rate, while the labor market has continued to surprise to the upside with its resiliency.

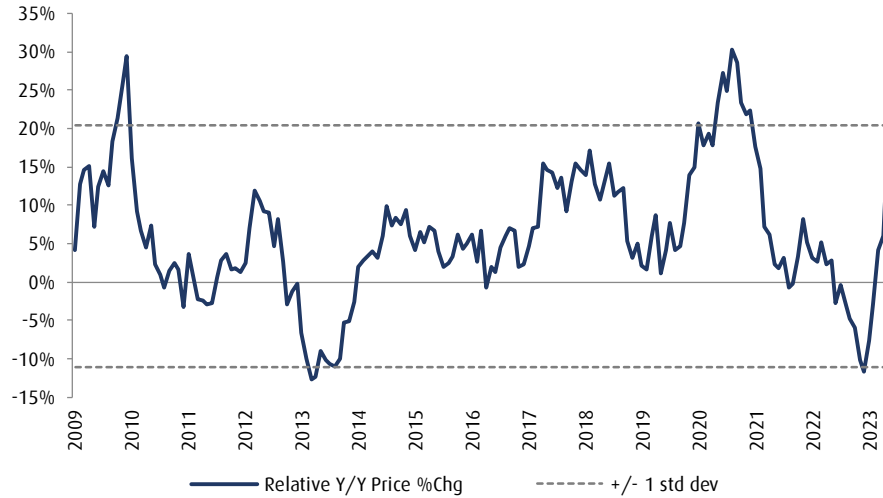
Given these dynamics, we have adjusted our price target model assumptions to reflect this better-than-expected macro data. Specifically, we have lowered our CoE assumption by 20 bps, which reflects a combination of a lower ERP, 10-yr Treasury yield and CPI rate in our DDM model.

In addition, we believe the market fully understands that the EPS environment is likely to be challenged this year and has already moved onto next year and beyond for valuation purposes. Therefore, we are applying a ½ standard error to our 2023 fair value PE model to account for this.

Finally, we are not making any changes to our 2023 EPS targets since we believe it will be difficult for earnings to grow this year from their current run rate, but we are also adjusting all of our price target scenarios by +250 to account for the better-than-expected macro environment.

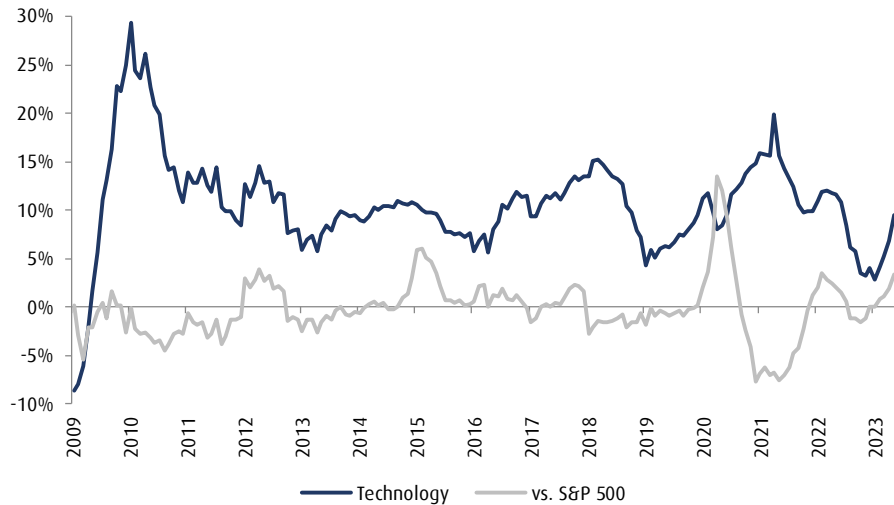
Upgrading Technology to Overweight

Y/Y Relative Price Change - Technology



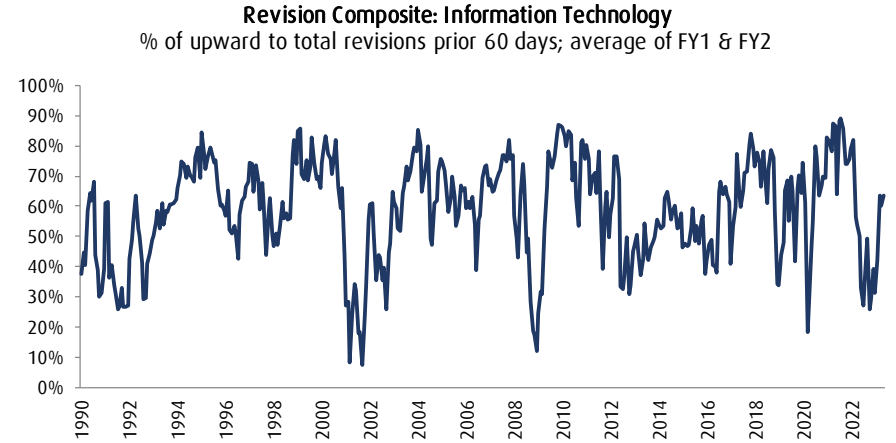
Source: BMO Investment Strategy Group, FactSet.

NTM EPS Growth - Technology



Source: BMO Investment Strategy Group, FactSet, IBES.

EPS Revisions - Technology



Source: BMO Investment Strategy Group, FactSet, IBES.

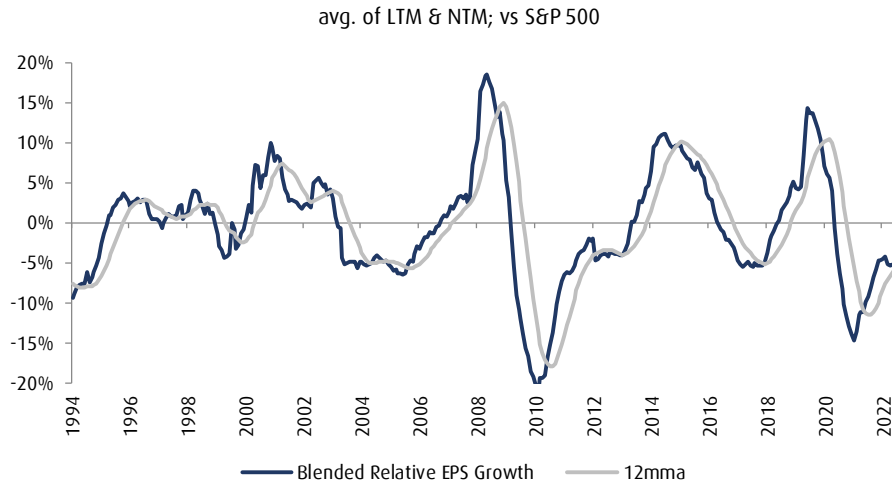
Clearly, Technology has been off to a torrid start to 2023 with the sector gaining more than 30% YTD. And while this performance has been impressive by historical standards, we believe the sector’s relative strength is likely to continue even if recent trends begin to fade. Remember, 2022 was an awful year for the sector so we believe part of this is simply a reversal of that. In addition, relative y/y performance trends are not necessarily out of context with those that have been in place since 2009. For instance, even if current trends represent a “peak” for Technology relative performance, we have found that the sector has continued to outperform the S&P 500 for a considerable amount of time post similar relative price peaks.

Technology’s earnings backdrop is essentially the basis for our upgrade. Heading into 2023, NTM EPS growth was lagging the S&P 500 which made its above-average price multiples hard to justify. However, that trend has improved dramatically over the past few months with NTM EPS growth expectations now surpassing the S&P 500 by its widest margin since early 2022. And given what is likely to be a strong AI tailwind, this is a trend we expect to continue throughout the year.

Finally, revision trends have also been a positive signal. This has always been a reliable contrarian indicator for us when there has been excessive pessimism. According to our model, revision trends bottomed in late 2022 and have essentially improved every month since then which we view as a positive catalyst for continued outperformance.

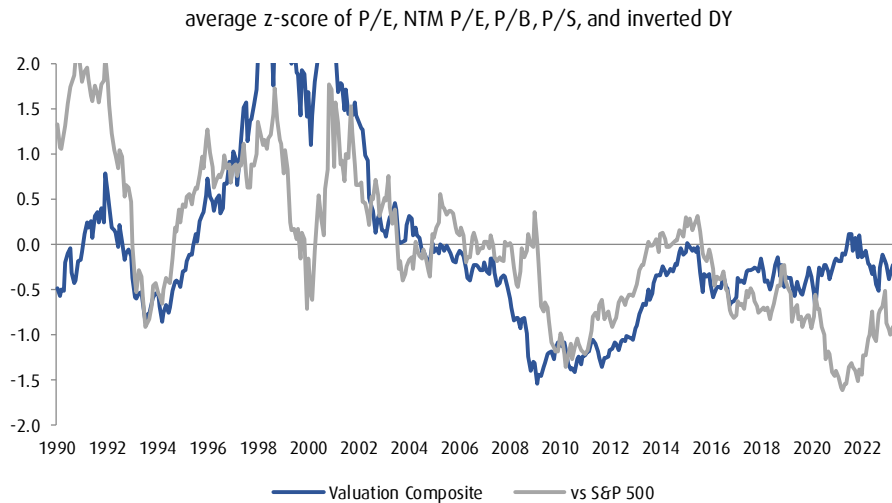
Downgrading Health Care to Market Weight

Blended EPS Growth – Health Care



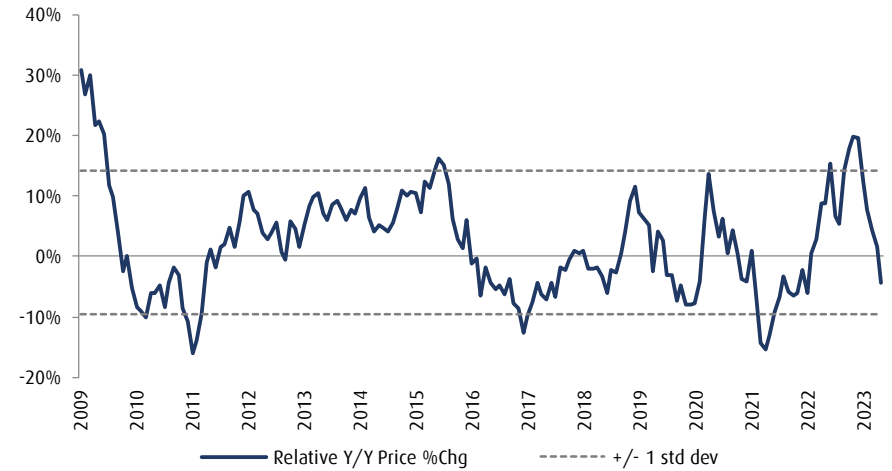
Source: BMO Investment Strategy Group, FactSet, IBES.

Valuation Composite – Health Care



Source: BMO Investment Strategy Group, FactSet, IBES.

Y/Y Relative Price Change – Health Care



Source: BMO Investment Strategy Group, FactSet.

We are unwinding our optimism for Health Care. While we always try to avoid “selling into weakness” with respect to our sector opinions, we believe sector fundamentals no longer warrant an Overweight recommendation. Specifically, earnings growth has remained a sore spot post-COVID. And while we found some reason for hope at the start of the year when EPS trends were improving, it appears those trends have begun to reverse in recent months particularly when compared to the S&P 500. Sector EPS growth continues to lag the overall market by a relatively wide margin and with the recent deterioration we think it makes sense to adopt a more neutral approach.

To be clear, we are not suggesting that investors avoid the sector entirely. There are some attributes that remain in its favor. For instance, valuation appears quite attractive from a historical perspective while recent performance appears to be approaching oversold territory. Therefore, we now recommend that investors be highly selective within the sector with a barbell approach being our preferred stocking picking strategy for Health Care.

Recent US Strategy Research Reports

Date	Title
Comments and Snapshot Reports	
5/30/2023	US Strategy Snapshot: Market Resilience Does Not Necessarily Hang on Mega-Caps
5/18/2023	US Strategy Snapshot: Beneath the Surface Market Observations
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
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

I, Brian G. Belski, hereby certify that the views expressed in this report accurately reflect my personal views about the subject securities or issuers. I also certify that no part of my 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 (June 04, 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	48.0 %	16.9 %	50.6 %	53.9 %	60.9 %	57.7%
Hold	Market Perform	49.7 %	15.1 %	46.8 %	44.6 %	37.6 %	37.5%
Sell	Underperform	2.3 %	18.2 %	2.6 %	1.3 %	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 June 05, 2023, 15:49 ET. and disseminated at June 05, 2023, 15:49 ET.

ADDITIONAL INFORMATION IS AVAILABLE UPON REQUEST

BMO Financial Group (NYSE, TSX: BMO) is an integrated financial services provider offering a range of retail banking, wealth management, and investment and corporate banking products. BMO serves Canadian retail clients through BMO Bank of Montreal and BMO Nesbitt Burns. In the United States, personal and commercial banking clients are served by BMO Harris Bank N.A., (Member FDIC). Investment and corporate banking services are provided in Canada and the US through BMO Capital Markets.

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.

"Nesbitt Burns" is a registered trademark of BMO Nesbitt Burns Corporation Limited, used under license. "BMO Capital Markets" is a trademark of Bank of Montreal, used under license. "BMO (M-Bar roundel symbol)" is a registered trademark of Bank of Montreal, used under license.

® Registered trademark of Bank of Montreal in the United States, Canada and elsewhere.

TM Trademark Bank of Montreal

©COPYRIGHT 2023 BMO CAPITAL MARKETS CORP.

A member of BMO  Financial Group