



March 7, 2014

# BMO Economy and Markets Retrospective and Perspective

## Summary

Investment products are: **NOT FDIC INSURED** **NO BANK GUARANTEE** **MAY LOSE VALUE**

**BMO**  **Global Asset Management**  
A part of BMO Financial Group

# Retrospective and Perspective

## February – Weather Withers Results

Review

European and U.S. stock markets in February made back all of January's downturn, and then some. Stocks in emerging markets, while positive for the month, were not strong enough to offset their January declines.

**Asia and Emerging Markets:** The MSCI Emerging Markets (EM) Index rose over 3% in February, but after a nearly 6.5% fall in January. In China, which is over 19% of the EM Index, the Hang Seng Index climbed 3.7% for the month. A headline story in China over the last two weeks of February was the substantial weakening of their currency – a 1.3% decline – the biggest price move in over seven years. No public announcements of motivation were forthcoming, but reasons could include a desire to slow inflows of capital, help exports, which grew nicely in January, or simply to curb one-way speculation surrounding a multiyear direction of an appreciating currency.

In Japan, after a sizeable sell-off in the Nikkei 225 Index of over 8% between January 29 and February 4, stocks stabilized a bit, rising 2.6% in the last three weeks of February as metrics on retail sales and industrial production rose. Sales taxes in Japan are set to rise from 5% to 8% in April; how much that tempers consumption will be closely watched.

**U.S.:** Seemingly almost every shred of February data came with a warning: weather may have been a factor. Housing data, jobs and manufacturing data each came with generally weaker-than-expected results. There is good reason to put Mother Nature at the center of this attribution because those forces were so national in nature from: the polar vortex in the Midwest, to snow storms from Atlanta to D.C., New York and Boston, and to fires in California. It may well take into May to see more “normalized” results.

Weaker numbers than expected included: mortgage applications, existing home sales, jobs numbers, and retail and auto sales. However, positive results included: new home sales and prices; the NIFB survey noted hiring plans for small businesses rose to highest level in last six months; and consumer credit expanded. Even Fed Chairwoman Janet Yellen in her testimony to the Senate indicated it was hard to judge how much impact weather made on some of these numbers. The stock market did not wither on weather news, as the S&P 500® Index climbed 4.6% in February with cyclical sectors leading the field.

Unswayed by weather, the 10-year Treasury yield see-sawed between 2.76% on the high side in the month and 2.58% on the low side and for the month produced a positive total return. A partial explanation for yields still remaining below the 3% level at year-end, has been the flight of capital from areas of

TOTAL RETURNS (as of 02/28/2014)	February	YTD 2014	2013
<b>S&amp;P 500® Index</b>	4.57	0.96	32.38
<b>STOXX Europe 600 Index</b>	5.05	3.33	21.56
<b>MSCI Emerging Markets Index</b>	3.31	-3.40	-2.60
<b>U.S. 10-Yr Treasury</b>	0.53	3.73	-7.84

Sources: Bloomberg L.P., BMO Global Asset Management

geopolitical risk including Turkey, South Africa, Argentina, and most recently, Ukraine. In response to political upheavals in Ukraine, Russian currency and stock markets sold off significantly, and U.S. treasuries provided a safe haven for some of those fund flows.

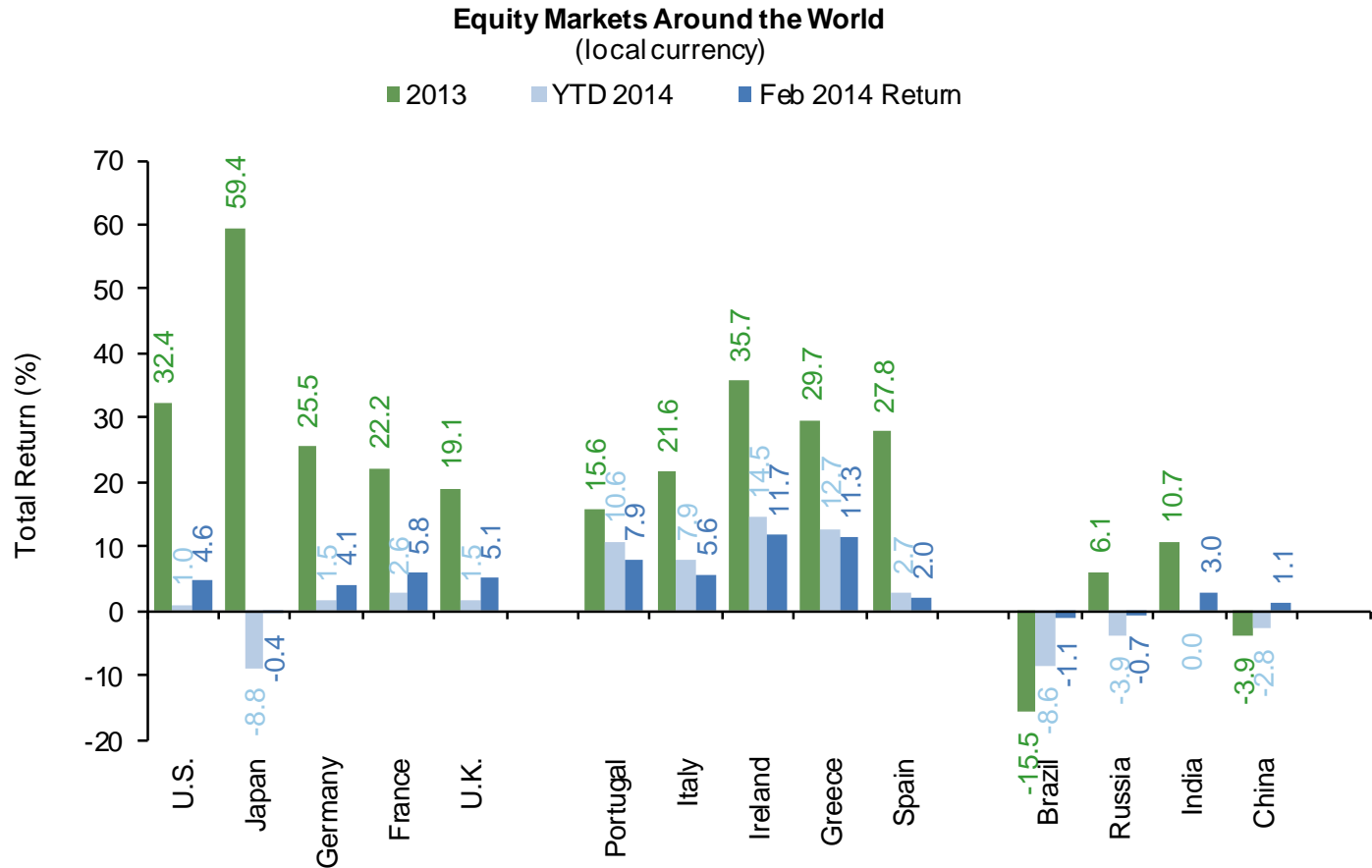
**Europe:** Stocks in Europe enjoyed a strong run up in February with the pan-European STOXX 600 Index rising over 5.0%. Certainly, the news in Europe is generally better, but still a long way from strong and still with several challenges in the near and longer term – e.g., lending, growth and structural reforms.

Recent select country and EU-wide results came in with some positive bias to them. In the UK, for example, GDP for the fourth quarter came in at a 2.7% annualized rate, and retail sales rose along with exports. Germany also reported better-than-expected retail sales and consumer confidence. Among the peripheries, Spain posted positive GDP for the fourth quarter of 0.2%, and economic sentiment improved in Italy. The EU itself showed a rise in GDP of 0.3% in the fourth quarter.

Still, the results are just inching along in the EU and weaknesses are still easily found, such as: German GDP is still not robust; EU-wide unemployment remains far too high with unemployment among the youth even worse; growth initiatives in general are still nascent at best; and inflation remains well below target.

Important forward-looking issues:

- Ukraine remains unsettled – Russian involvement a major risk
- U.S. data post weather impact – return of job growth critical
- China – growth stability and manage credit growth risk



Sources: Bloomberg L.P., BMO Global Asset Management

Note: Returns are in local currency

# Market Performance Summary

As of February 28, 2014

Review

## EQUITIES (% Returns)

### U.S. Large Cap Equities

	1-Mo	3-Mo	6-Mo	1-Yr	3-Yrs	5-Yrs	10-Yrs	YTD 2014	2013
S&P 500® Index	4.57	3.51	15.06	25.36	14.34	22.99	7.16	0.96	32.38
Dow Jones Industrial Average Index	4.34	2.08	11.51	19.01	13.04	21.47	7.15	-1.07	29.65
Russell 1000® Index	4.75	4.14	15.67	26.34	14.60	23.63	7.58	1.40	33.11
Russell 1000® Growth Index	5.15	5.07	17.84	29.14	15.06	24.02	7.77	2.15	33.48
Russell 1000® Value Index	4.32	3.17	13.46	23.44	14.05	23.18	7.24	0.62	32.53

### U.S. Mid Cap Equities

Russell Midcap® Index	5.87	6.90	17.66	29.11	15.07	27.84	10.08	3.81	34.76
Russell Midcap® Growth Index	6.28	7.28	18.08	31.61	14.84	27.49	9.66	3.97	35.74
Russell Midcap® Value Index	5.40	6.46	17.19	26.50	15.13	28.09	10.09	3.62	33.46

### U.S. Small-Mid Cap Equities (SMID)

Russell 2500™ Index	5.07	5.27	17.96	29.97	14.94	27.63	9.53	2.67	36.80
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### U.S. Small Cap Equities

Russell 2000® Index	4.71	3.82	17.75	31.56	14.41	26.63	8.71	1.81	38.82
Russell 2000® Growth Index	4.83	5.13	19.20	37.06	15.98	28.05	9.19	3.02	43.30
Russell 2000® Value Index	4.58	2.43	16.23	26.19	12.79	25.14	8.09	0.53	34.52

### International Equities

MSCI ACWI ex USA Index (Devlp. & EM)	5.46	2.72	14.37	17.91	5.72	17.47	6.81	1.20	21.02
MSCI EAFE Index (Developed Markets)	5.56	2.82	15.01	19.28	6.63	17.60	6.66	1.31	22.78
MSCI European Monetary Union Index (in €)	4.96	3.09	17.11	23.82	6.35	15.07	5.04	2.55	23.40
MSCI AC Asia Pacific Index	2.43	-2.68	6.89	4.60	2.74	15.73	6.62	-2.26	11.97
MSCI Emerging Markets Index	3.31	-4.79	4.77	-6.01	-1.99	16.88	9.91	-3.40	-2.60

### Technology and Growth Stocks

NASDAQ Composite Index	5.15	6.44	20.78	38.16	17.24	27.12	9.05	3.37	40.17
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## ALTERNATIVES (% Returns)

	1-Mo	3-Mo	6-Mo	1-Yr	3-Yrs	5-Yrs	10-Yrs	YTD 2014	2013
DJ UBS Commodity Index	6.24	7.87	2.74	-1.84	-6.86	4.90	0.69	6.55	-9.52
MSCI ACWI Commodity Producers Index	5.20	0.52	6.26	0.20	-7.35	8.65	6.27	-1.35	0.63
Wilshire U.S. REIT Index	4.73	8.70	9.63	2.55	5.78	24.90	4.06	8.66	-1.74
S&P Global REIT Index	5.27	7.01	11.99	5.49	6.85	22.02	3.55	7.08	2.91
S&P Global Infrastructure Index	4.77	5.48	15.59	16.24	7.84	18.35	10.97	3.98	15.03

Highlighted items represent either the best- or worst-performing equity sector for the period. Total returns for periods of one year or more are annualized. MSCI indices performance is net of foreign taxes on dividends.

Sources: Bloomberg L.P., FactSet, BMO Global Asset Management

# Market Performance Summary

As of February 28, 2014

Review

<u>U.S. FIXED INCOME (% Returns)</u>	1-Mo	3-Mo	6-Mo	1-Yr	3-Yrs	5-Yrs	10-Yrs	YTD 2014	2013
Barclays U.S. Aggregate Index	0.53	1.44	2.84	0.15	3.83	5.13	4.56	2.02	-2.02
Barclays U.S. Interim. Gov/Crd Index	0.38	0.67	2.10	0.31	3.23	4.44	4.05	1.31	-0.86
Barclays U.S. Corporate Index	1.04	2.70	4.74	1.42	6.00	9.58	5.39	2.87	-1.53
Barclays U.S. Treasury Index	0.27	0.71	1.57	-0.88	3.48	3.20	4.18	1.63	-2.75
Barclays Securitized Index	0.35	1.40	2.89	0.69	3.07	4.74	4.58	1.87	-1.31
Barclays High Yield Index	2.02	3.29	7.47	8.38	9.03	18.94	8.73	2.74	7.44
BofA Merrill Lynch High Yield BB/B Constr. Index	2.05	3.25	7.26	7.64	8.54	16.08	7.87	2.77	6.31
Barclays 1-10 yr Municipals Index	0.80	1.82	3.64	1.06	3.98	4.13	3.85	1.98	-0.32
Barclays Global Aggregate Bond Index	1.40	1.86	4.12	1.70	2.97	5.60	4.62	2.47	-2.59
Barclays Global Credit Index	1.86	2.56	6.14	4.31	5.92	10.25	5.68	2.43	1.08

<u>BOND YIELDS (%)</u>	Feb 2014	Nov 2013	Aug 2013	Feb 2013	Feb 2011	Feb 2009	Feb 2004
Fed Funds Rate (Effective Rate)	0.06	0.07	0.07	0.14	0.16	0.22	1.04
3-month Treasury Bill	0.05	0.06	0.02	0.10	0.14	0.25	0.94
2-year Treasury Note	0.32	0.28	0.40	0.24	0.68	0.97	1.65
5-year Treasury Note	1.50	1.37	1.64	0.76	2.14	1.99	2.94
10-year Treasury Note	2.65	2.75	2.79	1.88	3.43	3.02	3.97
30-year Treasury Bond	3.58	3.81	3.70	3.09	4.50	3.71	4.84
Barclays U.S. Aggregate Index	2.29	2.33	2.48	1.85	3.02	4.62	3.95
Barclays U.S. Corporate Index	3.02	3.16	3.40	2.75	3.96	7.70	4.24
Barclays High Yield Index	6.04	6.36	6.88	6.59	7.43	19.05	7.70
Barclays Emerging Markets Bond Index	5.13	5.22	5.64	4.61	5.95	10.60	7.42
Barclays Emerging Markets Corporate Index	5.34	5.45	6.10	4.75	5.85	15.28	7.28

<u>INFLATION (%)</u>	Jan 2014	Nov 2013	Aug 2013	Feb 2013	Feb 2011	Feb 2009	Feb 2004
Headline CPI YoY	1.60	1.20	1.50	2.00	2.10	0.20	1.70
Core CPI YoY	1.60	1.70	1.80	2.00	1.10	1.80	1.20
Core PCE YoY	1.09	1.17	1.19	1.50	1.07	1.21	1.68

<u>OTHER MARKETS</u>	Feb 2014	Nov 2013	Aug 2013	Feb 2013	Feb 2011	Feb 2009	Feb 2004
US\$ / Euro	1.380	1.359	1.322	1.306	1.381	1.267	1.249
WTI Crude Oil Price (\$/barrel)	102.6	93.3	100.0	91.3	99.2	68.7	36.2
Gold (\$/troy oz)	1,326	1,253	1,395	1,580	1,411	942	396

Highlighted items represent either the best- or worst-performing equity sector for the period. Total returns for periods of one year or more are annualized.

Sources: Barclays, Bloomberg L.P., BMO Global Asset Management

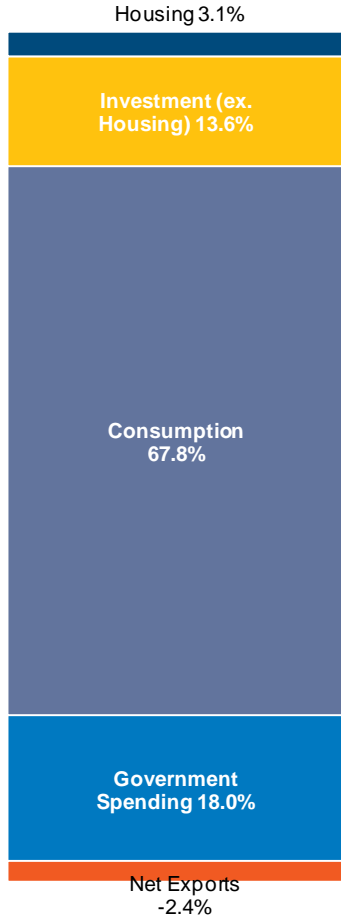
# U.S. Economic Growth

The fourth quarter 2013 economic growth estimate was revised down from 3.2% to 2.4% annualized rate, consumer spending undergoing the largest revision. Government spending was the biggest detractor from growth, declining the most since first quarter 2011. Housing investment also declined slightly.

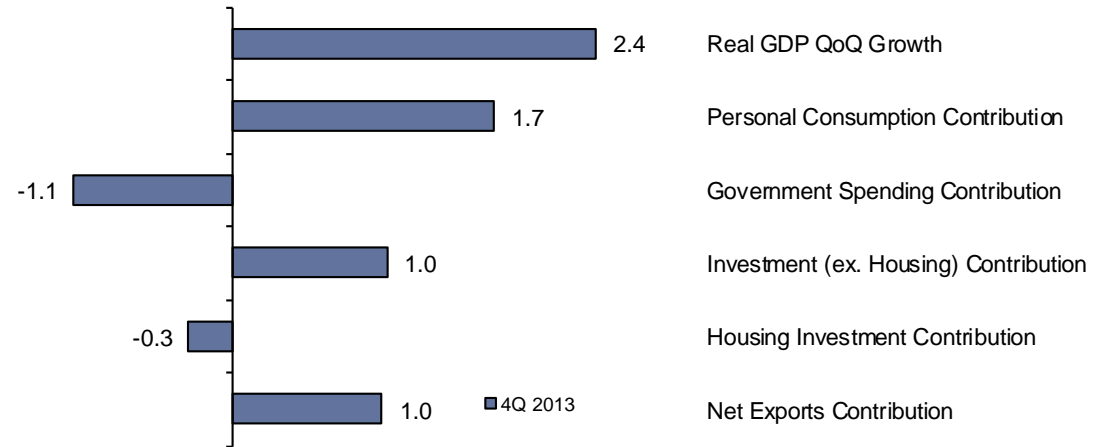


## Components of Real GDP

As of 12/31/2013

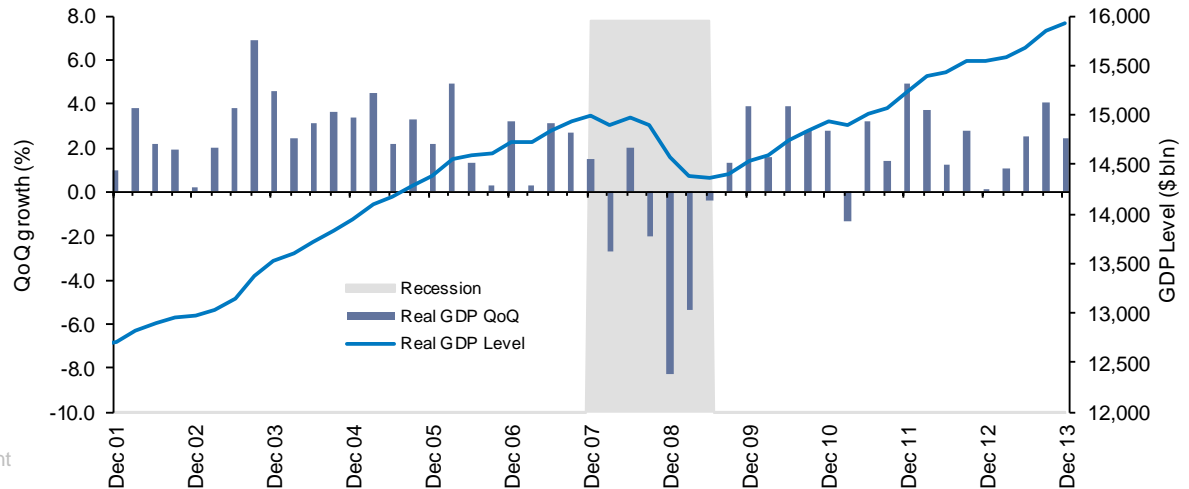


## Real GDP QoQ Growth and Components Contribution



Sources: www.BEA.gov, BMO Global Asset Management

## U.S. Real GDP Growth



Sources: Bloomberg L.P., BMO Global Asset Management

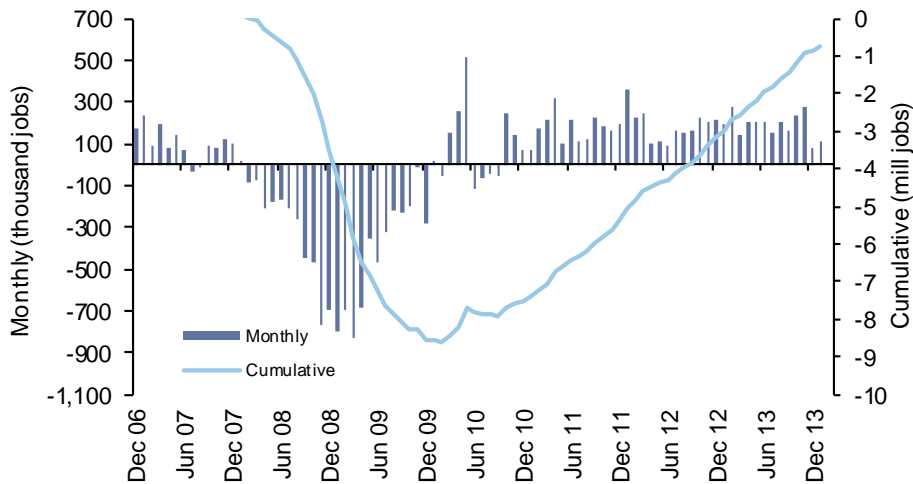
Sources: www.BEA.gov, BMO Global Asset Management

# U.S. Job Gains/Losses

2014 recorded a slow start for the job market, as January recorded only 113,000 job gains, well below 2013 monthly average and also below January 2012 and 2013 gains. Initial jobless claims have see-sawed recently. Industries with the highest job gains over one and five years are natural resources/mining, professional/business services, education, health services and hospitality.

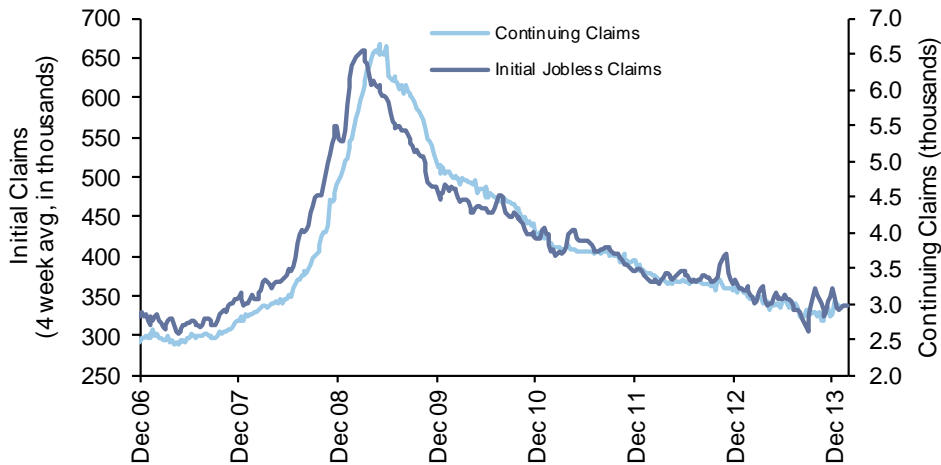


### Job Gain/Losses



Sources: Bloomberg L.P., BMO Global Asset Management

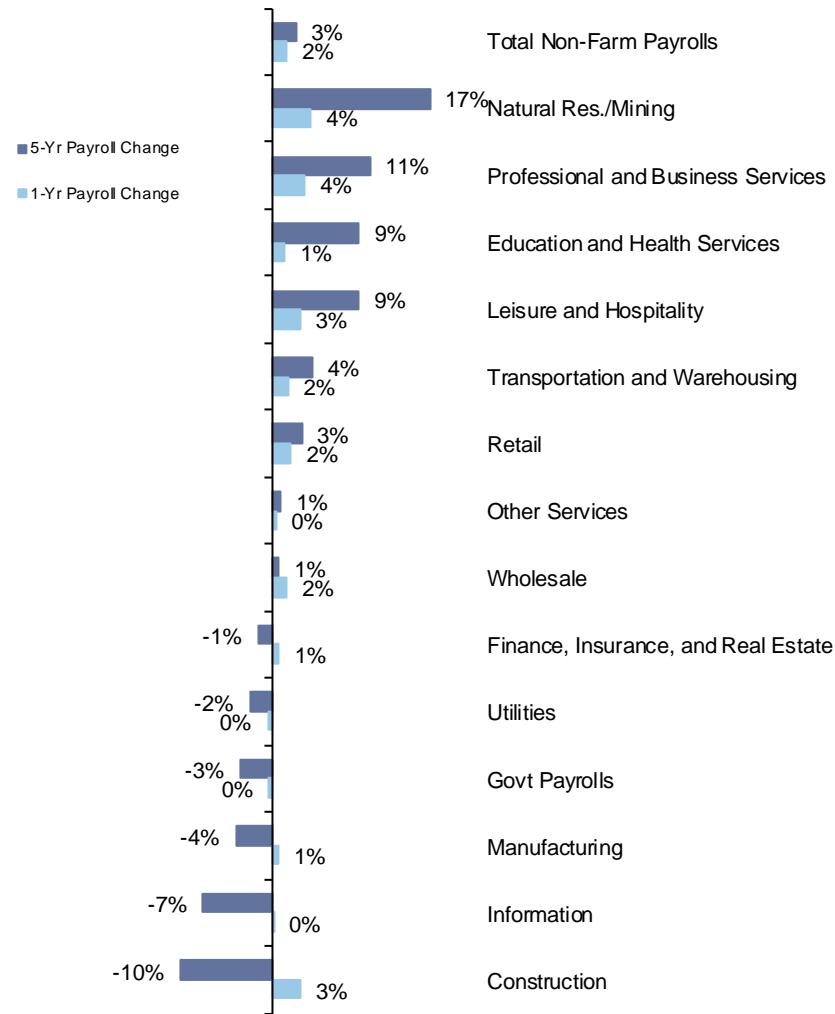
### Jobless Claims



Sources: Bloomberg L.P., BMO Global Asset Management

### Payrolls Change by Industry

As of 01/31/2014

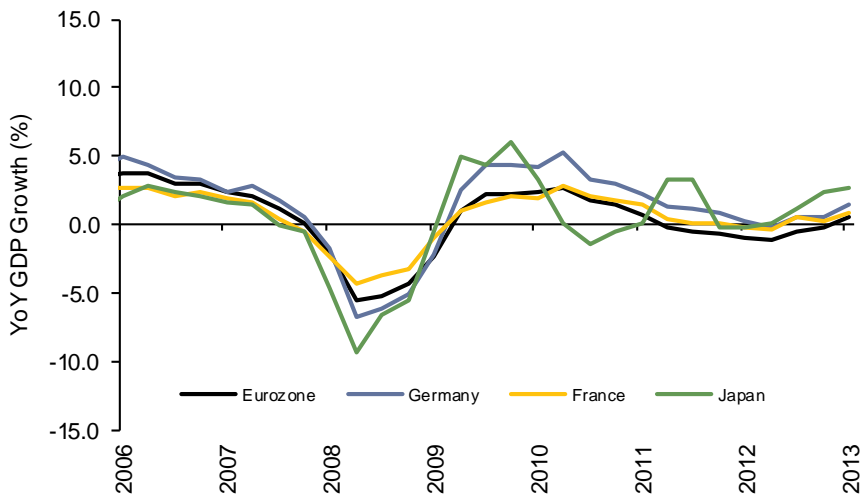


Sources: Bloomberg L.P., BMO Global Asset Management

# World Economic Growth and Inflation

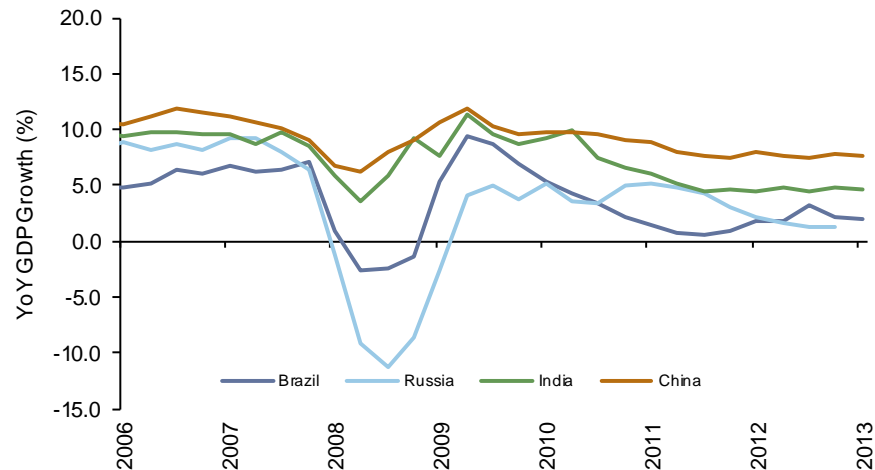
The year-over-year Eurozone economic growth crossed into positive territory in the fourth quarter 2013, after seven straight quarters of negative economic growth. China's GDP growth in fourth quarter 2013 was 7.7%, slightly below the prior quarter growth of 7.8%. While world inflation has been declining slightly since the end of third quarter 2011, Japan, India and even China have seen higher inflation.

Real GDP Growth for Developed Countries



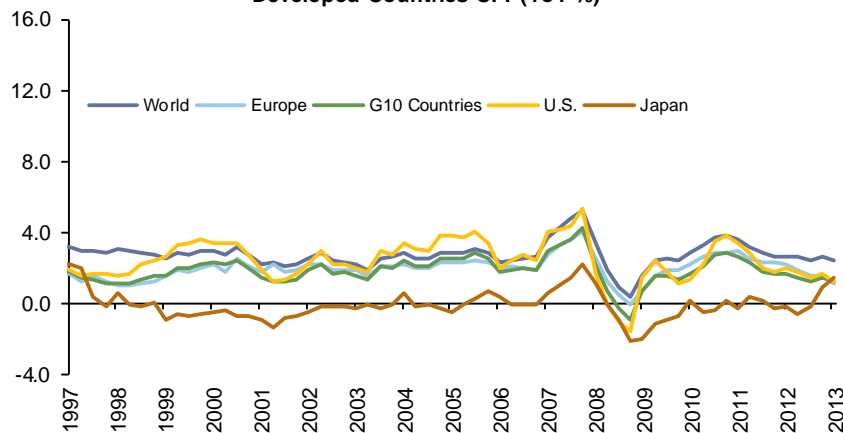
Sources: Bloomberg L.P., BMO Global Asset Management

Real GDP Growth for BRIC Countries



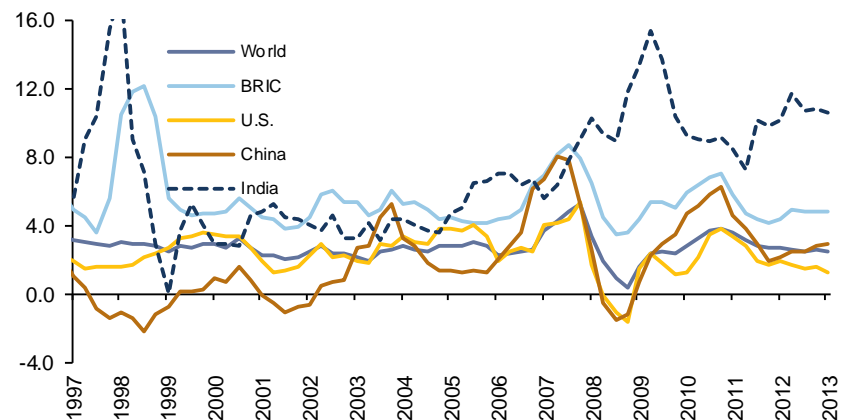
Sources: Bloomberg L.P., BMO Global Asset Management

Developed Countries CPI (YoY %)



Sources: Bloomberg L.P., BMO Global Asset Management

Emerging Markets CPI (YoY %)



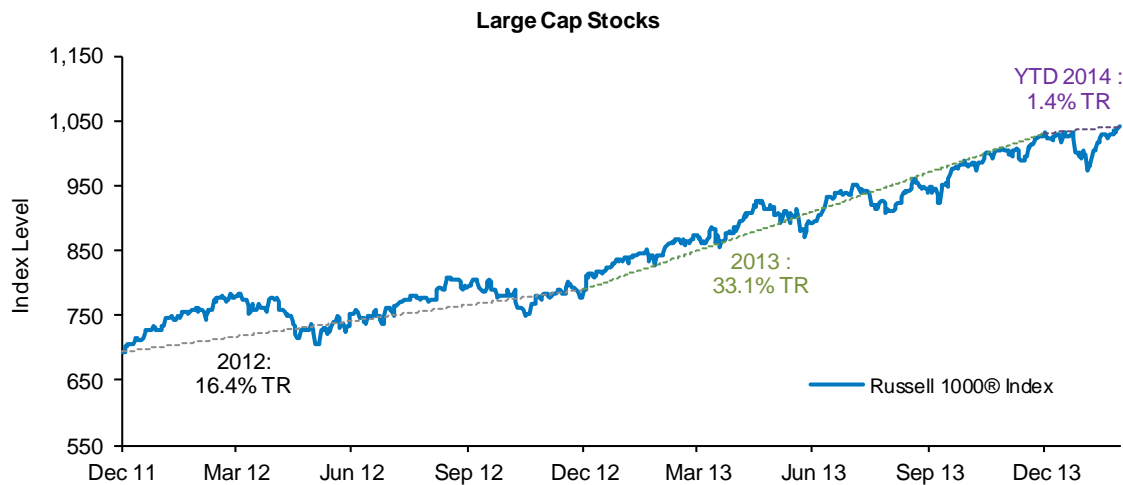
Sources: Bloomberg L.P., BMO Global Asset Management



# Investment Style Performance

Equity markets rebounded in February, the gains offsetting the losses incurred in January, bringing the year-to-date returns across market caps and styles in positive territory. The year-to-date leaders are the growth stocks, with mid-cap stocks leading the way.

**Stocks**



Sources: Bloomberg L.P., BMO Global Asset Management



Sources: Bloomberg L.P., BMO Global Asset Management

## Total Returns (%)

	YTD 2/28/2014		
	Value	Blend	Growth
Large	0.6	1.4	2.1
Mid	3.6	3.8	4.0
Small	0.5	1.8	3.0

	2013		
	Value	Blend	Growth
Large	32.5	33.1	33.5
Mid	33.5	34.8	35.7
Small	34.5	38.8	43.3

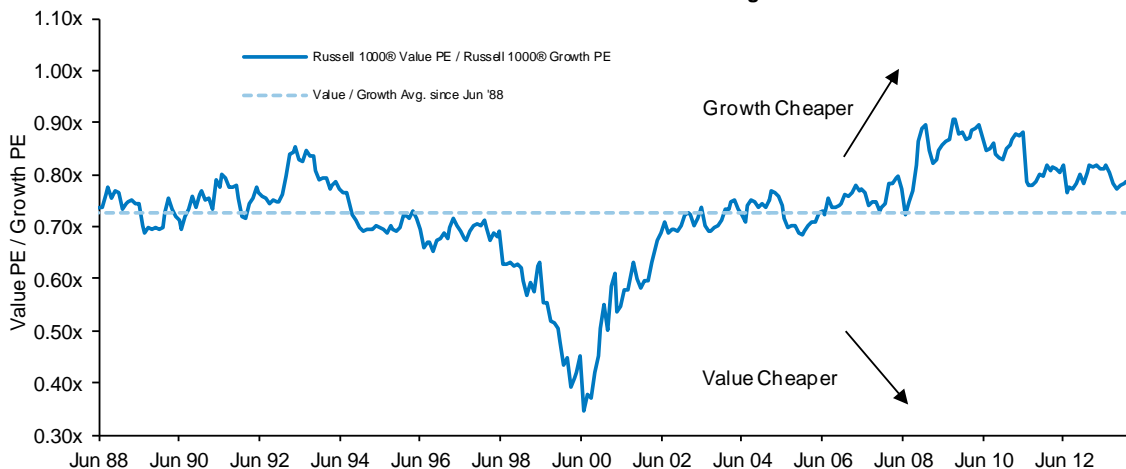
Total returns are based on Russell-style indices performance and include dividends. Graphs depict price levels only. Sources: Bloomberg L.P., BMO Global Asset Management.

# Investment Style and Caps Valuations

Current multiples of U.S. large cap equities are slightly below their historical average, with the exception of large cap value stocks. Small cap equities appear relatively expensive compared to their average level. Large cap stocks are more attractive than small cap stocks and growth stocks appear more attractive relative to value companies on a P/E basis.

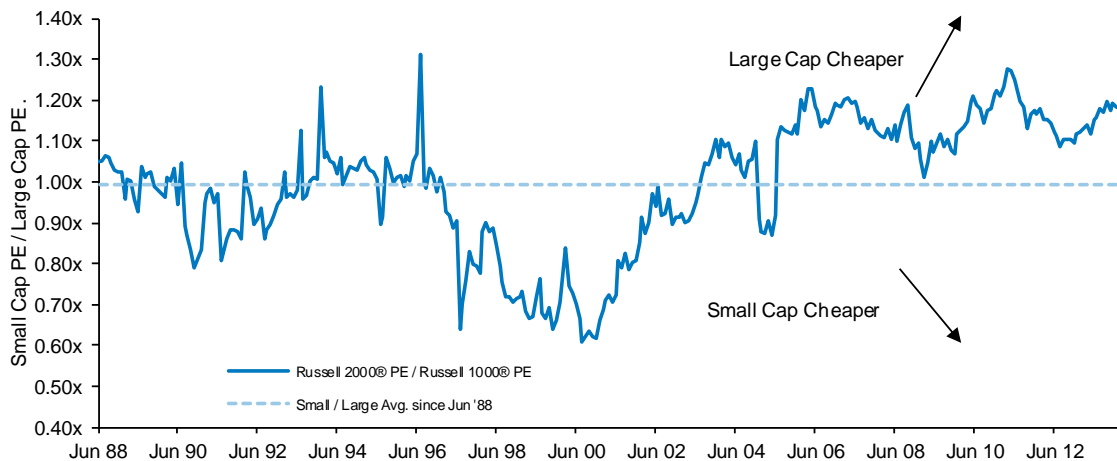


**Value vs. Growth Price to NTM Earnings**



Sources: FactSet, BMO Global Asset Management

**Small vs. Large Price to NTM Earnings**



Sources: FactSet, BMO Global Asset Management

**P/E vs. Long Term Average\***

As of 2/28/2014

Current P/E (Avg. P/E)	Value	Blend	Growth
Large	14.1 (13.4)	15.8 (15.9)	18.0 (19.7)
Mid	16.3 (13.7)	18.0 (15.6)	19.8 (19.5)
Small	16.8 (13.7)	18.7 (15.5)	21.2 (18.0)

Current PE as % of Avg PE	Value	Blend	Growth
Large	104.5%	99.3%	91.1%
Mid	118.8%	115.2%	101.5%
Small	122.4%	120.8%	117.6%

\*Data begins in June 1988. Data based on Russell-style indices. Earnings are estimated earnings for the next 12 months (NTM). Sources: FactSet, BMO Global Asset Management.

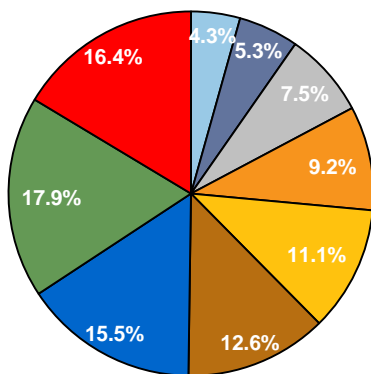
# Sector Performance

February's rebound was spread across all industry sectors for both large and small cap stocks. Materials and Processing and Energy sectors were the leaders in the large and small cap space, respectively. The year-to-date performance is generally positive, with few notable exceptions. The year-to-date leader is Health Care in both the large cap and the small cap space.

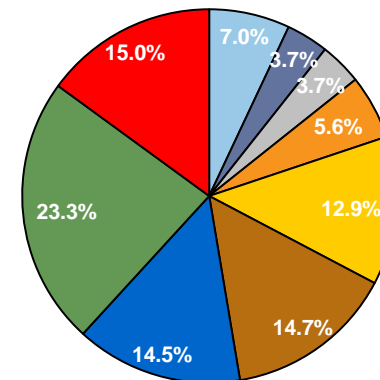
**Stocks**

As of 02/28/2014		Russell Index	Materials and Processing	Utilities	Consumer Staples	Energy	Producer Durables	Health Care	Consumer Discretionary	Financials	Technology
LARGE CAP EQUITIES	MTD	4.7%	6.7%	1.6%	4.2%	5.4%	3.8%	6.2%	6.4%	3.4%	4.6%
	YTD 2014	1.4%	2.1%	1.8%	-1.0%	-1.0%	-0.2%	7.7%	0.5%	-0.1%	2.7%
	2013	33.1%	25.2%	15.2%	27.7%	25.5%	41.9%	42.3%	41.6%	34.8%	27.6%
SMALL CAP EQUITIES	MTD	4.7%	5.1%	2.8%	4.6%	8.1%	5.0%	4.4%	5.6%	3.5%	5.0%
	YTD 2014	1.8%	0.7%	2.1%	0.2%	3.5%	0.5%	10.3%	-2.5%	-0.2%	3.3%
	2013	38.8%	28.0%	21.8%	47.7%	35.0%	43.4%	51.7%	44.7%	31.4%	41.3%

Russell 1000® Index Composition



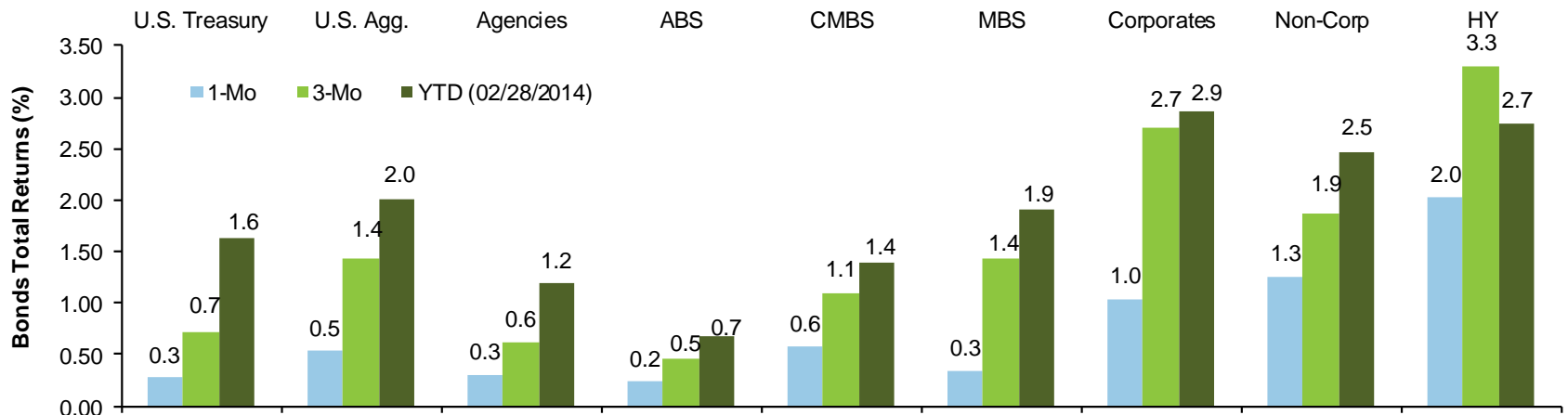
Russell 2000® Index Composition



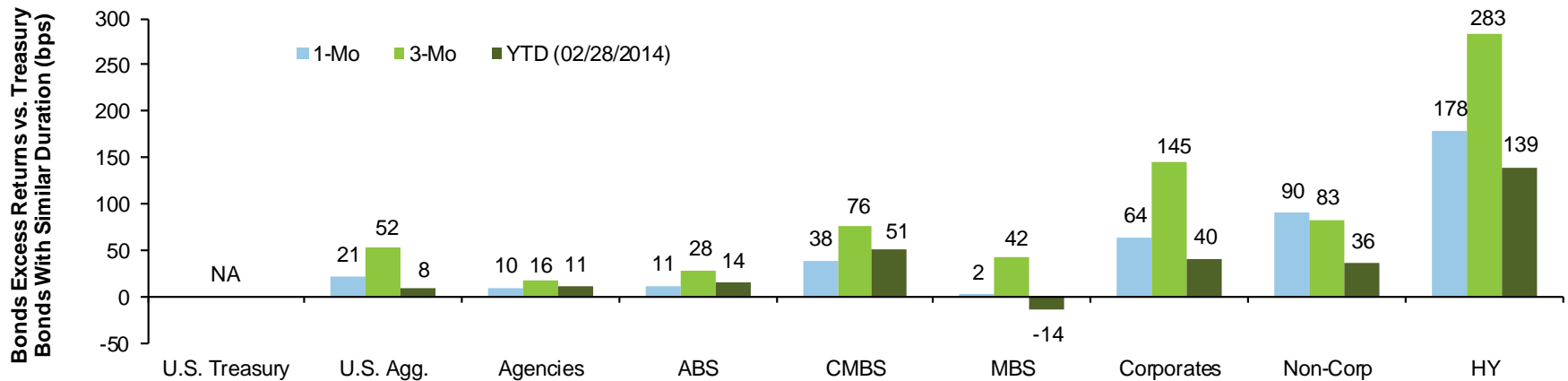
Sources: Bloomberg L.P., BMO Global Asset Management. Sector break-down based on Russell categories.

# U.S. Bond Market Performance

Following December 's negative returns, bond performance in January and February was positive across all sectors. Investment grade corporate bonds are leading year-to-date. Compared to U.S. Treasury bonds with comparable durations, all bond sectors posted positive performance in February and year-to-date, with the exception of the MBS sector, which posted a slightly negative relative performance.



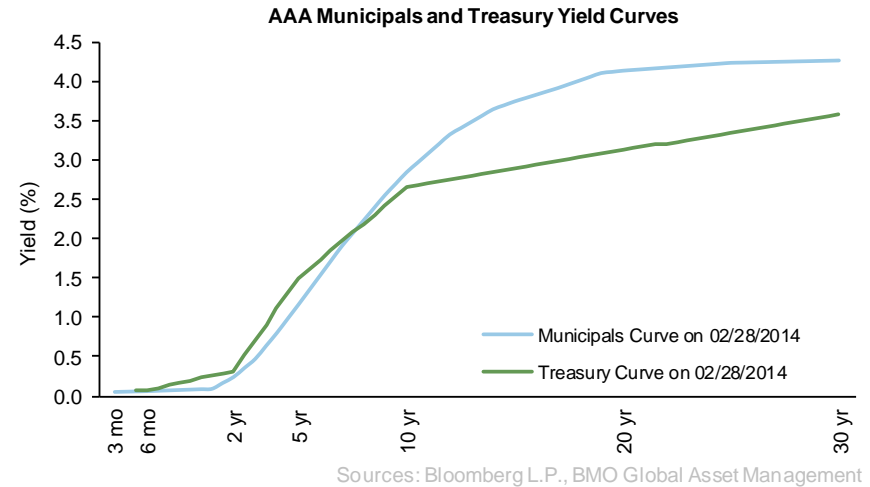
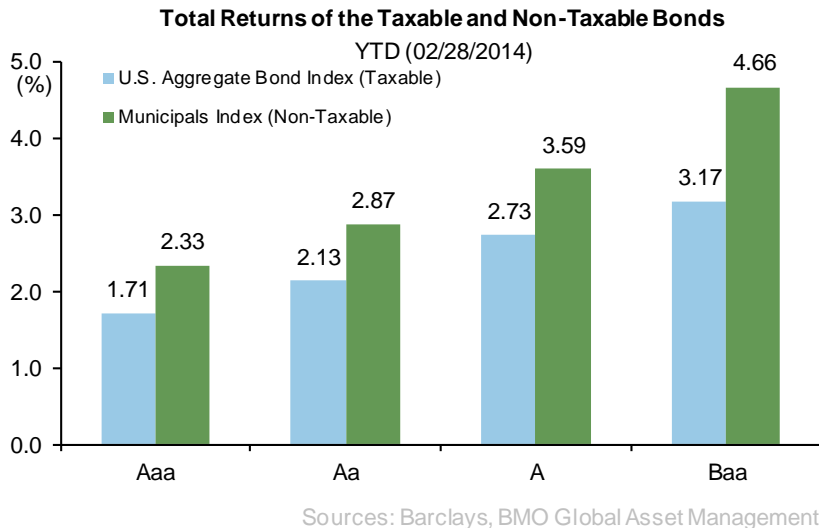
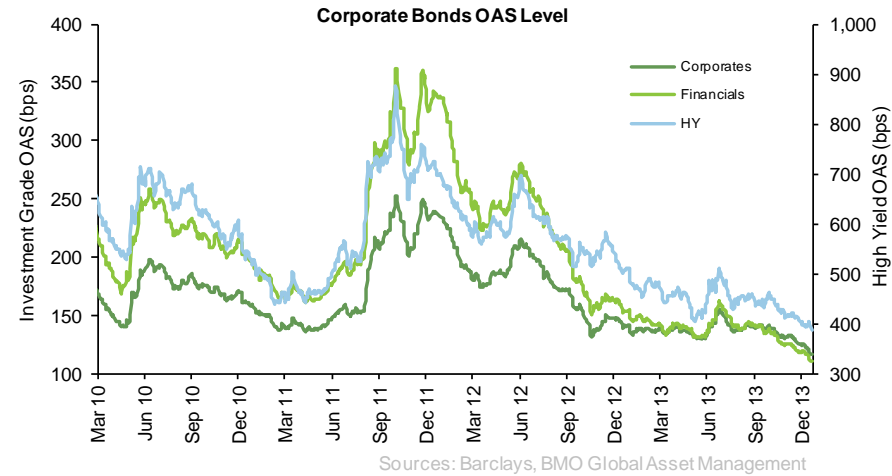
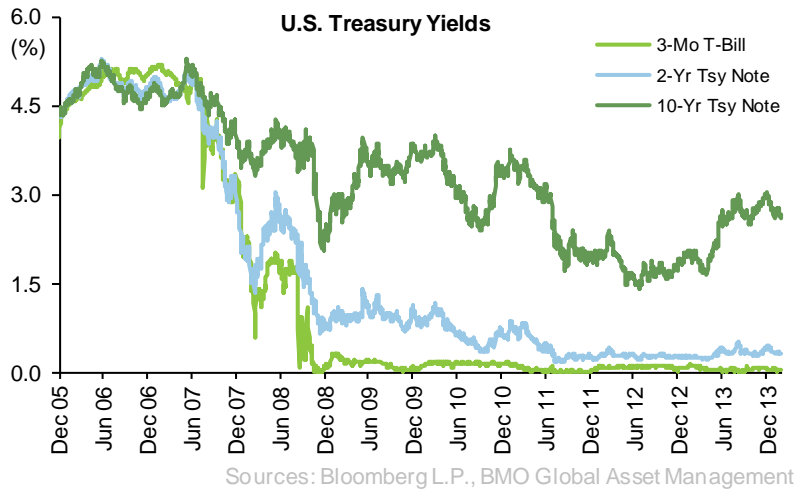
Sources: Barclays, BMO Global Asset Management



Sources: Barclays, BMO Global Asset Management

# U.S. Bonds

The U.S. Treasury yields remained virtually unchanged in February, following a decline in January 2014. The 10-year U.S. Treasury yield decreased 38 basis points (bps) in 2014, and the bond posted a strong return of 3.73% year-to-date. Thanks to a dearth of supply and renewed cash flows into municipal bonds, year-to-date performance has been solid, especially in the lower-rated credit.



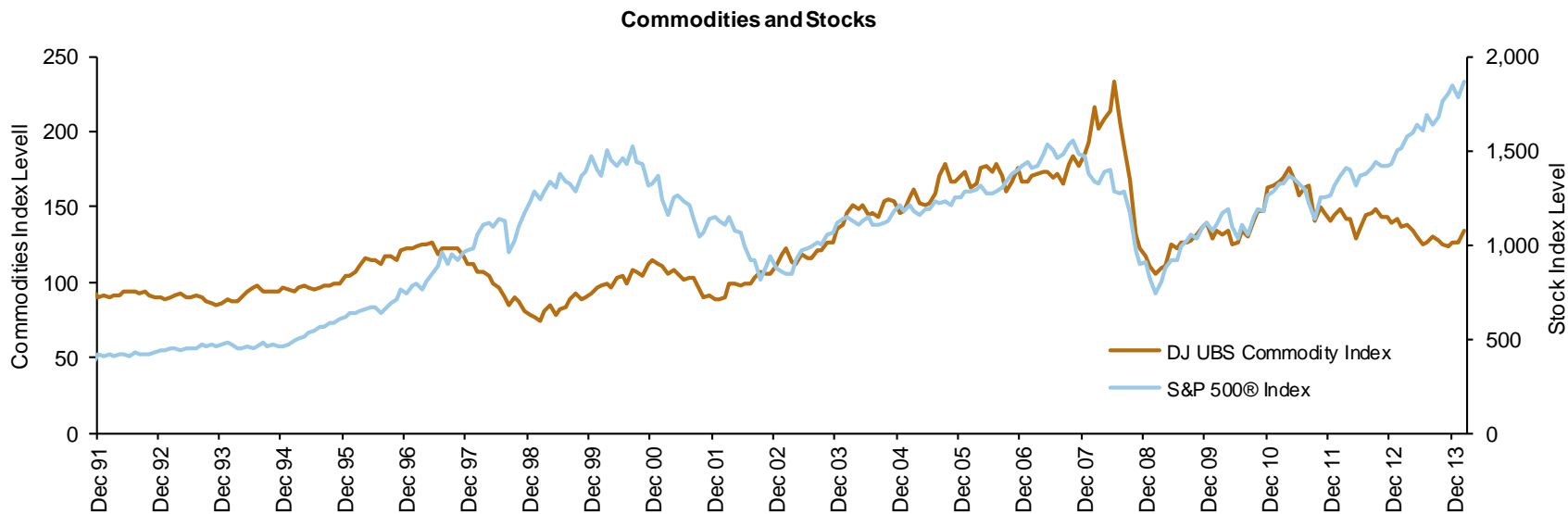
# Commodities

Commodity sectors posted positive performance in February 2014 and year-to-date, with the exception of industrial metals, which underperformed year-to-date. The DJ UBS Commodity Index has outperformed the S&P500® Index in February and year-to-date. The decoupling trend against equities, which began in 2011, has continued.

Alternative  
Assets

As of 02/28/2014	DJ UBS Agriculture Subindex	DJ UBS Livestock Subindex	DJ UBS Grains Subindex	DJ UBS Energy Subindex	DJ UBS Precious Metals Subindex	DJ UBS Industrial Metals Subindex	DJ UBS Commodity Index	S&P 500® Index
MTD	11.5	6.9	8.3	2.6	7.7	2.0	6.2	4.6
YTD 2014	11.0	11.5	7.1	6.1	9.8	-3.0	6.6	1.0
2013	-14.3	-3.6	-16.9	5.1	-30.8	-13.7	-9.5	32.4

Sources: Bloomberg L.P., BMO Global Asset Management



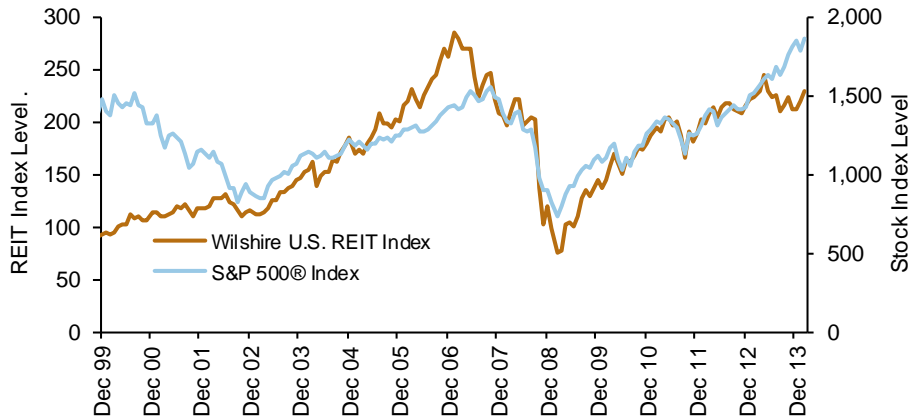
Sources: Bloomberg L.P., BMO Global Asset Management

# Other Alternative Assets

Alternatives posted positive performance relative to equities in February and year-to-date and they have outperformed U.S. stocks.

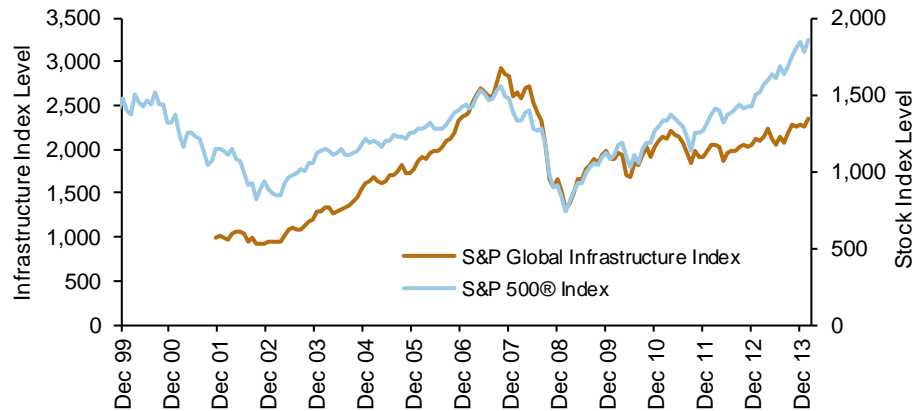


**REITS and Stocks**



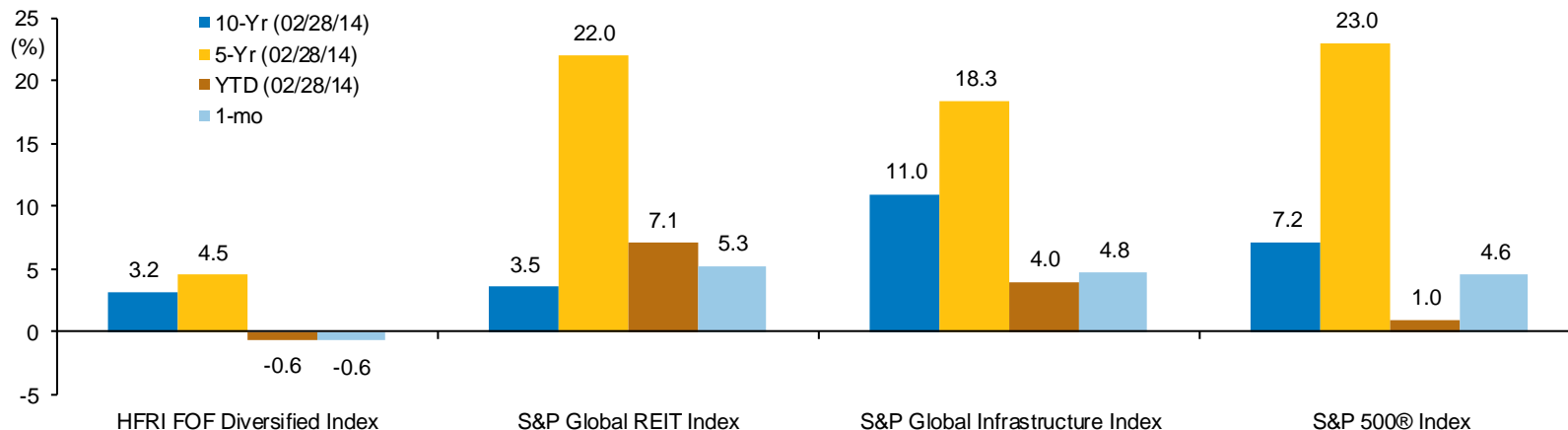
Sources: Bloomberg L.P., BMO Global Asset Management

**Global Infrastructure and Stocks**



Sources: Bloomberg L.P., BMO Global Asset Management

**Alternatives Total Return**



Sources: Bloomberg L.P., BMO Global Asset Management

\*HFRI Diversified Index performance is lagged one month.  
Total returns for periods of one year or more are annualized.

# Investment Strategy Group

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# Index Definitions

## Equity Indices

### S&P 500® Index

The S&P 500® Index is an unmanaged index of large-cap common stocks.

### Dow Jones Industrial Average

The Dow Jones Industrial Average is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the Nasdaq.

### Russell 1000® Index

Russell 1000® Index consists of approximately 1,000 of the largest companies in the U.S. equity markets.

### Russell 1000® Growth Index

Russell 1000® Growth Index measures the performance of those Russell 1000 Companies with higher price-to-book ratios and higher forecasted growth values.

### Russell 1000® Value Index

Russell 1000® Value Index measures the performance of those Russell 1000 Companies with lower price-to-book ratios and lower forecasted growth values.

### Russell Midcap® Index

Russell Midcap® Index measures the performance of the smallest 800 U.S. companies in the Russell 1000 Index.

### Russell Midcap® Growth Index

Russell Midcap® Growth Index measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values.

### Russell Midcap® Value Index

Russell Midcap® Value Index measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values.

### Russell 2500™ Index

The Russell 2500™ Index measures the performance of the small to mid-cap segment of the U.S. equity universe. It is a subset of the Russell 3000® Index.

### Russell 2000® Index

Russell 2000® Index is an unmanaged index that measures the performance of the smallest 2000 U.S. companies in the Russell 3000® Index.

### Russell 2000® Growth Index

Russell 2000® Growth Index measures the performance of those Russell 2000 Companies with higher price-to-book ratios and higher forecasted growth values.

### Russell 2000® Value Index

Russell 2000® Value Index measures the performance of those Russell 2000 Companies with lower price-to-book ratios and lower forecasted growth values.

### MSCI ACWI ex USA Index

The MSCI ACWI Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets.

### MSCI EAFE Index (Developed Markets)

The MSCI EAFE Index Europe, Australasia, and Far East Index (EAFE) is a standard unmanaged foreign securities index representing major non-U.S. stock markets, as monitored by Morgan Stanley Capital International.

### MSCI European Monetary Union Index

The MSCI EMU (European Economic and Monetary Union) Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of countries within EMU.

### MSCI AC Asia Pacific Index

The MSCI AC Asia Pacific Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of Asia and Pacific region.

### MSCI Emerging Markets Index

The MSCI Emerging Markets Index is a market capitalization weighted index comprised of over 800 companies representative of the market structure of the emerging countries in Europe, Latin America, Africa, Middle East and Asia. Prior to January 1, 2002, the returns of the MSCI Emerging Markets Index were presented before application of withholding taxes.

### NASDAQ Composite Index

The NASDAQ Composite Index is a market-cap weighted index of the more than 3,000 common equities listed on the Nasdaq stock exchange.

### STOXX Europe 600 Index

The STOXX Europe Index represents 600 large, mid, and small capitalization companies across 18 countries of the European Region.

### Deutsche Borse AG German Stock Index

The Deutsche Borse AG German Stock Index (**DAX**) is a total return index of 30 selected German blue chip stocks traded on the Frankfurt Stock Exchange. The equities use free float shares in the index calculation.

### CAC 40 Index

CAC 40 Index is a modified cap-weighted index of 40 companies on the Paris Bourse.

### Shanghai Stock Index

Shanghai Stock Exchange Composite Index is a capitalization-weighted index. The index tracks the daily price performance of all A-shares and B-shares listed on the Shanghai Stock Exchange.

### Hang Seng Index

The Hang Seng Index is a free-float capitalization-weighted index of selection of companies from the Stock Exchange of Hong Kong. The components of the index are divided into four sub-indexes: Commerce and Industry, Finance, Utilities, and Properties. The index was developed with a base level of 100 as of July 31, 1964

### NIKKEI 225 Index

The Nikkei-225 Stock Average is a price-weighted average of 225 top-rated Japanese companies listed in the First Section of the Tokyo Stock Exchange.

*Investments cannot be made in an index.*

# Index Definitions

## Fixed Income Indices

### **Barclays U.S. Aggregate Bond Index**

Barclays U.S. Aggregate Bond Index is an unmanaged index that covers the U.S. investment-grade fixed-rate bond market, including government and credit securities, agency mortgage pass-through securities, asset-backed securities and commercial mortgage-based securities.

### **Barclays U.S. Interm. Gov/Crd Index**

Barclays Intermediate U.S. Government/Credit Index (Barclays Int Gov't/Credit) is an unmanaged index comprised of government and corporate bonds rated BBB or higher with maturities between 1-10 years.

### **Barclays U.S. Corporate Index**

The Barclays U.S. Corporate Bond Index is designed to measure the performance of the U.S. corporate bond market.

### **Barclays U.S. Treasury Index**

The Barclays U.S. Treasury Index is an unmanaged index that includes a broad range of U.S. Treasury obligations and is considered representative of U.S. Treasury bond performance overall.

### **Barclays Securitized Index**

The Barclays U.S. Securitized Bond Index is an unmanaged index of asset-backed securities, collateralized mortgage-backed securities (ERISA-eligible), and fixed-rate mortgage-backed securities.

### **Barclays High Yield Index**

The Barclays U.S. Corporate High-Yield Bond Index is an unmanaged index that covers the USD-denominated, non-investment-grade, fixed-rate, taxable corporate bond market.

### **BofA Merrill Lynch High Yield BB/B Constr. Index**

The BofA Merrill Lynch BB-B Global High Yield Index is a subset of The BofA Merrill Lynch Global High Yield Index including all securities rated BB1 through B3, inclusive.

### **Barclays 1-10 yr Municipals Index**

The Barclays 1-10 Year Municipal Blend Index is a market value-weighted index which covers the short and intermediate components of the Barclays Municipal Bond Index—an unmanaged, market value-weighted index which covers the U.S. investment-grade tax-exempt bond market.

*Investments cannot be made in an index.*

### **Barclays Global Aggregate Bond Index**

The Barclays Global Aggregate Bond Index is an index of global government, government-related agencies, corporate and securitized fixed-income investments.

### **Barclays Global Credit Index**

The Barclays Global Credit Index is the credit component of the Barclays Global Aggregate Index, an index of global government, government-related agencies, corporate and securitized fixed-income investments.

# Index Definitions

## Alternative Investments Indices

### DJ UBS Commodity Index

The Dow Jones-UBS Commodity Index is composed of commodities traded on U.S. exchanges.

### MSCI ACWI Commodity Producers Index

The MSCI ACWI Commodity Producers Index is a component of the broader MSCI Commodity Producers Indices and covers large, mid and small cap companies across 45 Developed and Emerging Markets.

### Wilshire US REIT Index

The Wilshire US REIT Index measures U.S. publicly traded Real Estate Investment Trusts. It is a subset of the Wilshire US Real Estate Securities Index.

### S&P Global REIT Index

The S&P Global REIT Index measures the performance of real estate investment trusts in both developed and emerging markets.

### S&P Global Infrastructure Index

The S&P Global Infrastructure Index provides liquid and tradable exposure to 75 companies from around the world that represent the listed infrastructure universe including utilities, transportation and energy.

## Other Indices

### S&P/Case-Shiller 20-City Index

The S&P/Case-Shiller 20-City Index is a composite index of the home price index for 20 major metropolitan statistical areas in the U.S.

### CPI Index

The Consumer Price Index is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care.

### HFRI FOF Diversified Index

The Hedge Fund Research Diversified Index invests in a variety of strategies among multiple hedge funds managers. A fund in the HFRI FOF Diversified Index tends to show minimal loss in down markets while achieving superior returns in up markets.

*Investments cannot be made in an index.*

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