Transcript

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Episode 67 – Fixed Income with Janelle Woodward

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Emily Larsen - Before we get started, one quick request. If you have enjoyed the show and found them of value, please take a moment to leave us a rating or review on iTunes. It would really mean a lot to us.

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Ben Jones – On today's episode we are trying something new. A couple of weeks ago on October 30th I had the privilege of interviewing Janelle Woodward, Head of Fixed Income for BMO Global Asset Management on stage in front of a sold out crowd during Schwab's IMPACT® 2018 conference. We recorded the entire session and today for those of you who might not have been able to attend, or would just like to revisit the discussion, we are going to share the entire conversations with you, audience questions and all. You may remember Janelle from episode 25 titled *Alexa, invest my fixed income* which gets referenced during today's show. Our conversation today is wide ranging from her outlook on the fed to the team's the thoughts about fixed income portfolio composition. The slides from the presentation are available for you in the show notes section at bmogam.com/betterconversations. And now without further ado here's my conversation with Janelle Woodward.

Ben Jones - Welcome, thanks for joining us. My name is Ben Jones. I'm the managing director of BMO's intermediary distribution business and cohost of BMO's *Better Conversations. Better Outcomes.* podcast and today I'm joined by Janelle Woodward, head of fixed income for BMO Global Asset Management. And maybe most important with tomorrow being Halloween also costume coordinator for the Woodward household, where they're going to be going as Spiderman and his villains. My wife suggested a Halloween tie, given that, and so I did my best. But today we're going to be talking about fixed income and particularly the fixed income allocations of your portfolio in the context of some recent research that Janelle and her team have done around bond bear markets. The paper titled “Bond Bear Markets: Bring it On”, is on your chair, so I think everybody should have got a copy, but we've been over the last a couple of weeks soliciting questions from many of you in the audience and advisors about what they'd like to discuss specific to fixed income and we're going to try to address those today, use that as a guide. As two Type A personalities, we have about 40 pages of notes for about 30 minutes of discussion and so we'll do our best. But before we do that Janelle, maybe you could share for everyone here in the audience how it came to be that fixed income became your life's work?

Janelle Woodward - Well I think it's probably fair to say that as a child I wasn't dreaming about being in fixed income markets. But whether I found fixed income or it found me, it's been very intellectually engaging. And I think the things that I like about fixed income is one the composition of the market, constantly changing size, structures, how we transact, the constant evolution. And I think the other part is really that it touches all segments of the economy. We have a government agency piece. We have a corporate credit piece and then we can even touch the consumer through some of the securitization so it's really that holistic view of markets and part of every portfolio. You know I think it's funny, I told Ben this story. You know you're in deep when you're teaching your children their letters, and you're on the letter D and you say run through the list and it goes dog, dad, duration. So true story. This really did happen.

Ben Jones - Now we've got a lot of prepared questions based upon some of the questions we've solicited from you and your peers but one of the things we'd like to do is keep this interactive so we're going to pause throughout the presentation. If there's questions in the audience just raise your hand. We've got a mike runner, and we'll get you a mike, if you have questions or follow-up questions for the content that we have. Now Janelle, as I'm out talking with advisors one of the questions that I get a lot is at this point in kind of the interest raising cycle should we be allocating to fixed income given that we're kind of at the end of a bond bull market?

Janelle Woodward - I think it's definitely a topical question as we look ahead to the end of the year and four increases in Fed funds. It's definitely a conversation we've been having a lot with clients and really I think it's this breaking of trend line that we've seen of five and 10 year yields that has led to the conversation that now we've transitioned from a bull market to a bear market. But when we look at it there's really two considerations that have to be made. One is just the simple structural consideration about where we're going to and where both short-term and long-term neutral rates look. If we go back to the 80s and we observe a rate that it was approaching 16% there's a lot of structural reasons that suggest mean reversion or even a significant correction is not really where we're headed in terms of rates. And if we look at the dot plot as evidence of what that long-term neutral rate is, we're looking more at 3%. So 2%, 2.25 gives some context of where we are in the cycle and then the other piece of this is really thinking about total returns and so I mentioned that it's really the break of a trend line of rates that has led to this comment about a bear market but when we step back from fixed income, and look at fixed income total returns there's really two components. Yes, there's the price component about what happens when rates change but there is also the income component and when we look at both backwards and forward we think that this becomes a meaningful part of the conversation and really can bring that mindset, when we think about bear markets specifically.

Ben Jones - And so a lot of people are thinking about total return from the bonds decreasing in value as rates rise, but your team's written a lot on the topic of income and coupons and how that can offset or break even over time. Can you expand a little bit more on what you mean by the income component with respect to this?

Janelle Woodward - So we're talking about the yield not just the change in yield driving returns. It's interesting, we went, we looked back at the cumulative returns over this bond bull market and it is true that 60% of cumulative returns come from the price change but 1,500% of the returns over that time period came from the coupon. We've done a simple analysis up here and kind of extrapolated that math forward and said if we increase rates 30 basis points a year but then it compounds into the overall yield of fixed income what does that look like over time. And again this comes back to this concept of total return and the role that it plays on the fixed income asset class.

Ben Jones - Now a lot of people who remember back to the 80s probably remember that rates were a little bit higher than they are today so does that coupon component hold true given how low rates are today?

Janelle Woodward - We think it does and I think another way to think about the same math is to think about the concept of break evens and so we put another chart up here to talk a little bit and to show the concept of break evens. And so when we think about starting at 3.5% on the agg duration roughly six years, six years being a representation of the interest rates since nativity, we use 3% you can see that we have a 50 basis points of breakeven to get to a 0 return, so we're taking the six years duration. 50 basis points moved. That's how much it takes to erode the 3% yield level and so again kind of show that it's not just about what happens when rates move 50% but really to carry it advantage. And we can extend this math when we think about portfolio structures and mandates and think about other asset classes so when we move from treasuries into different sectors that have yield and credit risk components we're increasing that yield and increasing really that breakeven potential and then it also works on the duration side too if we move down the interest rate spectrum and we think about -- or we move down the yield curve and think about a two year duration, 3% two year duration, 150 basis points to break even so there's a lot that we can do in the structure of the portfolio and the allocation of fixed income to create some protection utilizing this concept of income and yield.

Ben Jones - And while we're on the topic of rising interest rates in bond markets I think the first half of the year everybody was worried about the bond side of the equation because interest rates were going up. It wasn't until maybe the last couple weeks people started to realize rising interest rates affect multiple types of risk assets. Could you talk a little bit about how rising interest rates will impact the broad markets?

Janelle Woodward - I think it's important to step back and think about really what the catalyst has been behind rising rates and rising rates has been about a normalization of monetary policy but facilitated by a strong economic backdrop. GDP last week that was released third quarter, 3.5% annualized on top of 4.2% in the second quarter. We continue to see strong employment levels and this is good for risk assets. It's good for equity markets. It's good for bonds as that flows through the system. But I think there's two other considerations, as we look not currently but also forward. The tightening of monetary policy should have a cooling effect on the economy and so after the initial support that we get from the structure of the economy there is some impact, concurrent impact in terms of rates that consumers are looking at. We think about prime rates, as that impacts autos and mortgage rates as part of that. And then the other part of the equation is just thinking through the math of discount rates and what that does to fair values, and certainly what it does to equity markets. I think for us, and one of the things that we've been very focused on, is looking at what's priced into the market, not just again thinking point in time which would this be good for but really what the market has been positioned for -- and from a pricing standpoint.

Ben Jones - And you know as an active manager how do you think about portfolio composition, or what can you do with kind of the way the interest rates will impact these different assets?

Janelle Woodward - I think one thing to note and I think it's an important part of the conversation is that the tightening cycle that we have been on, and when we reach December it will be about three years, it's one of the longest tightening cycles that we've seen. And so what we did is we actually took a look and said well how have different segments of the fixed income market responded in a tightening environment. What have valuations done? And we actually broke it down further and we recognized that when we talked about a move higher in rates there's really two components of that. We have tightening cycles, but what we see more in those cycles is that the flattening of the yield curve is more indicative of the cycle and then there are also periods where rates move up in a paralleling fashion. So we took the different scenarios across investment grade high yield emerging markets and you can see it up here and looked and said what does pricing do? The blue slides are the starting point to the ending point of the various cycles. Again, looking at tightening and also a parallel move higher in rates, and the Xs represent where we are today. And I think our observation is because of the length of the cycle it has allowed the markets to anticipate where we're going. We all are looking at the same historic data, and place in in many ways the end conclusions. So in many ways I think we are more cautious and more defensive, not calling for a crisis, but thoughtful again about that concept of what's already priced into markets, not theoretically how different sectors should move.

Ben Jones - Now I don't think anyone in the audience would be very happy if we had a conversation about fixed income without talking about the Fed so as far as we hear a lot about this concept of normalized interest rates and at a neutral rate. But what does that really mean and what are your team's expectations?

Janelle Woodward - So when we talked about a neutral rate, we're talking about the rate of Fed funds that's neither cumulative nor puts pressure on the economy. And when we go through periods of economic stress and strain the Fed as one of its tools can step in and move rates lower into accommodative territory in order to stimulate the economy. And so this is certainly what we've seen and so the path of normalization is taking it back to neutral. To my comment earlier, the evidence that we have and what we look at is often the Feds' dot plot. But I think that one of the important things to note about this neutral rate is it's not observable and it's not fixed. It's constantly changing, evolving based on the structure of the economy. One of the things that Chairman Powell's made a point of saying is that when we look at the dot plot this is not meant to be an average or an aggregate and we can't just observe the median but it's really about independent representations of what this neutral rate looks like. But again giving context to current markets long-term neutral rates, the median and even though I just said we don't want to look at average, but the median's about 3% but the lower end of that range is actually at 2.5%. So when we think about Fed funds being at 2 to 2.25, moving to 2.25 to 2.5 by the end of the year it gives us some perspective on A. where we are in the cycle and B. Then when we start to go through the math and think about total returns and income, a lot more protection from a material decline in the asset class.

Ben Jones - And the percentage difference between now and maybe a 3% or a 3.5% rate is much different than over the last three years where we've gone from 0 to 2.25.

Janelle Woodward - Yes that's right, and I think when we look at the returns and fixed income market looking at some of those credit risk components and other segments, we can observe some of these factors at work and I think it's fair to say that fixed income returns have not been disastrous, by any measure.

Ben Jones - Now advisors and their clients traditionally buy fixed income to do one of four things, or maybe four things within the portfolio. Income, diversification, capital preservation, and liquidity. And over the last decade, these have at times really come into conflict with each other. Can you talk a little bit about what you've seen from a portfolio composition standpoint over the last decade and maybe what that looks like going forward?

Janelle Woodward - I think it's an important part of the conversation. Generically the number we've heard thrown out a lot is 5%. Is the expectation of long-term, expectation of what type of return you would get from the fixed income part of your portfolio and if we go back to the mid-90s we could have gotten this from treasuries. But as rates have lowered due to the economy and then certainly given the current easing cycle it's pushed investors out the risk spectrum to be able to retrieve those return targets and certainly, even if we look at institutions the actuarial rate of return assumption has not come down nearly as fast. At the end of 2017, you actually had to be 70% allocated to high yield to be able to hit that 5% target.

Ben Jones - So we went from 100% treasuries to 70% high yield just to get that expected return. Going forward how do you think about -- or how do you think this audience should think about the way they compose those portfolios and can they take risk off the table?

Janelle Woodward - I think this comes to the topic of our presentation, a bond bear market bringing on and why we think this is constructive for fixed income for all investors but for fixed income investors. So part of the accommodative policy was really pushing rates artificially low, reducing term premium, making real yields negative to incentivize the extension of the investment in the economy. But as we step back and as rates move higher in many ways it gives more flexibility and the better ability to diversify within a fixed income portfolio so I can step back and take more rate exposure, more investment grade exposure and at the same time still have the wealth of other sectors opportunities and emerging market debt and high yield and other sectors of the market to complement it. But I am not driven necessarily just to those sectors to hit my return. And we think to your points when we think about income capital preservation, diversification, and liquidity that this actually enhances the ability of fixed income to deliver this in a portfolio context.

Ben Jones - So not as in conflict maybe here in the future. Now one alternative I've heard a lot floating around lately is that for the first time in a long time people have risk free assets that are paying interest rates and giving them a yield so given higher interest rates why wouldn't an advisor look to take risk off, say through a CD or a short-term treasuries to kind of get a yield and take risk off the table?

Janelle Woodward - Yeah I think that this is a question we get asked too and I think when we think about where inflation rates are – T-Bills 215 -- you're treading water. And we don't think -- we do think that the overall economic data, the overall corporate sector, the overall economic environment is constructive. We can extend from a T-Bill to a two year treasury and go from 215 to 283, and on top of that spread curves are steep. So as an example if you think about a bond maturing it virtually has no credit risk, no spread. We step out just with an investment grade to a two to three year security -- it's an additional 55 basis points of yield, of five to seven year security would be an additional 100 basis points and so for us we think that this makes sense. You can earn a positive real return and also take advantage of what are going to be break evens even if rates move higher and also the steepness of the spread curve on the front end to be able to capture some of that roll down. So given that backdrop, given where yields are, we think extending a little bit in fixed income to get positive real returns makes sense for the investor.

Ben Jones - That makes sense. Now as an active manager, you have different levels that you can pull to kind of build the composition of your fixed income portfolios. Can you talk a little bit about how you're doing that today and the leverage that you're using?

Janelle Woodward - Yeah. I think that the different things are and what we talked about is being thoughtful, we think timing interest rates is incredibly difficult on an outright basis and we can go back and realize we've been having conversations about rising rates for the last decade, almost, and so -- so I think that that's -- but one thing that we have in this goes back to the study we did is that the flattening of the yield curve is more predictive. And so there's a lot that we can do around yield curve positioning and duration construction, looking at some of those front end roll down strategies and looking at that from a duration perspective. The other thing is sectors and qualities. There is a breadth of corporate sectors, a breadth of credit sectors, and the last thing is certainly looking at selection which we think continues to make sense especially for middle managers in the context of the current environment.

Ben Jones - Now yesterday you gave me an interesting tidbit about Tesla and Netflix, I believe were the two companies and just they're both technology -- people think of them as the same sector but very different fixed income securities.

Janelle Woodward - Yeah I was – Ben and I were having a conversation about technology and technology being a disruptor, and how do you invest in that in fixed income versus how you invest in equity? And I think the mindset when we think about selection is a little bit different so it is -- it comes back to that same concept of price per risk. And so if we look at the newer technology companies we have Apple and Amazon on one side and we have Netflix and Tesla on the other both high yield. And what's interesting and when we think about spreads and returns of fixed income, the tightest the spread can get, the lowest the yield can get would be a risk free asset so when we have Apple only trading 80 or 60 basis points above treasuries, there's a limit to the upside of that. And so we may think, and at the same time we see Tesla and Netflix as high yield companies so the investment decision making mechanism is different than when we think about equities, but it's still very much -- still anchored to the same fundamentals, but maybe captured in a portfolio context in a different way.

Ben Jones - Now there's been a lot of articles of late talking about kind of the looming credit crisis, or there's more credit out than there ever has been, and the impacting rate changes might create some real problems. Tell me what are your team's thoughts about a credit crisis or a credit bubble, and how does that affect the way that you're currently thinking about the fixed income market from an opportunity standpoint.

Janelle Woodward - I think that we were probably a little bit more tempered as far as the optimism that we saw this summer and probably a little more constructive than what we've heard coming out over the last couple weeks. And in part because we want to be longer term investors and we're not necessarily just changing based on valuations. I think it's important that earnings, third quarter earnings to date above earnings growth above 20% is likely to represent the third quarter of above 20% earnings growth so very much in that mindset we still continue to see corporate and corporate profitability. We definitely have heard some cautions about trade and about rising commodity costs and NFX but again nothing that would seem grossly out of context or give us concern in particular as it relates to that. We continue to be allocated over --

over emphasizer or overweight credit was in the context of our strategies, but we certainly have been thoughtful about picking the pockets when we're getting paid best for the valuation using high quality floating-rate notes and using some other structures that we think offer some protection as well. The other point I'll make on this as far as the looming credit bubble is if you look at the corporates that are rated by Moody's and the rating agencies do tend to be backwards looking, but about 85% of those currently have a stable outlook. And so I think it does give some perspective of really where we are in this tipping point.

Ben Jones - Now, we're going to ask the audience if they have any follow-up questions here. So as you think of your questions, maybe I just throw this question at you, I've had a lot of discussions with you and some of the members of your team, and I think your team's been early in kind of really pointing out some of the changes or impacts that student loans are having on consumers. Can you talk a little bit about some of the ways that you view the student loan bubble -- or I don't know if we should call it a bubble, but the student loan debt in this country?

Janelle Woodward - Yeah, I think this goes back to a couple of different things and I think it actually goes back, and something to come back to, is really some of the structural changes that we've seen in the markets. But I think when we look at this being, the U.S., being very much a consumer-driven society and the growth of student loans and really the fact that when we look at the bankruptcy measures, that these are cannot be discharged under bankruptcy. It definitely changes the prioritization of consumer spending and we do think it's one of the things that will impact market structure, priority of payments over the intermediate term.

Ben Jones - Yeah, I saw that you had shared a note with me yesterday that people are moving out of the country to run away from their student debt obligations. So a new low in student debt. Okay, are there any questions that anyone would like to ask in audience relative to any of the information that Janelle has shared. Just pause. We've got some mike runners.

Janelle Woodward - There's someone.

Question - I was curious whether you think given the difficult political climate; the independence of The Fed is at risk? And if it were to be at risk, as it has become in Turkey, what would happen to monetary policy. Jerome Powell has to kowtow out to the administration, couldn't we see an inflationary environment without the concurrent rate increases that are necessary?

Janelle Woodward - I think it's an important question for us, the independence of The Fed, is we view it as a core structural element of the system and we think if that gets called into question, there are significant consequences that are beyond just the impact, direct impact, on monetary policies as you highlight Turkey as an example. And so from where we sit, we think that this is not likely and would be a structurally misstep. We think that there's probably some political conversation around that. I think the other question we get asked is certainly what is The Fed's response to the volatility of markets. And I think we would also respond with that to say we didn't see them change policy when stocks were going up. We don't think that they're going to change policy when stocks are going down. They will continue to watch financial conditions. And by those measures we continue to be in accommodative territory. They've been very focused on being data dependent and our view is that they are going to hold to this and hold to the commitment and not be swayed by political forces or other external metrics.

Question - Kind of a similar comment. What's your base case for rate hikes over the next year or so. And then, it sounds like you don't think the equity volatility might delay that or change that. But are there any other factors that might change that expectation?

Janelle Woodward - So we do expect that there will be a fourth increase in December. Our expectation, even, as early as this summer that we would see two, maybe three in 2019. It's been interesting because I think we were viewed very conservatively this summer. And then if we look at what's happened over the past month, I think by now we've tipped and we're probably more in line with consensus. I mean the things that we are certainly watching, that would change that, would be a shift in growth or a break to the upside from an inflation standpoint. When we look at the structural element of it playing in the economy and even some of the recent data around wage inflation and various inflation metrics; we don't see that that catalyst is on the horizon, but we are going back to my earlier comment, conscious to the fact that to the consumer and to the public the flow through of higher rates is concurrent, not necessarily forward-looking, so that will take time to play out.

Question - At what point do you see that bank loans and high yield -- at what tipping point to do you feel like it's time to pullback? Are there any catalysts or specific indicators that you're looking to?

Janelle Woodward - I think it's a great question and certainly those have been the strongest performing sectors of fixed income on a year-to-date basis and it's been driven by a couple of different factors. One, supply has definitely been a factor and the second component has been the concern about rising rates and what that means. If we look at February and we look at the performance across asset classes, we actually see that the decision-making mechanism was rates itself, duration of portfolios and not necessarily the credit risk component. What's been interesting on month-to-date in October is we see a little bit of this behavior reversing. We saw high yield spreads month-to-date widen 75 basis points, now 40 basis points, wider year-over-year. So even though we've seen a similar pattern in terms of rate volatility and market volatility, we have seen some of the re-pricing of that. From where we look at it, we think that overall there is an element -- well, we can't make the case for mean reversion. There is an element of mean reversion and credit risk as defaults go through cycles, and this comes back with this concept for pricing for risk. Our preference in our core strategies is to favor investment grade right now. We think there's a lot of issuers to choose from. There's a lot of BBBs that still can get you that yield advantage and then to be more selective, not eliminate, but be more selective in high yield loans and emerging market debt.

Question - Do you have any collateral pieces or anything you could work into this with respect to answering the question for clients on the merit of going active management with bonds versus holding individual issues to maturity?

Janelle Woodward - Yeah, we actually put a piece out last year called *Alexa, Invest My Fixed Income* that was aimed at touching specifically on the active versus passive piece. I think there are two -- there are two components of the conversation. One, about structuring a portfolio that you hold until maturity and, two, active versus passive within the context of the benchmark portfolio. So I'll take the second one first. One of the things about fixed income markets that I think is interesting is that the issuer is defining the market, and we hear this a lot when we talk about corporate issuance, about energy -- energy companies back in '15 funding capex programs. But it actually applies to all issuers including the U.S. Treasury. Two of the observations we've made is: one, as the government increases its spending, the amount of treasury issuances will go up. And at the same time, as The Fed unwinds its balance sheet, those treasury assets are actually not in the index. So those are going in and so our overall concern with passive investing is you are buying what people are selling. You may be fighting The Fed, you may be taking on, inadvertently, debt of indebted companies. And so, we think a more flexible approach in active management allows you to navigate that a little bit more. On the SMA side and holding specific bonds versus a portfolio, we understand the appeal of it. We get the question a lot. But I think it is important to appreciate that the math is the same and if you need liquidity, those bonds, even if you have the flexibility to hold them until maturity, are still being marked to reflect the current yields of the environment. And the advantage of a larger pool of asset-bases: better access, better liquidity, better diversification, and a constant reinvesting of those -- of that income at the current yields and liquidity will always be there when you need it.

Ben Jones - Will someone give you a card and we can follow up with you with that paper as well.

Question - Do you have a yield curve forecast for the intermediate and long-term?

Janelle Woodward - We do think that as we go through this tightening cycle and the impact that it's intended to have on growth and inflation, that the yield curve will continue to flatten. We've been positioned for a flattener and we've certainly seen that on a year-to-date basis, and we do expect that that will continue. There is not a lot of historical evidence where we've seen a curve steepen out of a flattening cycle with the long end moving up. Now, there are a lot of structural considerations and we hear this time it's always different. In our opinion, this time it's probably the same. We think that most likely the steepening would come from the front end with The Fed stepping back in. So looking for a flatter yield curve with a move upward, a small move upward in rate.

Ben Jones - I'm impressed you can do that with the technology malfunction.

Janelle Woodward - It comes from having three children.

Ben Jones - Very good. Didn't even -- you know, as we wrap up here, just maybe one more question, Janelle, for you. And then, we'll wrap up and follow up with folks after. But your team, you use a team-based approach in managing your portfolios and that team is a very diverse team. Tell me a little bit about how that's important to the way that you guys manage money?

Janelle Woodward - It is one of the things that defines us. It's something that we're proud of. I think everybody has biases and if you're not careful you project those forward in a way that you may not fully appreciate. So one of the things that we've been thoughtful about across our investment professionals is one, keeping an integrated approach where our research analyst, portfolio managers, traders interact on a daily basis because idea generation can come from a lot of different places. But then having a diverse team as far as education, backgrounds, ages, all of it, to make sure that we're really capturing and new thinking, innovative thinking. I think the other thing about us is we are not trying to make the single one call and get it right. We don't need to have the single call to duration drive portfolio performance. It's about doing a lot of things right in a context of a portfolio to generate alpha over a long-term.

Ben Jones - And just time check, do we have time for one more question?

Janelle Woodward - Sure.

Ben Jones - Go ahead.

Question – I am not being paid to ask this but what is your flagship fixed income strategy and where is your booth.

Janelle Woodward - Did you hear that?

Question - So the question was what is your flagship fixed income strategy for the firm and where is your booth? So -- and no, I'm not paid to ask that.

Ben Jones - The booth is number 516.

Question - Got it.

Janelle Woodward - 516.

Ben Jones - And for those of you who are interested in having a further conversation with Janelle, she'll be over there after this until 2:30 this afternoon. I invite you to come by and speak with her directly.

Janelle Woodward - And our flagship strategy is our Core Plus bond fund. Our BMO TCH Core Plus Bond Fund.

Ben Jones - So with that, I just want to thank everyone for joining the conversation today. If you want to learn more about Janelle and talk to her you can come over to booth 516. She'll be there until 2:30 today. You can also visit bmogam.com/viewpoints where Janelle and her team write regularly on these topics. And last but not least, this session is recorded and will be released on the BMO *Better Conversations. Better Outcomes.* podcast feed in the next week or so. And so, you'll be able to revisit this conversation if you want to take notes or look at the slides. So thank you, everyone, for joining us. I hope you have a great and productive rest of your conference.

Janelle Woodward - Thank you.

Ben Jones - Thanks for listening to *Better conversations. Better outcomes*. This podcast is presented by BMO Global Asset Management. To learn more about what BMO can do for you, visit us at bmogam.com/betterconversations.

Emily Larsen - We value listener feedback and would love to hear what you have thought about today's episode. Or, if you're willing to share your own experiences or insights related to today's topic, please e-mail us at betterconversations@bmo.com. Of course, the greatest compliment of all is if you tell your friends and coworkers to subscribe to the show. You can subscribe to our show on iTunes, Google Play, the Stitcher app, or your favorite podcast platform. Until next time, I'm Emily Larsen.

Ben Jones - And I'm Ben Jones. From all of us at BMO Global Asset Management, hoping you have a productive and wonderful week.

Emily Larsen - This show and resources are supported by a talented team of dedicated professionals at BMO, including Pat Bordak, Gayle Gipson, Matt Perry, and Derek Devereaux. This show is edited and produced by Jonah Geil-Neufeld and Annie Fassler of Puddle Creative.