

BMO Clean Energy ETF Fund

Making “cents” of Clean Energy

Our world runs on energy. Largely fueling our daily habits are resources like coal, crude oil and other fossil fuels. These resources, however, have a limited supply, and have large costs associated with them both in terms of expenses and on the health of our environment.

THE PROBLEM

Resource Scarcity → High Costs → Huge Impact on Environment

Renewables play an important role in our future. Whether that be solar, wind, geothermal or hydro these carbon neutral options have unlimited supply and will help create a cleaner, healthier society. Countries around the globe are investing heavily in green energy development including areas like clean transportation, energy efficiency, deployment, and research and development (R&D) which is having a great impact on job growth and emissions reductions. Climate change remains a hot topic in the political landscape with a Biden presidency in the U.S. signaling a tougher stance will be adopted.

Clean energy provides growth potential far and above traditional energy with renewables having the opportunity to power the green revolution.

In April 2019, for the first time ever, renewable energy outpaced coal by providing 23 percent of US power generation, compared to coal's 20 percent share.¹



To enable the power system of the future, \$14 trillion in grid investment is needed between now and 2050.²



Wind and Photo-Voltaic (Solar) grow to meet 56% of world electricity demand in 2050.²



Why now?

- Cost reductions and increasing policy certainty in key markets could significantly boost renewables deployment.
- Economic stimulus measures focused on clean energy can directly or indirectly support renewables.
- Net-zero emission targets in key markets are expected to accelerate the deployment of renewables.

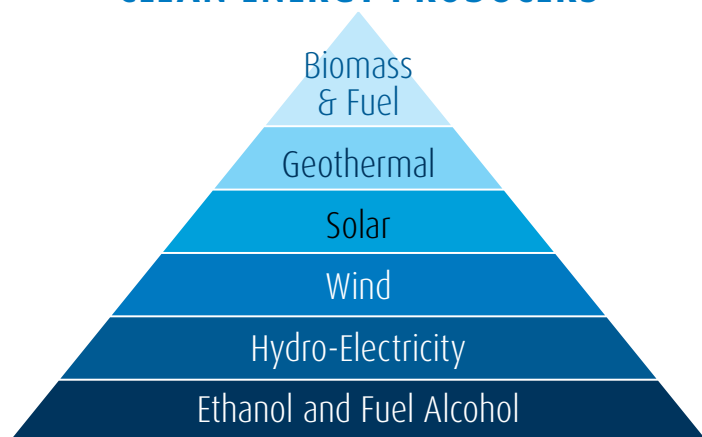
¹ <https://www2.deloitte.com/us/en/pages/energy-and-resources/articles/renewable-energy-outlook.html>

² <https://about.bnef.com/new-energy-outlook/>

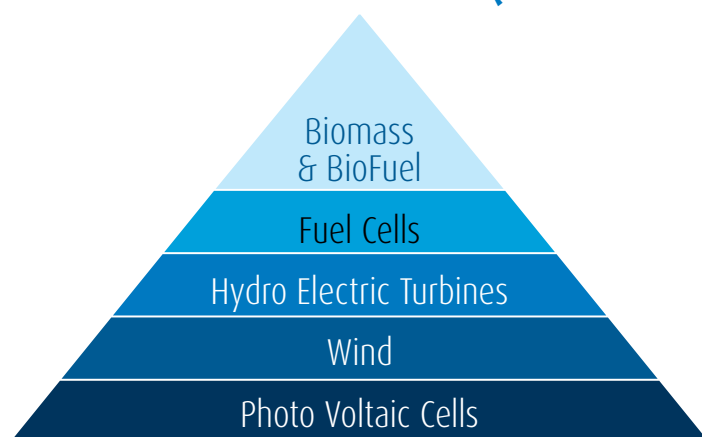
BMO Clean Energy ETF Fund Methodology

BMO Clean Energy ETF Fund tracks the **S&P Global Clean Energy Index** providing liquid and tradable exposure to a target of 100 companies from around the world that are involved in clean energy related businesses. The Fund provides a diversified mix of the businesses below.

CLEAN ENERGY PRODUCERS



CLEAN ENERGY TECH & EQUIPMENT



Eligible businesses are selected based on a company's business description and its most recent reported revenue by segment. The index must have a weighted average exposure score of 0.85% as defined by S&P (see Table 1). Exposure scores are based on FactSet's Revere Business Industry Classification System ("RBICS") and Trucost's Power Generation Data (for utility companies) and consider revenue exposure by segment and Clean Power Generation Score for utilities and power generation companies.

Table 1

Exposure Score	Definition
0	Eliminated, no exposure
0.5	Moderate clean energy exposure
0.75	Significant clean energy exposure
1	Maximum clean energy exposure

Key Facts

Index Name	S&P Global Clean Energy
Number of Stocks	Target of 100
Weighting	Market caps are adjusted by clean energy exposure scores. Max weight of 8% per security. The cumulative weight of all constituents which have a weight greater than 4.5% cannot exceed 40%.
Total Market Capitalization	Greater than or equal to US\$ 300 million
Float Market Capitalization	Greater than or equal to US\$ 100 million
Liquidity Thresholds	6-month Average Daily Value Traded of US\$ 3 million (US\$ 2 million for current constituents)
Domicile/Trading Location	Stocks must be trading on a developed market exchange.
Rebalance	Semi-Annual (April and October)

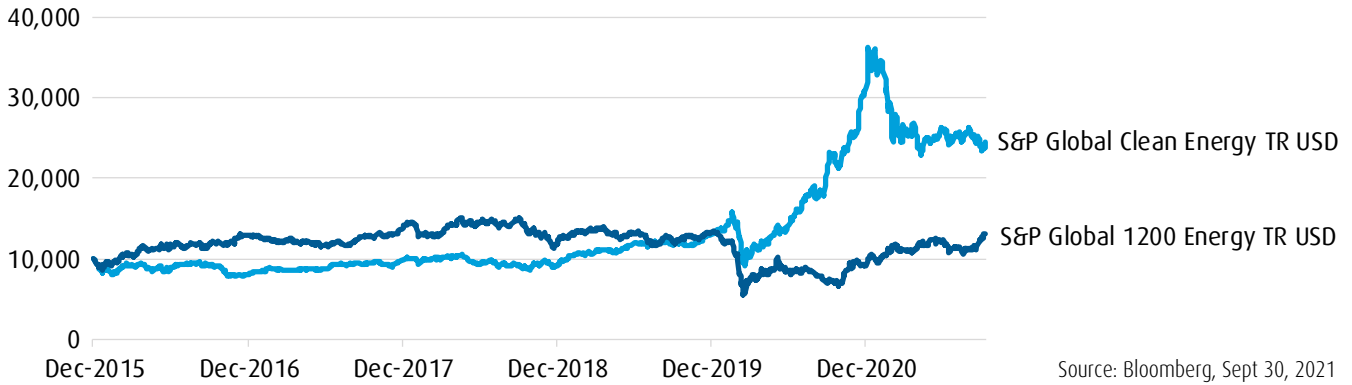
Controversial business exclusions: Exclusions include; controversial weapons, small arms, military contracting, tobacco, thermal coal, oil sands, shale energy, arctic oil and gas exploration (With levels of involvement and/or significant ownership thresholds defined by Sustainalytics). In addition, companies deemed "non-compliant" with the United Nations Global Compact (UNGC) Principles by Sustainalytics will be excluded.

Carbon intensity exclusion: Companies with a Trucost carbon-to-revenue footprint greater than three are excluded

Performance of S&P Global Clean Energy Index

Clean energy showed resilience in 2020. Long term contracts, priority access to the grid and continuous installation of new plants helped renewables relative to traditional energy.

S&P Global Clean Energy Index vs. S&P Global 1200 Energy Index (Growth of \$10,000)



	1 Year	3 Year	5 Year	10 Year
S&P Global 1200 Energy Index TR (USD)	72.10	-5.65	0.77	1.98
S&P Global Clean Energy Index TR (USD)	17.10	36.11	19.12	8.83

Source: Bloomberg, Sept 30, 2021

Index performance is provided as a benchmark but is not illustrative of any particular investment. You cannot invest directly in an index. Past performance is not indicative of future results. The S&P Global 1200 Energy index consists of all members of the S&P Global 1200 that are classified within the GICS® energy sector.

ESG Carbon Characteristics

The following characteristics show the reduction in carbon footprint that comes from investing in clean energy relative to traditional energy.

	S&P Global Clean Energy Index	S&P Global 1200 Energy Index
Carbon to revenue (metric tons CO2e/\$1M revenues)*	413**	595

Source: S&P Dow Jones, Sept 30, 2021. *Operational and first-tier supply chain greenhouse gas emissions. For more information, please visit: www.spdji.com/esg-carbon-metrics **As of Sept 17, 2021



Electric Utilities.....	38.19%
Renewable Electricity.....	15.13%
Heavy Electrical Equipment.....	14.99%
Semiconductor Equipment.....	13.56%
Electrical Components.....	8.73%
Semiconductors.....	4.29%
Multi-Utilities.....	1.88%
Oil & Gas Refining.....	1.40%
Independent Power Producers.....	0.93%
Commodity Chemicals.....	0.66%
Other.....	0.24%

Top 10 Holdings

Name	Weight (%)
VESTAS WIND SYSTEMS A/S	8.21
ENPHASE ENERGY INC	7.35
ORSTED AS	5.60
PLUG POWER INC	5.49
CONSOLIDATED EDISON INC	5.38
SOLAREDGE TECHNOLOGIES INC	4.97
IBERDROLA SA	3.89
EDP - ENERGIAS DE PORTUGAL SA	3.81
SSE PLC	3.55
SUNRUN INC	3.39

Source: Bloomberg, as of September 30 2021

Fund Codes

Fund Name	Fund Code	MER*
BMO Clean Energy ETF Fund (Series F)	BM095119	0.34%

*Management Expense Ratio (MER) is estimated as Fund is less than one year old.



The information contained herein is not, and should not be construed as, investment advice to any party. Investments should be evaluated relative to the individual's investment objectives and professional advice should be obtained with respect to any circumstance

Any statement that necessarily depends on future events may be a forward-looking statement. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Although such statements are based on assumptions that are believed to be reasonable, there can be no assurance that actual results will not differ materially from expectations. Investors are cautioned not to rely unduly on any forward-looking statements. In connection with any forward-looking statements, investors should carefully consider the areas of risk described in the most recent simplified prospectus.

Commissions, trailing commissions (if applicable), management fees and expenses all may be associated with mutual fund investments. Please read the fund facts or prospectus of the relevant mutual fund before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Distributions are not guaranteed and are subject to change and/or elimination. For a summary of the risks of an investment in BMO Mutual Funds, please see the specific risks set out in the prospectus.

The performance of the Index Fund is expected to be lower than the performance of the Index.

BMO Mutual Funds are managed by BMO Investments Inc., which is an investment fund manager and a separate legal entity from Bank of Montreal.

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