

New BMO ETFs - Launch Summary

BMO ETFs is proud to launch **10 new tickers** with a range of solutions covering core fixed income, sector based covered calls, inflation solutions and retirement solutions

Core Fixed Income

Canada's largest fixed income ETF provider, committed to offering efficient solutions the market demands¹

ZUAG - BMO US Aggregate Bond Index ETF

ZUAG.F - BMO US Aggregate Bond Index ETF (Hedged Units)

ZUAG.U - BMO US Aggregate Bond Index ETF (USD Units)

- **Why buy:** Designed for those that are looking to diversify their credit exposure and lower overall duration
- Exposure to the flagship broad US fixed income index – Bloomberg US Aggregate Bond Index
- Broader fixed income market with lower duration than Canada and provides more diversification to corporate bonds and access to a securitized market

BMO US Aggregate Bond Index ETF

ZUAG **ZUAG.F** **ZUAG.U**

Hedged to CAD USD units

Duration: 6.4*

Monthly Distribution

Yield to Maturity: 4.2%² Mgmt. Fee: 0.08%

Risk Rating: ZUAG: Low to Medium

ZUAG.F/ZUAG.U: Low

*Data as of Jan 26,

BMO Global Asset Management

Sector Based Covered Calls

BMO ETFs is the largest covered call provider in Canada and is focused on delivering enhanced income solutions to meet investors' needs¹

ZWEN – BMO Covered Call Energy ETF

- **Why buy:** Access to a combination of growth and income; growth from global (North American listed, including ADRs) energy companies and income from the covered call overlay
- Covered call overlay provides yield generation by writing calls out of the money on approximately 50% of the portfolio, which allows for some participation in the growth of the energy sector while also delivering some downside protection
- Equal weight portfolio of 20 stocks including companies such as Enbridge, Chevron Corp. and Canadian Natural Resources Ltd.

BMO Covered Call Energy ETF

ZWEN

Monthly Distribution

Estimated Distribution Yield: 8.5%*

Mgmt. Fee: 0.65%

Risk Rating: High

ZWHC – BMO Covered Call Health Care ETF

- **Why buy:** Exposure to U.S. healthcare companies, benefitting from an increase in demand for healthcare services as the global population ages and life expectancies continue to increase³
- Covered call overlay provides yield generation by writing calls out of the money on approximately 50% of the portfolio, which allows for some participation in the growth of the healthcare sector while also delivering some downside protection
- Equal weight portfolio of 23 stocks including companies such as UnitedHealth Group Inc., Cigna Corp. and Pfizer

BMO Covered Call Health Care ETF

ZWHC

Monthly Distribution

Estimated Distribution Yield: 6.5%*

Mgmt. Fee: 0.65%

Risk Rating: Medium

*Estimated Distribution Yield was calculated by using the expected annualized distribution yield (which may be based on income, dividends, and option premiums as applicable) of the underlying portfolio and excluding any capital gains from portfolio turnover, less expenses. The distribution rate is based on the starting NAV of \$30. Distribution yield is not an indicator of overall performance and will change based on market conditions, NAV fluctuations, and is not guaranteed.

Inflation Solutions

Tools to navigate inflation

ZEAT – BMO Global Agriculture ETF

- **Why buy:** Exposure to companies that are directly involved in the food production process. These types of companies can pass on costs to consumers which can serve as a good hedge against inflation
- With rising food prices, benefit from long term capital appreciation with targeted exposure to the largest global companies that produce or are involved with the production of necessities
- Proprietary rules-based strategy that looks at EBITA (Earnings for interest, taxes and amortization) to screen for quality companies
- Concentrated portfolio of 30 stocks such as General Mills Inc., Deere & Co., and Archer Daniels Midland Co.

BMO Global Agriculture ETF
ZEAT
 Quarterly Distribution
 Mgmt. Fee: 0.35%
Risk Rating: Medium

TIPS – BMO US TIPS Index ETF

TIPS.F – BMO US TIPS Index ETF (Hedged Units)

TIPS.U – BMO US TIPS Index ETF (USD Units)

- **Why buy:** With increased interest rates and continued rate hikes in 2022, Treasury-Inflation Protected Securities (TIPS) are designed to protect against inflation and can be used as a core fixed income holding
- U.S. issued bonds backed by the U.S. federal government that pay a fixed interest rate as the bonds par value adjusts with the inflation rate
- Exposure to flagship US TIPS Index - Bloomberg US Treasury Inflation-Linked Bond Index (Series-L)

BMO TIPS Index ETF
TIPS TIPS.F TIPS.U
 Hedged to CAD USD units
 Duration: 6.8*
 Quarterly Distribution
 Yield to Maturity: 4.1%* Mgmt. Fee: 0.15%
Risk Rating: TIPS: Low to Medium
 TIPS.F/TIPS.U: Low
 *Data as of Jan 26,
 BMO Global Asset Management

Retirement Solutions

Easy to Use Retirement ETFs

ZGRO.T – BMO Growth ETF

(Fixed Percentage Distribution Units – T6 Units⁴)

- **Why buy:** Pays out 6% annual distribution through a fixed monthly distribution based on NAV
- Adding to our suite of T6 Units, offering both BMO Balanced ETF - ZBAL.T and the new ZGRO.T
- ZGRO has been live for 3 years, past performance is in all systems, this is simply a T6 version

BMO Growth ETF
ZGRO.T
 Fixed Percentage Distribution
 Units - T6 Units
 Monthly Distribution
 Mgmt. Fee: 0.18%
Risk Rating: Low to Medium

**FOR ADVISOR USE ONLY**

¹ Source: Bloomberg as of Dec 31, 2022 based on assets under management

² Yield to Maturity includes the coupon payments and any capital gain or loss that the portfolio will realize by holding the bonds to maturity.

³ Source: World Health Organization

⁴ These T6 units are Fixed Percentage Distribution Units that provide a fixed monthly distribution based on an annual distribution rate of 6%. Distributions may be comprised of net income, net realized capital gains and/or a return of capital.

Risk tolerance measures the degree of uncertainty that an investor can handle regarding fluctuations in the value of their portfolio. The amount of risk associated with any particular investment depends largely on your own personal circumstances including your time horizon, liquidity needs, portfolio size, income, investment knowledge and attitude toward price fluctuations. Investors should consult their financial advisor before making a decision as to whether this Fund is a suitable investment for them.

Distributions are not guaranteed and may fluctuate. Distribution rates may change without notice (up or down) depending on market conditions. The payment of distributions should not be confused with an investment fund's performance, rate of return or yield. If distributions paid by an investment fund are greater than the performance of the fund, your original investment will shrink. Distributions paid as a result of capital gains realized by an investment fund, and income and dividends earned by an investment fund, are taxable in your hands in the year they are paid. Your adjusted cost base will be reduced by the amount of any returns of capital. If your adjusted cost base goes below zero, you will have to pay capital gains tax on the amount below zero. Please refer to the distribution policy for BMO ETF set out in the prospectus.

Cash distributions, if any, on units of a BMO ETF (other than accumulating units or units subject to a distribution reinvestment plan) are expected to be paid primarily out of dividends or distributions, and other income or gains, received by the BMO ETF less the expenses of the BMO ETF, but may also consist of non-taxable amounts including returns of capital, which may be paid in the manager's sole discretion. To the extent that the expenses of a BMO ETF exceed the income generated by such BMO ETF in any given month, quarter or year, as the case may be, it is not expected that a monthly, quarterly, or annual distribution will be paid. Distributions, if any, in respect of the accumulating units of BMO Short Corporate Bond Index ETF, BMO Short Federal Bond Index ETF, BMO Short Provincial Bond Index ETF, BMO Ultra Short-Term Bond ETF and BMO Ultra Short-Term US Bond ETF will be automatically reinvested in additional accumulating units of the applicable BMO ETF. Following each distribution, the number of accumulating units of the applicable BMO ETF will be immediately consolidated so that the number of outstanding accumulating units of the applicable BMO ETF will be the same as the number of outstanding accumulating units before the distribution. Non-resident unitholders may have the number of securities reduced due to withholding tax. Certain BMO ETFs have adopted a distribution reinvestment plan, which provides that a unitholder may elect to automatically reinvest all cash distributions paid on units held by that unitholder in additional units of the applicable BMO ETF in accordance with the terms of the distribution reinvestment plan. For further information, see Distribution Policy in the BMO ETFs' prospectus. Commissions, management fees and expenses all may be associated with investments in exchange traded funds. Please read the ETF Facts or prospectus of the BMO ETFs before investing. Exchange traded funds are not guaranteed, their values change frequently and past performance may not be repeated.

For a summary of the risks of an investment in the BMO ETFs, please see the specific risks set out in the BMO ETF's prospectus. BMO ETFs trade like stocks, fluctuate in market value and may trade at a discount to their net asset value, which may increase the risk of loss. Distributions are not guaranteed and are subject to change and/or elimination.

BMO ETFs are managed by BMO Asset Management Inc., which is an investment fund manager and a portfolio manager, and a separate legal entity from Bank of Montreal.

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