

# BMO Long Short Strategies

## Monthly Update

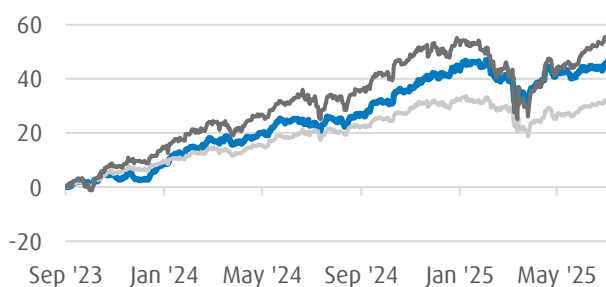
BMO Long Short US Equity ETF (ZLSU)

BMO Long Short Canadian Equity ETF (ZLSC)

## Portfolio Manager Commentary

- July saw glimpses of clarity around global tariff concerns, however, a lot still remains to be seen leaving a lot of policy driven uncertainty and volatility on the table.
- Both ZLSU and ZLSC underperformed their benchmarks (50/50 broad equities/cash) in July but continue to outperform meaningfully YTD and remain well positioned to navigate these uncertain times.
- Despite the macro uncertainty, underlying strength and fundamentals of companies continued to matter and we saw differentiation among stocks.
- In Canada, Information Technology has outperformed amid this uncertain market. There's widening dispersion within sectors as our long in Celestica (+30.2%) has vastly outperformed our short in Blackberry (-18.53%).
- In the US, one notable short was Chipotle, which ranked as a bottom 10 performer in the S&P 500 this month. It has fallen 23% and hit a 52-week low. This was driven by a recent sales target miss, and most importantly a substantial miss in same-store sales growth (-4% vs -2.9% expected). These results have shaken investors' confidence in the company's ability to sustain the growth over the past 3 years.
- The ETFs are positioned close to benchmark sectors but differentiate among quality stocks within sectors. The portfolio of stocks have better profitability and growth and value on the long side versus the short side.

### ZLSU Performance

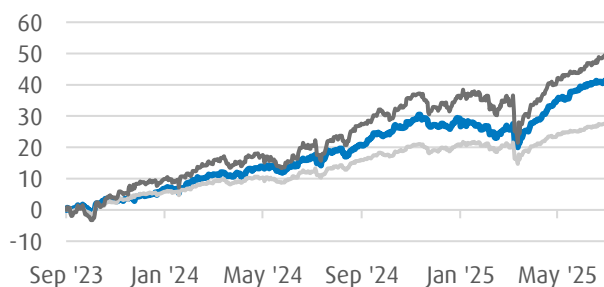


— BMO Long Short US Equity ETF  
— 50% SPX, 50% Cash  
— S&P 500 TR CAD

	1 Mth	3 Mths	1 Year	YTD	SI*
BMO Long Short US Equity ETF	1.98	7.47	18.81	5.03	23.37
50% SPX, 50% Cash	2.26	6.96	9.57	2.02	16.52
S&P 500 TR CAD	3.60	14.31	16.42	4.38	26.97

As of July 31, 2025. \*Since inception at Sep 27, 2023.

### ZLSC Performance



— BMO Long Short Canadian Equity ETF  
— 50% TSX, 50% Cash  
— S&P/TSX Composite TR

	1 Mth	3 Mths	1 Year	YTD	SI*
BMO Long Short Canadian Equity ETF	0.72	9.77	19.78	11.27	20.27
50% TSX, 50% Cash	0.96	5.47	6.94	12.39	13.85
S&P/TSX Composite TR	1.69	10.47	21.37	12.03	23.48

As of July 31, 2025. \*Since inception at Sep 27, 2023.

## Risk Metrics

Fund	Max Drawdown	Std Dev	Sharpe Ratio	Up Capture Ratio	Down Capture Ratio
BMO Long Short US Equity ETF	-6.85	8.54	2.05	71.76	24.76
BMO S&P 500 ETF (CAD)	-12.31	12.14	1.67	100.00	100.00

Fund	Max Drawdown	Std Dev	Sharpe Ratio	Up Capture Ratio	Down Capture Ratio
BMO Long Short Canadian Equity ETF	-1.93	6.35	2.29	72.79	25.33
BMO S&P/TSX Capped Composite TR	-3.26	10.59	1.65	100.00	100.00

Source: Morningstar, as of July 31, 2025

## Characteristics

ZLSU	Ideal	Longs	Shorts	S&P500	Category
ROE	Higher	22.5	9.2	18.5	Profit
Forward ROE	Higher	52.4	16.4	42.7	Profit
Free Cash Flow Growth	Higher	15.8	4.7	17.9	Growth
Free Cash Flow Yield	Higher	4.1	2.5	2.8	Value
Earnings Yield	Higher	4.1	3.1	3.8	Value
Debt/EBITDA	Lower	2.8	4.8	2.9	Leverage
Analyst Recommendation	Higher	4.3	3.9	4.3	Market

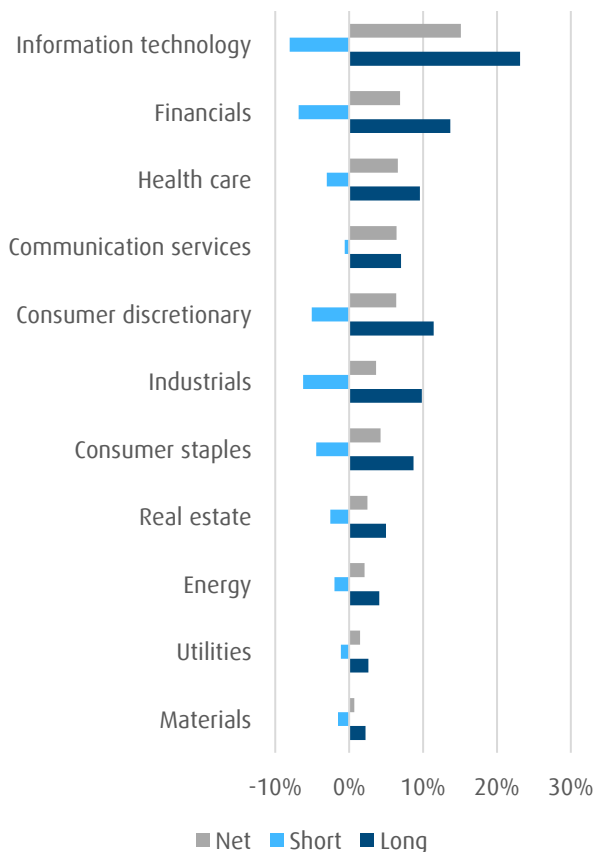
ZLSC	Ideal	Longs	Shorts	SPTSX	Category
ROE	Higher	12.2	3.5	11.0	Profit
Forward ROE	Higher	19.5	11.8	15.3	Profit
Free Cash Flow Growth	Higher	21.6	5.0	24.6	Growth
Free Cash Flow Yield	Higher	6.6	1.2	5.1	Value
Earnings Yield	Higher	5.2	6.0	5.1	Value
Debt/EBITDA	Lower	3.5	3.6	3.9	Leverage
Analyst Recommendation	Higher	4.3	3.9	4.1	Market

Source: BMO GAM, Bloomberg, as of July 31, 2025

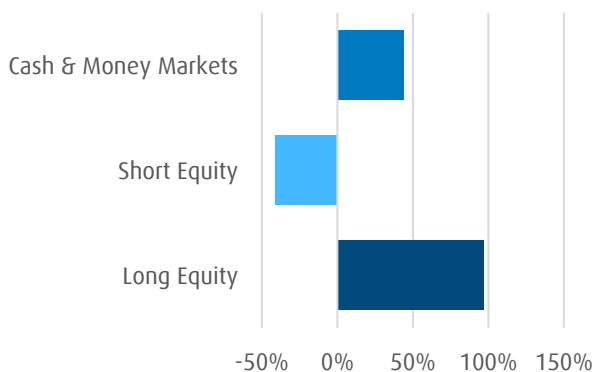
## Sector & Asset Allocation

### ZLSU

#### ZLSU: Sector Allocation

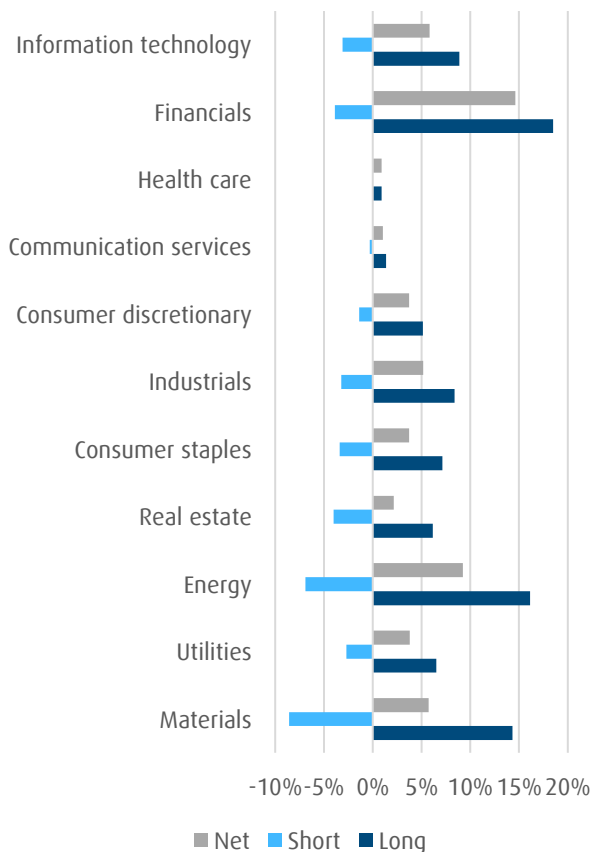


#### ZLSU: Asset Allocation

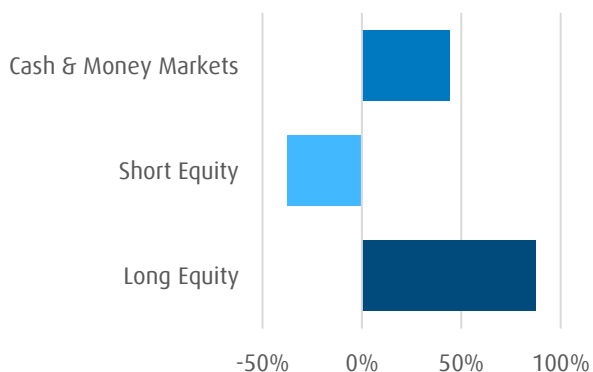


### ZLSC

#### ZLSC: Sector Allocation



#### ZLSC: Asset Allocation



Source: BMO GAM, as of August 6, 2025  
The portfolio holdings are subject to change without notice.

## ETF Tickers and Fees

Fund Name	Mgmt. Fee (%)	Ticker
BMO Long Short US Equity ETF	0.65	ZLSU
BMO Long Short Canadian Equity ETF	0.65	ZLSC

## Fund Codes and Fees

Fund Name	Series	Mgmt. Fee (%)	Fund Code
BMO Long Short US Equity ETF Fund	F	0.65	BM095380
BMO Long Short US Equity ETF Fund	Advisor	1.65	BM099380

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Portfolio holdings and allocations are subject to change without notice.

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