



BMO Covered Call Spread Gold Bullion ETF



Exchange Traded Funds

by BMO Global Asset Management

¹
\$18+ Billion
in BMO flows in 2024

2nd largest
ETF provider in Canada ¹ 

¹
\$117 Billion in AUM



Local experts & **dedicated ETF strategists** ready to support you across Canada

>9,600

ETF Market Insights subscribers

²
>799,000

ETF Dashboard views

>115,000

Downloads of 'Views from the Desk' podcast



Objective Focused

- Cash Flow
- Risk



Factor ETFs



Comprehensive Equities & Sectors



Comprehensive Fixed Income



Active / Alpha Focused



Asset Allocation ETFs

COVERED CALLS ZDY▲ ZFS▲ ZCS▲ ZEQ▲ ZIC▲ ZUE▲ ZDM▲ ZDV▲ EQUAL ZRE▲ SMART ZJK▲ COVERED CA
ZUE▲ ZDM▲ ZDV▲ EQUAL ZRE▲ SMART ZJK▲ LOW VOL ZLB▲ ZLU▲ ZEB▲ WEIGHT ZBK▲ BETA ZUE▲ ZDM

Canada's 1st

- covered call ETF (ZWB)
- low vol ETF (ZLB)
- high yield ETF (ZHY)
- discount bond ETF (ZDB)



BMO ETFs for every
investment objective

3

60+

Tickers with a
**ten-year
track record**

A provider you can **trust**
for access to **growth**
and **income** potential

30 Tickers over ³
\$1 billion

Selection of
ESG Mandates



27 Award
winning
ETFs ² in 2024



- ★ Canada's largest U.S. equity ETF (ZSP)¹
- ★ Canada's largest selection of sector ETFs¹
- ★ Largest fixed income suite in Canada¹
- ★ Largest provider of smart beta ETFs¹
- ★ Largest covered call suite in Canada¹
- ★ Many of the largest ETFs in Canada are BMO ETFs¹

COVERED CALLS ZDY▲ ZFS▲ ZCS▲ ZEQ▲ ZIC▲ ZUE▲ ZDM▲ ZDU▲ EQUAL ZRE▲ SMART ZJK▲ COVERED CA
ZUE▲ ZDM▲ ZDU▲ EQUAL ZRE▲ SMART ZJK▲ LOW VOL ZLB▲ ZLU▲ ZEB▲ WEIGHT ZBK▲ BETA ZUE▲ ZDM

Our Option Capabilities at BMO GAM

Largest option manager
in Canada, trading on average
over 700,000
options contracts per month,
with 15 counterparties



MANAGES in 20 options-
\$12.7B based strategies

across a range of objectives - income generation,
defined outcome and risk management

Strategies encompass **Canada, US, EAFE**,
utilizing listed and OTC option markets

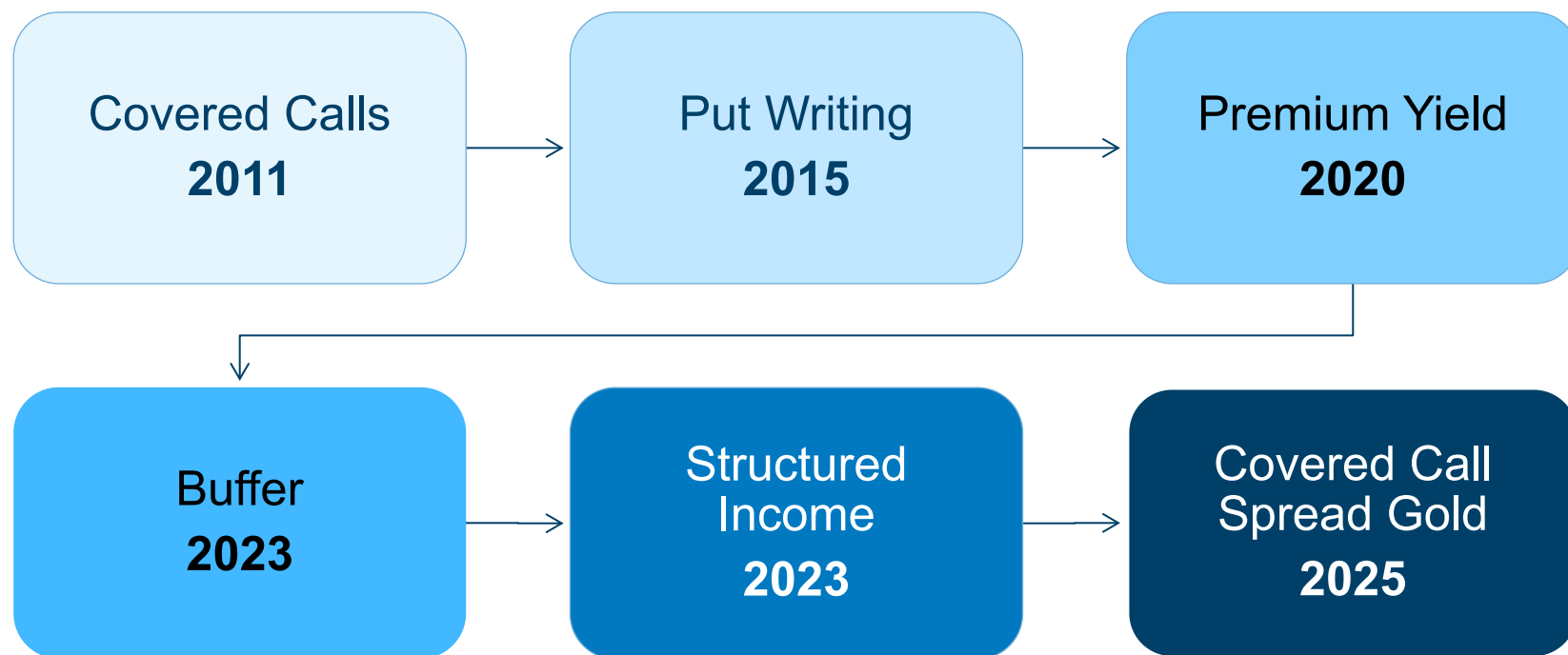
Source – BMO Global Asset Management. Data through December 31 2024. OTC is Over the Counter.

A growing asset base in options-based strategies

Option Overlay Total AUM
(Mln CAD)



Developing strategies to optimize outcomes for over a decade



ALLOWING YOU TO

- Customize portfolios to align with market views and client needs
- Add additional protection and generate elevated and consistent cashflow as needed

Our Enhanced Income Solutions

ENHANCED INCOME ETFs					
Geography	<div>BMO Canadian High Dividend Covered Call 🇨🇦↔️</div> <div><u>ZWC</u></div> <div>Mgmt. Fee: 0.65%</div> <div>Risk Rating: Medium</div>	<div>BMO US High Dividend Covered Call 🇺🇸</div> <div><u>ZWS</u> hedged to CAD <u>ZWH</u> unhedged <u>ZWH.U</u> USD units</div> <div>Mgmt. Fee: 0.65%</div> <div>Risk Rating: Medium</div>	<div>BMO Covered Call Dow Jones Industrial Average Hedged to CAD 🇺🇸</div> <div><u>ZWA</u> hedged to CAD</div> <div>Mgmt. Fee: 0.65%</div> <div>Risk Rating: Medium</div>	<div>BMO Europe High Dividend Covered Call 🇪🇺</div> <div><u>ZWE</u> A+ hedged to CAD <u>ZWP</u> unhedged</div> <div>Mgmt. Fee: 0.65%</div> <div>Risk Rating: Medium</div>	<div>BMO Global High Dividend Covered Call 🌐</div> <div><u>ZWG</u></div> <div>Mgmt. Fee: 0.65%</div> <div>Risk Rating: Low to Medium</div>
Sector	<div>BMO Covered Call Canadian Banks 🇨🇦↔️</div> <div><u>ZWB</u> <u>ZWB.U</u> USD Units</div> <div>Mgmt. Fee: 0.65%</div> <div>Risk Rating: <u>ZWB</u>: Medium, <u>ZWB.U</u>: High</div>	<div>BMO Covered Call US Banks 🇺🇸</div> <div><u>ZWK</u></div> <div>Mgmt. Fee: 0.65%</div> <div>Risk Rating: High</div>	<div>BMO Covered Call Utilities 🇨🇦🇺🇸</div> <div><u>ZWU</u></div> <div>Mgmt. Fee: 0.65%</div> <div>Risk Rating: Medium</div>	NEW	<div>BMO Covered Call Spread Gold Bullion ETF</div> <div><u>ZWGD</u></div> <div>Mgmt. Fee: 0.65%</div> <div>Risk Rating: Medium</div>
	<div>BMO Covered Call Health Care 🇺🇸</div> <div><u>ZWHC</u></div> <div>Mgmt. Fee: 0.65%</div> <div>Risk Rating: Medium</div>	<div>BMO Covered Call Energy 🌐</div> <div><u>ZWEN</u></div> <div>Mgmt. Fee: 0.65%</div> <div>Risk Rating: High</div>	<div>BMO Covered Call Technology 🌐</div> <div><u>ZWT</u></div> <div>Mgmt. Fee: 0.65%</div> <div>Risk Rating: Medium to High</div>		

All investments involve risk. The value of an ETF can go down as well as up and you could lose money. The risk of an ETF is rated based on the volatility of the ETF's returns using the standardized risk classification methodology mandated by the Canadian Securities Administrators. Historical volatility doesn't tell you how volatile an ETF will be in the future. An ETF with a risk rating of "low" can still lose money. For more information about the risk rating and specific risks that can affect an ETF's returns, see the BMO ETFs' simplified prospectus.

BMO Covered Call Spread Gold Bullion ETF

Key Benefits



Cash flow

Monthly distributions from a traditionally yield-less asset



Diversification

Preserve the diversification qualities of gold



Lower volatility

Options overlay helps lower fluctuations in price



Convenience

One ticket solution to a professionally managed option strategy



Low cost

65 bps

BMO Covered Call Spread Gold Bullion ETF

Physical Gold with Income

Gold is an asset that all investors should consider including in their portfolios for its diversification and safe-haven qualities. However, some investors find it challenging to own gold because it is a non-yielding asset

The BMO Covered Call Spread Gold Bullion ETF (ZWGD) seeks to generate a tax efficient* option premium on gold, a yield-less asset, while maintaining its diversification benefits by implementing a covered call spread strategy.

*Tax Efficient: as compared to an investment that generates an equivalent amount of interest income.

	Physical Gold ETF	BMO Covered Call Spread Gold Bullion ETF
Physical Gold	✓	✓
Hedge for hyperinflation	✓	✓
Protection against market downturns	✓	✓
Portfolio Diversification	✓	✓
Income	✗	✓

BMO ETF's Methodology for Generating Cashflow

BMO ETF's Covered Call **Spread** Methodology* on Gold

- 50% covered
- Out of the money
- 1 – 2 month in expiry
- Sell 1 option lower strike
- **Buy 1 option higher strike**

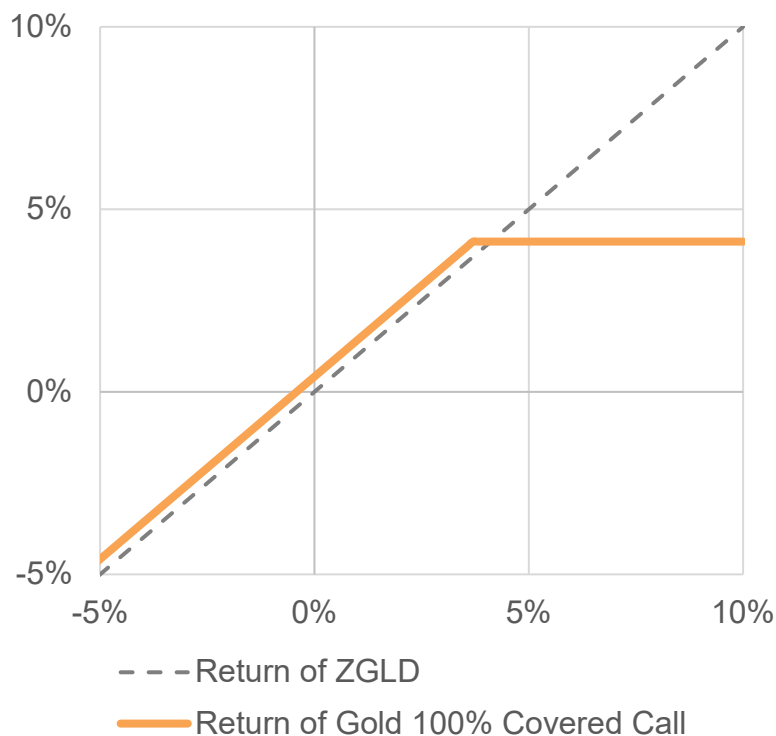
Call spread

The covered call spread methodology is a natural evolution of our existing equities covered call suite, with careful consideration of maintaining Gold's diversification benefits.

*The strategy is implemented by writing (selling) a call option contract, while owning the underlying stock For more information on BMO ETF's covered call methodology visit: [Covered Call Option Strategy-Enhanced Income White Paper](#)

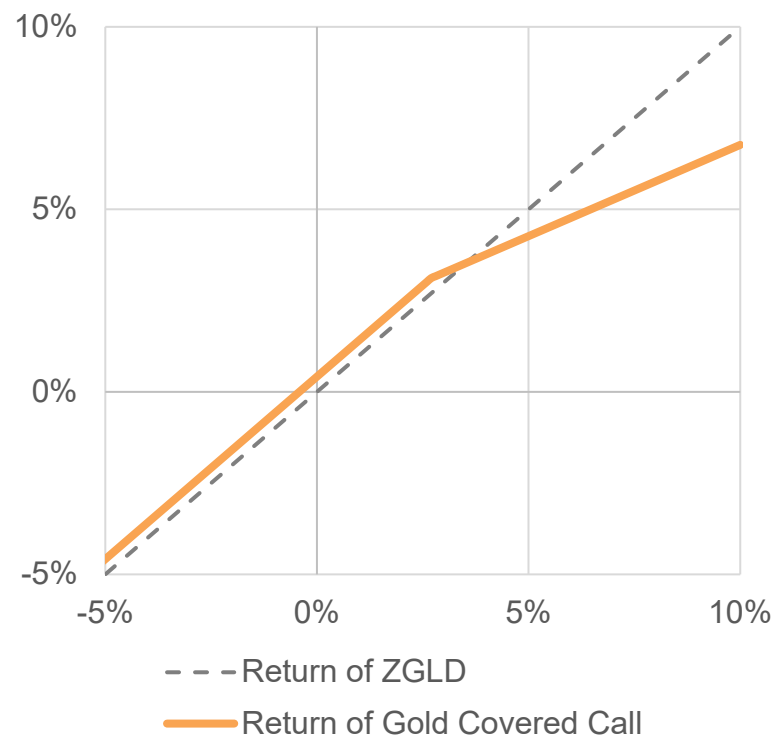
Covered Call Spreads: A Solution for Generating Cashflow From Gold

Option 1: Traditional covered call strategy



- Cashflow with very limited upside from gold
- No portfolio benefits of holding gold directly

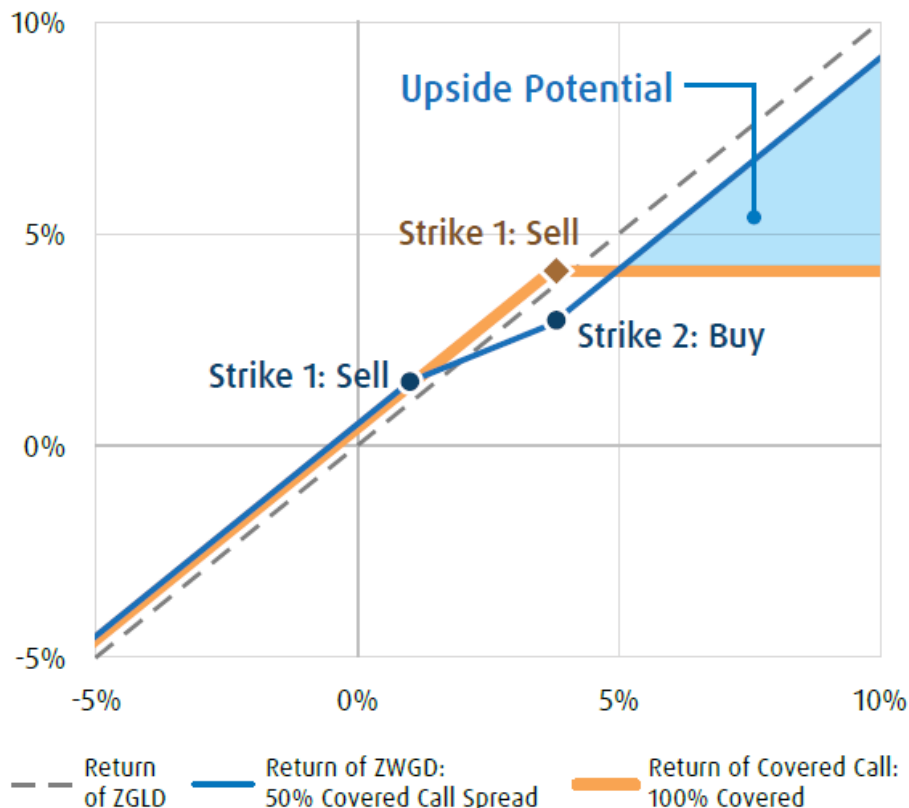
Option 2: 50% call writing



- Cashflow with some upside from gold
- Limited portfolio benefits of holding gold directly

Covered Call Spreads: A Solution for Generating Cashflow From Gold

Option 3: 50% call writing while buying an additional call



Your potential upside increases with a strong link to the price of gold

With ZWGD you get:

- Cash flow
- Cushion on the downside
- Upside participation when portfolios need it most
- Diversification benefits of holding Gold are maintained

For illustrative purpose only. The returns shown on the axes do not reflect the actual performance of the ETFs. Performance data of ZWGD will be available after the fund has completed one full year. Performance is not guaranteed.

Implementation in Action

Consider a \$10,000 portfolio

- Comprised of 100 shares
- Stock price of \$100 per share

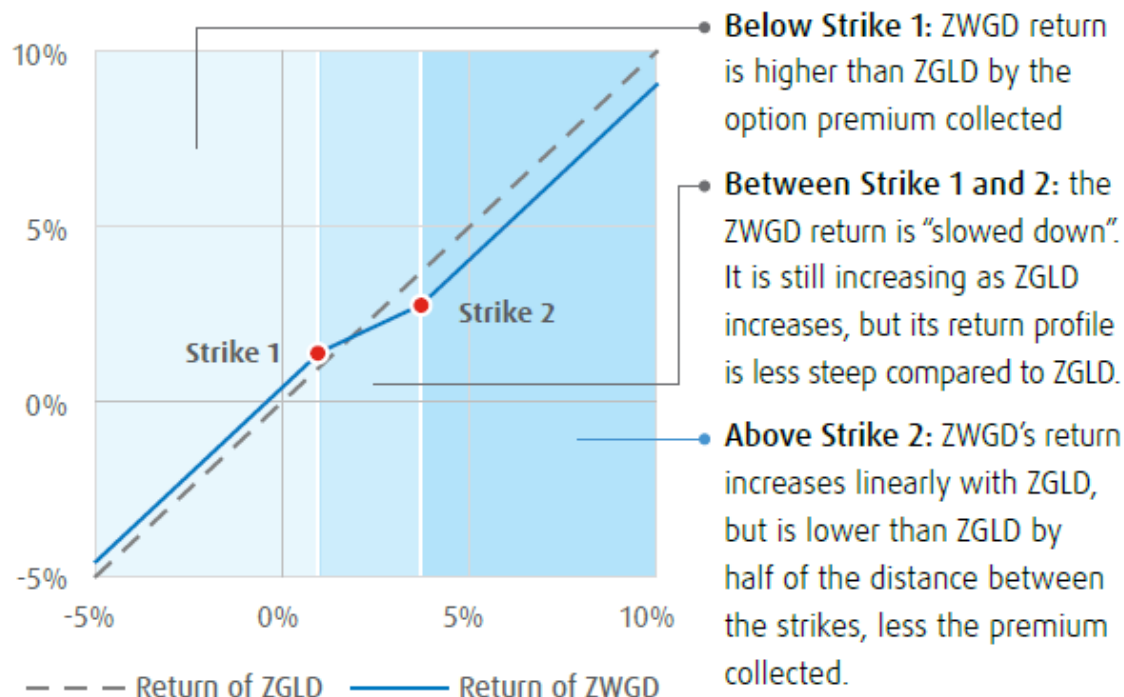
1. **Write a call option**
(strike price \$101)
receive premium: +\$150
 2. **Buy a call option**
(strike price \$103)
pay premium: -\$50
-
3. **Collect net credit = \$100**

Risk reduction benefit (initial cost)

Covered call spread investor:
\$10,000 - \$100 credit
= **\$9,900 (discounted)**

Long only investor: \$10,000

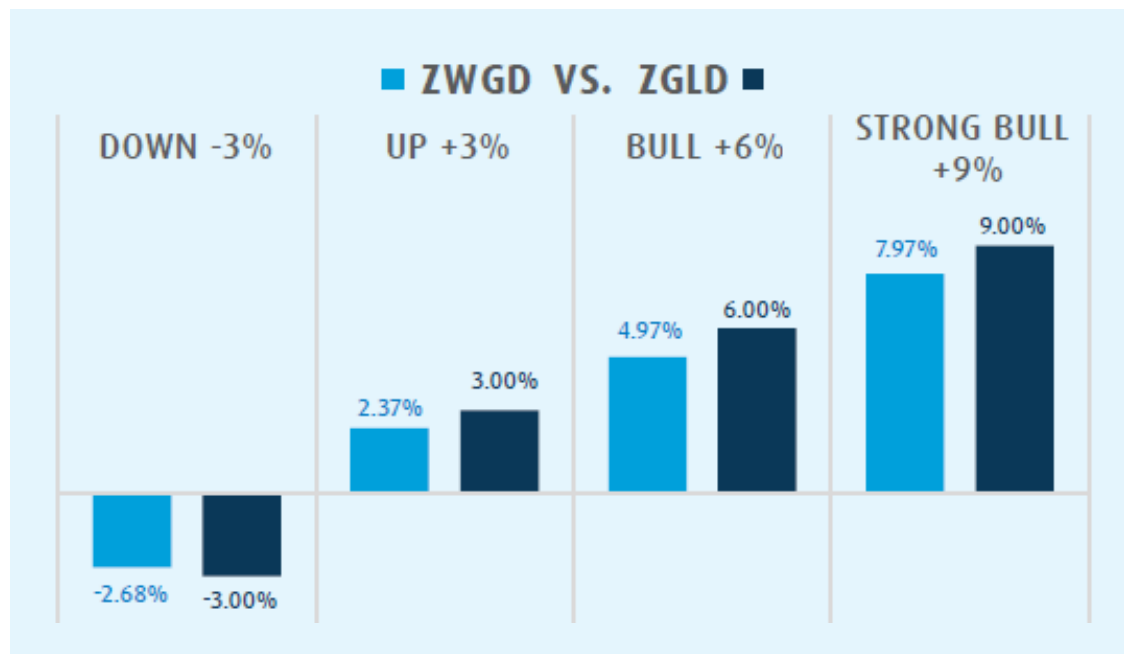
Implementation example: ZWGD monthly payoff relative to gold



For illustrative purpose only. The returns shown on the axes do not reflect the actual performance of any of the ETFs. Performance data of ZWGD will be available after the fund has completed one full year. Performance is not guaranteed.

Scenario Analysis: ZWGD vs ZGLD

Relative to long only exposure to BMO Gold Bullion ETF - ZGLD, this chart illustrates what you can expect from a Covered Call Spread Gold strategy.



Downside

Outperforms ZGLD by the amount of option premium.

Upside

Underperformance to ZGLD is limited by half of the distance between the 2 strikes less the option premium collected.

For illustrative purpose only. The returns shown on the axes do not reflect the actual performance of any of the ETFs. Performance data of ZWGD will be available after the fund has completed one full year. Performance is not guaranteed

Brighten Up Your Cashflow with ZWGD

Leveraging the strength of BMO ETF's covered call suite to expand our derivatives-based capabilities by:

Delivering a monthly cashflow with the foundational strength of physical gold (a non-yield paying commodity)

Maintaining the potential for upside exposure

Mitigating some downside risk by being paid to hold portfolio insurance

Disclaimer

This communication is intended for informational purposes only and is not, and should not be construed as, investment and/or tax advice to any individual. Particular investments and/or trading strategies should be evaluated relative to each individual's circumstances. Individuals should seek the advice of professionals, as appropriate, regarding any particular investment.

The viewpoints expressed by the presenter represent their assessment of the markets at the time of publication. Those views are subject to change without notice at any time. Past performance is no guarantee of future results.

Distribution yields are calculated by using the most recent regular distribution, or expected distribution, (which may be based on income, dividends, return of capital, and option premiums, as applicable) and excluding additional year end distributions, and special reinvested distributions annualized for frequency, divided by current net asset value (NAV). **Distributions are not guaranteed, may fluctuate and are subject to change and/or elimination. Distribution rates may change without notice (up or down) depending on market conditions and NAV fluctuations.** The payment of distributions should not be confused with a BMO Mutual Fund's performance, rate of return or yield. If distributions paid by a BMO Mutual Fund are greater than the performance of the investment fund, your original investment will shrink. Distributions paid as a result of capital gains realized by a BMO Mutual Fund, and income and dividends earned by a BMO Mutual 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.**

Distributions, if any, for all series of securities of a BMO Mutual Fund (other than ETF Series) are automatically reinvested in additional securities of the same series of the applicable BMO Mutual Fund, unless the securityholder elects in writing that they prefer to receive cash distributions. For ETF Series securities of a BMO Mutual Fund, distributions, if any, may be paid in cash or reinvested automatically in additional ETF Series securities of the applicable BMO Mutual Fund and the ETF Series securities will be immediately consolidated such that the number of outstanding ETF Series securities following the distribution will equal the number of ETF Series securities outstanding prior to the distribution. If a securityholder is enrolled in a distribution reinvestment plan, distributions, if any, will be automatically reinvested in additional ETF Series securities of the applicable BMO Mutual Fund pursuant to the distribution reinvestment plan. For further information, see the distribution policy for the applicable BMO Mutual Fund in the simplified prospectus.

Commissions, management fees and expenses all may be associated with investments in exchange traded funds. Please read the ETF Facts or simplified prospectus of the BMO ETFs before investing. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all dividends or distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. 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 simplified 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.

"BMO (M-bar roundel symbol)" is a registered trademark of Bank of Montreal, used under licence.

Disclaimer

The LSEG Lipper Fund Awards, granted annually, highlight funds and fund companies that have excelled in delivering consistently strong risk-adjusted performance relative to their peers. The LSEG Lipper Fund Awards are based on the Lipper Leader for Consistent Return rating, which is a risk-adjusted performance measure calculated over 36, 60 and 120 months. The fund with the highest Lipper Leader for Consistent Return (Effective Return) value in each eligible classification wins the LSEG Lipper Fund Award. For more information, see [lipperfundawards.com](https://www.lipperfundawards.com). Although LSEG makes reasonable efforts to ensure the accuracy and reliability of the data contained herein, the accuracy is not guaranteed by LSEG Lipper

Canada Fund Awards

BMO European Fund (Series F) was awarded the 2024 LSEG Lipper Fund Award in the European Equity category for the 5- and 10-year periods ending July 31, 2024 out of a classification total of 100 funds (three years), 98 funds (five years), 66 funds (ten years). The fund's performance for the period ended September 30, 2024 was 30.60% (one year), 9.59% (three years), 11.23% (five years), 8.91% (ten years) and 9.91% (since inception on November 3, 2008).

BMO Global Dividend Fund (Series F) was awarded the 2024 LSEG Lipper Fund Award in the Global Dividend & Income Equity category for the 3-year period ending July 31, 2024 out of a classification total of 209 funds (three years), 197 funds (five years), 131 funds (ten years). The fund's performance for the period ended September 30, 2024 was 29.75% (one year), 13.45% (three years), 11.51% (five years), 10.25% (ten years) and 11.13% (since inception on August 12, 2013).

BMO U.S. Small Cap Fund (Series F) was awarded the 2024 LSEG Lipper Fund Award in the US Small/Mid Cap Equity category for the 3- and 5-year periods ending July 31, 2024 out of a classification total of 242 funds (three years), 197 funds (five years), N/A (ten years). The fund's performance for the period ended September 30, 2024, was 30.14% (one year), 11.44% (three years), 14.74% (five years) and 11.26% (since inception on May 14, 2018).

Canada ETF Awards

BMO Low Volatility Canadian Equity ETF (Ticker: ZLB) was awarded the 2024 LSEG Lipper Fund Award in the Canadian Equity category for the 10-year period ending July 31, 2024 out of a classification total of 561 funds (three years), 466 funds (five years), 322 funds (ten years). The fund's performance for the period ended September 30, 2024 was 27.43% (one year), 10.68% (three years), 9.89% (five years), 10.44% (ten years) and 12.29% (since inception on October 21, 2011).

BMO Mid Provincial Bond Index ETF (Ticker: ZMP) was awarded the 2024 LSEG Lipper Fund Award in the Canadian Fixed Income category for the 10-year period ending July 31, 2024 out of a classification total of 545 funds (three years), 486 funds (five years), 318 funds (ten years). The fund's performance for the period ended September 30, 2024 was 13.63% (one year), 0.18% (three years), 1.12% (five years), 2.38% (ten years) and 2.44% (since inception on March 19, 2013).

BMO Ultra Short-Term US Bond ETF – USD Units (Ticker: ZUS.U) was awarded the 2024 LSEG Lipper Fund Award in the Global Fixed Income category for the 3- and 5-year periods ending July 31, 2024 out of a classification total of 398 funds (three years), 266 funds (five years), N/A (ten years). The fund's performance for the period ended September 30, 2024 was 5.80% (one year), 3.38% (three years), 2.31% (five years) and 2.33% (since inception on February 12, 2019).

BMO S&P 500 Index ETF – USD Units (Ticker: ZSP.U) was awarded the 2024 LSEG Lipper Fund Award in the US Equity category for the 10-year period ending July 31, 2024 out of a classification total of 1096 funds (three years), 959 funds (five years), 610 funds (ten years). The fund's performance for the period ended September 30, 2024 was 35.86% (one year), 11.53% (three years), 15.59% (five years), 12.95% (ten years) and 14.65% (since inception on November 14, 2012).