**What are Structured Outcome ETFs?**
Structured outcome ETFs seek to reshape a traditional investment's risk/return profile by creating a range of potential outcomes that are known to an investor prior to investing provided they remain invested through the duration of the outcome period. BMO Global Asset Management has launched several new Structured Outcome ETFs that can be characterized as buffer or accelerator.

Historically, these types of structured outcome strategies have only been available to capital markets clients. BMO Global Asset Management aims to democratize these solutions to make them accessible to all.

**What are Buffer ETFs?**
Buffer ETFs provide exposure to the price return and dividends of major equity markets in the United States. In exchange for capped upside, the ETFs have structured buffer levels to help limit losses on the downside. BMO Buffer ETFs provide a cap of 10.5% on the price return (plus dividends) of the underlying and have a buffer on the downside of 15%, resetting annually[1]

**What are Accelerator ETFs?**

Accelerator ETFs seek to take advantage of a slightly upwards trading market by offering approximately 2x the price return of major equity markets in the United States to a cap. The ETFs will provide single one-for-one exposure on the downside, resetting quarterly.

**How do they work?**
Buffer ETF: First, the fund invest in the underlying reference asset. For example, the BMO S&P 500 Hedged to CAD index ETF, ticker ZUE. Next, the fund buys a customized options package known as a put spread. to create the downside buffer. Third, the fund sells an upside call option to pay for the cost of the protective put spread. This is what creates the upside cap on growth potential.
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Accelerator ETF: Accelerator ETFs are constructed using a three step process. First, the fund invest in the underlying reference asset. For example, the BMO S&P 500 Hedged to CAD Index ETF, ticker ZUE. Next, the fund buys an at the money call option to create that enhanced upside potential and at the money call option is when the strike price is equal to the underlying price. Third, the fund sells two higher strike call options to pay for the cost of the at the money call option. This is what creates the upside cap on the growth potential. The result is a strategy that enhances equity market growth potential while not adding any additional downside risk over the life of the option contracts

**What is the MER[2]?**
The MER on all BMO Structured Outcome ETFs is 0.73%.

**What if I buy shares of a Structured Outcome ETF on the first day?**
If you buy the ETF on the first day of a structured outcome period, your structured outcome will match the fund's full parameters of the outcome period.

**What if I buy shares of a Structured Outcome ETF after the first day?**

An investor can achieve a structured outcome at any point during the outcome period, it will just be a different outcome than those who entered the Fund on day one. The potential outcomes will be based on the current NAV and the length of time remaining in the outcome period.

**Do these ETFs mature?**
No. At the end of an outcome period, the Fund will reset into a new portfolio with the same exposure. The new parameters may or may not be the same as the preceding years. Periods of higher market volatility will offer higher upside caps.

**Does any entity guarantee I will not lose my investment? Can I lose my money?**
No. ETFs are not backed by the faith and credit of an issuing institution.

The fund is exposed to the value of a reference asset that may increase or decrease over time.

**Are there any comparable products in the market?**
First trust Canada offers a buffered ETF linked to the S&P 500 and hedged to Canadian dollars at a 0.95% MER. There are currently no accelerator ETFs in Canadian dollars.

**Can I buy and hold this investment, or do I need to re-purchase the ETF after the end of each Outcome Period?**
While the ETFs reset at the end of their respective outcome periods, they can be held indefinitely. At each new outcome period, the ETF will roll into a new set of options contracts to create new structured outcomes aligned with the fund's objectives (i.e. the buffer and accelerator will set new caps).

**How many ETFs are in the series?**
BMO offers 3 structured outcome ETFs, each with 4 outcome period start dates (October, January, April, July) to choose from:

Accelerators:
BMO Canadian Banks Accelerator ETF – Ticker: ZEBA
BMO US Equity Accelerator Hedged to CAD ETF - ZUEA
Buffers:
BMO US Equity Buffer Hedged to CAD ETF – October – Ticker ZOCT

**How do these ETFs fit in my portfolio?**
These ETFs can be used as a complement or replacement for equity allocations in existing portfolios. The inherent flexibility of the ETFs, and the price discovery and intraday liquidity now afforded to structured outcomes, make the structured outcome ETFs an agile portfolio allocation tool.

**What are the fund's investment objectives?**
The BMO Structured Outcome ETFs seeks to provide a specified investment result known to an investor prior to them investing

**What does the fund invest in? What type of reference indices will we use?**
The fund will invest directly in a reference asset and will then buy different options to create the structured outcomes.

**Is it considered a capital gain if I sell at a higher NAV than my initial price?**

Yes.

**Can you breakdown the cost for owning the fund?**
Management fee:
Fund management fee: 0.65%
Taxes
Trading Expense Ratio (TER) is an aggregation of the trading costs incurred to the fund
Sales Charges is an “upfront commission” that your advisor may charge and is negotiated at the time of purchase. See the fund prospectus or fund facts for further details.

**Is there intra-day liquidity?**
Yes, all of BMO Structured Outcome ETFs are listed on the exchange and will trade just like any other exchange traded security.

**What is the minimum purchase price?**
The minimum purchase price is the price listed on the exchange. This price will fluctuate.

**Do the Structured outcome ETFs pay out a dividend?**
Yes, if the underlying reference asset pays out a dividend, the investor of the structured outcome ETF at that time will be eligible to receive the dividend.

**Tax treatment?**
Please consult with a Tax specialist. Generally, the returns on the Structured Outcome ETFs (other than the dividends) will be treated as capital gains.

An investor that purchases Units of a Structured Outcome ETF other than on the first day of a Target Outcome Period and/or sells Units of a Structured Outcome ETF prior to the end of a Target Outcome Period may experience results that are very different from the target outcomes sought by the Structured Outcome ETF for that Target Outcome Period. Both the cap and, where applicable, the buffer are fixed levels that are calculated in relation to the market price of the applicable Reference ETF and a Structured Outcome ETF’s NAV (as defined herein) at the start of each Target Outcome Period. As the market price of the applicable Reference ETF and the Structured Outcome ETF’s NAV will change over the Target Outcome Period, an investor acquiring Units of a Structured Outcome ETF after the start of a Target Outcome Period will likely have a different return potential than an investor who purchased Units of a Structured Outcome ETF at the start of the Target Outcome Period. This is because while the cap and, as applicable, the buffer for the Target Outcome Period are fixed levels that remain constant throughout the Target Outcome Period, an investor purchasing Units of a Structured Outcome ETF at market value during the Target Outcome Period likely purchase Units of a Structured Outcome ETF at a market price that is different from the Structured Outcome ETF’s NAV at the start of the Target Outcome Period (i.e., the NAV that the cap and, as applicable, the buffer reference). In addition, the market price of the applicable Reference ETF is likely to be different from the price of that Reference ETF at the start of the Target Outcome Period. To achieve the intended target outcomes sought by a Structured Outcome ETF for a Target Outcome Period, an investor must hold Units of the Structured Outcome ETF for that entire Target Outcome Period. 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. This Q&A is for information purposes. The information contained herein is not, and should not be construed as, investment, tax or legal advice to any party. Particular investments and/or trading strategies should be evaluated relative to the individual's investment objectives and professional advice should be obtained with respect to any circumstance. 

[1] The buffer and cap listed will be before fees, expenses and taxes.

[2] As the fund is less than one year old, the actual Management Expense Ratio (MER) will not be known until the fund financial statements for the current fiscal year are published. The estimated MER is an estimate only of expected fund costs until the completion of a full fiscal year and is not guaranteed.