BMO Long Short U.S. Equity ETF Fund

Strategy Overview

A long-short strategy is a popular alternative strategy that has been traditionally used by hedge funds that combines long and short positions within a portfolio to capitalize on rises and declines in stock prices at the same time. The goal of the strategy is to generate better risk-adjusted returns[1] by benefitting from both directions of price movements in the market. The long portion benefits from the growth of high-quality stocks while the short portion will provide a portfolio hedge and generate returns when prices are declining, all positions are hand picked by the portfolio management team.

Why invest in BMO GAM's Long-Short strategy?

Access

Existing BMO GAM ETF, now available in a mutual fund structure through direct investment.

Expertise

Managed by the team that brought low volatility solutions to market; BMO GAM's Quantitative Investments team which has a 14yr track record in managing institutional equity portfolios.

Cost effectiveness

Traditionally long-short strategies have charged much higher fees, including performance fees, which lessen the returns available to investors.

Transparency

Daily ETF portfolio transparency so investors will always know what's in the portfolio.

Performance

Potential for stronger risk-adjusted performance and lower beta[2] than long only U.S. equity funds.

Diversification

Innovative portfolio structure allows for increased ability for stock selection with the ability to short.

Democratizing Investing

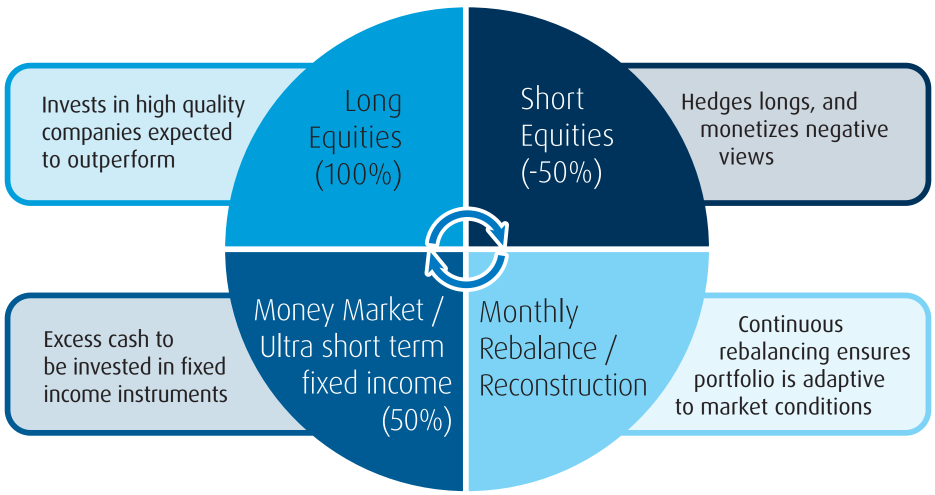
Making a traditionally more exclusive investment strategy more widely available.

Staying invested

The combined benefits of an alternative strategy can assist with staying the course and capitalizing on draw-downs to create potential for better risk-adjusted returns versus a long only strategy.

Portfolio Construction

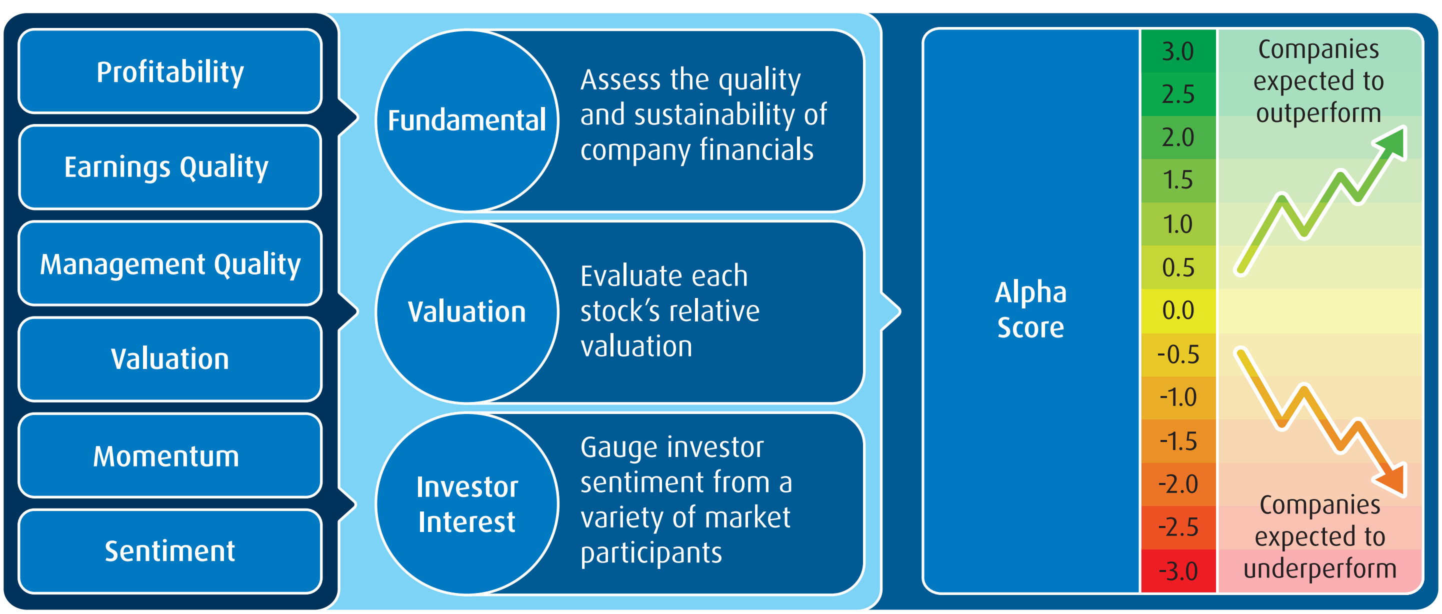
The portfolio will target a 150% gross exposure of approximately 100% long equity (80–100 names) and 50% short equity (60–70 names). Portfolio managers utilize a proprietary stock-ranking methodology, seeking to buy fundamentally strong, attractively valued stocks with positive market sentiment, and sell short companies that are fundamentally weak, expensive, with fading investor interest. Sector holdings net of long and short exposures are managed within 2% of the parent benchmark, the S&P 500 Index. The proceeds from short selling will be invested in short-term fixed income instruments to provide an additional source of return.[3]



Stock Selection Process

The portfolio will purchase companies with high alpha[4] scores and hold short positions in companies with low alpha scores. To ensure diversification and proper risk management, the portfolio will have active security weights net of long and short exposures within 2% of the S&P 500 Index.

In addition, the portfolio management team will consider several factors that are key to a stock's performance. The weighing of factors being considered to build the portfolio are adaptive and can change according to equity market conditions. To further mitigate risk, the portfolio will not exceed an individual stock short exposure allocation of 1.75% and will be rebalanced and reconstituted monthly:



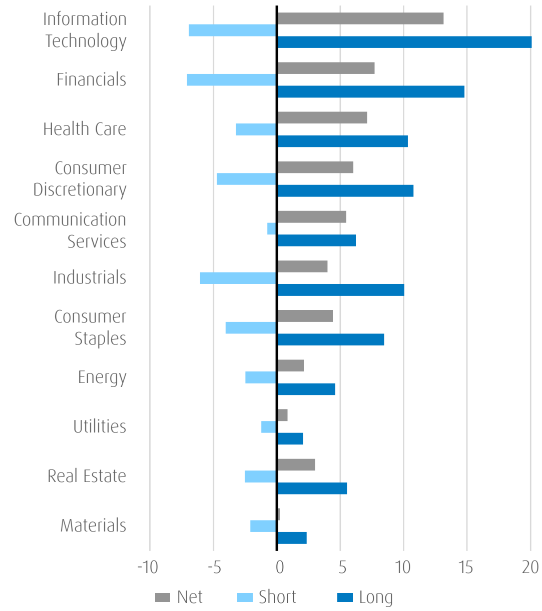
Fund at a Glance

Investment Objective	This fund's objective is to provide long-term capital appreciation primarily by investing, directly or indirectly, in long and short positions in equity securities of issuers in the U.S. Any excess cash will be invested, directly or indirectly, in debt instruments.
Distribution frequency	Quarterly
CIFSC[5] Category	Alternative Equity Focused
Risk Rating[6]	Low to Medium

Codes and Fees

Series	Fund Code	Management Fee (%)
Advisor	BMO99380	1.65
Series F	BMO95380	0.65

Sector Allocation



Source: BMO GAM, Bloomberg, as of March 31, 2025 for the BMO Long Short US Equity ETF. The BMO Long Short U.S. Equity ETF Fund will primarily invest in the BMO Long Short US Equity ETF to obtain these allocations.

BMO Global Asset Management

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[1] Return (risk-adjusted): A measure of investment performance taking into consideration how much risk/volatility was assumed to generate it. Consider two investments, both of which return 10% over a given time period. The investment with the greater risk-adjusted return would be the one that experienced less price fluctuation. Two of the most commonly used measures of risk adjusted returns are Sharpe and Sortino ratios.

[2] Beta: A measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole.

[3] The 150% gross exposure is obtained by going long (buying) 50% and shorting (selling) 50%. The proceeds from the sale are then invested in more long positions, in this case Money Market and other ultra short term fixed income to provide additional returns. This makes the total long position 100%, and the short position 50% for a total gross exposure of 150%.

[4] Alpha: A measure of performance often considered the active return on an investment. It gauges the performance of an investment against a market index or benchmark which is considered to represent the market's movement as a whole. The excess return of an investment relative to the return of a benchmark index is the investment's alpha.

[5] Canadian Investment Funds Standards Committee (CIFSC): An industry group that helps organize and classify different types of investment funds in Canada.

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

This material 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.

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.

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.