







# BMO's Top 6 low correlation ETFs

The benefit of adding lower correlation investments to your portfolio is a reduction in the volatility of the overall portfolio returns. A portfolio with lower variability of returns also tends to help you stay invested over the long-run in different market environments.

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|    | <b>BMO Premium Yield ETF</b>                  | <ul style="list-style-type: none"> <li>• 42% correlation to Canadian markets (ZCN), 77% Correlation to US markets (ZSP)</li> <li>• Alternative yield strategy with downside protection and ability to participate in some equity market growth</li> <li>• Dynamically shifts equity allocation to react to market movements while writing put and call options on high quality US equities</li> </ul>                     |
|    | <b>BMO MSCI Innovation Index ETF</b>          | <ul style="list-style-type: none"> <li>• 51% correlation to Canadian markets (ZCN), 68% correlation to US markets (ZSP)</li> <li>• Captures growth from global themes investing in companies with exposure to autonomous technology &amp; industrial, genomics, fin tech, and next generation internet</li> <li>• Selects companies and adjusts weights based on innovation themes, ZINN is benchmark agnostic</li> </ul> |
|   | <b>BMO Equal Weight Global Gold Index ETF</b> | <ul style="list-style-type: none"> <li>• 26% correlation to Canadian markets (ZCN), 10% correlation to US markets (ZSP)</li> <li>• Equal weight basket of global gold mining companies</li> <li>• Gold is potentially a safe haven from market risk and an inflation hedge</li> </ul>   |
|  | <b>BMO Equal Weight REITs Index ETF</b>       | <ul style="list-style-type: none"> <li>• 62% correlation to Canadian markets (ZCN), 53% correlation to US markets (ZSP)</li> <li>• Equal weight basket of Canadian REITs</li> <li>• REITs offer differentiated revenue sources compared markets dominated by tech and new economy companies</li> </ul>  |
|  | <b>BMO Global Infrastructure Index ETF</b>    | <ul style="list-style-type: none"> <li>• 59% correlation to Canadian markets (ZCN), 67% correlation to US markets (ZSP)</li> <li>• North American listed global infrastructure companies</li> <li>• Infrastructure is generally non-cyclical, providing stable and predictable free cash flow</li> </ul>  |
|  | <b>BMO Laddered Preferred Share Index ETF</b> | <ul style="list-style-type: none"> <li>• 47% correlation to Canadian markets (ZCN), 34% correlation to US markets (ZSP)</li> <li>• Diversified portfolio of laddered Canadian rate reset preferred shares</li> <li>• Sharing some qualities with both equities and fixed income, preferred shares provide investors a differentiated source of return and a steady stream of income.</li> </ul>                           |

Source: Bloomberg, Correlation over the two year period between Mar 2020 and Mar 2022 (ZINN correlation is since inception: Jan 20 2021). Correlation calculated in relation to US markets (ZSP – BMO S&P 500 Index ETF ) and Canadian markets (ZCN – BMO S&P/TSX Capped Composite Index ETF).



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