

# BMO ETFs Commodities Lineup

Commodities are real assets that are necessary for the world economy to function. Energy, base industrial metals, precious metals, agriculture, and livestock are examples.

## 3 Reasons to own commodity and commodity-linked equities in your portfolio

- 1. Diversification** – Commodities and commodity-linked equities tend to have lower correlation than traditional stock and bond market indices.<sup>1</sup>
- 2. Return potential** – May provide alpha<sup>2</sup> to a traditional portfolio as demand increases as the global economy grows.
- 3. Inflation hedge** – Commodities, especially precious metals, have performed well and provided investors with positive rates of returns during inflationary times.<sup>3</sup>

Gaining access to commodities and commodity equities has never been easier. With BMO ETFs, investors can gain access to physical precious metals, precious metal equities, energy equities, base metal companies and agriculture/livestock equities:

Commodity	Precious metals			Base Metals	Energy		Agriculture
Ticker	ZGLD/ZGLD.U/ZGLH	ZGD	ZJG	ZMT	ZEO	ZWEN	ZEAT
Fund Name	BMO Gold Bullion ETF/ BMO Gold Bullion ETF (USD Units) / BMO Gold Bullion Hedged to CAD ETF	BMO Equal Weight Global Gold Index ETF	BMO Junior Gold Index ETF	BMO Equal Weight Global Base Metals Hedged to CAD Index ETF	BMO Equal Weight Oil & Gas Index ETF	BMO Covered Call Energy ETF	BMO Global Agriculture ETF
Exposure type	Physical Gold	Senior Gold Equities	Junior Gold Equities	Base Metal Equities	Oil and Gas Equities	Equities with Enhanced Income	Agriculture Equities
Description	<ul style="list-style-type: none"> <li>• Amongst the most competitive management fee for a physical gold trust that trades over the Toronto Stock Exchange</li> <li>• Locally stored and fully allocated physical exposure, no derivatives or paper certificates are used</li> <li>• Exposure to the price of physical gold bullion without the hassle of handling and storing precious metals</li> <li>• Investors can get exposure to gold via three different ETF options. ZGLD is unhedged to U.S dollar, ZGLH is hedged to the Canadian dollar and ZGLD.U is purchased in U.S dollars</li> </ul>	<ul style="list-style-type: none"> <li>• Exposure to senior global gold mining equities</li> <li>• Equal weighted to lessen security specific risk</li> <li>• Benefits from local currency appreciation</li> </ul>	<ul style="list-style-type: none"> <li>• Designed for investors looking for high growth</li> <li>• Invested in a portfolio of junior gold North American equities</li> <li>• Offers more upside potential to the price of gold than senior miners</li> </ul>	<ul style="list-style-type: none"> <li>• Provides convenient and efficient equal weight exposure to global base metals equities</li> <li>• Benefits from increasing demand for base metals such as Copper, Lead, Nickel, and Zinc, used in various industrial and construction industries</li> <li>• Currency hedged to eliminate U.S. currency exposure</li> </ul>	<ul style="list-style-type: none"> <li>• Exposure to Canadian oil and gas stocks</li> <li>• Equal weighted to lessen security specific risk</li> </ul>	<ul style="list-style-type: none"> <li>• Designed for investors looking for higher income from equity portfolios</li> <li>• Invested in a diversified portfolio of energy, and energy related companies</li> </ul>	<ul style="list-style-type: none"> <li>• Invested in a portfolio of global agriculture and agriculture related companies</li> </ul>
Geographic exposure	N/A	Global	North America	Global	Canada	Global	Global
# of Holdings <sup>4</sup>	1	30	35	24	11	40	31
Management fee	0.20%	0.55%	0.55%	0.55%	0.55%	0.65%	0.35%

## Commodities exhibit low correlation to other major asset classes

### 20 Year Correlation of annual returns (January 1, 2004–January 31, 2024)

	Bloomberg Commodity Index*	U.S. Equities†	Canadian Equities‡	U.S. Bonds§	Canadian Bonds¶
Bloomberg Commodity Index	1	0.45	0.69	0.01	0.51

Source: BMO Global Asset Management, Morning star direct, January 31, 2024.

\* Bloomberg Commodity Index tracks the price of a basket of commodities and is being used to show correlation versus other major asset classes

† U.S. Equities are represented by S&P 500 total return index



‡ Canadian Equities are represented by S&P/TSX Composite Index

§ U.S. Bonds are represented by the U.S. Bloomberg Aggregate Bond Index

¶ Canadian Bonds are represented by the Canada Bloomberg Aggregate



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<sup>1</sup> Source: World gold council, January 31, 2024,

<https://www.gold.org/goldhub/data/gold-correlation#:~:text=Correlations,-9%20February%2C%202024&text=Gold%20provides%20diversification%20in%20a,correlated%20during%20periods%20of%20stress.>

<sup>2</sup> 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.

<sup>3</sup> The holdings are subject to change without notice

<sup>4</sup> Source: London Business School study, <https://www.london.edu/news/commodities-offer-hedge-against-inflation-2153>

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