

Investing With BMO's Asset Allocation ETFs

Asset Allocation ETFs: An important decision, simplified

- **BMO Conservative ETF** (ZCON)
- **BMO Monthly Income ETF** (ZMI)
- **BMO Growth ETF** (ZGRO)
- **BMO Balanced ETF** (ZBAL)
- **BMO Balanced ESG ETF** (ZESG)

Asset Allocation Investing

Asset allocation is one of the most important investment decision an investor will make in their portfolio. The asset allocation of a portfolio will determine how much to allocate to fixed income, equity and to cash:

- **Fixed Income** – Provides security and income
- **Equity** – Aims to provide long-term growth and inflation protection
- **Cash** – Safety, liquidity

Fixed income, equity and cash all offer different characteristics, and each asset class reacts differently to market movements and to economic events. In this way, asset classes work together to help bring an investor the right mix of risk, return, security and growth while maintaining a diversified portfolio.

Why Does the Mix Matter?

A portfolio's asset allocation will have a large impact on an investor's long-term returns, more so than individual stock selection.

The decision between a conservative, balanced and growth portfolio reflects an investor's risk/return profile. An investor must define their return objectives and determine their ability and willingness to accept market risk. An investor must consider factors such as time horizon and investment goals. A longer investing time horizon allows for more allocation to riskier assets such as equities, this is because an investor has more time to recover from short-term corrections. Each investing goal has its own unique asset allocation. Saving for a house, retirement or for education would each have its own optimal asset mix.

BMO's Asset Allocation ETFs: Methodology and Construction

BMO offers five asset allocation ETFs where investors can access their optimal asset allocation:

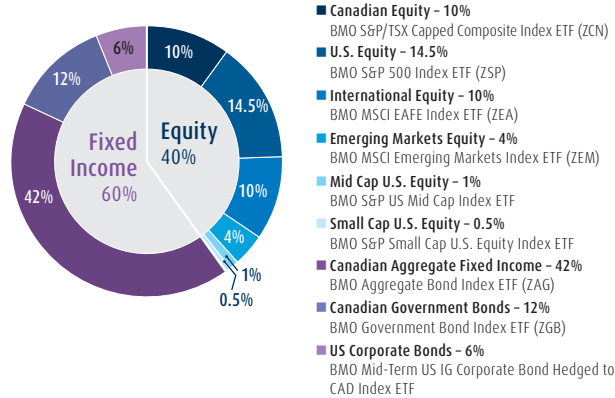
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Market movements impact the asset allocation and cause it to shift over time. BMO's Asset Allocation ETFs will follow a disciplined approach to asset allocation. The ETFs will rebalance quarterly back to the index asset allocation weights. Each ETF holds BMO index ETFs that provide exposure to Canadian, U.S. and International equities and bonds.

BMO's Asset Allocation ETFs are an investing solution built to disciplined index weights which aim to provide investors with an ETF that is low-cost, easy to access and simple to use.

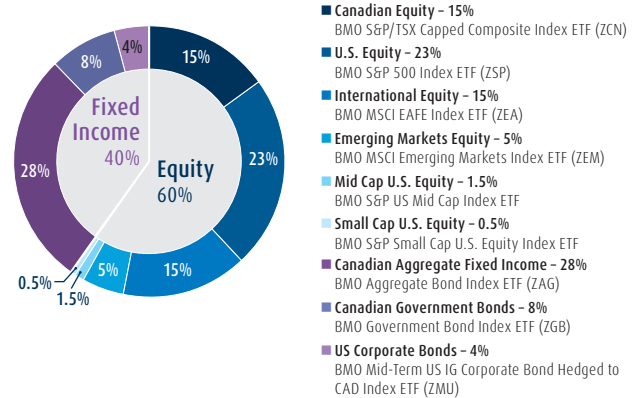
BMO Conservative ETF (Ticker: ZCON)

For investors looking for more security, income, and moderate long-term growth



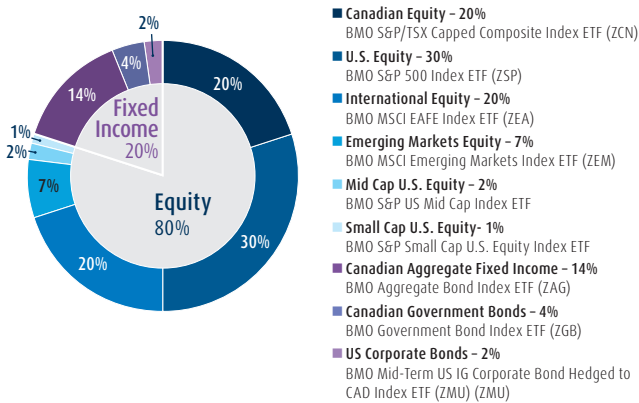
BMO Balanced ETF (Ticker: ZBAL)

For investors looking for moderate income and more potential for long-term growth



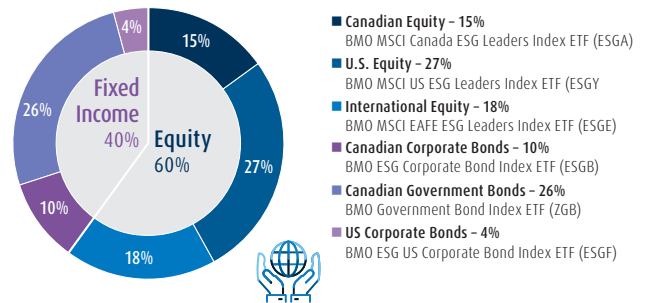
BMO Growth ETF (Ticker: ZGRO)

For investors looking for moderate income and more potential for long-term growth



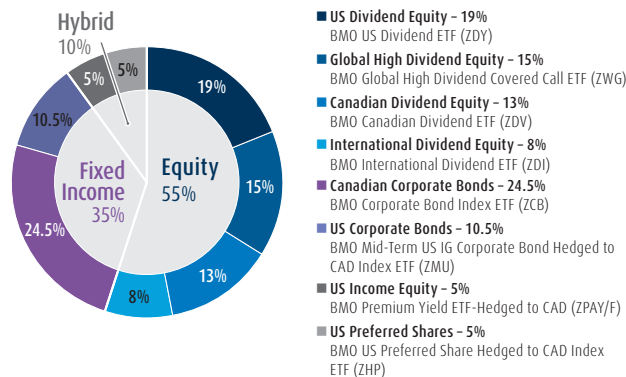
BMO Balanced ESG ETF (Ticker: ZESG)

For investors looking to align their investments with their social values. ZESG is a balanced asset allocation ETF which offers moderate income and more potential for long-term growth



BMO Monthly Income ETF (Ticker: ZMI)

For investors looking for higher yielding balanced ETFs.



Target Asset Allocation as of May 31st 2021. The portfolio holdings are subject to change without notice. They are not recommendations to buy or sell any particular security.

Further Reading

Read about the core underlying ETFs which make up ZCON, ZBAL and ZGRO:

- [A Portfolio is Only as Strong as its Core](#)
- [S&P 500 Mid and Small Cap Indices](#)

Read about the core underlying ESG ETFs which make up ZESG:

- [Responsible About Fixed Income](#)
- [Understanding BMO's ESG ETFs](#)

Read about BMO Monthly Income ETF (ticker ZMI):

- [ZMI Key Facts, Fund benefits, Portfolio Strategy and Risk Rating](#)



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Commissions, management fees and expenses all may be associated with investments in exchange traded funds. Please read the ETF Facts or prospectus 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 prospectus. BMO ETFs and ETF series 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.

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