

# Innovative Solutions to Navigate the Market

## BMO ETF Based Mutual Funds

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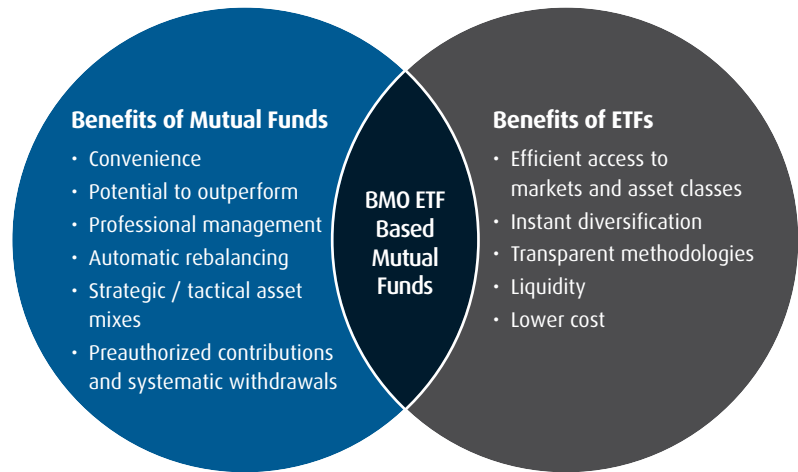
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# Bringing Together the Best of Both Worlds

BMO Global Asset Management (BMO GAM) is adapting to today's changing markets. BMO GAM has combined mutual funds and exchange traded funds (ETFs) to provide innovative solutions to help investors achieve their goals.

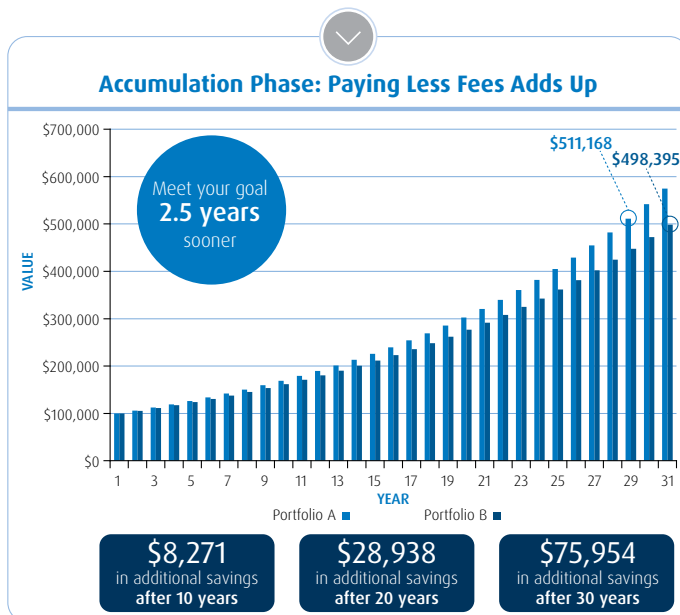
BMO GAM is a global leader, offering both mutual funds and award winning ETFs to investors. Our comprehensive BMO ETF based mutual fund suite is built with investors in mind – combining the benefits of both mutual funds and ETFs into all-in-one investment solutions. BMO GAM brings together the best of both worlds.



## Why ETF Based Mutual Funds Make Sense

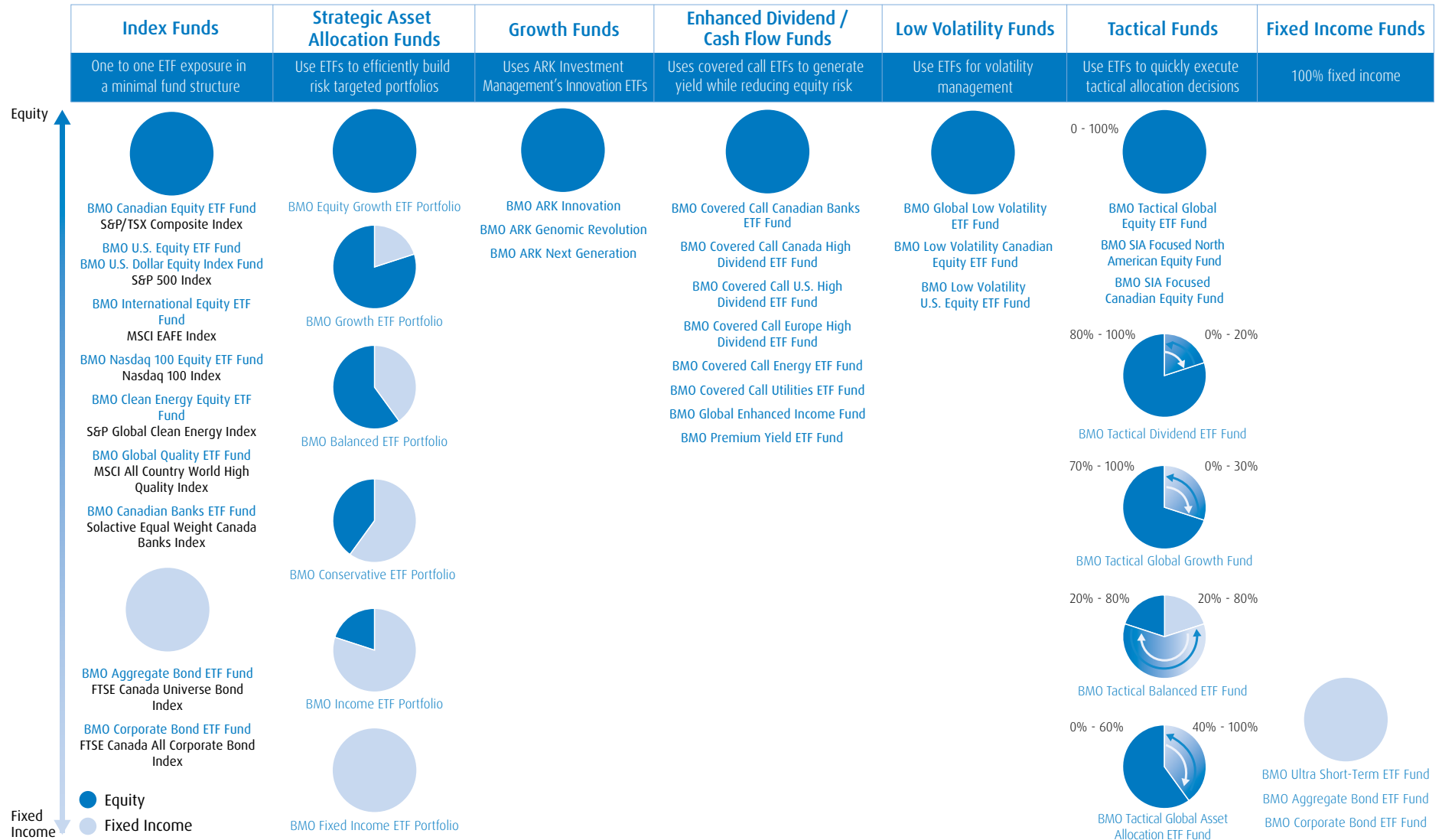
- Simplified investing – Easy to use, all-in-one investment solutions
- Expert oversight – Professional portfolio management with continuous monitoring
- Diversification – Access to a portfolio of stocks or ETFs in a single mutual fund
- Simplified cost structure – Unit holders pay one management fee for the overall portfolio
- Lower cost – ETF based mutual funds tend to charge lower fees than many other diversified investments

Over the long-term, paying lower fees can add up and help you reach your financial goals sooner.



For illustrative purposes only. Graphs show two hypothetical portfolios with an initial investment of \$100,000 each and goal of reaching \$500,000 in 30 years. Portfolio A pays 0.5% less in fees each year, as compared to Portfolio B. Assumes an annual rate of return of 6% with no distributions and withdrawals of \$40,000 per year beginning in year 31.

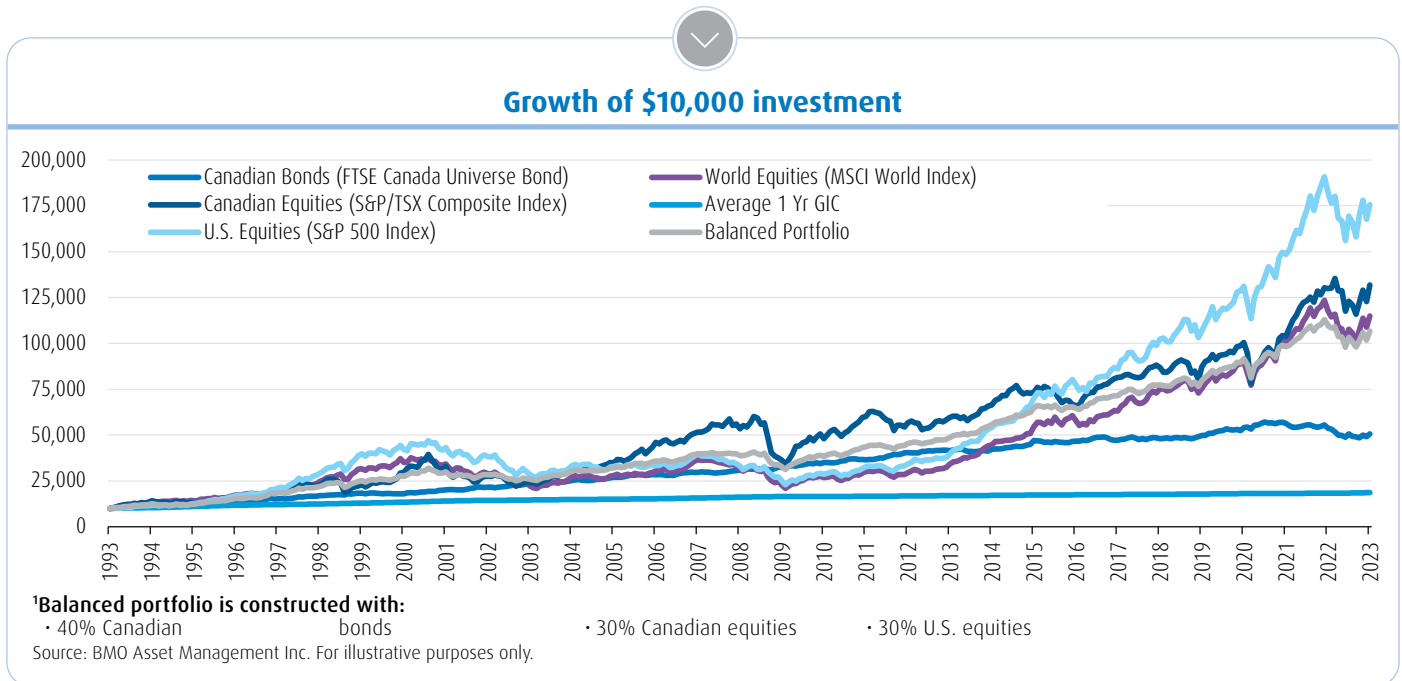
# BMO ETF Based Mutual Fund Roadmap



# Index Funds

**BMO Canadian Equity ETF Fund / BMO U.S. Equity ETF Fund / BMO U.S. Dollar Equity Index Fund / BMO International Equity ETF Fund / BMO Nasdaq 100 Equity ETF Fund / BMO Global Quality ETF Fund / BMO Clean Energy ETF Fund / BMO Canadian Banks ETF Fund / BMO Aggregate Bond ETF Fund / BMO Corporate Bond ETF Fund**

Conveniently access equity markets across the globe with BMO ETF Equity Index Funds and Canadian Government and Corporate fixed income with BMO ETF Fixed Income Index Funds.



Index based mutual funds are designed to give you market returns, with lower fees. BMO ETF Index Funds combines the benefits of exchange traded funds (ETFs) with the convenience of a mutual fund.

**Market  
Returns**

**Diversification**

**Lower  
Fees**

**Tax  
Efficient**

**Convenient**

BMO ETF Index Funds can be used as effective portfolio building blocks or satellites to tilt a portfolio using broad market indices to where you see growth potential. By complementing your active portfolio with BMO ETF Index Funds, your clients can get the best of both worlds with enhanced diversification and the ability to outperform through asset allocation. During strong bull markets, when indices appreciate rapidly, broad market funds have historically outperformed most active funds while still providing the benefits of lower fees and diversification.

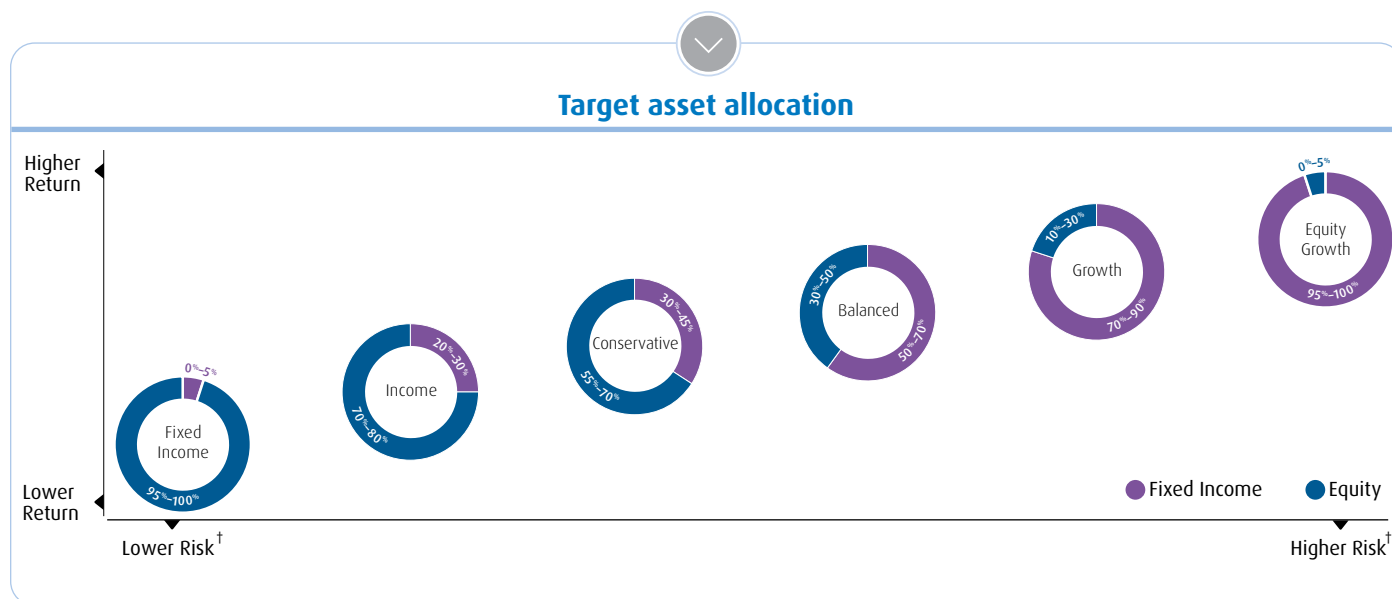


# Strategic Asset Allocation Funds

## BMO ETF Portfolios

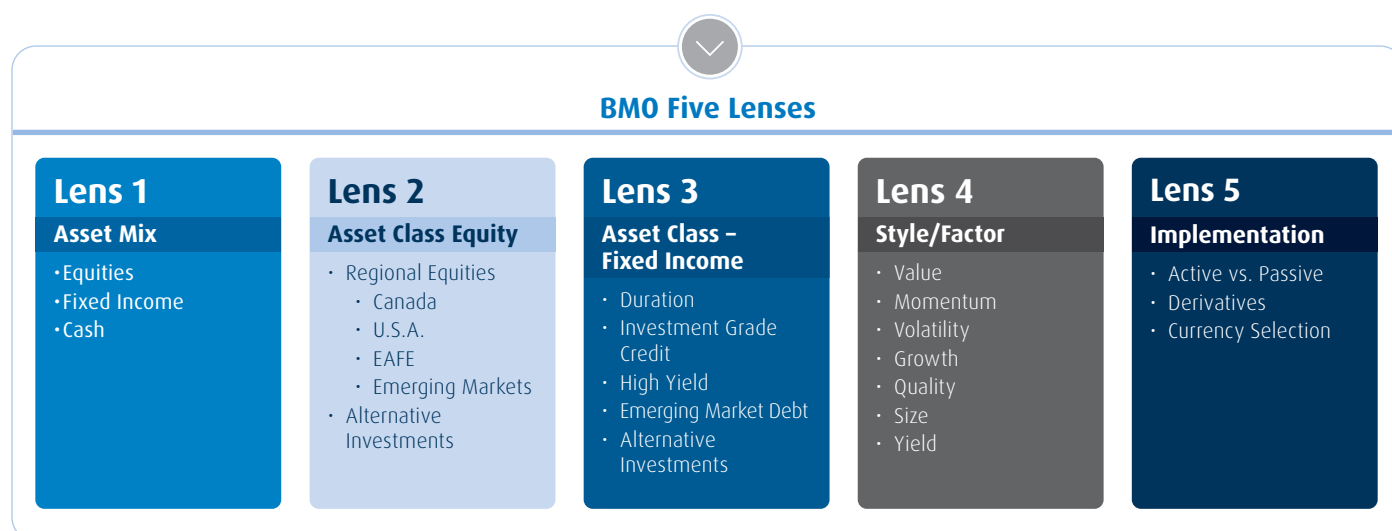
BMO ETF and USD ETF Portfolios are all-in-one investment solutions that allow investors to target a specific risk level based on their investment goals. The six risk based BMO ETF Portfolios combine ETFs to build a single, diversified mutual fund. Investors are able to find the right portfolio that aligns with their goals and risk tolerance. BMO USD ETF Portfolios offer three risk-based solutions, Income, Conservative, and Balanced, making it easy for you to access USD investment options.

**Objective:** Strategically allocate assets over the market cycle to maximize returns for a targeted risk level.



† Risk is defined as the uncertainty of a return and the potential for capital loss in your investment.

The BMO Multi-Asset Solutions Team looks at portfolio positioning using a proprietary process, the Five Lenses, to determine the appropriate asset mix. The managers take a long-term view and position the portfolio holdings to benefit from economic developments across the globe. The process ensures that the portfolios are constructed to help investors reach their long-term goals.

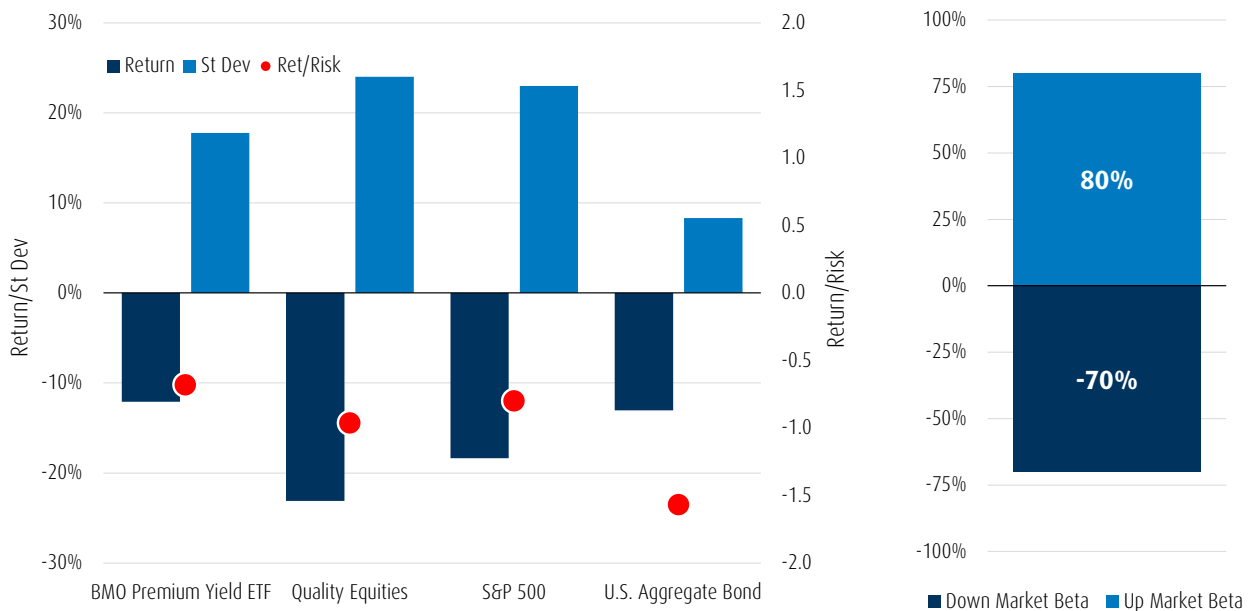


# Enhanced Cash Flow Funds

## BMO Premium Yield ETF Fund

BMO Premium Yield ETF Fund is a cash flow strategy that provides an alternative exposure and different return profile from traditional equities and fixed income investments. BMO Premium Yield ETF uses option strategies (put-write and covered calls) combined with some long stock exposure to provide an enhanced income product that has less volatility, more diversification, higher yield, and partial market exposure.

### Performance & Risk Metrics

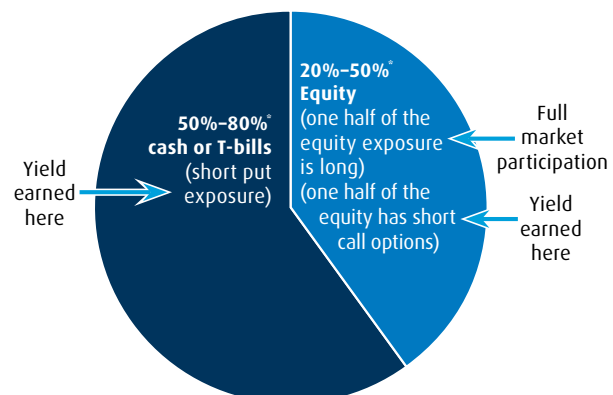


Fund	1 year	3 year	Since Inception
BMO Premium Yield ETF Fund	2.47%	6.58%	4.57%

Source: BMO Global Asset Management, Bloomberg. As of December 31, 2022. BMO Premium Yield ETF used as a proxy as BMO Premium Yield ETF Fund replicates the ETF and the underlying ETF provides a longer performance track record.

### About the fund

The portfolio will invest in a concentrated basket of 40-50 large-cap U.S. equities. Stocks are selected based on quality fundamentals such as strong balance sheets, low debt to equity, high return on equity and liquidity screens. In normal market conditions, the fund will target a range of 25-50% to be invested in equity securities.



\*Portfolio composition can change based on market movements, asset mix below is a target under normal market conditions.

# Enhanced Dividend Funds

**BMO Covered Call Canadian Banks ETF Fund / BMO Covered Call U.S. High Dividend ETF Fund / BMO Covered Call Europe High Dividend ETF Fund / BMO Covered Call Canada High Dividend ETF Fund / BMO Covered Call Energy ETF Fund / BMO Covered Call Utilities ETF Fund / BMO Global Enhanced Income Fund**

## Want More Options? We've Got You Covered

Introducing BMO GAM's covered call ETF funds, brought to you by the industry leaders in the covered call space, providing exposure to dividend yielding companies in Canada, U.S. and Europe with lower volatility and higher income.



## It Starts with Dividend Investing

- Historically, dividend-paying stocks have consistently outperformed non-dividend paying stocks
- Dividend paying stocks typically have lower volatility

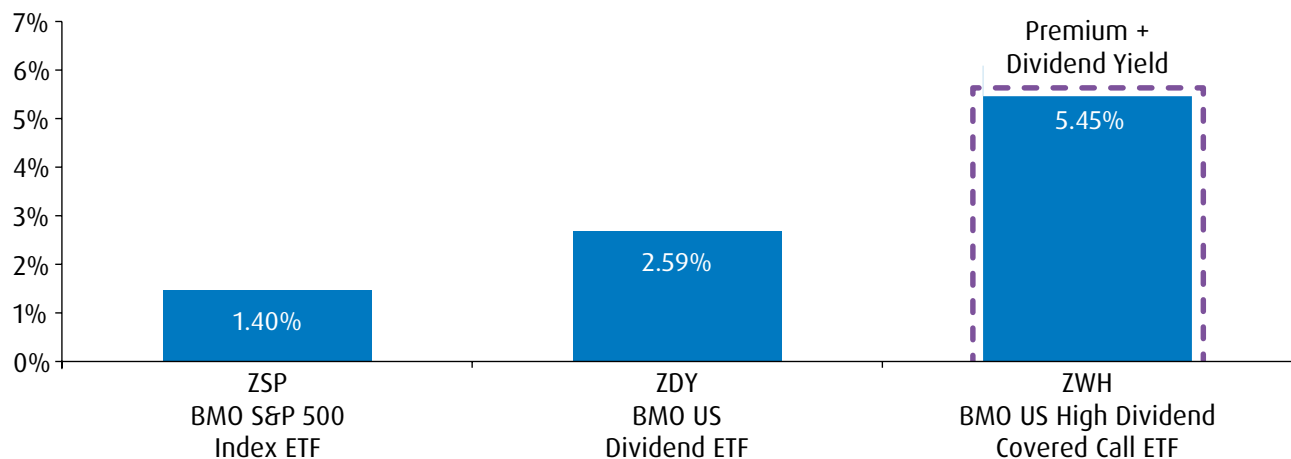
## Covered Call Enhancement

- Increased yield
- Participation in rising markets based on implementation strategy
- Lowers volatility by selling excess upside for call premiums

## BMO GAM's Call Writing Strategy

- Write out-of-the-money short dated, generally 1 to 2 months to expiry, call options
- Maintain the "sweet spot" of call writing by writing on approximately 50% of the portfolio

## Where does the yield come from?



Distribution yield as of August 25, 2023.

Source: BMO Global Asset Management



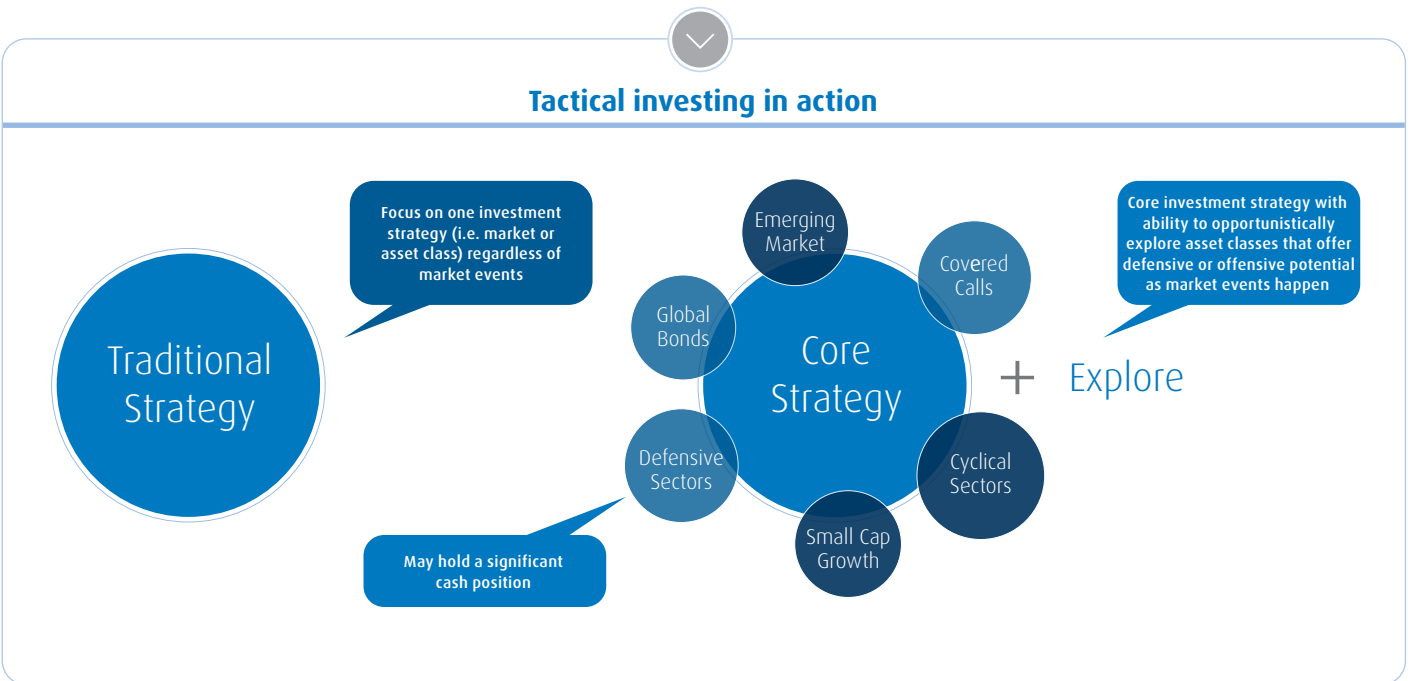
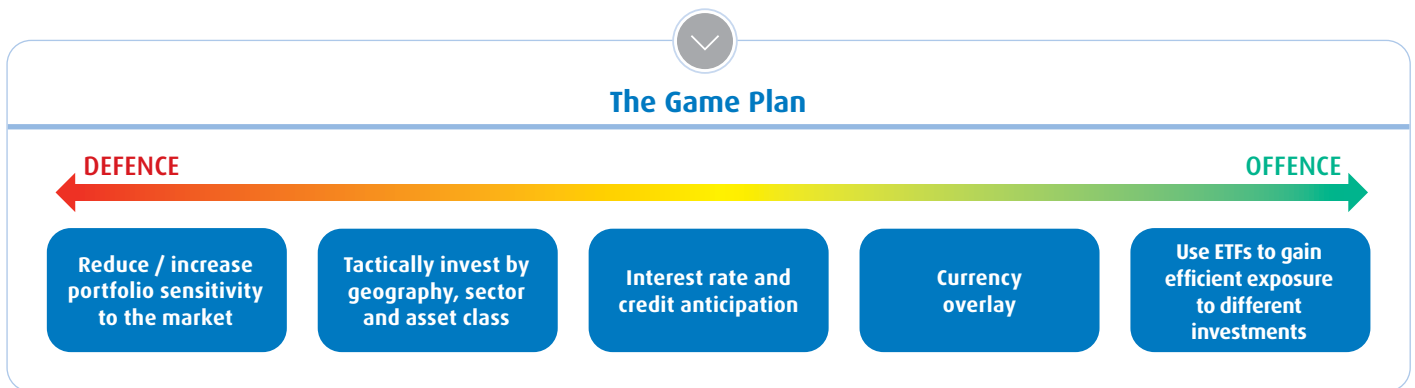
# Tactical Funds

## BMO Tactical Dividend ETF Fund / BMO Tactical Global Growth ETF Fund

Offering sleep at night, all-in-one investment solutions designed for today's changing markets. These funds tactically invest in ETFs to capitalize on market opportunities and lowers risk.

**Objective:** The three funds follow a similar investment process that tactically shifts the portfolios to increase or decrease risk to maximize returns. How they differ is, the BMO Tactical Balanced ETF Fund is focused on total return approach, where the BMO Tactical Dividend ETF Fund is more focused on income, and the BMO Tactical Global Growth ETF Fund with long term growth potential.

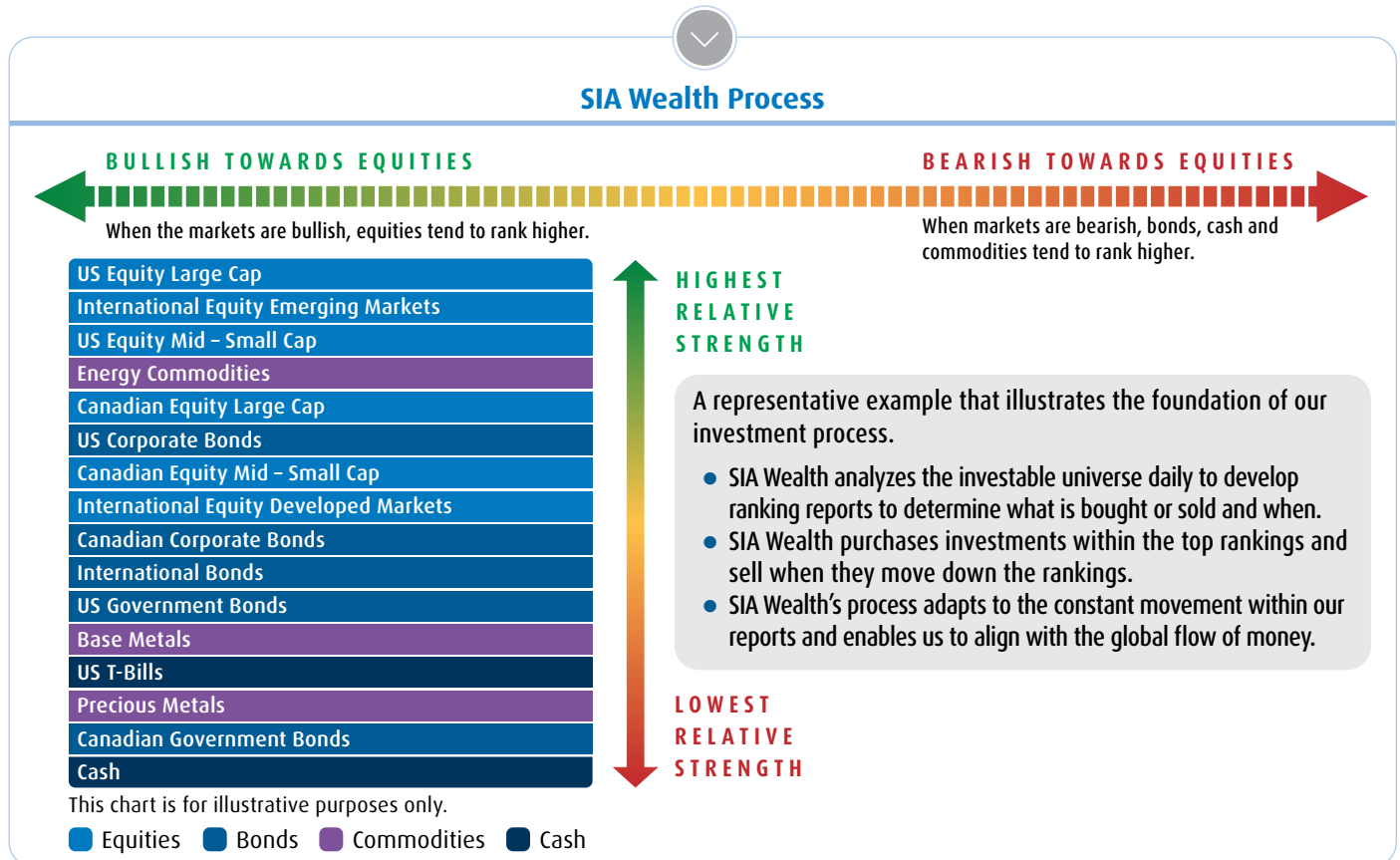
The funds combine active, tactical management with passive ETF investments. The portfolio manager of the fund, **Larry Berman**, uses a unique combination of market statistics and macroeconomic forecasts, paired with fundamental and technical analysis to build the portfolios.



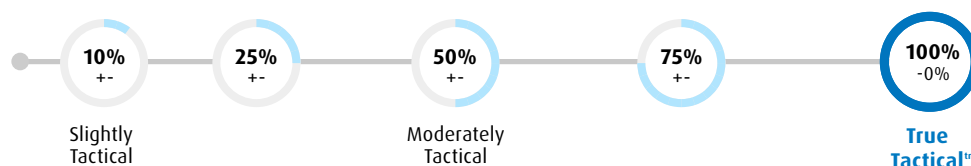
# Tactical Funds

**BM0 Tactical Balanced ETF Fund / BM0 Tactical Global Asset Allocation ETF Fund /  
BM0 Tactical Global Equity ETF Fund / BM0 SIA Focused North American Equity Fund /  
BM0 SIA Focused Canadian Equity Fund**

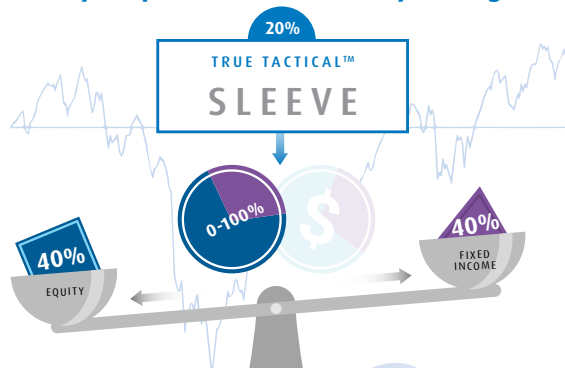
**Objective:** The funds follow a rules based, technical analysis approach that assesses opportunities and threats in the market. The funds are managed by **SIA Wealth Management Inc.** an independent technical analysis firm that uses relative strength and risk management to identify the top asset classes to invest in, given the market environment.



## What Is Your Tactical Range?



**Make sure your portfolio is tactical by adding a TRUE TACTICAL™ sleeve.**



- Benefit from **Automated Tactical Asset Allocation** – the ability to reduce equity exposure without having to sell positions in your portfolio
- **Alternative-like exposure** in a liquid mutual fund/ETF
- **Complementary strategy** to existing long-only equity managers

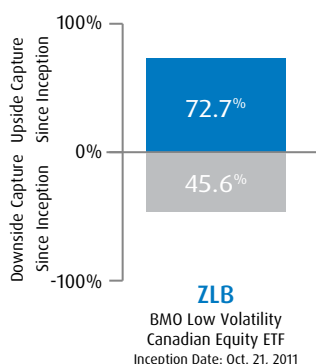
# Low Volatility Funds

## BMO Low Volatility Canadian Equity ETF Fund / BMO Low Volatility U.S. Equity ETF Fund / BMO Global Low Volatility ETF Fund

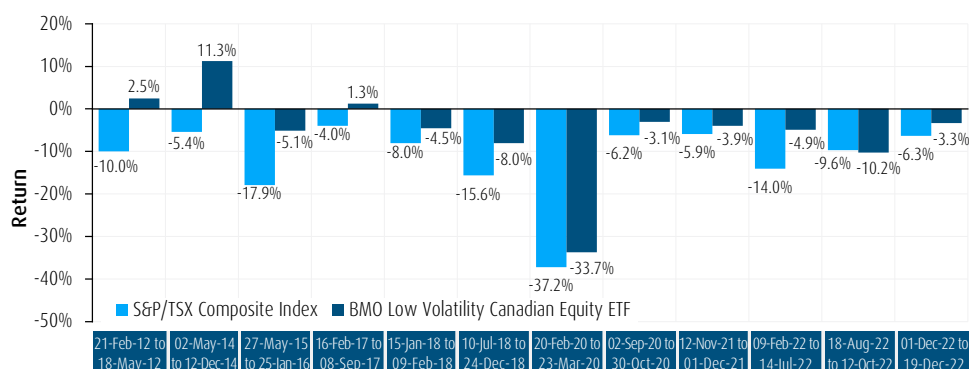
Investors are demanding solutions that stay afloat during market ups and downs. This solution is designed to provide lower risk than the broad market while still providing growth opportunities, giving investors confidence to stay the course over the long-term.

1. **Track Record** – FundGrade A+ Winner 9 Years in a row<sup>1</sup>
2. **Low Volatility** – reduced exposure to market risk by investing in lower beta securities
3. **Invest in Canada** – 100% Canadian solution with enhanced sector diversification to balance resource bias Canadian market

### Captured Upside, Limit Downside

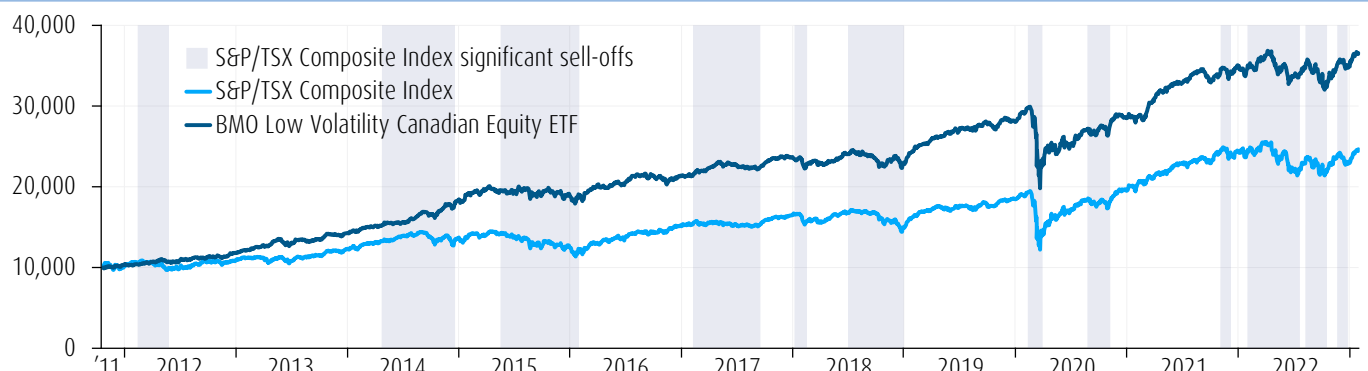


### Mitigate sequence of return risk and provide your clients a smoother return stream



Source: Morningstar data as of December 31, 2022 based on monthly returns. ZLB is compared to the S&P/TSX Composite TR Index.

### 100% Canadian Fund Outperforming in Up & Down Markets BMO Low Volatility Canadian Equity ETF (ZLB) vs. S&P/TSX Composite TR Index



<sup>1</sup> BMO Low Volatility Canadian Equity ETF (ZLB) won the award in 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022. FundGrade A+® is used with permission from Fundata Canada Inc., all rights reserved. The annual FundGrade A+® Awards are presented by Fundata Canada Inc. to recognize the "best of the best" among Canadian investment funds. The FundGrade A+® calculation is supplemental to the monthly FundGrade ratings and is calculated at the end of each calendar year. The FundGrade rating system evaluates funds based on their risk-adjusted performance, measured by Sharpe Ratio, Sortino Ratio, and Information Ratio. The score for each ratio is calculated individually, covering all time periods from 2 to 10 years. The scores are then weighted equally in calculating a monthly FundGrade. The top 10% of funds earn an A Grade; the next 20% of funds earn a B Grade; the next 40% of funds earn a C Grade; the next 20% of funds receive a D Grade; and the lowest 10% of funds receive an E Grade. To be eligible, a fund must have received a FundGrade rating every month in the previous year. The FundGrade A+® uses a GPA-style calculation, where each monthly FundGrade from "A" to "E" receives a score from 4 to 0, respectively. A fund's average score for the year determines its GPA. Any fund with a GPA of 3.5 or greater is awarded a FundGrade A+® Award. For more information, see [www.FundGradeAwards.com](http://www.FundGradeAwards.com). Although Fundata makes every effort to ensure the accuracy and reliability of the data contained herein, the accuracy is not guaranteed by Fundata.

Name	No Load		Advisor Series		T6 Series		Series F	Series F2	Series F6	Series A MER (%)	Advisor Series MER (%)	Series F MER (%)
	Series A	Series T6	FE	LL	FE	LL						
PASSIVE INDEX FUNDS												
BMO Canadian Equity ETF Fund	BM070144/BM0144	-	-	-	-	-	BM095144	-	-	0.94	-	0.34
BMO U.S. Equity ETF Fund	BM070722/BM0722	-	-	-	-	-	BM095722	-	-	0.99	-	0.39
BMO U.S. Dollar Equity Index Fund	BM070803/BM0803	-	-	-	-	-	BM095803	-	-	0.98	-	0.43
BMO International Equity ETF Fund	BM070727/BM0727	-	-	-	-	-	BM095727	-	-	1.06	-	0.45
BMO Nasdaq 100 Equity ETF Fund	BM070120/BM0120	-	-	-	-	-	BM095120	-	-	0.95	-	0.40
BMO Canadian Banks ETF Fund	BM070262/BM0262	-	BM099262	-	BM034262	-	BM095262	-	BM036262	1.41	1.41	0.28
BMO Aggregate Bond ETF Fund	-	-	BM099322	-	-	-	BM095322	-	-	-	0.66†	0.09†
BMO Corporate Bond ETF Fund	-	-	BM099323	-	-	-	BM095323	-	-	-	0.73†	0.17†
BMO Clean Energy ETF Fund	BM070119/BM0119	-	-	-	-	-	BM095119	-	-	0.96	-	0.40
BMO Global Quality ETF Fund	BM070263/BM0263	-	BM099263	-	BM034263	-	BM095263	-	BM036263	1.64	1.64	0.51
FIXED INCOME FUNDS												
BMO Ultra Short-Term Bond Fund	BM070338	-	BM099338	-	-	-	BM095338	-	-	0.73†	0.73†	0.17†
GROWTH FUNDS												
BMO ARK Innovation Fund	-	-	BM099265	-	-	-	BM095265	-	-	-	1.98†	0.85†
BMO ARK Genomic Revolution Fund	-	-	BM099264	-	-	-	BM095264	-	-	-	1.98†	0.85†
BMO ARK Next Generation Internet Fund	-	-	BM099267	-	-	-	BM095267	-	-	-	1.98†	0.85†
STRATEGIC ASSET ALLOCATION FUNDS												
BMO ETF PORTFOLIOS												
BMO Fixed Income ETF Portfolio	BM070700/BM0700	BM070706/BM0706	BM099700	BM098700	BM034706	BM033706	BM095700	BM014700	BM036700	1.00	1.01	0.45
BMO Income ETF Portfolio	BM070701/BM0701	BM070707/BM0707	BM099701	BM098701	BM034707	BM033707	BM095701	BM014701	BM036701	1.66	1.67	0.55
BMO Conservative ETF Portfolio	BM070702/BM0702	BM070708/BM0708	BM099702	BM098702	BM034708	BM033708	BM095702	BM014702	BM036702	1.66	1.67	0.56
BMO Balanced ETF Portfolio	BM070703/BM0703	BM070709/BM0709	BM099703	BM098703	BM034709	BM033709	BM095703	BM014703	BM036703	1.72	1.71	0.61
BMO Growth ETF Portfolio	BM070704/BM0704	BM070710/BM0710	BM099704	BM098704	BM034710	BM033710	BM095704	BM014704	BM036704	1.71	1.72	0.61
BMO Equity Growth ETF Portfolio	BM070705/BM0705	BM070712/BM0712	BM099705	BM098705	BM034712	BM033712	BM095705	BM014705	BM036705	1.76	1.78	0.66
BMO USD ETF PORTFOLIOS												
BMO USD Income ETF Portfolio	BM070816/BM0816	BM070817/BM0817	BM099816	-	BM099817	-	BM095816	-	BM036817	1.70	1.70	0.57
BMO USD Conservative ETF Portfolio	BM070814/BM0814	BM070815/BM0815	BM099814	-	BM099815	-	BM095814	-	BM036815	1.58	1.63	0.53
BMO USD Balanced ETF Portfolio	BM070812/BM0812	BM070813/BM0813	BM099812	-	BM099813	-	BM095812	-	BM036813	1.53	1.56	0.46
ENHANCED DIVIDEND / CASH FLOW FUNDS												
BMO Covered Call Canadian Banks ETF Fund	BM070765/BM0765	-	BM099765	-	-	-	BM095765	-	-	1.63	1.63	0.73
BMO Covered Call Canada High Dividend ETF Fund	BM070127/BM0127	-	BM099127	-	-	-	BM095127	-	-	1.66	1.65	0.73
BMO Covered Call U.S. High Dividend ETF Fund	BM070766/BM0766	-	BM099766	-	-	-	BM095766	-	-	1.67	1.67	0.73
BMO Covered Call Europe High Dividend ETF Fund	BM070767/BM0767	-	BM099767	-	-	-	BM095767	-	-	1.70	1.70	0.73
BMO Global Enhanced Income Fund	BM070166/BM0166	-	BM099166	-	BM034212	-	BM095166	-	BM036166	1.86	1.86	0.73
BMO Premium Yield ETF Fund	-	-	BM099324	-	-	-	BM095324	-	-	-	1.86†	0.73†
BMO Covered Call Energy ETF Fund	BM070330	-	BM099330	-	-	-	BM095330	-	-	1.86†	1.86†	0.73†
BMO Covered Call Utilities ETF Fund	BM070331	-	BM099331	-	-	-	BM095331	-	-	1.86†	1.86†	0.73†
LOW VOLATILITY FUNDS												
BMO Global Low Volatility ETF Fund	BM070326/BM0326	-	BM099326	BM098326	BM034326	BM033326	BM095326	-	BM036326	1.70†	1.70†	0.57†
BMO Low Volatility Canadian Equity ETF Fund	BM070772/BM0772	-	BM099772	-	-	-	BM095772	-	-	1.44	1.43	0.40
BMO Low Volatility U.S. Equity ETF Fund	BM070109/BM0109	-	BM099109	-	-	-	BM095109	-	-	1.40	1.40	0.32
TACTICAL FUNDS												
BMO Tactical Balanced ETF Fund	BM070222/BM0738	-	BM099222	BM098222	-	-	BM095222	-	-	1.78	1.82	0.71
BMO Tactical Dividend ETF Fund	BM070734/BM0734	BM070232/BM0232	BM099734	BM098734	BM034232	BM033232	BM095734	-	BM036734	1.86	1.82	0.76
BMO Tactical Global Growth Fund	BM070762/BM0762	-	BM099762	BM098762	-	-	BM095762	-	-	1.73	1.79	0.67
BMO Tactical Global Asset Allocation ETF Fund	BM070763/BM0763	-	BM099763	BM098763	-	-	BM095763	-	-	1.73	1.73	0.77
BMO Tactical Global Equity ETF Fund	BM070217/BM0217	BM070230/BM0230	BM099217	BM098217	BM034230	BM033230	BM095217	-	BM036217	1.91	1.90	0.93
BMO SIA Focused North American Equity Fund	BM070258/BM0258	-	BM099258	BM098258	-	-	BM095258	-	-	1.89	1.89	0.82
BMO SIA Focused Canadian Fund	BM070257/BM0257	-	BM099257	BM098257	-	-	BM095257	-	-	1.91	1.85	0.80

Management Expense Ratios (MERs) are as of September 30, 2022, unless denoted by a dagger (†), in which case the MERs are estimated as the funds are less than one year old. FE = Front-end, LL = Low Load. Low Load and DSC purchase options are no longer available for sale.

The cost of the underlying ETFs are included in the MERs of the ETF based BMO Mutual Funds. BMO Mutual Funds refers to certain mutual funds and/or series of mutual funds offered by BMO Investments Inc., a financial services firm and separate legal entity from Bank of Montreal. Commissions, trailing commissions (if applicable), management fees and expenses all may be associated with mutual fund investments. Please read the fund facts or prospectus of the relevant mutual fund before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Distributions are not guaranteed and are subject to change and/or elimination. For a summary of the risks of an investment in BMO Mutual Funds, please see the specific risks set out in the prospectus.

## Let's connect



For more information on the topics in this booklet, or for additional information on BMO funds of ETFs, please visit our website at [www.bmo.com/gam/ca/advisor](http://www.bmo.com/gam/ca/advisor)



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BMO Global Asset Management is a brand name that under which BMO Asset Management Inc. and BMO Investments Inc. operate.

BMO Mutual Funds refers to certain mutual funds and/or series of mutual funds offered by BMO Investments Inc. a financial services firm and separate legal entity from Bank of Montreal.

Commissions, management fees and expenses (if applicable) all may be associated with investments in mutual funds and ETFs. Trailing commissions may be associated with investments in certain series of securities of mutual funds. Please read the ETF facts, fund facts or prospectus of the relevant mutual fund or ETF before investing. The indicated rates of return are the historical annual compounded total returns including changes in share or unit value and reinvestment of all dividends or distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds and ETFs are not guaranteed, their values change frequently and past performance may not be repeated.

For a summary of the risks of an investment in BMO Mutual Funds or BMO ETFs, please see the specific risks set out in the prospectus of the relevant mutual fund or ETF. 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 Mutual Funds are offered by BMO Investments Inc., a financial services firm and separate entity from Bank of Montreal. BMO ETFs are managed and administered by BMO Asset Management Inc., an investment fund manager and portfolio manager and separate legal entity from Bank of Montreal.

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. ETF Series of the BMO Mutual Funds are managed by BMO Investments Inc., which is an investment fund manager and a separate legal entity from Bank of Montreal.

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