

# A Place to Park Cash

## Not all cash products are created equal

**NEW! BMO USD Cash Management ETF (Ticker: ZUCM/ZUCM.U)** invests primarily in short term U.S. Treasury Bills which are backed by the US Government. The ETF may hold other short term fixed income investments of appropriate term, quality, and yield. This 100% investment grade ETF will aim to seek capital preservation, ensuring high levels of liquidity while generating regular monthly income.

**BMO Money Market Fund ETF Series (Ticker: ZMMK)** provides exposure to high-quality money market instruments issued by governments and corporations in Canada, including treasury bills, bankers' acceptances, and commercial paper that have a maturity in less than 365 days and have an average term-to-maturity of less than 90 days.

**BMO Ultra Short-Term Bond (Ticker: ZST/ZST.L) and BMO Ultra Short Term US Bond (Ticker: ZUS.U/ZUS.V)** primarily hold investment grade bonds that mature in one-year or less. Given the bonds in our Ultra Short-Term Bond ETFs are near maturity, they tend to be highly liquid. Bonds in these ETFs are selected to provide attractive yield and diversification, while being conservative.

<b>NEW</b>	<b>BMO USD Cash Management ETF</b>		<b>BMO Money Market Fund ETF Series</b>	<b>BMO Ultra Short-Term Bond</b>		<b>BMO Ultra Short-Term US Bond</b>	
	<b>ZUCM</b> unhedged	<b>ZUCM.U</b> USD Units	<b>ZMMK</b>	<b>ZST</b> distributing units	<b>ZST.L</b> accumulating units	<b>ZUS.U</b> distributing units	<b>ZUS.V</b> accumulating units
	Distribution Yield: TBD   M Yield to Maturity: 5.5% Management fee: 0.12% Risk <sup>1</sup> Rating: Low to Medium	Distribution Yield: TBD   M Yield to Maturity: 5.5% Management fee: 0.12% Risk <sup>1</sup> Rating: Low	Distribution Yield: 4.9%   M Yield to Maturity: 5.2% Management fee: 0.12%* Risk <sup>1</sup> Rating: Low	Duration: 0.5 Distribution Yield: 5.1%   M Coupon: 2.7% Yield to Maturity: 5.8% Management fee: 0.15% Risk <sup>1</sup> Rating: Low	Duration: 0.5 Distribution Yield: N/A   M Coupon: 2.7% Yield to Maturity: 5.8% Management fee: 0.15% Risk <sup>1</sup> Rating: Low	Duration: 0.4 Distribution Yield: 4.9%   M Coupon: 1.6% Yield to Maturity: 6.1% Management fee: 0.15% Risk <sup>1</sup> Rating: Low	Duration: 0.4 Distribution Yield: 0.0%   Q Coupon: 1.6% Yield to Maturity: 6.1% Management fee: 0.15% Risk <sup>1</sup> Rating: Low

Source: BMO Global Asset Management, as of October 13<sup>th</sup>, 2023.

Annualized Distribution Yield: The most recent regular distribution, or expected distribution, (excluding additional year end distributions) annualized for frequency, divided by current NAV.

### Key Benefits of BMO's Money Market Fund ETF Series and USD Cash Management ETFs



#### Preservation of Capital

Invests in highly rated securities that provide a high degree of safety

### Key Benefits of Ultra Short-Term Bond ETFs



#### "Cash-Plus Vehicle"

Earn additional yield above treasury bills (T-bills) and GICs



#### Hedge against rising rates

Keep capital protected against inflation, while minimizing market and price volatility



#### De-risk a portfolio

Tactically or strategically move out of equities or bonds, when markets become volatile



#### Low Duration

Lower interest rate sensitivity in your portfolio.



When purchasing an ETF that has a basket of bonds trading at a discount, a portion of the future return will come from price appreciation (difference between the discounted price and the maturity value of \$100) which is treated as a capital gain for tax purposes.

### Shared Benefits



#### Highly Liquid

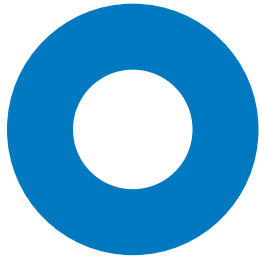
Can be bought or sold even in large institutional sizes without market impact given the liquidity of the underlying portfolio



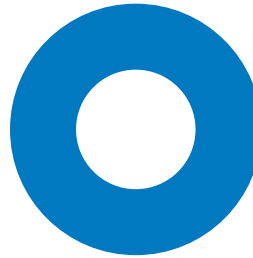
#### No Lock-up Period

Unlike GICs, ETFs can be sold at any time without penalty

**BMO USD Cash Management ETF (Ticker: ZUCM and ZUCM.U)**



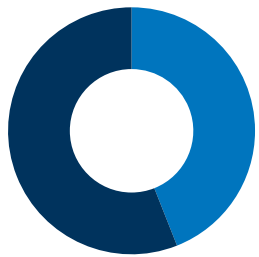
**Target Asset Allocation**  
 ● T-Bill 100%



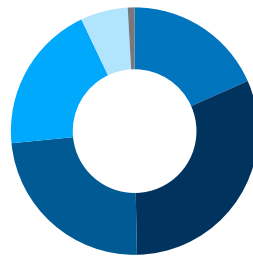
**Target Credit Allocation**  
 ● AA+ 100%

Source: BMO Global Asset Management, October 18<sup>th</sup>, 2023.

**BMO Money Market Fund ETF Series (Ticker: ZMMK)**



**Credit Allocation**  
 ● A1+ 45.20%  
 ● A1 54.80%



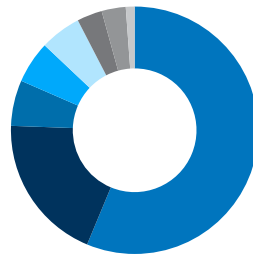
**Maturity**  
 ● 1-7 Days 16.74%  
 ● 8-30 Days 33.19%  
 ● 31-60 Days 25.25%  
 ● 61-90 Days 13.43%  
 ● 91-180 Days 10.71%  
 ● Greater Than 180 Days 0.90%

Source: BMO Global Asset Management, September 29<sup>th</sup>, 2023.

**BMO Ultra Short-Term Bond ETF (Ticker: ZST) | BMO Ultra Short-Term Bond ETF Accumulating Units (Ticker: ZST.L)**



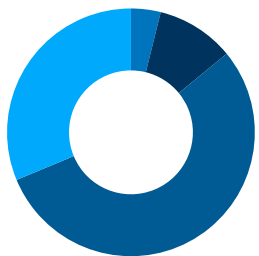
**Maturity Allocation**  
 ● Less Than 1 Year 100.0%



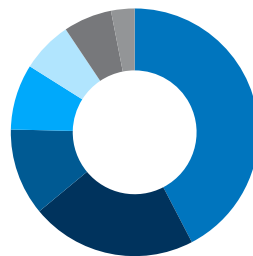
**Sector Allocation**  
 ● Financial 59.98%  
 ● T-Bill 12.49%  
 ● Securitization 7.96%  
 ● Energy 7.41%  
 ● Industrial 4.59%  
 ● Communication Services 3.39%  
 ● Infrastructure 2.90%  
 ● Real Estate 1.28%

Source: BMO Global Asset Management, September 29<sup>th</sup>, 2023.

**BMO Ultra Short-Term US Bond ETF (Ticker: ZUS.U) | BMO Ultra Short-Term US Bond ETF USD Accumulating Units (ZUS.V)**



**Credit Allocation**  
 ● AAA 3.87%  
 ● AA 10.19%  
 ● A 54.67%  
 ● BBB 31.27%



**Sector Allocation**  
 ● Banking 42.36%  
 ● Technology 21.63%  
 ● Consumer Non-Cyclical 11.37%  
 ● Capital Goods 8.58%  
 ● Communications 6.67%  
 ● Consumer Cyclical 6.32%  
 ● Finance Companies 3.07%

Source: BMO Global Asset Management, September 29<sup>th</sup>, 2023. The portfolio holdings are subject to change without notice. They are not recommendations to buy or sell any particular security.

## Accumulating Units



BMO offers an accumulating units series for its ultra short-term bond ETFs. BMO Ultra Short-Term Bond ETF Accumulating Units (ZST.L) and BMO Ultra Short-Term US Bond USD Accumulating Units (ZUS.V).

- Effective solution to mitigate price decline by reinvesting coupons and consolidating the units
- For investors who do not require cash distributions, no coupon is paid out
- Distributes a quarterly reinvested and consolidated distribution which will be added back to the net asset value (NAV)

[Learn More About Accumulating Units](#)

## Key Terms

**Duration:** can measure how long it takes, in years, for an investor to be repaid a bond's price by the bond's total cash flows. Duration can also measure the sensitivity of a bond's or fixed income portfolio's price to changes in interest rates.

**Tactical asset allocation:** tactical asset allocation is an active management portfolio strategy that shifts the percentage of assets held in various categories to take advantage of market pricing anomalies or strong market sectors.

**Strategic asset allocation:** Strategic asset allocation is a portfolio strategy. The investor sets target allocations for various asset classes and rebalances the portfolio periodically. The portfolio is rebalanced to the original allocations when they deviate significantly from the initial settings due to differing returns from the various assets.



\* A management fee waiver of 16 bps was implemented on November 30, 2021. The estimated MER represents what the MER would be with the reduction in place for the entire year.

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

Distributions are not guaranteed and may fluctuate. Distribution rates may change without notice (up or down) depending on market conditions. The payment of distributions should not be confused with an investment fund's performance, rate of return or yield. If distributions paid by an investment fund are greater than the performance of the fund, your original investment will shrink. Distributions paid as a result of capital gains realized by an investment fund, and income and dividends earned by an investment fund, are taxable in your hands in the year they are paid. Your adjusted cost base will be reduced by the amount of any returns of capital. If your adjusted cost base goes below zero, you will have to pay capital gains tax on the amount below zero. Please refer to the distribution policy for BMO ETF set out in the prospectus.

Cash distributions, if any, on units of a BMO ETF (other than accumulating units or units subject to a distribution reinvestment plan) are expected to be paid primarily out of dividends or distributions, and other income or gains, received by the BMO ETF less the expenses of the BMO ETF, but may also consist of non-taxable amounts including returns of capital, which may be paid in the manager's sole discretion. To the extent that the expenses of a BMO ETF exceed the income generated by such BMO ETF in any given month, quarter or year, as the case may be, it is not expected that a monthly, quarterly, or annual distribution will be paid. Distributions, if any, in respect of the accumulating units of BMO Short Corporate Bond Index ETF, BMO Short Federal Bond Index ETF, BMO Short Provincial Bond Index ETF, BMO Ultra Short-Term Bond ETF and BMO Ultra Short-Term US Bond ETF will be automatically reinvested in additional accumulating units of the applicable BMO ETF. Following each distribution, the number of accumulating units of the applicable BMO ETF will be immediately consolidated so that the number of outstanding accumulating units of the applicable BMO ETF will be the same as the number of outstanding accumulating units before the distribution. Non-resident unitholders may have the number of securities reduced due to withholding tax. Certain BMO ETFs have adopted a distribution reinvestment plan, which provides that a unitholder may elect to automatically reinvest all cash distributions paid on units held by that unitholder in additional units of the applicable BMO ETF in accordance with the terms of the distribution reinvestment plan. For further information, see Distribution Policy in the BMO ETFs' prospectus.

Commissions, management fees and expenses (if any) 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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