BMO | Exchange Traded Funds by BMO Global Asset Management

New ETFs: **ZUEA** **ZEBA**

Dial Your Equity Returns Up

BMO US Equity Accelerator Hedged to CAD ETF (Ticker: ZUEA)
BMO Canadian Banks Accelerator ETF (Ticker: ZEBA)

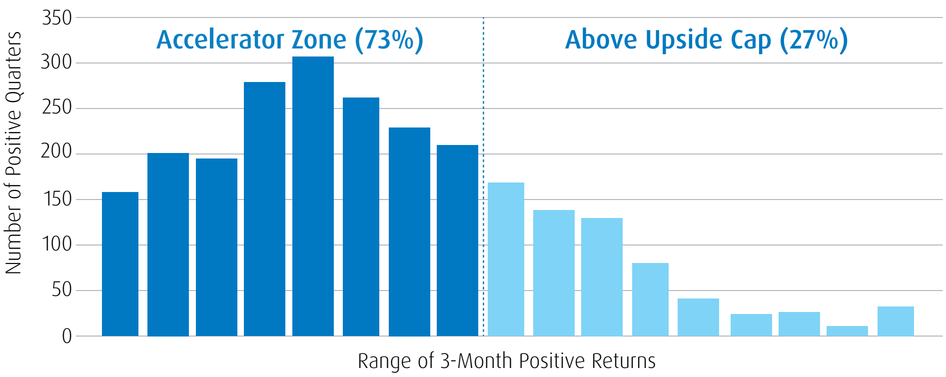
Accelerated Exposure to S&P 500 (Hedged to CAD) or Canadian Banks

Find Your Growth Level

BMO Accelerator ETFs offers a way to ramp up your equity exposure and deliver more from a slow growth environment, **providing approximately 2x the price returns** (plus dividends) of an underlying reference asset.[1]

You can effectively double your upside to a pre-defined level—capitalizing on a mix of equities and options. **The kicker:** Accelerator ETFs do not amplify your downside risk.

S&P 500 Index - 3-Month Positive Return Frequency



Source: Bloomberg as of December 20, 2023.
Past performance is not indicative of future results.

Overview

Reference Asset:	BMO S&P 500 Hedged to CAD Index ETF (Ticker: ZUE) BMO Equal Weight Banks Index ETF (Ticker: ZEB)
Outcome Period:	3 months
Dividends:	Participates in dividends from underlying equities
Upside Participation:	2:1 price return to a cap[1]
Downside Participation:	1:1
Liquidity:	Traded just like any regular exchange traded security
Risk Rating:*	Medium

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

Accelerator Effectiveness

From 2009 to 2023, the S&P 500 Index experienced positive rolling quarters, the majority (73%) of which were between 0 and 8%. ZUEA and ZEBA are designed to deliver approximately 2x price appreciation within the ETF's accelerator zone,[1] provided that assets are held to the end of the outcome period.

Key Benefits

- **Invests in U.S. Equities or Canadian Banks:** You earn an amplified price return of an underlying reference asset up to a cap, plus dividends
- **Automatic Resets** at the end of the outcome period with new parameters
- **Intraday Liquidity** via trading on the exchange during market hours
- **Designed for Taxable Accounts:** Seeks to earn capital gains and income and may also pay return of capital (ROC) distributions
- **No Options Expertise Required:** Traditional ETF that trades on the exchange
- **No Upfront Commissions:** As opposed to other structures, ETFs are ideal for fee-based and discretionary accounts
- **No Use of Leverage:** Outcomes generated through a mix of equities and option contracts

Product Details

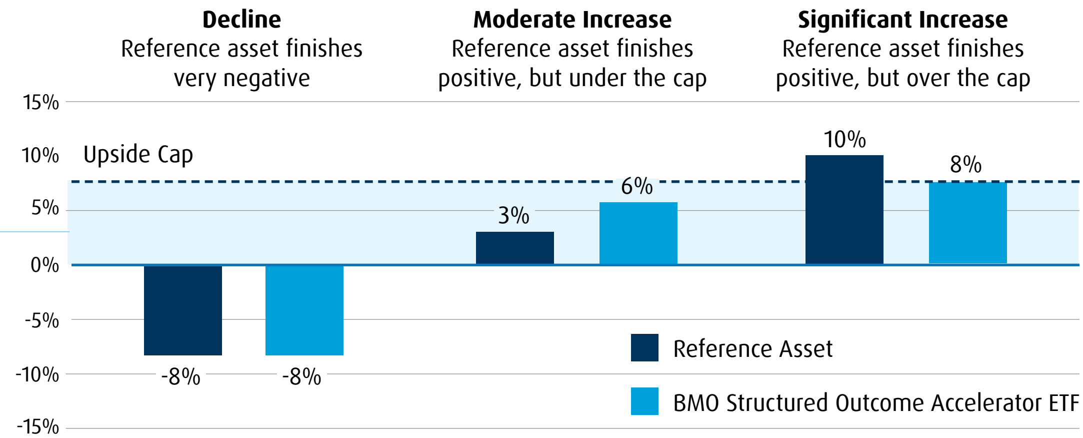
Reference Asset	Ticker	Reference Asset	Estimated MER**	Management Fee	Outcome Period	Cap Reset
BMO Canadian Banks Accelerator ETF	ZEBA	ZEB	0.73%	0.65%	3 Months	January, April, July, October For the latest upside caps, see the Structured Outcome tabs on the following pages: [ZEBA](), [ZUEA]()
BMO US Equity Accelerator Hedged to CAD ETF	ZUEA	ZUE	0.73%	0.65%	3 Months	

** As the ETFs are less than one year old, the actual Management Expense Ratio (MER) will not be known until the Fund financial statements for the current fiscal year are published. The estimated MER is an estimate only of expected Fund costs until the completion of a full fiscal year, and is not guaranteed.

How Accelerators Work

Accelerator ETFs use option contracts engineered to provide approximately 2x price returns with a cap on the market participation over the defined period. The accelerator zone and upside cap on market participation are set at the beginning of the period and only apply at the end of the specified outcome period. Investors trading the ETFs during the period can experience different performance from the stated outcomes.

Get 2x price returns up to a cap.

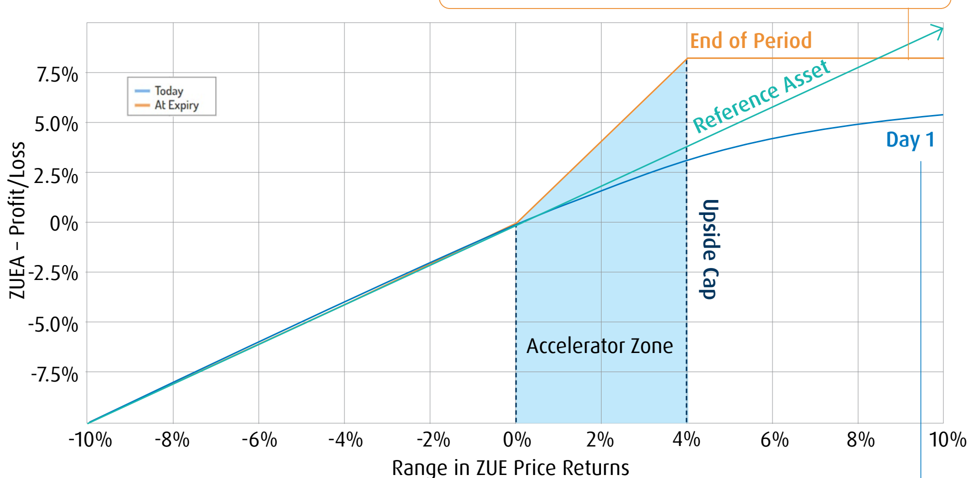


For illustrative purposes only, using 8% as an example only. For the latest upside caps, see the Structured Outcome tabs on the following pages: ZEBA, ZUEA

Accelerator ETFs: Payout Profile

The orange line shows structured outcomes if investors bought on day 1 at the starting NAV of $30.00 and held throughout the period ending March 28, 2024.

The chart on the right shows profit or loss of an Accelerator ETF (y-axis) purchased on Day 1 relative to the performance of its underlying reference asset (x-axis). In this example, investors participate in 2x price return when the reference asset is up between 0% and 4%. For example, a 3% return on the underlying asset would result in 6% for the Accelerator ETF.



For illustrative purposes only.

The option value converges to intrinsic value. This means the blue line will move slowly to the orange line at the end of the outcome period.†

The [BMO ETFs website]() provides important information about the ETF (including Target Outcome Period start and end dates, and the cap and accelerator zones, as well as information regarding the potential outcomes of the ETF on a daily basis.

† Intrinsic value refers to the difference between the current price of the underlying security and the strike price in the option contract. Time value, by contrast, reflects an additional premium that investors are willing to pay for the time left on the option contract; typically, the time value of an option decreases as the contract approaches expiry.

[1] BMO Accelerator ETFs seek to provide unitholders with income and approximately double (2x) the price return of a Reference Index that gives exposure to equity securities up to a cap (before fees, expenses and taxes).

Disclosures:

This communication is intended for informational purposes only and is not, and should not be construed as, investment and/or tax advice to any individual. Particular investments and/or trading strategies should be evaluated relative to each individual's circumstances. Individuals should seek the advice of professionals, as appropriate, regarding any particular investment. Investors cannot invest directly in an index.

Any statement that necessarily depends on future events may be a forward-looking statement. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Although such statements are based on assumptions that are believed to be reasonable, there can be no assurance that actual results will not differ materially from expectations. Investors are cautioned not to rely unduly on any forward-looking statements. In connection with any forward-looking statements, investors should carefully consider the areas of risk described in the most recent prospectus.

An investor that purchases Units of a Defined Outcome ETF other than on the first day of a Target Outcome Period and/or sells Units of a Defined Outcome ETF prior to the end of a Target Outcome Period may experience results that are very different from the target outcomes sought by the Defined Outcome ETF for that Target Outcome Period. Both the cap and, where applicable, the buffer are fixed levels that are calculated in relation to the market price of the applicable Reference ETF and a Defined Outcome ETF's NAV (as defined herein) at the start of each Target Outcome Period. As the market price of the applicable Reference ETF and the Defined Outcome ETF's NAV will change over the Target Outcome Period, an investor acquiring Units of a Defined Outcome ETF after the start of a Target Outcome Period will likely have a different return potential than an investor who purchased Units of a Defined Outcome ETF at the start of the Target Outcome Period. This is because while the cap and, as applicable, the buffer for the Target Outcome Period are fixed levels that remain constant throughout the Target Outcome Period, an investor purchasing Units of a Defined Outcome ETF at market value during the Target Outcome Period likely purchase Units of a Defined Outcome ETF at a market price that is different from the Defined Outcome ETF's NAV at the start of the Target Outcome Period (i.e., the NAV that the cap and, as applicable, the buffer reference). In addition, the market price of the applicable Reference ETF is likely to be different from the price of that Reference ETF at the start of the Target Outcome Period. To achieve the intended target outcomes sought by a Defined Outcome ETF for a Target Outcome Period, an investor must hold Units of the Defined Outcome ETF for that entire Target Outcome Period.

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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 of the BMO ETFs before investing. The indicated rates of return are the historical annual compound total returns including changes in prices and reinvestment of all distributions and do not take into account commission charges or income taxes payable by any unitholder that would have reduced returns. Exchange traded funds are not guaranteed, their value 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 BMO ETFs prospectus. 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 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.

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