BMO | Exchange Traded Funds

A Shock Absorber For Your Portfolio

BMO US Equity Buffer Hedged to CAD ETF – July (Ticker: ZJUL)
BMO US Equity Buffer Hedged to CAD ETF – April (Ticker: ZAPR)
BMO US Equity Buffer Hedged to CAD ETF – January (Ticker: ZJAN)
BMO US Equity Buffer Hedged to CAD ETF – October (Ticker: ZOCT)

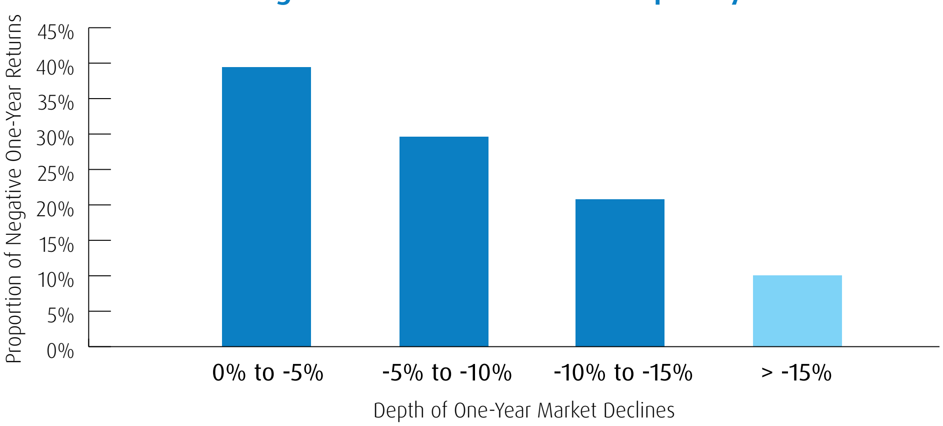
Buffered Exposure to the S&P 500 Hedged to CAD Index

Find Your Comfort Level

Worried about a market decline? Want to reduce the risk of market timing? BMO Buffer ETFs can complement or substitute your core equity positions, providing a built-in cushion on the downside while keeping you invested in broad U.S. equities.

These strategies help you participate in the upside to a pre-determined level—and if the underlying reference asset falls, you have a buffer zone to mitigate losses. Effectively, you trade in some upside for added downside protection.

S&P 500 Index - Negative One-Year Return Frequency



Source: Bloomberg as of June 30, 2023.
Past performance is not an indication of future results.

Overview

Reference Asset:	BMO S&P 500 Hedged to CAD Index ETF (Ticker: ZUE)
Outcome Period:	12 months
Dividends:	Participates in dividends on underlying equities
Upside Participation:	1:1 participation in the price return to a cap
Buffer Protection:	ETF seeks to protect against losses in the buffered zone
Liquidity:	Intraday liquidity
Risk Rating:*	Medium

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

Buffer Effectiveness

Buffer ETFs are designed to protect capital against market declines that occur within the ETF's buffer zone, provided that assets are held to the end of the outcome period. Since 2010, 90% of the time the market is down over a one-year period, it has been down less than 15%.

Key Benefits

- **Invests in U.S. Equities:** You earn price return of an underlying reference asset up to a cap, plus dividends[1]
- **Automatic Resets** at the end of the outcome period with new parameters offering continued protection
- **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

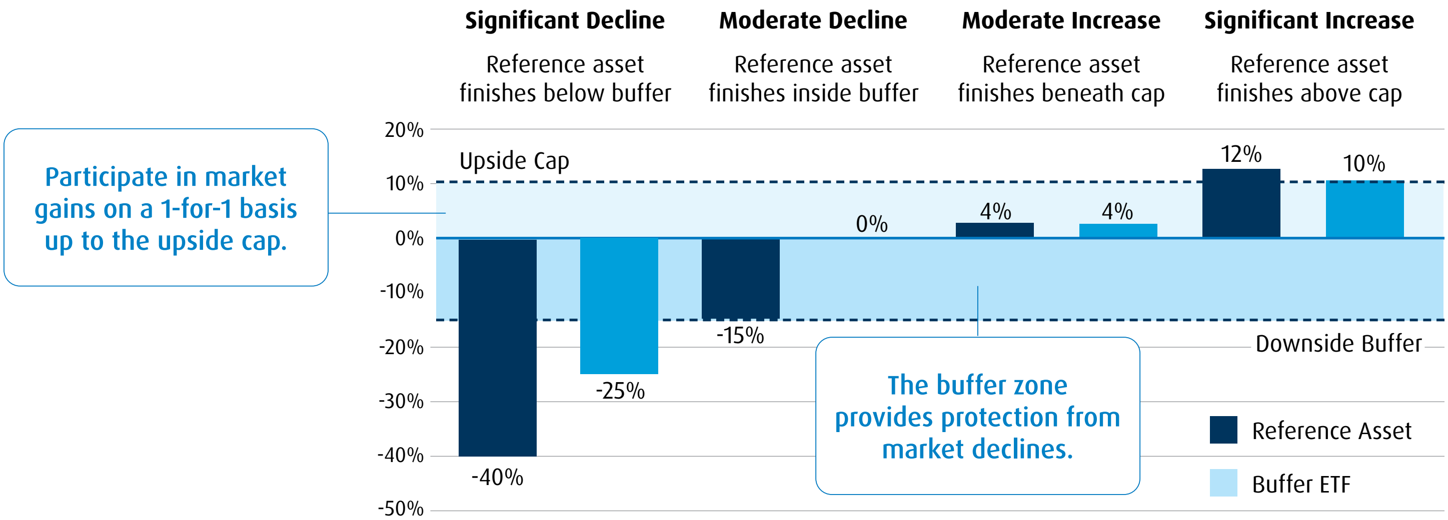
Ticker	Reference Asset	Estimated MER*	Management Fee	Buffer	Upside Cap	Outcome Period	Distribution Frequency	Buffer/Cap Reset (Annually)
ZJUL	ZUE	0.73%	0.65%	15%	9.0%	12 months	Quarterly	July
ZAPR	ZUE	0.73%	0.65%	15%	10.0%	12 months	Quarterly	April
ZJAN	ZUE	0.73%	0.65%	15%	9.0%	12 months	Quarterly	January
ZOCT	ZUE	0.73%	0.65%	15%	10.5%	12 months	Quarterly	October

* 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 Buffers Work

Buffer ETFs use options contracts engineered to provide a layer of protection with a cap on the market participation over the defined period. Within the period, values will depend on the market, intrinsic and time value of the options.† The buffered zone and cap on market participation is set at the beginning of the period and only applies at the end of the specified outcome period. Investors trading the ETFs during the period can experience different performance from the stated downside buffers and upside cap.

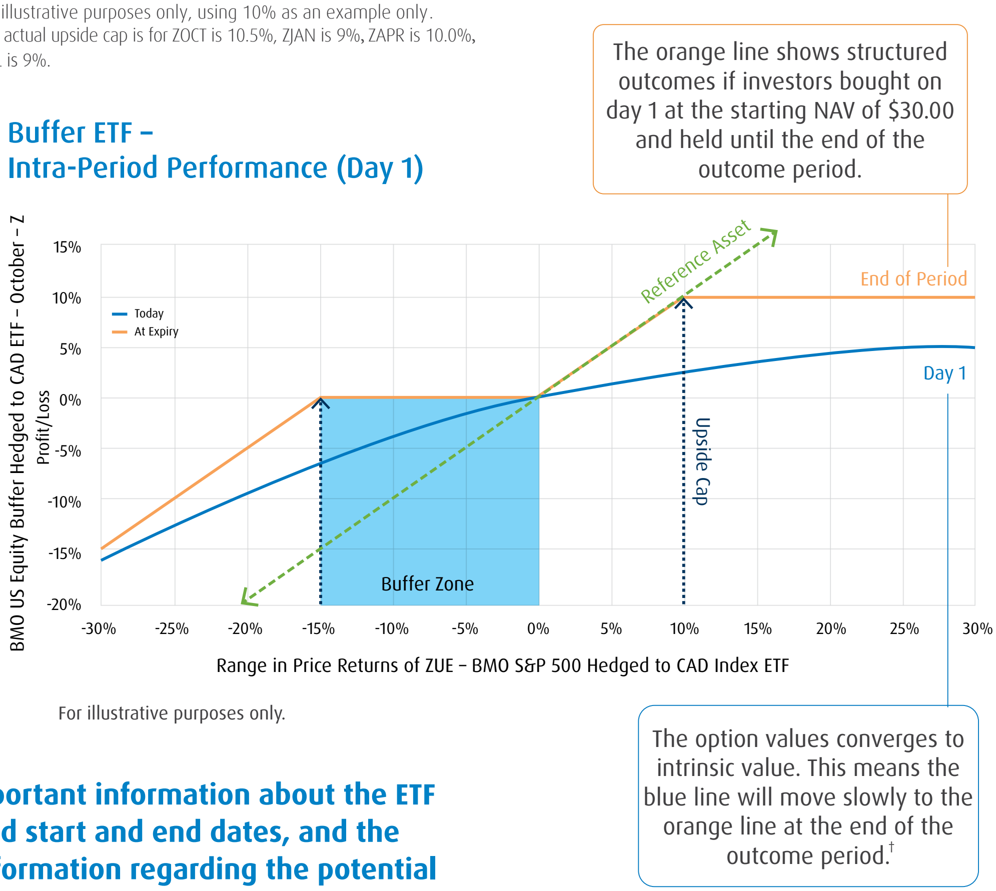
Potential Outcomes Scenarios: Day 1 to Day 365



For illustrative purposes only, using 10% as an example only.
The actual upside cap is for ZOCT is 10.5%, ZJAN is 9%, ZAPR is 10.0%, ZJUL is 9%.

Buffer ETF – Intra-Period Performance (Day 1)

The chart on the right shows profit or loss of a Buffer ETF (y-axis) purchased on day 1 relative to the performance of its underlying reference asset (x-axis). In this example, investors are protected from losses when the reference asset price return is between 0% and -15%. For example, if the reference asset drops by 20%, the Buffer will absorb the first 15% and only be down 5% at the end of the period.



For illustrative purposes only.

The BMO ETFs website provides important information about the ETF including the Target Outcome Period start and end dates, and the cap and buffer 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 Buffer ETFs seeks to provide income and appreciation that match the return of a Reference Index up to a cap (before fees, expenses and taxes), while providing a buffer against the first 15% (before fees, expenses and taxes) of a decrease in the Reference Index over a period of approximately one year, starting from the first business day of the stated outcome period.

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 Structured Outcome ETF other than at starting NAV on the first day of a Target Outcome Period and/or sells Units of a Structured 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 Structured 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 Structured 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 Structured Outcome ETF's NAV will change over the Target Outcome Period, an investor acquiring Units of a Structured 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 Structured 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 Structured Outcome ETF at market value during the Target Outcome Period likely purchase Units of a Structured Outcome ETF at a market price that is different from the Structured 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 Structured Outcome ETF for a Target Outcome Period, an investor must hold Units of the Structured Outcome ETF for that entire Target Outcome Period. Target outcome period for ZJUL is approximately one year from the first business day of July each year to on or about the last business day of June of that year.

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.

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