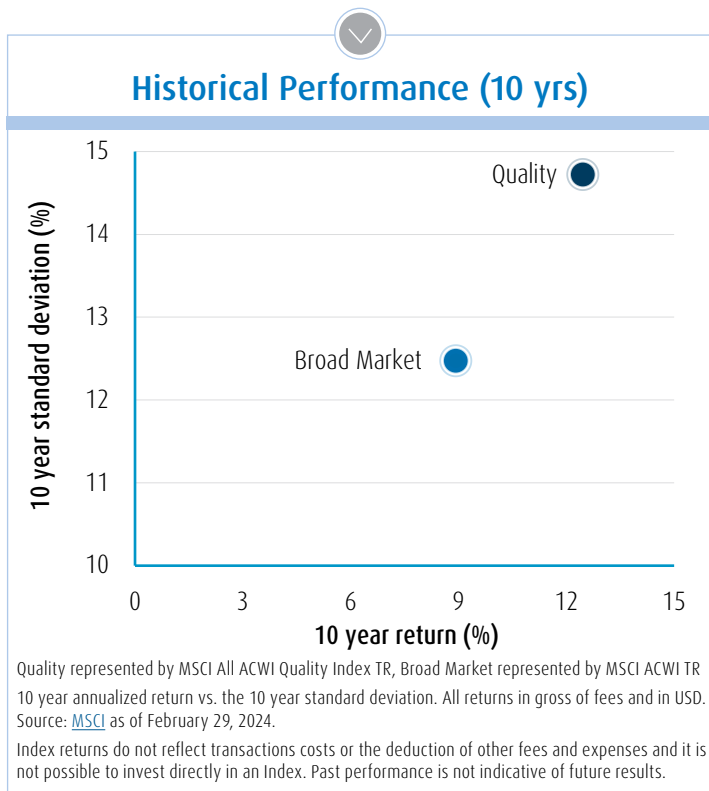


# BMO Global Quality ETF Fund

## Invest in Quality

### Why Quality Matters

Managing quality helps improve products' reliability, durability, and performance. Quality investing is built to identify high quality companies with sustainable competitive advantages. Equity investing with a high quality focus has earned a premium while reducing risk of time relative to the market. Quality screening can help avoid inexpensive stocks masquerading as bargains.



#### What is a High Quality Company?

#### 3 Quality Variables

- High ROE** - Indicates a business with a sustainable competitive advantage, efficient operations and profitability.
- Stable Earnings Growth** - Demonstrates durability and stability of a company's business model.
- Low Financial Leverage** - Identifies companies with low debt-to-equity ratios, providing greater stability in declining markets.

### What is Quality?

Quality refers to the comparison of how good something is compared to other similar things. The Fund invests in BMO MSCI All Country World High Quality Index ETF (ZGQ), rated 5 stars in its asset class, that aims to capture the performance of quality growth stocks with high quality scores based on three main fundamental variables: high return on equity (ROE), stable year-over-year earnings growth and low financial leverage.



**Raymond Chan, CFA,**  
 Director & Portfolio Manager,  
 BMO Global Asset Management  
 Exchange Traded Funds

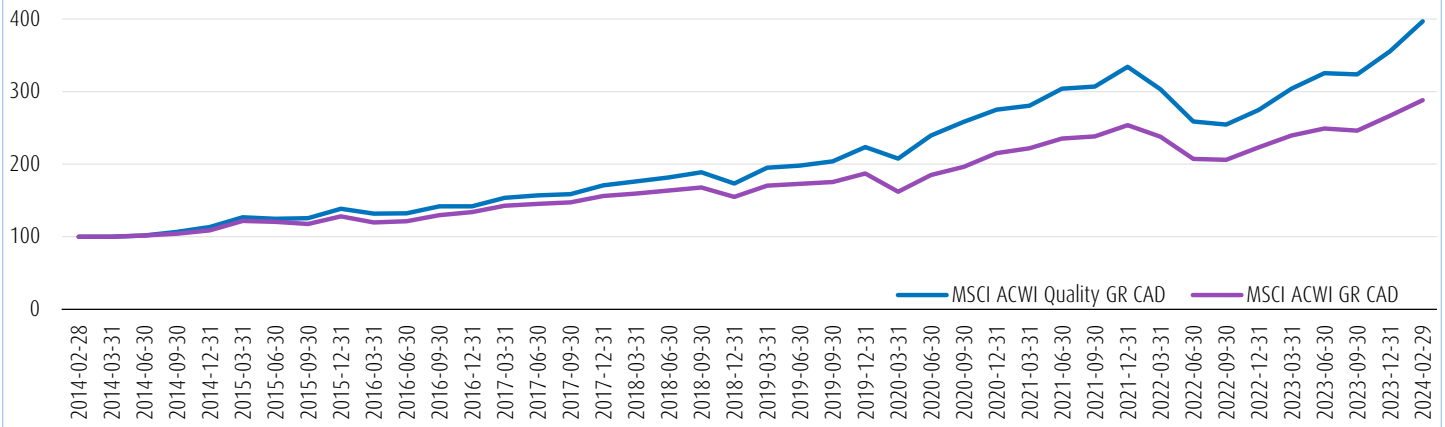
Source: Morningstar

BMO MSCI All Country World High Quality Index ETF: Morningstar Category, Global Equity. Overall Rating of 5 stars. The ETF received a Morningstar Rating of 4 stars over 3 years (1,598 funds) and 5 stars over 5 years (1,434 funds). Performance for the ETF for the period ended February 29, 2024 is 37.05% (1 year), 12.21% (3 years), 15.70% (5 years), 14.22% (since inception on November 5, 2014).



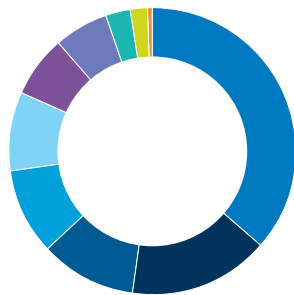
### Historical Performance (10 yrs)

#### MSCI ACWI Quality Index vs MSCI ACWI Index



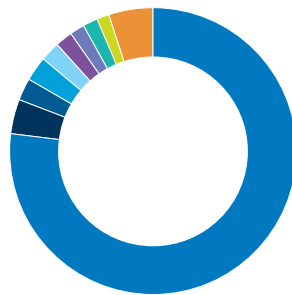
Index returns do not reflect transactions costs or the deduction of other fees and expenses and it is not possible to invest directly in an Index. Past performance is not indicative of future results.

#### Sector Allocation



Information Technology	36.77%
Health Care	16.13%
Industrials	10.68%
Communication Services	10.06%
Consumer Staples	8.52%
Financials	6.81%
Consumer Discretionary	5.69%
Materials	3.26%
Energy	1.65%
Real Estate	0.29%

#### Geographic Allocation



United States	74.97%
Taiwan	3.69%
Netherlands	2.62%
Australia	2.49%
Denmark	2.22%
Japan	1.84%
United Kingdom	1.78%
India	1.62%
France	1.21%
Other	4.83%

#### Top 10 Holdings of ZGQ

NVIDIA Corp	6.9%
Microsoft Corp	4.8%
Meta Platforms Inc	4.6%
Apple Inc	4.1%
Eli Lilly & Co	3.0%
Taiwan Semiconductor Manufacturing Co Ltd	2.7%
Visa Inc	2.6%
Broadcom Inc	2.4%
Novo Nordisk A/S	2.4%
Alphabet Inc	2.4%

For illustration purposes only-holdings for ZGQ and as of February 29<sup>th</sup>, 2024. The current top holding of the BMO Global Quality ETF Fund is the BMO MSCI All Country World High Quality Index ETF (97.67% as of February 28, 2024)

The portfolio holdings are subject to change without notice and only represent a small percentage of portfolio holdings. They are not recommendations to buy or sell any particular security.

### Fund Codes

Series	Fund Code	MER <sup>†</sup>
Advisor Series	BMO99263	1.64%
T6	BMO34263	1.64%
Series F	BMO95263	0.51%
F6	BMO36263	0.51%

<sup>†</sup> Management Expense Ratio (MER) as of September 30, 2023.

## Quality Portfolio Construction Methodology

The Fund invests and tracks the performance of BMO MSCI All Country World High Quality Index ETF, which is a subset of the broad market parent indices. Security selection relies on the determination of the 3 quality variables. Weighting is based on a combination of the security's quality scores and market capitalization. Quality indices are rebalanced semiannually.

Parameter	Methodology	Comments
<b>Security Universe</b>	<ul style="list-style-type: none"> <li>Parent Index</li> </ul>	<ul style="list-style-type: none"> <li>BMO Asset Management Inc. has an agreement with MSCI, a provider of traditional market capitalization and smart beta indices</li> <li>Broad indices that are recognized and used as benchmarks by many investors</li> <li>Parent index provide an opportunity set with sufficient liquidity and capacity</li> <li>Applicable universe includes all securities encompassed in parent indices</li> </ul>
<b>Quality Variables</b>	<ul style="list-style-type: none"> <li>ROE</li> <li>Earnings Stability</li> <li>Debt to Equity</li> </ul>	<ul style="list-style-type: none"> <li>3 variables are determined for all securities and ranked</li> <li>Once ranked, impact of extreme data outliers is removed for all 3 variables</li> <li>3 variables are standardized – equal weights are used to calculate a composite score</li> <li>Composite scores are averaged into a quality score</li> </ul>
<b>Portfolio Selection and Weighting</b>	<ul style="list-style-type: none"> <li>Fixed Number of Securities</li> <li>Quality Score X Market Capitalization</li> <li>5% Cap</li> </ul>	<ul style="list-style-type: none"> <li>Fixed number targets 30–40% coverage of parent index universe</li> <li>Allows for high quality exposure while maintaining sufficient index market capitalization and diversification</li> <li>493 names for MSCI ACWI Quality Index</li> <li>Quality score is multiplied by the market capitalization weight in the parent index and normalized to 100%</li> <li>Quality tilted market capitalization results in high capacity and liquidity</li> <li>Cap reduces concentration and security specific risk</li> </ul>
<b>Review</b>	<ul style="list-style-type: none"> <li>Semi-Annual Rebalancing</li> <li>Buffer Zones</li> </ul>	<ul style="list-style-type: none"> <li>Semi-annual rebalancing in May and November to coincide with semi-annual review of parent indices</li> <li>Quality variable data as of the end of April and October are used</li> <li>Goal is to capture timely updates to quality characteristics and is timed with the rebalancing frequency of MSCI parent indices</li> <li>Buffers historically reduce turnover and improve replicability</li> <li>A 20% buffer rule is applied on the fixed number of securities in the index</li> </ul>

**For more detailed methodology information regarding the quality variables, security composite scoring, security selection, weighting and index maintenance, visit the MSCI quality indices website: [www.msci.com/index-solutions](http://www.msci.com/index-solutions)**

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Publication Date: March 2024.

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