

IRC 2020 Report to Securityholders

December 31, 2020

Dear Securityholder:

As Chair of the Independent Review Committee (the “IRC”) for the exchange-traded funds (the “ETFs”) managed by BMO Asset Management Inc. (the “Manager”), I am pleased to provide you with the 2020 Annual Report to Securityholders of the ETFs, as required under National Instrument 81-107 – *Independent Review Committee for Investment Funds*.

The mandate of the IRC is to review conflict of interest matters identified and referred to the IRC by the Manager and to give an approval or a recommendation, depending on the nature of the conflict of interest matter. A “conflict of interest matter” is a situation where a reasonable person would consider the Manager or an entity related to the Manager to have an interest that may conflict with the Manager’s ability to act in good faith and in the best interests of the ETFs. In each instance where a conflict of interest matter is identified and referred to the IRC, the focus of the IRC is to determine if the Manager’s proposed action achieves a fair and reasonable result for the ETFs.

At least annually, the IRC will also review and assess the adequacy and effectiveness of the Manager’s written policies and procedures relating to conflict of interest matters in respect of the ETFs, and will conduct a self-assessment of the IRC’s independence, compensation and effectiveness.

The members of the IRC, whose identities are listed in the report, bring to their roles a combination of educational and professional experience and skills to adequately address the scope of the conflict of interest matters that come before the IRC. Since the formation of the IRC, its members have been fully satisfied with the open and cooperative attitude of the Manager. The members of the IRC look forward to maintaining the highest level of cooperation and to continuing to carry out its mandate to ensure that the best interests of the ETFs are paramount when the Manager is faced with a conflict of interest matter.

Marlene Davidge
Chair of the Independent Review Committee

Reporting Period

The Independent Review Committee (the “IRC”) for the exchange-traded funds (the “ETFs”) managed by BMO Asset Management Inc. (the “Manager”), as listed in Schedule “A” to this report, became operational on March 13, 2009. The information disclosed in this report covers the period beginning January 1, 2020 and ending December 31, 2020, the financial year-end for the ETFs (inclusively, the “Period”).

Members of the IRC

NAME	RESIDENCE	FIRST APPOINTED
Marlene Davidge (Chair)	Toronto, Ontario	September 6, 2018
Wendy Hannam	Toronto, Ontario	March 22, 2017
Jim Falle	Port Perry, Ontario	March 22, 2017
Jacqueline Allen	Toronto, Ontario	June 6, 2018

The members of the IRC also serve as members of the IRC for BMO Mutual Funds, BMO Pooled Funds and BMO Private Portfolios. Each member of the IRC is independent of the Funds, the Manager and any person or company related to the Manager. During the Period, there were no relationships that may cause a reasonable person to question a member’s independence.

Holdings of Securities

Funds

As at December 31, 2020, IRC members beneficially owned, directly or indirectly, in aggregate, less than 10% of the outstanding units of each series of the ETFs.

Manager

The Manager is an indirect wholly-owned subsidiary of the Bank of Montreal (the “Bank”). As at December 31, 2020, IRC members beneficially owned, directly or indirectly, in aggregate, less than 0.01% of the Bank’s outstanding common shares.

Service Providers

As at December 31, 2020, IRC members did not beneficially own, directly or indirectly, any class or series of voting or equity securities of any other material person or company that provided mutual fund services to the ETFs or the Manager during the Period.

IRC Compensation and Indemnities

The members of the IRC are entitled to be compensated by the ETFs and to be indemnified by the ETFs in appropriate circumstances. The aggregate compensation, including expenses, paid by the ETFs to the IRC for the Period was \$157,237. This amount was allocated among the ETFs in an equitable and reasonable manner.

The initial compensation of the IRC was set by the Manager. At least annually, the IRC will review compensation in a manner consistent with good governance practices, giving consideration to the following factors, among any other factors the IRC considers important:

- a) the best interests of the ETFs;
- b) the number, nature and complexity of the ETFs;
- c) the nature and extent of the workload of each IRC member, including the commitment of time and energy that is expected from each member;
- d) industry best practices, including industry averages and surveys on IRC compensation, if available,
- e) the IRC’s most recent annual self-assessment; and
- f) the Manager’s recommendations about IRC compensation and expenses, if made.

During the Period, no amounts were paid to the IRC by the ETFs pursuant to indemnities given by the ETFs to the IRC.

Conflict of Interest Matters

National Instrument 81-107 – *Independent Review Committee for Investment Funds* requires the IRC to review all conflict of interest matters identified and referred to the IRC by the Manager and to give an approval or a recommendation, depending on the nature of the conflict of interest matter. The IRC may also issue standing instructions to the Manager in conjunction with an approval or a recommendation to enable the Manager to act in the particular conflict of interest matter on a continuing basis.

The Manager must present its written policies and procedures on each conflict of interest matter and related standing instructions to the IRC for the IRC's review and assessment on an annual basis.

Below is a list of the titles of the policies relating to each of the conflict of interest matters covered by standing instructions that have been identified by the Manager and referred by the Manager to the IRC for the IRC's approval or recommendation:

Conflict of Interest Matter

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1. Investing in Securities of a Related Issuer

 2. Investing in Securities Underwritten by a Related Entity

 3. Trading in Securities with a Related Entity Acting as Principal

 4. Inter-Fund Trades

 5. Portfolio Manager/Sub-Advisor Oversight

 6. Proxy Voting

 7. Personal Trading by Employees of the Fund Manager

 8. Frequent/Short-Term Trading by Securityholders of the Funds

 9. Outside Business Activities

 10. Identifying and Correcting NAV Errors

 11. Errors and Breaches

 12. Fund Valuation

 13. Determining and Authorizing the Payment of Expenses

 14. Large Securityholders and Large Redemptions

 15. Fund of Fund Investing

 16. Best Execution

 17. Receipt of Gifts and Entertainment

 18. Order Allocation and Aggregation

 19. Entering into a Designated Broker Agreement with a Related Entity

Compliance

The IRC has not been informed of any instance in which the Manager acted in a conflict of interest matter but did not meet a condition imposed by the IRC in its approval, recommendation and/or standing instruction. The Manager has an obligation to notify the IRC of any such instance.

Schedule "A"

BMO Exchange-Traded Funds

Index BMO ETFs

BMO Aggregate Bond Index ETF	BMO Long Corporate Bond Index ETF
BMO BBB Corporate Bond Index ETF*	BMO Long Federal Bond Index ETF
BMO Canadian MBS Index ETF*	BMO Long Provincial Bond Index ETF
BMO China Equity Index ETF	BMO Long-Term US Treasury Bond Index ETF (CAD Units, Hedged Units and USD Units)
BMO Corporate Bond Index ETF	BMO Mid Corporate Bond Index ETF
BMO Discount Bond Index ETF	BMO Mid Federal Bond Index ETF
BMO Dow Jones Industrial Average Hedged to CAD Index ETF	BMO Mid Provincial Bond Index ETF
BMO Emerging Markets Bond Hedged to CAD Index ETF	BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF
BMO Equal Weight Banks Index ETF	BMO Mid-Term US IG Corporate Bond Index ETF (CAD Units and USD Units)
BMO Equal Weight Global Base Metals Hedged to CAD Index ETF	BMO Mid-Term US Treasury Bond Index ETF (CAD Units and USD Units)
BMO Equal Weight Global Gold Index ETF	BMO MSCI All Country World High Quality Index ETF
BMO Equal Weight Industrials Index ETF	BMO MSCI Canada ESG Leaders Index ETF*
BMO Equal Weight Oil & Gas Index ETF	BMO MSCI Canada Value Index ETF
BMO Equal Weight REITs Index ETF	BMO MSCI EAFE ESG Leaders Index ETF*
BMO Equal Weight US Banks Hedged to CAD Index ETF	BMO MSCI EAFE Hedged to CAD Index ETF
BMO Equal Weight US Banks Index ETF	BMO MSCI EAFE Index ETF
BMO Equal Weight US Health Care Hedged to CAD Index ETF	BMO MSCI EAFE Value Index ETF ⁺
BMO Equal Weight US Health Care Index ETF	BMO MSCI Emerging Markets Index ETF
BMO Equal Weight Utilities Index ETF	BMO MSCI Europe High Quality Hedged to CAD Index ETF
BMO ESG Corporate Bond Index ETF*	BMO MSCI Global ESG Leaders Index ETF*
BMO ESG US Corporate Bond Hedged to CAD Index ETF*	BMO MSCI USA ESG Leaders Index ETF*
BMO Global Communications Index ETF	BMO MSCI USA High Quality Index ETF
BMO Global Consumer Discretionary Hedged to CAD Index ETF	BMO MSCI USA Value Index ETF
BMO Global Consumer Staples Hedged to CAD Index ETF	BMO Nasdaq 100 Equity Hedged to CAD Index ETF
BMO Global Infrastructure Index ETF	BMO Nasdaq 100 Equity Index ETF
BMO Government Bond Index ETF	BMO Real Return Bond Index ETF
BMO High Quality Corporate Bond Index ETF*	BMO S&P 500 Hedged to CAD Index ETF
BMO High Yield US Corporate Bond Hedged to CAD Index ETF	BMO S&P 500 Index ETF (CAD Units and USD Units)
BMO High Yield US Corporate Bond Index ETF	BMO S&P/TSX Capped Composite Index ETF
BMO India Equity Index ETF	BMO S&P US Mid Cap Index ETF (CAD Units, Hedged Units and USD Units)*
BMO Junior Gas Index ETF ⁺	BMO S&P US Small Cap Index ETF (CAD Units, Hedged Units and USD Units)*
BMO Junior Gold Index ETF	BMO Short Corporate Bond Index ETF (CAD Units and Accumulating Units)
BMO Junior Oil Index ETF ⁺	
BMO Laddered Preferred Share Index ETF	

BMO Short Federal Bond Index ETF (CAD Units and Accumulating Units)
BMO Short Provincial Bond Index ETF (CAD Units and Accumulating Units)
BMO Short-Term Bond Index ETF
BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF
BMO Short-Term US Treasury Bond Index ETF (CAD Units and USD Units)
BMO US Preferred Share Hedged to CAD Index ETF
BMO US Preferred Share Index ETF (CAD Units and USD Units)

Non-Index BMO ETFs:

BMO Balanced ESG ETF*
BMO Balanced ETF
BMO Canadian Dividend ETF
BMO Canadian High Dividend Covered Call ETF
BMO Conservative ETF
BMO Covered Call Canadian Banks ETF
BMO Covered Call Dow Jones Industrial Average Hedged to CAD ETF
BMO Covered Call US Banks ETF
BMO Covered Call Utilities ETF
BMO Europe High Dividend Covered Call ETF
BMO Europe High Dividend Covered Call Hedged to CAD ETF
BMO Floating Rate High Yield ETF
BMO Global High Dividend Covered Call ETF*
BMO Growth ETF
BMO International Dividend ETF
BMO International Dividend Hedged to CAD ETF
BMO Low Volatility Canadian Equity ETF
BMO Low Volatility Emerging Markets Equity ETF
BMO Low Volatility International Equity ETF
BMO Low Volatility International Equity Hedged to CAD ETF
BMO Low Volatility US Equity ETF (CAD Units and USD Units)
BMO Low Volatility US Equity Hedged to CAD ETF
BMO Monthly Income ETF
BMO Premium Yield ETF (CAD Units, Hedged Units and USD Units)*

BMO Ultra Short-Term Bond ETF (CAD Units and Accumulating Units)
BMO Ultra Short-Term US Bond ETF (USD Units and Accumulating Units only)
BMO US Dividend ETF (CAD Units and USD Units)
BMO US Dividend Hedged to CAD ETF
BMO US High Dividend Covered Call ETF (CAD Units and USD Units)
BMO US High Dividend Covered Call Hedged to CAD ETF
BMO US Put Write ETF (CAD Units and USD Units)
BMO US Put Write Hedged to CAD ETF

* new ETFs

* terminated ETFs as of December 15, 2020