

Independent Review Committee 2022 Report to Securityholders

December 31, 2022

Dear Securityholder:

As Chair of the Independent Review Committee (the “IRC”) for certain of the BMO Exchange-Traded Funds (the “ETFs”) managed by BMO Asset Management Inc (the “Manager”), I am pleased to provide you with the IRC’s 2022 Report to Securityholders of the ETFs, as required under National Instrument 81-107 – *Independent Review Committee for Investment Funds* (“NI 81-107”) for the period of January 1, 2022 to December 31, 2022 (the “Period”).

The IRC’s mandate is to review conflict of interest matters identified and referred to the IRC by the Manager and to provide an approval or a recommendation, depending on the nature of the conflict of interest, as required. When considering such matters, the IRC asks itself whether the Manager’s proposed action will achieve a fair and reasonable result for the ETFs.

During the Period, the IRC met with the Manager on a quarterly basis and received the Manager’s reports of compliance with its conflict of interest policies and procedures. On an annual basis, the IRC conducts the following: a review of the Manager’s policies and procedures to confirm they continue to be adequate and effective in respect of the ETFs and a review of its written charter which outlines its mandate, responsibilities, and procedures on how it performs its functions. In addition, the IRC assessed our effectiveness as a committee and the effectiveness and contributions of each of our members.

The members of the IRC look forward to maintaining the highest level of cooperation and continuing to carry out its mandate in order to seek that the best interests of the ETFs are paramount when the Manager is faced with a conflict of interest matter.

You may request a copy of this report, free of charge in one of two ways: by emailing bmo.etf@bmo.com or calling toll free at 1-800-361-1392 . A copy of this report is also available at www.bmo.com/etflegal or on www.sedar.com.

Marlene Davidge
Chair of the Independent Review Committee

Members of the IRC

NAME	RESIDENCE	FIRST APPOINTED
Marlene Davidge <i>(Chair)</i>	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 IRC also serves as the independent review committee of other funds managed by BMO Investments Inc. as well as funds managed by BMO Private Investment Counsel Inc. Each member of the IRC is independent of the ETFs, the Manager and any person or company related to the Manager.

During the Period, there was no material relationship that may cause a reasonable person to question a member's independence.

Holdings of Securities

Funds

As at December 31, 2022, the percentage of securities of each series of the ETFs beneficially owned, directly or indirectly, in aggregate, by all members of the IRC did not exceed 10%.

Manager

As at December 31, 2022, no member of the IRC beneficially owned, directly or indirectly, any class or series of voting or equity securities of the Manager.

Service Providers

Bank of Montreal and/or subsidiaries are service providers to the ETFs and the Manager. As at December 31, 2022, the percentage of securities of each class of voting or equity securities of Bank of Montreal and other service providers beneficially owned, directly or indirectly, in aggregate, by all members of the IRC was less than 0.01%.

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 during the Period was \$169,088. This amount was allocated among the ETFs in a manner that was fair and reasonable.

No indemnities were paid to the members of the IRC by the ETFs during the Period.

At least annually, the IRC reviews its compensation in a manner consistent with good governance practices, giving consideration to the following factors:

- a) the best interests of the ETFs;
- b) that each ETF must pay its reasonable allocation of the compensation of the IRC from the assets of the ETF;
- c) that compensation paid to the IRC by each ETF should fairly and reasonably reflect the general benefits accruing to the ETF;
- d) the asset size and number of ETFs and other funds in the BMO Fund Families;
- e) the nature and extent of the workload of each IRC member, including the commitment of time and energy that is expected from each member;
- f) industry best practices, including industry averages and surveys on IRC compensation;
- g) the IRC's most recent annual self-assessment; and
- h) the Manager's recommendations about IRC compensation and expenses, if made.

Conflict of Interest Matters

The Manager refers to the IRC its proposed actions, and its related policies and procedures, for situations in which the Manager or a related entity has or could be perceived to have an interest that may conflict with the Manager's ability to act in the best interests of an ETF. The conflict of interest matters that have been brought to the IRC are set forth below.

Approvals pursuant to Standing Instructions

The Manager relied on approvals and standing instructions of the IRC in the Period in relation to the activities set out below. In each case, the standing instructions required the Manager to comply with its related policy and procedure and to report periodically to the IRC.

1. Allowing the ETFs to purchase or hold securities of a related issuer of the Manager or an entity related to the Manager
2. Allowing the ETFs to purchase securities of an issuer, for which a related party acted as an underwriter, in an offering of the securities or at any time during the restricted period following the completion of the offering
3. Allowing the ETFs to purchase or sell debt securities from or to a related dealer when the related dealer is acting as principal
4. Allowing the purchase or sale of portfolio securities between ETFs, or between the ETFs and other investment funds or accounts managed by the Manager or an affiliate (referred to as inter-fund trades and cross-trades)

Positive Recommendations pursuant to Standing Instructions

The Manager received positive recommendations and relied on standing instructions of the IRC with respect to the conflict of interest matters addressed by the policies set out below. In each case, the standing instructions required the Manager to comply with its related policy and procedure and to report periodically to the IRC.

1. **Best Execution** – Includes selection of execution and clearing brokers for the ETFs, including related party brokers
2. **Designated Broker Agreement Policy** – Allows the Manager to retain a related party to act as the designated broker of a class or series of securities of the ETFs that are listed and traded on an exchange
3. **Errors and Breaches** – Provides how trading, valuation or other errors made within an ETF are identified and corrected
4. **Fund of Fund Transactions** – Sets out the framework for investment decisions for ETFs that invest in other underlying funds
5. **Fund Valuation** – Directs how an ETF's portfolio assets will be valued in order to obtain a fair and accurate net asset value of the ETF
6. **Large Securityholders** – Sets out the steps the Manager will take to manage the impact of large transactions by securityholders in securities of the ETFs
7. **NAV Errors** – Directs the circumstances and manner in which the Manager will correct purchases and redemptions of securities of the ETFs based on an incorrect net asset value or net asset value per unit, including making payments to make the ETF whole and adjusting securityholder accounts

8. **Order Allocation and Aggregation** – Allows the Manager to trade on behalf of multiple clients, including the ETFs, and to allocate trades fairly among clients, including the ETFs
9. **Outside Activities** – Ensures the Manager’s directors, officers and employees adhere to corporate standards governing their outside activities where conflicts of interest may arise
10. **Payment of Fund Expenses** – Allows the Manager to charge expenses to the ETFs, to allocate expenses between the Manager and the ETFs, and to allocate expenses among the ETFs and other investment funds managed by the Manager or an affiliate
11. **Personal Trading** – Restricts most personal trading by certain individuals employed by the Manager but allows those individuals to trade in certain securities for their own account subject to controls
12. **Portfolio Advisor Oversight** – Sets out the framework the Manager will use when selecting and monitoring portfolio advisors, including external portfolio advisors
13. **Proxy Voting and Engagement** – Allows the Manager to exercise an ETF’s proxies although the Manager, a client or an affiliate of the Manager may have an interest in the outcome of the vote
14. **Receipt of Gifts and Entertainment** – Provides guidelines regarding the acceptance of gifts and entertainment by the Manager’s employees
15. **Related Counterparty** – Sets out the circumstances and terms under which the ETFs may enter into Cash-Settled OTC Derivatives Transactions with a Related Counterparty

The positive recommendations set out above were provided on the basis that the actions achieved a fair and reasonable result for the ETFs.

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 of its policies or 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 Exchange Traded Funds

Non-Index Funds

BMO All-Equity ETF*
BMO Balanced ESG ETF BMO Balanced ETF
BMO Canadian Dividend ETF
BMO Canadian High Dividend Covered Call ETF
BMO Conservative ETF
BMO Corporate Discount Bond ETF*
BMO Covered Call Canadian Banks ETF
BMO Covered Call Dow Jones Industrial Average
Hedged to CAD ETF
BMO Covered Call Technology 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
BMO Low Volatility US Equity Hedged to CAD ETF
BMO Monthly Income ETF
BMO Premium Yield ETF
BMO Short-Term Discount Bond ETF*
BMO Ultra Short-Term Bond ETF
BMO Ultra Short-Term US Bond ETF BMO US
Dividend ETF
BMO US Dividend Hedged to CAD ETF BMO US
High Dividend Covered Call ETF
BMO US High Dividend Covered Call Hedged
to CAD ETF
BMO US Put Write ETF
BMO US Put Write Hedged to CAD ETF

Index Funds

BMO Aggregate Bond Index ETF
BMO BBB Corporate Bond Index ETF
BMO Canadian Bank Income Index ETF*
BMO Canadian MBS Index ETF BMO Clean Energy
Index ETF
BMO Corporate Bond Index ETF BMO Discount
Bond Index ETF
BMO Dow Jones Industrial Average Hedged to
CAD Index ETF
BMO Emerging Markets Bond Hedged to CAD
Index ETF
BMO Equal Weight Banks Index ETF
BMO Equal Weight Global Base Metals Hedged to
CAD Index ETF
BMO Equal Weight Global Gold Index ETF
BMO Equal Weight Industrials Index ETF
BMO Equal Weight Oil & Gas Index ETF
BMO Equal Weight REITs Index ETF
BMO Equal Weight US Banks Hedged to CAD
Index ETF
BMO Equal Weight US Banks Index ETF
BMO Equal Weight US Health Care Hedged
to CAD Index ETF
BMO Equal Weight US Health Care Index ETF
BMO Equal Weight Utilities Index ETF
BMO ESG Corporate Bond Index ETF BMO ESG
High Yield US Corporate Bond Index ETF
BMO ESG US Corporate Bond Hedged to CAD
Index ETF
BMO Global Communications Index ETF
BMO Global Consumer Discretionary Hedged
to CAD Index ETF
BMO Global Consumer Staples Hedged to CAD
Index ETF
BMO Global Infrastructure Index ETF
BMO Government Bond Index ETF
BMO High Quality Corporate Bond Index ETF
BMO High Yield US Corporate Bond Hedged
to CAD Index ETF
BMO High Yield US Corporate Bond Index ETF

Index Funds (cont'd)

BMO Japan Index ETF*

BMO Junior Gold Index ETF

BMO Laddered Preferred Share Index ETF

BMO Long Corporate Bond Index ETF

BMO Long Federal Bond Index ETF

BMO Long Provincial Bond Index ETF

BMO Long-Term US Treasury Bond Index ETF

BMO Mid Corporate Bond Index ETF

BMO Mid Federal Bond Index ETF

BMO Mid Provincial Bond Index ETF

BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF

BMO Mid-Term US IG Corporate Bond Index ETF

BMO Mid-Term US Treasury Bond Index ETF

BMO MSCI ACWI Paris Aligned Climate Equity Index ETF*

BMO MSCI All Country World High Quality Index ETF

BMO MSCI Canada ESG Leaders Index ETF

BMO MSCI Canada Value Index ETF

BMO MSCI China ESG Leaders Index ETF
(formerly, BMO China Equity Index ETF)

BMO MSCI EAFE ESG Leaders Index ETF

BMO MSCI EAFE Hedged to CAD Index ETF

BMO MSCI EAFE Index ETF

BMO MSCI Emerging Markets Index ETF

BMO MSCI Europe High Quality Hedged to CAD Index ETF

BMO MSCI Fintech Innovation Index ETF

BMO MSCI Genomic Innovation Index ETF

BMO MSCI Global ESG Leaders Index ETF

BMO MSCI India ESG Leaders Index ETF
(formerly, BMO India Equity Index ETF)

BMO MSCI Innovation Index ETF

BMO MSCI Next Gen Internet Innovation Index ETF

BMO MSCI Tech & Industrial Innovation Index ETF

BMO MSCI USA High Quality Index ETF

BMO MSCI USA ESG Leaders Index ETF

BMO MSCI USA Value Index ETF

BMO Nasdaq 100 Equity Hedged to CAD Index ETF

BMO Nasdaq 100 Equity Index ETF

BMO Real Return Bond Index ETF

BMO S&P 500 Hedged to CAD Index ETF

BMO S&P 500 Index ETF

BMO S&P US Mid Cap Index ETF

BMO S&P US Small Cap Index ETF

BMO S&P/TSX Capped Composite Index ETF

BMO Short Corporate Bond Index ETF

BMO Short Federal Bond Index ETF

BMO Short Provincial Bond Index ETF

BMO Short-Term Bond Index ETF

BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF

BMO Short-Term US TIPS Index ETF

BMO Short-Term US Treasury Bond Index ETF

BMO US Preferred Share Hedged to CAD Index ETF

BMO US Preferred Share Index ETF

* New ETFs launched during the period.

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