

SEMI-ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

BMO Covered Call Technology ETF (ZWT) (the “ETF”)

For the 6-month period ended June 30, 2023 (the “Period”)

Manager: BMO Asset Management Inc. (the “Manager” and “portfolio manager”)

Management Discussion of Fund Performance

Results of Operations

The ETF outperformed the broad-based S&P 500 Index (CAD) by 28.68%. However, the more appropriate comparison is to the S&P North American Technology Sector Index (CAD) (the “Index”), due to the concentration of the portfolio in technology related equities. The ETF returned 42.84% versus the Index return of 14.16%. The change in total net asset value during the Period from approximately \$73 million to approximately \$78 million had no impact on the performance of the ETF. The difference in the performance of the ETF relative to the Index during the Period (28.68%) resulted from the management expense ratio (-0.36%) and other factors such as differences in holdings versus the Index, and market volatility (29.04%). Additionally, due to the call writing strategy, the ETF will tend to outperform in flat or down markets and underperform in sharp market advances. This performance difference occurs over the period that the calls are written, typically with one to two months to expiry, and then resets with new option positions.

Market Conditions

U.S. equities rose sharply in the first six months of 2023, with the market buoyed by ongoing economic strength and the possibility that the U.S. Federal Reserve Board (“Fed”) was nearing the end of its tightening cycle. During the Period, the Fed raised its key overnight lending rate three times by 0.25%, a total increase of 0.75%. However, it paused in June with the U.S. Consumer Price Index (“CPI”) falling to 4% year-over-year. This was still well

above the Fed’s 2% inflation target, and it leaves the door open to two more 0.25% hikes by year-end. This resulted in some market sectors, such as Energy, falling on reduced demand for oil as the economy potentially slows. The underperformance in some sectors, including Financials and Health Care, was offset by a surprisingly strong rally in large-cap technology stocks, with the broad-based S&P 500 Index up 15.9% for the Period while the tech-heavy NASDAQ Index surged 31.7%.

The ETF’s exposure to Semiconductors and Interactive Media and Services contributed the most to performance. Human Resource, Employment Services and Electronic Components were relative underperformers in terms of contribution to the Fund’s returns. Leading individual stock contributors included, NVIDIA Corporation and Meta Platforms Inc. Automatic Data Processing Inc. and Fidelity National Information Services Inc detracted the most.

Risk Rating Change

On January 17, 2023, the Manager determined that the risk rating of the ETF had changed from “medium” to “medium to high” after reviewing the ETF using the standardized investment risk classification methodology prescribed by National Instrument 81-102 *Investment Funds*.

Recent Developments

U.S. equity markets continue to find a balance between various sources of uncertainty. While the Fed paused its historic interest-rate-hike cycle, hawkish Fed commentary suggests there are more hikes to come, which in turn could put downward pressure on equities. Labour market data suggests that cracks have begun to form in the broader

This semi-annual management report of fund performance contains financial highlights but does not contain the complete semi-annual or annual financial statements of the ETF. If the semi-annual financial statements of the ETF do not accompany the mailing of this report, you may obtain a copy of the semi-annual or annual financial statements at your request, and at no cost, by calling 1-800-361-1392, by writing to us at BMO Asset Management Inc., 250 Yonge Street, 7th Floor, Toronto, Ontario, M5B 2M8 or by visiting our website at www.bmo.com/etflegal or SEDAR+ at www.sedarplus.ca. You may also contact us using one of these methods to request a copy of the ETF’s proxy voting policies and procedures, proxy voting disclosure record and/or quarterly portfolio disclosure.



Exchange Traded Funds

BMO Covered Call Technology ETF

economy. However, if the Fed is successful in orchestrating a soft economic landing there may be more room for the existing equity rally to continue.

While there is some concern about a potential selloff, growth prospects within the technology sector, particularly in large-cap tech stocks, are still considered promising. Furthermore, the artificial intelligence (“AI”) boom is a significant trend in the technology sector that is heightening investor interest in the sector. However, other factors such as inflation, economic growth and international regulations can influence developments in this sector.

The year began with a strong rally led by the technology sector as companies raced to invest heavily in AI research and development in a bid to revolutionize how businesses operate. However, given that there are still a few economic headwinds, such as inflation and monetary policy concerns, we are cautiously optimistic for the remainder of the year.

Given the Fund’s exposure to blue chip, dividend-paying companies, it should perform well if volatility and risk off sentiment materialize in the equity markets. Furthermore, higher volatility in the equity markets should be more accretive with the Fund potentially earning higher call option premiums.

Related Party Transactions

From time to time, the Manager may, on behalf of the ETF, enter into transactions or arrangements with or involving other members of BMO Financial Group, or certain other persons or companies that are related or connected to the Manager (each a “Related Party”). The purpose of this section is to provide a brief description of any transactions involving the ETF and a Related Party.

Manager

The Manager, an indirect, wholly-owned subsidiary of Bank of Montreal (“BMO”), is the portfolio manager, trustee and promoter of the ETF. The Manager is paid a management fee by the ETF as compensation for its services, which is described in the “Management Fees” section later in this document.

Designated Broker

The Manager has entered into an agreement with BMO Nesbitt Burns Inc., an affiliate of the Manager, to act as designated broker and dealer for distribution of BMO Exchange Traded Funds, on terms and conditions that are comparable to arm’s length agreements in the exchange traded funds industry. The material terms and conditions of the agreement have been disclosed in the ETF’s prospectus.

The Manager has also entered into agreements with certain other registered dealers in Canada to act as dealers for the creation and redemption of units of BMO Exchange Traded Funds.

Buying and Selling Securities

During the Period, the ETF relied on standing instructions provided by the independent review committee (“IRC”) for any of the following related party transactions that may have occurred in the ETF (each, a “Related Party Transaction”):

- (a) investments in securities issued by BMO, an affiliate of the Manager, or any other issuer related to the Manager;
- (b) investments in a class of securities of an issuer during the period of distribution of those securities to the public and/or the 60-day period following the distribution period where BMO Nesbitt Burns Inc., an affiliate of the Manager, or any other affiliate of the Manager acted as an underwriter in the distribution;
- (c) trades in over-the-counter debt securities in the secondary market with BMO Nesbitt Burns Inc., or any other affiliate of the Manager, acting as principal in the Canadian debt securities market; and
- (d) trades of a security of any issuer from or to, another investment fund managed by the Manager or an affiliate of the Manager or a managed account managed by the Manager or an affiliate of the Manager.

In accordance with the IRC’s standing instructions, in making a decision to cause the ETF to enter into a Related Party Transaction, the Manager and the portfolio manager of the ETF are required to comply with the Manager’s written policies and procedures governing the Related Party Transaction and report periodically to the IRC, describing each instance that the Manager relied on the standing instructions and its compliance or non-compliance with the governing policies and procedures. The governing policies and procedures are designed to ensure that each Related Party Transaction (i) is made free from any influence of BMO, BMO Nesbitt Burns Inc. or an associate or affiliate of BMO and/or BMO Nesbitt Burns Inc., and without taking into account any considerations relevant to BMO, BMO Nesbitt Burns Inc. or an associate or affiliate of BMO and/or BMO Nesbitt Burns Inc.; (ii) represents the business judgment of the Manager, uninfluenced by considerations other than the best interests of the ETF; and (iii) achieves a fair and reasonable result for the ETF.

BMO Covered Call Technology ETF

Brokerage Commissions

The ETF pays standard brokerage commissions at market rates to BMO Nesbitt Burns Inc., an affiliate of the Manager, for executing a portion of its trades. The brokerage commissions charged to the ETF (excluding exchange and other fees) during the period were as follows:

		2023	2022
Total brokerage commissions	\$	10,008	2,370
Brokerage Commissions paid to BMO Nesbitt Burns Inc.	\$	1,099	91

Financial Highlights

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the periods indicated.

The ETF's Net Assets per Unit⁽¹⁾

Listed CAD Units	Period ended Jun. 30, 2023	Financial years ended Dec. 31	
		2022	2021 ⁽⁵⁾
Net assets, beginning of period	\$ 23.26	35.65	30.00 [*]
Increase (decrease) from operations			
Total revenue	\$ 0.12	0.24	0.23
Total expenses ⁽²⁾	\$ (0.12)	(0.23)	(0.27)
Realized gains (losses) for the period	\$ 1.64	(0.05)	1.14
Unrealized gains (losses) for the period	\$ 8.74	(6.08)	6.77
Total increase (decrease) from operations⁽³⁾	\$ 10.38	(6.12)	7.87
Distributions			
From net investment income (excluding dividends)	\$ —	—	—
From dividends	\$ 0.04	0.06	0.03
From capital gains	\$ —	0.40	—
Return of capital	\$ 0.66	1.05	1.40
Total Annual Distributions⁽⁴⁾	\$ 0.70	1.51	1.43
Net assets, end of period	\$ 32.41	23.26	35.65

^{*} Initial net assets.

⁽¹⁾ This information is derived from the ETF's unaudited semi-annual and audited annual financial statements.

⁽²⁾ Includes commissions and other portfolio transaction costs and withholding taxes.

⁽³⁾ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

⁽⁴⁾ Distributions were either paid in cash or reinvested in additional units of the ETF, or both. The allocation of the distribution from each of income, dividends, capital gains and return of capital for the period ended June 30, is based on the Manager's best estimate, which is the ETF's semi-annual period end. However, actual allocation of distributions is determined as at December 15, the ETF's tax year-end. Accordingly, the actual allocation among income, dividends, capital gains and return of capital may differ from these estimates.

⁽⁵⁾ The information in this column is for the period beginning January 14, 2021 (the ETF's establishment date) and ending December 31, 2021.

Ratios and Supplemental Data

Listed CAD Units	Period ended Jun. 30, 2023	Financial years ended Dec. 31	
		2022	2021 ⁽⁵⁾
Total net asset value (000's) ⁽¹⁾	\$ 77,945	73,388	21,567
Number of units outstanding (000's) ⁽¹⁾	2,405	3,155	605
Management expense ratio ⁽²⁾	% 0.71	0.72	0.73
Management expense ratio before waivers or absorptions ⁽²⁾	% 0.71	0.72	0.73
Trading expense ratio ⁽³⁾	% 0.06	0.05	0.03
Portfolio turnover rate ⁽⁴⁾	% 58.32	23.23	49.01
Net asset value per unit	\$ 32.41	23.26	35.65
Closing market price	\$ 32.42	23.22	35.66

⁽¹⁾ This information is provided as at June 30 or December 31 of the period shown.

⁽²⁾ Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

⁽³⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

⁽⁴⁾ The ETF's portfolio turnover rate indicates how actively the ETF's portfolio manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher an ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of an ETF.

⁽⁵⁾ The information in this column is for the period beginning January 14, 2021 (the ETF's establishment date) and ending December 31, 2021.

Management Fees

The Manager is responsible for the day-to-day management of the business and operations of the ETF. The Manager monitors and evaluates the ETF's performance, manages the portfolio and provides certain administrative services required by the ETF. As compensation for its services, the Manager is entitled to receive a management fee payable quarterly and calculated based on the daily net asset value of the ETF at the annual rate set out in the table below. The management fee is subject to applicable taxes. The Manager may, from time to time in its discretion, waive all or a portion of the management fee charged.

Ticker	Annual Management Fee Rate %
ZWT	0.65

Past Performance

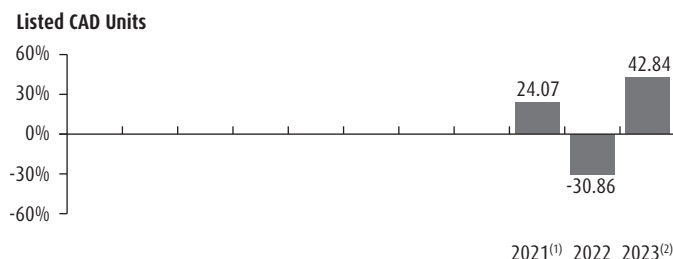
The ETF's performance information assumes that all distributions made by the ETF in the periods shown were used to purchase additional units of the ETF and is based on the net asset value of the ETF.

The performance information does not take into account sales, redemption, distribution or other optional charges that, if applicable, would have reduced returns or performance. Please remember that how the ETF has performed in the past does not indicate how it will perform in the future.

BMO Covered Call Technology ETF

Year-by-Year Returns

The following bar chart shows the performance of the ETF for each of the financial years shown and for the Period, and illustrates how the ETF's performance has changed year to year. The chart shows, in percentage terms, how much an investment made on the first day of each financial year would have increased or decreased by the last day of each financial year.



⁽¹⁾ For the period beginning with the performance launch date of January 20, 2021 to December 31, 2021.

⁽²⁾ For the six-month period ended June 30, 2023.

Summary of Investment Portfolio

As at June 30, 2023

Portfolio Allocation	% of Net Asset Value
United States	98.84
Canada	1.18
Cash/Receivables/Payables	(0.02)
Total Portfolio Allocation	100.00

Sector Allocation	% of Net Asset Value
Information Technology	71.15
Communication Services	19.93
Consumer Discretionary	9.28
Cash/Receivables/Payables	(0.02)
Call Options	(0.34)
Total Sector Allocation	100.00

Top 25 Holdings	% of Net Asset Value
Long Positions	
Amazon.com, Inc.	9.28
Apple Inc.	9.19
Microsoft Corporation	8.89
NVIDIA Corporation	8.51
Alphabet Inc., Class A	8.43
Meta Platforms, Inc., Class A	8.41
Broadcom Inc.	4.11
Cisco Systems, Inc.	3.56
Adobe Inc.	3.53
Salesforce, Inc.	3.27
Accenture plc, Class A	3.20
Oracle Corporation	3.18
Netflix, Inc.	3.09
QUALCOMM Incorporated	2.03
Intuit Inc.	1.98
International Business Machines Corporation	1.97
Texas Instruments Incorporated.	1.87
Advanced Micro Devices, Inc.	1.83
ServiceNow, Inc.	1.82
Applied Materials, Inc.	1.40
Intel Corporation	1.39
Palo Alto Networks, Inc.	1.20
Shopify Inc., Class A	1.19
Analog Devices, Inc.	1.16
Lam Research Corporation	1.03
Long Positions as a Percentage of Total Net Asset Value	95.52

BMO Covered Call Technology ETF

Top 25 Holdings	% of Net Asset Value
Short Positions	
Apple Inc., Call Option, Jul 21, 2023, \$195.00	(0.07)
NVIDIA Corporation, Call Option, Jul 28, 2023, \$490.00	(0.03)
Amphenol Corporation, Call Option, Jul 21, 2023, \$80.00	(0.03)
Broadcom Inc., Call Option, Jul 14, 2023, \$890.00	(0.02)
Accenture plc, Call Option, Jul 28, 2023, \$315.00	(0.02)
Texas Instruments Incorporated, Call Option, Jul 28, 2023, \$185.00	(0.02)
Fortinet, Inc., Call Option, Jul 21, 2023, \$75.00	(0.01)
Netflix, Inc., Call Option, Jul 21, 2023, \$510.00	(0.01)
Microsoft Corporation, Call Option, Jul 28, 2023, \$375.00	(0.01)
International Business Machines Corporation, Call Option, Jul 28, 2023, \$138.00	(0.01)
Lam Research Corporation, Call Option, Jul 28, 2023, \$680.00	(0.01)
Microsoft Corporation, Call Option, Jul 21, 2023, \$355.00	(0.01)
QUALCOMM Incorporated, Call Option, Aug 4, 2023, \$132.00	(0.01)
Cisco Systems, Inc., Call Option, Jul 28, 2023, \$53.00	(0.01)
Intuit Inc., Call Option, Aug 4, 2023, \$495.00	(0.01)
Meta Platforms, Inc., Call Option, Jul 28, 2023, \$345.00	(0.01)
Alphabet Inc., Call Option, Jul 21, 2023, \$131.00	(0.01)
Analog Devices, Inc., Call Option, Aug 18, 2023, \$210.00	(0.01)
Cadence Design Systems, Inc., Call Option, Jul 21, 2023, \$240.00	(0.01)
Amazon.com, Inc., Call Option, Jul 21, 2023, \$145.00	(0.01)
Salesforce, Inc., Call Option, Aug 4, 2023, \$230.00	(0.01)
Meta Platforms, Inc., Call Option, Jul 21, 2023, \$325.00 ^a	(0.00)
Palo Alto Networks, Inc., Call Option, Aug 4, 2023, \$280.00 ^a	(0.00)
Shopify Inc., Call Option, Jul 28, 2023, \$80.00 ^a	(0.00)
Amazon.com, Inc., Call Option, Jul 7, 2023, \$136.00 ^a	(0.00)
Short Positions as a Percentage of Total Net Asset Value	(0.34)
Top Holdings as a Percentage of Total Net Asset Value	95.18
Total Net Asset Value	\$77,945,252

^aHoldings of less than 0.005% and greater than -0.005% are rounded to 0.00%.

The summary of investment portfolio may change due to the ETF's ongoing portfolio transactions. Updates are available quarterly.

Caution regarding forward-looking statements

This document may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent our beliefs regarding future events. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking statements will not prove to be accurate. We caution readers of this document not to place undue reliance on our forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed or implied in the forward-looking statements. Actual results may differ materially from management expectations as projected in such forward-looking statements for a variety of reasons, including but not limited to market and general economic conditions, interest rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the ETF may invest in and the risks detailed from time to time in the ETFs' prospectus. We caution that the foregoing list of factors is not exhaustive and that when relying on forward-looking statements to make decisions with respect to investing in the ETF, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Due to the potential impact of these factors, BMO Asset Management Inc. does not undertake, and specifically disclaims, any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

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