IBKRCampus

IBKRWebinars



www.ibkr.com/campus/webinars

www.ibkr.eu/campus/webinars

June 22, 2026

ETF Investing Made Simple for DIY Investors

Zayla Saunders
Senior Associate, ETF Online Distribution
BMO ETFs

Exchange and Industry Sponsored Webinars are presented by unaffiliated third parties. IBKR is not responsible for the content of these presentations. You should review the contents of each presentation and make your own judgment as to whether the content is appropriate for you. IBKR does not provide recommendations or advice. This presentation is not an advertisement or solicitation for new customers. It is intended only as an educational presentation.

IBKRCampus

IBKRWebinars



www.ibkr.com/campus/webinars

www.ibkr.eu/campus/webinars

Disclosure:

Options involve risk and are not suitable for all investors. For information on the uses and risks of options, you can obtain a copy of the Options Clearing Corporation risk disclosure document titled Characteristics and Risks of Standardized Options by going to the following link ibkr.com/occ. Multiple leg strategies, including spreads, will incur multiple transaction costs.

Futures are not suitable for all investors. The amount you may lose may be greater than your initial investment. Before trading futures, please read the CFTC Risk Disclosure. For a copy visit your local Interactive Brokers Website.

Security futures involve a high degree of risk and are not suitable for all investors. The amount you may lose may be greater than your initial investment. Before trading security futures, please read the Security Futures Risk Disclosure Statement. For a visit copy your local Interactive Brokers Website.

There is a substantial risk of loss in foreign exchange trading. The settlement date of foreign exchange trades can vary due to time zone differences and bank holidays. When trading across foreign exchange markets, this may necessitate borrowing funds to settle foreign exchange trades. The interest rate on borrowed funds must be considered when computing the cost of trades across multiple markets.

The Order types available through Interactive Brokers Trader Workstation are designed to help you limit your loss and/or lock in a profit. Market conditions and other factors may affect execution. In general, orders guarantee a fill or guarantee a price, but not both. In extreme market conditions, an order may either be executed at a different price than anticipated or may not be filled in the marketplace.

There is a substantial risk of loss in trading futures and options. Past performance is not indicative of future results.

Any stock, options or futures symbols displayed are for illustrative purposes only and are not intended to portray recommendations.

IRS Circular 230 Notice: These statements are provided for information purposes only, are not intended to constitute tax advice which may be relied upon to avoid penalties under any federal, state, local or other tax statutes or regulations, and do not resolve any tax issues in your favor.

Interactive Brokers LLC is a member of NYSE FINRA SIPC

Interactive Brokers Canada Inc - Is a member of the Canadian Investment Regulatory Organization (CIRO) and Member - Canadian Investor Protection Fund

Interactive Brokers (U.K.) Limited is authorized and regulated by the Financial Conduct Authority. FCA Register Entry Number 208159

Interactive Brokers Ireland Limited is regulated by the Central Bank of Ireland. CBI, reference number C423427

Interactive Brokers Australia Pty. Ltd. - ABN 98 166 929 568 is licensed and regulated by the Australian Securities and Investments Commission AFSL: 453554

Interactive Brokers Singapore Pte. Ltd. - Is licensed and regulated by the Monetary Authority of Singapore. MAS, License No. CMS100917

Interactive Brokers Hong Kong Limited is regulated by the Hong Kong Securities and Futures Commission, and is a member of the SEHK and the HKFE

Interactive Brokers India Pvt. Ltd. member: NSE, BSE, SEBI. Regn. No. SEBI Registration No. INZ000217730; NSDL: IN-DP-NSDL-301-2008

As with all investments, your capital is at risk

IBKRCampus

IBKRWebinars



www.ibkr.com/campus/webinars

www.ibkr.eu/campus/webinars

Disclosure:

Connections offers a comprehensive view of the investment landscape surrounding stocks, enabling investors to explore related instruments and strategies; however, users should conduct their own research and consider market risks before making investment decisions.

Futures, event contracts and forecast contracts are not suitable for all investors. Before trading these products, please read the CFTC Risk Disclosure. For a copy visit our Warnings and Disclosures Page.

Interactive Brokers LLC is a CFTC-registered Futures Commission Merchant and a clearing member and affiliate ofForecastEx LLC ("ForecastEx"). ForecastEx is a CFTC-registered Designated Contract Market and Derivatives ClearingOrganization. Interactive Brokers LLC provides access to ForecastEx forecast contracts for eligible customers. InteractiveBrokers LLC does not make recommendations with respect to any products available on its platform, including thoseoffered by ForecastEx.

Forecast Contracts are only available to eligible clients of Interactive Brokers LLC, Interactive Brokers Canada Inc.,Interactive Brokers Hong Kong Limited, Interactive Brokers Ireland Limited and Interactive Brokers Singapore Pte. Ltd.Forecast Contracts on US election results are only available to eligible US residents.

Interactive Brokers does not provide tax advice, does not make representations regarding the particular tax consequences of any investments, and cannot assist clients with tax filings. Investors should consult with their tax professional about the tax implications of any investment.

Trading in digital assets, including cryptocurrencies, is especially risky and is only for individuals with a high risk tolerance and the financial ability to sustain losses. Eligibility to trade in digital asset products may vary based on jurisdiction.

U.S. Spot Gold trading through IB LLC accounts is only available to legal residents of the United States that do not reside in Arizona, Montana, New Hampshire, and Rhode Island.

Investments in certain commodities (precious metals) may be subject to significant price volatility and often involve risks related to market fluctuations, liquidity constraints, geopolitical events, and changes in global economic conditions that could adversely affect their value.

Interactive Brokers LLC is a member of NYSE FINRA SIPC

Interactive Brokers Canada Inc - Is a member of the Canadian Investment Regulatory Organization (CIRO) and Member - Canadian Investor Protection Fund

Interactive Brokers (U.K.) Limited is authorized and regulated by the Financial Conduct Authority. FCA Register Entry Number 208159

Interactive Brokers Ireland Limited is regulated by the Central Bank of Ireland. CBI, reference number C423427

Interactive Brokers Australia Pty. Ltd. - ABN 98 166 929 568 is licensed and regulated by the Australian Securities and Investments Commission AFSL: 453554

Interactive Brokers Singapore Pte. Ltd. - Is licensed and regulated by the Monetary Authority of Singapore. MAS, License No. CMS100917

Interactive Brokers Hong Kong Limited is regulated by the Hong Kong Securities and Futures Commission, and is a member of the SEHK and the HKFE

As with all investments, your capital is at risk



ETF Investing Made Simple for DIY Investors

BMO | Exchange Traded Funds

by BMO Global Asset Management

Presented by Zayla Saunders, CIM ®

June 2026



Zayla Saunders, CIM®

Vice President, Online Distribution
BMO Exchange Traded Funds

Agenda

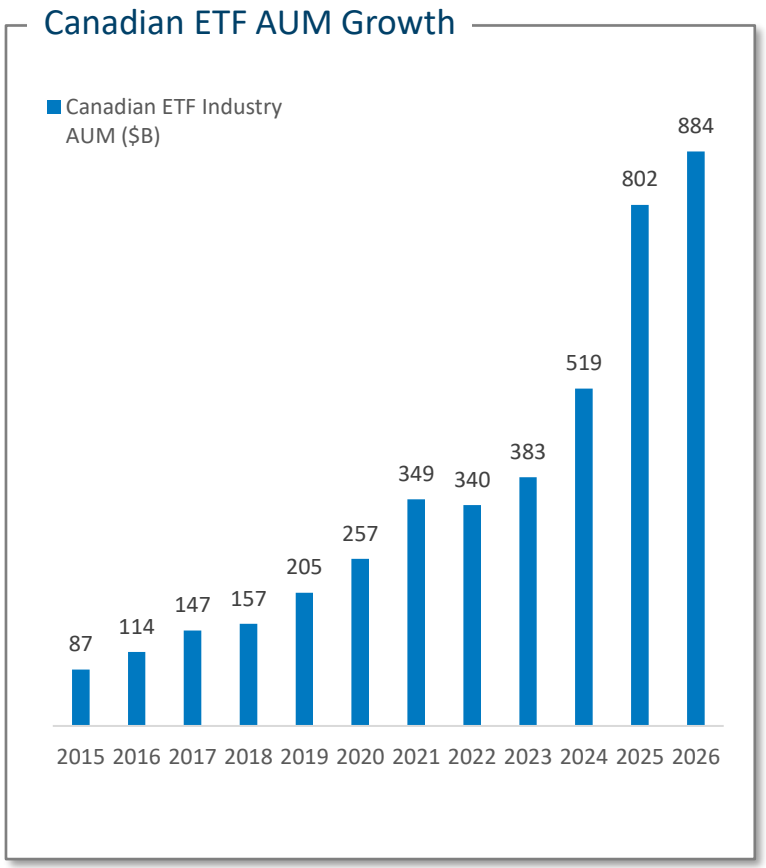
- What is an ETF?
- Liquidity/Trading ETFs
- Benefits of ETFs
- How can ETFs be used
- Evaluating ETFs

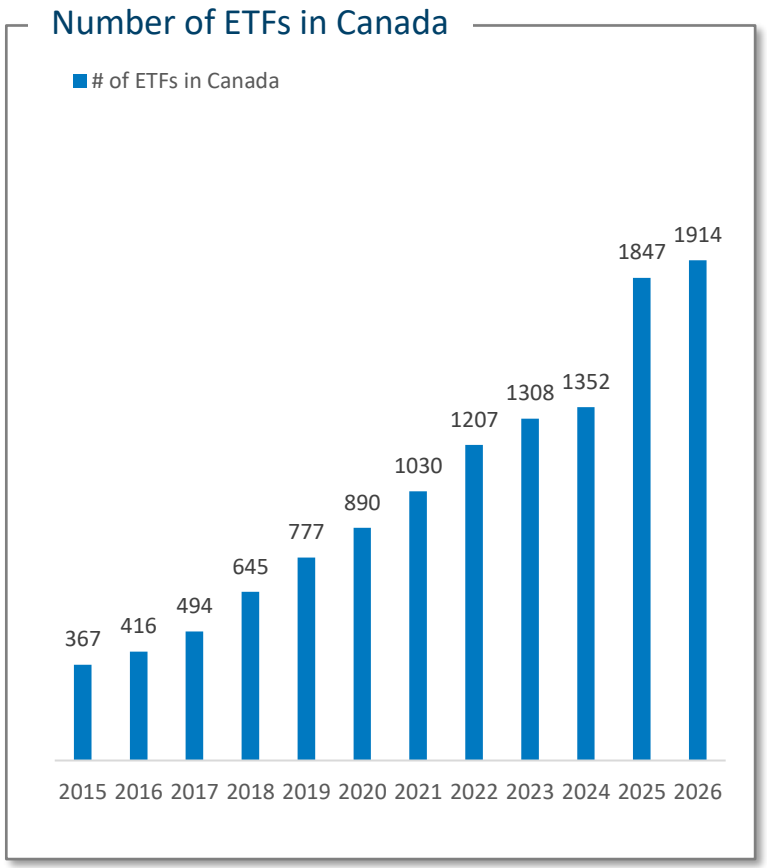
Liquidity: The degree to which an asset or security can be quickly bought or sold in the market without affecting the asset's price. Cash is considered to be the most liquid asset, while things like fine art or rare books would be relatively illiquid.

Massive Growth of ETFs in Canada

Why have ETFs been so popular?

- Low Cost
- Transparent
- Liquid
- Flexible
- Diversified





Morningstar. As of Feb 28, 2026. Canadian-listed ETF assets include holdings by retail investors as well as institutions and holdings by other investment funds.

How do ETFs work?

Composition



Basket of securities

A fund holding a set of securities such as stocks or bonds.

These holdings can be selected in many ways. For example, they could be mimicking an index, tracking a commodity or they could be tactically selected by a portfolio manager.

Trading

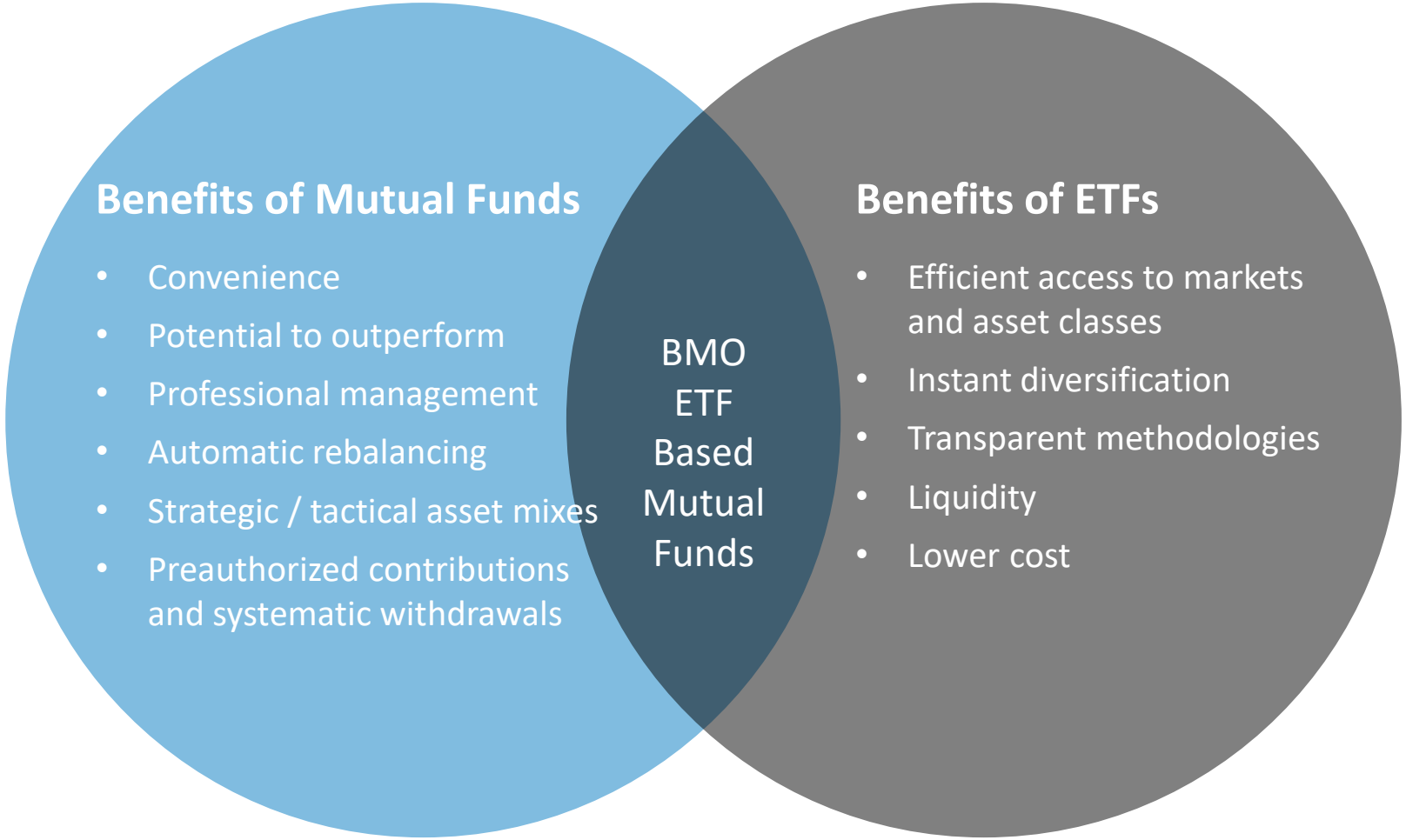


Traded on a stock exchange

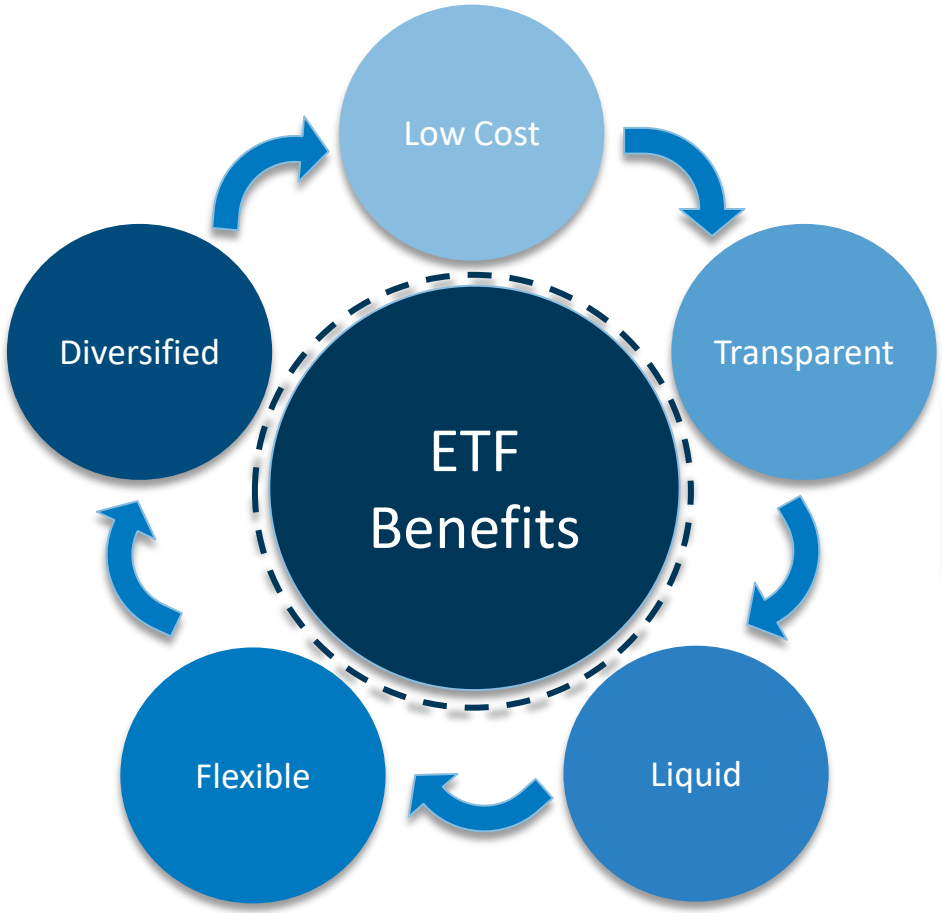
ETFs are available on stock exchanges and can be bought and sold during trading hours.

ETFs enable investors to buy and sell at any point while the markets are open. In addition, the liquidity of the underlying securities represents the true liquidity of an ETF due to the creation and redemption process.

ETFs vs. Mutual Funds, What is the Difference?



Benefits of ETFs



Low Cost

Low costs help keep your returns high, meaning more money in the future.

Diversified

ETFs hold many securities or even other ETFs giving them vast diversification.

Flexible

ETFs provide unique access to various sectors, factors or even commodities.

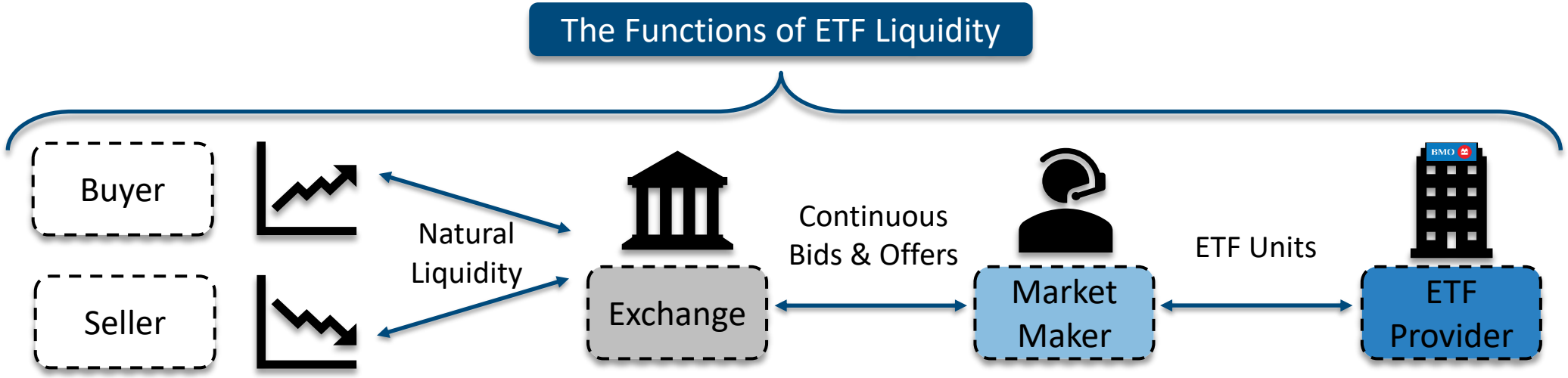
Transparent

Investors can monitor the trading price at any time as well as view the holdings to ensure they align with the advertised portfolio targets.

Liquid

Investors can buy/sell at any point during the trading day. Additionally, the liquidity if the underlying securities represents the true liquidity of an ETF due to the creation and redemption process.

The True Liquidity of ETFs



First level of Liquidity

Trading on the exchange

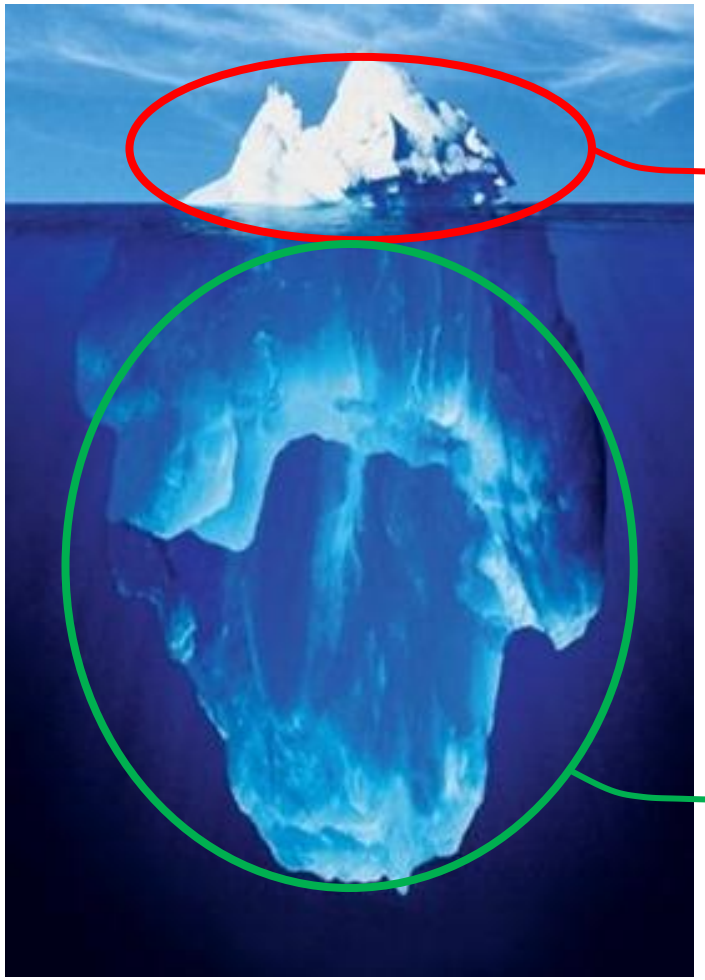
Second level of Liquidity

Market Maker Activity

Third level of Liquidity

Unit creation based on underlying securities

How ETF Liquidity is Assessed



Perceived liquidity based on ETF volume

Actual hidden liquidity based on underlying asset volume

Strategic Uses of ETFs

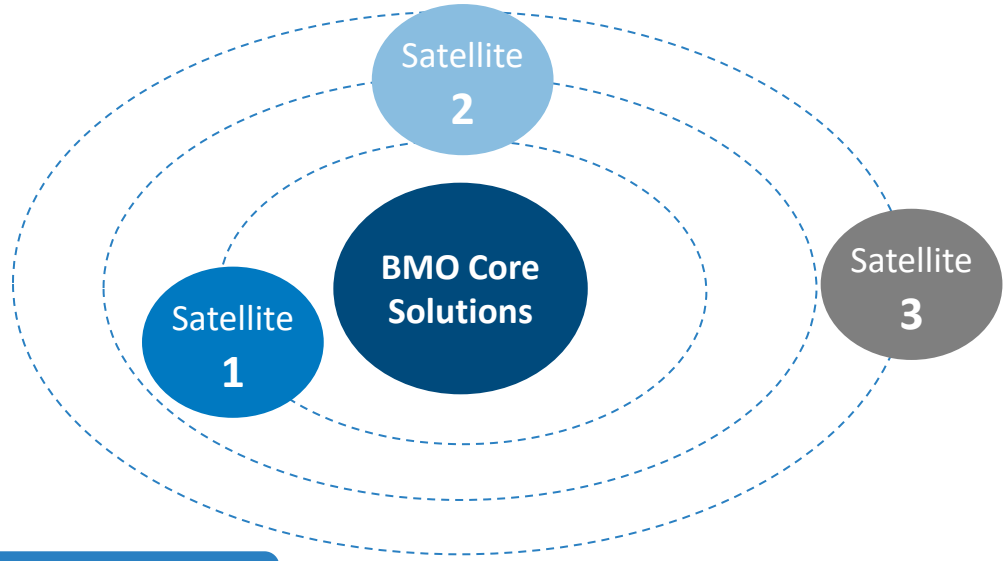
Strategic Uses

Core / Satellite – Either by region or asset class, or by pairing active and passive.

ETF Overlay – Keep a liquid sleeve to fund trading and redemptions.

Portfolio Completion – Access hard to reach asset classes.

Portfolio Building – Effective solutions to create a complete portfolio.

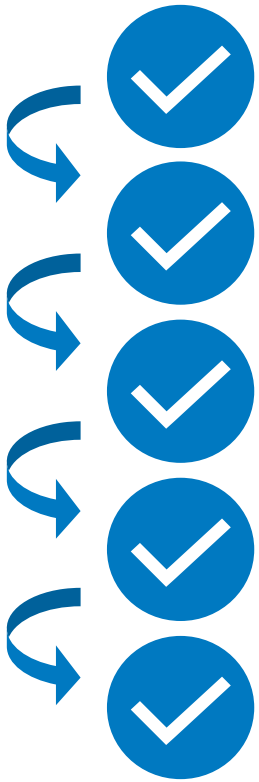


Exposures

Broad index exposure (S&P 500, Nasdaq, MSCI EAFE, etc.)
Sector specific funds (Equal weights, etc.)
Low volatility funds

Evaluating ETFs

Due Diligence Checklist



Identifying the Right Provider	As the industry matures, ETF closures may occur, putting greater importance on using established providers.
Identifying the Right Exposure	Review the merits of portfolio construction to compare intended exposure with the expected outcomes of the ETF.
Identifying the Right Structure	Review the levels of withholding taxes within the ETF structure. Investigate if the ETF employs leverage, the risk appetite and any sector or security concentration.
What is the ETFs Total Cost	Evaluating the total cost is a key consideration for ETFs. The longer the time horizon the greater the impact cost has on performance.
Liquidity	Review the liquidity of the underlying securities, how the ETF has performed in stressed markets and check if the provider offers support to help investors receive the best execution.

Different Kinds of ETFs

Type:	Broad Market	Sector	Factor	Asset allocation	Fixed Income	Covered Call	Alternatives
Holdings:	Indexes such as S&P 500, EAFE or Aggregate Bond Index.	Stocks in a specific sector such as healthcare, technology, real estate, etc.	Low volatility, quality, dividends or value. Stocks in these groups.	Other ETFs such as a mix of equity ETFs and FI ETFs based on exposure targets.	Bonds such as short-term or long-term, corporate or government.	Various assets classes with calls written on 50% of the portfolio.	Commodities, infrastructure, physical gold & gold solutions.

Broad Market ETFs

Broad market ETFs provide exposure to **many companies** without specifying the industry and often follow a country's **market index**.

Easy to access to global indices

Flexible to execute investment strategy

Instant diversification

Cost efficiency



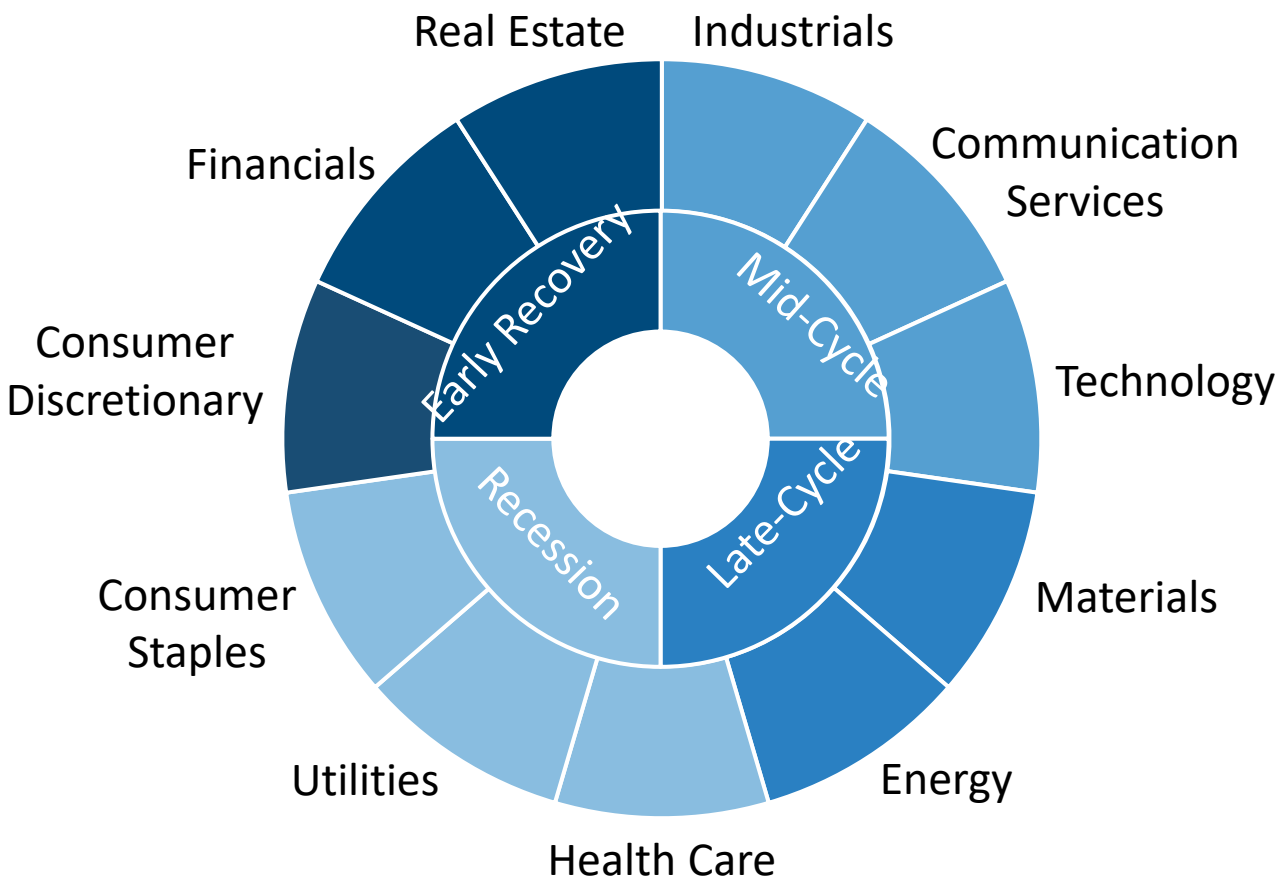
Market leading **indices** you know and want

Flexibility to execute investment strategy

Instant **diversification**

Cost **efficiency**

Sector ETFs



Reduce risks from holding individual companies

Currency conversion savings, estate tax savings

Factor ETFs

BMO is the **largest** provider of factor ETFs in Canada.

What are the Factors?

Low Volatility

BMO Low Volatility ETFs allow investors to target a specific portfolio risk level that is lower than the broad market.

Dividends

BMO Dividend ETFs are designed to generate high level of sustainable dividend income, as well as the potential for portfolio gains.

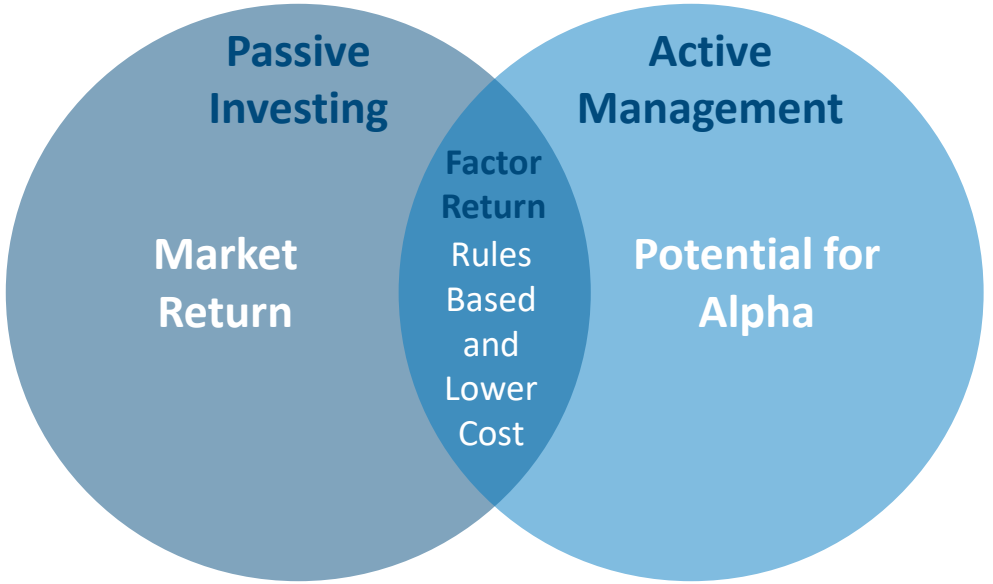
Value

BMO Value ETFs utilize a strategy designed to choose undervalued companies and sidestep potential value traps.

Quality

BMO Quality ETFs invest in companies that have a sustainable competitive advantage with high quality scored based on: high ROE, stable earnings growth and low debt.

Factor ETF Offering



Asset Allocation ETFs

All-in-one simplified investing.

Why invest in Asset Allocation ETFs?

Instant Diversification

Asset Allocation ETFs provide a diversified portfolio with a mix of global assets to match your risk profile and reduced volatility.

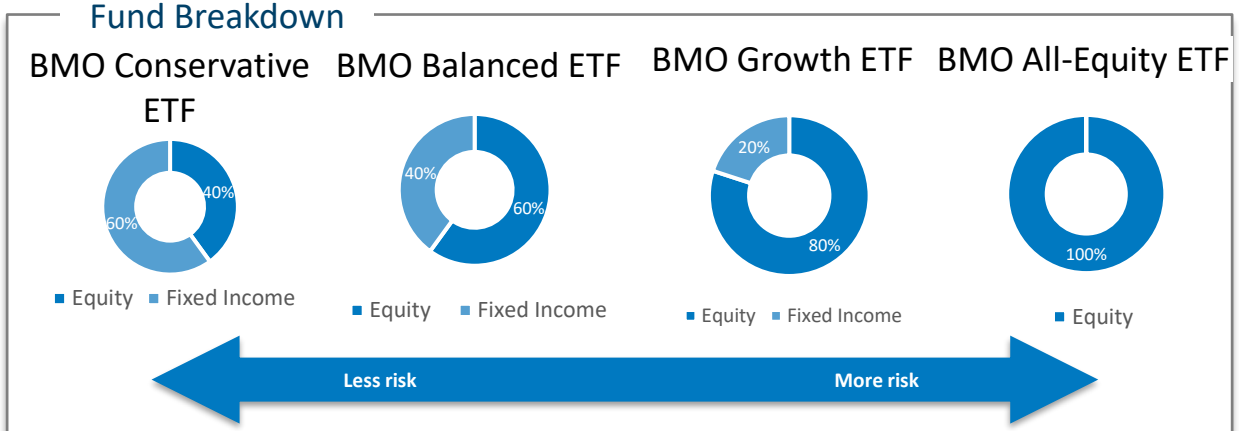
Professionally Constructed

Leverage the asset allocation experience that BMO Global Asset Management offers through a disciplined approach and automatic rebalancing.

Low Cost

Buy an entire portfolio of ETFs in one investment with no added cost of the underlying holdings.

Fund Breakdown



Risk Profiles

Conservative investors (low risk tolerance or short time horizon):	60–80% to fixed income and 20–40% to equities.
Balanced investors (moderate risk tolerance):	50/50 split between equities and fixed income.
Aggressive investors (high risk tolerance and long time horizon):	70–90% to equities, 10–30% to fixed income.

All investments involve risk. The value of an exchange-traded fund (ETF) can go down as well as up and you could lose money. The risk of an ETF is rated based on the volatility of the ETF's returns using the standardized risk classification methodology mandated by the Canadian Securities Administrators. Historical volatility doesn't tell you how volatile an ETF will be in the future. An ETF with a risk rating of "low" can still lose money. For more information about the risk rating and specific risks that can affect an ETF's returns, see the BMO ETFs' prospectus.

Fixed Income ETFs

BMO is the **largest** provider of Fixed income ETFs in Canada.

Why ETFs for Fixed Income Investing?

Efficient Exposure

Fixed income ETFs provide investors with access to diversified bond portfolios.

Liquidity

ETFs provide liquid access to fixed income asset classes that are difficult to access such as real return bonds and high yield bonds.

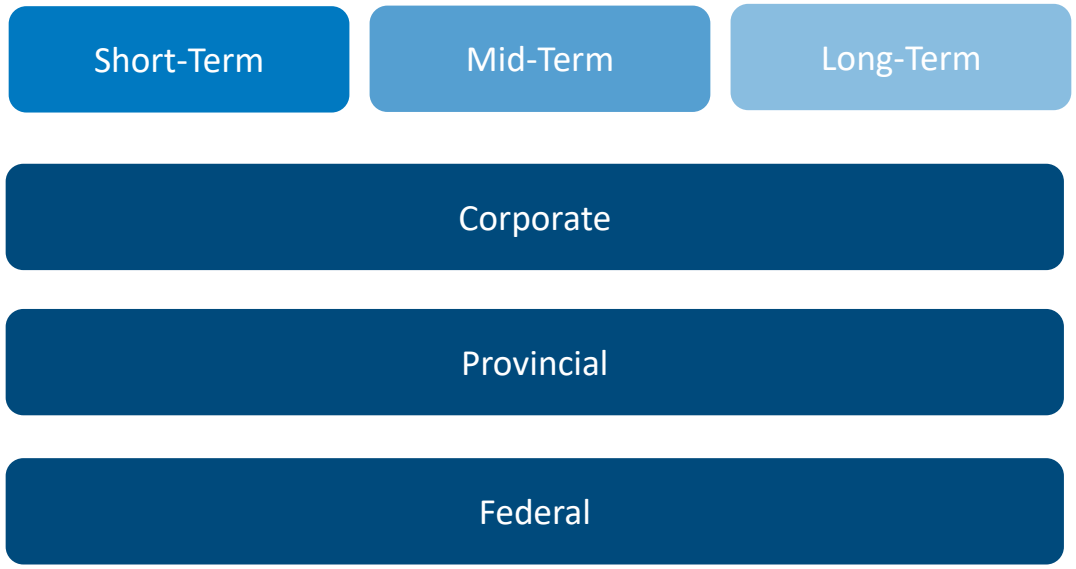
Credit Rating

A bond's credit rating reflects the likelihood that bondholders will receive interest payments on schedule and get their principal back at maturity.

Pricing

Fixed income ETFs are traded on stock exchanges which provide investors with pricing transparency.

Comprehensive Fixed Income ETFs



Bloomberg January 31, 2025.

Covered Call ETFs

Benefits of Covered Call ETFs

Higher Yield

Earn added yield from the option premiums, along with dividend income from the underlying asset.

Convenience

With an ETF, you get the benefit of holding one security instead of operating a call writing program on your own.

Tax Efficiency

The cash flow generated from writing call options on securities is generally taxed as capital gains.

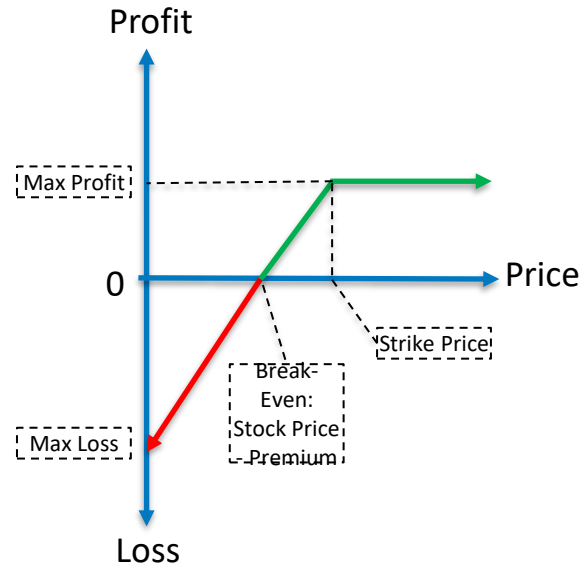
Lower Volatility

Covered call strategies have historically reduced portfolio volatility, while providing similar exposure to the underlying portfolio with lower risk.

BMO ETFs launched its first covered call ETF in **2011** and is now the **largest** provider in Canada.

How Does a Covered Call Work?

BMO sells a call option while also holding the underlying security.



BMO GAM. Tax Efficient: as compared to an investment that generates an equivalent amount of interest income. Options involve risk and are not suitable for all investors.

Gold ETFs

Advantages of Investing in Gold

Portfolio Diversification

Gold typically has a low correlation to traditional asset classes like stocks and bonds.

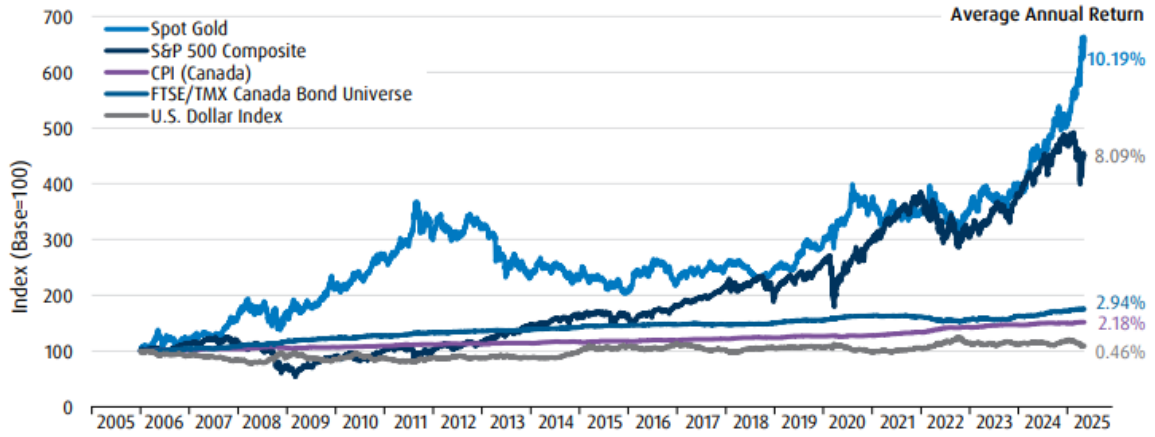
Safe Haven Asset

Gold tends to retain its value when currencies weaken, and inflation rises.

Return Potential

Geopolitical uncertainty, portfolio diversification, and momentum buying can lead to more demand for gold.

Gold's annualized average rate of return since the year 2006 has surpassed major indices.



Gold Strategies

Direct Exposure

Get exposure to the price of gold bullion without having the hassle of buying and storing the precious metal. Gold is held in a local BMO vault in Toronto.

Cash Flow

Combine exposure to the price of gold bullion while generating a consistent cash flow generated through a covered call spread strategy.

Gold Equity

Invest in equity securities of mining and exploration companies that tend to fluctuate with the price of gold. It also provides exposure to company profitability and mining activities.

BMO GAM and Bloomberg, BMO GAM as of December 30, 2025. Past Performance is not indicative of future results. Investing in gold involves risks, including price volatility, lack of income generation, and potential losses due to changes in market conditions, interest rates, and currency values.

Impact of Currency

Foreign vs. Domestic

Changes in domestic currency

If the domestic currency **appreciates** against the foreign currency, then the value of your foreign investment will **decrease**.

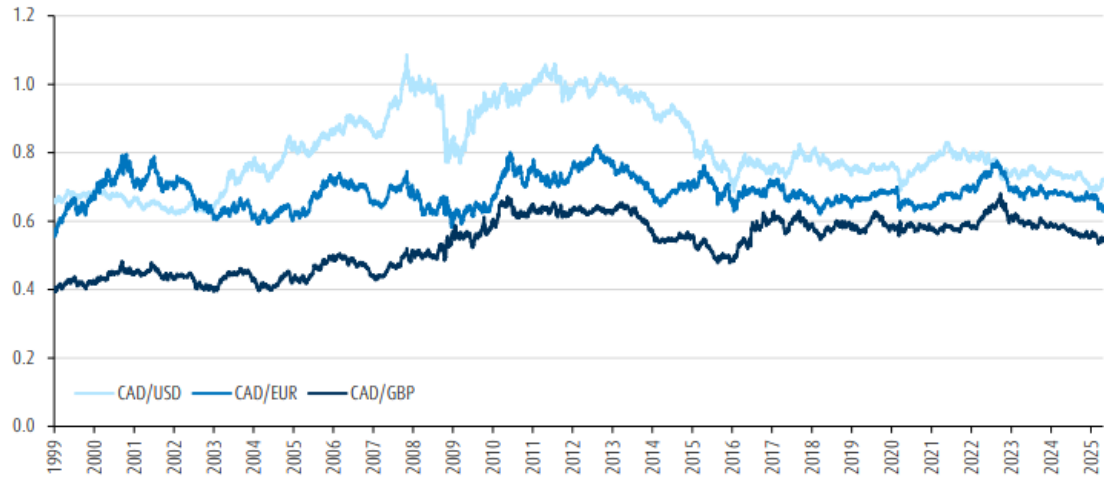
If the domestic currency **depreciates** against the foreign currency, then the value of your foreign investment will **increase**.

Changes in foreign currency

If the foreign currency **appreciates** against the domestic currency, then the value of your foreign investment will **increase**.

If the foreign currency **depreciates** against the domestic currency, then the value of your foreign investment will **decrease**.

Hedged vs. Unhedged



Calculating Returns

$ Total Return of Foreign Investment = [Local Return of Underlying Security + € ↑ Return of Underlying Currency vs. Canadian Dollar]

BMO GAM and Bloomberg. Monthly value of CAD vs USD, EUR, GBP. As of December 31, 2025. Historical volatility is not an indication of future volatility. There is a substantial risk of loss in foreign exchange trading. The settlement date of foreign exchange trades can vary due to time zone differences and bank holidays. When trading across foreign exchange markets, this may necessitate borrowing funds to settle foreign exchange trades.

Debunking ETF Myths

Myths and Facts

Myth	Fact
ETFs are just like stocks.	ETFs trade on exchanges like a stock, but stocks have a finite number of shares available. An ETF is an open-ended fund that can create new units based on demand.
Stocks and funds outperform ETFs.	Active management can deliver meaningful outperformance; the challenge is to do so consistently over time. ETFs can outperform when the entire market lifts off, or when higher fees and adverse stock selection impacts active managers.
ETFs aren't liquid.	ETF quotes are constantly refreshed, which works like a stock. Market Makers may have offsetting trades on ETF transactions, which neutralizes the market impact on the underlying securities.
ETFs cause market crashes.	ETFs are priced based on their underlying portfolios, not the other way around, the assumption that ETFs impacted market stability as they became prominent then doesn't make sense.

Disclaimer

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 simplified prospectus.

The viewpoints expressed by the presenter(s) represent their assessment of the markets at the time of publication. Those views are subject to change without notice at any time without any kind of notice. The information provided herein does not constitute a solicitation of an offer to buy, or an offer to sell securities nor should the information be relied upon as investment advice. Past performance is no guarantee of future results. This content is intended for informational purposes only.

Commissions, management fees and expenses all may be associated with investments in exchange-traded funds. Please read the ETF Facts or simplified prospectus of the BMO ETFs before investing. Exchange-traded funds are not guaranteed, their values 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 ETF's simplified 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 by BMO Asset Management Inc., which is an investment fund manager and a portfolio manager, and a 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.

"BMO (M-bar roundel symbol)" is a registered trademark of Bank of Montreal, used under licence.

Tactical Uses of ETFs

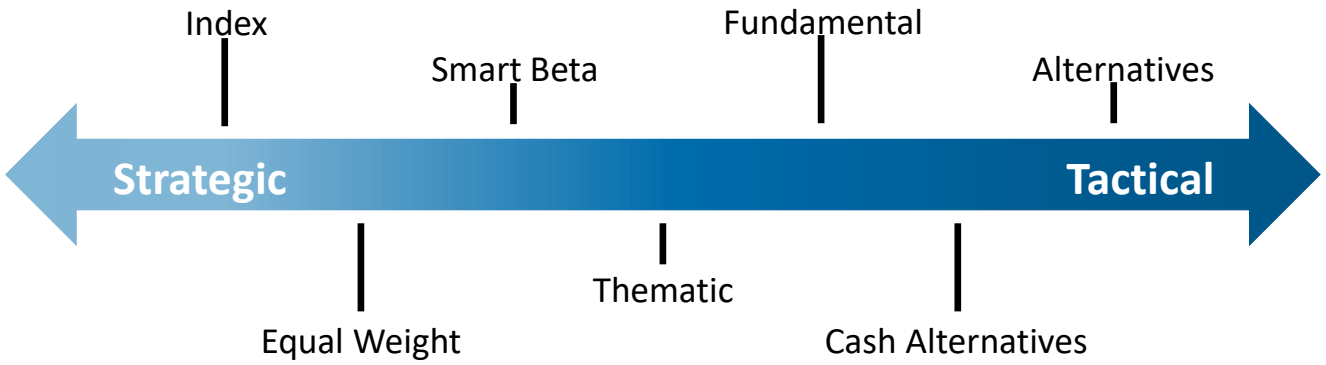
Tactical Uses

Transitions and Rebalancing – Stay invested while executing large trade exists.

Tactical Adjustments – Temporary shifts by asset class, sector or region.

Cash Equalization – Keep the portfolio fully invested.

Hedging – Reduce market exposure by selling underlying holdings.



Exposures

Currency hedged vs. unhedged products
Money market or ultra short-term fixed income products
Covered call

Building Portfolios With ETFs

How do you construct a portfolio with ETFs?

Blending index and actively managed funds

1

- Index for market performance
- Active for potential alpha or risk mitigation
- Factors or rules bases ETFs

Mix core and satellite investments

2

- Core: Key assets like equities and bonds, balanced for risk/reward.
- Satellite: Adds potential value, but with extra risk.

Employ a tactical short-term strategy

3

- Efficiently adjust portfolio exposure.
- Useful for targeting specific sectors or segments.
- Enable tactical investment decisions.