ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

BMO S&P 500 Index ETF (ZSP/ZSP.U) (the "ETF")

For the 12-month period ended December 31, 2025 (the "Period")

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

Management Discussion of Fund Performance

Investment Objective and Strategies

The ETF seeks to replicate, to the extent possible, the performance of a broad U.S. stock market index, net of expenses. Currently, the ETF seeks to replicate the performance of the S&P 500 Index (the "Index"). The investment strategy of the ETF is to invest in and hold the constituent securities of the Index in the same proportion as they are reflected in the Index. The Manager may also use a sampling methodology in selecting investments for the ETF.

Risk

The risks associated with an investment in the ETF remain as disclosed in the ETF's most recent prospectus or any amendments thereto and ETF facts. During the Period, there were no changes to the ETF that materially affected the overall risk level associated with an investment in the ETF. The Manager reviewed the ETF using the standardized investment risk classification methodology prescribed by National Instrument 81-102 *Investment Funds* and determined on January 21, 2025 that the risk rating of the ETF had not changed. The Manager reviews the ETF's investment risk level and reference index, if any, at least annually.

Results of Operations

The Canadian dollar ("CAD") units of the ETF returned 12.29% versus the S&P 500 Index (CAD) (the "Index (CAD)") return of 12.35%. The difference in the performance of the CAD units of the ETF relative to the Index (CAD) during the Period (-0.06%) resulted from the management expense ratio (-0.09%), and the impact of sampling and certain other factors (0.03%), which may have included timing differences versus the Index (CAD), and market volatility.

The U.S. dollar ("USD") units of the ETF returned 17.60% versus the S&P 500 Index (USD) (the "Index (USD)") return of 17.88%. The difference in the performance of the USD units of the ETF relative to the Index (USD) during the Period (-0.28%) resulted from the management expense ratio (-0.09%), and the impact of sampling and certain other factors (-0.19%), which may have included timing differences versus the Index (USD), and market volatility. The change in total net asset value during the Period from approximately $22,236 million to approximately $24,409 million had no impact on the performance of the ETF.

Market Conditions

U.S. equities advanced during the Period, supported by resilient economic activity, steady consumer spending, and an improving policy backdrop. During the Period, the S&P 500 Total Return Index (C$) rose by 12.4%. The NASDAQ Composite Total Return Index (C$) increased by 15.5%, reflecting strong participation from innovative and growth-oriented companies. Market leadership broadened as easing inflation and lower interest rates created a constructive environment for earnings. Technology (18.21%) and Communication Services (27.28%) remained key contributors, driven by continued investment in artificial intelligence ("AI") and data infrastructure, while Financials (9.63%) and Industrials (13.84%) also delivered solid results. Although markets experienced periods of

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This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the ETF. If the annual financial statements of the ETF do not accompany the mailing of this report, you may obtain a copy of the 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.bmogam.com/ca-en/resources/legal-and-regulatory-documents/#bmo-etfs** or SEDAR+ at **www.sedarplus.ca**. You may also contact us using one of these methods to request a copy of the ETF's interim financial report, proxy voting policies and procedures, proxy voting disclosure record and/or quarterly portfolio disclosure.

volatility related to tariff developments and shifting policy expectations, corporate fundamentals remained stable and helped sustain investor confidence. The overall strength in sector breadth and earnings momentum reinforced the position of the U.S. as a leading global equity market.

The Information Technology and Communication Services sectors contributed the most to the ETF's returns while the Consumer Staples and Real Estate sectors detracted the most from performance. Among individual securities, NVIDIA Corporation and Alphabet Inc. added to performance the most. Unitedhealth Group Inc. and Fiserv Inc. proved to be among the biggest detractors from returns.

Independent Review Committee (IRC)
On December 3, 2025, Erez Blumberger and Anne Marie O'Donovan joined the IRC as members.

Recent Developments
The U.S. investment backdrop for 2026 remains broadly constructive, supported by above-trend economic growth, easing policy conditions, and continued productivity gains driven in part by AI-related capital spending. However, risks such as rich equity valuations, labour-market softness, and uncertain interest rate paths argue for selectivity, especially as volatility may rise from historically elevated asset prices.

In January 2025, U.S. President Donald Trump was inaugurated. Subsequently, the U.S. government has made sweeping policy changes. These policy changes include both an increase in existing tariffs and the invocation of new tariffs on many countries, including Canada. In response, both domestic and global financial markets have reacted with increased volatility. As at the current date, President Trump's policy changes are continuously shifting. It is uncertain how long the market instability will continue and whether it will escalate further.

Subsequent Event
Independent Review Committee (IRC)
On March 4, 2026, Jim Falle and Wendy Hannam ceased to be Independent Review Committee members due to the expiry of their terms.

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 and pursuant to applicable securities legislation, the ETF relied on standing instructions provided by the independent review committee ("IRC") with respect to one or more of the following related party transactions (each, a "Related Party Transaction"):

(a) investments in securities issued by BMO;

(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 a related party dealer acted as an underwriter in the distribution;

(c) trades in debt securities of any issuer from or to a related party dealer acting as principal;

(d) trades of a security of any issuer from or to another investment fund or managed account managed by the Manager or an affiliate of the Manager; and

(e) allowing Alternative BMO ETF's to borrow cash from a related prime broker.

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, among other things, advise the IRC of non-compliance with the applicable 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 and/or portfolio manager, uninfluenced by considerations other than the best interests of the ETF; (iii) is in compliance with the Manager's written policies and procedures; and (iv) achieves a fair and reasonable result for the ETF.

Other Transactions with a Related Party

During the Period and pursuant to applicable securities legislation, the ETF relied on standing instructions and positive recommendations provided by the IRC with respect to engaging a Related Party as a derivatives counterparty or service provider.

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 periods were as follows:

		2025	2024
Total brokerage commissions	$	67,575	35,860
Brokerage Commissions paid to BMO Nesbitt Burns Inc.	$	42,742	4,149

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)]

		Financial years ended Dec. 31				
Listed CAD Units		**2025**	**2024**	**2023**	**2022**	**2021**
Net assets, beginning of period	$	92.39	69.02	56.89	66.06	52.46
Increase (decrease) from operations						
Total revenue	$	1.21	1.13	1.07	0.97	0.86
Total expenses[(2)]	$	(0.25)	(0.23)	(0.21)	(0.18)	(0.17)
Realized gains (losses) for the period	$	4.47	2.28	5.24	2.89	5.72
Unrealized gains (losses) for the period	$	5.75	20.98	7.29	(12.25)	8.04
Total increase (decrease) from operations[(3)]	$	11.18	24.16	13.39	(8.57)	14.45
Distributions						
From net investment income (excluding dividends)	$	—	—	—	—	—
From dividends	$	1.03	0.86	0.83	0.78	0.70
From capital gains	$	—	—	—	—	—
Return of capital	$	0.05	0.03	0.09	0.04	0.06
Total Annual Distributions[(4)]	$	1.08	0.89	0.92	0.82	0.76
Net assets, end of period	$	102.83	92.39	69.02	56.89	66.06

		Financial years ended Dec. 31				
Listed USD Units†		**2025**	**2024**	**2023**	**2022**	**2021**
Net assets, beginning of period	$	64.28	52.13	42.07	52.32	41.28
Increase (decrease) from operations						
Total revenue	$	0.87	0.83	0.79	0.74	0.69
Total expenses[(2)]	$	(0.18)	(0.17)	(0.15)	(0.14)	(0.14)
Realized gains (losses) for the period	$	3.19	1.64	3.97	2.23	4.63
Unrealized gains (losses) for the period	$	4.20	15.48	5.14	(9.20)	6.42
Total increase (decrease) from operations[(3)]	$	8.08	17.78	9.75	(6.37)	11.60
Distributions						
From net investment income (excluding dividends)	$	—	—	—	—	—
From dividends	$	0.77	0.67	0.67	0.58	0.53
From capital gains	$	—	—	—	—	—
Return of capital	$	0.03	0.02	0.05	0.07	0.07
Total Annual Distributions[(4)]	$	0.80	0.69	0.72	0.65	0.60
Net assets, end of period	$	74.89	64.28	52.13	42.07	52.32

† Amounts stated in U.S. dollars.

(1) This information is derived from the ETF's 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.

BMO S&P 500 Index ETF

Ratios and Supplemental Data

Listed CAD Units		Financial years ended Dec. 31 2025	2024	2023	2022	2021
Total net asset value (000's)[1]	$	21,109,774	18,896,294	11,777,680	9,453,582	10,976,414
Number of units outstanding (000's)[1]		205,286	204,536	170,636	166,161	166,161
Management expense ratio[2]	%	0.09	0.09	0.09	0.09	0.09
Management expense ratio before waivers or absorptions[2]	%	0.09	0.09	0.09	0.09	0.09
Trading expense ratio[3]	%	0.00	0.00	0.00	—	0.00
Portfolio turnover rate[4]	%	20.68	18.28	47.08	23.03	29.53
Net asset value per unit	$	102.83	92.39	69.02	56.89	66.06
Closing market price	$	102.87	92.36	69.09	56.85	66.04

Listed USD Units		Financial years ended Dec. 31 2025	2024	2023	2022	2021
Total net asset value (000's)[1]	$	3,298,818	3,339,421	2,679,395	2,607,366	2,972,847
Number of units outstanding (000's)[1]		32,093	36,143	38,793	45,768	44,918
Management expense ratio[2]	%	0.09	0.09	0.09	0.09	0.09
Management expense ratio before waivers or absorptions[2]	%	0.09	0.09	0.09	0.09	0.09
Trading expense ratio[3]	%	0.00	0.00	0.00	—	0.00
Portfolio turnover rate[4]	%	20.68	18.28	47.08	23.03	29.53
Net asset value per unit†	$	74.89	64.28	52.13	42.07	52.32
Closing market price†	$	74.92	64.23	52.20	42.05	52.38

† Amounts stated in U.S. dollars.

(1) This information is provided as at 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. For the financial period ended December 31, 2022, no commissions or other portfolio transaction costs were incurred by the ETF. As a result, the trading expense ratio for the period was nil.

(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.

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 %
ZSP	0.08
ZSP.U	0.08

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.

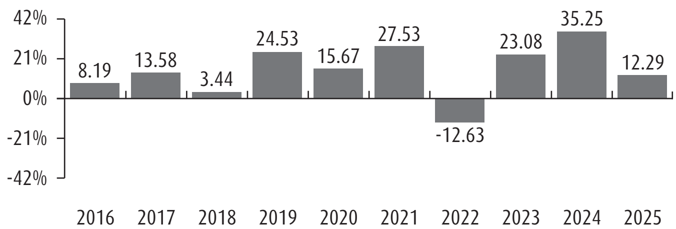
On June 22, 2016, the ETF reduced its annual management fee rate from 0.10% to 0.08%. This change could have affected the performance of the ETF, had it been in effect throughout the performance measurement periods presented.

BMO S&P 500 Index ETF

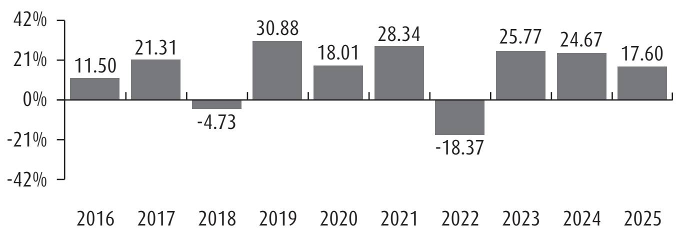
Year-by-Year Returns

The following bar charts show the performance of the ETF for each of the financial years shown, and illustrate how the ETF's performance has changed year to year. The charts show, 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.

Listed CAD Units



Listed USD Units



Annual Compound Returns

This table compares the historical annual compound returns of the ETF with its benchmark index, the S&P 500 Index.

The S&P 500 Index is a market capitalization-weighted index of securities of 500 of the largest U.S. listed issuers provided by S&P. The S&P 500 Index is commonly used as a measure of broad U.S. stock market performance. The S&P 500 Index is reported in both Canadian and U.S. dollars.

As at December 31, 2025

Listed CAD Units		1Yr	3Yr	5Yr	10Yr
BMO S&P 500 Index ETF	%	12.29	23.18	15.80	14.32
S&P 500 Index (CAD)	%	12.35	23.48	16.11	14.67

Listed USD Units		1Yr	3Yr	5Yr	10Yr
BMO S&P 500 Index ETF	%	17.60	22.63	14.08	14.42
S&P 500 Index (USD)	%	17.88	23.01	14.42	14.82

A discussion on the relative performance of the ETF as compared to its benchmark index can be found under the Results of Operations section of this report.

Summary of Investment Portfolio

As at December 31, 2025

Portfolio Allocation	% of Net Asset Value
Information Technology	34.4
Financials	13.4
Communication Services	10.6
Consumer Discretionary	10.4
Health Care	9.6
Industrials	8.2
Consumer Staples	4.7
Energy	2.8
Utilities	2.3
Materials	1.8
Real Estate	1.8
Total Portfolio Allocation	**100.0**

Top 25 Holdings	% of Net Asset Value
NVIDIA Corporation	7.8
Apple Inc.	6.9
Microsoft Corporation	6.2
Alphabet Inc.	5.6
Amazon.com, Inc.	3.8
Broadcom Inc.	2.8
Meta Platforms, Inc., Class A	2.5
Tesla Inc.	2.2
Berkshire Hathaway Inc., Class B	1.6
JPMorgan Chase & Co.	1.5
Eli Lilly and Company	1.5
Visa Inc., Class A	1.0
Exxon Mobil Corporation	0.9
Johnson & Johnson	0.9
Walmart Inc.	0.8
Mastercard Incorporated, Class A	0.8
Palantir Technologies, Class A	0.7
AbbVie Inc.	0.7
Netflix, Inc.	0.7
Costco Wholesale Corporation	0.7
Bank of America Corporation	0.6
Advanced Micro Devices, Inc.	0.6
Home Depot, Inc., The	0.6
Procter & Gamble Company, The	0.6
Oracle Corporation	0.6
Top Holdings as a Percentage of Total Net Asset Value	**52.6**
Total Net Asset Value	**$24,408,592,010**

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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