ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

BMO Covered Call US Banks ETF (ZWK) (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 provide exposure to the performance of a portfolio of U.S. banks to generate income and provide long-term capital appreciation while mitigating downside risk through the use of covered call options. The ETF will primarily invest in and hold the equity securities of U.S. banks. Depending on market volatility and other factors, the ETF will write covered call options on these securities. Under such call options, the ETF will sell to the buyer of the option, for a premium, either a right to buy the security from the ETF at an exercise price or, if the option is cash settled, the right to a payment from the ETF equal to the difference between the value of the security and the exercise price. Covered call options partially hedge against a decline in the price of the securities on which they are written to the extent of the premiums received by the ETF at the time the options are written by the ETF. The call options written by the ETF may be either exchange traded options or over-the-counter options.

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 ETF outperformed the broad-based S&P 500 Index (CAD) by 4.24%. However, the more appropriate comparison is to the Solactive Equal Weight US Banks Index (the “Index”), due to the concentration of the portfolio in U.S. banks. The ETF returned 16.59% versus the Index return of 17.38%. The change in total net asset value during the Period from approximately $354 million to approximately $320 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 (-0.79%) resulted from the management expense ratio (-0.71%) and other factors such as differences in holdings versus the Index, and market volatility (-0.08%). 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 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 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.

In 2025, the S&P 500 Total Return Index (C$) returned 12.6%, fueled by U.S. Federal Reserve Board (“Fed”) interest rate cuts amid sticky inflation (where inflation increases but there is stagnant economic growth), a resilient U.S. economy, and the transition from artificial intelligence (“AI”) excitement to broad deployment driving corporate earnings. Tariff disruptions in early spring caused a sharp drop, but a quick policy pivot and market confidence triggered a rebound.

In 2025, U.S. Financials achieved substantial returns, supported by solid trading revenues, stable net interest income, and an improving dealmaking landscape. However, the sector encountered challenges stemming from tariff-induced market volatility, increased regulatory scrutiny, and margin compression resulting from lower interest rates.

The Financials sector emerged as the primary contributor in 2025, posting outstanding results. In the third quarter, banking earnings beats outnumbered misses by a ratio of 12 to 1. Major banks achieved their second-highest annual profits, supported by record trading revenues stemming from market volatility, a 32% increase in investment banking fees, and robust net interest income. However, regional banks encountered challenges related to loan quality in October.

The top contributing securities were Goldman Sachs Group Inc. and Citigroup Inc. Goldman Sachs Group Inc. had an outstanding 2025, posting record quarterly equity-trading revenue in Quarter 1, Quarter 2, and Quarter 4 driven by volatility from President Trump’s volatile tariffs. Quarter 2 marked the best stock-trading quarter in the firm’s history at $4.3 billion USD and Quarter 4 profits more than doubling to $4.1 billion USD. Citigroup Inc ‘s outperformance was driven by a multiyear transformation involving streamlining its global reach, focusing on clients with cross-border needs, and investments in talent and technology which lead to consistent positive operating leverage across its five businesses.

The only detractor was the ETF’s covered call overlay which resulted in an upside capture rate of less than 100%.

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

Recent Developments
The portfolio manager is cautiously optimistic for U.S. equities. They still prefer U.S. markets structurally, but the latest macroeconomic indicators reinforce a more measured stance. Inflation is cooling which is signaling progress on disinflation even amid data distortions from the government shutdown. At the same time, the labour market is softening more noticeably and the national unemployment rate has risen as more Americans re-entered the labour force during a period of weakening hiring conditions. This combination of easing inflation and weakening employment conditions supports the case for further Fed accommodation, but it also suggests rising cyclical risk. Ultimately, the portfolio manager’s stance on U.S. equities is neutral to positive, favouring broad index exposure but leaning toward lower beta (risk) segments as they balance the structural advantages of the U.S. market against an increasingly fragile macroeconomic backdrop.

The portfolio manager believes the U.S. Financial sector is well positioned to see continued outperformance.

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 Events
Qualify New Series
On January 23, 2026, the Manager will qualify Target Cash Flow Units of the ETF that will provide investors with more investment options.

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.

BMO Covered Call US Banks ETF

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 other major 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	$	444,931	532,892
Brokerage Commissions paid to BMO Nesbitt Burns Inc.	$	14,197	63,578

BMO Covered Call US Banks ETF

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	$	24.69	18.96	24.87	32.43	25.35
Increase (decrease) from operations						
Total revenue	$	0.80	0.80	0.82	0.85	0.73
Total expenses[2]	$	(0.34)	(0.32)	(0.30)	(0.35)	(0.37)
Realized gains (losses) for the period	$	2.49	1.61	(4.75)	1.31	3.93
Unrealized gains (losses) for the period	$	1.01	5.32	3.04	(7.04)	4.24
Total increase (decrease) from operations[3]	$	3.96	7.41	(1.19)	(5.23)	8.53
Distributions						
From net investment income (excluding dividends)	$	—	—	—	—	—
From dividends	$	0.52	0.55	0.54	0.47	0.37
From capital gains	$	—	—	—	1.48	1.32
Return of capital	$	1.22	1.19	1.43	0.09	0.43
Total Annual Distributions[4]	$	1.74	1.74	1.97	2.04	2.12
Net assets, end of period	$	26.82	24.69	18.96	24.87	32.43

[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.

Ratios and Supplemental Data

		Financial years ended Dec. 31				
Listed CAD Units		**2025**	**2024**	**2023**	**2022**	**2021**
Total net asset value (000's)[1]	$	319,833	354,285	325,092	233,824	230,279
Number of units outstanding (000's)[1]		11,925	14,350	17,150	9,400	7,100
Management expense ratio[2]	%	0.71	0.71	0.71	0.71	0.72
Management expense ratio before waivers or absorptions[2]	%	0.71	0.71	0.71	0.71	0.72
Trading expense ratio[3]	%	0.23	0.25	0.29	0.17	0.17
Portfolio turnover rate[4]	%	17.53	35.95	76.05	41.55	66.73
Net asset value per unit	$	26.82	24.69	18.96	24.87	32.43
Closing market price	$	26.83	24.69	18.97	24.86	32.44

[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. The management expense ratio reflects the proportional management expense ratio relating to units held in each of the underlying investment funds.

[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.

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 %
ZWK	0.65

Past Performance

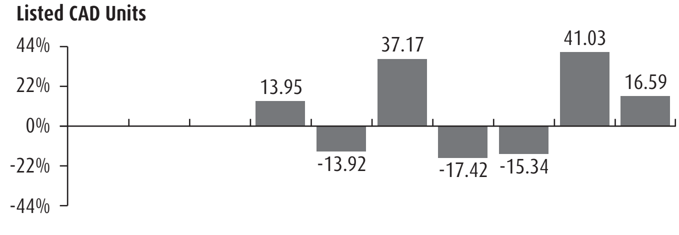
The ETF's performance information assumes that all distributions made by the ETF in the periods shown were used to purchase additional units of the ETF and is based on the net asset value of the ETF.

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.

Year-by-Year Returns

The following bar chart shows the performance of the ETF for each of the financial years shown, 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.

Listed CAD Units



[1] For the period beginning with the performance launch date of February 12, 2019 to December 31, 2019.

BMO Covered Call US Banks ETF

Annual Compound Returns

This table compares the historical annual compound returns of the ETF with its benchmark index, the Solactive Equal Weight US Banks Index and a broad-based index, the S&P 500 Index (CAD).

The Solactive Equal Weight US Bank Index consists of the U.S. securities that fall within one of the following Industry groups; Finance, U.S. Banks, U.S. Commercial Banks, or U.S. Commercial Savings Institutions. To be included in the Solactive Equal Weight US Bank Index, each security is subject to minimum market capitalization requirement and liquidity screens. Each security in the Solactive Equal Weight US Bank Index is allocated an equal weight rather than a market capitalization weight.

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	Since Inception[1]
BMO Covered Call US Banks ETF	%	16.59	11.66	9.54		6.53
Solactive Equal Weight US Banks Index	%	17.38	16.83	13.39		10.45
S&P 500 (CAD)	%	12.35	23.48	16.11		16.58

[1] Return from the performance launch date of February 12, 2019 to December 31, 2025.

A discussion on the relative performance of the ETF as compared to its benchmark index and broad-based 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
Long Positions	
Regional Banks	52.88
Diversified Banks	33.98
Investment Banking & Brokerage	13.50
Cash/Receivables/Payables	(0.18)
Short Positions	
Written Covered Call Option Contracts	(0.18)
Total Portfolio Allocation	**100.00**

Holdings*	% of Net Asset Value
Long Positions	
Citigroup Inc.	7.05
Wells Fargo & Company	6.80
Goldman Sachs Group, Inc., The	6.72
Morgan Stanley	6.70
U.S. Bancorp	6.69
Citizens Financial Group, Inc.	6.65
KeyCorp	6.62
Bank of America Corporation	6.60
Fifth Third Bancorp	6.52
PNC Financial Services Group, Inc., The	6.51
Truist Financial Corporation	6.49
JPMorgan Chase & Co.	6.42
M&T Bank Corporation	6.40
Regions Financial Corporation	6.40
Huntington Bancshares Incorporated	6.28
BMO Equal Weight US Banks Index ETF†	1.51
Cash/Receivables/Payables	(0.18)
Long Positions as a Percentage of Total Net Asset Value	**100.18**

BMO Covered Call US Banks ETF

Holdings*	% of Net Asset Value
Short Positions	
Morgan Stanley, Call Option, Jan 16, 2026, $185.00	(0.03)
JPMorgan Chase & Co., Call Option, Jan 16, 2026, $335.00	(0.02)
U.S. Bancorp, Call Option, Jan 16, 2026, $55.00	(0.02)
Citigroup Inc., Call Option, Jan 9, 2026, $120.00	(0.02)
Wells Fargo & Company, Call Option, Jan 16, 2026, $100.00	(0.01)
PNC Financial Services Group, Inc., The, Call Option, Jan 23, 2026, $225.00	(0.01)
Fifth Third Bancorp, Call Option, Jan 16, 2026, $50.00	(0.01)
Regions Financial Corporation, Call Option, Jan 16, 2026, $29.00	(0.01)
Huntington Bancshares Incorporated, Call Option, Jan 16, 2026, $19.00	(0.01)
Goldman Sachs Group, Inc., The, Call Option, Jan 16, 2026, $970.00	(0.01)
KeyCorp, Call Option, Jan 16, 2026, $22.00	(0.01)
M&T Bank Corporation, Call Option, Jan 16, 2026, $220.00	(0.01)
Citizens Financial Group, Inc., Call Option, Jan 16, 2026, $62.50	(0.01)
Truist Financial Corporation, Call Option, Jan 16, 2026, $52.50**	(0.00)
BMO Equal Weight US Banks Index ETF, Call Option, Jan 16, 2026, $45.00**	(0.00)
Bank of America Corporation, Call Option, Jan 9, 2026, $58.00**	(0.00)
Short Positions as a Percentage of Total Net Asset Value	**(0.18)**
Total Holdings as a Percentage of Total Net Asset Value	**100.00**
Total Net Asset Value	**$319,832,847**

*Represents the entire portfolio.

**Holdings of less than 0.005% and greater than -0.005% are rounded to 0.00%.

† The prospectus and other information about the underlying exchange traded fund(s) held in the portfolio are available at www.sedarplus.ca and www.bmogam.com/ca-en/resources/legal-and-regulatory-documents/#bmo-etfs.

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.

BMO Exchange Traded Funds are managed and administered by BMO Asset Management Inc., an investment fund manager and portfolio manager and separate legal entity from Bank of Montreal.

www.bmogam.com/ca-en/resources/legal-and-regulatory-documents/#bmo-etfs
For more information please call 1-800-361-1392

BMO | Exchange Traded Funds