

BMO ARK Innovation Fund ETF Series - ARKK

Innovation is Key to Growth

- The global economy is undergoing one of the largest technological transformations in history¹ displacing industry incumbents and creating new leaders, enablers, and beneficiaries of disruptive innovation.
- ARK focuses solely on offering investment solutions to capture disruptive innovation that span market capitalization and sectors with low overlap to broad-market indices.
- Invests in five major innovation platforms that are evolving and converging at the same time: **Artificial Intelligence, Energy Storage, Robotics, DNA Sequencing, and Blockchain Technology.**

Why Innovation?



Invest In The Future Today

Innovation could displace industry incumbents, increase efficiencies, and gain majority market share. This technologically enabled change offers long-term opportunities for companies and investors alike.



Take Advantage Of Market Inefficiencies

Market inefficiencies, such as short-term time horizons, siloed investment styles, closed off research mentality, or backwards looking indices may cause investors to miss out on future growth driven by disruptive innovation.



Make The World More Innovative

Good innovation investing should focus on technologies and companies that are likely to have a positive impact on our society, and the world's ability to create further innovations.

Reasons to Consider Utilizing ARKK - BMO ARK Innovation Fund ETF Series

Cost Effective and Ease-of-Access	Provides a lower cost option with true active management in an ETF structure without the need for foreign currency exchange or US Estate tax considerations as it trades on the Toronto Stock Exchange.
Exposure To Innovation	Constant focus on secular trends and disruptive innovation that can complement traditional strategies and core portfolios due to low overlap of holdings.
Growth Potential	Aims to capture long-term growth with low correlation of relative returns to traditional growth strategies and negative correlation to value strategies, lower current valuations can serve as a good entry point as valuations have come off year to date 2022.
Tool For Diversification	Adds diversification to portfolios with negative correlation to traditional value strategies and low correlation to several core asset classes and traditional growth strategies.
Grounded In Research	Combines top-down and bottom-up research in its portfolio management to identify innovative companies and convergence across markets. ²

Overlap of BMO ARK Innovation Fund ETF Series with major indices³:

3%

S&P 500 Index stocks
represented in the Fund

7%

NASDAQ Index stocks
represented in the Fund

2%

MSCI World Index stocks
represented in the Fund

¹ Source: ARK Investment Management LLC

² Traditional value investing is an investment strategy where stocks are selected that trade for less than their intrinsic values. Traditional growth investing is an investment strategy that focuses on stocks, whose earnings are expected to grow at an above-average rate compared to its industry or the overall market. Correlation is the degree to which two strategies move in relation to each other.

³ Source: ARK Investment Management LLC, as of September 30, 2022.



“Innovation should displace industry incumbents, increase efficiencies, and gain majority market share. More importantly, disruptive innovation impact and concerns all of our lives.”

Catherine Wood, Founder, CEO and CIO of ARK Investment Management LLC

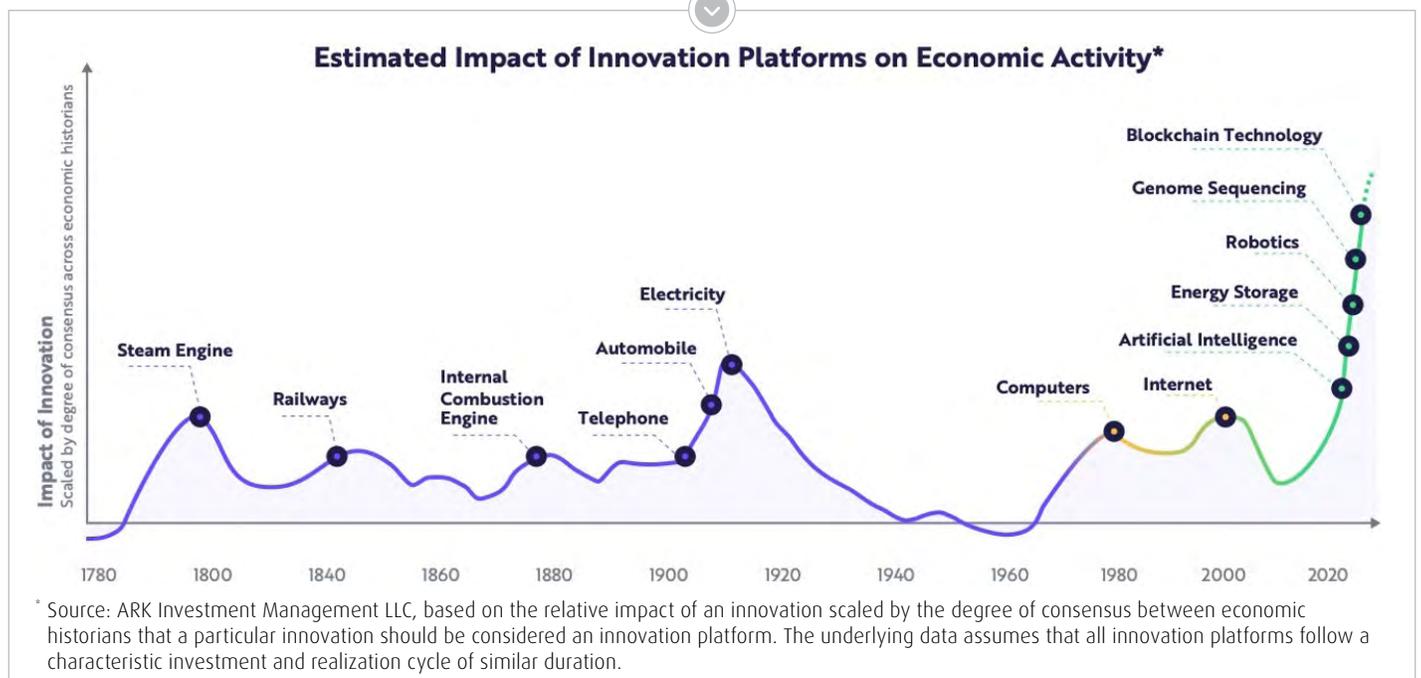
The ARK Difference

ARK Investment Management LLC (ARK) was founded in January 2014 by Catherine (Cathie) Wood and has \$25.1 billion⁴ in assets under management. It focuses solely on offering investment solutions to capture disruptive innovation in the public markets. As the Founder, CEO and CIO of ARK, Cathie appears regularly on CNBC, Bloomberg, and Fox Business, among other broadcast news, and has been featured and quoted in The Wall Street Journal, Forbes, Fortune, Barron’s, New York Times, and numerous other media outlets. As a thought leader for investing in disruptive innovation, Cathie has been widely recognized for her vision and impact in the financial industry.

Innovation is Expanding Now

ARK has identified five major innovation platforms that are evolving and converging at the same time: **Artificial Intelligence, Energy Storage, Robotics, DNA Sequencing, and Blockchain Technology**. According to their research, enterprise value⁵ attributable to companies that participate in the underlying technologies attributable to these innovation platforms increased from roughly \$7 trillion in 2019 to almost \$14 trillion in 2020 and is forecasted to grow to \$210 trillion by 2030.⁶ The global economy is undergoing the largest technological transformation in history.

\$210 Trillion
estimated 2030 enterprise value⁶

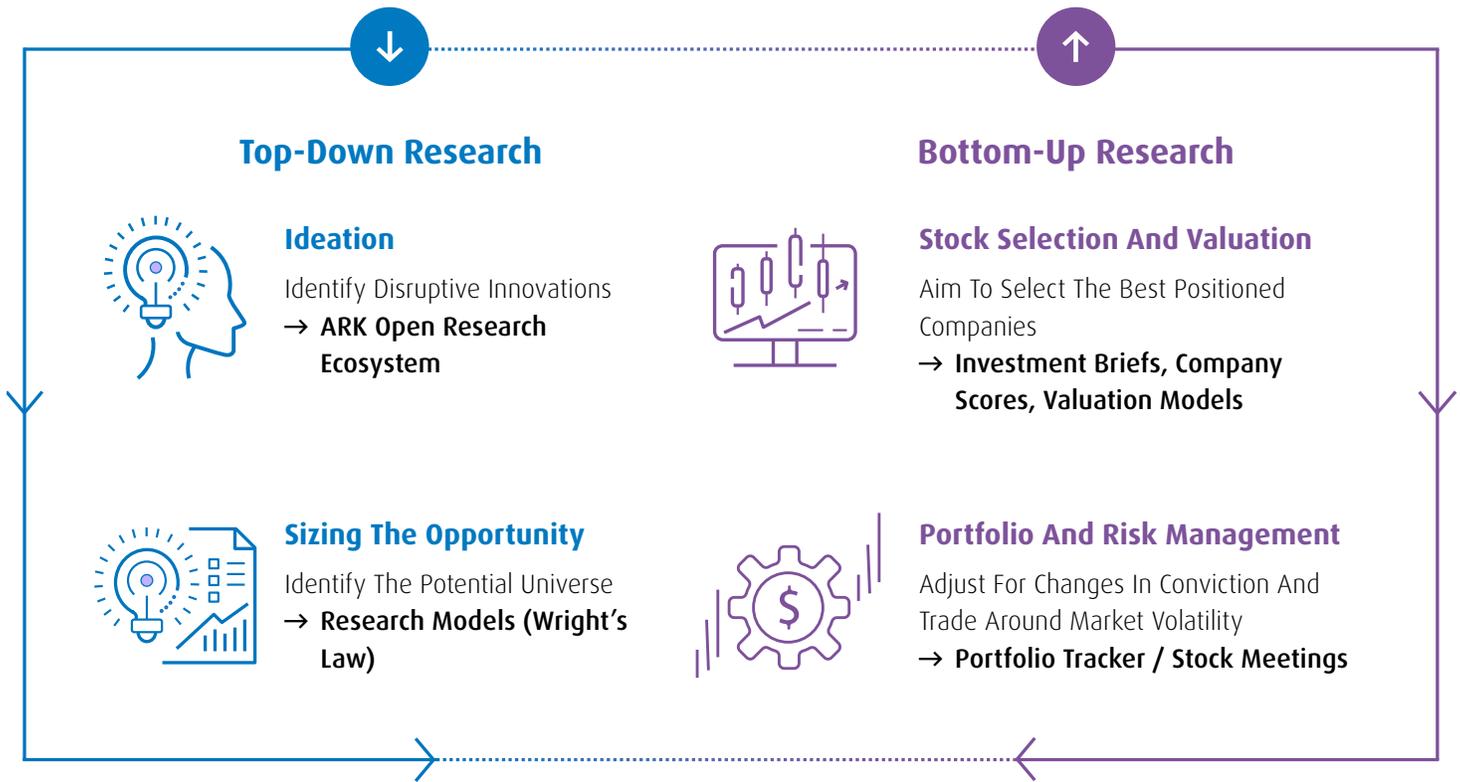


⁴ AUM as of June 30, 2022

⁵ Enterprise value is a measure of a company’s total value, often used as a more comprehensive alternative to equity market capitalization

⁶ Source: ARK Investment Management LLC, 2021

Investment Process: Combining Top-Down & Bottom-Up Research



Case Study: Artificial Intelligence (AI)⁷

Artificial Intelligence could scale from almost \$2.5 trillion in 2021 to \$87 trillion in enterprise value by 2030, in part due to convergence across technologies.

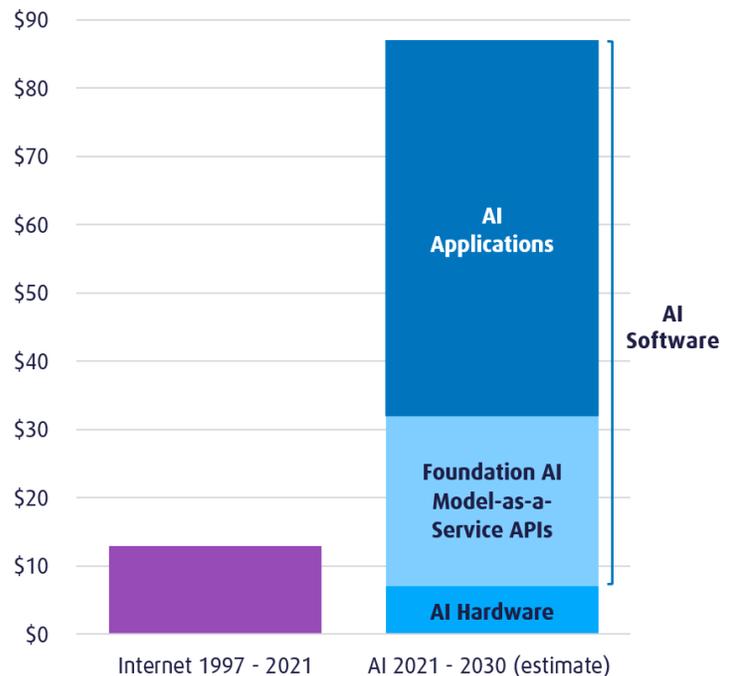
The convergence of robotics, battery technologies, and artificial intelligence is likely to collapse the cost structure of transportation, impacting the economics of auto, rail, and airline activities.

The convergence of next generation DNA sequencing, artificial intelligence, and gene therapies should boost returns on investment significantly, potentially creating a golden age of health care likely to rival that of the eighties and nineties.

By 2030, AI software companies could produce \$14 trillion in annual revenue collectively. The resulting \$4 trillion in free cash flow could create over \$80 trillion in enterprise value, up from \$2.3 trillion in 2021.

By 2030, AI hardware companies could produce \$1.7 trillion in annual revenue collectively. The resulting \$350 billion in free cash flow could create \$7 trillion in enterprise value.

Enterprise Value (Trillions, USD)



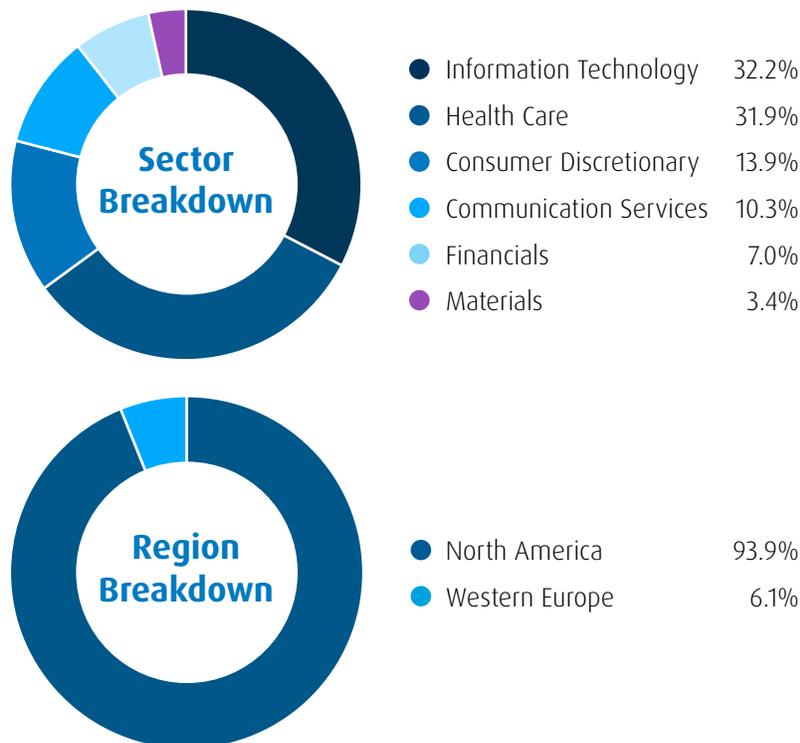
⁷ Source: ARK Investment Management LLC, as of June 30, 2022. Forecasts are inherently limited and cannot be relied upon. Artificial Intelligence (AI) – Artificial neural networks, or neural networks, are computing systems modeled loosely after biological neural networks like the human brain.

ETF Series at a Glance

Invests in	Actively managed equity strategy that invests in companies that represent the best risk-reward opportunities from ARK's investment theme of disruptive innovation, defined as the introduction of a technologically enabled new product or service that potentially changes the way the world works.
Investment process	Top-down and bottom-up; benchmark agnostic portfolio construction
Typical holdings	35-55 positions
Weighted avg. market cap	\$97 billion
Benchmark Index	MSCI ACWI (C\$)

TOP 10 HOLDINGS

- Tesla Inc
- Zoom Video Communications Inc
- Roku Inc
- Intellia Therapeutics Inc
- Crispr Therapeutics AG
- Exact Sciences Corp
- UiPath Inc
- Block Inc
- Teladoc Health Inc
- Coinbase Global Inc



Target allocation of the Fund's Top 10 Holdings, Sector and Region Breakdown and Weighted avg. market cap as of September 30, 2022. For illustrative purposes only and may change due to the Fund's ongoing portfolio transactions without notice.

Fund Codes & Fees

ETF Ticker: ARKK **MER*:** 0.85%

*Also available in Mutual Fund Series. Management Expense Ratio (MER) is estimated as ETF is less than one year old.



This article is for information purposes. The information contained herein is not, and should not be construed as, investment, tax or legal advice to any party. Particular investments and/or trading strategies should be evaluated relative to the individual's investment objectives and professional advice should be obtained with respect to any circumstance.

Risk tolerance measures the degree of uncertainty that an investor can handle regarding fluctuations in the value of their portfolio. The amount of risk associated with any particular investment depends largely on your own personal circumstances including your time horizon, liquidity needs, portfolio size, income, investment knowledge and attitude toward price fluctuations. Investors should consult their financial advisor before making a decision as to whether this Fund is a suitable investment for them.

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.

Commissions, management fees and expenses (if applicable) all may be associated with investments in mutual funds. Trailing commissions may be associated with investments in certain series of securities of mutual funds. Please read the fund facts, ETF facts or prospectus of the relevant mutual fund before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Distributions are not guaranteed and are subject to change and/or elimination.

For a summary of the risks of an investment in the BMO Mutual Funds, please see the specific risks set out in the prospectus. ETF Series of the BMO Mutual Funds 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.

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