

Why invest in ZFS?

- Designed for investors looking for defensive income
- Invested in a diversified portfolio of federal bonds
- Includes bonds with one to five years to maturity
- Professionally managed by BMO Global Asset Management

Fund Details

Ticker	ZFS
Base Currency	CAD
Exchange	TSX
Inception date	Oct 20, 2009
Maximum Annual Management Fee	0.20%
Management Expense Ratio ¹	0.22%
RSP Eligible	Yes
DRIP Eligible	Yes
Distribution frequency	Monthly

¹ Management Expense Ratios (MERs) are the audited MERs as of the fund's fiscal year.

Fund Characteristics

As of Aug 31, 2026

Net Assets (MM)	\$963.18
Number of Securities	63
Shares Outstanding	69,797,645
Annualized Distribution Yield (%) ²	2.52
Weighted average term (years)	2.93
Weighted average coupon (%)	2.69
Weighted average current yield (in %)	2.74
Weighted average yield to maturity (%)	3.14
Weighted average duration (years)	2.76

²This yield is calculated by taking the most recent regular distribution, or expected distribution, (excluding additional year end distributions) annualized for frequency, divided by current NAV. The yield calculation does not include reinvested distributions.

Correlation

Index Return data based on 10 years as of Aug 31, 2026

FTSE Canada Short Term Federal Bond Index	1.00
FTSE Canada Universe Bond Index	0.81
MSCI EAFE Index	0.19
MSCI World Index	0.15
S&P/TSX Capped Composite Index	0.14
S&P 500 Index	0.13

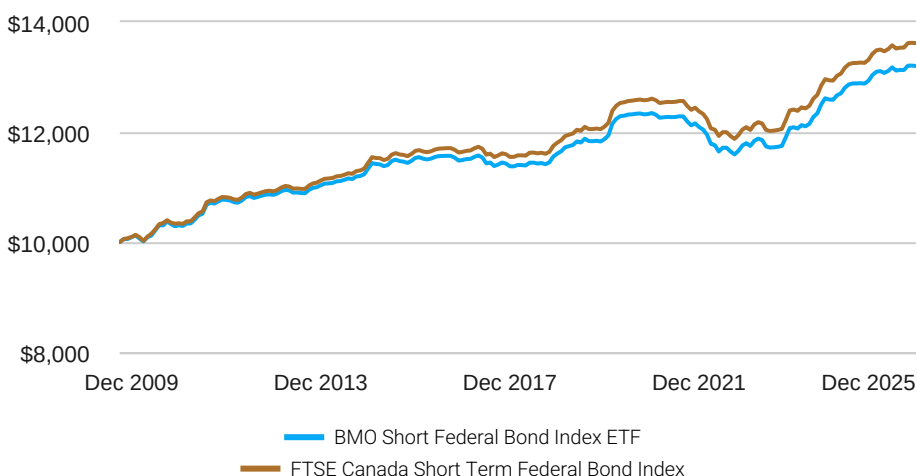
Portfolio Strategy

The BMO Short Federal Bond Index ETF has been designed to replicate, to the extent possible, the performance of the FTSE Canada Short Term Federal Bond Index™, net of expenses. The Fund invests in a variety of debt securities primarily with a term to maturity between one and five years. Securities held in the Index are generally issued or guaranteed by the Government of Canada, by various agencies of the Government of Canada, and by various instrumentalities that have been established or sponsored by the Government of Canada.

Benchmark Info

The FTSE Canada Short Term Federal Bond Index™ consists of semi-annual pay fixed rate bonds denominated in Canadian dollars, with an effective term to maturity less than five years and greater than one year, a credit rating of AAA and minimum size requirement of \$50 million per issue or \$100 million for issues after January 2019. The federal sector consists of bonds issued by the Government of Canada (including both non-agency, agency/crown corporations) and supranational entities. Each security in the index is weighted by its relative market capitalization and re-balanced on a daily basis.

Growth of \$10,000



The graph illustrates the impact to an initial investment of \$10,000 from the dates reflected. It is not intended to reflect future returns on investments in the BMO Short Federal Bond Index ETF. The index performance returns is for illustrative purposes only and the returns do not reflect any management fees, transaction costs or expenses. Investors cannot invest directly in an index.

Fund Performance

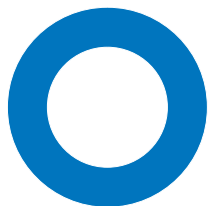
Annualized Performance

For period ending Aug 31, 2026

	1 mo	3 mo	6 mo	YTD	1Y	3Y	5Y	10Y	Since Inception
Portfolio (%)	0.04%	0.00%	-0.30%	0.86%	1.76%	3.91%	1.43%	1.33%	1.66%
Benchmark (%)	0.08%	0.07%	-0.14%	1.01%	1.99%	4.10%	1.61%	1.53%	1.85%

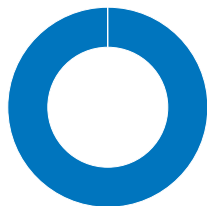
Past performance is not a guide to future performance. Performance is shown net of fees, in the currency of the respective share class with dividends reinvested.

Fixed Income Sector



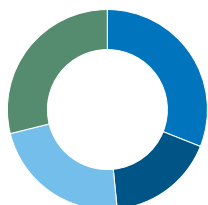
● Federal Government

Geographic Allocation



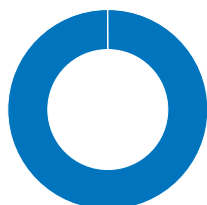
100.00%
● Canada
● Germany

Maturity Allocation



● 1-2 Years
● 2-3 Years
● 3-4 Years
● 4-5 Years

Credit Allocation



31.01%
17.43%
22.70%
28.86%
● AAA
● AA

Top Holdings

As of Aug 31, 2026

Canadian Government Bond 2.75% 09/01/2030	7.17%
Canadian Government Bond 2.75% 03/01/2031	6.95%
Canadian Government Bond 2.75% 03/01/2030	5.68%
Canadian Government Bond 3.50% 09/01/2029	5.20%
Canadian Government Bond 2.25% 02/01/2028	5.02%
Canadian Government Bond 2.50% 11/01/2027	4.95%
Canadian Government Bond 4.00% 03/01/2029	4.68%
Canadian Government Bond 1.50% 06/01/2031	4.65%
Canadian Government Bond 2.50% 05/01/2028	4.63%
Canadian Government Bond 2.75% 08/01/2028	4.46%

The portfolio holdings are subject to change without notice and may only represent a small percentage of portfolio holdings. They are not recommendations to buy or sell any particular security.

Risk Rating

99.96%
0.04%

LOW	LOW TO MEDIUM	MEDIUM	MEDIUM TO HIGH	HIGH
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All investments involve risk. The value of an 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.

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Distribution yields are calculated by using the most recent regular distribution, or expected distribution, (which may be based on income, dividends, return of capital, and option premiums, as applicable) and excluding additional year end distributions, and special reinvested distributions annualized for frequency, divided by current net asset value (NAV). The yield calculation does not include reinvested distributions. **Distributions are not guaranteed, may fluctuate and are subject to change and/or elimination. Distribution rates may change without notice (up or down) depending on market conditions and NAV fluctuations.** The payment of distributions should not be confused with the BMO ETF's performance, rate of return or yield. If distributions paid by a BMO ETF are greater than the performance of the investment fund, your original investment will shrink. Distributions paid as a result of capital gains realized by a BMO ETF, and income and dividends earned by a BMO ETF, are taxable in your hands in the year they are paid. Your adjusted cost base will be reduced by the amount of any returns of capital. **If your adjusted cost base goes below zero, you will have to pay capital gains tax on the amount below zero.**

Cash distributions, if any, on units of a BMO ETF (other than accumulating units or units subject to a distribution reinvestment plan) are expected to be paid primarily out of dividends or distributions, and other income or gains, received by the BMO ETF less the expenses of the BMO ETF, but may also consist of non-taxable amounts including returns of capital, which may be paid in the manager's sole discretion. To the extent that the expenses of a BMO ETF exceed the income generated by such BMO ETF in any given month, quarter, or year, as the case may be, it is not expected that a monthly, quarterly, or annual distribution will be paid. Distributions, if any, in respect of the accumulating units of BMO Short Corporate Bond Index ETF, BMO Short Federal Bond Index ETF, BMO Short Provincial Bond Index ETF, BMO Ultra Short-Term Bond ETF and BMO Ultra Short-Term US Bond ETF will be automatically reinvested in additional accumulating units of the applicable BMO ETF. Following each distribution, the number of accumulating units of the applicable BMO ETF will be immediately consolidated so that the number of outstanding accumulating units of the applicable BMO ETF will be the same as the number of outstanding accumulating units before the distribution. Non-resident unitholders may have the number of securities reduced due to withholding tax. Certain BMO ETFs have adopted a distribution reinvestment plan, which provides that a unitholder may elect to automatically reinvest all cash distributions paid on units held by that unitholder in additional units of the applicable BMO ETF in accordance with the terms of the distribution reinvestment plan. For further information, see the distribution policy in the BMO ETFs' prospectus.

Commissions, management fees and expenses all may be associated with investments in BMO ETFs and ETF Series of the BMO Mutual Funds. Please read the ETF facts or prospectus of the relevant BMO ETF or ETF Series before investing. The indicated rates of return are the historical compounded total returns including changes in share or unit value and the reinvestment of all dividends or distributions and do not take into account the sales, redemption, distribution, optional charges or income tax payable by the unitholder that would have reduced returns BMO ETFs and ETF Series are not guaranteed, their values change frequently, and past performance may not be repeated.

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