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BMO Asia USD Investment Grade Bond ETF
Stock Code: 3141

BMO Hong Kong Banks ETF
Stock Code: 3143

BMO Asia High Dividend ETF
Stock Code: 3145

BMO MSCI Japan Hedged to USD ETF
Stock Code: 3160

BMO MSCI Europe Quality Hedged to USD ETF
Stock Code: 3165

BMO MSCI Asia Pacific Real Estate ETF
Stock Code: 3121

BMO NASDAQ 100 ETF
Stock Code: 3086

(Sub-funds of BMO ETF, a Hong Kong umbrella unit trust authorised under Section 104 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong))

(each a “**Sub-Fund**”, collectively the “**Sub-Funds**”)

Announcement

Changes of Name of Index Provider and Index Pricing Source, Update of Tracking Difference and Disclosures on Liquidity Risk Management and Automatic Exchange of Financial Account Information

BMO Global Asset Management (Asia) Limited, the manager of the Sub-Funds (the “**Manager**”), wishes to inform Unitholders of the following: (i) changes of name of Index Provider and index pricing source of the BMO Asia USD Investment Grade Bond ETF (the “**Bond ETF**”); (ii) update of tracking difference; and (iii) updated disclosures on liquidity risk management and Automatic Exchange of Financial Account Information. The Prospectus and the Product Key Facts Statements (the “**KFS**”) of the Sub-Funds have been revised to reflect these changes.

Unless otherwise defined in this Announcement, capitalised terms used in this Announcement shall have the same meaning as defined in the Prospectus of the Sub-Funds dated 14 March 2017 (the “**Prospectus**”).

(1) Changes of Name of Index Provider and Index Pricing Source

The Manager wishes to inform Unitholders of a change in the name of the index provider for the Bloomberg Barclays Asia USD Investment Grade Bond Index (the “**Index**”), the underlying index of the Bond ETF, from Barclays Risk Analytics and Solutions Limited (“**BRASL**”) to Bloomberg Index Services Limited (“**BISL**”) with effect from 24 August 2016, following the completion of the acquisition of BRASL by Bloomberg L.P. Accordingly, disclosures on the index licence arrangement including the index provider disclaimer in the Prospectus have also been updated.

In addition, the index pricing source of the Index has also changed from Barclays Bank PLC to BISL. Previously, the prices of the securities in the Index were updated daily at 5:30 p.m. (Singapore time) and bonds in the Index were priced on the bid side by Barclays Bank PLC. With effect from 2 December 2016, the prices of the securities in the Index are updated daily at 3:00 p.m. (New York time/Eastern Standard Time) and bonds in the Index were priced on the bid side by BISL using the Bloomberg Valuation (BVAL) pricing service. The BVAL methodology uses broad global data set of market observations together with market-leading analytics as well as terms and conditions databases to produce objective third-party price valuations.

BISL has confirmed that other than the changes described above, there is no change to the day-to-day management of the Index. The Manager believes that: (i) the above changes do not amount to a material change to the Index or the Bond ETF; (ii) there will be no material change or increase in the overall risk profile of the Bond ETF following the above changes; and (iii) the above changes do not materially prejudice the rights or interests of investors of the Bond ETF.

(2) Update of Annual Tracking Difference

The relevant KFS have been revised to reflect:

- (i) the updated actual annual tracking difference of the Bond ETF, the BMO Hong Kong Banks ETF and the BMO Asia High Dividend ETF, based on the actual tracking difference for the calendar year ended 31 December 2016; and
- (ii) the updated estimated annual tracking difference of the BMO MSCI Japan Hedged to USD ETF, the BMO MSCI Europe Quality Hedged to USD ETF, the BMO MSCI Asia Pacific Real Estate ETF and the BMO NASDAQ 100 ETF, based on the actual tracking difference for the 12-month period from the launch of the relevant Sub-Fund (i.e. 18 February 2016) to 17 February 2017.

The actual or estimated annual tracking difference of the Bond ETF, the BMO Hong Kong Banks ETF, the BMO Asia High Dividend ETF, the BMO MSCI Japan Hedged to USD ETF and the BMO MSCI Europe Quality Hedged to USD ETF for the relevant period ended 31 December 2016 or 17 February 2017 (as applicable) deviate from the actual or estimated annual tracking difference previously disclosed. It is believed that the variation of the actual or estimated annual tracking difference from the previous published figures is due to additional transaction expenses and (in relation to the Bond ETF, the BMO MSCI Japan Hedged to USD ETF and the BMO MSCI Europe Quality Hedged to USD ETF whose underlying portfolios are denominated in United States Dollars) the fluctuations in the exchange rate of Hong Kong Dollars to United States Dollars. Investors should refer to the website of the Sub-Funds for more up-to-date information on the actual tracking difference.

(3) Liquidity Risk Management

Pursuant to the Circular to Management Companies of SFC-authorized Funds on Liquidity Risk Management issued by the SFC on 4 July 2016, the Prospectus has been updated to include disclosure on the Manager's liquidity risk management policies and procedures.

(4) Automatic Exchange of Financial Account Information

The Inland Revenue (Amendment) (No.3) Ordinance came into force on 30 June 2016. This is the legislative framework for the implementation in Hong Kong of the Standard for Automatic Exchange of Financial Account Information ("AEOI"). The AEOI requires financial institutions ("FI") in Hong Kong to collect information relating to non-Hong Kong tax residents holding accounts with FIs, and exchange such information with the jurisdiction(s) in which that account holder is resident. Generally, tax information will be exchanged only with jurisdictions with which Hong Kong has a Competent Authority Agreement. However, the Trust, the Sub-Funds and/or their agents may further collect information relating to residents of other jurisdictions.

The Trust is required to comply with the requirements of the AEOI rules as implemented by Hong Kong, which means that the Trust, the Sub-Funds and/or their agents shall collect and provide to the IRD the required information relating to Unitholders and prospective investors.

The Prospectus has accordingly been updated with disclosures relating to AEOI. For further information, please refer to the Prospectus including the section headed "Automatic Exchange of Financial Account Information". Each Unitholder and prospective investor should consult its own professional advisor(s) on the administrative and substantive implications of AEOI on its current or proposed investment in a Sub-Fund.

Revised Prospectus

The Prospectus (including the KFS) has been revised to reflect the above changes as well as the updated lists of the Participating Dealers and the Market Makers for the Sub-Funds and the past performance information in respect of the Bond ETF, the BMO Hong Kong Banks ETF and the BMO Asia High Dividend ETF in the calendar year of 2016.

The revised Prospectus and KFS of the Sub-Funds have been published on the Sub-Funds' website at www.bmo.hk/etfs (this website has not been reviewed by the SFC) and HKEx's website at www.hkex.com.hk.

If you have any queries in relation to this Announcement or the Sub-Funds, please contact the Manager at 36/F & Suite 3808, One Exchange Square, Central, Hong Kong or its enquires hotline (+852 3716-0990) during office hours.

**BMO Global Asset Management (Asia) Limited
as the Manager of the Sub-Funds**

14 March 2017