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BMO ETF (the “**Trust**”)

(a Hong Kong umbrella unit trust authorised under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)

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

(collectively the “**Sub-Funds**”)

Announcement

**Adoption of PD Agent Model, Addition of Trading Counter(s),
Change of English and Chinese Stock Short Names
and General Updates**

BMO Global Asset Management (Asia) Limited, the manager of the Trust and the Sub-Funds (the “**Manager**”), wishes to inform Unitholders of the following changes: (1) adoption of the PD Agent model (as defined below); (2) addition of trading counter(s) to certain Sub-Funds; (3) change of English and Chinese stock short names of certain Sub-Funds; and (4) general updates to the disclosures in the Prospectus including (a) enhancement of disclosures to reflect the disclosure requirements under the revised Fund Manager Code of Conduct (“**Fund Manager Code**”), (b) change of the Manager’s website address, (c) addition of settlement currency for cash creation and cash redemption, (d) updates to Index methodologies and (e) other miscellaneous updates.

The Prospectus dated 14 March 2017 (the “**Prospectus**”) and the Product Key Facts Statements (the “**KFS**”) of the Sub-Funds will be revised to reflect these changes. The trust deed of the Trust dated 17 October 2014 (the “**Trust Deed**”) will also be amended for the adoption of the PD Agent model.

Investors should exercise caution in dealing with the Units of the Sub-Funds.

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

(1) **Adoption of PD Agent Model**

The Trust Deed will be amended with effect from 11 March 2019 (the “**Effective Date**”), to allow a Participating Dealer of a Sub-Fund to appoint an agent (a “**PD Agent**”) to perform certain functions of the Participating Dealer in relation to the Central Clearing and Settlement System (“**CCASS**”). The reason for this change is that certain potential Participating Dealer(s) of the Sub-Funds may not be a participant of CCASS, and will therefore appoint a PD Agent to perform CCASS functions in the creation and redemption of Units. A Participating Dealer will be responsible for the acts and omissions of the PD Agent it appoints in the performance of its obligations. The changes will not materially affect Unitholders of the Sub-Funds.

Cititrust Limited, the Trustee of the Trust, has no objection to the above changes to the Trust Deed.

Any reference in this Announcement to “Participating Dealer” shall, where the context requires, include a reference to any PD Agent so appointed by the Participating Dealer.

(2) **Addition of Trading Counter(s)**

Units of the Sub-Funds are currently denominated and traded in Hong Kong dollars (“**HKD**”). The Manager has been granted approval by the SEHK for the Units of the following Sub-Funds (the “**Relevant Sub-Funds**”) to be available for trading on the SEHK and deposit, clearing and settlement in the CCASS under an arrangement of Dual Counter with the addition of a trading counter in US dollars (“**USD**”) from the Effective Date onwards:

Relevant Sub-Funds

BMO Asia USD Investment Grade Bond ETF
BMO NASDAQ 100 ETF

As such, from the Effective Date, Units of the Relevant Sub-Funds will be traded on the SEHK in HKD and USD.

Dual Counter Model

Investors should note that Units are denominated in the Base Currency of the Relevant Sub-Funds, which is HKD, and the creation of new Units and redemption of Units in the primary market are settled in the Base Currency of the Relevant Sub-Fund or any other currency as set out in the relevant Appendix of the Prospectus. By virtue of the Dual Counter arrangement, the Relevant Sub-Funds will offer two trading counters on the SEHK (i.e. HKD counter and USD counter) to investors for secondary trading purposes.

Units traded in HKD counter will be settled in HKD and Units traded in USD counter will be settled in USD. Apart from settlement in different currencies, the trading prices of Units in different counters may be different as each counter is a distinct and separate market.

In respect of the Relevant Sub-Funds, Units created and issued pursuant to a Creation Application may be deposited in CCASS as HKD traded Units or USD traded Units initially. A Participating Dealer may, subject to arrangement with the Manager, elect to CCASS to have Units deposited in any of these counters. Similarly, Units redeemed pursuant to a Redemption Application may be withdrawn from any trading counter (i.e. HKD counter or USD counter). Units of all counters may be redeemed by way of Redemption Application through a Participating Dealer.

Notwithstanding a Dual Counter being adopted, (a) Units traded on both counters are of the same class with the same rights attached thereto and all Unitholders of the counters are treated equally; (b) all cash Creation Applications must be made in the Base Currency of the Relevant Sub-Fund (i.e. HKD) or any other currency as set out in the relevant Appendix of the Prospectus; and (c) any cash proceeds received by a Participating Dealer in a cash Redemption Application shall be paid only in the Base Currency of the Relevant Sub-Fund or any other currency as set out in the relevant Appendix of the Prospectus. In-kind creations and redemptions are still available in the manner described in the Prospectus and will be unaffected by the Dual Counter arrangement.

The trading board lot size and Application Unit size for each counter are the same, as set out below:

Relevant Sub-Funds	Trading board lot size	Application Unit size
BMO Asia USD Investment Grade Bond ETF	200 Units	Minimum 50,000 Units (or multiples thereof)
BMO NASDAQ 100 ETF	200 Units	Minimum 100,000 Units (or multiples thereof) for cash creation/redemption Minimum 500,000 Units (or multiples thereof) for in-kind creation/redemption

With regard to distributions investors should note that all Units (whether HKD or USD traded Units) will receive distributions in the Base Currency (HKD) only.

Stock Codes and Stock Short Names

Each counter will have a different stock code, stock short name and ISIN number, as set out below:

Relevant Sub-Fund	HKD Counter Stock Code	USD Counter Stock Code	HKD Counter Stock Short Name (English)	HKD Counter Stock Short Name (Chinese)	USD Counter Stock Short Name (English)	USD Counter Stock Short Name (Chinese)	ISIN Number
BMO Asia USD Investment Grade Bond ETF	3141	9141	BMO ASIA IGB	BMO 亞投債	BMO ASIA IGB-U	BMO 亞投債-U	For HKD counter: HK0000221389 For USD counter: HK0000478708
BMO NASDAQ 100 ETF	3086	9086	BMO NASDAQ100	BMO納指	BMO NASDAQ100-U	BMO納指-U	For HKD counter: HK0000280989 For USD counter: HK0000478740

Inter-Counter Transfer

Normally, investors can buy and sell Units traded in the same counter or alternatively buy in one counter and sell in another counter provided their brokers provide both the HKD and USD trading services at the same time and offer inter-counter transfer services to support Dual Counter trading. Inter-counter buy and sell is permissible even if the trades take place within the same trading day. However, investors should note that the trading price of Units traded in different counters may be different and may not always maintain a close relationship depending on factors such as market demand and supply and liquidity in each counter.

Investors should consult their brokers if they have any questions concerning fees, timing, procedures and the operation of the Dual Counter arrangement, including inter-counter transfers.

Market Making

As with all exchange traded funds listed on the SEHK, the Manager will ensure that, in respect of the Relevant Sub-Funds, there is at all times at least one Market Maker for the HKD counter and, from the Effective Date, one Market Maker for each of the HKD counter and USD counter (although the same entity can act as the Market Maker for more than one counter). The Manager will seek to ensure that, in respect of the Relevant Sub-Funds, at least one Market Maker per counter is required to give not less than three months' notice prior to terminating market making under the relevant market making agreement.

For a list of the Market Makers for each counter please refer to the website https://www.hkex.com.hk/eng/etfrc/SMMList/SMM_List.htm.

Dual Counter Related Risks

Dual Counter risk: The Dual Counter arrangement adopted by the Relevant Sub-Funds may bring additional risks for investment in the Relevant Sub-Funds and may make such investment riskier than investment in single counter exchange traded funds. For example where for some reason there is a settlement failure on an inter-counter day trade if the Units of one counter are delivered to CCASS at the last settlement on a trading day, there may not be enough time to transfer the Units to the other counter for settlement on the same day.

Moreover, where there is a suspension of the inter-counter transfer of Units between the counters for any reasons, for example, operational or systems interruption, Unitholders will only be able to trade their Units in the currency of the relevant counter. Accordingly it should be noted that inter-counter transfers may not always be available. Investors are recommended to check the readiness of their brokers/intermediaries in respect of the Dual Counter trading and inter-counter transfer. Investors without a USD account may buy and sell HKD traded Units only. Such investors will not be able to buy or sell USD traded Units.

Inter-counter trading risk: Although an investor may buy from one counter and sell the same on the other counter in the same day, it is possible that some brokers/intermediaries and CCASS participants may not be familiar with and may not be able to (i) buy Units in one counter and to sell Units in the other, (ii) carry out inter-counter transfers of Units, or (iii) trade units in different counters at the same time. In such case (i) to (iii), another broker, intermediary or CCASS participant may need to be used. This may inhibit or delay dealing in the Units and may mean investors may only be able to trade their Units in one currency. Investors are recommended to check the readiness of their brokers/intermediaries in respect of the Dual Counter trading and inter-counter transfers and should fully understand the services which the relevant broker is able to provide (as well as any associated fees).

Difference in trading prices risk: There is a risk that due to different factors such as market liquidity, market supply and demand in the respective counters and the exchange rate fluctuations, the market price on the SEHK of Units traded in HKD may deviate significantly from the market price on the SEHK of Units traded in USD. The trading price of Units in each counter is determined by market forces and so will not be the same as the trading price of Units multiplied by the prevailing rate of foreign exchange. Accordingly when selling or buying Units traded in one counter, an investor may receive less or pay more than the equivalent amount in the currency of another counter if the trade of the relevant Units is on another counter. There can be no assurance that the price of Units in each counter will be equivalent.

Other currencies distributions risk: Investors should note that all Units of the Relevant Sub-Funds will receive distributions only in HKD. In the event that the relevant Unitholder has no HKD account, the Unitholder may have to bear the fees and charges associated with the conversion of any distributions from HKD to any other currency. The Unitholder may also have to bear bank or financial institution fees and charges associated with the handling of the distribution payment. Unitholders are advised to check with their brokers regarding arrangements for distributions.

Exchange rates movement between the Base Currency and other currencies risk: The Base Currency of the Relevant Sub-Funds is HKD but has units traded in USD (in addition to HKD). Accordingly secondary market investors may be subject to additional costs or losses associated with foreign currency fluctuations between the Base Currency and the USD trading currency when trading units in the secondary market.

Investors whose assets and liabilities are predominantly in currencies other than HKD should take into account the potential risk of loss arising from fluctuations in value between HKD and the currency of the Units traded. There is no guarantee that HKD will appreciate in value against any other currency, or that the strength of HKD may not weaken. Accordingly, it is possible that an investor may enjoy a gain in terms of HKD but suffer a loss when converting funds from HKD back into any other currency.

Investors should also refer to the updated Prospectus for further risks associated with the Dual Counter arrangement.

SEHK Approval

The SEHK has granted its approval for admission for trading of the Units of the Relevant Sub-Funds to the respective new trading counter with effect from the Effective Date.

Stamp Duty

Pursuant to the Stamp Duty (Amendment) Ordinance 2015, no Hong Kong stamp duty is payable by an investor on the transfer (purchase or sale) of units of all exchange traded funds on the SEHK. No Hong Kong stamp duty is therefore payable by an investor in relation to an issue of Units (HKD or USD traded Units) to him or her or the redemption of Units (HKD or USD traded Units) by him or her or on the sale and purchase of Units (HKD or USD traded Units) by him or her in the secondary market.

Information on Website

From the Effective Date, the website of the Manager in respect of the Trust (www.bmo.hk¹) will be updated. In particular, in respect of the Relevant Sub-Funds, the near real time estimated Net Asset Value per Unit throughout each Dealing Day and the last closing Net Asset Value per Unit will also be provided in USD (in addition to HKD). The last closing Net Asset Value of the Relevant Sub-Funds will continue to be provided in respect of Units in HKD only.

Please note that the near real time estimated Net Asset Value per Unit in USD and the last closing Net Asset Value per Unit in USD are indicative and for reference purposes only.

The near real time estimated Net Asset Value per Unit in USD is calculated by ICE Data Services Hong Kong Limited using the near real time estimated Net Asset Value per Unit in HKD multiplied by the real time USD:HKD foreign exchange rate, and is updated during SEHK trading hours. The last closing Net Asset Value per Unit in USD is calculated using the last closing Net Asset Value per Unit in HKD multiplied by an assumed foreign exchange rate using the USD:HKD exchange rate quoted by WM Reuters at 4:00 p.m. (London time)* as of the same Dealing Day.

**Please note 4:00 p.m. (London time) (i) during British Summer Time is equivalent to 11:00 p.m. Hong Kong time and (ii) otherwise is equivalent to 12:00 a.m. Hong Kong time on the next day.*

Cititrust Limited, the Trustee of the Trust, has no objection to the above changes.

¹ The website has not been reviewed by the SFC.

(3) Change of English and Chinese Stock Short Name

Upon the addition of USD counter (see section (2) above) on the Effective Date, the English and Chinese stock short names of the HKD counter of the Relevant Sub-Funds will be changed as follows from the Effective Date onwards:

Relevant Sub-Fund	Current HKD Counter Stock Short Name (English)	New HKD Counter Stock Short Name (English)	Current HKD Counter Stock Short Name (Chinese)	New HKD Counter Stock Short Name (Chinese)
BMO Asia USD Investment Grade Bond ETF	BMO ASIA IGBOND	BMO ASIA IGB	BMO 亞洲投資債	BMO 亞投債
BMO NASDAQ 100 ETF	BMO NASDAQ100	Remains unchanged as BMO NASDAQ100	BMO 納斯達克	BMO 納指

Please refer to section (2) above for further information on the stock short names of all trading counters of the relevant Sub-Funds.

Cititrust Limited, the Trustee of the Trust, has no objection to the above changes.

(4) General Updates

(a) **Disclosure requirements under the revised Fund Manager Code**

As background, the Manager is licensed by the SFC for type 9 (asset management) regulated activity and accordingly is subject to regulation by the SFC, including the SFC's Fund Manager Code of Conduct (the "**Fund Manager Code**"). The SFC has revised the Fund Manager Code to include certain disclosure obligations on companies licensed by the SFC for type 9 regulated activity in relation to funds they manage.

The Prospectus will be updated to enhance disclosures in light of the revised Fund Manager Code which came into effect on 17 November 2018 including the following:

- enhancement of the profile of the Manager;
- enhancement of disclosures on potential conflicts of interest;
- enhancement of disclosures on the expected maximum level of leverage of each Sub-Fund; and
- enhancement of risk disclosures to include custodial risks.

(b) **Change of the Manager's website address**

With immediate effect, the address of the website of the Manager in respect of the Trust and the Sub-Funds is www.bmo.hk¹.

(c) **Addition of settlement currency for cash creation and cash redemption**

From the Effective Date onwards, where cash creation is adopted, the Manager will accept cash payments by Participating Dealers in HKD or USD.

Similarly, from the Effective Date onwards, in respect of cash redemption, the Manager will allow redemption proceeds to be paid to the Participating Dealers in cash in HKD or USD, as agreed with the relevant Participating Dealer.

(d) Updates to Index Methodologies

The Manager has received notification from the Index Provider of the underlying Index of the following Sub-Funds that the Index methodologies have been changed with immediate effect, as follows:

BMO Asia USD Investment Grade Bond ETF

The Index of BMO Asia USD Investment Grade Bond ETF is Bloomberg Barclays Asia USD Investment Grade Bond Index. To be eligible for inclusion in the Bloomberg Barclays Asia USD Investment Grade Bond Index, the issuer of a security must belong to one of eligible Asian markets. Bangladesh and Macau have been added to the list of eligible markets. Accordingly, the eligible Asian markets are Bangladesh, China, Hong Kong, India, Indonesia, Macau, Malaysia, Mongolia, Pakistan, the Philippines, South Korea, Singapore, Sri Lanka, Taiwan, Thailand and Vietnam.

BMO MSCI Europe Quality Hedged to USD ETF

The Index of BMO MSCI Europe Quality Hedged to USD ETF is MSCI Europe Quality 100% Hedged to USD Index, a regional index which includes large- and mid-capitalisation stocks across the developed market countries in Europe. Austria and Italy have been added to the list of eligible European markets. Accordingly, the eligible European markets are Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and United Kingdom.

BMO MSCI Japan Hedged to USD ETF and BMO MSCI Europe Quality Hedged to USD ETF

The methodology has changed such that the Indices of these Sub-Funds are balanced monthly on the last weekday (instead of the last trading day) of the month. Consequently, the Manager has implemented currency hedging in respect of these Sub-Funds on the last weekday of the month in the absence of liquidity concerns. In the cases of illiquid underlying equity or FX markets (eg. trading holidays of the underlying markets), the currency hedging will be implemented to minimize the deviation from the index methodology.

BMO MSCI Asia Pacific Real Estate ETF

The Index of BMO MSCI Asia Pacific Real Estate ETF is MSCI AC Asia Pacific Real Estate Index, an index consisting of large- and mid-capitalisation equity in the Asia Pacific region in the real estate sector according to the Global Industry Classification Standard (GICS®). The sector classification according to the Global Industry Classification Standard (GICS®) has been re-named from “Real Estate industry group (within the Financials sector)” as “Real Estate Sector”.

Pakistan has been added to the list of eligible markets. Accordingly, the eligible markets are Australia, Hong Kong, Japan, China, India, Indonesia, South Korea, Malaysia, New Zealand, Pakistan, the Philippines, Singapore, Taiwan and Thailand.

BMO NASDAQ 100 ETF

The Index of BMO NASDAQ 100 ETF is NASDAQ-100 Index. Chicago Board Options Exchange (“CBOE”) has replaced NYSE Amex as one of the US exchanges on which a security of the NASDAQ-100 Index has to be listed in order for it to be eligible for initial inclusion in the Index. As a result of the change, to be eligible for initial inclusion

in the NASDAQ-100 Index, the security must have been traded for at least full three months, not including month of initial listing, on NASDAQ, NYSE, or CBOE.

The Manager believes that: (i) the above changes do not amount to a material change to any of the Sub-Funds; (ii) there will be no material change or increase in the overall risk profile of each of the Sub-Funds following the above changes; and (iii) the above changes do not materially prejudice the rights or interests of investors of the Sub-Funds.

(e) Other miscellaneous updates

In addition, the following miscellaneous updates will be made:

- updates to the list of Participating Dealers and Market Makers;
- updates to the information on the 10 largest constituents of the Index of each Sub-Fund; and
- updates to the KFS to reflect the updated ongoing charges figure, tracking difference of the last calendar year and the past performance of the last calendar year of each Sub-Fund.

The Prospectus will be amended by way of an addendum to reflect the above changes. The addendum to the Prospectus and the updated KFS will be available and published on the Manager's website (www.bmo.hk¹) and Hong Kong Exchanges and Clearing Limited's website (www.hkex.com.hk) on or around the Effective Date.

Unless otherwise defined, all capitalised terms shall have the same meaning as that in the Prospectus.

Investors who have any enquiries regarding the above may contact the Manager at 36/F & Suite 3808, One Exchange Square, Central, Hong Kong or our enquiry hotline at (852) 3716 0990 during office hours.

**BMO Global Asset Management (Asia) Limited
as Manager of the BMO ETF**

Date: 4 March 2019