

**This Notice is important and requires your immediate attention. If you have any doubt about the contents of this Notice, you should seek independent professional financial advice.**

**BMO Global Asset Management (Asia) Limited (the “Manager”) accepts full responsibility for the accuracy of the information contained in this Notice at the date of publication and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement misleading.**

**Capitalized terms used herein not otherwise defined have the meaning ascribed to those terms in the Prospectus of the BMO Funds dated July 2018, as may be amended and supplemented from time to time (the “Prospectus”).**

Dear Investors

**BMO Funds (the “Trust”)**

- **BMO Balanced Fund (the “Sub-Fund”)**

We are writing to inform you of the following changes to the Trust and the Sub-Fund, which will come into effect on 25 November 2019 (the “**Effective Date**”), unless otherwise specified.

**1. Change of Trustee**

As part of the Manager’s proposal to transition the administrative and operational functions of the Trust and the Sub-Fund to State Street Bank and Trust Company and its affiliates (the “**SSBT Group**”), a decision has been made to change the trustee of the Trust and the Sub-Fund from Cititrust Limited (the “**Existing Trustee**”) to State Street Trust (HK) Limited (the “**New Trustee**”) pursuant to Clause 34.2 of the Trust Deed from the Effective Date. The cessation of the Existing Trustee as trustee of the Trust and the Sub-Fund is subject to, and shall take effect at the same time as, the appointment of the New Trustee as trustee of the Trust and the Sub-Fund in place of the Existing Trustee.

The Manager is part of BMO Global Asset Management, which comprises various subsidiaries of Bank of Montreal that provide investment management and trust and custody services in North America, EMEA (Europe, the Middle East and Africa) and Asia. The Manager aims to implement a single fully integrated global operating platform provided by SSBT Group to BMO Global Asset Management. The Manager believes that the transition of the administration and operations of the Trust and the Sub-Fund to the SSBT Group will minimize operational risks and create greater operational efficiencies across BMO Global Asset Management’s global platform by driving consistency and creating a deeper resource pool to better serve investors.

The Manager and the New Trustee are independent of each other. No approval from the Unitholders or an extraordinary resolution passed by the Unitholders is required under the relevant laws of Hong Kong and the Trust Deed for such change of trustee of the Trust and the Sub-Fund.

The New Trustee is a registered trust company in Hong Kong and is licensed by the Companies Registry as a “Trust or Company Service Provider”. The New Trustee is an indirect wholly owned subsidiary of State Street Bank and Trust Company, a bank and trust company organized under the laws of the Commonwealth of Massachusetts, USA and a bank licensed under the Banking Ordinance (Cap. 155 of the Laws of Hong Kong). The New Trustee’s registered office is at 68/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong.

The assets of the Trust and the Sub-Fund will continue to be managed by the Manager, adopting and utilising the same investment objective and strategy as prior to the change of trustee of the Trust and the Sub-Fund.

## **2. Change of Registrar, Custodian and Administrator**

As part of the transition to the SSBT Group, State Street Bank and Trust Company will act as the Registrar of the Trust and the Sub-Fund, in place of Citicorp Financial Services Limited. As such, from the Effective Date, the register of Unitholders will become available for inspection at 68/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong.

State Street Bank and Trust Company will also be the Custodian and Administrator of the Trust and the Sub-Fund in place of Citibank, N.A..

## **3. Amendments to the Trust Deed**

From the Effective Date, the Trust Deed shall be amended and supplemented by a deed of retirement and appointment (the “**Deed of Retirement and Appointment**”) to reflect the change of trustee as set out in paragraph 1 above and by a second supplemental deed (the “**Second Supplemental Deed**”) in connection with the following:-

- (i) An additional provision will be added to the Trust Deed to clarify that where any cash of a sub-fund of the Trust is deposited with the New Trustee, the Manager, any other investment adviser appointed by the Manager or their connected persons (being an institution licensed to accept deposits) such person shall be entitled to retain for its or their own use and benefit any benefit which it or they may derive from any cash for the time being in its or their hands (whether on current or deposit account) as part of the Trust, a sub-fund of the Trust or a distribution account (as the case may be).
- (ii) An additional provision will be added to the Trust Deed to clarify that the Manager may execute foreign exchange spot, forward or swap transactions with connected persons of the New Trustee or with dealers or other counterparties that are not affiliated with the New Trustee.
- (iii) The Trust Deed will also be amended to reflect other clarification, drafting and miscellaneous amendments.

Each of the Manager and the New Trustee has certified that the modification, alteration or addition to the Trust Deed by way of the Deed of Retirement and Appointment does not materially prejudice the interests of Unitholders, does not operate to release to any

material extent, the Existing Trustee and the New Trustee (in each case, in respect of the period for which it is trustee of the Trust and the Sub-Fund) or the Manager or any other person from any liability to the Unitholders, and will not result in any increase in the amount of the costs and charges payable from the Trust and the Sub-Fund.

Each of the Manager and the New Trustee has certified that the modification, alteration or addition to the Trust Deed by way of the Second Supplemental Deed does not materially prejudice the interests of Unitholders, does not operate to release to any material extent, the New Trustee or the Manager or any other person from any liability to the Unitholders, and will not result in any increase in the amount of the costs and charges payable from the Trust and the Sub-Fund.

The amendments to the Trust Deed do not require approval from the Unitholders or an extraordinary resolution passed by the Unitholders.

The Trust Deed together with all its supplemental deeds are available for inspection free of charge at the offices of the Manager at the address set out below and copies of such documents may be obtained from such address at a cost of HKD150 (or equivalent in other currency) per set of copy documents.

#### **4. Updated Prospectus and Product Key Facts Statement (“KFS”)**

The Prospectus of the Trust and the Sub-Fund and the KFS of the Sub-Fund will be amended to reflect the changes set out above in due course. Investors may access the Prospectus and the KFS at the Manager’s website [www.bmo.hk](http://www.bmo.hk)<sup>1</sup>.

Except the changes as mentioned above, there will be no change in the operation and/or manner in which the Trust and the Sub-Fund are being managed in practice and there will be no implications on the features and risks applicable to the Trust and the Sub-Fund. The foregoing changes will not materially prejudice the rights or interests of the existing Unitholders of the Trust and the Sub-Fund.

The costs of implementing the foregoing changes will be borne by the Manager. There will be no change in the fee structure of the Sub-Fund following the implementation of the foregoing changes.

Should you have any enquiries, please contact the Manager at 36/F & Suite 3808 One Exchange Square, 8 Connaught Place, Central, Hong Kong, or call the Manager at +852 3716 0990.

#### **BMO Global Asset Management (Asia) Limited**

24 October 2019

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<sup>1</sup>This website has not been reviewed by the SFC.