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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 Hong Kong Banks ETF Stock Code: 3143 (the “**Sub-Fund**”)

Announcement

Clarification of Investment Restriction

BMO Global Asset Management (Asia) Limited, the Manager of the Trust and the Sub-Fund (the “**Manager**”), wishes to provide clarification on the investment restriction around the maximum exposure to entities within the same group, applicable to the Sub-Fund.

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

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-Fund dated November 2019, as amended from time to time (the “**Prospectus**”).

Reference is made to the Announcement dated 25 November 2019 informing Unitholders about the amendments to the Prospectus to reflect the requirements under the revised Code on Unit Trusts and Mutual Funds (the “**Code**”).

One of the amendments was in relation to restricting investment in securities issued by entities within the same group (the “**Group Entities Cap**”) to 20% of the latest available net asset value (the “**NAV**”) of a Sub-Fund, as provided in 7.1A(a) of the Code.

Under 8.6(h)(b) of the Code, due to its index tracking nature, the SFC may, upon sufficient justification, consider not requiring an index fund to strictly comply with the investment restrictions in 7.1A on a case-by-case basis.

The Sub-Fund is a passive exchange traded fund tracking NASDAQ Hong Kong Banks™ Index (the “**Underlying Index**”). The Underlying Index is a sector index focusing on banking industry. The Manager of the Sub-Fund has been tracking the Underlying Index under full replication strategy since its launch, and this has resulted in the Sub-Fund’s weighting of entities under one group exceeding 20% of the NAV.

Having consulted with the SFC, the Manager would like to clarify that the Group Entities Cap is modified from 20% to 35% of the NAV with immediate effect (the “**Modification**”).

Save as disclosed in this Announcement, the Modification will not result in any material change to the investment objective and risk profile of the Sub-Fund. Further, the Modification will not result in changes to the manner in which the Trust and the Sub-Fund currently operate or are being managed save as disclosed in this Announcement, and will not materially prejudice the rights or interests of the existing Unitholders of the Trust and the Sub-Fund.

The Prospectus of the Trust and the Sub-Fund will be amended by way of an addendum to reflect the Modification set out above in due course. The addendum to the Prospectus 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) in due course.

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: 23 December 2019

¹ The website has not been reviewed by the SFC.