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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

HKD Counter Stock Code: 3141

USD Counter Stock Code: 9141

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

HKD Counter Stock Code: 3086

USD Counter Stock Code: 9086

(collectively the “**Sub-Funds**”)

Announcement

Amendments to Reflect the Requirements under the Revised Code on Unit Trusts and Mutual Funds

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 which will come into effect on 25 November 2019 (the “**Effective Date**”): (i) amendments to the Prospectus to reflect the requirements under the revised Code on Unit Trusts and Mutual Funds (“**Code**”) issued by the Securities and Futures Commission in Hong Kong (“**SFC**”); (ii) amendments to the trust deed of the Trust dated 17 October 2014, as amended and supplemented from time to time (the “**Trust Deed**”) to reflect the requirements under the Code; and (iii) other miscellaneous, drafting, editorial and ancillary updates and amendments to the Prospectus.

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 November 2019, as amended from time to time.

The following changes to the Trust and the Sub-Fund will take effect from 25 November 2019 (the “**Effective Date**”), unless otherwise specified.

(1) **Background**

The Trust and the Sub-Funds are subject to the Code issued by the SFC. The Code has been revised. The Trust Deed is amended by way of a supplemental deed (“**Supplemental Deed**”) and the Prospectus is amended by way a revised Prospectus (“**Revised Prospectus**”) to reflect the requirements under the revised Code.

(2) **Amendments to the Trust Deed and Prospectus**

(A) **Changes pursuant to the revised Code**

The following key changes (“**Changes**”) will be made to the Trust Deed and/or the Prospectus (where applicable) to reflect the requirements under the revised Code:

- (a) Trustee and Manager - additional obligations of the Trustee and the Manager under Chapters 4 and 5 respectively of the revised Code.
- (b) Investment Restrictions: Core Requirements - amendments to the core requirements of the investment limitations and prohibitions under Chapters 7 and 8.6 (unlisted index funds and index tracking exchange traded funds) of the revised Code, including but not limited to amendments in relation to the following: spread of investments, restrictions on investment in commodities, restrictions on making loans, limitations on borrowing, financial derivative instruments, securities financing transactions and collateral etc.

A summary of the key revised investment restrictions/requirements pursuant to the revised Code are set out in Annexure A of this Announcement.

Information on the use of financial derivative instruments and the net derivative exposure of each Sub-Fund calculated in accordance with the requirements and guidance issued by the SFC is set out in Annexure B of this Announcement.

In addition, investment restrictions under Chapter 8.2 (money market funds) of the revised Code are also included in the Trust Deed and Revised Prospectus for future sub-funds of the Trust. Note however, that none of the Sub-Funds is a

money market fund and as such, the investment restrictions under Chapter 8.2 do not apply to the Sub-Funds.

For further details on the investment restrictions, please refer to Schedule 1 of the Revised Prospectus.

- (c) Other Amendments – other amendments and enhancement of disclosures to reflect the requirements of the revised Code including the following:
- (i) amendments to reflect the requirements under the revised Code on transactions with connected persons and soft dollars arrangements;
 - (ii) enhanced disclosures on arrangements in handling unclaimed proceeds of Unitholders where a sub-fund of the Trust is terminated;
 - (iii) amendments to reflect the requirements under the revised Code on suspension of dealing of units;
 - (iv) enhanced disclosures relating to the information relating to each Sub-Fund that is available on the Manager’s website;
 - (v) amendments to reflect the requirements under the revised Code for modifications of the Trust Deed; and
 - (vi) removal of the disclosures on the weightings of the top 10 largest constituent securities of the underlying index of each Sub-Fund from the Prospectus and Product Key Facts Statements (“KFS”) of each Sub-Fund. The most updated list of the constituents of the index of each Sub-Fund together with their respective weightings will be available on the relevant website as disclosed in the Prospectus.

(B) Other Changes

The current Management Fee is accrued daily and paid quarterly in arrears. With effect from 1 January 2020, the Management Fee will be paid monthly in arrears.

In addition, the description of the Manager and the address and of the Registrar in the Revised Prospectus have also been updated, along with other miscellaneous, drafting, editorial and ancillary updates and amendments.

Please refer to the Revised Prospectus and the Supplemental Deed for further details.

Each of the Manager and the Trustee has certified that the modification, alteration or addition to the Trust Deed by way of the Supplemental Deed is necessary in order to make possible compliance with any fiscal, statutory or official requirement (whether or not having the force of law) and/or does not materially prejudice the interests of the Holders of Units in any Sub-Fund, does not operate to release to any material extent the Trustee or the Manager or any other person from any liability to the Holders of Units in any Sub-Fund, and will not result in any increase in the amount of costs and charges payable from the Trust Fund attributable to any Sub-Fund (other than the costs, charges, fees and expenses incurred in connection with the supplemental deed).

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

(3) Implication of Changes

Save as disclosed in this Announcement, the Changes will not result in any material change to the investment objective and risk profile of each of the Sub-Funds. There will be no increase in the fees payable out of the assets of the Sub-Funds as a result of the Changes. The Changes will also not result in a change in the manner in which the Trust and the Sub-Funds currently operate or are being managed save as disclosed in this Announcement.

(4) Availability of Documents

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 the Manager at a cost of HKD150 (per set of copy documents).

The Revised Prospectus and KFS are available and published on the Manager's website (www.bmo.hk¹) and Hong Kong Exchanges and Clearing Limited's website (www.hkex.com.hk).

(5) Enquiries

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 BMO ETF**

Date: 25 November 2019

¹ The website has not been reviewed by the SFC.

ANNEXURE A

SUMMARY OF KEY REVISED INVESTMENT RESTRICTIONS

The key amendments to the investment restrictions are as follows:

- (a) the aggregate value of a Sub-Fund's investments in, or exposure to, any single entity (other than Government and other public securities) through the following may not exceed 10% of its latest available Net Asset Value:
 - (i) investments in securities issued by that entity;
 - (ii) exposure to that entity through underlying assets of financial derivative instruments; and
 - (iii) net counterparty exposure to that entity arising from transactions of over-the-counter financial derivative instruments.

[Note: the above restrictions are subject to modifications or exceptions as set out in 8.6 of the Code in respect of index tracking exchanged traded funds.]

- (b) subject to the requirements under the revised Code, the aggregate value of a Sub-Fund's investments in, or exposure to, entities within the same group (i.e. generally, entities which are included in the same group for the purposes of consolidated financial statements prepared in accordance with internationally recognized accounting standards) through the following may not exceed 20% of its latest available Net Asset Value:
 - (i) investments in securities issued by those entities;
 - (ii) exposure to those entities through underlying assets of financial derivative instruments; and
 - (iii) net counterparty exposure to those entities arising from transactions of over-the-counter financial derivative instruments.
- (c) the value of a Sub-Fund's cash deposits made with the same entity or entities within the same group may not exceed 20% of its latest available Net Asset Value provided that the 20% limit may be exceeded in certain circumstances specified in the revised Code.
- (d) a Sub-Fund may not invest in physical commodities unless otherwise approved by the SFC and disclosed in the investment policies of the Sub-Fund.
- (e) subject to the requirements under the revised Code, a Sub-Fund may not lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person. For the avoidance of doubt, reverse repurchase transactions in compliance with the requirements under the revised Code are not subject to the limitations in this paragraph.
- (f) the maximum borrowing of a Sub-Fund has been reduced from 25% to 10% of its latest available Net Asset Value. For the avoidance of doubt, securities lending transactions and sale and repurchase transactions in compliance with the requirements under the revised Code are not subject to the limitations in this paragraph.
- (g) to limit the exposure to each counterparty, a Sub-Fund may receive collateral from such counterparty, provided that the collateral complies with the requirements in the revised Code.

ANNEXURE B

INFORMATION ON USE OF FINANCIAL DERIVATIVE INSTRUMENTS AND NET DERIVATIVE EXPOSURE

The following Sub-Funds may acquire financial derivative instruments for hedging purposes subject to the limit set out below:

Sub-Funds	Net derivative exposure (% of Net Asset Value)
BMO MSCI Japan Hedged to USD ETF	Up to 50%
BMO MSCI Europe Quality Hedged to USD ETF	Up to 50%

The net derivative exposure is calculated in accordance with the Code and the requirements and guidance issued by the SFC which may be updated from time to time.

The following Sub-Funds will not use financial derivative instruments for any purposes:

Sub-Funds
BMO Asia USD Investment Grade Bond ETF
BMO Hong Kong Banks ETF
BMO Asia High Dividend ETF
BMO MSCI Asia Pacific Real Estate ETF
BMO NASDAQ 100 ETF