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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 to distribution schedule, Application Unit size and Transaction Fee and change of index name

BMO Global Asset Management (Asia) Limited, the Manager of the Sub-Funds (the “**Manager**”), wishes to inform Unitholders of the following: (i) changes of distribution schedule; (ii) change of Application Unit size; (iii) reduction of Transaction Fee payable by the Participating Dealers; and (iv) change of index name of the BMO Asia USD Investment Grade Bond ETF. 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 Prospectus of the Sub-Funds dated 11 February 2016 (the “**Prospectus**”).

(1) Change of distribution schedule

Currently, in respect of the Sub-Funds except the BMO Asia USD Investment Grade Bond ETF (the “**Bond ETF**”), the Manager intends to distribute income to Unitholders at least semi-annually, usually in April and October of each year, having regard to the relevant Sub-Fund’s net income after fees and costs.

With effect from the date of this Announcement, the distribution policy of each of the Sub-Funds except the Bond ETF will be amended such that income will usually be distributed in March and September of each year instead of April and October of each year, having regard to the relevant Sub-Fund’s net income after fees and costs. The change is to better align the distribution dates of the relevant Sub-Funds with that of their respective underlying securities, thereby allowing the relevant Sub-Funds to pay distributions as soon as possible following receipt of dividends without having to incur costs of investing the cash received in the interim and then realising the investments for distribution purposes.

For the avoidance of doubt, the distribution policy of the BMO Asia USD Investment Grade Bond ETF will remain unchanged.

(2) Change of Application Unit size

In order to provide investors with greater flexibility, the Manager, after consultation with the Trustee of the Sub-Funds, proposes to reduce the Application Unit size (i.e. the minimum size for creation and redemption of Units by the Participating Dealers of a Sub-Fund) for each Sub-Fund with effect from the date of this announcement as follows. Each Participating Dealer of the Sub-Funds has confirmed that it has no objection to such proposed decrease in Application Unit size.

<u>Sub-Fund</u>	<u>Previous level</u>	<u>Reduced level</u>
BMO Asia USD Investment Grade Bond ETF	125,000 Units	50,000 Units
BMO Hong Kong Banks ETF	1,000,000 Units	100,000 Units (cash creation/redemption); 500,000 Units (in-kind creation/redemption)
BMO Asia High Dividend ETF	1,000,000 Units	100,000 Units
BMO MSCI Japan Hedged to USD ETF	1,000,000 Units	100,000 Units (cash creation/redemption); 1,000,000 Units (in-kind creation/redemption)
BMO MSCI Europe Quality Hedged to USD ETF	500,000 Units	100,000 Units
BMO MSCI Asia Pacific Real Estate ETF	500,000 Units	100,000 Units (cash creation/redemption); 500,000 Units (in-kind creation/redemption)

BMO NASDAQ 100 ETF	500,000 Units	100,000 Units (cash creation/redemption); 500,000 Units (in-kind creation/redemption)
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(3) Reduction of Transaction Fee payable by Participating Dealers

With effect from the date of this Announcement, the Transaction Fee payable by a Participating Dealer on creations or redemptions (as applicable) for the benefit of the Trustee in respect of the Sub-Funds shall be reduced as follows:

<u>Sub-Funds</u>	<u>Previous level</u>	<u>Reduced level</u>
<ul style="list-style-type: none"> • BMO Asia USD Investment Grade Bond ETF • BMO NASDAQ 100 ETF 	USD2,000 or HKD15,000 per Application	0.05% of the creation/redemption amount, subject to a cap of USD1,500 per Application
<ul style="list-style-type: none"> • BMO Hong Kong Banks ETF • BMO Asia High Dividend ETF • BMO MSCI Japan Hedged to USD ETF • BMO MSCI Europe Quality Hedged to USD ETF • BMO MSCI Asia Pacific Real Estate ETF 	HKD15,000 per Application	0.05% of the creation/redemption amount, subject to a cap of HKD12,000 per Application

(4) Change of name of underlying index of BMO Asia USD Investment Grade Bond ETF

The Manager has received written notification from Barclays Risk Analytics and Index Solutions Limited (the “**Index Provider**”), the index provider of the underlying index of the Bond ETF (the “**Index**”), that with effect from 24 August 2016, the name of the Index has been changed from “Barclays Asia USD Investment Grade Bond Index” to “Bloomberg Barclays Asia USD Investment Grade Bond Index”. The Index is among the vast majority of the Index Provider’s fixed income benchmark indices that have been rebranded following the acquisition of the Index Provider’s business by Bloomberg L.P. The name and short stock name of the Bond ETF have remained unchanged notwithstanding the change of name of the Index.

Assessment by the Manager

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.

Revised Prospectus

The Prospectus has been revised (by way of addendum) to reflect the above changes as well as changes to the Directors of the Manager and the updated list of the Market Makers for the Sub-Funds.

The revised Prospectus and the updated 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**

12 September 2016