

IMPORTANT: If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser for independent professional financial advice.

BMO ETF

(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

PROSPECTUS

Manager

BMO Global Asset Management (Asia) Limited

Listing Agent

Macquarie Capital Securities Limited

5 November 2014

Hong Kong Exchanges and Clearing Limited ("HKEx"), The Stock Exchange of Hong Kong Limited (the "SEHK"), Hong Kong Securities Clearing Company Limited ("HKSCC") and the Hong Kong Securities and Futures Commission (the "SFC") take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus. The Trust and the Sub-Funds have each been authorised as collective investment schemes by the SFC. SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

IMPORTANT INFORMATION

This Prospectus relates to the offer in Hong Kong of units (the “Units”) in the BMO ETF (the “Trust”), an umbrella unit trust established under Hong Kong law by a trust deed dated 17 October 2014 (the “Trust Deed”) between BMO Global Asset Management (Asia) Limited (the “Manager”) and Cititrust Limited (the “Trustee”). The Trust will have a number of sub-funds (the “Sub-Funds” or individually a “Sub-Fund”).

The information contained in this Prospectus has been prepared to assist potential investors in making an informed decision in relation to investing in the Sub-Funds. It contains important facts about the Sub-Funds whose Units are offered in accordance with this Prospectus. A product key facts statement which contains the key features and risks of each of the Sub-Funds is also issued by the Manager and such product key facts statements shall form part of this Prospectus, and shall be read, in conjunction with, this Prospectus.

The Manager accepts full responsibility for the accuracy of the information contained in this Prospectus 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. The Manager also confirms that this Prospectus includes particulars given in compliance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Code on Unit Trusts and Mutual Funds (the “Code”) and the “Overarching Principles” of the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products for the purposes of giving information with regard to the Units of the Sub-Funds. The Trustee is not responsible for the preparation of this Prospectus and shall not be held liable to any person for any information disclosed in this Prospectus, except for the information regarding the Trustee itself under the paragraph headed “The Trustee” in the section on “Management of the Trust”.

Each Sub-Fund is a fund falling within Chapter 8.6 and Appendix I of the Code. The Trust and each Sub-Fund are authorised by the SFC in Hong Kong under Section 104 of the Securities and Futures Ordinance. The SFC takes no responsibility for the financial soundness of the Trust, the Sub-Funds or for the correctness of any statements made or opinions expressed in this Prospectus. SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

You should consult your financial adviser, consult your tax advisers and take legal advice as appropriate as to whether any governmental or other consents are required, or other formalities need to be observed, to enable you to acquire Units as to whether any taxation effects, foreign exchange restrictions or exchange control requirements are applicable and to determine whether any investment in a Sub-Fund is appropriate for you.

Application has been made to the Listing Committee of The Stock Exchange of Hong Kong Limited (the “SEHK”) for the listing of, and permission to deal in the Units. Subject to compliance with the admission requirements of Hong Kong Securities Clearing Company Limited (“HKSCC”) and the granting of listing of, and permission to deal in, the Units on the SEHK, the Units will be accepted as eligible securities by HKSCC for deposit, clearing and settlement in the Central Clearing and Settlement System (“CCASS”) with effect from the date of commencement of dealings in the Units on the SEHK or such other date as may be determined by HKSCC. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

No action has been taken to permit an offering of Units or the distribution of this Prospectus in any jurisdiction other than Hong Kong and, accordingly, this Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The Units have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any other United States Federal or State law and, except in a transaction which does not violate the U.S. Securities Act, may not be directly or indirectly offered to or sold in the United States of America or any of its territories or for the benefit of a US Person (as defined in Regulation S of the U.S. Securities Act). The Trust and the Sub-Funds have not been and will not be registered as an investment company under the United States Investment Company Act of 1940, as amended. Units may not be acquired or owned by (i) an employee benefit plan, as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), that is subject to Title I of ERISA, (ii) a plan, as defined in Section 4975(e)(1) of the U.S. Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”), that is subject to Section 4975 of the Internal Revenue Code, (iii) a plan that is subject to any other law, regulation, rule or restriction that is substantially similar to ERISA or Section 4975 of the Internal Revenue Code (“Similar Law”) or (iv) an entity whose assets are deemed to include the assets of such an employee benefit plan or plan for purposes of ERISA, Section 4975 of the Internal Revenue Code or Similar Law, unless the purchase, holding and disposition of units will not constitute a violation under ERISA, Section 4975 of the Internal Revenue Code and any applicable Similar Law.

Furthermore, distribution of this Prospectus shall not be permitted unless it is accompanied by a copy of the latest annual financial statements of the Sub-Funds (where existing) and, if later, its most recent interim report.

You should note that any amendment or addendum to this Prospectus will only be posted on the Manager's website (www.bmo.hk/etfs) the contents of which, and of any other websites referred to in this Prospectus, have not been reviewed by the SFC. This Prospectus may refer to information and materials included in websites. Such information and materials do not form part of this Prospectus and they have not been reviewed by the SFC or any regulatory body. Investors should note that the information provided in websites may be updated and changed periodically without any notice to any person.

Questions and Complaints

Investors may raise any questions on or make any complaints about the Trust (including the Sub-Funds) by contacting the Manager at its address as set out in the Directory of this Prospectus or calling the Manager on 3716 0990 during normal office hours.

DIRECTORY

Manager

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Trustee

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Administrator

Citibank N.A.

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Registrar

Tricor Investor Services Limited

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Hong Kong

*Initial Participating Dealers**

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Level 18, One IFC,
1 Harbour View Street,
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*Initial Market Makers**

Macquarie Capital Securities Limited

Level 18, Suites 2001-2 & 2015-16,
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SG Securities (HK) Limited

Level 37, Three Pacific Place,
1 Queen's Road East
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29/F Two International Finance Centre
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SG Securities (HK) Limited[#]

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88 Queensway
Hong Kong

Auditors

KPMG

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10 Chater Road
Central
Hong Kong

Service Agent

HK Conversion Agency Services Limited

2/F, Infinitus Plaza
199 Des Voeux Road Central
Hong Kong

Listing Agent

Macquarie Capital Securities Limited

Level 18, Suites 2001-2 & 2015-16,
Level 22-23, One International Finance Centre
1 Harbour View Street
Central
Hong Kong

* Please refer to the Manager's website for the latest lists of Market Makers and Participating Dealers.

[#] In respect of BMO Hong Kong Banks ETF and BMO Asia High Dividend ETF only.

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PART 1 – GENERAL INFORMATION RELATING TO THE TRUST AND SUB-FUNDS

Part 1 of this Prospectus includes information relevant to the Trust and all Sub-Funds established under the Trust and listed on the SEHK.

The information presented in this Part 1 should be read in conjunction with the information presented in the relevant Appendix in Part 2 of this Prospectus in respect of a particular Sub-Fund. Where the information in Part 2 of this Prospectus conflicts with the information presented in this Part 1, the information in the relevant Appendix in Part 2 prevails, however, it is applicable to the specific Sub-Fund of the relevant Appendix only. Please refer to Part 2 “Specific Information Relating to Each Sub-Fund” for further information.

DEFINITIONS

In this Prospectus (including the relevant Appendix for any Sub-Fund), unless the context requires otherwise, the following expressions have the meanings set out below. Other capitalised terms used, but not defined, have the meaning given to those terms in the Trust Deed.

“After Listing” means the period which commences on the Listing Date and continues until the Sub-Funds are terminated.

“Appendix” means an appendix to this Prospectus that sets out specific information applicable to a Sub-Fund.

“Application” means an application by a Participating Dealer for the creation or redemption of Units in accordance with the procedures for creation and redemption of Units set out in the Operating Guidelines, the relevant Participation Agreement and the terms of the Trust Deed.

“Application Unit” means such number of Units or whole multiples thereof as specified in this Prospectus or such other whole multiple of Units determined by the Manager, approved by the Trustee and notified to the Participating Dealers.

“Business Day” in respect of the Sub-Funds, means, unless the Manager and the Trustee otherwise agree, a day on which (a)(i) the SEHK is open for normal trading; and (ii) the relevant securities market on which Securities comprised in the Index are traded is open for normal trading or if there are more than one such securities market, the securities market designated by the Manager is open for normal trading, and (b) the Index is compiled and published, or such other day or days as the Manager and the Trustee may agree from time to time provided that if on any such day, the period during which the relevant securities market is open for normal trading is reduced as a result of a Number 8 Typhoon Signal, Black Rainstorm warning or other similar event, such day shall not be a Business Day unless the Manager and the Trustee otherwise agree.

“Cancellation Compensation” means an amount payable by a Participating Dealer for the account of the Sub-Fund in respect of a Default, as set out in the Trust Deed and in the Operating Guidelines applicable at the time the relevant Creation Application or Redemption Application is made.

“CCASS” means the Central Clearing and Settlement System established and operated by HKSCC or any successor system operated by HKSCC or its successors.

“CCASS Settlement Day” means the term “Settlement Day” as defined in the General Rules of CCASS.

“Code” means the Code on Unit Trusts and Mutual Funds issued by the SFC (as amended, or replaced, from time to time).

“Connected Person” has the meaning as set out in the Code which at the date of this Prospectus means in relation to a company:

- (a) any person or company beneficially owning, directly or indirectly, 20% or more of the ordinary share capital of that company or able to exercise directly or indirectly, 20% or more of the total votes in that company; or
- (b) any person or company controlled by a person who or which meets one or both of the descriptions given in (a); or
- (c) any member of the group of which that company forms part; or
- (d) any director or officer of that company or of any of its connected persons as defined in (a), (b) or (c).

“Creation Application” means an application by a Participating Dealer for the creation and issue of Units in an Application Unit size (or whole multiples thereof) in accordance with the Operating Guidelines and the Trust Deed.

“Dealing Day” means each Business Day during the continuance of the Sub-Funds, and/or such other day or days as the Manager may from time to time determine with the approval of the Trustee.

“Dealing Deadline” in relation to any particular place and any particular Dealing Day, means the time on each Dealing Day specified in the “The Offering Phases” section of this Prospectus or such other time or day as the Manager may from time to time determine.

“Default” means a failure by a Participating Dealer in respect of:

- (a) a Creation Application to deliver the relevant cash amount; or
- (b) a Redemption Application to deliver the Units the subject of the Redemption Application and/or relevant cash amount.

“Deposited Property” means, in respect of a Sub-Fund, all the assets (including Income Property), received or receivable by the Trustee, for the time being held or deemed to be held upon the trusts of and subject to the Trust Deed for the account of the Sub-Fund but excluding (i) Income Property standing to the credit of the distribution account (other than interest earned thereon), and (ii) any other amount for the time being standing to the credit of the distribution account.

“Duties and Charges” means, in relation to any particular transaction or dealing, all stamp and other duties, taxes, government charges, brokerage, bank charges, transfer fees, registration fees, transaction levies and other duties and charges whether in connection with the constitution of the Deposited Property or the increase or decrease of the Deposited Property or the creation, issue, transfer, cancellation or redemption of Units or the acquisition or disposal of Securities or otherwise which may have become or may be payable in respect of, and whether prior to, upon or after the occasion of, such transaction or dealing and including but not limited to, in relation to an issue of Units or redemption of Units, a charge (if any) of such amount or at such rate as is determined by the Manager or the Trustee to be made for the purpose of compensating or reimbursing the Trust for the difference between (a) the prices used when valuing the Securities in the Trust Fund for the purpose of such issue or redemption of Units and (b) (in the case of an issue of Units) the prices which would be used when acquiring the same Securities if they were acquired by the Trust with the amount of cash received by the Trust upon such issue of Units and (in the case of a redemption of Units) the prices which would be used when selling the same Securities if they were sold by the Trust in order to realise the amount of cash required to be paid out of the Trust Fund upon such redemption of Units. For the avoidance of doubt, when calculating subscription and redemption prices, duties and charges may include (if applicable) any provision for bid and ask spreads (to take into account the difference between the price at which assets were valued for the purpose of calculating the Net Asset Value and the estimated price at which such assets shall be bought as a result of a subscription or sold as a result of a redemption), but may not include (if applicable) any commission payable to agents on sales and purchases of the Units or any commission, taxes, charges or costs which may have been taken into account in ascertaining the Net Asset Value of Units).

“Encumbrance” means any mortgage, charge, pledge, lien, third party right or interest, any other encumbrance or security interest of any kind or another type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect other than any such encumbrance or security interest imposed by the terms of the relevant clearing system/depository or otherwise created by the terms of the Participation Agreement, the Trust Deed or any agreement between the Manager, the Trustee and the relevant Participating Dealer.

“Extension Fee” means the fee payable to the Trustee on each occasion the Manager, upon a Participating Dealer’s request, grants the Participating Dealer an extended settlement in respect of a Creation Application or Redemption Application.

“HKD” means Hong Kong dollars, the lawful currency of Hong Kong.

“HKEx” means Hong Kong Exchanges and Clearing Limited or its successors.

“HKSCC” means the Hong Kong Securities Clearing Company Limited or its successors.

“IFRS” means International Financial Reporting Standards.

“Income Property” means, in respect of the Sub-Funds, (a) all interest, dividends and other sums deemed by the Trustee, (after consulting the auditors either on a general or case by case basis), to be in the nature of income (including taxation repayments, if any) received or receivable by the Trustee in respect of the Deposited Property of the Sub-Funds (whether in cash or, without limitation, by warrant, cheque, money, credit or otherwise or the proceeds of sale or transfer of any Income Property received in a form other than cash); (b) all interest and other sums received or receivable by the Trustee in respect of (a), (c) or (d) of this definition; (c) all cash payments received or receivable by the Trustee for the account of the Sub-Funds in respect of an Application; and (d) all Cancellation Compensation received by the Trustee for the account of the Sub-Funds; (e) any payments to be received or are receivable by the Trustee under any contractual agreements in the nature of investments for the benefit of the relevant Sub-Fund but excluding (i) the Deposited Property; (ii) any amount for the time being standing to the credit of the distribution account for the account of the Sub-Funds or previously distributed to Unitholders; (iii) gains for the account of the Sub-Funds arising from the realisation of Securities; and (iv) any sums applied towards payment of the fees, costs and expenses payable by the Trust from the Income Property of the Sub-Funds.

“Index” means, in respect of a Sub-Fund, the index against which the relevant Sub-Fund is benchmarked as set out in the relevant Appendix.

“Index Provider” means, in respect of a Sub-Fund, the person responsible for compiling the Index against which the relevant Sub-Fund benchmarks its investments and who holds the right to licence the use of such Index to the relevant Sub-Fund as set out in the relevant Appendix.

“Initial Issue Date” means the date of the first issue of Units, which shall be 2 Business Days before the Listing Date.

“Initial Offer Period” means, in respect of each Sub-Fund the period before the relevant Listing Date as set out in the relevant Appendix.

“Insolvency Event” occurs in relation to a person where (i) an order has been made or an effective resolution passed for the liquidation or bankruptcy of the person; (ii) a receiver or similar officer has been appointed in respect of the person or of any of the person’s assets or the person becomes subject to an administration order; (iii) the person enters into an arrangement with one or more of its creditors or is deemed to be unable to pay its debts; (iv) the person ceases or threatens to cease to carry on its business or substantially the whole of its business or makes or threatens to make any material alteration to the nature of its business; or (v) the Manager in good faith believes that any of the above is likely to occur.

“Issue Price” means the price at which Units may be issued, determined in accordance with the Trust Deed.

“Listing Date” means the date on which the Units in respect of a Sub-Fund are first listed and from which dealings therein are permitted to take place on SEHK, the expected date of which is set out in the relevant Appendix for the Sub-Fund.

“Manager” means BMO Global Asset Management (Asia) Limited or such other person or persons for the time being duly appointed pursuant to the Trust Deed as manager of the Trust in succession thereto being approved by the SFC under the Code.

“Market” means in any part of the world:

(a) in relation to any Security: the SEHK or such other stock exchange from time to time

determined by the Manager; and

- (b) in relation to any futures contract: the Hong Kong Futures Exchange or such other futures exchange from time to time determined by the Manager,

and any over-the-counter transaction conducted in any part of the world and in relation to any Security or futures contract shall be deemed to include any bilateral agreement with a responsible firm, corporation or association in any country in any part of the world dealing in the Security or futures contract which the Manager may from time to time elect.

“Market Maker” means a broker or dealer permitted by the SEHK to act as such by making a market for the Units in the secondary market on the SEHK.

“MPFA” means the Mandatory Provident Fund Schemes Authority of Hong Kong or its successors.

“Net Asset Value” means the net asset value of a Sub-Fund or, as the context may require, the net asset value of a Unit calculated under the Trust Deed.

“Operating Guidelines” means the guidelines for the creation and redemption of Units of a class as set out in the schedule to each Participation Agreement as amended from time to time by the Manager with the approval of the Trustee and following consultation, to the extent reasonably practicable, with the relevant Participating Dealers subject always, in respect of the relevant Operating Guidelines for a Participating Dealer, any amendment being notified in writing by the Manager in advance to the relevant Participating Dealer. Unless otherwise specified, references to the Operating Guidelines shall be to the Operating Guidelines for the Sub-Funds applicable at the time of the relevant Application.

“Partial Delivery Request Fee” means the fees payable to the Trustee on each occasion the Manager, upon a Participating Dealer’s request, grants the Participating Dealer a partial settlement in respect of a Creation Application or Redemption Application.

“Participating Dealer” means any licensed broker or dealer who has entered into a Participation Agreement in form and substance acceptable to the Manager and the Trustee.

“Participation Agreement” means an agreement entered into between the Trustee, the Manager and a Participating Dealer setting out, (amongst other things), the arrangements in respect of the issue of Units and the redemption and cancellation of Units.

“Recognised Futures Exchange” means an international futures exchange which is approved by the Manager.

“Recognised Stock Exchange” means an international stock exchange which is approved by the Manager.

“Redemption Application” means an application by a Participating Dealer for the redemption of Units in Application Unit size (or whole multiples thereof) in accordance with the Operating Guidelines and the Trust Deed.

“Redemption Value” means, in respect of a Unit, the price per Unit at which such Unit is redeemed, calculated in accordance with the Trust Deed.

“Registrar Agreement” means, in respect of a Sub-Fund where applicable, the agreement entered into between the Trustee, the Manager and the Registrar, as amended from time to time.

“Securities” means any shares, stocks, debentures, loan stocks, bonds, securities, commercial paper, acceptances, trade bills, warrants, participation notes, certificates, structured products, treasury bills, instruments or notes of, or issued by or under the guarantee of, any body, whether incorporated or unincorporated, and whether listed or unlisted, or of any government or local government authority or supranational body, whether paying interest or dividends or not and whether fully-paid, partly paid or nil paid and includes (without prejudice to the generality of the

foregoing):

- (a) any right, option or interest (howsoever described) in or in respect of any of the foregoing, including units in any Unit Trust (as defined in the Trust Deed);
- (b) any certificate of interest or participation in, or temporary or interim certificate for, receipt for or warrant to subscribe or purchase, any of the foregoing;
- (c) any instrument commonly known or recognised as a security;
- (d) any receipt or other certificate or document evidencing the deposit of a sum of money, or any rights or interests arising under any such receipt, certificate or document; and
- (e) any bill of exchange and any promissory note.

“SEHK” means The Stock Exchange of Hong Kong Limited or its successors.

“Service Agent” means HK Conversion Agency Services Limited or such other person as may from time to time be appointed to act as service agent in relation to the Sub-Funds.

“Service Agent’s Fee” means the fee which may be charged for the benefit of the Service Agent to each Participating Dealer on each book-entry deposit or book-entry withdrawal transaction made by the relevant Participating Dealer, the maximum level of which shall be determined by the Service Agent and set out in this Prospectus.

“Service Agreement” means each agreement by which the Service Agent provides its services in respect of a Sub-Fund entered amongst the Trustee, the Registrar, the Manager, the Participating Dealer, the Service Agent and the Hong Kong Securities Clearing Company Limited.

“Settlement Day” means the Business Day which is 2 Business Days after the relevant Dealing Day (or such other Business Day as is permitted in relation to such Dealing Day (including the Dealing Day itself) pursuant to the Operating Guidelines) or such other number of Business Days after the relevant Dealing Day as determined by the Manager in consultation with the Trustee from time to time and notified to the relevant Participating Dealers or as otherwise described in the relevant Appendix.

“SFC” means the Securities and Futures Commission of Hong Kong or its successors.

“SFO” means the Securities and Futures Ordinance (Cap. 571) of Hong Kong.

“Sub-Fund” means a segregated pool of assets and liabilities into which the Trust Fund is divided, established under the Trust Deed and the relevant supplemental deed as a separate trust as described in the relevant Appendix.

“Transaction Fee” means the fee, in respect of the Sub-Funds, which may be charged for the benefit of the Service Agent, the Registrar and/or the Trustee to each Participating Dealer on each Dealing Day upon which an Application has been or Applications have been made by the relevant Participating Dealer.

“Trust” means the umbrella Unit Trust constituted by the Trust Deed and called BMO ETF or such other name as the Manager may from time to time determine, upon prior notice to the Trustee.

“Trust Deed” means the trust deed dated 17 October 2014 between the Manager and the Trustee constituting the Trust (as amended from time to time).

“Trust Fund” means all the property held by the Trustee in respect of each Sub-Fund, including the Deposited Property and Income Property attributable to the relevant Sub-Fund, except for amounts to be distributed, in accordance with the Trust Deed.

“Trustee” means Cititrust Limited or such other person or persons for the time being duly

appointed as trustee or trustees hereof in succession thereto in accordance with the Trust Deed.

“Unit” means a unit representing an undivided share in a Sub-Fund.

“Unitholder” means a person for the time being entered on the register of holders as the holder of Units including, where the context so admits, persons jointly registered.

“Valuation Point” means, in respect of a Sub-Fund, the official close of trading on the Market on which the Securities constituting the Index are listed on each Dealing Day or if more than one, the official close of trading on the last relevant Market to close or such other time or times as determined by the Manager from time to time provided that there shall always be a Valuation Point on each Dealing Day other than where there is a suspension of the creation and redemption of Units.

INTRODUCTION

The Trust

The Trust is an umbrella unit trust created by the Trust Deed between the Manager and the Trustee made under Hong Kong law. The Trust and each Sub-Fund is authorised as a collective investment scheme by the SFC under Section 104 of the SFO and each Sub-Fund falls within Chapter 8.6 and Appendix I of the Code. SFC authorisation is not a recommendation or endorsement of a Sub-Fund nor does it guarantee the commercial merits of a Sub-Fund or its performance. It does not mean that a Sub-Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

The Sub-Funds

The Trust may issue different classes of Units and the Trustee shall establish a separate pool of assets under the Trust Deed as separate trusts (each such separate pool of assets a "Sub-Fund") to which one or more class of Units shall be attributable. The assets of a Sub-Fund will be invested and administered separately from the other assets of the Trust. All Sub-Funds will be exchange traded funds listed on the SEHK.

The Manager and the Trustee reserve the right to establish other Sub-Funds and/or issue further classes of Units relating to a Sub-Fund or Sub-Funds in the future in accordance with the provisions of the Trust Deed.

THE OFFERING PHASES

Initial Offer Period

During the Initial Offer Period, Participating Dealers (acting for themselves or for their clients) may apply for Units (to be available for trading on the Listing Date) by means of cash Creation Applications on each Dealing Day for themselves and/or their clients by transferring cash in accordance with the Operating Guidelines.

To be dealt with during the Initial Offer Period, the relevant Participating Dealer must submit the Creation Applications to the Trustee (with a copy to the Manager) on a Business Day no later than 4 Business Days prior to the Listing Date unless otherwise stated in the relevant Appendix.

If a Creation Application is received by the Trustee after 4 Business Days prior to the Listing Date, that Creation Application shall be carried forward and deemed to be received at the opening of business on the next following Dealing Day, which shall be the Dealing Day for the purposes of that Creation Application.

Creation Applications must be made in Application Unit size or whole multiples thereof, which is the number of Units specified in the relevant Appendix. Participating Dealers (acting for themselves or for their clients) can apply for Units on each Dealing Day at the Issue Price.

Please refer to the section on “Creations and Redemptions (Primary Market)” for the operational procedures in respect of Creation Applications.

After Listing

The After Listing phase commences on the Listing Date and continues until the Sub-Funds are terminated.

You can acquire or dispose the Units in either of the following two ways:

- (a) buy and sell Units on the SEHK; or
- (b) apply for cash creation and cash redemption of Units through Participating Dealers.

Buying and selling of Units on the SEHK

After Listing, all investors can buy and sell Units in Trading Board Lot Size (as described in the section “Key Information” in the relevant Appendix) or whole multiples thereof like ordinary listed stocks through an intermediary such as a stockbroker or through any of the share dealing services offered by banks or other financial advisers at any time the SEHK is open.

However, please note that transactions in the secondary market on the SEHK will occur at market prices which may vary throughout the day and may differ from Net Asset Value per Unit due to market demand and supply, liquidity and scale of trading spread for the Units in the secondary market. As a result, the market price of the Units in the secondary market may be higher or lower than Net Asset Value per Unit.

Please refer to the section on “Exchange Listing and Trading (Secondary Market)” for further information in respect of buying and selling of Units on the SEHK.

Creations and Redemptions Through Participating Dealers

Units will continue to be created and redeemed at the Issue Price and Redemption Value respectively through Participating Dealers in Application Unit size or multiples thereof. Where stated in the relevant Appendix, in-kind creations or in-kind redemptions may be permitted by the Manager. The Application Unit size and currency for settlement are as set out in the relevant

Appendix.

To be dealt with on a Dealing Day, the relevant Participating Dealer must submit the Creation Applications to the Trustee (with a copy to the Manager) before the Dealing Deadline on the relevant Dealing Day. If a Creation Application is received on a day which is not a Dealing Day or is received after the relevant Dealing Deadline on a Dealing Day, that Creation Application shall be treated as having been received at the opening of business on the next following Dealing Day, which shall be the relevant Dealing Day for the purposes of that Creation Application. Participating Dealers are under no obligation to create or redeem generally or for their clients and may charge their clients such fee or fees as such Participating Dealers determine.

Settlement in cash for subscribing Units in cash is due by such time as agreed in the Operating Guidelines on the relevant Dealing Day or for redeeming Units is due 2 Business Days (unless as otherwise stated in the relevant Appendix) after the Dealing Day, unless the Manager agrees with the relevant Participating Dealer to accept later settlement generally or in any particular case.

After Listing, all Units will be registered in the name of HKSCC Nominees Limited on the register of the Trust. The register of the Trust is the evidence of ownership of Units. The beneficial interests in Units of any client of the Participating Dealers shall be established through such client's account with the relevant Participating Dealer or with any other CCASS participants if the client is buying from the secondary market.

Timetable

Initial Offer Period

The Initial Offer Period commences at 9:30 a.m. (Hong Kong time) on 5 November 2014 and ends at 11:00 a.m. (Hong Kong time) on 6 November 2014, or such other date as the Manager may determine.

The Listing Date is expected to be on 13 November 2014 but may be postponed by the Manager to a date no later than 28 November 2014.

The purpose of the Initial Offer Period is to enable Participating Dealers to subscribe for Units either on their own account or for their clients, in accordance with the Trust Deed and the Operating Guidelines. During this period, Participating Dealers (acting for themselves or for their clients) may apply for Units to be available for trading on the Listing Date by creation. No redemptions are permitted during the Initial Offer Period.

Upon receipt of a Creation Application from a Participating Dealer (acting for itself or its clients) during the Initial Offer Period, the Manager shall procure the creation of Units for settlement on the Initial Issue Date.

Participating Dealers may have their own application procedures for their respective clients and may set application and payment cut-off times for their respective clients which are earlier than those set out in this prospectus. Investors are therefore advised to consult with the relevant Participating Dealer on its requirements if they want a Participating Dealer to subscribe for Units on their behalf.

After Listing

"After Listing" commences on the Listing Date and continues until the Trust is terminated.

Dealings in the Units on the SEHK will commence on the Listing Date, which is expected to be on 13 November 2014 but may be postponed by the Manager to a date no later than 28 November 2014.

All investors may buy and sell Units in the secondary market on the SEHK and Participating Dealers (for themselves or for their clients) may apply for creation and redemption of Units in the primary market.

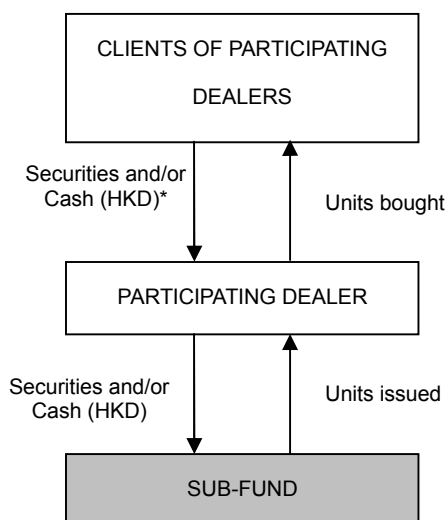
Please refer to the section on “The Offering Phases” for details. The following table summarises all key events and the Manager’s expected timetable (all references to times are to Hong Kong time):

<p>Initial Offer Period commences</p> <ul style="list-style-type: none"> • This is the time starting from when Participating Dealers may apply for creation for themselves or for their clients in Application Unit size for creation, as set out in the relevant Appendix. 	<p>9:30 a.m. (Hong Kong time) on 5 November 2014, or such other date as the Manager may determine</p>
<p>Initial Offer Period ends</p> <ul style="list-style-type: none"> • This is the latest time for Creation Applications by Participating Dealers for Units to be available for trading on the Listing Date. 	<p>11:00 a.m. (Hong Kong time) on 6 November 2014, or such other date as the Manager may determine</p>
<p>Listing Date</p> <ul style="list-style-type: none"> • This is the date on which dealings in the Units on the SEHK will start. 	<p>Expected to be 13 November 2014, but may be postponed by the Manager to a date no later than 28 November 2014</p>
<p>After Listing</p> <ul style="list-style-type: none"> • This is the period when: <ul style="list-style-type: none"> ○ all investors may trade Units on the SEHK through any designated brokers; ○ Participating Dealers may apply for creation and redemption (for themselves or for their clients) continually. 	<ul style="list-style-type: none"> • Commence at 9:30 a.m. on 13 November 2014, but may be postponed by the Manager to a date no later than 28 November 2014 • From 9:30 a.m. to the applicable Dealing Deadline on each Dealing Day

Diagrammatic Illustration of Investment in a Sub-Fund

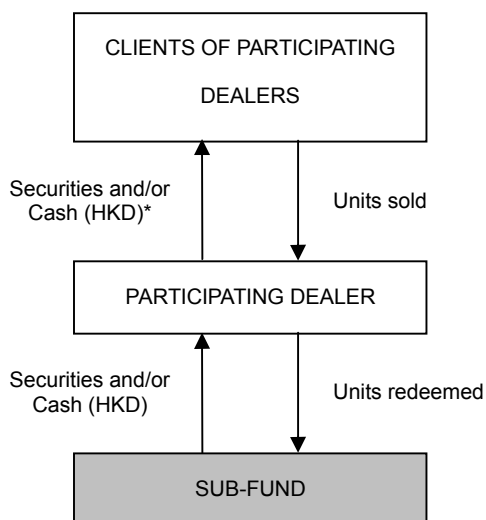
The diagrams below illustrate the issue or redemption and the buying or selling of Units:

(a) Issue and buying of Units in the primary market – Initial Offer Period and After Listing



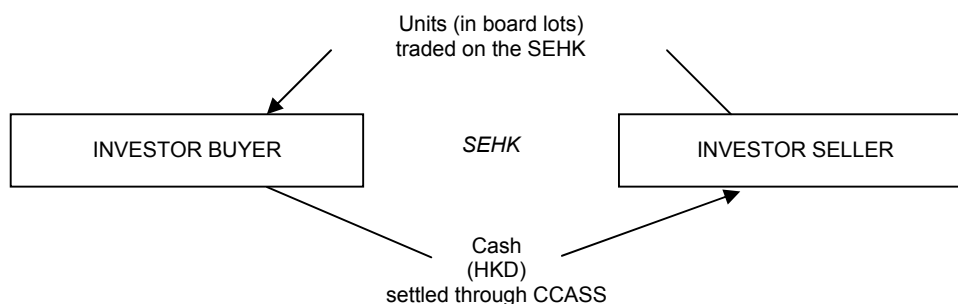
** Clients of the Participating Dealers may agree with the Participating Dealers settlement in another currency.*

(b) Redemption and sale of Units in the primary market – After Listing



** Clients of the Participating Dealers may agree with the Participating Dealers settlement in another currency.*

(c) Buying or selling of Units in the secondary market on the SEHK – After Listing



Summary of Offering Methods and Related Fees

Initial Offer Period

<u>Method of Offering*</u>	<u>Minimum Number of Units (or multiple thereof)</u>	<u>Channel</u>	<u>Available to</u>	<u>Consideration, Fees and Charges**</u>
Cash creation	Application Unit size (see relevant Appendix)	Through Participating Dealers	Any person acceptable to the Participating Dealer as its client	Cash Transaction Fee Any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined by or agreed with it) Duties and Charges
In-kind creation	Application Unit size (see relevant Appendix)	Through Participating Dealers	Any person acceptable to the Participating Dealer as its client	Portfolio of Securities Cash component Transaction Fee Any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined by or agreed with it) Duties and Charges

After Listing

<u>Method of Acquisition or Disposal of Units*</u>	<u>Minimum Number of Units (or multiple thereof)</u>	<u>Channel</u>	<u>Available to</u>	<u>Consideration, Fees and Charges**</u>
Purchase and sale in cash through brokers on the SEHK (secondary market)	Board lot size (see relevant Appendix)	On the SEHK	Any investor	Market price of Units on SEHK (in HKD) Brokerage fees and Duties and Charges
Cash creation	Application Unit size (see relevant Appendix)	Through Participating Dealers	Any person acceptable to the Participating Dealer as its client	Cash Transaction Fee Any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined by or agreed with it) Duties and Charges
In-kind creation	Application Unit size (see relevant Appendix)	Through Participating Dealers	Any person acceptable to the Participating Dealer as its client	Portfolio of Securities Cash component Transaction Fee Any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined by or agreed with it) Duties and Charges

* The methods of creation available to the Participating Dealers in respect of each Sub-Fund, whether in-kind or in cash, are specified in the relevant Appendix.

** Please refer to "Fees and Expenses" for further details. The currency for payment of subscription monies is specified in the relevant Appendix.

INVESTMENT OBJECTIVE, INVESTMENT STRATEGY, INVESTMENT RESTRICTIONS, SECURITY LENDING AND BORROWING

Investment Objective

The investment objective of each Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the relevant Index unless otherwise stated in the relevant Appendix.

Investment Strategy

Each Sub-Fund will adopt either a full replication or a representative sampling strategy. The investment strategy of each Sub-Fund is stated in the relevant Appendix.

Replication Strategy

Where a Sub-Fund adopts the replication strategy as its investment strategy, it will invest in substantially all the Index Securities constituting the Index in substantially the same weightings (i.e. proportions) as these Index Securities have in the Index. When an Index Security ceases to be a constituent of the Index, rebalancing occurs which involves, among other things, selling the outgoing Security and potentially using the proceeds to invest in the incoming Security.

Representative Sampling Strategy

Where a Sub-Fund adopts the representative sampling strategy as its investment strategy, it will invest, directly or indirectly, in a representative sample of the Securities in the relevant Index that collectively reflects the investment characteristics of such Index. A Sub-Fund adopting a representative sampling strategy, may or may not hold all of the Securities that are included in the relevant Index, and may hold Securities which are not included in the Index, provided that the sample closely reflects the overall characteristics of the Index.

Switching between the Strategies

Whilst the replication strategy is likely to track the performance of the relevant Index more closely when compared to the representative sampling strategy, it may not be the most efficient way to track the performance of the relevant Index. Also, it may not always be possible or it may be difficult to buy or hold certain Index Securities comprising the Index. The Manager may therefore, in the appropriate circumstances, choose to use a representative sampling strategy, having regard to the number of Index Securities constituting the Index, the liquidity of such Index Securities, any restrictions on the ownership of such Index Securities, the transaction expenses and other trading costs, and tax and other regulatory restrictions.

Investors should note that the Manager may switch between the above investment strategies, without prior notice to investors, in its absolute discretion as it believes appropriate in order to achieve the investment objective of the relevant Sub-Fund by tracking the relevant Index as closely (or efficiently) as possible for the benefit of investors. The Manager will seek the prior approval of the SFC and provide at least one month's prior notice to Unitholders before adopting a strategy other than replication or representative sampling strategy.

Investment Restrictions

If any of the restrictions or limitations set out below is breached in respect of a Sub-Fund, the Manager will make it a priority objective to take all necessary steps within a reasonable period to remedy such breach, taking into account the interests of the Unitholders of that Sub-Fund.

The Trustee will take reasonable care to ensure compliance with the investment and borrowing limitations set out in the constitutive documents and the conditions under which a Sub-Fund was authorised.

The investment restrictions applicable to each Sub-Fund (that are included in the Trust Deed) are

summarised below:

- (a) not more than 10% of the Net Asset Value of a Sub-Fund may be invested in Securities (other than Government and other public securities) issued by any single issuer (save as permitted by Chapter 8.6(h) and as varied by paragraph 11 of Appendix I (Guidelines for regulating index tracking exchange traded funds) of the Code (see the Note below));
- (b) Securities of a single class (other than Government and other public securities) held for the account of a Sub-Fund, when aggregated with other holdings of the same class of Securities held for the account of all other sub-funds under the Trust collectively may not exceed 10% of the nominal amount of the Securities issued by a single issuer;
- (c) not more than 15% of the Net Asset Value of a Sub-Fund may be invested in Securities which are neither listed, quoted nor dealt in on a stock exchange, over-the-counter market or other organised securities market which is open to the international public and on which such Securities are regularly traded;
- (d) except as permitted by Chapter 8.6(i) of the Code, not more than 30% of the Net Asset Value of a Sub-Fund may be invested in Government and other public securities of the same issue;
- (e) subject to paragraph (d) above or except as permitted by Chapter 8.6(i) of the Code, a Sub-Fund may be fully invested in Government and other public securities in at least six different issues;
- (f) a Sub-Fund may enter into financial futures contracts for hedging purposes;
- (g) not more than 20% of the Net Asset Value of a Sub-Fund may be invested in (i) futures contracts on an unhedged basis (by reference to the net total aggregate value of contract prices, whether payable to or by the relevant Sub-Fund under all outstanding futures contracts) and (ii) physical commodities (including gold, silver, platinum or other bullion) and other commodity-based investments (excluding, for this purpose, Securities of companies engaged in producing, processing or trading in commodities);
- (h) the value of warrants and options held for the account of a Sub-Fund, in terms of the total amount of premium paid (other than for hedging purposes), may not exceed 15% of the Net Asset Value of the relevant Sub-Fund; and
- (i) where a Sub-Fund invests in units or shares of other collective investment schemes (“underlying schemes”),
 - (i) the value of units or shares in underlying schemes which are neither recognised jurisdiction schemes (as determined by the SFC) nor authorised by the SFC, held for the account of the relevant Sub-Fund, may not in aggregate exceed 10% of the Net Asset Value of the relevant Sub-Fund; and
 - (ii) a Sub-Fund may invest in one or more underlying schemes which are either recognised jurisdiction schemes or schemes authorised by the SFC, but the value of the units or shares held for the account of the relevant Sub-Fund in each such underlying scheme may not exceed 30% of the Net Asset Value of the relevant Sub-Fund, unless the underlying scheme is authorised by the SFC and its name and key investment information are disclosed in the offering document of the relevant Sub-Fund,

provided that:

- (1) the objective of each underlying scheme may not be to invest primarily in any investment prohibited by Chapter 7 of the Code, and where that underlying scheme’s objective is to invest primarily in investments restricted by Chapter 7 of the Code, such holdings may not be in contravention of the relevant limitation;

- (2) where an investment is made in any underlying scheme(s) managed by the Manager or any of its Connected Persons, all initial charges on the underlying scheme(s) must be waived; and
- (3) the Manager may not obtain a rebate on any fees or charges levied by an underlying scheme or the management company of an underlying scheme,

save to the extent that any of the above holdings is permitted under the Code.

A Sub-Fund shall not:

- (a) invest in a Security of any class in any company or body if any director or officer of the Manager individually owns more than 0.5% of the total nominal amount of all the issued securities of that class or the directors and officers of the Manager collectively own more than 5% of those securities;
- (b) invest in any type of real estate (including buildings) or interests in real estate (including options or rights, but excluding shares in real estate companies and interests in real estate investment trusts (REITs));
- (c) make short sales if as a result the Sub-Fund would be required to deliver Securities exceeding 10% of the Net Asset Value of the Sub-Fund (and for this purpose Securities sold short must be actively traded on a market where short selling is permitted);
- (d) write uncovered options;
- (e) write a call option on portfolio investments of a Sub-Fund if the aggregate of the exercise prices of all such call options written in respect of the relevant Sub-Fund would exceed 25% of the Net Asset Value of the relevant Sub-Fund;
- (f) lend or make a loan out of the assets of a Sub-Fund without the prior written consent of the Trustee except to the extent that the acquisition of bonds or the making of a deposit (within the applicable investment restrictions) might constitute a loan;
- (g) assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person without the prior written consent of the Trustee;
- (h) enter into any obligation in respect of a Sub-Fund or acquire any asset for the account of a Sub-Fund which involves the assumption of any liability which is unlimited; or
- (i) apply any part of a Sub-Fund in the acquisition of any investments which are for the time being nil paid or partly paid in respect of which a call is due to be made unless such call could be met in full out of cash or near cash forming part of a Sub-Fund which has not been appropriated and set aside for any other purposes (including in respect of any writing of call options).

Note: The investment restrictions set out above apply to each Sub-Fund, subject to the following: A collective investment scheme authorised by the SFC under the Code is usually restricted from making investments which would result in the value of that collective investment scheme's holdings of the Securities of any single issuer exceeding 10% of the collective investment scheme's total net asset value. Given the investment objective of the Sub-Funds and nature of the Index, the Sub-Funds are allowed under Chapter 8.6(h) of the Code to hold investments in Securities of any single issuer exceeding 10% of the relevant Sub-Fund's latest available Net Asset Value if such constituent Securities account for more than 10% of the weighting of the Index and the relevant Sub-Fund's holding of any such constituent Securities does not exceed their respective weightings in the Index, except where the weightings are exceeded as a result of changes in the composition of the Index and the excess is only transitional and temporary in nature, or otherwise approved by the SFC. Subject to Chapter 8.6(g) and (h) of the Code, more than 30% of the latest available Net Asset Value of the relevant Sub-Fund may also be invested in Government and other public

Securities in any number of different issues. However, the Manager may cause a Sub-Fund to deviate from the Index weighting (in pursuing a representative sampling strategy) under Appendix I of the Code (the “ETF Guidelines”) on condition that the maximum deviation from the index weighting of any constituent will not exceed the percentage as determined by the Manager after consultation with the SFC. Under the ETF Guidelines, the Manager shall report to the SFC on a timely basis if there is any non-compliance with this limit. The annual and interim financial statements of the relevant Sub-Fund shall also disclose whether or not such limit has been complied with during such period and account for any non-compliance in those reports.

Currently the Manager has no intention to invest the Sub-Fund in any financial derivative instruments (including structured products or instruments) for hedging or non-hedging (i.e. investment) purposes.

Security Lending

There is no current intention for any Sub-Fund to engage in securities lending, repurchase transaction or other similar over-the-counter transactions, but this may change in light of market circumstances and where a Sub-Fund does engage in these types of transactions, prior approval shall be obtained from the SFC and no less than one month’s prior notice will be given to the Unitholders.

Borrowing Policy

Borrowing against the assets of the Sub-Funds is allowed up to a maximum of 25% of its latest available Net Asset Value. Where the Manager so determines, a Sub-Fund’s permitted borrowing level may be a lower percentage as set out in the relevant Appendix. The Trustee may at the request of the Manager borrow for the account of the Sub-Funds any currency, and charge or pledge assets of the Sub-Funds, for the following purposes:

- (a) facilitating the creation or redemption of Units or defraying operating expenses;
- (b) enabling the Manager to acquire Securities for the account of the Sub-Funds; or
- (c) for any other proper purpose as may be agreed by the Manager and the Trustee.

CREATIONS AND REDEMPTIONS (PRIMARY MARKET)

Investment in a Sub-Fund

There are 2 methods of making an investment in a Sub-Fund and of disposing of Units to realise an investment in a Sub-Fund.

The first method is to create or to redeem Units at Net Asset Value directly with the Sub-Fund in the primary market through a Participating Dealer, being a licensed dealer that has entered into a Participation Agreement in respect of the relevant Sub-Fund. Because of the size of the capital investment (i.e. Application Unit size) required either to create or redeem Units through the Participating Dealer in the primary market, this method of investment is more suitable for institutional investors and market professionals. Participating Dealers are under no obligations to create or redeem Units for their clients and may impose terms, including charges, for handling creation or redemption orders as they determine appropriate, as described in more detail in this section.

The second method is to buy or to sell Units in the secondary market on the SEHK which is more suitable for retail investors. The secondary market price of Units may trade at a premium or discount to the Net Asset Value of the relevant Sub-Fund.

This section of this Prospectus describes the first method of investment and should be read in conjunction with the Operating Guidelines and the Trust Deed. The section on "Exchange Listing and Trading (Secondary Market)" relates to the second method of investment.

Creation of Units Through Participating Dealers

Any application for the creation of Units of a Sub-Fund must only be made through a Participating Dealer in respect of an Application Unit size or whole multiple thereof as set out in the "Key Information" section. Investors cannot acquire Units directly from a Sub-Fund. Only Participating Dealers may submit Creation Applications to the Trustee (with a copy to the Manager).

Units in each Sub-Fund are continuously offered through a Participating Dealer, who may apply for them on any Dealing Day for its own account or for your account as their client(s), in accordance with the Operating Guidelines, by submitting a Creation Application to the Trustee (with a copy to the Manager).

Each initial Participating Dealer has indicated to the Manager that it will generally accept and submit creation requests received from its clients, subject always to (i) mutual agreement between the relevant initial Participating Dealer and its clients as to its fees for handling such requests; (ii) completion to its satisfaction of client acceptance procedures and requirements; (iii) no objection from the Manager to create Units for the relevant initial Participating Dealer on behalf of such clients (please refer to the sub-section on "Creation process" below for the examples of exceptional circumstances under which the Manager shall have the right to reject a Creation Application); and (iv) mutual agreement between the relevant initial Participating Dealer and its clients as to the method of effecting such creation requests.

In addition, a Participating Dealer reserves the right to reject, acting in good faith, any creation request received from a client under exceptional circumstances, including without limitation the following circumstances:

- (a) any period during which (i) the creation or issue of Units of the relevant Sub-Fund, (ii) the redemption of Units of the relevant Sub-Fund, and/or (iii) the determination of Net Asset Value of the relevant Sub-Fund is suspended;
- (b) where there is in existence any trading restriction or limitation such as the occurrence of a

market disruption event, suspected market misconduct or the suspension of dealing in relation to any of the Securities in the relevant Index;

- (c) where acceptance of the creation request or any Security in connection with such creation request would render the Participating Dealer in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Participating Dealer necessary for compliance with applicable legal and regulatory requirements; or
- (d) circumstances outside the control of the Participating Dealer make it for all practicable purposes impossible to process the creation request.

Requirements Relating to Creation Requests by Potential Investors

The methods of creation available to the Participating Dealers in respect of each Sub-Fund, whether in-kind (i.e. the creation of Units in exchange for a transfer of Securities) or in cash, are specified in the relevant Appendix. A Participating Dealer may in its absolute discretion require a creation request received from its client be effected in a particular method. The Manager nonetheless reserves its right to require a Creation Application be effected in a particular method. Specifically, the Manager has the right to (a) accept cash equal to or in excess of the market value at the Valuation Point for the relevant Dealing Day of such Security in lieu of accepting such Security as constituting part of the Creation Application; or (b) accept cash collateral on such terms as it determines if (i) such Security is likely to be unavailable for delivery or available in insufficient quantity for delivery to the Trustee in connection with the Creation Application; or (ii) the Participating Dealer is restricted by regulation or otherwise from investing or engaging in a transaction in that Security.

A Participating Dealer may impose fees and charges in handling any creation request which would increase the cost of investment. Investors are advised to check with the Participating Dealer as to relevant fees and charges. Although the Manager has a duty to monitor the operations of each Sub-Fund closely, neither the Manager nor the Trustee is empowered to compel a Participating Dealer to disclose its fees agreed with specific clients or other proprietary or confidential information to the Manager or the Trustee or to accept any such creation requests received from clients.

A Participating Dealer may also impose timing deadlines for the submission by its clients of any creation request and require any such clients to complete the relevant client acceptance procedures and requirements (including, where necessary, providing such documentation and certifications as required by the Participating Dealer) in order to ensure that an effective Creation Application in respect of a Sub-Fund can be submitted by it to the Trustee (with a copy to the Manager). Investors are advised to check with the Participating Dealer as to the relevant timing deadlines and the client acceptance procedures and requirements.

The Application Unit size for a Sub-Fund is the number of Units specified in the relevant Appendix. Creation Applications submitted in respect of Units other than in Application Unit size or whole multiples thereof will not be accepted. The minimum subscription for each Sub-Fund is one Application Unit.

Creation Process

A Participating Dealer may from time to time submit Creation Applications in respect of a Sub-Fund to the Trustee (with a copy to the Manager), following receipt of creation requests from clients or where it wishes to create Units of the relevant Sub-Fund for its own account.

If a Creation Application is received on a day which is not a Dealing Day or is received after the relevant Dealing Deadline on a Dealing Day, that Creation Application shall be treated as having been received at the opening of business on the next Dealing Day, which shall be the relevant Dealing Day for the purposes of that Creation Application. The current Dealing Deadline After Listing on the relevant Dealing Day is specified in the relevant Appendix, or such other time as the Manager (with the approval of Trustee) may determine on any day when the trading hours of

the SEHK, the Recognised Futures Exchange or the Recognised Stock Exchange are reduced. To be effective, a Creation Application must:

- (a) be given by a Participating Dealer in accordance with the Trust Deed, the relevant Participation Agreement and the relevant Operating Guidelines;
- (b) specify the number of Units and the class of Units (where applicable) which is the subject of the Creation Application; and
- (c) include the certifications required in the Operating Guidelines (if any) in respect of creations of Units, together with such certifications and opinions of counsel (if any) as each of the Trustee and the Manager may separately consider necessary to ensure compliance with applicable Securities and other laws in relation to the creation of Units which are the subject of the Creation Application.

The Manager shall have the right to reject, acting in good faith, any Creation Application under exceptional circumstances, including without limitation the following circumstances:

- (a) any period during which (i) the creation or issue of Units of the relevant Sub-Fund, (ii) the redemption of Units of the relevant Sub-Fund, and/or (iii) the determination of Net Asset Value of the relevant Sub-Fund is suspended;
- (b) where in the opinion of the Manager, acceptance of the Creation Application or any Security in connection with such Creation Application would have an adverse effect on the relevant Sub-Fund;
- (c) where, if relevant to a Sub-Fund, in the opinion of the Manager, acceptance of the Creation Application would have a material impact on the relevant market;
- (d) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to any of the Securities in the relevant Index;
- (e) where acceptance of the Creation Application would render the Manager in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Manager necessary for compliance with applicable legal and regulatory requirements;
- (f) circumstances outside the control of the Manager make it for all practicable purposes impossible to process the Creation Application;
- (g) the business operations of the Manager, the Trustee or any agent of the Manager or the Trustee in relation to the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God; or
- (h) an Insolvency Event occurs in respect of the relevant Participating Dealer.

In the event of such rejection, the Manager shall notify the relevant Participating Dealer and the Trustee of its decision to reject such Creation Application in accordance with the Operating Guidelines. Where for any reason there is a limit to the number of Units which can be created, priority will be given to Participating Dealers and the relevant Creation Applications as set out in the Operating Guidelines.

The Manager's right to reject a Creation Application is separate and in addition to a Participating Dealer's right to reject, acting in good faith, any creation request received from a client of the Participating Dealer under exceptional circumstances. Notwithstanding a Participating Dealer has accepted creation requests from its clients and in that connection submitted an effective

Creation Application, the Manager may exercise its rights to reject such Creation Application in the circumstances described herein.

Where the Manager accepts a Creation Application from a Participating Dealer, it shall instruct the Trustee to effect (i) for the account of the Sub-Fund, the creation of Units in Application Unit size in exchange for a transfer of cash and/or Securities (at the discretion of the Participating Dealer but subject to the Manager's agreement); and (ii) the issue of Units to the Participating Dealer, both in accordance with the Operating Guidelines and the Trust Deed.

Issue of Units

Units will be issued at the Issue Price prevailing on the relevant Dealing Day, provided that the Trustee may add to such Issue Price such sum (if any) as represents an appropriate provision for Duties and Charges. Please refer to the section on "Issue Price and Redemption Value" for the calculation of the Issue Price.

On receipt of a Creation Application by a Participating Dealer for Units in a Sub-Fund during the relevant Initial Offer Period, the Manager shall procure the creation and issue of Units in that Sub-Fund on the relevant Initial Issue Date.

Units are denominated in the Base Currency of the relevant Sub-Fund (unless otherwise determined by the Manager) as set out in the relevant Appendix and no fractions of a Unit shall be created or issued by the Trustee.

The creation and issue of Units pursuant to a Creation Application shall be effected on the Dealing Day on which the Creation Application is received (or deemed received) and accepted in accordance with the Operating Guidelines but, for valuation purposes only, Units shall be deemed created and issued after the Valuation Point on the Dealing Day on which the relevant Creation Application was received or deemed received and the register will be updated on the relevant Settlement Day or the Dealing Day immediately following the Settlement Day if the settlement period is extended. If a Creation Application is received on a day which is not a Dealing Day or is received after the relevant Dealing Deadline on a Dealing Day, that Creation Application shall be treated as having been received at the opening of business on the next Dealing Day, which shall be the relevant Dealing Day for the purposes of that Creation Application. An Extension Fee may be payable in relation to such an extension. See the section on "Fees and Expenses" for further details.

The Trustee shall be entitled to refuse to enter (or allow to be entered) Units in the register if at any time the Trustee is of the opinion that the provisions as set out in the Trust Deed, the relevant Operating Guidelines or the relevant Participation Agreement, in regard to the issue of Units, are being infringed.

Fees Relating to Creation Applications

The Service Agent, the Registrar and/or the Trustee may charge a Transaction Fee in respect of Creation Applications and may on any day vary the rate of the Transaction Fee they charge (but not as between different Participating Dealers in respect of the same Sub-Fund). The Transaction Fee shall be paid by or on behalf of the Participating Dealer applying for such Units. See the section on "Fees and Expenses" for further details.

In relation to cash creation of Units, the Manager reserves the right to require the Participating Dealer to pay or cause to be paid an additional sum as the Manager in its discretion considers appropriate for the Duties and Charges. The Participating Dealer may pass on to the relevant investor such additional sum.

Any commission, remuneration or other sum payable by the Manager to any agent or other person in respect of the issue or sale of any Unit shall not be added to the Issue Price of such Unit and shall not be paid from the assets of any Sub-Fund.

Cancellation of Creation Applications

A Creation Application once submitted cannot be revoked or withdrawn without the consent of the Manager.

The Trustee, after consultation with the Manager may cancel a creation order in respect of any Units deemed created pursuant to a Creation Application if it has not received good title to all Securities and/or cash (including Transaction Fees, Duties and Charges) relating to the Creation Application by the Settlement Day, provided that the Manager may at its discretion, with the approval of the Trustee (a) extend the settlement period (either for the Creation Application as a whole or for a particular Security) such extension to be on such terms and conditions (including as to the payment of an Extension Fee to the Manager or the Trustee or their Connected Persons or otherwise) as the Manager may determine and in accordance with the provisions of the Operating Guidelines; or (b) partially settle the Creation Application to the extent to which Securities and/or cash has been vested in the Trustee, on such terms and conditions the Manager may determine including terms as to any extension of the settlement period for the outstanding Securities or cash.

In addition to the preceding circumstances, the Manager may also cancel any creation order of any Units if it determines by such time as it specifies in the Operating Guidelines that it is unable to invest the cash proceeds of any Creation Application.

Upon the cancellation of any creation order of any Units deemed created pursuant to a Creation Application as provided for above or if a Participating Dealer otherwise withdraws subject to the Manager's consent a Creation Application (other than in certain circumstances contemplated in the Trust Deed such as when the Manager declares a suspension of creations of Units), any Securities or any cash received by or on behalf of the Trustee in connection with a Creation Application shall be redelivered to the Participating Dealer (without interest) as soon as practicable and the relevant Units shall be deemed for all purposes never to have been created and the Participating Dealer shall have no right or claim against the Manager, the Trustee and/or the Service Agent in respect of such cancellation provided that:

- (a) the Trustee may charge the relevant Participating Dealer for the account of the Registrar an application cancellation fee (see the section on "Fees and Expenses" for further details);
- (b) the Manager may at its discretion require the Participating Dealer to pay to the Trustee, for the account of the Sub-Fund, in respect of each Unit so cancelled Cancellation Compensation, being the amount (if any) by which the Issue Price of each such Unit exceeds the Redemption Value which would have applied in relation to each such Unit if the Participating Dealer had, on the date on which such Units are cancelled, made a Redemption Application, together with charges, expenses and losses incurred by the Sub-Fund as a result of such cancellation;
- (c) the Transaction Fee in respect of such Creation Application shall remain due and payable (notwithstanding that the Creation Application shall be deemed to never have been made) and once paid shall be retained by and for the benefit of the Trustee, the Registrar and/or the Service Agent (see the section on "Fees and Expenses" for further details); and
- (d) no previous valuations of the Trust Fund shall be re-opened or invalidated as a result of the cancellation of such Units.

Redemption of Units through Participating Dealers

Any application for the redemption of Units of a Sub-Fund must only be made through a Participating Dealer in respect of an Application Unit size or whole multiples thereof. Investors cannot redeem Units directly from the relevant Sub-Fund. Only Participating Dealers may submit Redemption Applications to the Trustee (with a copy to the Manager).

A Participating Dealer may redeem Units on any Dealing Day for its own account or for the

account of its clients in accordance with the Operating Guidelines, by submitting a Redemption Application to the Trustee (with a copy to the Manager).

Each initial Participating Dealer has indicated to the Manager that it will generally accept and submit redemption requests received from its clients, subject always to (i) mutual agreement between the relevant initial Participating Dealer and its clients as to its fees for handling such request(s); (ii) completion to its satisfaction of client acceptance procedures and requirements; (iii) no objection from the Manager to redeem Units for the relevant initial Participating Dealer on behalf of its clients (please refer to the sub-section on "Redemption process" below for the examples of exceptional circumstances under which the Manager shall have the right to reject a Redemption Application); and (iv) mutual agreement between the relevant initial Participating Dealer and its clients as to the method of effecting such redemption request.

In addition, a Participating Dealer reserves the right to reject, acting in good faith, any redemption request received from a client under exceptional circumstances, including without limitation the following circumstances:

- (a) any period during which (i) the creation or issue of Units of the relevant Sub-Fund, (ii) the redemption of Units of the relevant Sub-Fund, and/or (iii) the determination of Net Asset Value of the relevant Sub-Fund is suspended;
- (b) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to any of the Securities in the Index;
- (c) where acceptance of the redemption request would render the Participating Dealer in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Participating Dealer necessary for compliance with applicable legal and regulatory requirements; or
- (d) circumstances outside the control of the Participating Dealer make it for all practicable purposes impossible to process the redemption request.

Requirements Relating to Redemption Requests by Potential Investors

The methods of redemption available to the Participating Dealers in respect of each Sub-Fund, whether in-kind (i.e. the redemption of Units in exchange for a transfer of Securities) or in cash, are as set out in the relevant Appendix. A Participating Dealer may in its absolute discretion require a redemption request received from its client be effected in a particular method. The Manager nonetheless reserves its right to require a Redemption Application be effected in a particular method. Specifically, the Manager has the right to instruct the Trustee to deliver cash equivalent of any Security in connection with the Redemption Application to the Participating Dealer if (a) such Security is likely to be unavailable for delivery or available in insufficient quantity for delivery in connection with the Redemption Application; or (b) the Participating Dealer is restricted by regulation or otherwise from investing or engaging in a transaction in that Security.

A Participating Dealer may impose fees and charges in handling any redemption request which would increase the cost of investment and/or reduce the redemption proceeds. You are advised to check with the Participating Dealer as to relevant fees and charges. Although the Manager has a duty to monitor the operations of each Sub-Fund closely, neither the Manager nor the Trustee is empowered to compel a Participating Dealer to disclose its fees agreed with specific clients or other proprietary or confidential information to the Manager or the Trustee or to accept any such redemption requests received from clients. In addition, neither the Trustee nor the Manager can ensure effective arbitrage by a Participating Dealer.

A Participating Dealer may also impose timing deadlines for the submission by its clients of any redemption request and require any such clients to complete the relevant client acceptance procedures and requirements (including, where necessary, providing such documentation and certifications as required by the Participating Dealer) in order to ensure that an effective

Redemption Application in respect of a Sub-Fund can be submitted by it to the Trustee (with a copy to the Manager). You are advised to check with the Participating Dealer as to the relevant timing deadlines and the client acceptance procedures and requirements.

Redemption Process

A Participating Dealer may from time to time submit Redemption Applications in respect of a Sub-Fund to the Trustee (with a copy to the Manager), following receipt of redemption requests from clients or where it wishes to redeem Units of the relevant Sub-Fund for its own account.

If a Redemption Application is received on a day which is not a Dealing Day or is received after the relevant Dealing Deadline on a Dealing Day, that Redemption Application shall be treated as having been received at the opening of business on the next following Dealing Day, which shall be the relevant Dealing Day for the purposes of that Redemption Application. The current Dealing Deadline After Listing on the relevant Dealing Day is specified in the relevant Appendix, or such other time as the Manager (with the approval of Trustee) may determine on any day when the trading hours of the SEHK are reduced.

To be effective, a Redemption Application must:

- (a) be given by a Participating Dealer in accordance with the Trust Deed, the relevant Participation Agreement and the relevant Operating Guidelines;
- (b) specify the number of Units and the class of Units (where applicable) which is the subject of the Redemption Application; and
- (c) include the certifications required in the Participation Agreement and Operating Guidelines (if any) in respect of redemptions of Units, together with such certifications and opinions of counsel (if any) as each of the Trustee and the Manager may separately consider necessary to ensure compliance with applicable securities and other laws in relation to the redemption of Units which are the subject of the Redemption Application.

The Manager shall have the right to reject, acting in good faith, any Redemption Application under exceptional circumstances, including without limitation the following circumstances:

- (a) any period during which (i) the creation or issue of Units of the relevant Sub-Fund, (ii) the redemption of Units of the relevant Sub-Fund, and/or (iii) the determination of Net Asset Value of the relevant Sub-Fund is suspended;
- (b) where in the opinion of the Manager, acceptance of the Redemption Application would have an adverse effect on the relevant Sub-Fund;
- (c) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to any of the Securities in the Index;
- (d) where acceptance of the Redemption Application would render the Manager in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Manager necessary for compliance with applicable legal and regulatory requirements;
- (e) circumstances outside the control of the Manager make it for all practicable purposes impossible to process the Redemption Application; or
- (f) the business operations of the Manager, the Trustee or any agent of the Manager or the Trustee in relation to the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

In the event of such rejection, the Manager shall notify the relevant Participating Dealer and the

Trustee of its decision to reject such Redemption Application in accordance with the Operating Guidelines.

The Manager's right to reject a Redemption Application is separate and in addition to a Participating Dealer's right to reject, acting in good faith, any redemption request received from a client under exceptional circumstances. Notwithstanding a Participating Dealer has accepted redemption requests from clients and in that connection submitted an effective Redemption Application, the Manager may exercise its rights to reject such Redemption Application in the circumstances described herein.

Where the Manager accepts a Redemption Application from a Participating Dealer, it shall (i) effect the redemption and cancellation of the relevant Units; and (ii) require the Trustee to transfer to the Participating Dealer Securities and/or cash in accordance with the Operating Guidelines and the Trust Deed.

The Participating Dealer will then transfer the Securities and/or cash to the relevant client if the Redemption Application was submitted by the Participating Dealer for the account of its client.

Redemption of Units

Any accepted Redemption Application will be effected on the Settlement Day provided that a Redemption Application duly signed by a Participating Dealer (to the satisfaction of the Manager and the Trustee) has been received and provided further that the Trustee shall have received (unless otherwise provided in the Operating Guidelines) the full amount of any amount payable by the Participating Dealer including the Transaction Fee and any other Duties and Charges have been either deducted or otherwise paid in full.

For valuation purposes only, Units shall be deemed to have been redeemed and cancelled after the Valuation Point on the Dealing Day on which the Redemption Application was received or deemed received. The name of the Unitholder of such Units shall be removed from the Register in respect of those Units redeemed and cancelled on the relevant Settlement Day.

The Redemption Value of Units tendered for redemption and cancellation shall be the Net Asset Value per Unit of a Sub-Fund rounded to the nearest four decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down). The benefit of any rounding adjustments will be retained by the Sub-Fund. For the purpose of valuation, the relevant Valuation Point shall be the Valuation Point for the Dealing Day on which the Redemption Application is treated as having been received.

The interval between the receipt of a properly documented Redemption Application and payment of redemption proceeds may not exceed one calendar month provided that there is no delay in submitting all duly completed redemption documentation and the determination of the Net Asset Value or dealing in Units is not suspended.

The Manager may at its discretion extend the settlement period upon receipt of the extended settlement request by a Participating Dealer in respect of the Redemption Application on such terms and conditions (including as to the payment of any fees to the Manager or Extension Fee to the Trustee or their respective Connected Persons or otherwise) as the Manager may in its discretion determine, in accordance with the Operating Guidelines.

Fees relating to Redemption Applications

The Service Agent, the Registrar and/or the Trustee may charge a Transaction Fee in respect of Redemption Applications and may on any day vary the rate of the Transaction Fee they charge (but not as between different Participating Dealers in respect of the same Sub-Fund). The Transaction Fee shall be paid by or on behalf of the Participating Dealer submitting the Redemption Application(s) (and may be set off and deducted against any amount due to the Participating Dealer in respect of such Redemption Application(s)) for the benefit of the Trustee, the Registrar and/or

the Service Agent. See the section on “Fees and Expenses” for further details.

In relation to cash redemption of Units, the Manager reserves the right to require the Participating Dealer to pay an additional sum as the Manager in its discretion considers appropriate for the Duties and Charges. The Participating Dealer may pass on to the relevant investor such additional sum.

The Trustee may deduct from the redemption proceeds such sum (if any) as the Trustee may consider represents an appropriate provision for the Transaction Fee and/or other Duties and Charges.

Cancellation of Redemption Applications

A Redemption Application once given cannot be revoked or withdrawn without the consent of the Manager.

No Security shall be transferred and/or no cash amount shall be paid in respect of any Redemption Application unless Units, which are the subject of the Redemption Application, have been delivered to the Trustee free and clear of any Encumbrance for redemption by such time on the Settlement Day or other dealing set forth in the Trust Deed and/or Operational Guidelines as the Trustee and the Manager shall for the time being prescribe for Redemption Applications generally.

In the event that Units, which are the subject of a Redemption Application, are not delivered to the Trustee for redemption in accordance with the foregoing or are not free and clear of any Encumbrance (other than in certain circumstances contemplated in the Trust Deed such as when the Manager declares a suspension of redemptions of Units):

- (a) the Trustee may charge the relevant Participating Dealer for the account of the Registrar an application cancellation fee (see the section on “Fees and Expenses” for further details);
- (b) the Manager may at its discretion require the Participating Dealer to pay to the Trustee, for the account of the relevant Sub-Fund, in respect of each Unit so cancelled Cancellation Compensation, being the amount (if any) by which the Redemption Value of each such Unit is less than the Issue Price which would have applied in relation to each such Unit if the Participating Dealer had, on the actual date when the Manager is able to repurchase any replacement Securities made a Creation Application in accordance with the provisions of the Trust Deed plus such other amount as the Manager reasonably determines as representing any charges, expenses and losses incurred by the Sub-Fund as a result of such cancellation;
- (c) the Transaction Fee in respect of such Redemption Application shall remain due and payable (notwithstanding that the Redemption Application shall be deemed to never have been made) and once paid, shall be retained by and for the benefit of the Trustee, the Registrar and/or the Service Agent (see the section on “Fees and Expenses” for further details); and
- (d) no previous valuations of the Trust Fund shall be re-opened or invalidated as a result of an unsuccessful Redemption Application.

Deferred Redemption

In the event that redemption requests are received for the redemption of Units representing in aggregate more than 10% (or such higher percentage as the Manager may determine in respect of the Sub-Fund) of the total number of Units in a Sub-Fund then in issue, the Manager may direct the Trustee to reduce the requests rateably and pro rata amongst all Unitholders seeking to redeem Units on the relevant Dealing Day and carry out only sufficient redemptions which, in aggregate, amount to 10% (or such higher percentage as the Manager may determine in respect of a Sub-Fund) of the Units in the relevant Sub-Fund then in issue. Units which are not redeemed but which would otherwise have been redeemed will be redeemed on the next Dealing Day (subject to

further deferral if the deferred requests in respect of the relevant Sub-Fund themselves exceed 10% (or such higher percentage as the Manager may determine in respect of that Sub-Fund) of the Units in the relevant Sub-Fund then in issue) in priority to any other Units in the relevant Sub-Fund for which redemption requests have been received. Units will be redeemed at the Redemption Value prevailing on the Dealing Day on which they are redeemed.

Suspension of Creations and Redemptions

The Manager may, at its discretion, after giving notice to the Trustee (and where practicable, after consultation with Participating Dealers) suspend the creation or issue of Units of any Sub-Fund, suspend the redemption of Units of any Sub-Fund and/or (subject to all applicable legal or regulatory requirements where payment of redemption proceeds exceeds one calendar month) delay the payment of any monies and transfer of any Securities in respect of any Creation Application and/or Redemption Application in the following circumstances:

- (a) during any period when trading on the SEHK or any other Recognised Stock Exchange or Recognised Futures Exchange is restricted or suspended;
- (b) during any period when a market on which a Security (that is a component of the Index) has its primary listing, or the official clearing and settlement depository (if any) of such market, is closed;
- (c) during any period when dealing on a market on which a Security (that is a component of the Index) has its primary listing is restricted or suspended;
- (d) during any period when, in the opinion of the Manager, settlement or clearing of Securities in the official clearing and settlement depository (if any) of such market is disrupted;
- (e) during the existence of any state of affairs as a result of which delivery or purchase of Securities, as appropriate or disposal of investments for the time being comprised in the relevant Sub-Fund cannot, in the opinion of the Manager, be effected normally or without prejudicing the interests of Unitholders of the relevant Sub-Fund;
- (f) during any period when the relevant Index is not compiled or published;
- (g) during any breakdown in any of the means normally employed in determining the Net Asset Value of the relevant Sub-Fund or when for any other reason the value of any Securities or other property for the time being comprised in the relevant Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained;
- (h) during any period when the determination of the Net Asset Value of the relevant Sub-Fund is suspended or if any circumstance specified in the section on "Suspension of Determination of Net Asset Value" below arises; or
- (i) during any period when the business operations of the Manager, the Trustee or the Registrar, in respect of the relevant Sub-Fund is substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes or acts of God.

The Manager will, after giving notice to the Trustee, suspend the right to subscribe for Units of the relevant Sub-Fund if, or if as a result of the investment of the proceeds of issue of such Units in accordance with its investment objective, the Trust collectively holds or would hold in aggregate more than 10% of the ordinary shares issued by any single issuer. In addition, where the Sub-Funds under the Trust hold in aggregate more than the limit of 10% of the ordinary shares issued by any single issuer and the SFC has not agreed to waive this prohibition under the Code, the Manager will make it a priority objective to take all other necessary steps within a reasonable period to remedy such breach, taking into account the interests of the Unitholders.

The Manager shall notify the SFC and publish a notice of suspension following the suspension, and

at least once a month during the suspension, on its website at www.bmo.hk/etfs (the contents of which and of other websites referred to in this Prospectus have not been reviewed by the SFC) or in such other publications as it decides.

The Manager shall consider any Redemption Application or any Creation Application received during the period of suspension (that has not been otherwise withdrawn) as having been received immediately following the termination of the suspension. The period for settlement of any redemption will be extended by a period equal to the length of the period of suspension.

A Participating Dealer may, at any time after a suspension has been declared and before termination of such suspension, withdraw any Creation Application or Redemption Application by notice in writing to the Manager and the Manager shall promptly notify and request the Trustee to return to the Participating Dealer any Securities and/or cash received by it in respect of the Creation Application (without interest) as soon as practicable.

A suspension shall remain in force until the earlier of (a) the Manager declaring the suspension is at an end; and (b) the first Dealing Day on which (i) the condition giving rise to the suspension shall have ceased to exist; and (ii) no other condition under which suspension is authorised exists.

Evidence of Unitholding

Units will be deposited, cleared and settled by the CCASS. Units are held in registered entry form only, which means that no Unit certificates are issued. HKSCC Nominees Limited is the registered owner (i.e. the sole holder of record) of all outstanding Units deposited with the CCASS and is holding such Units for the participants in accordance with the General Rules of CCASS. Furthermore, the Trustee and the Manager acknowledge that pursuant to the General Rules of CCASS neither HKSCC Nominees Limited nor HKSCC has any proprietary interest in the Units. Investors owning Units in CCASS are beneficial owners as shown on the records of the participating brokers or the relevant Participating Dealer(s) (as the case may be) who are participants of CCASS.

Restrictions on Unitholders

The Manager has power to impose such restrictions as it may think necessary for the purpose of ensuring that no Units are acquired or held which would result in such holding being:

- (a) a breach of the law or requirements of any country or governmental authority or any stock exchange on which the Units are listed in circumstances which, in the Manager's opinion, might result in the Trust or the Sub-Fund suffering any adverse effect which the Trust or the Sub-Fund might not otherwise have suffered; or
- (b) in the circumstances which, in the Manager's opinion, may result in the Trust or the Sub-Fund incurring any tax liability or suffering any other pecuniary disadvantage which the Trust or the Sub-Fund might not otherwise have incurred or suffered.

Upon notice that any Units are so held, the Manager may require such Unitholders to redeem or transfer such Units in accordance with the provisions of the Trust Deed. A person who becomes aware that he is holding or owning Units in breach of any of the above restrictions is required either to redeem his Units in accordance with the Trust Deed or to transfer his Units to a person whose holding would be permissible under this Prospectus and the Trust Deed in a manner that would result in such Unitholder no longer being in breach of the restrictions above.

Transfer of Units

The Trust Deed provides that a Unitholder may transfer Units with the consent of the Manager. As all Units will be held in CCASS, the Manager's consent is deemed given where an investor is transferring his interest in Units within CCASS. A Unitholder is entitled to transfer Units held by him by using the standard transfer form issued by SEHK or by an instrument in writing in such other form

(and if the transferor or the transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution) as the Trustee may from time to time approve. The transferor will be deemed to remain the Unitholder of the Units transferred until the name of the transferee is entered in the register of Unitholders in respect of the Units being transferred. Each instrument of transfer must relate to a single Sub-Fund only. If and to the extent that all Units are deposited, cleared and settled in CCASS, HKSCC Nominees Limited will be the sole Unitholder, holding such Units for the persons admitted by HKSCC as a participant of CCASS and to whose account any Units are for the time being allocated in accordance with the General Rules of CCASS.

EXCHANGE LISTING AND TRADING (SECONDARY MARKET)

General

The purpose of the listing of the Units on the SEHK is to enable investors to buy and sell Units on the secondary market, normally via a broker or dealer in smaller quantities than would be possible if they were to subscribe and/or redeem Units in the primary market.

The market price of a Unit listed or traded on the SEHK may not reflect the Net Asset Value per Unit. Any transactions in the Units on the SEHK will be subject to the customary brokerage commissions and/or transfer taxes associated with the trading and settlement through the SEHK. There can be no guarantee that once the Units are listed on the SEHK they will remain listed.

The Manager will ensure that at least one Market Maker will maintain a market for the Units. Broadly, the obligations of a Market Maker will include quoting bid and offer prices on the SEHK with the intention of providing liquidity. Given the nature of the Market Maker's role, the Manager will make available to a Market Maker, the portfolio composition information made available to a Participating Dealer.

Units may be purchased from and sold through the Market Makers. However, there is no guarantee or assurance as to the price at which a market will be made. In maintaining a market for Units, the Market Makers may make or lose money based on the differences between the prices at which they buy and sell Units, which is to a certain extent dependent on the difference between the purchase and sale prices of the underlying Securities comprised within the Index. Market Makers may retain any profits made by them for their own benefit and they are not liable to account to the Sub-Funds in respect of their profits.

If you wish to buy or sell Units on the secondary market, you should contact your brokers.

Application has been made to the Listing Committee of the SEHK for the listing of, and permission to deal in the Units.

Subject to the granting of listing of, and permission to deal in, the Units on the SEHK as well as the compliance with the stock admission requirements of HKSCC, the Units will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Units on the SEHK or on any other date HKSCC chooses. Settlement of transactions between participants of the SEHK is required to take place in CCASS on the second CCASS Settlement Day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

If trading of the Units on the SEHK is suspended or trading generally on the SEHK is suspended, then there will be no secondary market dealing for the Units.

Units are neither listed nor dealt on any other stock exchange and no application for such listing or permission to deal is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Units of any Sub-Fund on one or more other stock exchanges.

Participating Dealers should note that they will not be able to sell or otherwise deal in the Units on the SEHK until dealings begin on the SEHK.

DETERMINATION OF NET ASSET VALUE

Calculation of Net Asset Value

The Net Asset Value of each Sub-Fund will be determined by the Administrator in HKD as at each Valuation Point applicable to the relevant Sub-Fund by valuing the assets of the relevant Sub-Fund and deducting the liabilities of the relevant Sub-Fund, in accordance with the terms of the Trust Deed.

Set out below is a summary of how various Securities held by the relevant Sub-Fund are valued:

- (a) Securities that are quoted, listed, traded or dealt in on any Market shall unless the Manager (with the consent of the Trustee) determines that some other method is more appropriate, be valued by reference to the price appearing to the Manager to be the official closing price or, if unavailable, the last traded price on the Market as the Manager may consider in the circumstances to provide fair criterion, provided that (i) if a Security is quoted or listed on more than one Market, the Manager shall adopt the price quoted on the Market which in its opinion provides the principal market for such Security; (ii) if prices on that Market are not available at the relevant time, the value of the Securities shall be certified by such firm or institution making a market in such investment as may be appointed for such purpose by the Manager; (iii) interest accrued on any interest-bearing Securities shall be taken into account, unless such interest is included in the quoted or listed price; and (iv) the Manager and the Trustee shall be entitled to use and rely on electronic price feeds from such source or sources as they may from time to time determine, notwithstanding that the prices so used are not the last traded prices as the case may be;
- (b) the value of each interest in any unlisted mutual fund corporation or unit trust shall be the latest available net asset value per share or unit in such mutual fund corporation or unit trust or if not available or appropriate, the last available bid or offer price for such unit, share or other interest;
- (c) futures contracts will be valued based on the formulae set out in the Trust Deed;
- (d) except as provided for in paragraph (b), the value of any investment which is not listed, quoted or ordinarily dealt in on a Market shall be the initial value thereof equal to the amount expended on behalf of the relevant Sub-Fund in the acquisition of such investment (including, in each case the amount of stamp duties, commissions and other acquisition expenses) provided that the Manager may at the request of the Trustee cause a revaluation to be made on a regular basis by a professional person approved by the Trustee as qualified to value such investments (which may, if the Trustee agrees, be the Manager);
- (e) cash, deposits and similar investments shall be valued at their face value (together with accrued interest) unless, in the opinion of the Manager with the consent of the Trustee, any adjustment should be made to reflect the value thereof; and
- (f) notwithstanding the foregoing, the Manager after consultation with the Trustee may adjust the value of any investment if, having regard to relevant circumstances, the Manager considers that such adjustment is required to fairly reflect the value of the investment.

The above is a summary of the key provisions of the Trust Deed with regard to how the various assets of the relevant Sub-Fund are valued.

Suspension of Determination of Net Asset Value

The Manager may, after giving notice to the Trustee, declare a suspension of the determination of the Net Asset Value of the relevant Sub-Fund for the whole or any part of any period during which:

- (a) there exists any state of affairs prohibiting the normal disposal and/or purchase of the investments of the relevant Sub-Fund; or

- (b) circumstances exist as a result of which, in the opinion of the Manager, it is not reasonably practicable to realise any Securities held or contracted for the account of the Sub-Fund or it is not possible to do so without seriously prejudicing the interest of Unitholders of Units of the relevant Sub-Fund;
- (c) for any other reason the prices of investments of the relevant Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained;
- (d) there is a breakdown in any of the means normally employed in determining the Net Asset Value of the relevant Sub-Fund or the Net Asset Value per Unit of the relevant class or when for any other reason the value of any Securities or other property for the time being comprised in the relevant Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained;
- (e) the remittance or repatriation of funds which will or may be involved in the realisation of, or in the payment for, the Securities of the relevant Sub-Fund or the subscription or redemption of Units of the relevant Sub-Fund is delayed or cannot, in the opinion of the Manager, be carried out promptly or at normal rates of exchange; or
- (f) the business operations of the Manager, the Trustee, or the agent of the Manager or the Trustee in relation to the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

Any suspension shall take effect upon its declaration and thereafter there shall be no determination of the Net Asset Value of the relevant Sub-Fund and the Manager shall be under no obligation to rebalance the relevant Sub-Fund until the suspension is terminated on the earlier of (i) the Manager declaring the suspension is at an end; and (ii) the first Dealing Day on which (1) the condition giving rise to the suspension shall have ceased to exist; and (2) no other condition under which suspension is authorised exists.

The Manager shall notify the SFC and publish a notice of suspension following the suspension, and at least once a month during the suspension, on its website at www.bmo.hk/etfs (the contents of which and of other websites referred to in this Prospectus have not been reviewed by the SFC) or in such other publications as the Manager decides.

No Units of a Sub-Fund will be issued or redeemed during any period of suspension of the determination of the Net Asset Value of the relevant Sub-Fund.

Issue Price and Redemption Value

The Issue Price which is the subject of a Creation Application during the Initial Offer Period of a Sub-Fund will be a fixed amount per Unit, or a percentage of the closing level of the relevant Index (expressed in the base currency of the relevant Sub-Fund) as at the last day of the Initial Offer Period, rounded to four decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down), or such other amount from time to time determined by the Manager and approved by the Trustee. The Issue Price during the Initial Offer Period of each Sub-Fund will be set out in the relevant Appendix.

After the expiry of the Initial Offer Period, the Issue Price of Units created and issued by a Creation Application, will be the prevailing Net Asset Value of the relevant Sub-Fund in HKD as at the relevant Valuation Point divided by the total number of Units in issue rounded to the nearest four decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down).

The Redemption Value on a Dealing Day shall be the prevailing Net Asset Value of the relevant Sub-Fund in HKD as at the relevant Valuation Point divided by the total number of Units in issue rounded to the nearest four decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down).

The benefit of any rounding adjustments will be retained by the relevant Sub-Fund.

The latest Net Asset Value of the Units will be available on the Manager's website at www.bmo.hk/etfs (the contents of which and of other websites referred to in this Prospectus have not been reviewed by the SFC) or published in such other publications as the Manager decides.

Neither the Issue Price nor the Redemption Value takes into account Duties and Charges, Transaction Fees or fees payable by a Participating Dealer.

FEES AND EXPENSES

There are different levels of fees and expenses applicable to investing in a Sub-Fund as set out below, current as at this date of this Prospectus. Where any levels of fees and expenses applicable to a particular Sub-Fund differs from the following, such fees and expenses will be set out in full in the relevant Appendix.

Fees and expenses payable by Participating Dealers on creations and redemptions (as applicable) of Units (applicable both during the Initial Offer Period and After Listing)	Amount
Transaction Fee ¹	
(i) Cash creation / redemption	HKD15,000 (for BMO Hong Kong Banks ETF and BMO Asia High Dividend ETF) or USD2,000 (for BMO Asia USD Investment Grade Bond ETF) per Application for the benefit of the Trustee <u>Plus</u> Service Agent's Fee (See Note ²)
(ii) In-kind creation / redemption	HKD15,000 per Application for the benefit of the Trustee <u>Plus</u> Service Agent's Fee (See Note ²)
(iii) A combination of cash and in-kind creation / redemption	HKD15,000 per Application for the benefit of the Trustee <u>Plus</u> HKD250 per sale or purchase transaction of securities in the basket for the cash portion for the

¹ The Transaction Fee comprises two components: (a) (i) HKD15,000 or USD2,000 per Application for cash creations/redemptions; or (ii) HKD15,000 per Application for in-kind creation/redemption; or (iii) HKD15,000 per Application that is a combination of cash and in-kind and HKD250 per sale or purchase transaction of securities in the Basket for the cash portion, in each case payable for the benefit of the Trustee; and (b) a Service Agent's Fee (see Note 2). A Participating Dealer may pass on to the relevant investor such Transaction Fee.

² Participating Dealers will be subject to the Service Agent's Fee, being the fee for each book-entry deposit or withdrawal transaction, currently to the amount of HKD1,000 and payable to the Service Agent.

	benefit of the Trustee <u>Plus</u> Service Agent's Fee (See Note ²)
Application cancellation fee ³	HKD10,000 (for BMO Hong Kong Banks ETF and BMO Asia High Dividend ETF) or USD1,300 (for BMO Asia USD Investment Grade Bond ETF) per Application
Extension Fee ⁴	HKD10,000 (for BMO Hong Kong Banks ETF and BMO Asia High Dividend ETF) or USD1,300 (for BMO Asia USD Investment Grade Bond ETF) per Application
Partial Delivery Request Fee	HKD10,000 ⁵ per Application
Stamp duty	Nil
All other Duties and Charges incurred by the Trustee or the Manager in connection with the creation or redemption	As applicable

Fees and expenses payable by investors	Amount
<i>(i) Fees payable by clients of the Participating Dealers in respect of creations and redemptions (as applicable) via the Participating Dealer (applicable both during the Initial Offer Period and After Listing)</i>	
Fees and charges imposed by the Participating Dealer ⁶	Such amounts as determined by the relevant Participating Dealer
<i>(ii) Fees payable by all investors in respect of dealings in the Units on SEHK (applicable After Listing)</i>	
Brokerage	Market rates
Transaction levy	0.0027% ⁷

³ An application cancellation fee is usually payable to the Trustee for the account of the Registrar in respect of either a withdrawn or failed Creation Application or Redemption Application (other than in certain circumstances such as following a suspension of creations or redemptions by the Manager).

⁴ An Extension Fee is payable to the Trustee on each occasion the Manager, upon a Participating Dealer's request, grants the Participating Dealer an extended settlement in respect of a Creation Application or Redemption Application.

⁵ A Partial Delivery Request Fee is payable to the Trustee on each occasion the Manager, upon a Participating Dealer's request, grants the Participating Dealer a partial settlement.

⁶ The Participating Dealer may increase or waive the level of its fees in its discretion. Information regarding these fees and charges is available upon request to the relevant Participating Dealer.

⁷ Transaction levy of 0.0027% of the trading price of the Units, payable by each of the buyer and the seller.

SEHK trading fee	0.005% ⁸
Stamp duty for BMO Asia USD Investment Grade Bond ETF	Nil
Stamp duty for BMO Hong Kong Banks ETF and BMO Asia High Dividend ETF	0.1% ⁹

Fees and expenses payable by the Sub-Fund	(See further disclosure below)
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No money should be paid to any intermediary in Hong Kong which is not licensed or registered to carry on Type 1 regulated activity under Part V of the SFO.

Fees and Expenses Payable by the Sub-Fund

Management Fee

Each Sub-Fund employs a single management fee structure, with each Sub-Fund paying all of its fees, costs and expenses (and its due proportion of any costs and expenses of the Trust allocated to it) as a single flat fee (the “Management Fee”). Fees and expenses taken into account in determining the Management Fee include, but are not limited to, the Manager’s fee, Trustee’s fee (inclusive of Administrator’s fee), Registrar’s fees, the custodian’s fees (if any), fees and expenses of the auditor, fees of service agents, ordinary legal and out-of-pocket expenses incurred by the Manager or the Trustee, and the costs and expenses of licensing indices used in connection with the Sub-Fund. The Management Fee does not include brokerage and transaction costs, fees and extraordinary items such as litigation expenses. The current Management Fee percentage in respect of each Sub-Fund is set out in the relevant Appendix and is accrued daily, paid quarterly in arrears. The maximum Management Fee is 2% per annum of the Net Asset Value of the relevant Sub-Fund respectively.

The Manager may pay a distribution fee to any distributor or sub-distributors of the Trust out of the management fees it receives from the Trust. A distributor may re-allocate an amount of the distribution fee to the sub-distributors. The fees of the investment adviser, if any, will be paid by the Manager and not out of the assets of the relevant Sub-Fund.

Promotional Expenses

The Sub-Funds will not be responsible for any promotional expenses including those incurred by any marketing agents and any fees imposed by such marketing agents on their customers investing in the Sub-Funds will not be paid (either in whole or in part) out of the Trust Fund.

Other Expenses

The Sub-Funds will bear all operating costs relating to the administration of the Sub-Funds including but not limited to stamp and other duties, governmental charges, brokerages, commissions, exchange costs and commissions, bank charges and other costs and expenses payable in respect of the acquisition, holding and realisation of any investment or any monies, deposit or loan, extraordinary charges and expenses of its legal counsel and auditors, charges and expenses of other professionals, the costs in connection with maintaining a listing of the Units on the SEHK or other exchange and maintaining the Trust’s and the Sub-Fund’s authorisation under the SFO, costs incurred in the preparation, printing and updating of any offering documents and the costs incurred in the preparation of supplemental deeds, any disbursements or out-of-pocket

⁸ Trading fee of 0.005% of the trading price of the Units, payable by each of the buyer and the seller.

⁹ Stamp duty of 0.1% of the trading price of the Units, payable by each of the buyer and seller.

expenses properly incurred on behalf of the Sub-Funds by the Trustee, the Manager or the Registrar or any of its service providers, the expenses incurred in convening meetings of Unitholders, printing and distributing annual accounts and interim unaudited reports and other circulars relating to the Sub-Funds and the expenses of publishing Unit prices.

Establishment Costs

The cost of establishing the Trust and the initial Sub-Funds (namely BMO Asia USD Investment Grade Bond ETF, BMO Hong Kong Banks ETF and BMO Asia High Dividend ETF) including the preparation of this Prospectus, inception fees, the costs of seeking and obtaining the listing and authorisation by the SFC and all initial legal and printing costs is approximately HKD2.5 million and will be borne by the Manager.

Increase in Fees

The current fees in respect of each Sub-Fund payable to the Manager and the Trustee as described above may be increased on one month's notice to Unitholders (or such shorter period as approved by the SFC), subject to the maximum rates set out in the Trust Deed.

RISK FACTORS

An investment in any Sub-Fund carries various risks. Each of these may affect the Net Asset Value, yield, total return and trading price of the Units. There can be no assurance that the investment objective of a Sub-Fund will be achieved. Investors should carefully evaluate the merits and risks of an investment in the relevant Sub-Fund in the context of your overall financial circumstances, knowledge and experience as an investor. The risk factors set forth below are the risks which are believed by the Manager and its directors to be relevant and presently applicable to all Sub-Funds. You should refer to additional risk factors, specific to each Sub-Fund, as set out in the relevant Appendix.

Risks Associated with Investment in Any Sub-Fund

Investment Objective Risk

There is no assurance that the investment objective of a Sub-Fund will be achieved. Whilst it is the intention of the Manager to implement strategies which are designed to minimise tracking error, there can be no assurance that these strategies will be successful. It is possible that you as an investor may lose a substantial proportion or all of its investment in a Sub-Fund where the relevant Index value declines. As a result, each investor should carefully consider whether you can afford to bear the risks of investing in the relevant Sub-Fund.

Market Risk

The Net Asset Value of each Sub-Fund will change with changes in the market value of the Securities it holds. The price of Units and the income from them may go down as well as up. There can be no assurance that an investor will achieve profits or avoid losses, significant or otherwise. The capital return and income of the Sub-Funds are based on the capital appreciation and income on the Securities it holds, less expenses incurred. A Sub-Fund's return may fluctuate in response to changes in such capital appreciation or income. Furthermore, each Sub-Fund may experience volatility and decline in a manner that broadly corresponds with the relevant Index. Investors in the Sub-Funds are exposed to the same risks that investors who invest directly in the underlying Securities would face. These risks include, for example, interest rate risks (risks of falling portfolio values in a rising interest rate market); income risks (risks of falling incomes from a portfolio in a falling interest rate market); and credit risk (risk of a default by the underlying issuer of a Security that forms part of the Index).

Asset Class Risk

Although the Manager is responsible for the continuous supervision of the investment portfolio of the Sub-Funds, the returns from the types of Securities in which the Sub-Fund invests may underperform or outperform returns from other Securities markets or from investment in other assets. Different types of securities tend to go through cycles of out-performance and underperformance when compared with other general Securities markets.

Passive Investment Risk

The Sub-Funds are not actively managed. Accordingly, the Sub-Funds may be affected by a decline in the market segments relating to the relevant Index or Indices. The Manager will not take defensive positions in declining markets. Investors may lose a significant part of their respective investments if the Index falls. Each Sub-Fund invests in the Securities included in or representative of the relevant Index regardless of their investment merit, except to the extent of any representative sampling strategy. The Manager does not attempt to select stocks individually or to take defensive positions in declining markets. Investors should note that the lack of discretion on the part of the Manager to adapt to market changes due to the inherent investment nature of the Sub-Funds will mean that falls in the Index or Indices are expected to result in corresponding falls in the value of the Sub-Funds, and investors may lose substantially all of their investment.

Representative Sampling Risk

With a representative sampling strategy, a Sub-Fund does not hold all of the Securities in its Index and may invest in Securities not included in its Index, provided that the sample closely reflects the overall characteristics of the Index which the Manager believes will help the Sub-Fund achieve its investment objective. The Securities held by a Sub-Fund may also be over or underweight relative to the Securities in its Index. It is therefore possible that a Sub-Fund may be subject to larger tracking error.

Possible Business Failure Risk

Global markets may experience very high level of volatility and an increased risk of corporate failures. The insolvency or other corporate failures of any one or more of the constituents of the Index may have an adverse effect on the Index's and therefore the relevant Sub-Fund's performance. You may lose money by investing in the Sub-Funds.

Management Risk

Because there is no guarantee or assurance of exact or identical replication of the performance of the relevant Index by a Sub-Fund at any time, a Sub-Fund subject to management risk. This is the risk that the Manager's strategy, the implementation of which is subject to a number of constraints, may not produce the intended results. In addition, the Manager has absolute discretion to exercise Unitholders' rights with respect to Securities comprising the Sub-Funds. There can be no guarantee that the exercise of such discretion will result in the investment objective of the Sub-Funds being achieved.

Securities Risk

The investments of the Sub-Funds are subject to risks inherent in all Securities (including settlement and counterparty risks). The value of holdings may fall as well as rise. The global markets may experience very high levels of volatility and instability, resulting in higher levels of risk than is customary (including settlement and counterparty risks).

Equity Risk

Investment in equity Securities by a Sub-Fund (where permitted) may offer a higher rate of return than a fund investing in short term and longer term debt securities. However, the risks associated with investments in equity Securities may also be higher, because the investment performance of equity Securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with any equity portfolio is the risk that the value of the investments it holds might suddenly and substantially decrease in value.

Tracking Error Risk

A Sub-Fund may only hold a representative sample of Securities that represents the profile of the Index and may invest in Securities not included in its Index. The Net Asset Value of a Sub-Fund may not have exactly the same net asset value of the Index. Factors such as the fees and expenses of the Sub-Fund, the investments of the Sub-Fund not matching exactly the Securities which make up the Index (e.g. where it uses representative sampling), an inability to rebalance the Sub-Fund's holdings of Securities in response to changes to the Securities which make up the Index, rounding of Security prices, changes to the Index and regulatory policies that may affect the Manager's ability to achieve close correlation with the Index. This may cause the Sub-Fund's returns to deviate from the Index. Further, the fact that the Manager is adopting a representative sampling strategy may lead to a greater risk of tracking error.

Although the Manager regularly monitors the tracking error of each Sub-Fund, there can be no assurance that any Sub-Fund will achieve any particular level of tracking error relative to the performance of its Index.

Concentration Risk

A Sub-Fund may be subject to concentration risk as a result of tracking the performance of a single geographical region. Such a Sub-Fund is likely to be more volatile than a broad-based fund, such as a global or regional equity fund, as it is more susceptible to fluctuations in value resulting from adverse conditions in the relevant region.

Trading Risk

While the creation/redemption feature of each Sub-Fund is designed to make it likely that Units will trade close to their Net Asset Value, disruptions to creations and redemptions (for example, as a result of imposition of capital controls by a foreign government) may result in trading prices that differ significantly from the Net Asset Value). The secondary market prices of Units will fluctuate in accordance with changes in the Net Asset Value and supply and demand on any exchange on which Units are listed. In addition, when buying or selling Units on the SEHK additional charges (such as brokerage fees) mean that an investor may pay more than the Net Asset Value per Unit when buying Units on the SEHK and may receive less than the Net Asset Value per Unit when selling Units on the SEHK. The Manager cannot predict whether Units will trade below, at, or above their Net Asset Value. Since, however, Units must be created and redeemed in Application Unit size (unlike shares of many closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their Net Asset Value) the Manager believes that ordinarily large discounts or premiums to the Net Asset Value of Units should not be sustained. If the Manager suspends creations and/or redemptions of Units, the Manager anticipates that there may be larger discounts or premiums as between the secondary market price of Units and the Net Asset Value.

Loss of Capital Risk

There is no guarantee that a Sub-Fund's investments will be successful. In addition, trading errors are an intrinsic factor in any investment process, and will occur, notwithstanding the execution of due care and special procedures designed to prevent such errors.

No Trading Market in the Units Risk

Although the Units are listed on the SEHK and one or more Market Makers have been appointed, there may be no liquid trading market for the Units or that such Market Maker(s) may cease to fulfil that role. Further, there can be no assurance that Units will experience trading or pricing patterns similar to those of exchange traded funds which are issued by investment companies in other jurisdictions or those traded on the SEHK which are based upon indices other than the Index.

Indemnity Risk

Under the Trust Deed, the Trustee and the Manager have the right to be indemnified against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to them in performing their respective duties except as a result of their own negligence, fraud, default, breach of duty or trust of which they may be liable in relation to their duties. Any reliance by the Trustee or the Manager on the right of indemnity would reduce the assets of the Sub-Funds and the value of the Units.

Dividends May Not be Paid Risk

Whether the Sub-Funds will pay distributions on Units is subject to the Manager's distribution policy (as described in the relevant Appendix) and also mainly depends on dividends declared and paid in respect of the Securities of the Index. In addition, dividends received by a Sub-Fund may be applied towards meeting the costs and expenses of that Sub-Fund. Dividend payment rates in respect of such Securities will depend on factors beyond the control of the Manager or Trustee including, general economic conditions, and the financial position and dividend policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay

dividends or distributions.

Early Termination Risk

A Sub-Fund may be terminated early under certain circumstances, including but not limited to (i) the aggregate Net Asset Value of all the Units is less than HKD100 million or (ii) any law is passed or amended or regulatory directive or order is imposed which renders it illegal or in the opinion of the Manager, impracticable or inadvisable to continue the relevant Sub-Fund or (iii) within a reasonable time and using commercially reasonable endeavours, the Manager is unable to find a person acceptable to act as the new trustee after deciding to remove the Trustee in accordance with the Trust Deed or (iv) the relevant Index is no longer available for benchmarking or if the Units are no longer listed on the SEHK or any other Recognised Stock Exchange or (v) at any time, the relevant Sub-Fund ceases to have any Participating Dealer. Upon a Sub-Fund being terminated, the Trustee will distribute the net cash proceeds (if any) derived from the realisation of the investments comprised in the relevant Sub-Fund to the Unitholders in accordance with the Trust Deed. Investors may suffer a loss when a Sub-Fund is terminated because any such amount distributed may be more or less than the capital invested by the Unitholder.

Foreign Exchange Risk

If a Sub-Fund's assets are generally invested in non-Hong Kong Securities, and if a substantial portion of the revenue and income of a Sub-Fund is received in a currency other than Hong Kong dollars, any fluctuation in the exchange rate of the Hong Kong dollar relative to the relevant foreign currency will affect the Net Asset Value of a Sub-Fund denominated in the Hong Kong dollar regardless of the performance of its underlying portfolio. If the relevant Sub-Fund's Net Asset Value is determined on the basis of the Hong Kong dollar, you may lose money if you invest in any investment fund if the local currency of a foreign market depreciates against the Hong Kong dollar, even if the local currency value of an investment fund's holdings goes up."

Risks Associated with Market Trading

Absence of Active Market and Liquidity Risks

Although Units of each Sub-Fund are listed for trading on the SEHK, there can be no assurance that an active trading market for such Units will develop or be maintained. In addition, if the underlying Securities which comprise each Sub-Fund themselves have limited trading markets, or if the spreads are wide, this may adversely affect the price of the Units and the ability of an investor to dispose of its Units at the desired price. If an investors needs to sell his, her or its Units at a time when no active market for them exists, the price received for the Units — assuming an investor is able to sell them — is likely to be lower than the price received if an active market did exist.

Suspension of Trading Risk

Investors and potential investors will not be able to buy, nor will investors be able to sell, Units on the SEHK during any period in which trading of the Units is suspended. The SEHK may suspend the trading of Units whenever the SEHK determines that it is appropriate and in the interest of a fair and orderly market to protect investors. The subscription and redemption of Units may also be suspended if the trading of Units is suspended.

Effect of Redemptions Risk

If significant redemptions of Units are requested by the Participating Dealers, it may not be possible to liquidate the relevant Sub-Fund's investments at the time such redemptions are requested or the Manager may be able to do so only at prices which the Manager believes does not reflect the true value of such investments, resulting in an adverse effect on the return to investors. Where significant redemptions of Units are requested by the Participating Dealers, the right of Participating Dealers to require redemptions in excess of 10% of the total number of Units

in the Sub-Funds then in issue (or such higher percentage as the Manager may determine) may be deferred, or the period for the payment of redemption proceeds may be extended.

In addition, the Manager may also in certain circumstances suspend the determination of the Net Asset Value of the Sub-Funds for the whole or any part of any period. Please see the section on "Determination of Net Asset Value" for further details.

Units May Trade at Prices Other than Net Asset Value Risk

Units may trade on the SEHK at prices above or below the most recent Net Asset Value. The Net Asset Value per Unit of each Sub-Fund is calculated at the end of each Dealing Day and fluctuates with changes in the market value of the relevant Sub-Fund's holdings. The trading prices of the Units fluctuate continuously throughout the trading hours based on market supply and demand rather than Net Asset Value. The trading price of the Units may deviate significantly from Net Asset Value particularly during periods of market volatility. Any of these factors may lead to the Units of the relevant Sub-Fund trading at a premium or discount to the Net Asset Value. On the basis that Units can be created and redeemed in Application Units at Net Asset Value, the Manager believes that large discounts or premiums to Net Asset Value are not likely to be sustained over the long-term. While the creation/redemption feature is designed to make it likely that the Units will normally trade at prices close to the relevant Sub-Fund's next calculated Net Asset Value, trading prices are not expected to correlate exactly with the relevant Sub-Fund's Net Asset Value due to reasons relating to timing as well as market supply and demand factors. In addition, disruptions to creations and redemptions or the existence of extreme market volatility may result in trading prices that differ significantly from Net Asset Value. In particular, if an investor purchases Units at a time when the market price is at a premium to Net Asset Value or sells when the market price is at a discount to Net Asset Value, then the investor may sustain losses.

Borrowing Risks

The Trustee, at the request of the Manager, may borrow for the account of the Sub-Funds (up to 25% of the Net Asset Value of each Sub-Fund unless otherwise specified in the Appendix) for various reasons, such as facilitating redemptions or to acquire investments for the account of the Sub-Funds. Borrowing involves an increased degree of financial risk and may increase the exposure of a Sub-Fund to factors such as rising interest rates, downturns in the economy or deterioration in the conditions of the assets underlying its investments. There can be no assurance that a Sub-Fund will be able to borrow on favourable terms, or that the relevant Sub-Fund's indebtedness will be accessible or be able to be refinanced by the relevant Sub-Fund at any time.

Cost of Trading Units Risk

As investors will pay certain charges (e.g. trading fees and brokerage fees) to buy or sell Units on the SEHK, investors may pay more than the Net Asset Value per Unit when buying Units on the SEHK, and may receive less than the Net Asset Value per Unit when selling Units on the SEHK. In addition, investors on the secondary market will also incur the cost of the trading spread, being the difference between what investors are willing to pay for the Units (bid price) and the price at which they are willing to sell Units (ask price). Frequent trading may detract significantly from investment results and an investment in Units may not be advisable particularly for investors who anticipate making small investments regularly.

No Right to Control the Sub-Fund's Operation Risk

Investors will have no right to control the daily operations, including investment and redemption decisions, of any Sub-Fund.

Secondary Market Trading Risk

Units in a Sub-Fund may trade on the SEHK when the relevant Sub-Fund does not accept orders to subscribe or redeem Units. On such days, Units may trade in the secondary market with more

significant premiums or discounts than might be experienced on days when the Sub-Funds accepts subscription and redemption orders.

Reliance on the Manager Risk

Unitholders must rely on the Manager in formulating the investment strategies and the performance of each Sub-Fund is largely dependent on the services and skills of its officers and employees. In the case of loss of service of the Manager or any of its key personnel, as well as any significant interruption of the Manager's business operations or in the extreme case of the insolvency of the Manager, the Trustee may not find successor managers with the requisite skills, qualifications and the new appointment may not be on equivalent terms or of similar quality.

Reliance on Market Makers Risk

Although it is a requirement that the Manager ensures that at least one Market Maker will maintain a market for the Units of each Sub-Fund, it should be noted that liquidity in the market for the Units may be adversely affected if there is no Market Maker for the Units of the relevant Sub-Fund. The Manager will seek to mitigate this risk by ensuring at least one Market Maker for the Units of the Sub-Fund gives not less than 3 months notice prior to terminating market making under the relevant market making agreement(s). It is possible that there is only one SEHK Market Maker to a Sub-Fund or the Manager may not be able to engage a substitute Market Maker within the termination notice period of a Market Maker, and there is also no guarantee that any market making activity will be effective.

Reliance on Participating Dealers Risk

The creation and redemption of Units may only be effected through Participating Dealers. A Participating Dealer may charge a fee for providing this service. Participating Dealers will not be able to create or redeem Units during any period when, amongst other things, dealings on the SEHK are restricted or suspended, settlement or clearing of Securities through the CCASS is disrupted or the Index is not compiled or published. In addition, Participating Dealers will not be able to issue or redeem Units if some other event occurs that impedes the calculation of the Net Asset Value of the relevant Sub-Fund or disposal of the relevant Sub-Fund's Securities cannot be effected. Since the number of Participating Dealers at any given time will be limited, and there may even be only one Participating Dealer at any given time, there is a risk that investors may not always be able to create or redeem Units freely.

Risks Associated with the Indices

Fluctuations Risk

The performance of the Units should, before fees and expenses, correspond closely with the performance of the Index. If the Index experiences volatility or declines, the price of the Units will vary or decline accordingly.

Licence to Use Index may be Terminated Risk

The Manager is granted a licence by the Index Provider to use each Index to create the relevant Sub-Fund based on the Index and to use certain trade marks and any copyright in the Index. A Sub-Fund may not be able to fulfil its objective and may be terminated if the licence agreement is terminated. The initial term of the licence agreement may be limited in period and thereafter renewable for only short periods. There can be no guarantee that the relevant licence agreement will be perpetually renewed. For further information on the grounds for terminating the licence agreement, please refer to the section on "Index Licence Agreement" in the relevant Appendix. Although the Manager will seek to find a replacement Index, a Sub-Fund may also be terminated if the relevant Index ceases to be compiled or published and there is no replacement Index using the same or substantially similar formula for the method of calculation as used in calculating the Index.

Compilation of Index Risk

The Securities of each Index are determined and composed by the relevant Index Provider without regard to the performance of the relevant Sub-Fund. The Sub-Funds is/are not sponsored, endorsed, sold or promoted by the Index Provider(s). Each Index Provider makes no representation or warranty, express or implied, to investors in the Sub-Funds or other persons regarding the advisability of investing in Securities generally or in the Sub-Funds particularly. Each Index Provider has no obligation to take the needs of the Manager or investors in the Sub-Funds into consideration in determining, composing or calculating the Index or Indices. There is no assurance that an Index Provider will compile the relevant Index accurately, or that the Index will be determined, composed or calculated accurately. In addition, the process and the basis of computing and compiling the Index and any of its related formulae, constituent companies and factors may at any time be changed or altered by the Index Provider without notice. Consequently there can be no guarantee that the actions of an Index Provider will not prejudice the interests of the relevant Sub-Fund, the Manager or investors.

Composition of an Index May Change Risk

The Securities constituting an Index will change as the Securities of the Index are delisted, or as the Securities mature or are redeemed or as new Securities are included in the Index. When this happens the weightings or composition of the Securities owned by the Sub-Funds will change as considered appropriate by the Manager to achieve the investment objective. Thus, an investment in Units will generally reflect the Index as its constituents change and not necessarily the way it is comprised at the time of an investment in Units. However, there can be no guarantee that the Sub-Funds will, at any given time accurately reflect the composition of the Index (refer to the section on "Tracking error risk").

Risks Associated with Regulation

Withdrawal of SFC Authorisation Risk

The Trust and each Sub-Fund have been authorised as a collective investment scheme under the Code by the SFC under Section 104 of the SFO. SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. This does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors. The SFC reserves the right to withdraw the authorisation of the Trust or the Sub-Funds if the Index is no longer considered acceptable or impose such conditions as it considers appropriate. If the Manager does not wish the Trust or the Sub-Funds to continue to be authorised by the SFC, the Manager will give Unitholders at least three months' notice of the intention to seek SFC's withdrawal of such authorisation. In addition, any authorisation granted by the SFC may be subject to certain conditions which may be withdrawn or varied by the SFC. If, as a result of such withdrawal or variation of conditions, it becomes illegal, impractical or inadvisable to continue the Trust or the Sub-Funds, the Trust or the Sub-Funds (as applicable) will be terminated.

General Legal and Regulatory Risk

The Sub-Funds must comply with regulatory constraints or changes in the laws affecting it or its investment restrictions which might require a change in the investment policy and objectives followed by the Sub-Funds. Furthermore, such change in the laws may have an impact on the market sentiment which may in turn affect the performance of the Index and as a result, the performance of the Sub-Funds. It is impossible to predict whether such an impact caused by any change of law will be positive or negative for the Sub-Funds. In the worst case scenario, a Unitholder may lose a material part of its investments in the Sub-Funds.

Units May be Delisted From the SEHK Risk

The SEHK imposes certain requirements for the continued listing of securities, including the Units,

on the SEHK. Investors cannot be assured that the Sub-Funds will continue to meet the requirements necessary to maintain the listing of Units on the SEHK or that the SEHK will not change the listing requirements. If the Units of the Sub-Fund are delisted from the SEHK, Unitholders will have the option to redeem their Units by reference to the Net Asset Value of the Sub-Fund. Where the Sub-Fund remains authorised by the SFC, such procedures required by the Code will be observed by the Manager including as to notices to Unitholders, withdrawal of authorisation and termination, as may be applicable. Should the SFC withdraw authorisation of the Sub-Funds for any reason it is likely that Units may also have to be delisted.

Taxation Risk

Investing in the Sub-Funds may have tax implications for a Unitholder depending on the particular circumstances of each Unitholder. Prospective investors are strongly urged to consult their own tax advisers and counsel with respect to the possible tax consequences to them of an investment in the Units. Such tax consequences may differ in respect of different investors.

FATCA Related Risks

The US Foreign Account Tax Compliance Act ("FATCA") provides that a 30% withholding tax will be imposed on certain payments to a foreign financial institution ("FFI"), such as the Trust and each Sub-Fund, including interest and dividends from securities of US issuers and, in due course, gross proceeds from the sale of such securities, unless the FFI complies with the FATCA provisions and the relevant regulations, notices and announcements issued thereunder. The US Internal Revenue Service (the "IRS") has released regulations and other guidance that provide for the phased implementation of the foregoing withholding and reporting requirements. Under FATCA, a participating FFI is required to identify all account holders (including investors in a Trust) that are US persons and report certain information concerning such persons to the IRS. The FFI is also required to deduct and impose FATCA withholding tax at 30% on certain payments made by the FFI to account holders who do not provide required information to the FFI or do not consent to FATCA reporting and disclosure to the IRS (referred to as "recalcitrant account holders") and may be required to close accounts of such account holders. Furthermore, the FFI is required to withhold 30% US tax from certain payments made to FFIs that are not compliant with FATCA.

Hong Kong and the US have substantially concluded discussions on a Model 2 Inter-governmental Agreement ("IGA") that will facilitate compliance with FATCA by financial institutions in Hong Kong. If the IGA is entered into on or before 31 December 2014, an FFI (including the Trust and Sub-funds) will not be required to impose FATCA withholding tax at 30% on certain payments made to recalcitrant account holders or close the accounts of such account holders (provided that information regarding such account holders is reported to the IRS). There is no guarantee that this or any IGA will be entered into.

The Trust has been registered with the IRS as a Single Reporting Model 2 Foreign Financial Institution with Global Intermediary Identification Number IM0U2M.99999.SL.344. The Sub-Funds have been registered with the IRS as Single Reporting Model 2 Foreign Financial Institutions with Global Intermediary Identification Numbers 4FL0RW.99999.SL.344 (BMO Asia USD Investment Grade Bond ETF), HASQ6C.99999.SL.344 (BMO Hong Kong Banks ETF), and 3TXNP1.99999.SL.344 (BMO Asia High Dividend ETF). Although the Trust and the Sub-Funds intend on satisfying any obligations imposed on them to avoid the imposition of FATCA withholding tax, no assurance can be given that the Trust and the Sub-Funds will be able to satisfy these obligations. If any Sub-Fund, or distribution received by a Sub-Fund, becomes subject to a withholding tax as a result of FATCA, the Net Asset Value of such Sub-Fund may be adversely affected and such Sub-Fund and its Unitholders may suffer material loss.

The Trust and the Sub-Funds' ability to comply with FATCA will depend on each Unitholder providing the Trust with information that the Trust requests concerning the Unitholder. In case there are US withholdable payments made by the Trust and the Sub-Funds to the Unitholder, the Unitholder might also be required to provide the Trust with information with respect to the underlying beneficial owners for whom the Unitholder is acting as an intermediary. As at the date of this Prospectus, all Units are registered in the name of HKSCC Nominees Limited. HKSCC Nominees Limited has been registered as a Reporting Model 2 FFI for FATCA purposes.

Please also refer to the sub-section entitled “FATCA and compliance with US withholding requirements” under the section headed “Hong Kong Taxation” in this Prospectus for further details on FATCA and related risks.

All prospective investors and Unitholders should consult with their own tax advisers regarding the possible implications of FATCA and the tax consequences on their investments in a Sub-Fund. Unitholders who hold their Units through intermediaries should also confirm the FATCA compliance status of those intermediaries.

Valuation and Accounting Risk

The Manager intends to adopt IFRS in drawing up the annual financial accounts of the Sub-Funds. However, the calculation of the Net Asset Value in the manner described under the section on “Determination of Net Asset Value” will not necessarily be in compliance with generally accepted accounting principles, that is, IFRS. To the extent that the basis adopted by a Sub-Fund for subscription and redemption purposes deviates from IFRS, the Manager may make necessary adjustments in the annual financial accounts for the financial accounts to be in compliance with IFRS. Any such adjustments will be disclosed in the annual financial accounts, including a reconciliation.

Contagion Risk

The Trust Deed allows the Trustee and the Manager to issue Units in separate Sub-Funds. The Trust Deed provides for the manner in which the liabilities are to be attributed across the various Sub-Funds under the Trust (liabilities are to be attributed to the specific Sub-Fund in respect of which the liability was incurred). A person to whom such a liability is owed has no direct recourse against the assets of the relevant Sub-Fund (in the absence of the Trustee granting that person a security interest). However, the Trustee will have a right of reimbursement and indemnity out of the assets of the Trust as a whole or any part thereof, against any action, costs, claims, damages, expenses or demands relating to the Trust as a whole, which may result in Unitholders of one sub-fund being compelled to bear the liabilities incurred in respect of other Sub-Funds in which such Unitholders do not themselves own Units, if there are insufficient assets in that other Sub-Fund to satisfy the amount due to the Trustee. Accordingly, there is a risk that liabilities of one Sub-Fund may not be limited to that particular Sub-Fund and may be required to be paid out of one or more other Sub-Funds.

Cross Liability Risk

The assets and liabilities of each Sub-Fund under the Trust will be tracked, for book keeping purposes, separately from the assets and liabilities of any other sub-funds, and the Trust Deed provides that the assets of each Sub-Fund should be segregated from each other. There is no guarantee that the courts of any jurisdiction will respect the limitations on liability and that the assets of any particular Sub-Fund will not be used to satisfy the liabilities of any other Sub-Fund.

MANAGEMENT OF THE TRUST

The Manager

The Manager of the Trust and each Sub-Fund is BMO Global Asset Management (Asia) Limited.

BMO Global Asset Management (Asia) Limited (formerly Lloyd George Management (Hong Kong) Limited) is a private company limited by shares, incorporated in Hong Kong on 17 September 1991 with company number 0325754 under the Companies Ordinance.

The Manager is licensed by the SFC to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities with CE Number ABA410 in Hong Kong under the Securities and Futures Ordinance. The Manager is also registered as an investment adviser with the Securities Exchange Commission in the United States of America. The Manager offers advisory and investment management services to a broad range of investment funds.

The Manager is a member of BMO Financial Group and part of the organisation's Wealth Management ("WM"). WM, which is BMO's group of wealth management businesses, serves a full range of client segments from mainstream to ultra-high net worth individuals and institutions, with a broad offering of wealth management products and solutions including insurance products. WM operates in both Canada and the United States, as well as in Asia and Europe.

The Directors of the Manager are as follows:

Anthony Cousins

Christopher Darling

Edgar Legzdins

Barry McInerney

Susanna Ng

Amit Prakash

Rajiv Silgado

Albert Yu

The Trustee

The Trustee of the Trust is Cititrust Limited, which is a registered trust company in Hong Kong. Cititrust Limited is a wholly-owned subsidiary of Citigroup Inc. ("Citigroup"). As a global financial services group, Citigroup and its subsidiaries provide a broad range of financial products and services, including consumer banking, corporate and investment banking, securities brokerage and wealth management to consumers, corporations, governments and institutions.

Under the Trust Deed, the Trustee is responsible for the safe-keeping of the assets of the Trust and the Sub-Funds, subject to the provisions of the Trust Deed.

The Trustee may from time to time, solely or jointly with the Manager, appoint such person or persons as it thinks fit (including, without limitation any of its Connected Persons) to hold, as custodian, nominee or agent, all or any of the investments, assets or other property comprised in the Trust Fund or any of the Sub-Funds and may empower any such person to appoint, with no objection in writing from the Trustee, co-custodians and/or sub-custodians (each such custodian, nominee, agent, co-custodian and sub-custodian a "custodian") provided that no such

co-custodians or sub-custodians shall be appointed in respect of a market or markets which the Trustee has determined by notice to the Manager to be emerging markets (which shall not include Hong Kong or the PRC).

The Trustee is required to (a) exercise reasonable care and diligence in the selection, appointment and ongoing monitoring of such custodians and (b) be satisfied that such custodians retained remain suitably qualified and competent to provide the relevant services to the Sub-Fund. The Trustee shall be responsible for the acts and omissions of any custodian which is a Connected Person of the Trustee as if the same were the acts or omissions of the Trustee, but provided that the Trustee has discharged its obligations set out in (a) and (b) as set out in this paragraph, the Trustee shall not be liable for any act, omission, insolvency, liquidation or bankruptcy of any custodian which is not a Connected Person of the Trustee. The Trustee has appointed Citibank, N.A. as the Administrator of the Trust.

The Trustee shall not be liable for: (i) any act, omission, insolvency, liquidation or bankruptcy of Euro-clear Clearing System Limited or Clearstream Banking S.A. or any other recognised depository or clearing system which may from time to time be approved by the Trustee and the Manager; or (ii) the custody or control of any investments, assets or other property which is under the custody or held by or on behalf of a lender in respect of any borrowing made by the Trustee for the purposes of the Trust or any Sub-Fund.

Subject as provided in the Trust Deed, the Trustee is entitled to be indemnified from the assets of the Trust and/or any Sub-Fund from and against any and all actions, proceedings, liabilities, costs, claims, damages, expenses, including all reasonable legal, professional and other similar expenses (other than those resulting from the fraud, negligence or wilful default on the part of the Trustee or any of its officers, employees, agents or delegates for which the Trustee would be liable under the Trust Deed), which may be incurred by or asserted against the Trustee in performing its obligations or duties in connection with the Trust or the Sub-Funds. Subject to applicable law and the provisions of the Trust Deed, the Trustee shall not, in the absence of fraud, negligence or wilful default by it or any agent, sub-custodian or delegate appointed by the Trustee, be liable for any losses, costs or damage to the Trust, any Sub-Fund or any Unitholder.

The Trustee in no way acts as guarantor or offeror of the Units or any underlying investment. The Trustee has no responsibility or authority to make investment decisions, or render investment advice with respect to the Trust or any Sub-Fund, which is the sole responsibility of the Manager.

The appointment of the Trustee may be terminated in the circumstances set out in the Trust Deed.

In addition to the amount paid by the Manager out of the Management Fee, the Trustee will also be reimbursed for all costs and expenses in accordance with the provisions of the Trust Deed.

The Manager has sole responsibility for making investment decisions in relation to the Trust and/or any Sub-Fund and the Trustee (including its delegate) is not responsible and has no liability for any investment decision made by the Manager. Except as expressly stated in this Prospectus and/or required by the Code, neither the Trustee nor any of its employees, service providers or agents are or will be involved in the business affairs, organisation, sponsorship or investment management of the Trust or any Sub-Fund, and they are not responsible for the preparation or issue of this Prospectus other than the description under the section on "The Trustee".

The Registrar

Tricor Investor Services Limited acts as the registrar of the Sub-Funds. The registrar provides services in respect of the establishment and maintenance of the register of the Unitholders of the Sub-Funds.

The Service Agent

HK Conversion Agency Services Limited acts as Service Agent under the terms of the Service

Agreement entered into among the Manager, the Trustee, the Registrar, the Participating Dealer, the Service Agent and HKSCC. The Service Agent performs, through HKSCC, certain of its services in connection with the creation and redemption of Units in the Sub-Fund by Participating Dealers.

The Auditor

The Manager has appointed KPMG to act as the auditor of the Trust and the Sub-Funds (the "Auditor"). The Auditor is independent of the Manager and the Trustee.

The Participating Dealer

A Participating Dealer may act for its own account or for your account as its clients in making Creation Applications and Redemption Applications. Different Sub-Funds may have different Participating Dealers. The latest list of the Participating Dealers in respect of each Sub-Fund is available at www.bmo.hk/etfs (the contents of which and of any other website referred to in this Prospectus have not been reviewed by the SFC).

The Market Maker

A Market Maker is a broker or dealer permitted by the SEHK to make a market for the Units in the secondary market and whose obligations include quoting bid prices to potential sellers and offer prices to potential buyers when there is a wide spread between the prevailing bid prices and offer prices for the Units on the SEHK. Market Makers facilitate the efficient trading of Units by providing liquidity in the secondary market when it is required, in accordance with the market making requirements of the SEHK.

Subject to applicable regulatory requirements, the Manager will ensure that there is at all times at least one Market Maker for Units. If the SEHK withdraws its permit to the existing Market Maker(s), the Manager will endeavour to ensure that there is at least one other Market Maker per Sub-Fund to facilitate the efficient trading of Units. The Manager will seek to ensure that at least one Market Maker per Sub-Fund gives not less than 3 months notice prior to terminating market making under the relevant market making agreement. The latest list of Market Makers for each Sub-Fund is available at <http://www.hkex.com.hk> and www.bmo.hk/etfs (the contents of which and of any other website referred to in this Prospectus have not been reviewed by the SFC). Please refer to the section on "Website Information" for the warning and the disclaimer regarding information contained in such website.

The Listing Agent

Unless otherwise specified in the relevant Appendix, Macquarie Capital Securities Limited has been appointed by the Manager as the Listing Agent for each Sub-Fund in accordance with The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited in respect of the relevant Sub-Fund's listing on the SEHK. The Listing Agent is a licensed corporation which holds, amongst others, a Type 6 (advising on corporate finance) regulated activity licence under the SFO with CE Number AAC534.

Conflicts of Interest and Soft Dollars

The Manager and the Trustee may, from time to time, act as manager, sub-investment manager, investment adviser, trustee or custodian or in such other capacity in connection with any collective investment scheme separate and distinct from the Trust and the Sub-Funds and retain any profit or benefit made in connection therewith.

In addition:

- (a) The Manager or any of its Connected Persons may purchase and sell investments for the account of the Sub-Funds as agent for the Sub-Fund.
- (b) The Trustee, the Manager and any of their Connected Persons may contract or enter into

any financial, banking or other transaction with one another or with any Unitholder or any company or body any of whose shares or securities form part of the relevant Sub-Fund's assets.

- (c) The Trustee or the Manager or any of their Connected Persons may become the owner of Units and hold, dispose or otherwise deal with them with the same rights which it would have had if it had not been the Trustee or the Manager or any of their Connected Persons.
- (d) The Trustee, the Manager and any of their Connected Persons may buy, hold and deal in any securities, commodities or other property for their own account or for the account of their other customers notwithstanding that similar securities, commodities or other property may be held by the Sub-Funds.
- (e) Any arrangements for the borrowing or deposit of any monies for the account of the Sub-Funds may be made with any of the Trustee, the Manager, any investment adviser or any of their Connected Persons being a banker or other financial institution provided that such person shall charge or pay (as the case may be) interest or fees at a rate or amount no higher (in the case of a borrowing) or lower (in the case of a deposit) than the prevailing rates or amounts for transactions of a similar size and duration, in the same currency and with institutions of similar standing.
- (f) Neither the Trustee nor the Manager nor any of their Connected Persons shall be liable to account to each other or to the Sub-Funds or to the Unitholders for any profits or benefits made or derived from or in connection with any such transaction mentioned above.

It is, therefore, possible that any of the Trustee, the Manager or any of their Connected Persons may, in the course of business, have potential conflicts of interest with the Sub-Funds. Each will, at all times, have regard in such event to its obligations to the Sub-Funds and the Unitholders and will endeavour to ensure that such conflicts are resolved fairly.

Subject to applicable rules and regulations, the Manager, its delegate or any of its Connected Persons may enter into portfolio transactions for or with the Sub-Funds as agent in accordance with normal market practice, provided that commissions charged to the Sub-Funds in these circumstances do not exceed customary full service brokerage rates. If a broker does not provide research or other lawful services in addition to brokerage execution, such broker will generally charge a brokerage commission that is discounted from customary full service brokerage rates. Where the Manager invests the Sub-Funds in shares or units of a collective investment scheme managed by the Manager, its delegates or any of its Connected Persons, the manager of the scheme in which the investment is being made by the Sub-Funds must waive any preliminary or initial charge which it is entitled to charge for its own account in relation to the acquisition of shares or units and there must be no increase in the overall total of annual management fees (or other costs and charges payable to the Manager or any of its Connected Persons) borne by the Sub-Funds.

None of the Manager, its delegates (including investment advisers, if any) or any of its Connected Persons shall, retain any cash commission rebates or other payment or benefit (except as otherwise provided for in this Prospectus or in the Trust Deed) received from a third party (either directly or indirectly) arising out of the sale or purchase or loan of investments for the Sub-Funds, and any such rebates or payments or benefits which are received shall be credited to the account of the Sub-Funds.

The Manager, its delegates (including investment advisers, if any) or any of its Connected Persons may receive, and are entitled to retain, research products and services (known as soft dollar benefits) which are of demonstrable benefit to the Sub-Funds (as may be permitted under the Code, applicable rules and regulations) from brokers and other persons through whom investment transactions are carried out ("brokers") provided that the quality of transaction execution is consistent with best execution standards.

The services of the Trustee provided to the Trust and the Sub-Funds are not deemed to be exclusive and the Trustee shall be free to render similar services to others so long as its services

hereunder are not impaired thereby and to retain for its own use and benefit all fees and other monies payable thereby and the Trustee shall not be deemed to be affected with notice of or to be under any duty to disclose to the Sub-Funds any fact or thing which comes to the notice of the Trustee in the course of the Trustee rendering similar services to others or in the course of its business in any other capacity or in any manner whatsoever otherwise than in the course of carrying out its duties under the Trust Deed.

Conflicts of interest may also arise due to the widespread business operations of the Trustee, the Manager, the Registrar, the custodian and the Service Agent and their respective holding companies, subsidiaries and affiliates. The foregoing parties may effect transactions where those conflicts arise and shall not, subject to the terms of the Trust Deed, be liable to account for any profit, commission or other remuneration arising. However, all transactions carried out by or on behalf of the Sub-Funds will be on arm's length terms. For so long as the Sub-Funds is/are authorised by the SFC and it is an applicable requirement of the Code, the Manager, if transacting with brokers or dealers connected to the Manager, investment advisers or any of their respective Connected Persons, must ensure it complies with the following obligations:

- (a) such transactions should be on arm's length terms;
- (b) it must use due care in the selection of brokers or dealers and ensure that they are suitably qualified in the circumstances;
- (c) transaction execution must be consistent with applicable best execution standards;
- (d) the fee or commission paid to any such broker or dealer in respect of a transaction must not be greater than that which is payable at the prevailing market rate for a transaction of that size and nature;
- (e) the Manager must monitor such transactions to ensure compliance with its obligations; and
- (f) the nature of such transactions and the total commissions and other quantifiable benefits received by such broker or dealer shall be disclosed in the annual financial statements of the Sub-Funds.

STATUTORY AND GENERAL INFORMATION

Reports and Accounts

The financial year-end of the Trust (and each Sub-Fund) is 31 December every year. Audited annual accounts are to be prepared (in accordance with IFRS) and published on the Manager's website within 4 months of each financial year-end. Half-yearly unaudited reports are also to be prepared up to 30 June of each year and published on the Manager's website within 2 months of such date. Once these accounts and reports are made available on the Manager's website, investors will be notified within the relevant timeframe.

The first audited annual accounts and the first half-yearly unaudited reports will be for the period ending 31 December 2015 and half year ending 30 June 2015 respectively. Only an English version of the audited annual accounts and the half-yearly unaudited reports of the Sub-Funds will be available. Printed copies may be requested free of charge from the Manager by contacting it, as described below under "Notices".

The accounts and reports provide details of the assets of each Sub-Fund and the Manager's statement on transactions during the period under review (including a list of any constituent Securities of the relevant Index, if any, that each accounts for more than 10% of the weighting of the relevant Index as at the end of the relevant period and their respective weighting showing any limits adopted by the relevant Sub-Fund have been complied with). The accounts and reports shall also provide a comparison of each Sub-Fund's performance and the actual relevant Index performance over the relevant period and such other information as is required under the Code.

Trust Deed

The Trust and each Sub-Fund were established under Hong Kong law by the Trust Deed made between the Manager and the Trustee. All Unitholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Trust Deed. The Trust Deed contains provisions for the indemnification of the Trustee and the Manager out of the assets of the Trust Fund and their relief from liability in certain circumstances (summarised below in "Indemnities of the Trustee and Manager"). Unitholders and intending applicants are advised to consult the terms of the Trust Deed.

Indemnities of the Trustee and Manager

The Trustee and the Manager benefit from various indemnities in the Trust Deed. Except as provided under the Trust Deed, the Trustee and the Manager shall be entitled to be indemnified out of, and have recourse to, the Trust Fund in respect of any action, costs, claims, damages, expenses or demands arising directly or indirectly from the proper performance of the Sub-Fund. Nothing in any of the provisions of the Trust Deed may provide that the Trustee or the Manager (as the case may be) can be exempted from any liability to Unitholders imposed under Hong Kong law or breaches of trust through fraud or negligence, nor may they be indemnified either against such liability by Unitholders or at Unitholders' expense.

Modification of the Trust Deed

The Trustee and the Manager may agree to modify, alter or add to the provisions of the Trust Deed by supplemental deed provided that in the opinion of the Trustee and the Manager such modification, alteration or addition (i) does not materially prejudice the interests of Unitholders, does not operate to release to any material extent the Trustee or the Manager or any other person from any responsibility to the Unitholders and (with the exception of the costs incurred in connection with the relevant supplemental deed) does not increase the costs and charges payable out of the assets of the Sub-Funds or (ii) is necessary in order to make possible compliance with any fiscal, statutory or official requirement (whether or not having the force of law) or (iii) is made to correct a manifest error. In all other cases, modifications, alterations and additions require the sanction of an extraordinary resolution of the Unitholders affected. The SFC must (where such approval is required) also give its prior approval to all amendments to the Trust Deed.

The Manager will notify affected Unitholders of the amendments as soon as practicable after they are made if such notification is required under the Code.

Name of the Trust and Sub-Funds

Under the Trust Deed the Manager may, on notice to the Trustee, change the name of the Trust and the Sub-Funds.

Meetings of Unitholders

Proxies may be appointed. A Unitholder who is the holder of two or more Units may appoint more than one proxy to represent him and vote on his behalf at any meeting of the Unitholders. If a clearing house (or its nominee(s)), being a corporation, is a Unitholder, it may authorise such persons as it think fit to act as its representatives at any meeting of the Unitholders provided that, if more than one person is so authorised, the authorisation shall specify the number and class of Units in respect of which each such representative is so authorised. Each person so authorised shall be deemed to have been duly authorised without further evidence of the facts and shall be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person were the registered Unitholder of the Units held by the clearing house (or its nominee(s)), including the right to vote individually on a poll.

Voting Rights

Unitholders' meetings may be convened by the Manager, by the Trustee or by Unitholders representing at least 10% of the Units in issue, on not less than 21 days' notice.

These meetings may be used to modify the terms of the Trust Deed, including increasing the maximum fees payable to the service providers, removing the Manager or terminating the Sub-Funds at any time. Such amendments to the Trust Deed must be considered by Unitholders of at least 25% of the Units in issue and passed by a 75% or more of the votes cast.

Other matters that require an ordinary resolution being passed would be considered by Unitholders of at least 10% of the Units in issue and passed by a simple majority of more than 50% of the votes cast.

The Trust Deed contains provisions for the holding of separate meetings of Unitholders holding Units of different classes where only the interests of Unitholders of such class are affected.

Termination

The Trust may be terminated by the Trustee if: (i) the Manager goes into liquidation or a receiver is appointed and not discharged within 60 days or (ii) in the opinion of the Trustee, the Manager is incapable of performing its duties satisfactorily or (iii) the Manager has failed to perform its duties satisfactorily or has, in the opinion of the Trustee, done something calculated to bring the Trust into disrepute or that is harmful to the interests of Unitholders or (iv) a law is passed that renders it illegal or in the opinion of the Trustee and the Manager, impracticable or inadvisable to continue the Trust or (v) the Trustee is unable to find an acceptable person to replace the Manager within 30 days after the removal of the Manager, or the person nominated shall fail to be approved by Extraordinary Resolution or (vi) if the Trustee notifies the Manager in writing of its intention to retire and no suitable person willing to act as trustee has been identified by the Manager within 60 days of the Trustee's notice.

The Manager may terminate the Trust if: (i) after one year from the date of the Trust Deed, the aggregate Net Asset Value of all the Units in each Sub-Fund is less than HKD100 million; (ii) any law or regulation is passed or amended or any regulatory directive or order is imposed that affects the Trust and which renders the Trust illegal or in the good faith opinion of the Manager, makes it impracticable or inadvisable to continue the Trust; or (iii) within a reasonable time and using commercially reasonable endeavours, the Manager is unable to find a person acceptable to act as the new trustee after deciding to remove the Trustee in accordance with the Trust Deed.

The Manager may, in its absolute discretion, by notice in writing to the Trustee, terminate a Sub-Fund if: (i) after one year from the date of establishment of the Sub-Fund, the aggregate Net Asset Value of all the Units in the relevant Sub-Fund is less than HKD100 million; (ii) any law or regulation is passed or amended or any regulatory directive or order is imposed that affects the relevant Sub-Fund and which renders the relevant Sub-Fund illegal or in the good faith opinion of the Manager makes it impracticable or inadvisable to continue that Sub-Fund; (iii) its Index is no longer available for benchmarking or if the Units of the relevant Sub-Fund are no longer listed on the SEHK or any such other stock exchange from time to time determined by the Manager; (iv) at any time, the relevant Sub-Fund ceases to have any Participating Dealer; or (v) the Manager is unable to implement its investment strategy. Further, the Unitholders may at any time authorise termination of the Trust or the relevant Sub-Funds by extraordinary resolution.

The Trustee may, in its absolute discretion, by notice in writing to the Manager, terminate a Sub-Fund if: (i) the Trustee forms the opinion for good and sufficient reason that the Manager is incapable of performing its duties satisfactorily in respect of the relevant Sub-Fund; (ii) the Trustee forms the opinion for good and sufficient reason that the Manager has failed to perform its duties satisfactorily in respect of the relevant Sub-Fund or has done something calculated to bring the relevant Sub-Fund into disrepute or that is harmful to the interests of Unitholders of the relevant Sub-Funds; or (iii) any law or regulation is passed or amended or any regulatory directive or order is imposed that affects the relevant Sub-Fund and which renders the relevant Sub-Fund illegal or in the good faith opinion of the Trustee makes it impracticable or inadvisable to continue the relevant Sub-Fund.

Notice of the termination of the Trust or the Sub-Funds will be given to the Unitholders after the SFC has approved the notice. The notice will contain the reasons for the termination, the consequences to Unitholders of terminating the Trust or the Sub-Funds and the alternatives available to them, and any other information required by the Code.

Distribution Policy

The Manager will adopt a distribution policy for each Sub-Fund as the Manager considers appropriate having regard to the Sub-Fund's net income, fees and costs. For each Sub-Fund this distribution policy (including the currency of such distribution) will be set out in the relevant Appendix. Distributions will always depend on payments on Securities held by the relevant Sub-Fund which will in turn depend on factors beyond the control of the Manager including, general economic conditions, and the financial position and distribution policies of the relevant underlying entities. Unless otherwise specified in the relevant Appendix, no distribution will be paid out of capital and/or effectively out of capital of the Sub-Fund. There can be no assurance that such entities will declare or pay dividends or distributions.

Inspection of Documents

Copies of the following documents in respect of each Sub-Fund are available for inspection free of charge at the offices of the Manager and copies thereof (other than (e) which is free of charge) may be obtained from the Manager at a cost of HKD150 per set of copy documents:

- (a) Trust Deed;
- (b) Registrar Agreement;
- (c) Service Agreement;
- (d) Participation Agreement(s); and
- (e) The most recent annual financial statements of the Trust and the Sub-Funds (if any) and the most recent interim financial statements of the Trust and the Sub-Funds (if any).

Part XV of the SFO

Part XV of the SFO sets out the Hong Kong disclosure of interests' regime applicable to Hong Kong listed companies. The regime does not apply to unit trusts that are listed on the SEHK like the Trust. Consequently, Unitholders are not obliged to disclose their interest in the Sub-Fund.

Anti-money Laundering Regulations

As part of the Manager's, the Trustee's, the Administrator's, the Registrar's and the Participating Dealer's responsibility for the prevention of money laundering and to comply with all applicable laws to which the Manager, the Trustee, the Administrator, the Registrar, the Sub-Funds or the relevant Participating Dealer is subject, the Manager, the Trustee, the Administrator, the Registrar or the relevant Participating Dealer may require a detailed verification of an investor's identity and the source of payment of any applications for Units. Depending on the circumstances of each application, a detailed verification might not be required where:

- (a) the investor makes the payment from an account held in the investor's name at a recognised financial institution; or
- (b) the application is made through a recognised intermediary.

These exceptions apply only if the financial institution or intermediary is within a country recognised by the Manager, the Trustee and the Registrar as having sufficient anti-money laundering regulations.

Material Changes to an Index

The SFC should be consulted on any events that may affect the acceptability of an Index. Significant events relating to an Index will be notified to the Unitholders of the relevant Sub-Fund as soon as practicable. These may include a change in the methodology/rules for compiling or calculating the Index, or a change in the objective or characteristics of the Index.

Replacement of an Index

The Manager reserves the right, with the prior approval of the SFC and provided that in its opinion the interests of the Unitholders of the relevant Sub-Fund would not be adversely affected, to replace an Index with another index in accordance with the provision of the Code and the Trust Deed. The circumstances under which any such replacement might occur include but are not limited to the following events:

- (a) the relevant Index ceasing to exist;
- (b) the licence to use the Index being terminated;
- (c) a new index becoming available that supersedes the existing Index;
- (d) a new index becoming available that is regarded as the market standard for investors in the particular market and/or would be regarded as more beneficial to the Unitholders than the existing Index;
- (e) investing in the Securities comprised within the Index becomes difficult;
- (f) the Index Provider increasing its licence fees to a level considered too high by the Manager;
- (g) the quality (including accuracy and availability of the data) of the Index having in the opinion of the Manager, deteriorated;
- (h) a significant modification of the formula or calculation method of the Index rendering that index unacceptable in the opinion of the Manager; and
- (i) the instruments and techniques used for efficient portfolio management not being

available.

The Manager may change the name of the Sub-Fund if the relevant Index changes or for any other reasons including if licence to use the Index is terminated. Any change to (i) the use by the relevant Sub-Fund of the Index and/or (ii) the name of the relevant Sub-Fund will be notified to investors.

Information Available on the Internet

The Manager will publish important news and information with respect to each Sub-Fund (including in respect of the relevant Index), in the English and Chinese languages (unless otherwise specified), on the Manager's website at www.bmo.hk/etfs (which has not been reviewed or approved by the SFC) including:

- (a) this Prospectus and the product key fact statements in respect of the Sub-Funds (as revised from time to time);
- (b) the latest annual audited accounts and interim half yearly unaudited report (in English only);
- (c) any notices for material alterations or additions to this Prospectus or the Sub-Fund's constitutive documents;
- (d) any public announcements made by the Sub-Funds, including information with regard to the Sub-Funds and Index, notices of the suspension of the calculation of the Net Asset Value, changes in fees and the suspension and resumption of trading;
- (e) the near real time estimated Net Asset Value per Unit updated every 15 seconds throughout each Dealing Day in HKD;
- (f) the last closing Net Asset Value of each Sub-Fund and the last closing Net Asset Value per Unit of each Sub-Fund in HKD;
- (g) the composition of the Sub-Funds (updated on a daily basis unless otherwise specified in the relevant Appendix); and
- (h) the latest list of the Participating Dealers and Market Makers.

Real-time updates about the Index can be obtained through other financial data vendors. It is your own responsibility to obtain additional and the latest updated information about the Index (including without limitation, a description of the way in which the Index is calculated, any change in the composition of the Index, any change in the method for compiling and calculating the Index) via the Manager's website and the Index Provider's website (neither of which, nor any other website referred to in this Prospectus, has been reviewed by the SFC). Please refer to the section on "Website Information" for the warning and the disclaimer regarding information contained in such website.

Notices

All notices and communications to the Manager and Trustee should be made in writing and sent to the following addresses:

Manager

BMO Global Asset Management (Asia) Limited
36/F & Suite 3808, One Exchange Square
Central
Hong Kong

Trustee

Cititrust Limited
50/F, Citibank Tower
Citibank Plaza
3 Garden Road
Hong Kong

Website information

The offer of the Units is made solely on the basis of information contained in this Prospectus. All references in this Prospectus to other websites and sources where further information may be obtained are merely intended to assist you to access further information relating to the subject matter indicated and such information does not form part of this Prospectus. None of the Listing Agent, the Manager or the Trustee accepts any responsibility for ensuring that the information contained in such other websites and sources, if available, is accurate, complete and/or up-to-date, and no liability is accepted by the Listing Agent, the Manager and the Trustee in relation to any person's use of or reliance on the information contained in these other websites and sources save, in respect of the Manager, its website www.bmo.hk/etfs (the contents of which and of other websites referred to in this Prospectus have not been reviewed by the SFC). The information and materials included in these websites have not been reviewed by the SFC or any regulatory body. You should exercise an appropriate degree of caution when assessing the value of such information.

HONG KONG TAXATION

The following summary of Hong Kong taxation is of a general nature, for information purposes only, and is not intended to be an exhaustive list of all of the tax considerations that may be relevant to a decision to purchase, own, redeem or otherwise dispose of Units. This summary does not constitute legal or tax advice and does not purport to deal with the tax consequences applicable to all categories of investors. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, redeeming or disposing of Units both under the laws and practice of Hong Kong and the laws and practice of their respective jurisdictions. The information below is based on the law and practice in force in Hong Kong at the date of this Prospectus. The relevant laws, rules and practice relating to tax are subject to change and amendment (and such changes may be made on a retrospective basis). As such, there can be no guarantee that the summary provided below will continue to be applicable after the date of this Prospectus. Furthermore, tax laws can be subject to different interpretations and no assurance can be given that relevant tax authorities will not take a contrary position to the tax treatments described below. Investors should refer to additional summaries of applicable taxation, where appropriate, as set out in the Appendix relevant to a Sub-Fund.

Taxation of the Trust and Sub-Funds

Profits Tax

As the Trust and the Sub-Funds have been authorised as a collective investment scheme by the SFC under Section 104 of the SFO, profits of the Trust and the Sub-Funds are exempt from Hong Kong profits tax under Section 26A(1A)(a)(i) of the Inland Revenue Ordinance.

Stamp Duty

Hong Kong stamp duty is ordinarily payable, *inter alia*, on the sale or purchase of Hong Kong stock. "Hong Kong stock" is defined in the Stamp Duty Ordinance ("SDO") as "stock" (as further defined in the SDO) the transfer of which is required to be registered in Hong Kong.

Under the remission order issued by the Secretary for the Treasury on 20 October 1999, any Hong Kong stamp duty payable on the transfer of Securities to the Trust by an investor (through a Participating Dealer) for creation of Units will be remitted or refunded. Similarly, Hong Kong stamp duty payable on the transfer of Securities by the Trust to an investor (through a Participating Dealer) upon redemption of Units will also be remitted or refunded.

No Hong Kong stamp duty is generally payable by the Sub-Funds on an issue or redemption of Units, where the redemption is effected by extinguishing the Units.

The sale and purchase of Hong Kong stock (if any) by the Sub-Funds to reflect any changes in an Index is subject to Hong Kong stamp duty at 0.1% on the higher of the consideration amount or market value, payable by both the buyer and the seller.

Taxation of the Unitholders

Profits Tax

Distributions by the Trust or the Sub-Funds should generally not be subject to Hong Kong profits tax in the hands of the Unitholders in accordance with the practice of the Inland Revenue Department of Hong Kong (as at the date of this Prospectus). Hong Kong profits tax (which is currently charged at the rate of 16.5% for corporations, and 15% for individuals and unincorporated business) will arise on any gains or profits sourced in Hong Kong made on the sale, redemption or other disposal of the Units where such transactions form part of a trade, profession or business carried on by a Unitholder in Hong Kong and such Units are not capital assets to the Unitholders. Unitholders should take advice from their own professional advisers as to their particular tax position.

There is no withholding tax on dividend distributions in Hong Kong.

Stamp Duty

The Units fall within the definition of “Hong Kong stock” as defined in the SDO. No Hong Kong stamp duty is payable by a Unitholder in relation to an issue or redemption of Units where the redemption is effected by extinguishing the Units.

BMO Asia USD Investment Grade Bond ETF

Application has been made to the Financial Services and Treasury Bureau in respect of the above Sub-Fund, and the Manager anticipates approval will be given for remission or refund in full of stamp duty payable or paid in respect of any contract notes or instruments of transfer relating to transactions in the Units of the above Sub-Fund immediately before the listing of the relevant Units on the SEHK.

BMO Hong Kong Banks ETF and BMO Asia High Dividend ETF

The sale or purchase or transfer of the Units of the above Sub-Funds, other than issue or redemption as mentioned above, by the Unitholders should be liable to Hong Kong stamp duty at 0.1% on the higher of the consideration amount or market value, payable by both the buyer and the seller, whether or not the sale or purchase or transfer is on or off the SEHK.

FATCA and Compliance with US Withholding Requirements

The US Hiring Incentives to Restore Employment Act (the “HIRE Act”) was signed into US law in March 2010, which includes provisions commonly referred to as the “Foreign Account Tax Compliance Act” or “FATCA”. Broadly, the FATCA provisions are set out in sections 1471 to 1474 of the US Internal Revenue Code of 1986, as amended (the “Revenue Code”), which impose new rules on foreign financial institutions, such as the Trust and each Sub-Fund, with respect to certain payments, including interest and dividends from securities of US issuers and gross proceeds from the sale of such securities. All such payments may be subject to FATCA withholding at a rate of 30%, unless the recipient of the payment satisfies certain requirements intended to enable the IRS to identify US persons (within the meaning of the Revenue Code) (“US persons”) with interests in such payments. To avoid such withholding on payments made to it, an FFI (including banks, brokers, custodians and investment funds), such as the Trust and each Sub-Fund, located in jurisdictions that have not signed any Inter-governmental Agreement (“IGA”) for the implementation of FATCA, will be required to enter into an agreement with the IRS (an “FFI Agreement”) as part of the requirements to be a participating FFI for FATCA purposes. Participating FFIs are required to identify all account holders (including investors in a Trust) that are US persons and report certain information concerning such US persons to the IRS. Subject to any applicable IGA, the FFI Agreement also generally requires that a participating FFI deduct 30% US withholding tax from certain payments made by the participating FFI to recalcitrant account holders (i.e. account holders do not provide required information to the FFI or do not consent to FATCA reporting and disclosure to the IRS) and may be required to close accounts of such account holders. Moreover, participating FFIs are required to deduct and withhold on payments made to investors that are themselves FFIs but that have not entered into an FFI Agreement with the IRS or that are not otherwise deemed compliant with FATCA.

FATCA withholding applies to (i) certain payments of US source income, including US source dividends and interest, made after 30 June 2014; and (ii) payments of gross proceeds of sale or other disposal of property that can produce US source income after 31 December 2016. Pending further regulatory guidance from the U.S. Treasury/IRS the 30% withholding may also apply to payments otherwise attributable to non-US source income (also known as “foreign passthru payments”) from 1 January 2017 at the earliest. Withholding agents (which includes participating FFIs) will generally be required to begin withholding on U.S. withholdable payments made after 30 June 2014. The first reporting deadline for FFIs that have entered into or are required to follow the FFI Agreement will be 15 March 2015 with respect to information relating to the 2014 calendar year.

The US has entered into IGAs with a number of jurisdictions to facilitate the implementation of FATCA. On 9 May 2014, the Hong Kong government announced that it has substantially concluded discussions on a Model 2 IGA with the US government. However, the Hong Kong IGA has not been signed to-date.

The Model 2 IGA modifies the foregoing requirements but generally requires similar information to be disclosed to the IRS. If the IGA is entered into on or before 31 December 2014, an FFI (including the Trust and Sub-funds) will not be required to impose FATCA withholding tax at 30% on certain payments made to recalcitrant account holders or close accounts of such account holders (provided that information regarding such account holders is reported to the IRS). However, there can be no assurance that a Model 2 IGA or any IGA will be entered into between Hong Kong and the US. As such, the effects which the FATCA provisions may have on the Trust and each Sub-Fund are still uncertain. Further, even if such an IGA is entered into between Hong Kong and the US, withholding may apply to withholdable payments covered by FATCA if the Trust and each Sub-Fund cannot satisfy the applicable requirements and is determined to be non-FATCA compliant or if the Hong Kong government is found in breach of the terms of the to-be-signed IGA.

The Trust has been registered with the IRS as a Single Reporting Model 2 Foreign Financial Institution with Global Intermediary Identification Number IM0U2M.99999.SL.344. The Sub-Funds have been registered with the IRS as Single Reporting Model 2 Foreign Financial Institutions with Global Intermediary Identification Numbers 4FL0RW.99999.SL.344 (BMO Asia USD Investment Grade Bond ETF), HASQ6C.99999.SL.344 (BMO Hong Kong Banks ETF), and 3TXNP1.99999.SL.344 (BMO Asia High Dividend ETF). In order to protect Unitholders and avoid being subject to withholding under FATCA, it is the Manager's and the Trustee's intention to satisfy the requirements imposed under FATCA. Hence it is possible that this may require the Trust (through its agents or service providers) as far as legally permitted, to report information on the holdings or investment returns of any Unitholders that are identified as Specified US Persons to the IRS or the local authorities pursuant to the terms of an applicable IGA (as the case may be), including certain Unitholders who fail to provide relevant information and documents required to identify their FATCA status or fail to provide consent to the Trust to report. Reporting and FATCA withholding may also be required on Unitholders that are identified as non-FATCA compliant financial institutions (i.e. non-participating FFIs). As at the date of this Prospectus, all Units are registered in the name of HKSCC Nominees Limited. HKSCC Nominees Limited has been registered as a Reporting Model 2 FFI for FATCA purposes.

Although the Trust and the Sub-Funds intend on satisfying any obligations imposed on them to avoid the imposition of FATCA withholding tax, no assurance can be given that the Trust and the Sub-Funds will be able to fully satisfy these obligations. If any Sub-Fund, or distribution received by a Sub-Fund, becomes subject to a withholding tax as a result of FATCA, the Net Asset Value of such Sub-Fund may be adversely affected and such Sub-Fund and its Unitholders may suffer material loss.

The FATCA provisions are complex and their application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Nothing in this section constitutes or purports to constitute tax advice and Unitholders should not rely on any information set out in this section for the purposes of making any investment decision, tax decision or otherwise. All Unitholders should therefore consult their own tax and professional advisors regarding the FATCA requirements, possible implications and related tax consequences with respect to their own situation. In particular, Unitholders who hold their Units through intermediaries should confirm the FATCA compliance status of those intermediaries to ensure that they do not suffer the above mentioned withholding tax on their investment returns.

PART 2 – SPECIFIC INFORMATION RELATING TO EACH SUB-FUND

Part 2 of this Prospectus includes specific information relevant to each of Sub-Fund established under the Trust and listed on the SEHK. It is updated from time to time by the Manager. Information relating to each Sub-Fund is set out in a separate Appendix.

The information presented in each Appendix in this Part 2 should be read in conjunction with the information presented in Part 1 of this Prospectus. Where the information in any Appendix in this Part 2 conflicts with the information presented in Part 1, the information in the relevant Appendix in the Part 2 prevails, however, is applicable to the specific Sub-Fund of the relevant Appendix only.

Defined terms used in each of the Appendices and which are not defined in this Part 2, bear the same meanings as in Part 1 of this Prospectus. References in each Appendix to “Sub-Fund” refer to the relevant Sub-Fund which is the subject of that Appendix. References in each Appendix to “Index” refer to the relevant Index details of which are set out in that Appendix.

APPENDIX 1: BMO ASIA USD INVESTMENT GRADE BOND ETF

Key Information

Set out below is a summary of key information in respect of this Sub-Fund which should be read together with the full text of this Appendix and the Prospectus.

Index	Barclays Asia USD Investment Grade Bond Index
Initial Offer Period	9:30 a.m. (Hong Kong time) of 5 November 2014 to 11:00 a.m. (Hong Kong time) of 6 November 2014, or such other date as the Manager may determine
Initial Issue Date	11 November 2014, or such other date as the Manager may determine
Issue Price during the Initial Offer Period	HKD15
Listing Date (SEHK)	Expected to be 13 November 2014, but may be postponed by the Manager to a date no later than 28 November 2014
Exchange Listing	SEHK – Main Board
Stock Code	3141
Short Stock Name	BMO ASIA IGBOND
Trading Board Lot Size	200 Units
Base Currency	HKD
Trading Currency	HKD
Distribution Policy	The Manager intends to distribute income to Unitholders at least quarterly (usually in March, June, September and December of each year) having regard to the Sub-Fund's net income after fees and costs. There is no current intention to make distribution out of capital or effectively out of capital.
Creation/Redemption Policy	Cash (USD) only
Application Unit Size (only by or through Participating Dealers)	Minimum 125,000 Units (or multiples thereof)
Dealing Deadline	3:00 p.m. on the relevant Dealing Day, or such other

	time as the Manager (with the approval of the Trustee) may determine
Participating Dealer	Macquarie Bank Limited SG Securities (HK) Limited
Market Maker	Macquarie Capital Securities Limited Commerzbank Securities Hong Kong Limited
Management Fee	Currently 0.35% per year of the Net Asset Value
Investment Strategy	Representative Sampling Strategy
Maximum Deviation from Index Weighting	3%
Financial Year End	31 December
Website	www.bmo.hk/etfs

What is the Investment Objective?

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the Index. There can be no assurance that the Sub-Fund will achieve its investment objective.

What is the Investment Strategy?

The Manager intends to adopt a representative sampling strategy to achieve the investment objective of the Sub-Fund. Please refer to the section “Investment Strategy” in Part 1 of this Prospectus for an explanation on this strategy.

The Sub-Fund aims to invest at least 90% of its assets in achieving the investment objective. The Sub-Fund may invest, either directly or indirectly, in bonds comprised in the Index, or in Securities that are not included in its Index, but which the Manager believes will help the Sub-Fund achieve its investment objective. The Sub-Fund may also invest in other investments, including but not limited to: money market instruments or funds that invest exclusively in money market instruments, in stocks or bonds that are in the relevant market but not in the Sub-Fund’s Index (as indicated above).

There is no current intention for the Sub-Fund to:

- (a) invest in any financial derivative instruments for hedging or non-hedging (i.e. investment) purposes;
- (b) invest more than 10% of its Net Asset Value in Securities issued by or guaranteed by any single country (including its government, a public or local authority of that country) with a credit rating below investment grade or which are non-rated (unless such non-rated Securities are issued by issuers of investment grade). “Investment grade” is defined as a credit rating at or above Baa3/BBB-/BBB- using the middle rating of Moody’s, S&P and Fitch; or
- (c) engage in securities lending, repurchase transactions or other similar over-the-counter transactions

but this may change in light of market circumstances and where the Sub-Fund does engage in these types of transactions, prior approval shall be obtained from the SFC and no less than 1 month's prior notice will be given to the Unitholders.

The investment strategy of the Sub-Fund is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus.

Distribution Policy

The Manager intends to distribute income to Unitholders at least quarterly (usually in March, June, September and December) having regard to the Sub-Fund's net income after fees and costs. There is no current intention to make distribution out of capital or effectively out of capital. The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in HKD.

Each Unitholder will receive distributions in HKD.

Distribution payment rates in respect of Units will depend on factors beyond the control of the Manager or Trustee including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

The Index

This section is a brief overview of the Index. It contains a summary of the principal features of the Index and is not a complete description of the Index. As at the date of this Prospectus, the summary of the Index in this section is accurate and consistent with the complete description of the Index. Complete information on the Index appears in the website identified below. Such information may change from time to time and details of the changes will appear on that website.

General Information on the Index

The Index is a market capitalisation weighted index which measures the performance of fixed rate USD denominated government-related and corporate investment grade bonds, including government-related bonds, corporate bonds, fixed-rate bullet, puttable and callable bonds of the Asia ex-Japan region.

To be eligible for inclusion in the Index, a security must meet the following criteria:

- (a) its issuer has the country of risk of an eligible country. As at the date of this Prospectus, the eligible countries are China, Hong Kong, India, Indonesia, Malaysia, Mongolia, Pakistan, Philippines, South Korea, Singapore, Sri Lanka, Taiwan, Thailand and Vietnam;
- (b) its principal and coupons must both be denominated in USD;
- (c) it must have a minimum outstanding amount of USD350 million;
- (d) it must have a term to maturity of at least one year;
- (e) for a security with coupon that converts from fixed to floating rate, it must have a term to conversion date of at least one year;
- (f) it must have fixed-rate coupons, or step-up coupons and those that change according to a predetermined schedule;
- (g) if a bond is rated, it must be considered as investment grade (as defined above) to be included in the Index. The Index may also include non-rated bonds issued by investment grade (as defined above) issuers; and

(h) it must be fully taxable, publicly issued in the global and local markets.

The Index was launched in 22 May 2014. It had an inception date of 1 July 2009 with a base level of 100.

The Index is a total return gross index. A total return gross index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested gross of any taxes that may apply.

As at 22 October 2014, the Index had a total market capitalisation of USD397 billion and consisted of 483 constituents out of the following 10 Asian markets: China, Hong Kong, India, Indonesia, Malaysia, Philippines, South Korea, Singapore, Taiwan and Thailand.

The Index is denominated in USD.

The Manager (and each of its Connected Persons) is independent of Barclays Risk Analytics and Index Solutions Limited, the Index Provider.

Index Calculation

The Index is market capitalisation weighted subject to an issuer cap of 4%. The excess market value over the 4% cap will be redistributed on a pro-rata basis to all the other issuers' bonds in the Index that are under the 4% cap. This process is repeated until no issuer exceeds the 4% limit. The 4% issuer cap is applied each month as the Index is rebalanced.

The prices of the Index are updated daily at 5:30 p.m. (Singapore time). Bonds in the Index are priced on the bid side by Barclays Bank PLC. The initial price for new issues entering the Index is the offer side, after that, the bid side price is used. Settlement is on T+1 basis. On month-end, settlement is assumed to be the first calendar day of the following month, even if the last business day is not the last calendar day of the month, to allow for one full month of accrued interest to be calculated. The Index uses multi-contributor verification where the primary price for each security is analysed and compared with other third-party pricing sources, such as sources from IDC and Reuters through statistical routines and scrutiny by the research staff.

In the event a bond included in the Index defaults or is expected to be defaulted, such bonds will be removed from the Index during the monthly rebalancing. During the time the defaulted bond remains in the Index, the price published by the Index Provider will be adopted as the price of such default bond and the loss of principle or coupon of such default bond will be captured and reflected in the Index.

Index Periodical Review

The constituents of the Index are rebalanced monthly.

Top 10 Constituents

As at 22 October 2014, the 10 largest constituents of the Index (which accounted in aggregate for 5.98% of the Index) were as follows:

Rank	Constituent	Country	Maturity Date	Coupon	Rating	Weighting
1	Petronas Capital Ltd	Malaysia	12 August 2019	5.25%	A2	0.93%
2	Bank of China Hong Kong Ltd	Hong Kong	11 February 2020	5.55%	A3	0.75%
3	CNOOC Nexen Finance 2014 ULC	China	30 April 2024	4.25%	AA3	0.65%

4	Tencent Holdings Ltd	China	2 May 2019	3.375%	A3	0.56%
5	Philippine Government International Bond	Philippines	23 October 2034	6.375%	BAA3	0.55%
6	CNOOC Finance 2013 Ltd	China	9 May 2023	3.0%	AA3	0.52%
7	Hutchison Whampoa International	Hong Kong	28 October 2015	6.0%	BAA2	0.51%
8	Philippine Government International Bond	Philippines	14 January 2031	7.75%	BAA3	0.50%
9	Hutchison Whampoa International	Hong Kong	9 April 2019	7.625%	A3	0.50%
10	Republic of Korea	South Korea	16 April 2019	7.125%	AA3	0.50%

You can obtain the most updated list of the constituents of the Index and additional information of the Index including the index methodology and the closing level of the Index from the website of Barclays Risk Analytics and Index Solutions Limited at <https://indices.barcap.com/Home>.

Index Codes

Bloomberg Code: BAIGTRUU

Index Provider Disclaimer

Barclays Asia USD Investment Grade Bond Index is a trademark of Barclays Risk Analytics and Index Solutions Limited and has been licensed for use in connection with the listing and trading of the Sub-Fund on the SEHK. The Sub-Fund is not sponsored by, endorsed, sold or promoted by Barclays Risk Analytics and Index Solutions Limited and Barclays Risk Analytics and Index Solutions Limited makes no representation regarding the advisability of investing in it.

Index Licence Agreement

The initial term of the licence of the Index commenced on 28 May 2014 and will continue for one year. After the expiration of the initial one year term, the licence should be automatically renewed for successive terms of one year unless either party to the licence agreement gives at least 90 days' notice of termination prior to the end of the then current term to the other party. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

Risks Factors Specific to the Sub-Fund

In addition to the risk factors presented in Part 1 of this Prospectus, the risk factors set forth below are also specific risks, in the opinion of the Manager, considered to be relevant and presently applicable specifically to the Sub-Fund.

Emerging Market Risk. Investments in many of the markets to which the Index relates are currently exposed to risks pertaining to emerging markets in Asia generally. These include risks brought about by investment ceiling limits where foreign investors are subject to certain holding limits and constraints imposed on trading of listed Securities where a registered foreign investor

may only maintain a trading account with one licensed securities company in the relevant market. These may contribute to the illiquidity of certain of the relevant Securities markets, as well as create inflexibility and uncertainty as to the trading environment. Investments in many of the markets to which the Index relates are also subject to certain special risks relating to emerging markets generally, including, but not limited to: generally less liquid and less efficient securities markets; generally greater price volatility; exchange rate fluctuations and exchange control; higher volatility of the value of debt (particularly as impacted by interest rates); imposition of restrictions on the expatriation of funds or other assets; less publicly available information about issuers; the imposition of taxes; higher transaction and custody costs; settlement delays and risk of loss; difficulties in enforcing contracts; less liquidity and smaller market capitalisations; less well regulated markets resulting in more volatile stock prices; different accounting and disclosure standards; governmental interference; higher inflation; social, economic and political uncertainties; the risk of nationalisation and expropriation of assets and the risk of war.

Over-the-Counter Market Risk. Over-the-counter (“OTC”) markets are subject to less governmental regulation and supervision of transactions (in which many different kinds of bonds are generally traded) than organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with transactions on OTC markets. Therefore, by entering into transactions on OTC markets, the Sub-Fund will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Sub-Fund will sustain losses.

Issuer Risk. Investment in bonds by the Sub-Fund is exposed to the credit/insolvency risk of the issuers which may be unable or unwilling to make timely payments on principal and/or interest. An issuer suffering an adverse change in its financial condition could lower the credit quality of a Security, leading to greater price volatility of the Security. A lowering of the credit rating of a security or its issuer may also affect the Security’s liquidity, making it more difficult to sell. In general, debt instruments that have a lower credit rating or that are non-rated will be more susceptible to the credit risk of the issuers. In the event of a default or credit rating downgrading of the issuers of the bonds, the bonds and the Sub-Fund’s value will be adversely affected and investors may suffer a substantial loss as a result. The Sub-Fund may also encounter difficulties or delays in enforcing its rights against the issuer of bonds if the issuer is incorporated outside Hong Kong and subject to foreign laws.

Bonds are offered on an unsecured basis without collateral, and will rank equally with other unsecured debts of the relevant issuer. As a result, if the issuer becomes bankrupt, proceeds from the liquidation of the issuer’s assets will be paid to holders of bonds only after all secured claims have been satisfied in full. The Sub-Fund will be fully exposed to the credit/insolvency risk of its bond issuer counterparties as an unsecured creditor.

Liquidity Risk. Liquidity risk exists when a particular investment is difficult to purchase or sell. If the Sub-Fund invests in illiquid Securities or the current market become illiquid, it may reduce the returns of the Sub-Fund because the Sub-Fund cannot sell the illiquid securities at an advantageous time or price. The cost of dealing may be high in such illiquid markets. A disruption in the asset allocation in the Sub-Fund is also possible if underlying Securities cannot be purchased or sold. The Sub-Fund is subject to liquidity risk as continued regular trading activity and active secondary market for bonds is not guaranteed. The Sub-Fund may suffer losses in trading such instruments. The bid and offer spread of the price of bonds may be large, so the Sub-Fund may incur significant trading and realisation costs and may suffer losses accordingly. As such, there can be no assurance that investors will be able to dispose of their Units at prices in the amounts and at the times at which they would wish to.

Sovereign Debt Risk. The Sub-Fund may invest in government bonds which are sovereign debt Securities and such investments involve special risks. The governmental entity that controls the repayment of sovereign debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. A governmental entity’s willingness or ability to repay principal and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a

whole, the governmental entity's policy towards the International Monetary Fund and the political constraints to which a governmental entity may be subject. Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest arrearage on their debt. The commitment on the part of these governments, agencies and others to make such disbursements may be conditioned on a governmental entity's implementation of economic reforms and/or economic performance and the timely service of such debtor's obligations. Failure to implement such reforms, achieve such levels of economic performance or repay principal or interest when due may result in the cancellation of such third parties' commitments to lend funds to the governmental entity, which may further impair such debtor's ability or willingness to service its debt on a timely basis. Consequently, governmental entities may default on their sovereign debt. Holders of sovereign debt, including a fund, may be requested to participate in the rescheduling of such debt and to extend further loans to governmental entities. As at the date of this Prospectus, there is no bankruptcy proceeding by which sovereign debt on which a governmental entity has defaulted may be collected in whole or in part. The Sub-Fund's recourse against a defaulting sovereign is limited.

Interest Rate Risk. Because the Sub-Fund invests in fixed-income Securities, the Sub-Fund is subject to interest rate risk. Interest rate risk is the risk that the value of the Sub-Fund's portfolio will decline because of rising interest rates. Interest rate risk is generally lower for shorter term fixed income investments and higher for longer term fixed income investments.

Income Risk. Falling market interest rates can lead to a decline in income for the Sub-Fund. This can result when, in declining interest rate environment, the Sub-Fund reinvests into Securities at a lower yield than then-current Sub-Fund portfolio yield.

Credit Risk. The value of the Sub-Fund is affected by the credit worthiness of its underlying investments. A deterioration of credit quality (e.g. an issuer credit downgrade or credit event leading to widening of credit spread) of an underlying investment will adversely impact the value of such investment. Fixed income instruments are offered on an unsecured basis without collateral, and will rank equally with other unsecured debts of the relevant issuer. As a result, if the issuer becomes bankrupt, proceeds from the liquidation of the issuer's assets will be paid to holders of fixed income instruments only after all secured claims have been satisfied in full. The Sub-Fund is therefore fully exposed to the credit/insolvency risk of its counterparties as an unsecured creditor.

Credit Downgrade Risk. Credit rating of issuers of fixed income instruments and credit rating of Securities may be downgraded, thus adversely affecting the value and performance of the Sub-Fund holding such investments. Investors should note that there is no assurance that the bond invested by the Sub-Fund or the bond issuer will continue to have an investment grade rating or continue to be rated.

Valuation Risk. In a thinly traded market, it may be more difficult to achieve fair value when purchasing or selling underlying Securities because of the wide bid-ask spread. The inability to transact at advantageous times or prices may result in a reduction in the Sub-Fund's returns. Further, changing market conditions or other significant events, such as credit rating downgrades affecting issuers or major financial institutions, may also pose valuation risk to the Sub-Fund as the value of the Sub-Fund's portfolio of fixed income instruments may become more difficult or impossible to ascertain. In such circumstances, valuation of the Sub-Fund's investments may involve uncertainties and judgemental determinations as there is a possibility that independent pricing information may at times be unavailable. If such valuations should prove to be incorrect, the Net Asset Value of the Sub-Fund may need to be adjusted and may be adversely affected. Such events or credit rating downgrades may also subject the Sub-Fund to increased liquidity risk as it may become more difficult for the Sub-Fund to dispose of its holdings of bonds at a reasonable price or at all.

Illiquidity of Bonds Close to Maturity Risk. The Sub-Fund's underlying fixed income Securities may become more illiquid when nearing maturity. Such illiquidity may reduce the returns of the Sub-Fund because the Sub-Fund cannot sell the illiquid Securities at an advantageous time or price.

Risk of investing in other funds. The Sub-Fund may from time to time invest in other funds,

which may expose the Sub-Fund to the following risks:

Additional fees associated with investing in underlying funds: The value of the shares or units of the underlying funds will take into account their fees and expenses, including fees (in some cases including performance fees) charged by their management companies or investment managers. Some underlying funds may also impose fees or levies which may be payable by the Sub-Fund when it subscribes to or redeems out of such underlying funds. Whilst the Manager will take the level of any such fees into account when deciding whether or not to invest, investors should nevertheless be aware that investing into underlying funds may involve another layer of fees, in addition to the fees charged by the Sub-Fund.

Investment objective risk: Although the Manager will use due diligence procedures to select and monitor underlying funds, there can be no assurance that an underlying fund's investment strategy will be successful or that its investment objective will be achieved.

Conflicts of interest: The Sub-Fund may from time to time invest in other funds managed by the Manager or Connected Persons of the Manager. In such circumstances, in accordance with the Sub-Fund's investment restrictions, all initial charges on the underlying fund must be waived for the Sub-Fund, and the Manager may not obtain a rebate on any fees or charges levied by the underlying fund or its management company. However, despite such measures, conflicts of interest may nevertheless arise out of such investments, and in such event the Manager will use its best endeavours to resolve such conflicts fairly.

New Index Risk. The Index is a new index having only been launched on 22 May 2014. The Sub-Fund is the first exchange traded fund tracking the Index. Given that the Index is relatively new, the Sub-Fund may be riskier than other exchange traded funds tracking more established indices with longer operating history.

APPENDIX 2: BMO HONG KONG BANKS ETF

Key Information

Set out below is a summary of key information in respect of this Sub-Fund which should be read together with the full text of this Appendix and the Prospectus.

Index	NASDAQ Hong Kong Banks™ Index
Initial Offer Period	9:30 a.m. (Hong Kong time) of 5 November 2014 to 11:00 a.m. (Hong Kong time) of 6 November 2014, or such other date as the Manager may determine
Initial Issue Date	11 November 2014, or such other date as the Manager may determine
Issue Price during the Initial Offer Period	HKD8
Listing Date (SEHK)	Expected to be 13 November 2014, but may be postponed by the Manager to a date no later than 28 November 2014
Exchange Listing	SEHK – Main Board
Stock Code	3143
Short Stock Name	BMO HK BANKS
Trading Board Lot Size	200 Units
Base Currency	HKD
Trading Currency	HKD
Distribution Policy	The Manager intends to distribute income to Unitholders at least semi-annually (usually in April and October of each year) having regard to the Sub-Fund's net income after fees and costs. There is no current intention to make distribution out of capital or effectively out of capital.
Creation/Redemption Policy	Cash (HKD) and in-kind
Application Unit Size (only by or through Participating Dealers)	Minimum 1,000,000 Units (or multiples thereof)
Dealing Deadline	11:00 a.m. (for cash creation / redemption) or 4:15

	p.m. (for in-kind creation / redemption) on the relevant Dealing Day, or such other time as the Manager (with the approval of the Trustee) may determine
Participating Dealer	Macquarie Bank Limited SG Securities (HK) Limited
Market Maker	Macquarie Capital Securities Limited Commerzbank Securities Hong Kong Limited SG Securities (HK) Limited
Management Fee	Currently 0.45% per year of the Net Asset Value
Investment Strategy	Primarily Full Replication. The Manager may also use Representative Sampling Strategy
Maximum Deviation from Index Weighting	3%
Financial Year End	31 December
Website	www.bmo.hk/etfs

What is the Investment Objective?

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the Index. There can be no assurance that the Sub-Fund will achieve its investment objective.

What is the Investment Strategy?

The Manager intends to adopt primarily a full replication strategy to achieve the investment objective of the Sub-Fund. The Manager may however, in the appropriate circumstances, choose to use a representative sampling strategy. Please refer to the section “Investment Strategy” in Part 1 of this Prospectus for an explanation on these strategies.

There is no current intention for the Sub-Fund to:

- (a) invest in any financial derivative instruments for hedging or non-hedging (i.e. investment) purposes; or
- (b) engage in securities lending, repurchase transactions or other similar over-the-counter transactions

but this may change in light of market circumstances and where the Sub-Fund does engage in these types of transactions, prior approval shall be obtained from the SFC and no less than 1 month’s prior notice will be given to the Unitholders.

The investment strategy of the Sub-Fund is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus.

Distribution Policy

The Manager intends to distribute income to Unitholders at least semi-annually (usually in April and October) having regard to the Sub-Fund's net income after fees and costs. There is no current intention to make distribution out of capital or effectively out of capital. The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in HKD.

Each Unitholder will receive distributions in HKD.

Distribution payment rates in respect of Units will depend on factors beyond the control of the Manager or Trustee including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

The Index

This section is a brief overview of the Index. It contains a summary of the principal features of the Index and is not a complete description of the Index. As at the date of this Prospectus, the summary of the Index in this section is accurate and consistent with the complete description of the Index. Complete information on the Index appears in the website identified below. Such information may change from time to time and details of the changes will appear on that website.

General Information on the Index

The Index is a float adjusted modified market capitalisation weighted index which measures the performance of securities that are listed on the SEHK and classified as Banks by the Industry Classification Benchmark (ICB).

To be eligible for inclusion in the Index, a security must meet the following additional criteria:

- (a) it must have a minimum float adjusted market capitalisation of USD500 million;
- (b) it must have a minimum three-month average daily dollar trading value of USD3 million;
- (c) it may not have entered into a definitive agreement or other arrangement which would likely result in the security no longer being Index eligible; and
- (d) it may not be issued by an issuer currently in bankruptcy proceedings.

To be eligible for continued inclusion in the Index, a security must meet the following criteria:

- (a) it must have a minimum float adjusted market capitalisation of USD300 million; and
- (b) it must have a minimum three-month average daily dollar trading value of USD1 million.

The Index was launched on 21 July 2014 and had a base level of 1,000.

The Index is a total return net index. A total return net index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

As at 22 October 2014 the Index had a total market capitalisation of HKD3,426 billion and 15 constituents.

The Index is denominated in HKD.

The Manager (and each of its Connected Persons) is independent of The NASDAQ OMX Group, Inc., the Index Provider.

Index Calculation

The Index is a float adjusted modified market capitalisation weighted index. The value of the Index equals the aggregate value of the Index share weights, also known as the Index Shares, of each of the Index securities multiplied by each such security's last sale price, and divided by the divisor of the Index. The divisor serves the purpose of scaling such aggregate value to a lower order of magnitude which is more desirable for Index reporting purposes.

The formula for index value is as follows:

$$\text{Aggregate Adjusted Market Value/Divisor}$$

The formula for the divisor is as follows:

$$\text{(Market Value after Adjustments/Market Value before Adjustments) X Divisor before Adjustments}$$

The Index reflects extraordinary cash distributions.

The Index securities are evaluated annually in March. The above eligibility criteria are applied using market data through the end of January. Securities meeting the criteria are included in the Index. Security additions and deletions are made effective after the close of trading on the third Friday in March. In addition to annual evaluation, the Index at each quarterly rebalance (June, September and December) will be reviewed for recent Initial Public Offerings ("IPO") for fast-entry into the Index, using market data through the end of April, July and October respectively. If an IPO security meets all the above eligibility criteria, it will be added at the calendar quarter (June, September and December) corresponding with the quarterly rebalancing. Existing Index securities that do not meet the minimum float adjusted market capitalisation and/or the minimum three-month average daily dollar trading value will not be deleted at the quarterly rebalance.

Additionally, if at any time during the year other than the evaluation, an Index security no longer meets the eligibility criteria, or is otherwise determined to have become ineligible for inclusion in the Index (other than failing to meet the minimum float adjusted market capitalisation and/or the minimum three-month average daily dollar trading value), for example the issuer of the Index security is in bankruptcy proceedings, the security is removed from the Index and is not replaced. In all cases, a security is removed from the Index at its last sale price. If, however, at the time of its removal the Index security is halted from trading on its primary listing market and an official closing price cannot readily be determined, the Index security may, in The NASDAQ OMX Group, Inc.'s discretion, be removed at a zero price.

The Index employs a float adjusted modified market capitalisation weighting methodology. Float takes into account strategic and government holdings, as well as foreign ownership limits. At each quarter, the Index is rebalanced such that the maximum weight of any Index security does not exceed 20%, and the maximum weight of the top 5 securities does not exceed 70%. The excess weight of any capped security is distributed across the remaining Index Securities proportionally in accordance to their respective index weight. This process is repeated until no Index security has a weight greater than 20%. The modified market capitalisation weighting is applied to the float capitalisation of each Index security, using the last sale price and spot rate of the security at the close of trading on the last trading day in February, May, August and November and after applying quarterly changes and free float factors to the total shares outstanding. Index Shares are then calculated by multiplying the weight of the security derived above by the new market value of the Index and dividing the float adjusted modified market capitalisation for each Index security by its corresponding last sale price and spot rate. The changes are effective after trading on the third Friday in March, June, September and December.

The Index will be monitored on a daily basis for the Index rebalancing process such that if the weight of the top 5 securities exceed 74%, the Index is rebalanced effective the close of next business day such that the maximum weight of the top 5 securities does not exceed 70% following the same Index Rebalancing process performed at the quarter. The excess weight of the top 5 securities is distributed across the remaining Index Securities proportionally in accordance to their

respective index weight. The modified market capitalisation weighting is applied to the float capitalisation of each Index security, using the last sale price and spot rate of the security at the close of trading on the day the maximum weight of the top 5 securities exceed 74% and after applying the relevant changes and free float factors to the total shares outstanding. Index Shares are then calculated multiplying the weight of the security derived above by the new market value of the Index and dividing the float adjusted modified market capitalisation for each Index security by its corresponding last sale price and spot rate.

Index Periodical Review

The constituents of the Index are rebalanced quarterly.

Top 10 Constituents

As at 22 October 2014, the 10 largest constituents of the Index (which accounted in aggregate for 91.49% of the Index) were as follows:

Rank	Constituent	Weighting
1	HSBC Holdings Plc	19.65%
2	China Construction Bank Corp	14.68%
3	Industrial & Commercial Bank of China Ltd	13.04%
4	Standard Chartered PLC	12.18%
5	Bank of China Ltd	9.77%
6	Hang Seng Bank Ltd	5.74%
7	BOC Hong Kong Holdings Ltd	5.23%
8	Agricultural Bank of China Ltd	4.97%
9	China Merchants Bank Co Ltd	3.61%
10	China Minsheng Banking Corp Ltd	2.62%

You can obtain the most updated list of the constituents of the Index and additional information of the Index including the index methodology and the closing level of the Index from the website of The NASDAQ OMX Group, Inc. at <https://indexes.nasdaqomx.com/Index/>.

Index Codes

Bloomberg Code: NQHKBKHN

Index Provider Disclaimer

The Sub-Fund is not sponsored, endorsed, sold or promoted by The NASDAQ OMX Group, Inc. or its affiliates (NASDAQ OMX, with its affiliates, are referred to as the "Corporations"). The Corporations have not passed on the legality or suitability of, or the accuracy or adequacy of descriptions and disclosures relating to, the Sub-Fund. The Corporations make no representation or warranty, express or implied to the owners of the Sub-Fund or any member of the public regarding the advisability of investing in securities generally or in the Sub-Fund particularly, or the ability of the NASDAQ Hong Kong Banks™ Index to track general stock market performance. The Corporations' only relationship to BMO Global Asset Management (Asia) Limited ("Licensee") is in the licensing of the NASDAQ®, OMX®, NASDAQ Hong Kong Banks™ Index trade/servicemarks, and certain trade names of the Corporations and the use of the NASDAQ Hong Kong Banks™ Index which is determined, composed and calculated without regard to Licensee or the Sub-Fund. NASDAQ OMX has no obligation to take the needs of the Licensee or the owners of the Sub-Fund into consideration in determining, composing or calculating the NASDAQ Hong Kong Banks™ Index. The Corporations are not responsible for and have not participated in the determination of the timing of, prices at, or quantities of the

Sub-Fund to be issued or in the determination or calculation of the equation by which the Sub-Fund is to be converted into cash. The Corporations have no liability in connection with the administration, marketing or trading of the Sub-Fund.

THE CORPORATIONS DO NOT GUARANTEE THE ACCURACY AND/OR UNINTERRUPTED CALCULATION OF THE NASDAQ Hong Kong Banks™ Index OR ANY DATA INCLUDED THEREIN. THE CORPORATIONS MAKE NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY LICENSEE, OWNERS OF THE SUB-FUND, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE NASDAQ Hong Kong Banks™ Index OR ANY DATA INCLUDED THEREIN. THE CORPORATIONS MAKE NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE NASDAQ Hong Kong Banks™ Index OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL THE CORPORATIONS HAVE ANY LIABILITY FOR ANY LOST PROFITS OR SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES, EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

Index Licence Agreement

The initial term of the licence of the Index commenced on 28 May 2014 and will continue for one year. After the expiration of the initial one year term, the licence should be automatically renewed for successive terms of one year unless either party to the licence agreement gives at least 90 days' notice of termination prior to the end of the then current term to the other party. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

Risks Factors Specific to the Sub-Fund

In addition to the risk factors presented in Part 1 of this Prospectus, the risk factors set forth below are also specific risks, in the opinion of the Manager, considered to be relevant and presently applicable specifically to the Sub-Fund.

Risks Associated with the Banking Sector. The prices of shares of many financial service companies including banks have shown to be more closely related to changes in interest rate as compared to prices of shares of companies in other sectors. In general, the stock prices of financial service companies are more sensitive to the movement of interest rates. All things being equal, when interest rates rise, stock prices of financial service companies will have a tendency to decrease, and vice versa.

Concentration Risk. The Sub-Fund is subject to concentration risk as a result of tracking the performance of a single geographical region and industry. It is likely to be more volatile than a broad-based fund, such as a global or regional equity fund, as it is more susceptible to fluctuations in value resulting from adverse conditions in the relevant region and industry.

New Index Risk. The Index is a new index having only been launched on 21 July 2014. The Sub-Fund is the first exchange traded fund tracking the Index. Given that the Index is relatively new, the Sub-Fund may be riskier than other exchange traded funds tracking more established indices with longer operating history.

APPENDIX 3: BMO ASIA HIGH DIVIDEND ETF

Key Information

Set out below is a summary of key information in respect of this Sub-Fund which should be read together with the full text of this Appendix and the Prospectus.

Index	NASDAQ Asia ex Japan Dividend Achievers™ Index
Initial Offer Period	9:30 a.m. (Hong Kong time) of 5 November 2014 to 11:00 a.m. (Hong Kong time) of 6 November 2014, or such other date as the Manager may determine
Initial Issue Date	11 November 2014, or such other date as the Manager may determine
Issue Price during the Initial Offer Period	HKD8
Listing Date (SEHK)	Expected to be 13 November 2014, but may be postponed by the Manager to a date no later than 28 November 2014
Exchange Listing	SEHK – Main Board
Stock Code	3145
Short Stock Name	BMO ASIA HIGHDV
Trading Board Lot Size	200 Units
Base Currency	HKD
Trading Currency	HKD
Distribution Policy	The Manager intends to distribute income to Unitholders at least semi-annually (usually in April and October of each year) having regard to the Sub-Fund's net income after fees and costs. There is no current intention to make distribution out of capital or effectively out of capital.
Creation/Redemption Policy	Cash (HKD) only
Application Unit Size (only by or through Participating Dealers)	Minimum 1,000,000 Units (or multiples thereof)
Dealing Deadline	11:00 a.m. on the relevant Dealing Day, or such other

	time as the Manager (with the approval of the Trustee) may determine
Participating Dealer	Macquarie Bank Limited SG Securities (HK) Limited
Market Maker	Macquarie Capital Securities Limited Commerzbank Securities Hong Kong Limited SG Securities (HK) Limited
Management Fee	Currently 0.45% per year of the Net Asset Value
Investment Strategy	Primarily Full Replication. The Manager may also use Representative Sampling Strategy
Maximum Deviation from Index Weighting	3%
Financial Year End	31 December
Website	www.bmo.hk/etfs

What is the Investment Objective?

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the Index. There can be no assurance that the Sub-Fund will achieve its investment objective.

What is the Investment Strategy?

The Manager intends to adopt primarily a full replication strategy to achieve the investment objective of the Sub-Fund. The Manager may however, in the appropriate circumstances, choose to use a representative sampling strategy. Please refer to the section “Investment Strategy” in Part 1 of this Prospectus for an explanation on these strategies.

The Sub-Fund may invest not more than 10% of its net asset value in other physical exchange traded funds (“ETFs”) to gain exposure to the performance of the Index.

There is no current intention for the Sub-Fund to:

- (a) invest in any financial derivative instruments for hedging or non-hedging (i.e. investment) purposes; or
- (b) engage in securities lending, repurchase transactions or other similar over-the-counter transactions

but this may change in light of market circumstances and where the Sub-Fund does engage in these types of transactions, prior approval shall be obtained from the SFC and no less than 1 month’s prior notice will be given to the Unitholders.

The investment strategy of the Sub-Fund is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus.

Distribution Policy

The Manager intends to distribute income to Unitholders at least semi-annually (usually in April and October) having regard to the Sub-Fund's net income after fees and costs. There is no current intention to make distribution out of capital or effectively out of capital. The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in HKD.

Each Unitholder will receive distributions in HKD.

Distribution payment rates in respect of Units will depend on factors beyond the control of the Manager or Trustee including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

The Index

This section is a brief overview of the Index. It contains a summary of the principal features of the Index and is not a complete description of the Index. As at the date of this Prospectus, the summary of the Index in this section is accurate and consistent with the complete description of the Index. Complete information on the Index appears in the website identified below. Such information may change from time to time and details of the changes will appear on that website.

General Information on the Index

The Index is a float adjusted modified market capitalisation weighted index comprising accepted securities with at least three consecutive years of increasing annual regular dividend payments from a universe of components that are determined to be Hong Kong, Singapore, China, India, Indonesia, Korea, Malaysia, Philippines, Taiwan and Thailand.

To be eligible for inclusion in the Index, a security must meet the following additional criteria:

- (a) it must have a minimum float adjusted market capitalisation of USD200 million;
- (b) it must have a minimum three-month average daily dollar trading value of USD500,000;
- (c) it must have at least three consecutive years of increasing annual regular dividend based on ex-date;
- (d) it must have a Dividend Sustainability score greater than 80 as calculated by NASDAQ OMX Group, Inc.;
- (e) it must rank within the top 70% of components by yield of the total constituents at time of review, or within the top 80% of components by yield at time of review if they were in the Index in the prior period;
- (f) it must be included in the NASDAQ Asia Pacific Ex-Japan Index;
- (g) it must not be classified as New Zealand or Australia by NASDAQ OMX Group, Inc.;
- (h) it must not be classified as a "B" share if a security is classified as China by NASDAQ OMX Group, Inc.;
- (i) it must not be classified as real estate investment trust by the Industry Classification Benchmark (ICB);
- (j) it may not have entered into a definitive agreement or other arrangement which would likely result in the security no longer being Index eligible; and

- (k) it may not be issued by an issuer currently in bankruptcy proceedings.

The Index securities are evaluated annually in March. The above eligibility criteria are applied using market data through the end of December. Securities meeting the eligibility criteria and are in the top 70% by yield are included in the Index. Index securities which are already included in the Index and rank within the top 80% by yield are also retained in the Index and those Index Securities which meet all eligibility rules but are outside the top 80% by yield are removed from the Index. Security additions and deletions are made effective after the close of trading on the third Friday in March.

The above eligibility criteria (a) to (e) are applied only on an annual basis, while eligibility criteria (f) to (k) are applied throughout the year. If at any time during the year, an Index security no longer meets any single criterion of eligibility criteria (f) to (k), the security is removed from the Index and is not replaced. In all cases, a security is removed from the Index at its last sale price. If, however, at the time of its removal the Index security is halted from trading on its primary listing market and an official closing price cannot readily be determined, the Index security may, in NASDAQ OMX's discretion, be removed at a zero price.

To ensure that the Index is well diversified, the index methodologies provide, amongst other things, that:

- (i) no single country can have a weighting greater than 40% of the total market capitalisation of the Index;
- (ii) no single stock can have a weighting of more than 8% of the total market capitalisation of the Index;
- (iii) no country can have more than two securities in excess of 4% of the total market capitalisation of the Index;
- (iv) the maximum number of securities in excess of 4% of the total market capitalisation of the Index is five; and
- (v) the aggregate weight of securities listed on exchanges not approved by MPFA is no greater than 10%.

The Index is a total return net index. A total return net index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

The Index was launched on 13 January 2014 and had a base level of 1,000.

As at 22 October 2014 the Index had a total market capitalisation of HKD4,992 billion and 157 constituents out of the following 10 Asian markets: China, Hong Kong, India, Indonesia, Korea, Malaysia, Philippines, Singapore, Taiwan and Thailand.

The Index is denominated in HKD.

The Manager (and each of its Connected Persons) is independent of The NASDAQ OMX Group, Inc., the Index Provider.

Index Calculation

The Index is a float adjusted modified market capitalisation weighted index. The value of the Index equals the aggregate value of the Index share weights, also known as the Index Shares, of each of the Index securities multiplied by each such security's last sale price, and divided by the divisor of the Index. The divisor serves the purpose of scaling such aggregate value to a lower order of magnitude which is more desirable for Index reporting purposes.

The formula for index value is as follows:

Aggregate Adjusted Market Value/Divisor

The formula for the divisor is as follows:

$$(Market\ Value\ after\ Adjustments / Market\ Value\ before\ Adjustments) \times Divisor\ before\ Adjustments$$

The Index reflects extraordinary cash distributions.

The modified market capitalisation weighted methodology is applied to the capitalisation of each Index Security, using the last sale price of the security at the close of trading on the last trading day in February, May, August and November. Index shares are then calculated multiplying the weight of the security derived above by the new market value of the Index and dividing the float adjusted modified market capitalisation for each Index security by its corresponding last sale price. The changes are made effective after the close of trading on the third Friday in March, June, September and December.

Index Periodical Review

The constituents of the Index are rebalanced quarterly.

Top 10 Constituents

As at 22 October 2014, the 10 largest constituents of the Index (which accounted in aggregate for 44.77% of the Index) were as follows:

Rank	Constituent	Weighting
1	China Mobile Ltd.	7.93%
2	China Construction Bank Corp	7.67%
3	Hutchison Whampoa Ltd	4.48%
4	Bank of China Ltd	4.18%
5	Oversea-Chinese Banking Corp Ltd	4.16%
6	Industrial & Commercial Bank of China Ltd	4.08%
7	Cheung Kong Holdings Ltd	4.01%
8	China Petroleum & Chemical Corp	3.2%
9	ICICI Bank Ltd	2.57%
10	Jardine Matheson Holdings	2.5%

You can obtain the most updated list of the constituents of the Index and additional information of the Index including the index methodology and the closing level of the Index from the website of The NASDAQ OMX Group, Inc. at <https://indexes.nasdaqomx.com/Index/>.

Index Codes

Bloomberg Code: DAAXJPHN

Index Provider Disclaimer

The Sub-Fund is not sponsored, endorsed, sold or promoted by The NASDAQ OMX Group, Inc. or its affiliates (NASDAQ OMX, with its affiliates, are referred to as the "Corporations"). The Corporations have not passed on the legality or suitability of, or the accuracy or adequacy of descriptions and disclosures relating to, the Sub-Fund. The Corporations make no representation or warranty, express or implied to the owners of the Sub-Fund or any member of the public regarding the advisability of investing in securities generally or in the Sub-Fund

particularly, or the ability of the NASDAQ Asia ex Japan Dividend Achievers™ Index to track general stock market performance. The Corporations' only relationship to BMO Global Asset Management (Asia) Limited ("Licensee") is in the licensing of the NASDAQ®, OMX®, NASDAQ Asia ex Japan Dividend Achievers™ Index trade/servicemarks, and certain trade names of the Corporations and the use of the NASDAQ Asia ex Japan Dividend Achievers™ Index which is determined, composed and calculated without regard to Licensee or the Sub-Fund. NASDAQ OMX has no obligation to take the needs of the Licensee or the owners of the Sub-Fund into consideration in determining, composing or calculating the NASDAQ Asia ex Japan Dividend Achievers™ Index. The Corporations are not responsible for and have not participated in the determination of the timing of, prices at, or quantities of the Sub-Fund to be issued or in the determination or calculation of the equation by which the Sub-Fund is to be converted into cash. The Corporations have no liability in connection with the administration, marketing or trading of the Sub-Fund.

THE CORPORATIONS DO NOT GUARANTEE THE ACCURACY AND/OR UNINTERRUPTED CALCULATION OF THE NASDAQ ASIA EX JAPAN DIVIDEND ACHIEVERS™ INDEX OR ANY DATA INCLUDED THEREIN. THE CORPORATIONS MAKE NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY LICENSEE, OWNERS OF THE SUB-FUND, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE NASDAQ ASIA EX JAPAN DIVIDEND ACHIEVERS™ INDEX OR ANY DATA INCLUDED THEREIN. THE CORPORATIONS MAKE NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE NASDAQ ASIA EX JAPAN DIVIDEND ACHIEVERS™ INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL THE CORPORATIONS HAVE ANY LIABILITY FOR ANY LOST PROFITS OR SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES, EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

Index Licence Agreement

The initial term of the licence of the Index commenced on 28 May 2014 and will continue for one year. After the expiration of the initial one year term, the licence should be automatically renewed for successive terms of one year unless either party to the licence agreement gives at least 90 days' notice of termination prior to the end of the then current term to the other party. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

Risks Factors Specific to the Sub-Fund

In addition to the risk factors presented in Part 1 of this Prospectus, the risk factors set forth below are also specific risks, in the opinion of the Manager, considered to be relevant and presently applicable specifically to the Sub-Fund.

High Dividend Yield Securities Risk. The Sub-Fund invests in high dividend yield securities which may offer a higher rate of dividend yield. However, high dividend yield securities are subject to risks that the dividend could be reduced or abolished, or the risks that the value of the securities could decline or have lower-than average potential for price appreciation.

Emerging Market Risk. Investments in many of the markets to which the Index relates are currently exposed to risks pertaining to emerging markets in Asia generally. These include risks brought about by investment ceiling limits where foreign investors are subject to certain holding limits and constraints imposed on trading of listed Securities where a registered foreign investor may only maintain a trading account with one licensed securities company in the relevant market. These may contribute to the illiquidity of certain of the relevant Securities markets, as well as create inflexibility and uncertainty as to the trading environment. Investments in many of the markets to which the Index relates are also subject to certain special risks relating to emerging markets generally, including, but not limited to: generally less liquid and less efficient securities markets; generally greater price volatility; exchange rate fluctuations and exchange control; higher

volatility of the value of debt (particularly as impacted by interest rates); imposition of restrictions on the expatriation of funds or other assets; less publicly available information about issuers; the imposition of taxes; higher transaction and custody costs; settlement delays and risk of loss; difficulties in enforcing contracts; less liquidity and smaller market capitalisations; less well regulated markets resulting in more volatile stock prices; different accounting and disclosure standards; governmental interference; higher inflation; social, economic and political uncertainties; the risk of nationalisation and expropriation of assets and the risk of war.

Risk relating to investment in other ETFs. The Sub-Fund may be subject to a higher tracking error than other funds which do not invest in collective investment scheme due to its strategy of investing in the other ETFs as a result of, amongst other things, the tracking error of the other ETFs. The Sub-Fund may be adversely affected by any trading suspension of the other ETFs.

Distribution Risk. There is no assurance that dividends will be declared and paid in respect of the Securities comprising the Index. Dividend payment rates in respect of such Securities will depend on the performance of the companies of the constituent Securities of the Index as well as factors beyond the control of the Manager including but not limited to, the dividend distribution policy of these companies. In addition, whether or not distributions will be made by Sub-Fund is at the discretion of the Manager taking into account various factors and the Sub-Fund's own distribution policy. There can be no assurance that the distribution yield of the Sub-Fund is the same as that of the Index.

New Index Risk. The Index is a new index having only been launched on 13 January 2014. The Sub-Fund is the first exchange traded fund tracking the Index. Given that the Index is relatively new, the Sub-Fund may be riskier than other exchange traded funds tracking more established indices with longer operating history.