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

HKD Counter Stock Code: 3141
USD Counter Stock Code: 9141

BMO Hong Kong Banks ETF

Stock Code: 3143

BMO Asia High Dividend ETF

Stock Code: 3145

BMO MSCI Japan Hedged to USD ETF

Stock Code: 3160

BMO MSCI Europe Quality Hedged to USD ETF

Stock Code: 3165

BMO MSCI Asia Pacific Real Estate ETF

Stock Code: 3121

BMO NASDAQ 100 ETF

HKD Counter Stock Code: 3086
USD Counter Stock Code: 9086

PROSPECTUS

Manager
BMO Global Asset Management (Asia) Limited

Listing Agent
Altus Capital Limited

November 2019

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, as amended from time to time (the "Trust Deed") between BMO Global Asset Management (Asia) Limited (the "Manager") and Cititrust Limited. Pursuant to a Deed of Retirement and Appointment dated 3 June 2019, State Street Trust (HK) Limited (the "Trustee") is appointed as the trustee in place of Cititrust Limited with effect from 25 November 2019. 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 and Administration of the Trust".

Each Sub-Fund is a fund falling within Chapter 8.6 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.

The Listing Committee of The Stock Exchange of Hong Kong Limited (the "SEHK") has accepted the application for the listing of, and permission to deal in the Units of the Sub-Funds. Dealings in the Units of the Sub-Funds on the SEHK have already commenced. The Units of the Sub-Funds have been accepted as eligible securities by Hong Kong Securities Clearing Company Limited ("HKSCC") for deposit, clearance and settlement in the Central Clearing and Settlement System ("CCASS"). 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.

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 "US Securities Act") or any other United States Federal or State law and, except in a transaction which does not violate the US 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 US 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 US 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) 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
BMO Global Asset Management (Asia) Limited
36/F & Suite 3808, One Exchange Square
Central
Hong Kong

Trustee
State Street Trust (HK) Limited
68/F Two International Finance Centre
8 Finance Street
Central
Hong Kong

Administrator and Custodian
State Street Bank and Trust Company
68/F, Two International Finance Centre
8 Finance Street
Central
Hong Kong

Registrar
Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

*Participating Dealers and PD Agents**
Please refer to the relevant Appendix of each Sub-Fund

*Market Makers**
Please refer to the relevant Appendix of each Sub-Fund

Legal Counsel to the Manager
Deacons
5th Floor, Alexandra House
18 Chater Road
Central
Hong Kong

Auditors
KPMG
8/F, Prince's Building
10 Chater Road
Central
Hong Kong

Service Agent
HK Conversion Agency Services Limited
1/F, One & Two Exchange Square
8 Connaught Place, Central
Hong Kong

Listing Agent
Altus Capital Limited[+]
21 Wing Wo Street
Central
Hong Kong

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

[+] *In respect of BMO MSCI Japan Hedged to USD ETF, BMO MSCI Europe Quality Hedged to USD ETF, BMO MSCI Asia Pacific Real Estate ETF and BMO NASDAQ 100 ETF only.*

CONTENTS

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 or PD Agent (as the case may be) 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.

"Base Currency" means the currency of account of a Sub-Fund as specified in Part 2 of this Prospectus.

"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).

“Conversion Agent” means HK Conversion Agency Services Limited or such other persons as may from time to time be appointed to act as conversion agent in relation to a Sub-Fund.

“Creation Application” means an application by a Participating Dealer or PD Agent (as the case may be) 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 with the written approval of the Trustee 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.

“Dual Counter” means the facility by which the Units of a Sub-Fund traded in HKD and traded in USD are each assigned separate stock codes on the SEHK and are accepted for deposit, clearing and settlement in CCASS in more than one eligible currency (HKD or USD) as described in Part 2 of this Prospectus.

“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/depositary

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 Participation Dealer an extended settlement in respect of a Creation Application or Redemption Application.

“Government and other public securities” means any investment issued by, or the payment of principal and interest on, which is guaranteed by a government, or any fixed-interest investment issued by its public or local authorities or other multilateral agencies.

“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 each Sub-Fund, (a) all interest, dividends and other sums deemed by the Manager (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 relevant Sub-Fund (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 relevant Sub-Fund in respect of an Application; and (d) all Cancellation Compensation received by the Trustee for the account of the relevant Sub-Fund; (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 relevant Sub-Fund or previously distributed to Unitholders; (iii) gains for the account of the relevant Sub-Fund 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 relevant Sub-Fund.

“Index” means, in respect of a Sub-Fund, the index or benchmark against which the relevant Sub-Fund tracks, replicates or corresponds 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 3 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.

“Investment Delegate” means an entity that has been delegated the investment management function of all or part of the assets of a Sub-Fund.

“IRD” means the Inland Revenue Department of Hong Kong.

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

“JPY” means Japanese Yen, the lawful currency of Japan.

“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.

“Multi-Counter” means the facility by which the Units traded in HKD, USD and RMB are each assigned separate stock codes on the SEHK and are accepted for deposit, clearing and settlement in CCASS in more than one eligible currency (HKD, USD or RMB) as described in this Prospectus.

“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 in respect of a Sub-Fund 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 Participation Dealer a partial settlement in respect of a Creation Application or Redemption Application.

“Participating Dealer” means, in respect of each Sub-Fund, any licensed broker or dealer who has entered into a Participation Agreement in form and substance acceptable to the Manager and the Trustee, and any reference in this Prospectus to “Participating Dealer” shall, where the context requires, include a reference to any PD Agent so appointed by the Participating Dealer.

“Participation Agreement” means an agreement either (1) entered into between the Trustee, the Manager and a Participating Dealer (and if applicable, supplemented with a supplemental participation agreement entered into between the same parties and the PD Agent), or (2) entered into between the Trustee, the Manager, the Participating Dealer, HKSCC and the Conversion Agent (if any), each setting out, amongst other things, the arrangements in respect of Applications

by such Participating Dealer or PD Agent (as the case may be), as may be amended from time to time. References to the Participation Agreement shall, where appropriate, mean the Participation Agreement, read together with the Operating Guidelines.

"PD Agent" means a person who is admitted by HKSCC as either a Direct Clearing Participant or a General Clearing Participant (as defined in the General Rules of CCASS) in CCASS and who has been appointed by a Participating Dealer as its agent for the creation and redemption of Units.

"PRC" means the People's Republic of China.

"Qualified Exchange Traded Funds" means exchange traded funds that are:

(a) authorised by the SFC under 8.6 or 8.10 of the Code; or

(b) listed and regularly traded on internationally recognised stock exchanges open to the public (nominal listing not accepted) and (i) the principal objective of which is to track, replicate or correspond to a financial index or benchmark, which complies with the applicable requirements under 8.6 of the Code; or (ii) the investment objective, policy, underlying investments and product features of which are substantially in line with or comparable with those set out under 8.10 of the Code.

"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 or PD Agent (as the case may be) 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.

"reverse repurchase transactions" means transactions whereby a Sub-Fund purchases securities from a counterparty of sale and repurchase transactions and agrees to sell such securities back at an agreed price in the future.

"RMB" or "Renminbi" means renminbi, the lawful currency of the PRC.

"sale and repurchase transactions" means transactions whereby a Sub-Fund sells its securities to a counterparty of reverse repurchase transactions and agrees to buy such securities back at an agreed price with a financing cost in the future.

"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.

"securities financing transactions" means collectively securities lending transactions, sale and repurchase transactions and reverse repurchase transactions.

"securities lending transactions" means transactions whereby a Sub-Fund lends its securities to a security-borrowing counterparty for an agreed fee.

"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 into amongst the Trustee, the Registrar, the Manager, the Participating Dealer (and where applicable, the PD Agent), the Service Agent and the HKSCC.

"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.

"substantial financial institution" means an authorized institution as defined in section 2(1) of the Banking Ordinance (Chapter 155 of Laws of Hong Kong) or a financial institution which is on an ongoing basis subject to prudential regulation and supervision, with a minimum net asset value of HKD 2 billion or its equivalent in foreign currency.

"Transaction Fee" means the fee, in respect of the Sub-Funds, which may be charged for the benefit of the Service Agent, the Conversion Agent (if any), 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 or PD Agent (as the case may be).

"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 Cititrust Limited constituting the Trust (as amended from time to time), as novated to the Trustee.

"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 standing to the credit of the distribution account attributable to the relevant Sub-Fund, in accordance with the Trust Deed.

“Trustee” means State Street Trust (HK) 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.

“US dollar” or “US$” or “USD” means US dollars, the lawful currency of the United States of America.

“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 Cititrust Limited 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 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.

With effect from 25 November 2019, Cititrust Limited retired from its role as the trustee and was replaced by State Street Trust (HK) Limited as the new Trustee.

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. Where indicated in the relevant Appendix in Part 2 of this Prospectus, Units in a Sub-Fund may be available for trading on the SEHK using a Dual Counter or Multi-Counter.

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 or PD Agents (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 or PD Agent 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 or PD Agents (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 or PD Agents (as the case may be).

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 or PD Agents (as the case may be) 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 or PD Agent 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 or PD Agent 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 and the Listing Date of a new Sub-Fund is set out in the Appendix of the new Sub-Fund.

The purpose of the Initial Offer Period is to enable Participating Dealers or PD Agents (as the case may be) 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 or PD Agents (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 or PD Agent (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

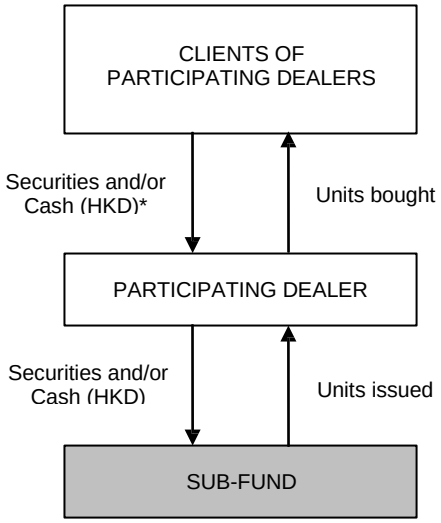
"After Listing" commences on the Listing Date and continues until the Trust is terminated.

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

Diagrammatic Illustration of Investment in a Sub-Fund

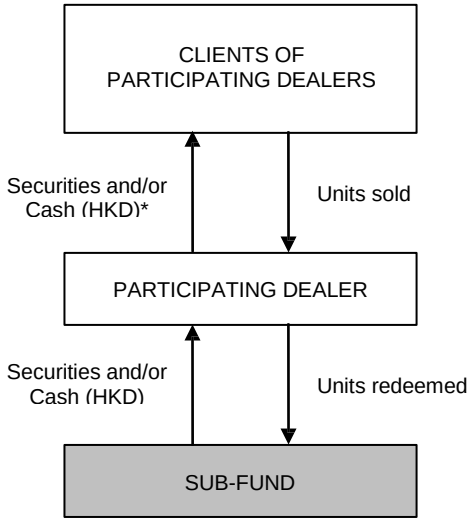
The diagrams below illustrate the issue or redemption and the buying or selling of Units:

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



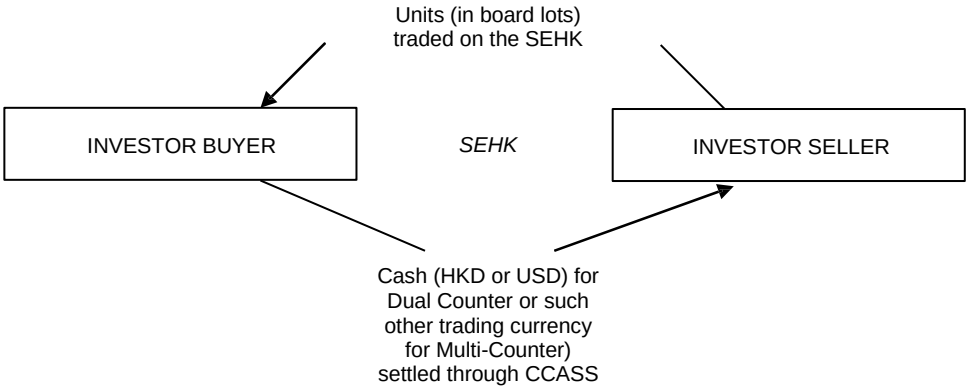
** Clients of the Participating Dealers may agree with the Participating Dealers settlement in another currency.*

(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

Method of Offering*	**Minimum Number of Units (or multiple thereof)**	**Channel**	**Available to**	**Consideration, Fees 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

After Listing

Method of Acquisition or Disposal of Units*	**Minimum Number of Units (or multiple thereof)**	**Channel**	**Available to**	**Consideration, Fees and Charges****
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 for HKD traded Units, USD for USD traded Units and RMB for RMB traded Units) Brokerage fees and Duties and Charges
Cash creation and cash redemption	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 and in-kind redemption	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, SECURITIES 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 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 and Borrowing Restrictions

If any of the restrictions or limitations set out in Schedule 1 is breached in respect of a Sub-Fund, the Manager will take as a priority objective all necessary steps as are within a reasonable period to remedy the situation, 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.

Securities Lending, Sale and Repurchase Transactions and Reverse Repurchase Transactions

Unless otherwise disclosed in the Appendix of a relevant Sub-Fund, there is no current intention for any Sub-Fund to engage in securities lending, sale and repurchase transaction or reverse repurchase 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.

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 or PD Agent (as the case may be), 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. Where a Sub-Fund has a Dual Counter or Multi-Counter, although a Participating Dealer may subject to arrangement with the Manager elect to CCASS to have Units which it creates deposited in any of the counters, all cash creation and redemption for all Units must be in the Base Currency of such Sub-Fund or any other currency as set out in the relevant Appendix only.

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 or PD Agent (as the case may be) in respect of an Application Unit size or whole multiple thereof as set out in the “Key Information” section. A Participating Dealer may itself be a CCASS participant, or may use a PD Agent that is a CCASS participant. 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 t he 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.

Where cash creation is adopted, the Manager currently only accepts cash payments in the Base Currency of the relevant Sub-Fund (even for a Sub-Fund which adopts Dual Counter or Multi-Counter) or any other currency as set out in the relevant Appendix. Notwithstanding the Dual Counter or Multi-Counter, any cash payable by Participating Dealers in a Cash Creation must be in the Base Currency of the relevant Sub-Fund or any other currency as set out in the relevant Appendix regardless of whether the Units are deposited into CCASS as HKD traded Units, USD traded Units or as RMB traded Units. The process of creation of Units is the same for all counters.

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.

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 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 or PD Agent (as the case may be) 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.

Where cash redemption is adopted, the Manager currently only allows redemption proceeds to be paid out in cash in the Base Currency of the relevant Sub-Fund (even for a Sub-Fund which adopts Dual Counter or Multi-Counter) or any other currency as set out in the relevant Appendix. Notwithstanding the Dual Counter or Multi-Counter, any cash proceeds received by Participating Dealers in a cash redemption shall be paid only in the Base Currency of the relevant Sub-Fund or any other currency as set out in the relevant Appendix. All Units regardless of their trading currency may be redeemed by way of a Redemption Application (through a Participating Dealer). The redemption process is the same for all Units regardless of their trading currency.

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 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 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, after consultation with the Trustee (and where practicable, after consultation with Participating Dealers), having regard to the best interest of Unitholders, 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 depositary (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 depositary (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 consultation with the Trustee, having regard to the best interest of Unitholders, 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 entity. 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 entity and the SFC has not agreed to waive this prohibition under the Code, the Manager shall take as a priority objective all steps as are necessary within a reasonable period to remedy the situation, 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 (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 either are themselves participants of CCASS or have appointed PD Agents that 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.

Dual Counter

Units created and issued pursuant to a Creation Application may be deposited in CCASS as HKD traded Units or USD traded Units initially. Similarly, Units redeemed pursuant to a Redemption Application may be withdrawn from any trading counter (i.e. HKD counter or USD counter).

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 use its best endeavours to put in place arrangements so that at least one Market Maker will maintain a market for the Units. Where Multi-Counter or a Dual Counter has been adopted in respect of a Sub-Fund the Manager will use its best endeavours to put in place arrangements so that there is at least one Market Maker for each counter, although these Market Makers may be the same entity. 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.

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 calculated 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 (in consultation with 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 or, if the Trustee so requires, by the Manager after consultation with the Trustee if the prices on that Market are not available for more than such period of time as may be agreed between the Manager and the Trustee; (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 shall (in consultation with 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, any adjustment (in consultation with the Trustee) should be made to reflect the value thereof; and

(f) notwithstanding the foregoing, the Manager may adjust the value of any investment if, having regard to relevant circumstances, the Manager considers that such adjustment (in consultation with the Trustee) 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 consultation with the Trustee, having regard to the best interest of Unitholders, 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 (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.

The Manager must review any prolonged suspension of determination of the Net Asset Value and take all necessary steps to resume normal operations as soon as practicable.

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 (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	0.05% of the creation/redemption amount for the benefit of the Trustee, subject to a cap of: (a) HKD12,000 per Application (for all Sub-Funds other than BMO Asia USD Investment Grade Bond ETF and BMO NASDAQ 100 ETF) or (b) USD1,500 per Application (for BMO Asia USD Investment Grade Bond ETF and BMO NASDAQ 100 ETF) <u>Plus</u> Service Agent's Fee (See Note[2])
(ii) In-kind creation / redemption	0.05% of the creation/redemption amount for the benefit of the Trustee, subject to a cap of: (a) HKD12,000 per Application (for all Sub-Funds other than BMO NASDAQ 100 ETF) or (b) USD1,500 per Application (for BMO NASDAQ 100 ETF) <u>Plus</u> Service Agent's Fee (See Note[2])
(iii) A combination of cash and in-kind creation / redemption	0.05% of the creation/redemption amount for the benefit of the Trustee, subject to a cap of: (a) HKD12,000 per Application (for all Sub-Funds other than BMO NASDAQ 100 ETF) or (b) USD1,500 per Application (for BMO NASDAQ 100 ETF) <u>Plus</u> HKD250 per sale or purchase transaction of securities in the basket for the cash portion for the benefit of the Trustee <u>Plus</u> Service Agent's Fee (See Note[2])

1 *The Transaction Fee comprises two components: (a)(i) 0.05% of the creation/redemption amount for cash creation/redemption, subject to a cap of HKD12,000 or USD1,500 per Application; or (ii) 0.05% of the creation/redemption amount for in-kind creation/redemption, subject to a cap of HKD12,000 or USD1,500 per Application; or (iii) 0.05% of the creation/redemption amount for an Application that is a combination of cash and in-kind, subject to a cap of HKD12,000 or USD1,500 per Application 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.*

Application cancellation fee[3]	HKD10,000 (for all Sub-Funds other than BMO Asia USD Investment Grade Bond ETF) or USD1,300 (for BMO Asia USD Investment Grade Bond ETF) per Application
Extension Fee[4]	HKD10,000 (for all Sub-Funds other than BMO Asia USD Investment Grade Bond 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) 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)	
Fees and charges imposed by the Participating Dealer[6]	Such amounts as determined by the relevant Participating Dealer
(ii) Fees payable by all investors in respect of dealings in the Units on SEHK (applicable After Listing)	
Brokerage	Market rates
Transaction levy	0.0027%[7]
SEHK trading fee	0.005%[8]
Stamp duty	Nil
Inter-counter transfer	HKD5[9]

Fees and expenses payable by the Sub-Fund	(See further disclosure below)

[3] *An application cancellation fee is usually payable to the Trustee 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 Participation 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 Participation 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.*

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

[9] *HKSCC will charge each CCASS participant a fee of HKD5 per instruction for effecting an inter-counter transfer from one counter to another counter. Investors should check with their brokers regarding any additional fees.*

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, Administrator's fees, 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. With effect from 1 January 2020, the Management Fee will be paid monthly 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 Delegate, 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 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 the first Prospectus, inception fees, the costs of seeking and obtaining the listing and authorisation by the SFC and all initial legal and printing costs was approximately HKD2.5 million and was borne by the Manager.

The cost of establishing the BMO MSCI Japan Hedged to USD ETF, BMO MSCI Europe Quality Hedged to USD ETF, BMO MSCI Asia Pacific Real Estate ETF and BMO NASDAQ 100 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 was approximately HKD1.5 million and was 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.

Liquidity Risk

Liquidity risk exists when a particular investment is difficult to purchase or sell. If a 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. Illiquid Securities may trade at a discount from comparable, more liquid investments and may be subject to wide fluctuations in market value. It may be difficult for a Sub-Fund to value illiquid Securities accurately. A disruption in the asset allocation in a Sub-Fund is also possible if underlying Securities cannot be purchased or sold. In these circumstances, a Sub-Fund may not be able to realise sufficient assets to meet all redemption requests received. 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.

The Manager employs a liquidity risk management policy which seeks to facilitate compliance with each Sub-Fund's obligation to meet redemption requests and to achieve fair treatment of Unitholders and safeguard the interests of remaining Unitholders in case of sizeable redemptions. There can be no assurance that such policy will be effective.

Custodial Risk

Custodians or sub-custodians may be appointed in local markets for purpose of safekeeping assets in those markets. Where a Sub-Fund invests in markets where custodial and/or settlement systems are not fully developed, the assets of the Sub-Fund may be exposed to custodial risk. In case of liquidation, bankruptcy or insolvency of a custodian or sub-custodian, the Sub-Fund may take a longer time to recover its assets. In extreme circumstances such as the retroactive application of legislation, fraud or improper registration of title, the Sub-Fund may even be unable to recover all of its assets. The costs borne by a Sub-Fund in investing and holding investments in such markets will be generally higher than in more developed securities markets.

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 10% 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 (or each counter where a Dual Counter or Multi-Counter has been adopted in respect of the relevant 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 or counter (as the case may be). The Manager will seek to mitigate this risk by ensuring at least one Market Maker per Sub-Fund (or per counter where a Dual Counter or Multi-Counter has been adopted) 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 counter, 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.

Where a Participating Dealer appoints a PD Agent to perform certain CCASS-related functions, if the appointment is terminated and the Participating Dealer fails to appoint an alternative PD Agent, or if the PD Agent ceases to be a CCASS participant, the creation or redemption of Units by such Participating Dealer may also be affected.

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.

Government Intervention, Legal and Regulatory Risks

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. Governments and regulators may also intervene in the financial markets, such as by the imposition of trading restrictions. Furthermore, such change in the laws or market intervention 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 or market intervention 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 unless the FFI

complies with the FATCA provisions and the relevant regulations, notices and announcements issued thereunder. 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 US Internal Revenue Service (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 entered into a Model 2 Inter-governmental Agreement ("IGA") that will facilitate compliance with FATCA by financial institutions in Hong Kong. An FFI (including the Trust and Sub-Funds) will generally 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).

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), 3TXNP1.99999.SL.344 (BMO Asia High Dividend ETF), K1ZQSL.99999.SL.344 (BMO MSCI Japan Hedged to USD ETF), CSFA40.99999.SL.344 (BMO MSCI Europe Quality Hedged to USD ETF), 4KIZMF.99999.SL.344 (BMO MSCI Asia Pacific Real Estate ETF) and VQAH4E.99999.SL.344 (BMO NASDAQ 100 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 AND ADMINISTRATION 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 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 an indirect, wholly-owned subsidiary of Bank of Montreal. 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 SFO. The Manager's SFC Type 9 licence is subject to the condition that "[t]he licensee shall not provide a service of managing a portfolio of futures contracts for another person unless it is for hedging purpose only."

The Directors of the Manager are as follows:

(a) Edgar Normund Legzdins;

(b) Raveendra Sriskandarajah; and

(c) Albert Chun-Ming Yu.

The Trustee

The Trustee of the Trust is State Street Trust (HK) Limited, which is a registered trust company in Hong Kong and is licensed by the Companies Registry as a Trust or Company Service Provider. The Trustee is an indirect wholly owned subsidiary of State Street Bank and Trust Company ("SSBT"), a bank and trust company organised under the laws of the Commonwealth of Massachusetts, USA and a bank licensed under the Banking Ordinance (Cap. 155 of the Laws of Hong Kong). SSBT is owned by State Street Corporation, a bank holding company listed on the New York Stock Exchange.

Under the Trust Deed, the Trustee is responsible for the safe-keeping of the assets of the Trust and the Sub-Funds, and shall take into custody or under its control all the investments, assets and other properties forming part of the Trust Fund of each Sub-Fund and hold them in trust for the Unitholders of the relevant Sub-Fund in accordance with the provisions and subject to the terms of the Trust Deed. All monies and other property which form part of the Trust Fund shall be paid or transferred to or to the order of the Trustee forthwith on receipt by the Manager. All such monies and other property and all investments from time to time comprised of the Trust Fund (and whether in bearer or registered form) shall be dealt with as the Trustee may think proper for the purpose of providing for the safe keeping thereof. Subject to the Trust Deed, cash and investments forming part of the Trust Fund and capable of registration shall, as soon as reasonably practicable after receipt of the necessary documents by the Trustee be registered in the name of or to the order of the Trustee. The Trustee shall in respect of any investments or other assets of a Sub-Fund, which by nature cannot be held in custody, maintain a proper record of such investments or assets in its books under the name of that Sub-Fund.

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 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 has appointed its Connected Person, SSBT, as the master global custodian of the Trust and the Sub-Funds. SSBT may also appoint related parties as sub-custodians.

The Trustee is required to: (a) exercise reasonable care, skill and diligence in the selection, appointment and ongoing monitoring of custodians, nominees, agents, co-custodians and sub-custodians which are appointed for the custody and/or safekeeping of the investments or other property comprised in the Trust Fund (each "a Correspondent"); and (b) be satisfied that each Correspondent retained remains suitably qualified and competent on an ongoing basis to provide the relevant services to the Trust. The Trustee shall be liable for the acts and omissions of its Correspondent 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 Correspondent which is not a Connected Person of the Trustee.

The Trustee shall not be responsible for any act or omission of or be liable for any loss or damage caused by: (i) any depositary or clearing and settlement system (including, but not limited to, Euro-clear Clearing System Limited or Clearstream Banking S.A.) (ii) the Registrar (other than where the Trustee is the Registrar), Participating Dealers, counterparties, third party service providers and advisers; or (iii) any agents of or persons appointed by the Manager.

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. Any indemnity expressly given to the Trustee in the Trust Deed is in addition to and without prejudice to any indemnity allowed by law.

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.

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 Administrator

The Manager has appointed SSBT as Administrator of the Trust and the Sub-Funds. The Administrator will provide accounting, Net Asset Value calculation and other administrative

services pursuant to an Administrative Services Agreement.

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 or PD Agent (as the case may be).

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.

If the Participating Dealer has appointed a PD Agent, the PD Agent will act as an agent of the Participating Dealer to create and redeem Units in a Sub-Fund.

The Manager has the right to appoint the Participating Dealers for a Sub-Fund. The criteria for the eligibility and selection of Participating Dealers is as follows: (i) the Participating Dealer and (where applicable) PD Agent must be licensed for at least Type 1 regulated activity pursuant to the SFO with a business presence in Hong Kong; (ii) the Participating Dealer and (where applicable) PD Agent must have entered into a Participating Agreement with the Manager and the Trustee; (iii) the Participating Dealer (and where applicable, the appointment of the PD Agent by the Participating Dealer) must be acceptable to the Manager; and (iv) the Participating Dealer (and where applicable, the PD Agent appointed by the Participating Dealer) must be a participant in CCASS.

The latest list of the Participating Dealers and PD Agents (if any) in respect of each Sub-Fund is available at www.bmo.hk (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. Where a Dual Counter or Multi-Counter has been adopted, it is a requirement that the Manager ensures that there is at all times at least one Market Maker for Units traded in each counter although the same entity can act as the Market Maker for more than one counter. 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 (or per counter where a Dual Counter or Multi-Counter has been adopted) to facilitate the efficient trading of Units. The Manager will use its best endeavours to put in place arrangements so that at least one Market Maker per Sub-Fund (or per counter where a Dual Counter or Multi-Counter has been adopted) 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 www.hkex.com.hk and www.bmo.hk (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.

Further details relating to market making arrangement (including market making arrangement where Dual Counter or Multi-Counter is adopted) are described in Part 2 of this Prospectus.

The Listing Agent

Altus Capital Limited has been appointed by the Manager as the Listing Agent for BMO MSCI Japan Hedged to USD ETF, BMO MSCI Europe Quality Hedged to USD ETF, BMO MSCI Asia Pacific Real Estate ETF and BMO NASDAQ 100 ETF in accordance with The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited in respect of each 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 AGH102.

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. 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 relevant Sub-Fund. 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. Neither the Manager nor the Trustee shall 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 Manager or the Trustee in the course of the Manager or 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.

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 or may be interested in any such contract or transaction. In particular, cash will be placed with SSBT as banker or may, at the discretion of the Manager, be invested in certificates of deposit or banking instruments issued by the Trustee's Connected Persons, including SSBT. In its capacities as custodian and banker, SSBT will earn fees/interest for such services and may receive other benefits in connection with such services.

(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) Where any monies forming part of any Sub-Fund are transferred to a deposit account with the Trustee, the Manager, the Investment Delegate or any of their respective Connected Persons (being an institution licensed to accept deposits), such cash deposit shall be maintained in a manner that is in the best interests of the Unitholders of the relevant Sub-Fund, having regard to the prevailing commercial rate for a deposit of similar type, size and duration negotiated at arm's length in accordance with ordinary and normal course of business.

(f) Any arrangements for the borrowing of any monies for the account of the Sub-Funds may be made with any of the Trustee, the Manager, any Investment Delegate or any of their Connected Persons being a banker or other financial institution provided that such person shall charge interest at no higher rate, and any fee for arranging or terminating the loan is of no greater amount than is in accordance with its normal banking practice, the commercial rates for loan of a similar size, nature and duration, in circumstances similar to those then prevailing in relation to the relevant Sub-Fund negotiated at arm's length.

(g) Subject to applicable rules and regulations, the Manager, its delegate or any of its Connected Persons may enter into 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

(h) The Manager may enter into trades for the account of a Sub-Fund with the accounts of other clients of the Manager or its affiliates ("cross trades"). Such cross trades will only be undertaken where the sale and purchase decisions are in the best interests of both clients and fall within the investment objective, restrictions and policies of both clients, the cross trades are executed on arm's length terms at current market value, and the reasons for such cross trades are documented prior to execution. Cross trades may also be entered into between house accounts (i.e. account owned by the Manager or any of its Connected Persons over which it can exercise control and influence) and client accounts in accordance with applicable laws and regulations.

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.

If the Manager decides to execute foreign exchange, spot, forward or swap transactions (collectively, "foreign exchange transactions") with a Connected Person of the Trustee (a "State Street counterparty") then:

(a) such State Street counterparty will enter into such foreign exchange transaction with or for the account of the relevant Sub-Fund as a principal counterparty (and not as agent or fiduciary for the Trustee or the relevant Sub-Fund of class of Units or the Manager and on a basis determined by the Manager to represent a transaction on an arm's length basis);
(b) the Manager will at its discretion determine the method of execution to be used, either generally or in any particular case, from the methods of execution made available to it by the State Street counterparty and as outlined in client publications issued by State Street from time to time and shall be responsible for determining which method of execution is suitable for the relevant Sub-Fund or class of Units;
(c) any such transaction shall be effected at rates quoted or as determined by the State Street counterparty from time to time which are consistent with the applicable method of execution chosen by the Manager from the methods made available to it by the State Street counterparty in light of such factors as the Manager determines to be relevant, including price, services transaction size and execution quality; and
(d) the State Street counterparty with whom a Manager determines to execute foreign exchange transactions for the account of a Sub-Fund of class of Units shall be entitled to retain for its own use and benefit any profit, benefit and/or advantage which it may derive from any such foreign exchange transactions or the holding of any cash in connection with such transactions.

For the avoidance of doubt, the Manager may elect to enter into foreign exchange transactions with counterparties other than a State Street counterparty.

Where the Manager invests the Sub-Funds in shares or units of a collective investment scheme ("underlying scheme") managed by the Manager, its delegates or any of its Connected Persons, the manager of the underlying scheme must waive any management fee, preliminary or initial charge or redemption charge which it is entitled to charge for its own account in relation to

the acquisition or redemption of shares or units, as the case may be, 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. Notwithstanding, such investment will present indirect benefits to the Manager, its delegates or its Connected Persons (as the case may be) including but not limited to the increase in assets under management and/or seed money in the underlying scheme and resulting economics of scale. The Manager manages these conflicts of interest by having robust procedures around the selection of underlying schemes.

None of the Manager, its delegates (including the Investment Delegates, if any) or any of its Connected Persons shall, retain any cash commission or 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 the Investment Delegates, 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 and brokerage rates are not in excess of customary institutional full-service brokerage rates, periodic disclosure in the form of a statement describing the soft dollar policies and practices of the Manager or the Investment Delegate, including a description of the goods and services received by them, will be made in the relevant Sub-Fund's annual report. Further, the availability of the soft dollar arrangements is not the sole or primary purpose to perform or arrange transaction with such broker or dealer.

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 Connected Persons.

The foregoing parties may effect transactions with or on behalf of the Sub-Funds 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, the Investment Delegates, the Trustee 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 (applying the same accounting policies and method of computation as are applied in the audited annual accounts) 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 were 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. 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 (summarised below in "Indemnities of the Trustee and Manager") and their relief from liability in certain circumstances. 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 liability 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, regulatory 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 involving material changes require the sanction of an extraordinary resolution of the Unitholders affected or the approval of the SFC (but only to the extent such approval is required under the Code).

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 value 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 (including the Manager and the Trustee), 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.

Any unclaimed proceeds or other cash held by the Trustee upon termination of the Fund or a Sub-Fund, as the case may be, may at the expiration of twelve months from the date upon which the same were payable be paid into court subject to the right of the Trustee to deduct therefrom any expenses it may incur in making such payment.

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.

Liquidity Risk Management

The Manager has established a liquidity risk management policy which enables it to identify, monitor and manage the liquidity risks of the Sub-Funds and to ensure that the liquidity profile of the investments of the relevant Sub-Fund will facilitate compliance with such Sub-Fund's obligation to meet redemption requests. Such policy, combined with the liquidity management tools of the Manager, also seeks to achieve fair treatment of Unitholders and safeguard the interests of remaining Unitholders in case of sizeable redemptions.

The Manager's liquidity risk management policy takes into account the investment strategy, the liquidity profile, the redemption policy, the dealing frequency, the ability to enforce redemption limitations and the fair valuation policies of the Sub-Funds. These measures seek to ensure fair treatment and transparency for all investors.

The liquidity risk management policy involves monitoring the profile of investments held by each Sub-Fund on an ongoing basis to ensure that such investments are appropriate to the redemption policy as stated under the section headed "Redemption of Units through Participating Dealers", and will facilitate compliance with each Sub-Fund's obligation to meet redemption requests. Further, the liquidity risk management policy requires periodic stress testing to be carried out by the Manager to manage the liquidity risk of the Sub-Funds under normal and exceptional market conditions.

As a liquidity risk management tool, the Manager may limit the number of Units of a Sub-Fund redeemed on any Dealing Day to Units representing 10% (or such higher percentage as the Manager may determine in respect of the Sub-Fund) of the total number of Units in such a Sub-Fund then in issue, subject to the conditions as set out under "Deferred Redemption" in the section "Creations and Redemptions (Primary Market)" above.

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 (which has not been reviewed or approved by the SFC) including:

(a) this Prospectus and the product key facts 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 real time or near-real time indicative Net Asset Value per Unit updated every 15 seconds during trading hours throughout each Dealing Day in HKD (where a Dual Counter has been adopted for a Sub-Fund, in HKD and USD, and where a Multi-Counter has been adopted for a Sub-Fund, in HKD, USD and RMB);

(f) the last Net Asset Value of each Sub-Fund in HKD and, the last Net Asset Value per Unit of each Sub-Fund (updated on a daily basis) in HKD (where a Dual Counter has been adopted for a Sub-Fund, in HKD and USD, and where a Multi-Counter has been adopted for a Sub-Fund, in HKD, USD and RMB);

(g) the full holdings of the Sub-Funds (updated on a daily basis unless otherwise specified in the relevant Appendix);

(h) the latest list of the Participating Dealers and Market Makers;

(i) if applicable to the Sub-Fund, the composition of distributions (i.e. the relative amounts paid out of (i) net distributable income, and (ii) capital), if any, for a 12-month rolling period; and

(j) if a Sub-Fund's net derivative exposure exceeds 50% of its total Net Asset Value or if securities financing transactions undertaken by a Sub-Fund exceed 50% of its total Net Asset Value, information on financial derivative instruments acquired by or securities financing transactions undertaken by the Sub-Fund (such as counterparty exposure and collateral information).

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.

In respect of a Sub-Fund where a Dual Counter has been adopted:

(a) the near-real time indicative Net Asset Value per Unit in USD is indicative and for reference purposes only. The near-real time indicative Net Asset Value per Unit in USD is calculated by ICE Data Indices, LLC using the near-real time indicative Net Asset Value per Unit in HKD multiplied by the real time USD:HKD foreign exchange rate. This is updated during SEHK trading hours when the SEHK is opened for trading.

(b) the last Net Asset Value per Unit in USD is indicative and for reference purposes only and is calculated using the last Net Asset Value per Unit in HKD multiplied by an assumed foreign exchange rate using the USD:HKD exchange rate quoted by WM Reuters at 4:00 p.m. (London time)* as of the same Dealing Day.

In respect of a Sub-Fund where a Multi-Counter has been adopted:

(c) the near-real time indicative Net Asset Value per Unit in USD and RMB is indicative and for reference purposes only. The near-real time indicative Net Asset Value per Unit in USD and RMB is calculated by ICE Data Indices, LLC using the near-real time indicative Net Asset Value per Unit in HKD multiplied by the real time USD:HKD and RMB(CNH):HKD foreign exchange rates. This is updated during SEHK trading hours when the SEHK is opened for trading.

(d) the last Net Asset Value per Unit in USD and RMB is indicative and for reference purposes only and is calculated using the last Net Asset Value per Unit in HKD multiplied by an

assumed foreign exchange rate using the USD:HKD or RMB(CNH):HKD exchange rate quoted by WM Reuters at 4:00 p.m. (London time)* as of the same Dealing Day.

**Please note 4:00 p.m. (London time) (i) during British Summer Time is equivalent to 11:00 p.m. Hong Kong time and (ii) otherwise is equivalent to 12:00 a.m. Hong Kong time on the next day.*

Notices

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

Manager	***Trustee***
BMO Global Asset Management (Asia) Limited 36/F & Suite 3808, One Exchange Square Central Hong Kong	State Street Trust (HK) Limited 68/F, Two International Finance Centre 8 Finance Street Central 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 (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 IRD (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.

Under the Stamp Duty (Amendment) Ordinance 2015, with effect from 13 February 2015, no stamp duty is payable on the transfers (sale or purchase) of shares or units of exchange traded funds (as defined in Part 1 of Schedule 8 to the SDO) traded on the SEHK. Accordingly, no stamp duty will be payable by Unitholders of the Sub-Funds on any transfer of Units.

Automatic Exchange of Financial Account Information

The Inland Revenue (Amendment) (No.3) Ordinance (the "Ordinance") came into force on 30 June 2016. This is the legislative framework for the implementation in Hong Kong of the Standard for Automatic Exchange of Financial Account Information ("AEOI"). The AEOI requires financial institutions ("FI") in Hong Kong to collect information relating to non-Hong Kong tax residents holding accounts with FIs, and exchange such information with the jurisdiction(s) in which that account holder is resident. Generally, tax information will be exchanged only with jurisdictions with which Hong Kong has a Competent Authority Agreement ("CAA"); however, the Trust, the Sub-Funds and/or their agents may further collect information relating to residents of other jurisdictions.

The AEOI rules as implemented by Hong Kong require the Trust and each Sub-Fund and/or its agents to, amongst other things: (i) register the Trust and each Sub-Fund status as a "Reporting Financial Institution" with the IRD; (ii) conduct due diligence on its accounts (i.e. Unitholders) to identify whether any such accounts are considered "Reportable Accounts" for AEOI purposes; and (iii) report to the IRD information on such Reportable Accounts. The IRD is expected on an annual basis to transmit the information reported to it to the government authorities of the relevant jurisdictions with which Hong Kong has signed a CAA. Broadly, AEOI contemplates that Hong Kong FIs should report on: (i) individuals or entities that are tax resident in a jurisdiction with which Hong Kong has signed a CAA; and (ii) certain entities controlled by individuals who are tax resident in such other jurisdiction. Under the Ordinance, details of Unitholders, including but not limited to their name, jurisdiction of birth, address, tax residence, account details, account balance/value and income or sale or redemption proceeds, may be reported to the IRD and subsequently exchanged with government authorities in the relevant jurisdictions of tax residence.

By investing in a Sub-Fund and/or continuing to invest in a Sub-Fund, Unitholders acknowledge that they may be required to provide additional information to the Trust, the Sub-Fund, the Manager and/or their agents in order for the Sub-Fund to comply with AEOI. The Unitholder's information (and information on beneficial owners, beneficiaries, direct or indirect shareholders or other persons associated with such Unitholders that are not natural persons), may be communicated by the IRD to authorities in other jurisdictions. The failure of a Unitholder to provide any requested information may result in the Trust, the Sub-Fund, the Manager and/or their agents taking any action and/or pursue remedies at their disposal including, without limitation, mandatory redemption or withdrawal of the Unitholder concerned.

Each Unitholder and prospective investor should consult its own professional advisor(s) on the administrative and substantive implications of AEOI on its current or proposed investment in a Sub-Fund.

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 included 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 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. 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) 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 that 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 certain payments of US source income, including US source dividends and interest, made after 30 June 2014. Pending further regulatory guidance from the US Treasury/IRS the 30% withholding may also apply to payments otherwise attributable to non-US source income (also known as "foreign passthru payments") starting from the date that is two years after the publication of final regulations defining the term "foreign passthru payment".

The US has entered into IGAs with a number of jurisdictions to facilitate the implementation of FATCA. Hong Kong and the US have entered into a Model 2 IGA.

The Model 2 IGA modifies the foregoing requirements but generally requires similar information to be disclosed to the IRS. An FFI 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). 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 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), K1ZQSL.99999.SL.344 (BMO MSCI Japan Hedged to USD ETF), CSFA40.99999.SL.344 (BMO MSCI Europe Quality Hedged to USD ETF), 4KIZMF.99999.SL.344 (BMO MSCI Asia Pacific Real Estate ETF) and VQAH4E.99999.SL.344 (BMO NASDAQ 100 ETF). In order to protect Unitholders and avoid being subject to withholding under FATCA, it is the Manager's intention to satisfy the requirements imposed under FATCA and the Manager is responsible for the compliance of the Trust and the Sub-Funds with 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.

SCHEDULE 1 - INVESTMENT RESTRICTIONS

1. **Investment limitations applicable to each Sub-Fund**

No holding of any security may be acquired for or added to a Sub-Fund which would be inconsistent with achieving the investment objective of the Sub-Fund or which would result in:

(a) the aggregate value of the Sub-Fund's investments in, or exposure to, any single entity (other than Government and other public securities) through the following exceeding 10% of the latest available Net Asset Value of the relevant Sub-Fund:

(i) investments in securities issued by that entity;

(ii) exposure to that entity through underlying assets of financial derivative instruments; and

(iii) net counterparty exposure to that entity arising from transactions of over-the-counter financial derivative instruments.

For the avoidance of doubt, restrictions and limitations on counterparty as set out in sub-paragraphs 1(a), 1(b) and 4.4(c) of this Schedule 1 will not apply to financial derivative instruments that are:

(A) transacted on an exchange where the clearing house performs a central counterparty role; and

(B) marked-to-market daily in the valuation of their financial derivative instrument positions and subject to margining requirements at least on a daily basis.

The requirements under this sub-paragraph 1(a) will also apply in the case of sub-paragraphs 6(e) and (j) of this Schedule 1;

(b) subject to sub-paragraphs 1(a) and 4.4(c) of this Schedule 1, the aggregate value of the Sub-Fund's investments in, or exposure to, entities within the same group through the following exceeding 20% of the latest available Net Asset Value of the relevant Sub-Fund:

(i) investments in securities issued by those entities;

(ii) exposure to those entities through underlying assets of financial derivative instruments; and

(iii) net counterparty exposure to those entities arising from transactions of over-the-counter financial derivative instruments.

For the purposes of sub-paragraphs 1(b) and 1(c) of this Schedule 1, "entities within the same group" means entities which are included in the same group for the purposes of consolidated financial statements prepared in accordance with internationally recognized accounting standards.

The requirements under this sub-paragraph 1(b) will also apply in the case of sub-paragraphs 6(e) and (j) of this Schedule 1;

(c) the value of the Sub-Fund's cash deposits made with the same entity or entities within the same group exceeding 20% of the latest available Net Asset Value of the relevant Sub-Fund provided that the 20% limit may be exceeded in the following circumstances:

(i) cash held before the launch of the Sub-Fund and for a reasonable period thereafter prior to the initial subscription proceeds being fully invested;

(ii) cash proceeds from liquidation of investments prior to the merger or termination of the Sub-Fund, whereby the placing of cash deposits with various financial institutions would not be in the best interests of investors; or

(iii) cash proceeds received from subscriptions pending investments and cash held for the settlement of redemption and other payment obligations, whereby the placing of cash deposits with various financial institutions would be unduly burdensome and the cash deposits arrangement would not compromise investors' interests.

For the purposes of this sub-paragraph 1(c), "cash deposits" generally refer to those that are repayable on demand or have the right to be withdrawn by the Sub-Fund and not referable to provision of property or services;

(d) the Sub-Fund's holding of any ordinary shares (when aggregated with all other Sub-Funds' holdings of such ordinary shares) exceeding 10% of any ordinary shares issued by any single entity;

(e) the value of the Sub-Fund's investment in securities and other financial products or instruments that are neither listed, quoted nor dealt in on a market (being 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), exceeding 15% of the latest available Net Asset Value of such Sub-Fund;

(f) the value of the Sub-Fund's total holding of Government and other public securities of the same issue exceeding 30% of the latest available Net Asset Value of such Sub-Fund (save that the Sub-Fund may invest all of its assets in Government and other public securities in at least six different issues). For the avoidance of doubt, Government and other public securities will be regarded as being of a different issue if, even though they are issued by the same person, they are issued on different terms whether as to repayment dates, interest rates, the identity of the guarantor, or otherwise; and

(g) (i) the value of the Sub-Fund's investment in units or shares in other collective investment schemes (namely "**underlying schemes**") which are non-eligible schemes (the list of "eligible schemes" is as specified by the SFC from time to time) and not authorized by the SFC in aggregate exceeding 10% of its latest available Net Asset Value; and

(ii) the value of the Sub-Fund's investment in units or shares in each underlying scheme which is either an eligible scheme (the list of "eligible schemes" is as specified by the SFC from time to time) or a scheme authorized by the SFC exceeding 30% of its latest available Net Asset Value unless the underlying scheme is authorized by the SFC, and the name and key investment information of the underlying scheme are disclosed in the Appendix of that Sub-Fund,

provided that:

(A) no investment may be made in any underlying scheme the investment objective of which is to invest primarily in any investment prohibited by Chapter 7 of the Code;

(B) where an underlying scheme's objective is to invest primarily in investments restricted by Chapter 7 of the Code, such investments may not be in contravention of the relevant limitation. For the avoidance of doubt, a Sub-Fund may invest in underlying scheme(s) authorized by the SFC under Chapter 8 of the Code (except for hedge funds under 8.7 of the Code), eligible scheme(s) of which the net derivative exposure does not exceed 100% of its total net asset value, and Qualified Exchange Traded Funds in compliance with sub-paragraphs 1(g)(i) and (ii) of this Schedule 1;

(C) the underlying scheme's objective may not be to invest primarily in other collective investment scheme(s);

(D) all initial charges and redemption charges on the underlying scheme(s) must be waived if the underlying scheme is managed by the Manager or its Connected Persons; and

(E) the Manager or any person acting on behalf of the Sub-Fund or the Manager may not obtain a rebate on any fees or charges levied by an underlying scheme or its management company, or any quantifiable monetary benefits in connection with investments in any underlying scheme.

For the avoidance of doubt:

(aa) unless otherwise provided under the Code, the spread requirements under sub-paragraphs 1(a), (b), (d) and (e) of this Schedule 1 do not apply to investments in other collective investment schemes by a Sub-Fund;

(bb) unless otherwise disclosed in the Appendix of a Sub-Fund, the investment by a Sub-Fund in a Qualified Exchange Traded Fund will be considered and treated as listed securities for the purposes of and subject to the requirements in sub-paragraphs 1(a), (b) and (d) of this Schedule 1. Notwithstanding the aforesaid, the investments by a Sub-Fund in Qualified Exchange Traded Funds shall be subject to sub-paragraph 1(e) of this Schedule 1 and the relevant investment limits in Qualified Exchange Traded Funds by a Sub-Fund shall be consistently applied;

(cc) where investments are made in listed real estate investment trusts ("REITs"), the requirements under sub-paragraphs 1(a), (b) and (d) of this Schedule 1 apply and where investments are made in unlisted REITs, which are either companies or collective investment schemes, then the requirements under sub-paragraphs 1(e) and (g)(i) of this Schedule 1 apply respectively; and

(dd) where a Sub-Fund invests in index-based financial derivative instruments, the underlying assets of such financial derivative instruments are not required to be aggregated for the purposes of the investment restrictions or limitations set out in sub-paragraphs 1(a), (b), (c) and (f) of this Schedule 1 provided that the index is in compliance with the requirements under 8.6(e) of the Code.

2. Investment prohibitions applicable to each Sub-Fund

The Manager shall not, unless otherwise specifically provided for in the Code, on behalf of any Sub-Fund:

(a) invest in physical commodities unless otherwise approved by the SFC on a case-by-case basis taking into account the liquidity of the physical commodities concerned and availability of sufficient and appropriate additional safeguards where necessary;

(b) invest in any type of real estate (including buildings) or interests in real estate (including any options or rights but excluding shares in real estate companies and interests in REITs);

(c) make short sales unless (i) the liability of the relevant Sub-Fund to deliver securities does not exceed 10% of its latest available Net Asset Value; (ii) the security which is to be sold short is actively traded on a market where short selling activity is permitted; and (iii) the short sales are carried out in accordance with all applicable laws and regulations;

(d) carry out any naked or uncovered short sale of securities;

(e) subject to sub-paragraph 1(e) of this Schedule 1, lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person. For the avoidance of doubt, reverse repurchase transactions in compliance with the requirements as set out in sub-paragraphs 5.1 to 5.4 of this Schedule 1 are not subject to the limitations in this sub-paragraph 2(e);

(f) acquire any asset or engage in any transaction which involves the assumption of any liability by the relevant Sub-Fund which is unlimited. For the avoidance of doubt, the liability of Unitholders of a Sub-Fund is limited to their investments in that Sub-Fund;

(g) invest in any security of any class in any company or body if any director or officer of the Manager individually owns more than 0.5%, or collectively they own more than 5%, of the total nominal amount of all the issued securities of that class;

(h) invest in any security where a call is to be made for any sum unpaid on that security, unless the call could be met in full out of cash or near cash from the Sub-Fund's portfolio whereby such amount of cash or near cash has not been segregated to cover a future or contingent commitment arising from transaction in financial derivative instruments for the purposes of sub-paragraphs 4.5 and 4.6 of this Schedule 1.

3. Feeder Funds

A Sub-Fund which is a feeder fund may invest 90% or more of its total Net Asset Value in a single collective investment scheme ("**underlying scheme**") in accordance with the following provisions:

(a) such underlying scheme ("**master fund**") must be authorized by the SFC;

(b) no increase in the overall total of initial charges, redemption charges, management fees, or any other costs and charges payable to the Manager or any of its connected persons borne by the Unitholders or by the feeder fund may result, if the master fund in which the feeder fund invests is managed by the Manager or by a connected person of the Manager; and

(c) notwithstanding proviso (C) to sub-paragraph 1(g) of this Schedule 1, the master fund may invest in other collective investment scheme(s) subject to the investment restrictions as set out in sub-paragraphs 1(g)(i) and (ii) and proviso (A), (B) and (C) to sub-paragraph 1(g) of this Schedule 1.

4. Use of Financial derivative instruments

4.1 A Sub-Fund may acquire financial derivative instruments for hedging purposes. For the purposes of this sub-paragraph 4.1, financial derivative instruments are generally considered as being acquired for hedging purposes if they meet all the following criteria:

(a) they are not aimed at generating any investment return;

(b) they are solely intended for the purpose of limiting, offsetting or eliminating the probability of loss or risks arising from the investments being hedged;

(c) although they may not necessarily reference to the same underlying assets, they should relate to the same asset class with high correlation in terms of risks and return, and involve taking opposite positions, in respect of the investments being hedged; and

(d) they exhibit price movements with high negative correlation with the investments being hedged under normal market conditions.

The Manager, where it deems necessary, shall cause hedging arrangement to be adjusted or re-positioned, with due consideration on the fees, expenses and costs, to enable the relevant

Sub-Fund to meet its hedging objective in stressed or extreme market conditions.

4.2 A Sub-Fund may also acquire financial derivative instruments for non-hedging purposes ("**investment purposes**") subject to the limit that such Sub-Fund's net exposure relating to these financial derivative instruments ("**net derivative exposure**") does not exceed 50% of its latest available Net Asset Value provided that such limit may be exceeded in such circumstances as permitted under the Code, handbook, code and/or guideline issued by the SFC from time to time or permitted by the SFC from time to time. For the avoidance of doubt, financial derivative instruments acquired for hedging purposes under sub-paragraph 4.1 of this Schedule 1 will not be counted towards the 50% limit referred to in this sub-paragraph 4.2 so long as there is no residual derivative exposure arising from such hedging arrangement. Net derivative exposure shall be calculated in accordance with the Code and the requirements and guidance issued by the SFC which may be updated from time to time.

4.3 Subject to sub-paragraphs 4.2 and 4.4 of this Schedule 1, a Sub-Fund may invest in financial derivative instruments provided that the exposure to the underlying assets of the financial derivative instruments, together with the other investments of the Sub-Fund, may not in aggregate exceed the corresponding investment restrictions or limitations applicable to such underlying assets and investments as set out in sub-paragraphs 1(a), (b), (c), (f), (g)(i) and (ii), proviso (A) to (C) to sub-paragraph 1(g) and sub-paragraph 2(b) of this Schedule 1.

4.4 The financial derivative instruments invested by a Sub-Fund shall be either listed/quoted on a stock exchange or dealt in over-the-counter market and comply with the following provisions:

(a) the underlying assets consist solely of shares in companies, debt securities, money market instruments, units/shares of collective investment schemes, deposits with substantial financial institutions, Government and other public securities, highly-liquid physical commodities (including gold, silver, platinum and crude oil), financial indices, interest rates, foreign exchange rates, currencies, or other asset classes acceptable to the SFC, in which the Sub-Fund may invest according to its investment objectives and policies;

(b) the counterparties to transactions of over-the-counter financial derivative instruments or their guarantors are substantial financial institutions or such other entity acceptable to the SFC;

(c) subject to sub-paragraphs 1(a) and (b) of this Schedule 1, a Sub-Fund's net counterparty exposure to a single entity arising from transactions of over-the-counter financial derivative instruments may not exceed 10% of its latest available Net Asset Value provided that the exposure of the Sub-Fund to a counterparty of over-the-counter financial derivative instruments may be lowered by the collateral received (if applicable) by the Sub-Fund and shall be calculated with reference to the value of collateral and positive mark to market value of the over-the-counter financial derivative instruments with that counterparty, if applicable; and

(d) the valuation of the financial derivative instruments is marked-to-market daily, subject to regular, reliable and verifiable valuation conducted by the Manager or the Trustee or their nominee(s), agent(s) or delegate(s) (as the case may be) independent of the issuer of the financial derivative instruments through measures such as the establishment of a valuation committee or engagement of third party services. The financial derivative instruments can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Sub-Fund's initiative. Further, any person appointed to perform valuation of the financial derivative instruments (including any calculation agent or the Administrator) should be adequately equipped with the necessary resources to conduct independent marked-to-market valuation and to verify the valuation of the financial derivative instruments on a regular basis.

4.5 A Sub-Fund should at all times be capable of meeting all its payment and delivery obligations incurred under transactions in financial derivative instruments (whether for hedging or for

investment purposes). The Manager shall, as part of its risk management process, monitor to ensure that the transactions in financial derivative instruments in respect of a Sub-Fund are adequately covered on an ongoing basis. For the purposes of this sub-paragraph 4.5, assets that are used to cover the Sub-Fund's payment and delivery obligations incurred under transactions in financial derivative instruments shall be free from any liens and encumbrances, exclude any cash or near cash for the purpose of meeting a call on any sum unpaid on a security, and cannot be applied for any other purposes.

4.6 Subject to sub-paragraph 4.5 of this Schedule 1, a transaction in financial derivative instruments which gives rise to a future commitment or contingent commitment of a Sub-Fund shall be covered as follows:

(a) in the case of financial derivative instruments transactions which will, or may at the Sub-Fund's discretion, be cash settled, the Sub-Fund shall at all times hold sufficient assets that can be liquidated within a short timeframe to meet the payment obligation; and

(b) in the case of financial derivative instruments transactions which will, or may at the counterparty's discretion, require physical delivery of the underlying assets, the Sub-Fund shall hold the underlying assets in sufficient quantity at all times to meet the delivery obligation. If the Manager considers the underlying assets to be liquid and tradable, the Sub-Fund may hold other alternative assets in sufficient quantity as cover, provided that such assets may be readily converted into the underlying assets at any time to meet the delivery obligation provided further that the Sub-Fund shall apply safeguard measures such as to apply haircut where appropriate to ensure that such alternative assets held are sufficient to meet its future obligations.

4.7 The requirements under sub-paragraphs 4.1 to 4.6 of this Schedule 1 shall apply to embedded financial derivative. For the purposes of this Prospectus, an "**embedded financial derivative**" is a financial derivative instrument that is embedded in another security.

5. Securities financing transactions

5.1 If so disclosed in the relevant Appendix, a Sub-Fund may engage in securities financing transactions, provided that they are in the best interests of Unitholders of such Sub-Fund to do so and the associated risks have been properly mitigated and addressed, and provided further that the counterparties to the securities financing transactions are financial institutions which are subject to ongoing prudential regulation and supervision.

5.2 A Sub-Fund shall have at least 100% collateralization in respect of the securities financing transaction(s) into which it enters to ensure there is no uncollateralized counterparty risk exposure arising from these transactions.

5.3 All the revenues arising from securities financing transactions, net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of the securities financing transactions, shall be returned to the Sub-Fund.

5.4 A Sub-Fund shall only enter into a securities financing transaction if the terms of such securities financing transaction include the power for the Sub-Fund at any time to recall the securities or the full amount of cash (as the case may be) subject to the securities financing transaction or terminate the securities financing transaction(s) into which it has entered.

6. Collateral

In order to limit the exposure to each counterparty as set out in sub-paragraphs 4.4(c) and 5.2 of this Schedule 1, a Sub-Fund may receive collateral from such counterparty, provided that the collateral complies with the requirements set out below:

(a) Liquidity – the collateral is sufficiently liquid and tradable in order that it can be sold quickly at a robust price that is close to pre-sale valuation. Collateral should normally

trade in a deep and liquid marketplace with transparent pricing;

(b) Valuation – the collateral is marked-to-market daily by using independent pricing sources;

(c) Credit quality – the collateral is of high credit quality provided that, in the event the credit quality of the collateral or the issuer of the asset being used as collateral has deteriorated to such a degree that it would undermine the effectiveness of the collateral, such collateral shall be replaced immediately;

(d) Haircut – the collateral is subject to a prudent haircut policy;

(e) Diversification – the collateral is appropriately diversified so as to avoid concentrated exposure to any single entity and/or entities within the same group. A Sub-Fund's exposure to the issuer(s) of the collateral should be taken into account in compliance with the investment restrictions and limitations set out in sub-paragraphs 1(a), 1(b), 1(c), 1(f), 1(g)(i) and (ii) and provisos (A) to (C) of sub-paragraph 1(g) and sub-paragraph 2(b) of this Schedule 1;

(f) Correlation – the value of the collateral should not have any significant correlation with the creditworthiness of the counterparty or the issuer of the financial derivative instruments, or the counterparty of securities financing transactions in such a way that would undermine the effectiveness of the collateral. For this purpose, securities issued by the counterparty or the issuer of the financial derivative instruments, or the counterparty of securities financing transactions or any of their related entities should not be used as collateral;

(g) Management of operational and legal risks – the Manager has appropriate systems, operational capabilities and legal expertise for proper collateral management;

(h) Independent custody – the collateral is held by the Trustee or by duly appointed nominee, agent or delegate;

(i) Enforceability – the collateral is readily accessible or enforceable by the Trustee without further recourse to the issuer of the financial derivative instruments, or the counterparty of the securities financing transactions;

(j) Re-investment of collateral – any re-investment of collateral received for the account of the relevant Sub-Fund shall be subject to the following requirements:

(i) cash collateral received may only be reinvested in short-term deposits, high quality money market instruments and money market funds authorized under 8.2 of the Code or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC, and subject to corresponding investment restrictions or limitations applicable to such investments or exposure as set out in Chapter 7 of the Code. For this purpose, money market instruments refer to securities normally dealt in on the money markets, including government bills, certificates of deposit, commercial papers, short-term notes and bankers' acceptances, etc. In assessing whether a money market instrument is of high quality, at a minimum, the credit quality and the liquidity profile of the money market instruments must be taken into account;

(ii) non-cash collateral received may not be sold, re-invested or pledged;

(iii) the portfolio of assets from re-investment of cash collateral shall comply with the requirements as set out in sub-paragraphs 7(b) and 7(j) of this Schedule 1;

(iv) cash collateral received is not allowed to be further engaged in any securities financing transactions;

(v) when the cash collateral received is reinvested into other investment(s), such investment(s) is/are not allowed to be engaged in any securities financing transactions;

(k) the collateral is free of prior encumbrances; and

(l) the collateral generally does not include (i) structured products whose payouts rely on embedded financial derivatives or synthetic instruments; (ii) securities issued by special purpose vehicles, special investment vehicles or similar entities; (iii) securitized products; or (iv) unlisted collective investment schemes.

7. Money Market Funds

In the exercise of its investment powers in relation to a Sub-Fund which is a money market fund ("Money Market Fund") authorised by the SFC under 8.2 of the Code, the Manager shall ensure that the core requirements as set out in paragraphs 1, 2, 4, 5, 6, 9, 10.1 and 10.2 of this Schedule 1 shall apply with the following modifications, exemptions or additional requirements:

(a) subject to the provisions set out below, a Money Market Fund may only invest in short-term deposits and high quality money market instruments (i.e. securities normally dealt in on the money markets including government bills, certificates of deposit, commercial papers, short-term notes, bankers' acceptances, asset-backed securities such as asset-backed commercial papers), and money market funds that are authorised by the SFC under Chapter 8.2 of the Code or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC;

(b) a Money Market Fund shall maintain a portfolio with weighted average maturity not exceeding 60 days and a weighted average life not exceeding 120 days and must not purchase an instrument with a remaining maturity of more than 397 days (or two years in the case of Government and other public securities). For the purposes herein;

(i) "weighted average maturity" is a measure of the average length of time to maturity of all the underlying securities in a Money Market Fund weighted to reflect the relative holdings in each instrument; and is used to measure the sensitivity of the Money Market Fund to changing money market interest rates; and

(ii) "weighted average life" is the weighted average of the remaining life of each security held in a Money Market Fund; and is used to measure the credit risk, as well as the liquidity risk,

provided that the use of interest rate resets in variable-notes or variable-rate notes generally should not be permitted to shorten the maturity of a security for the purpose of calculating weighted average life, but may be permitted for the purpose of calculating weighted average maturity;

(c) notwithstanding sub-paragraphs 1(a) and 1(c) of this Schedule 1, the aggregate value of a Money Market Fund's holding of instruments issued by a single entity, together with any deposits held with that same issuer may not exceed 10% of the latest available Net Asset Value of such Money Market Fund except:

(i) the value of a Money Market Fund's holding of instruments and deposits issued by a single entity may be increased to 25% of the latest available Net Asset Value of such Money Market Fund if the entity is a substantial financial institution, provided that the total value of such holding does not exceed 10% of the entity's share capital and non-distributable capital reserves;

(ii) up to 30% of a Money Market Fund's latest available Net Asset Value may be invested in Government and other public securities of the same issue; or

(iii) in respect of any deposit of less than US$1,000,000 or its equivalent in the Base Currency of the relevant Money Market Fund where such Money Market Fund cannot otherwise diversify as a result of its size;

(d) notwithstanding sub-paragraphs 1(b) and 1(c) of this Schedule 1, the aggregate value of a Money Market Fund's investments in entities within the same group through instruments and deposits may not exceed 20% of its latest available Net Asset Value provided that:

(i) the aforesaid limit will not apply in respect of cash deposit of less than US$ 1,000,000 or its equivalent in the Base Currency of such Money Market Fund, where it cannot otherwise diversify as a result of its size; and

(ii) where the entity is a substantial financial institution and the total amount does not exceed 10% of the entity's share capital and non-distributable capital reserves, the limit may be increased to 25%;

(e) the value of a Money Market Fund's holding of money market funds that are authorised under Chapter 8.2 of the Code or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC may not in aggregate exceed 10% of its latest available Net Asset Value;

(f) the value of a Money Market Fund's holding of investments in the form of asset-backed securities may not exceed 15% of its latest available Net Asset Value;

(g) subject to paragraphs 5 and 6 of this Schedule 1, a Money Market Fund may engage in sale and repurchase transactions, and reverse repurchase transactions in compliance with the following additional requirements:

(i) the amount of cash received by the Money Market Fund under sale and repurchase transactions may not in aggregate exceed 10% of its latest available Net Asset Value;

(ii) the aggregate amount of cash provided to the same counterparty in reverse repurchase agreements may not exceed 15% of the latest available Net Asset Value of the Money Market Fund;

(iii) collateral received may only be cash, high quality money market instruments and may also include, in the case of reverse repurchase transactions, government securities receiving a favourable assessment on credit quality; and

(iv) the holding of collateral, together with other investments of the Money Market Fund, must not contravene the investment limitations and requirements set out in the other provisions of this paragraph 7 of this Schedule 1;

(h) a Money Market Fund may use financial derivative instruments for hedging purposes only;

(i) the currency risk of a Money Market Fund should be appropriately managed and any material currency risk that arises from investments of the Money Market Fund that are not denominated in its Base Currency shall be appropriately hedged;

(j) a Money Market Fund must hold at least 7.5% of its latest available Net Asset Value in daily liquid assets and at least 15% of its latest available Net Asset Value in weekly liquid assets. For the purposes herein:

(i) daily liquid assets refers to (i) cash; (ii) instruments or securities convertible into cash (whether by maturity or through exercise of a demand feature) within one Business Day; and (iii) amount receivable and due unconditionally within one Business Day on pending sales of portfolio securities; and

(ii) weekly liquid assets refers to (i) cash; (ii) instruments or securities convertible into cash (whether by maturity or through exercise of a demand feature) within five Business Days; and (iii) amount receivable and due unconditionally within five Business Days on pending sales of portfolio securities.

8. Index Funds

8.1 In the exercise of its investment powers in relation to a Sub-Fund the principal objective of which is to track, replicate or correspond to a financial index or benchmark ("**Underlying Index**"), with an aim of providing or achieving investment results or returns that closely match or correspond to the performance of the Underlying Index ("**Index Fund**"), the Manager shall ensure that the core requirements in paragraphs 1, 2, 4, 5, 6, 9.1, 10.1 and 10.3 of this Schedule 1 shall apply with the modifications or exceptions as set out in sub-paragraphs 8.2 to 8.4 below.

8.2 Notwithstanding sub-paragraph 1(a) of this Schedule 1, more than 10% of the latest available Net Asset Value of an Index Fund may be invested in constituent securities issued by a single entity provided that:

(a) it is limited to any constituent securities that each accounts for more than 10% of the weighting of the Underlying Index; and

(b) the Index Fund's holding of any such constituent securities may not exceed their respective weightings in the Underlying Index, except where weightings are exceeded as a result of changes in the composition of the Underlying Index and the excess is only transitional and temporary in nature.

8.3 Investment restrictions in sub-paragraphs 8.2(a) and (b) of this Schedule 1 do not apply if:

(a) an Index Fund adopts a representative sampling strategy which does not involve the full replication of the constituent securities of the Underlying Index in the exact weightings of such Underlying Index;

(b) the strategy is clearly disclosed in the relevant Appendix of the Index Fund;

(c) the excess of the weightings of the constituent securities held by the Index Fund over the weightings in the Underlying Index is caused by the implementation of the representative sampling strategy;

(d) any excess weightings of the Index Fund's holdings over the weightings in the Underlying Index must be subject to a maximum limit reasonably determined by the Index Fund after consultation with the SFC. In determining this limit, the Index Fund must consider the characteristics of the underlying constituent securities, their weightings and the investment objectives of the Underlying Index and any other suitable factors;

(e) limits laid down for the Index Fund pursuant to sub-paragraph 8.3(d) must be disclosed in the relevant Appendix of the Index Fund; and

(f) disclosure must be made in the Index Fund's interim and annual financial reports as to whether the limits imposed for the Index Fund itself pursuant to sub-paragraph 8.3(d) of this Schedule 1 have been complied with in full.

8.4 Subject to approval of the SFC, the investment restrictions in sub-paragraphs 1(b) and (c) of this Schedule 1 may be modified and the 30% limit in sub-paragraph 1(f) of this Schedule 1 may be exceeded, and an Index Fund may invest all of its assets in Government and other public securities in any number of different issues despite sub-paragraph 1(f) of this Schedule 1.

9. Borrowing and Leverage

The expected maximum level of leverage of each Sub-Fund is as follows:

Cash borrowing

9.1 No borrowing shall be made in respect of a Sub-Fund which would result in the principal amount for the time being of all borrowings made for the account of the relevant Sub-Fund exceeding an amount equal to 10% of the latest available Net Asset Value of the relevant Sub-Fund provided always that back-to-back loans do not count as borrowing. 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 a Sub-Fund any currency, and charge or pledge assets of the relevant Sub-Fund, 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 instructed by the Manager to the Trustee from time to time.

For the avoidance of doubt, securities lending transactions and sale and repurchase transactions in compliance with the requirements as set out in sub-paragraphs 5.1 to 5.4 of this Schedule 1 are not borrowings for the purpose of, and are not subject to the limitations in this sub-paragraph 9.1.

9.2 Notwithstanding sub-paragraph 9.1 of this Schedule 1, a Money Market Fund may borrow only on a temporary basis for the purposes of meeting redemption requests or defraying operating expenses.

Leverage from the use of financial derivative instruments

9.3 A Sub-Fund may also be leveraged through the use of financial derivative instruments and its expected maximum level of leverage through the use of financial derivative instruments (i.e. expected maximum net derivative exposure) is set out in the relevant Appendix.

9.4 In calculating the net derivative exposure, derivatives acquired for investment purposes that would generate incremental leverage at the portfolio level of the relevant Sub-Fund are converted into their equivalent positions in their underlying assets. The net derivative exposure is calculated in accordance with the requirements and guidance by the SFC which may be updated from time to time.

9.5 The actual level of leverage may be higher than such expected level in exceptional circumstances, for example when there are sudden movements in markets and/or investment prices.

10. Name of Sub-Fund

10.1 If the name of a Sub-Fund indicates a particular objective, investment strategy, geographic region or market, the Sub-Fund must, under normal market circumstances, invest at least 70% of its Net Asset Value in securities and other investments to reflect the particular objective, investment strategy or geographic region or market which the Sub-Fund represents.

10.2 The name of a Money Market Fund must not appear to draw a parallel between the Money Market Fund and the placement of cash on deposit.

10.3 The name of an Index Fund must reflect the nature of an index fund.

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	Bloomberg Barclays Asia USD Investment Grade Bond Index
Listing Date (SEHK)	13 November 2014
Dealing on SEHK Commencement Date	HKD counter: 13 November 2014 USD counter: 11 March 2019
Exchange Listing	SEHK – Main Board
Stock Code	HKD counter: 3141 USD counter: 9141
Short Stock Name	HKD counter: BMO ASIA IGB USD counter: BMO ASIA IGB-U
Trading Board Lot Size	HKD counter: 200 Units USD counter: 200 Units
Base Currency	HKD
Trading Currency	HKD counter: HKD USD counter: USD
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 distributions out of capital or effectively out of capital. **Distributions on all Units (whether traded in HKD or USD counter) will be in HKD only.** [#]
Creation/Redemption Policy	Cash (HKD or USD, as agreed with the relevant Participating Dealer)
Application Unit Size (only by or through Participating Dealers)	Minimum 50,000 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*	<u>HKD and USD counters</u> ABN AMRO Clearing Hong Kong Limited BNP Paribas Securities Services China Merchants Securities (HK) Co. Limited Goldman Sachs (Asia) Securities Limited Haitong International Securities Company Limited SG Securities (HK) Limited
Market Maker*	<u>HKD and USD counters</u> Flow Traders 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**

*Unitholders of the Sub-Fund should note that all Units will receive distributions in the Base Currency (HKD) only. As such, the Unitholder may have to bear the fees and charges associated with the conversion of such distributions from HKD to USD or any other currency. Unitholders are advised to check with their brokers for arrangements concerning distributions and consider the risk factor "**Other Currencies Distributions Risk**".*

** Please refer to the Manager's website for the latest lists of Market Makers and Participating Dealers for the Sub-Fund.*
*** This website has not been reviewed by the SFC.*

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 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.

For so long as the Sub-Fund remains an approved index-tracking collective investment scheme as defined under section 1(1) of Schedule 1 to the Mandatory Provident Fund Schemes (General) Regulation (the "MPF Regulation"), the Sub-Fund will invest no more than 10% of its Net Asset Value in securities that do not meet the requirements of section 7(2) of Schedule 1 to the MPF Regulation ("non-compliant securities") under normal circumstances and, in the event that the percentage of the Sub-Fund's investment in such non-compliant securities exceeds 10% of the Sub-Fund's Net Asset Value due to changes in the constituent weightings of the Index, which are beyond the Manager's control, and/or the Sub-Fund's investment strategy, the percentage of such non-compliant securities in the Sub-Fund's portfolio will not in any case exceed the aggregate weighting of such non-compliant securities in the Index. In the event that the Sub-Fund's investment in non-compliant securities exceeds 15% of its Net Asset Value, the Manager will notify the MPFA as soon as practicable and discuss with the MPFA the appropriate action to take in order to address the excess.

Securities financing transactions

There is no current intention for the Sub-Fund to engage in securities lending transactions, sale and repurchase transactions or reverse repurchase transactions.

Use of derivatives

The Sub-Fund currently does not intend to invest in any financial derivative instruments for hedging or non-hedging purposes (i.e. the Sub-Fund will not use derivatives for any purposes), and is therefore not expected to incur any leverage arising from the use of financial derivative instruments.

Where the Sub-Fund does engage in securities financing transactions and/or invest in financial derivative instruments, prior approval shall be obtained from the SFC (if so required) and no less than 1 month's prior notice (or such other notice period as required by the Code) will be given to the Unitholders.

The investment strategy of the Sub-Fund is subject to the investment and borrowing restrictions set out in Schedule 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.

Dual Counter Trading

The Manager has arranged for the Units to be available for trading on the secondary market of the SEHK under a Dual Counter arrangement. Units are denominated in HKD. The Sub-Fund offers 2 trading counters on the SEHK (i.e. HKD counter and USD counter) to investors for secondary trading purposes. Units traded in HKD counter will be settled in HKD and Units traded in USD counter will be settled in USD. Apart from settlement in different currencies, the trading prices of Units in the 2 counters may be different as the HKD counter and USD counter are 2 distinct and separate markets.

Units traded on both counters are of the same class and all Unitholders of the counters are treated equally. The 2 counters will have different stock codes and different stock short names as follows:

	HKD counter	**USD counter**
SEHK stock code	3141	9141
Short name	BMO ASIA IGB	BMO ASIA IGB-U

Normally, investors can buy and sell Units traded in the same counter or alternatively buy in 1 counter and sell in another counter provided their brokers provide both the HKD and USD trading services at the same time and offer inter-counter transfer services to support Dual Counter trading. Inter-counter buy and sell is permissible even if the trades take places within the same trading day. However, investors should note that the trading price of Units traded in the HKD counter and that of USD counter may be different and may not always maintain a close relationship depending on factors such as market demand and supply and liquidity in each counter.

More information with regard to the Dual Counter is available in the frequently asked questions in respect of the Dual Counter published on HKEX's website http://www.hkex.com.hk/Products/Securities/Exchange-Traded-Products.

Investors should consult their brokers if they have any questions concerning fees, timing, procedures and the operation of the Dual Counter, including inter-counter transfers. Investors' attention is also drawn to the risk factor below entitled "**Dual Counter Trading Risks**".

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 belongs to one of eligible Asian markets. As at the date of this Prospectus, the eligible Asian markets are Bangladesh, China, Hong Kong, India, Indonesia, Macau, Malaysia, Mongolia, Pakistan, the 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 31 October 2019, the Index had a total market capitalisation of USD679.05 billion and consisted of 839 constituents out of the following eligible Asian markets: Bangladesh, China, Hong Kong, India, Indonesia, Macau, Malaysia, Mongolia, Pakistan, the Philippines, South Korea, Singapore, Sri Lanka, Taiwan, Thailand and Vietnam.

The Index is denominated in USD.

The Manager (and each of its Connected Persons) is independent of Bloomberg Index Services 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 securities in the Index are updated daily at 3:00 p.m. (New York time/Eastern Standard Time). Bonds in the Index are priced on the bid side by Bloomberg Index Services Limited, the Index Provider. The initial price for new issues entering the Index is the offer side, after that, the bid price is used. Settlement is on a 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 Provider's Bloomberg Valuation (BVAL) methodology uses broad global data set of market observations together with market-leading analytics as well as terms and conditions databases to produce objective third-party price valuations.

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.

Index Constituents

You can obtain the most updated list of the constituents of the Index together with their respective weightings and additional information of the Index including the index methodology and the closing level of the Index from the website of Bloomberg Index Services Limited at https://www.bloomberg.com/professional/product/indices/bloomberg-barclays-indices/#/ucits.
This website has not been reviewed by the SFC. Please refer to the Manager's website for the latest hyperlink for the Index.

Index Code

Bloomberg Code: BAIGTRUU

Index Provider Disclaimer

BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg"). BARCLAYS® is a trademark and service mark of Barclays Bank Plc (collectively with its affiliates, "Barclays"), used under licence. Bloomberg or Bloomberg's licensors, including Barclays, own all proprietary rights in the Bloomberg Barclays Indices. Neither Bloomberg nor Barclays is affiliated with the Manager, and neither approves, endorses, reviews or recommends the Sub-Fund. Neither Bloomberg nor Barclays guarantees the timeliness, accurateness or completeness of any data or information relating to the Bloomberg Barclays Asia USD Investment Grade Bond Index, and neither shall be liable in any way to the Manager, investors in the Sub-Fund or other third parties in respect of the use or accuracy of the Bloomberg Barclays Asia USD Investment Grade Bond Index or any data included therein.

Index Licence Agreement

The initial licence of the Index commenced on 28 May 2014 and had continued in effect until being superseded by an amended and restated licence agreement which became effective on 30 January 2017 and shall continue for an initial period of 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 60 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 judgmental 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 management fees, initial charges and redemption charges on the underlying fund must be waived for the Sub-Fund, and the Manager or any person acting on behalf of the Sub-Fund or the Manager may not obtain a rebate on any fees or charges levied by the underlying fund or its management company, or any quantifiable monetary benefits in connection with the investments in such underlying fund. Notwithstanding, such investment will present indirect benefits to the Manager or its Connected Persons including but not limited to the increase in assets under management and/or seed money in the underlying fund and resulting economies of scale. The Manager manages these conflicts of interest by having robust procedures around the selection of underlying funds, and will use its best endeavours to resolve such conflicts fairly.

Dual Counter Trading Risks. Units of the Sub-Fund are available for trading on the secondary market on the SEHK under a Dual Counter arrangement, which is subject to the following risks:

Dual Counter risk: The Dual Counter arrangement adopted by the Sub-Fund may bring additional risks for investment in the Sub-Fund and may make such investment riskier than investment in single counter exchange traded funds. For example where for some reason there is a settlement failure on an inter-counter day trade if the Units of one counter are delivered to CCASS at the last settlement on a trading day, there may not be enough time to transfer the Units to the other counter for settlement on the same day.

Moreover, where there is a suspension of the inter-counter transfer of Units between the HKD counter and the USD counter for any reasons, for example, operational or systems interruption, Unitholders will only be able to trade their Units in the currency of the relevant counter. Accordingly it should be noted that inter-counter transfers may not always be available. Investors are recommended to check the readiness of their brokers/intermediaries in respect of the Dual Counter trading and inter-counter transfer. Investors without a USD account may buy and sell HKD traded Units only. Such investors will not be able to buy or sell USD traded Units.

Inter-counter trading risk: Although an investor may buy from one counter and sell the same on the other counter in the same day, it is possible that some brokers/intermediaries and CCASS participants may not be familiar with and may not be able to (i) buy Units in one counter and to sell Units in the other, (ii) carry out inter-counter transfers of Units, or (iii) trade Units in the HKD counter and USD counter at the same time. In such case (i) to (iii), another broker, intermediary or CCASS participant may need to be used. This may inhibit or delay dealing in the HKD traded Units and USD traded Units and may mean investors may only be able to trade their Units in one currency. Investors are recommended to check the readiness of their brokers/intermediaries in respect of the Dual Counter trading and inter-counter transfers and should fully understand the services which the relevant broker is able to provide (as well as any associated fees).

Investors should therefore consult their brokers/intermediaries on the services that the brokers/intermediaries may provide in this regard along with the associated risks and fees. In particular, some brokers/intermediaries may not have in place systems and controls to facilitate inter-counter trading and/or inter-counter day trades.

Difference in trading prices risk: There is a risk that due to different factors such as market liquidity, market supply and demand in the respective counters and the exchange rate fluctuations between HKD and USD, the market price on the SEHK of Units traded in HKD may deviate significantly from the market price on the SEHK of Units traded in USD. The trading price of HKD traded Units or USD traded Units is determined by market forces and so will not be the same as the trading price of Units multiplied by the prevailing rate of foreign exchange. Accordingly when selling Units traded in HKD or buying Units traded in HKD, an investor may receive less or pay more than the equivalent amount in USD if the trade of the relevant Units is in USD and vice versa. There can be no assurance that the price of Units in each counter will be equivalent.

Exchange Rates Movement between the Base Currency and Other Currencies Risk. The Sub-Fund's Base Currency is HKD but has units traded in USD (in addition to HKD). Accordingly secondary market investors may be subject to additional costs or losses associated with foreign currency fluctuations between the Base Currency and the USD trading currency when trading units in the secondary market.

Investors whose assets and liabilities are predominantly in currencies other than HKD should take into account the potential risk of loss arising from fluctuations in value between HKD and the currency of the Units traded. There is no guarantee that HKD will appreciate in value against any other currency, or that the strength of HKD may not weaken. Accordingly, it is possible that an investor may enjoy a gain in terms of HKD but suffer a loss when converting funds from HKD back into any other currency.

Other Currencies Distributions Risk. Investors should note that all Units of the Sub-Fund will receive distributions only in HKD. In the event that the relevant Unitholder has no HKD account, the Unitholder may have to bear the fees and charges associated with the conversion of any distributions from HKD to any other currency. The Unitholder may also have to bear bank or financial institution fees and charges associated with the handling of the distribution payment. Unitholders are advised to check with their brokers regarding arrangements for distributions.

Appendix dated November 2019

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
Listing Date (SEHK)	13 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 March and September 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 or USD, as agreed with the relevant Participating Dealer) and in-kind
Application Unit Size (only by or through Participating Dealers)	Minimum 100,000 Units (or multiples thereof) for cash creation/redemption Minimum 500,000 Units (or multiples thereof) for in-kind creation/redemption
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*	ABN AMRO Clearing Hong Kong Limited BNP Paribas Securities Services Goldman Sachs (Asia) Securities Limited Haitong International Securities Company Limited The Hongkong and Shanghai Banking Corporation Limited SG Securities (HK) Limited
Market Maker*	BNP Paribas Securities (Asia) Limited HSBC Securities Brokers (Asia) 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**

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

** *This website has not been reviewed by the SFC.*

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.

Securities financing transactions

There is no current intention for the Sub-Fund to engage in securities lending transactions, sale and repurchase transactions or reverse repurchase transactions.

Use of derivatives

The Sub-Fund currently does not intend to invest in any financial derivative instruments for hedging or non-hedging purposes (i.e. the Sub-Fund will not use derivatives for any purposes), and is therefore not expected to incur any leverage arising from the use of financial derivative instruments.

Where the Sub-Fund does engage in securities financing transactions and/or invest in financial derivative instruments, prior approval shall be obtained from the SFC (if so required) and no less than 1 month's prior notice (or such other notice period as required by the Code) will be given to the Unitholders.

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

Distribution Policy

The Manager intends to distribute income to Unitholders at least semi-annually (usually in March and September) 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 31 October 2019, the Index had a total market capitalisation of HKD3,163.66 billion and 16 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:

Aggregate Adjusted Market Value/Divisor

The formula for the divisor is as follows:

(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.

Index Constituents

You can obtain the most updated list of the constituents of the Index together with their respective weightings 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://www.nasdaq.com/solutions/nasdaq-global-index-policies. This website has not been reviewed by the SFC. Please refer to the Manager's website for the latest hyperlink for the Index.

Index Code

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.

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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.

Appendix dated November 2019

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
Listing Date (SEHK)	13 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 March and September 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 or USD, as agreed with the relevant Participating Dealer)
Application Unit Size (only by or through Participating Dealers)	Minimum 100,000 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*	ABN AMRO Clearing Hong Kong Limited BNP Paribas Securities Services Goldman Sachs (Asia) Securities Limited Haitong International Securities Company Limited SG Securities (HK) Limited
Market Maker*	BNP Paribas Securities (Asia) 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**

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

** *This website has not been reviewed by the SFC.*

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.

Securities financing transactions

There is no current intention for the Sub-Fund to engage in securities lending transactions, sale and repurchase transactions or reverse repurchase transactions.

Use of derivatives

The Sub-Fund currently does not intend to invest in any financial derivative instruments for hedging or non-hedging purposes (i.e. the Sub-Fund will not use derivatives for any purposes), and is therefore not expected to incur any leverage arising from the use of financial derivative instruments.

Where the Sub-Fund does engage in securities financing transactions and/or invest in financial derivative instruments, prior approval shall be obtained from the SFC (if so required) and no less than 1 month's prior notice (or such other notice period as required by the Code) will be given to the Unitholders.

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

Distribution Policy

The Manager intends to distribute income to Unitholders at least semi-annually (usually in March and September) 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, the 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 31 October 2019, the Index had a total market capitalisation of HKD8,244.80 billion and 168 constituents out of the following 10 eligible Asian markets: China, Hong Kong, India, Indonesia, South Korea, Malaysia, the 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) X 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.

Index Constituents

You can obtain the most updated list of the constituents of the Index together with their respective weightings 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://www.nasdaq.com/solutions/nasdaq-global-index-policies. This website has not been reviewed by the SFC. Please refer to the Manager's website for the latest hyperlink for the Index.

Index Code

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.

Appendix dated November 2019

APPENDIX 4: BMO MSCI JAPAN HEDGED TO USD 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	MSCI Japan 100% Hedged to USD Index
Listing Date (SEHK)	18 February 2016
Exchange Listing	SEHK – Main Board
Stock Code	3160
Short Stock Name	BMO JAPAN HDG
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 March and September 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 or USD, as agreed with the relevant Participating Dealer) and in-kind
Application Unit Size (only by or through Participating Dealers)	Minimum 100,000 Units (or multiples thereof) for cash creation/redemption Minimum 1,000,000 Units (or multiples thereof) for in-kind creation/redemption
Dealing Deadline	11:00 a.m. (for cash creation / redemption) or 3:00 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*	ABN AMRO Clearing Hong Kong Limited BNP Paribas Securities Services China Merchant Securities (HK) Co., Limited Goldman Sachs (Asia) Securities Limited Haitong International Securities Company Limited SG Securities (HK) Limited
Market Maker*	BNP Paribas Securities (Asia) Limited SG Securities (HK) Limited
Management Fee	Currently 0.50% 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**

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

** This website has not been reviewed by the SFC.

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.

Securities financing transactions

There is no current intention for the Sub-Fund to engage in securities lending transactions, sale and repurchase transactions or reverse repurchase transactions.

Use of derivatives

The Sub-Fund intends to invest in currency forwards for hedging purposes. In implementing currency hedging, the Sub-Fund will replicate the hedging methodology of the Index.

The Sub-Fund currently does not intend to invest in any financial derivative instruments for non-hedging purposes (i.e. investment purposes), and is therefore not expected to incur any leverage arising from the use of financial derivative instruments.

The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's latest available Net Asset Value.

The Sub-Fund will not hold or receive collateral from counterparty of over-the-counter derivative transactions to reduce counterparty exposure or for collateral netting.

Where the Sub-Fund does engage in securities financing transactions and/or invest in financial derivative instruments for investment purposes, prior approval shall be obtained from the SFC (if so required) and no less than 1 month's prior notice (or such other notice period as required by the Code) will be given to the Unitholders.

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

Distribution Policy

The Manager intends to distribute income to Unitholders at least semi-annually (usually in March and September) 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 that is compiled and published by MSCI Inc., the Index Provider. The Index aims to represent the impact of currency hedging on the performance of the MSCI Japan Index, using one-month forwards in the currency market. The MSCI Japan Index is constructed based on the MSCI Global Investable Market Indexes ("GIMI") Methodology, and includes large- and mid-capitalisation stocks in the Japanese equity market and covers approximately 85% of the free float-adjusted market capitalisation of Japan.

The Index was launched on 31 December 1992 and had a base date of 31 December 1987 and a base level of 100.

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 31 October 2019, the Index had a total market capitalisation of USD3,551.02 billion and 323 constituents.

The Index is denominated in USD.

The Manager (and each of its Connected Persons) is independent of the Index Provider.

Investable Universe and Index Construction

The Index is constructed based on the MSCI GIMI Methodology, and includes large- and mid-capitalisation stocks in the Japanese equity market and covers approximately 85% of the free float-adjusted market capitalisation of Japan.

Each company and its securities are classified in one country primarily by the country of incorporation and primary listing. The market investable equity universe of the Index is derived by: (a) identifying eligible listings for each security in the equity universe classified in Japan; and (b) applying investability screens to individual companies and securities in the equity universe classified in Japan. A security may have a listing in the country where it is classified (i.e. "local listing") and/or in a different country (i.e. "foreign listing"). A security may be represented in the global investable equity universe by a foreign listing (including a depositary receipt) only if the security is classified in a country that meets certain foreign listing materiality requirement, and the security's foreign listing is traded on an eligible stock exchange.
Investability screens to be applied to determine the market investable equity universe of the Index include but are not limited to the following criteria:

(i) *Equity universe minimum size requirement*

This investability screen is applied at the company level. A company must have a full market capitalisation equal to or higher than the minimum full market capitalisation which is determined by (i) sorting all the companies in the equity universe in descending order by full market capitalisation; and (ii) identifying the company when the cumulative coverage of the free float adjusted market capitalisation reaches 99% of the sorted equity universe. The full market capitalisation of this company defines the minimum full market capitalisation. This minimum threshold is updated on a semi-annual basis and, as of the May 2015 semi-annual index review, was USD207 million.

(ii) *Equity universe minimum free float-adjusted market capitalisation requirement*

This investability screen is applied at the individual security level. A security must have a free float-adjusted market capitalisation equal to or higher than 50% of the equity universe minimum size requirement. The minimum threshold is updated on a semi-annual basis and, as of the May 2015 semi-annual index review, was USD103.5 million.

(iii) *Minimum liquidity requirement*

A security must have a minimum liquidity level which, for developed market countries such as Japan, is measured by a 3-month annual traded value ratio ("ATVR") of 20% and 3-month frequency of trading of 90% over the last 4 consecutive quarters, and a 12-month ATVR of 20%.

(iv) *Minimum length of trading requirement*

For an IPO (other than a large IPO) to be eligible for inclusion, the new issue must have started trading at least 3 months before the implementation of a semi-annual index review. For large IPOs (i.e. an IPO whose full market capitalisation exceeds 1.8 times the cut-off of the Standard Index size segment (see below) and whose free-float adjusted market capitalisation exceeds 1.8 times one-half of the cut-off of the Standard Index size segment), the minimum length of trading requirement will not apply and the securities may be considered for early inclusion in the Standard Index if it meet all the MSCI inclusion criteria.

(v) *Global minimum foreign inclusion factor requirement*

A security's "foreign inclusion factor" relates to the proportion of shares outstanding that is available for purchase in the public equity markets by international investors. In general, a security must have a foreign inclusion factor equal to or larger than 0.15 to be eligible for inclusion in a market investable equity universe.

A coverage target range of 85% ± 5% is applied to the free float-adjusted market capitalisation of Japan to create a size-segment (known as a Standard Index) consisting of the large- and mid-capitalisation stocks in the market investable equity universe of Japan.

In order to achieve index continuity and provide further diversification, a minimum number of five constituents will be maintained for Japan, which is classified as a developed market country.

Further details of the MSCI GIMI Methodology can be found on the Index Provider's website at: www.msci.com. This website has not been reviewed by the SFC.

MSCI Currency Hedging

The Index is fully hedged to USD by notionally selling the JPY forward at the one-month forward exchange rate at the end of each month.

The Index is rebalanced monthly on the last weekday of the month, when the Index will take into account the effect of rolling into new one-month forward contracts based on the newly determined weights of currency to be sold for the next month's index calculation. To ensure better replicability of the Index, the amount of forwards sold on the last business day of the month

shall represent the value (or the market capitalisation) of the Index. The foreign currency amount, however, takes into account any changes in the composition of the Index implemented as of the close of last business day of the month.

No adjustment to the hedging is done during the month to account for changes in the Index due to price movement of securities, corporate events, additions, deletions or any other changes. In other words, the amount hedged is kept constant over the whole month, and the hedge ratio may deviate due to equity market movements. The profits or losses arising from currency hedging are assumed to be reinvested at month-end only.

Implementation of Currency Hedging by the Manager

To implement the investment strategy, the Sub-Fund will invest in the constituents of the MSCI Japan Index and hedge the foreign currency exposure using one-month currency forward contracts, specifically by selling the JPY forward at the one-month forward date.

Currency forward contracts are agreements between two parties to exchange two designated currencies at a specific time in the future. These contracts settle at a future date (the "forward settlement date") and, typically, prior to the forward settlement date, offsetting currency forward trades are executed to close out the currency forward position. The difference in the initial price and the close-out price is the gain or loss on the position. Currency forwards are commonly used by investors for hedging exposure to fluctuations caused by movements in currency exchange rates. The process of applying a currency hedge to the Sub-Fund's portfolio is consistent with the methodology of the Index.

A step-by-step description of the Manager's implementation of currency hedging is set out below:

- At the inception of the Sub-Fund, a currency hedge is calculated using the local value of each of the securities held in the Sub-Fund's portfolio as of the last valuation date. A hedge is applied by selling the underlying foreign currency (i.e. JPY) against the home currency (i.e. USD) using one-month currency forward contracts. For the Sub-Fund, the Manager will sell JPY in an amount equal to the amount of JPY-denominated securities in the Sub-Fund's portfolio. For example, if the Sub-Fund owns JPY100,000 in securities, the currency hedge will be to sell JPY100,000 versus USD one month forward (i.e. on the "forward settlement date").

- For creations during the month, the Manager will increase the hedge using the amount of JPY-denominated securities in the Sub-Fund's portfolio. For example, if there are JPY10,000 worth of JPY-denominated securities in the creation application basket, the Manager will sell JPY10,000 versus buying USD to settle on the forward settlement date.

- For redemptions during the month, the opposite occurs. The Manager will decrease the hedge using the amount of JPY-denominated securities in the portfolio. For example, if there is JPY 10,000 worth of JPY-denominated securities in the redemption application basket, the Manager will buy JPY10,000 versus selling USD to settle on the forward settlement date.

- The benchmark for the execution on the forward contracts is the day's closing price so as to match the Index and minimise tracking error.

- On the last weekday of the month, the total notional amount of JPY will be rolled by buying back all of the JPY sold while simultaneously selling the same amount (versus buying USD) to the following month end (the "new forward settlement date").

- By closing out existing forward contracts, currency gains or losses over the month are realised. These realised currency gains or losses are then invested or divested into the underlying securities in the Sub-Fund's portfolio.

- An adjustment of the hedge amount will be made to reflect changes in value of the securities in the Sub-Fund's portfolio as a result of the gain or losses on the underlying portfolio and the currency hedging on the last business day of the month. If the current hedge amount is more (or less) than the current value of the JPY-denominated securities,

then JPY forward contracts will need to be bought (or sold), to settle on the new forward settlement date, in order to match the value of the securities. This adjustment is done simultaneously with the previous step of closing out existing forward contracts. For example, if the Sub-Fund's portfolio at the end of the month holds JPY110,000 and the original hedge was to short JPY100,000, the Manager will then need to increase the hedge by selling an additional JPY10,000.

Index Periodical Review

The constituents of the Index are rebalanced semi-annually, as of the close of the last business day of May and November, coinciding with the May and November semi-annual index reviews of the MSCI Japan Index.

Index Constituents

You can obtain the most updated list of the constituents of the Index together with their respective weightings and additional information of the Index including the index methodology with details of currency hedging component of the Index and the closing level of the Index from the website of MSCI Inc. at https://www.msci.com/constituents. This website has not been reviewed by the SFC. Please refer to the Manager's website for the latest hyperlink for the Index.

Index Code

Bloomberg Code: M1CXBMJH

Index Provider Disclaimer

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The initial term of the licence of the Index commenced on 1 November 2015 and will continue for three years. After the expiration of the initial three-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.

Concentration Risk. The Sub-Fund is subject to concentration risk as a result of tracking the performance of a single country (i.e. Japan). 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 Japan.

Risks Associated with Investing in Japan. The growth of Japan's economy has historically lagged that of its Asian neighbours and other major developed economies. The Japanese economy is heavily dependent on international trade and has been adversely affected by trade tariffs, other protectionist measures, competition from emerging economies and the economic conditions of its trading partners. China has become an important trading partner with Japan, yet the countries' political relationship has become strained. Should political tension increase, it could adversely affect the economy, especially the export sector, and destabilise the region as a whole. Japan is located in a part of the world that has historically been prone to natural disasters such as earthquakes, volcanoes and tsunamis and is economically sensitive to environmental events. Any such event, such as the major earthquake and tsunami which struck Japan in March 2011, could result in a significant adverse impact on the Japanese economy. Japan may be subject to risks relating to political, economic and labour risks. Any of these risks, individually or in the aggregate, could adversely affect investments in the Sub-Fund. Japan also remains heavily dependent on oil imports, and higher commodity prices could therefore have a negative impact on the economy. Furthermore, Japanese corporations often engage in high levels of corporate leveraging, extensive cross-purchases of the securities of other corporations and are subject to a changing corporate governance structure.

Limitations of Hedging Risks. The Sub-Fund invests in currency forward contracts for hedging purposes. While this approach is designed to minimise the impact of currency fluctuations on the Sub-Fund's returns, there can be no assurance that any hedging techniques will fully and effectively eliminate the risk exposure of the Sub-Fund. For a variety of reasons, the return of the currency forward contracts may not perfectly offset the actual fluctuations of the relevant foreign currency relative to USD or the Sub-Fund may not obtain a perfect correlation between its hedging techniques and the currency holdings being hedged. In adverse situations, the Sub-Fund's use of derivatives may become ineffective in hedging and the Sub-Fund may as a result take unhedged positions and suffer losses. Further, as the Index Provider uses one-month currency forwards for hedging purposes, the Sub-Fund may remain exposed to currency risk intra-month as the currency hedge is reset on a monthly basis.

In addition, currency hedging will be performed irrespective of whether the target currency is declining or increasing in value. Such hedging may protect Unitholders against a decrease in the relevant foreign currency of the Index and the Sub-Fund's portfolio relative to USD, but it

may also preclude Unitholders from benefiting from an increase in the value of any such foreign currency relative to USD.

Derivative Risks. The Sub-Fund will invest in currency forwards for hedging purposes. Investment in derivative instruments such as currency forwards can be illiquid if there is no active market in these instruments. Such instruments are complex in nature and will be subject to insolvency or default risk of the issuers or counterparties. The Sub-Fund may suffer losses if the issuers or counterparties of the derivative instruments default in their obligations.

Besides, derivative instruments may involve an embedded leverage, and their prices may be volatile because such instruments provide significantly larger market exposure than the money paid or deposited when the transaction is entered into, such that a relatively small adverse market movement could expose the Sub-Fund to the possibility of a loss exceeding the original amount invested. Investment in derivatives may therefore result in losses to the Sub-Fund and adversely affect Unitholders' investments.

Costs of Hedging Risk. Any costs and expenses arising from currency hedging transactions, which may be significant depending on prevailing market conditions, will be borne by the Sub-Fund. In particular, depending on various market factors such as interest rate differentials, the near month currency forward contracts may cost more or less to purchase than the later month currency forward contracts. Accordingly, where the expiring currency forward contracts trade at a lower price than the next month contract (i.e. the market is in contango), sale proceeds in the course of rolling (i.e. selling and then buying currency forward contracts) will not be sufficient for purchasing the same number of currency forward contracts. This creates a negative roll yield which will be borne by the Sub-Fund, and therefore adversely affects the Net Asset Value of the Sub-Fund.

OTC Transactions Risks. In general, there is less governmental regulation and supervision of transactions in the over-the-counter ("OTC") markets, in which currency forward contracts are generally traded, than of transactions entered into on 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 OTC financial derivative transactions. Therefore, the Sub-Fund's OTC transactions 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. The Sub-Fund will only enter into transactions with counterparties which it believes to be creditworthy, and may reduce the exposure incurred in connection with such transactions through the receipt of letters of credit or collateral from certain counterparties. Regardless of the measures the Sub-Fund may seek to implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Sub-Fund will not sustain losses as a result.

From time to time, the counterparties with which the Sub-Fund effects transactions might cease making markets or quoting prices in certain of the instruments. In such instances, the Sub-Fund might be unable to enter into a desired transaction in currency forwards, which might adversely affect its performance or effectiveness in implementing its hedging strategy. Further, in contrast to exchange-traded instruments, forward contracts on currencies may not provide the Manager with the possibility to offset the Sub-Fund's obligations through an equal and opposite transaction. For this reason, in entering into forward contracts, the Sub-Fund may be required, and must be able, to perform its obligations under the contracts.

New Product Risk. The Sub-Fund is an exchange traded fund which engages in currency hedging and tracks an underlying index which captures the performance of hedging the currency exposure of an equity index. Although there have been exchange traded funds in Hong Kong which invest in derivatives for hedging purposes, the Sub-Fund and BMO MSCI Europe Quality Hedged to USD ETF were the first exchange traded funds in Hong Kong tracking benchmark indices with a currency hedging component. The novelty and untested nature of such an exchange traded fund and the fact that the Sub-Fund is the first of its kind in Hong Kong makes the Sub-Fund riskier than traditional exchange traded funds which do not engage in currency hedging.

Appendix dated November 2019

APPENDIX 5: BMO MSCI EUROPE QUALITY HEDGED TO USD 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	MSCI Europe Quality 100% Hedged to USD Index
Listing Date (SEHK)	18 February 2016
Exchange Listing	SEHK – Main Board
Stock Code	3165
Short Stock Name	BMO EU QLTY HDG
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 March and September 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 or USD, as agreed with the relevant Participating Dealer)
Application Unit Size (only by or through Participating Dealers)	Minimum 100,000 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*	ABN AMRO Clearing Hong Kong Limited BNP Paribas Securities Services Goldman Sachs (Asia) Securities Limited Haitong International Securities Company Limited SG Securities (HK) Limited
Market Maker*	BNP Paribas Securities (Asia) Limited SG Securities (HK) Limited
Management Fee	Currently 0.50% 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**

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

** *This website has not been reviewed by the SFC.*

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.

Securities financing transactions

There is no current intention for the Sub-Fund to engage in securities lending transactions, sale and repurchase transactions or reverse repurchase transactions.

Use of derivatives

The Sub-Fund intends to invest in currency forwards for hedging purposes. In implementing currency hedging, the Sub-Fund will replicate the hedging methodology of the Index.

The Sub-Fund currently does not intend to invest in any financial derivative instruments for non-hedging purposes (i.e. investment purposes), and is therefore not expected to incur any leverage arising from the use of financial derivative instruments.

The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's latest available Net Asset Value.

The Sub-Fund will not hold or receive collateral from counterparty of over-the-counter derivative transactions to reduce counterparty exposure or for collateral netting.

Where the Sub-Fund does engage in securities financing transactions and/or invest in financial derivative instruments for investment purposes, prior approval shall be obtained from the SFC (if so required) and no less than 1 month's prior notice (or such other notice period as required by the Code) will be given to the Unitholders.

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

Distribution Policy

The Manager intends to distribute income to Unitholders at least semi-annually (usually in March and September) 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 that is compiled and published by MSCI Inc., the Index Provider. The Index contains both an equity investment component and a currency hedging return component. It is designed to capture the performance of quality growth stocks from the MSCI Europe Index using a quality strategy defined by MSCI Inc., based on three main fundamental variables: high return on equity ("ROE"), stable year-over-year earnings growth and low financial leverage. The Index also aims to represent the impact of currency hedging on the performance of the MSCI Europe Quality Index using one-month forwards in the currency market.

The Index was launched on 15 May 2015 and had a base date of 31 December 2014 and 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 31 October 2019, the Index had a total market capitalisation of USD2,933.89 billion and 126 constituents out of the following 15 eligible European markets: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and United Kingdom.

The Index is denominated in USD.

The Manager (and each of its Connected Persons) is independent of the Index Provider.

Investable Universe and Selection of Constituents

The investable universe of the Index comprises the existing constituents of the MSCI Europe Quality Index, which is a subset of the MSCI Europe Index universe. The MSCI Europe Index is a traditional market capitalisation weighted parent index constructed based on the MSCI Global Investable Market Indexes ("GIMI") Methodology. It is a regional index which includes large- and mid-capitalisation stocks across the developed market countries in Europe and covers approximately 85% of the free float-adjusted market capitalisation across the European developed markets equity universe.

The Index is constructed by selecting a set number of securities constituents from the MSCI Europe Index with the highest "Quality Scores". "Quality Scores" are computed based on the average of ranking scores from three fundamental variables. These fundamental variables are calculated as follows:

- Return on Equity ("ROE") is calculated using the trailing-12 month earnings per share and latest book value per share:

$$ROE = \frac{\text{Trailing 12-month earnings per share}}{\text{Latest book value per share}}$$

- Debt to Equity ("D/E") is calculated using the latest fiscal year total debt and book value:

$$D/E = \frac{\text{Total debt}}{\text{Book value}}$$

- Earnings Variability is defined as the standard deviation of year-on-year earnings per share growth over the last 5 fiscal years.

The Index is constructed to target a 30 - 40% coverage of the MSCI Europe Index universe. All the existing securities of the MSCI Europe Index are ranked based on their Quality Scores. A fixed number of securities with the highest positive Quality Scores are predetermined for the MSCI Europe Quality Index at initial construction with an aim to attain a high exposure to the Quality factor while maintaining sufficient index market capitalisation and number of securities coverage.

In determining the fixed number of securities at the initial construction for the Index, upward rounding-off applies to round up the minimum number of securities required to target the top 30% coverage of the market capitalisation of the MSCI Europe Index. The upward rounding-off rules are as follows:

- If the number of securities required to target a 30% market capitalisation coverage < 100, the number of securities is rounded up to the nearest multiple of 10.

- If the number of securities required to target a 30% market capitalisation coverage ≥ 100 but < 300, the number of securities is rounded up to the nearest multiple of 25.

- If the number of securities required to target a 30% market capitalisation coverage ≥ 300, the number of securities is rounded up to the nearest multiple of 50.

To ensure further diversification, no single constituent can have a weighting of more than 5% in the Index. The excess market value over the 5% cap will be redistributed on a pro-rata basis across the other constituents in the Index. The 5% cap is applied at each semi-annual index review as the Index is rebalanced. During the intra-rebalancing period, the weighting of a single constituent may exceed 5%.

Further details of the MSCI GIMI and MSCI Quality Indexes methodologies can be found on the Index Provider's website at: www.msci.com. This website has not been reviewed by the SFC.

MSCI Currency Hedging

The Index is fully hedged to USD by notionally selling each foreign currency forward at the one-month forward exchange rate at the end of each month.

The Index is rebalanced monthly on the last weekday of the month, when the Index will take into account the effect of rolling into new one-month forward contracts based on the newly determined amount of currency to be sold for the next month's index calculation. To ensure better replicability of the Index, the amount of forwards sold on the last business day of the month shall represent the value (or the market capitalisation) of the Index. The foreign currency weights, however, take into account any changes in the composition of the Index implemented as of the close of last business day of the month.

No adjustment to the hedging is done during the month to account for changes in the Index due to price movement of securities, corporate events, additions, deletions or any other changes. In other words, the amount hedged is kept constant over the whole month, and the hedge ratio may deviate due to equity market movements. The profits or losses arising from currency hedging are assumed to be reinvested at month-end only.

Implementation of Currency Hedging by the Manager

To implement the investment strategy, the Sub-Fund will invest in the constituents of the MSCI Europe Quality Index and hedge the foreign currency exposure using one-month currency forward contracts, specifically by selling each foreign currency (i.e. Swiss Franc (CHF), British Pound Sterling (GBP), Euro (EUR), Swedish Krona (SEK), Danish Krone (DKK) and Norwegian Krone (NOK)) forward at the one-month forward date.

Currency forward contracts are agreements between two parties to exchange two designated currencies at a specific time in the future. These contracts settle at a future date (the "forward settlement date") and, typically, prior to the forward settlement date, offsetting currency forward trades are executed to close out the currency forward position. The difference in the initial price and the close-out price is the gain or loss on the position. Currency forwards are commonly used by investors for hedging exposure to fluctuations caused by movements in currency exchange rates. The process of applying a currency hedge to the Sub-Fund's portfolio is consistent with the methodology of the Index.

A step-by-step description of the Manager's implementation of currency hedging is set out below:

- At the inception of the Sub-Fund, a currency hedge is calculated using the local value of each of the securities held in the Sub-Fund's portfolio as of the last valuation date. A hedge is applied by selling each of the underlying foreign currencies (i.e. CHF, GBP, EUR, SEK, DKK and NOK) against the home currency (i.e. USD) using one-month currency forward contracts. For the Sub-Fund, the Manager will sell foreign currencies in an amount equal to the amount of foreign currency-denominated securities in the Sub-Fund's portfolio. For example, if the Sub-Fund owns EUR1,000 and GBP500 in securities, the currency hedge will be to sell EUR1,000 and GBP500 versus USD one month forward (i.e. on the "forward settlement date").

- For creations during the month, the Manager will increase the hedge using the amount of foreign currency-denominated securities in the Sub-Fund's portfolio. For example, if there are EUR100 worth of Euro-denominated securities in the creation application basket, the Manager will sell 100 EUR versus buying USD to settle on the forward settlement date.

- For redemptions during the month, the opposite occurs. The Manager will decrease the hedge using the amount of foreign currency-denominated securities in the portfolio. For example, if there is EUR100 worth of Euro-denominated securities in the redemption application basket, the Manager will buy EUR100 versus selling USD to settle on the forward settlement date.

- The benchmark for the execution on the forward contracts is the day's closing price so as to match the Index and minimise tracking error.

- On the last weekday of the month, the total notional amount of foreign currencies will be rolled by buying back all of the foreign currencies sold while simultaneously selling the same amount (versus buying USD) to the following month end (the "new forward settlement date").

- By closing out existing forward contracts, currency gains or losses over the month are realised. These realised currency gains or losses are then invested or divested into the underlying securities in the Sub-Fund's portfolio.

- An adjustment of the hedge amount will be made to reflect changes in value of the securities in the Sub-Fund's portfolio as a result of the gain or losses on the underlying

portfolio and the currency hedging on the last business day of the month. If the current hedge amount is more (or less) than the current value of the foreign currency-denominated securities, then foreign currency forward contracts will need to be bought (or sold), to settle on the new forward settlement date, in order to match the value of the securities. This adjustment is done simultaneously with the previous step of closing out existing forward contracts. For example, if the Sub-Fund's portfolio at the end of the month holds EUR1,100 and GBP550 and the original hedge was to short EUR1,000 and 500 GBP, the Manager will then need to increase the hedge by selling an additional EUR100 and GBP50.

Index Periodical Review

The constituents of the Index are rebalanced semi-annually, as of the close of the last business day of May and November, coinciding with the May and November semi-annual index reviews of the MSCI Europe Index. The historical fundamental variables (i.e. ROE, debt to equity, and earnings per share growth) as of the end of April and October are used respectively.

The number of securities will also be reviewed at each semi-annual index review, and the same upward rounding-off rules as applicable at initial construction will apply.

Index Constituents

You can obtain the most updated list of the constituents of the Index together with their respective weightings and additional information of the Index including the index methodology with details of currency hedging component of the Index and the closing level of the Index from the website of MSCI Inc. at https://www.msci.com/constituents. This website has not been reviewed by the SFC. Please refer to the Manager's website for the latest hyperlink for the Index.

Index Code

Bloomberg Code: M1CXBMEQ

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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.

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

Risks Associated with Investing in Europe. The Economic and Monetary Union (the "EMU") of the European Union ("EU") requires compliance with restrictions on inflation rates, deficits, interest rates, debt levels and fiscal and monetary controls, each of which may significantly affect every country in Europe. Decreasing imports or exports, changes in governmental or EU regulations on trade, changes in the exchange rate of the Euro, the default or threat of default by an EU member country on its sovereign debt, and/or an economic recession in an EU member country may have a significant adverse effect on the economies of EU member countries and their trading partners. The European financial markets have recently experienced volatility and adverse trends in recent years due to concerns about economic downturns or rising government debt levels in several European countries, including Greece, Ireland, Italy, Portugal and Spain. A default or debt restructuring by any European country would adversely impact holders of that country's debt, and sellers of credit default swaps linked to that country's creditworthiness (which may be located in countries other than those listed in the previous sentence). These events have adversely affected the exchange rate of the Euro, the common currency of certain EU countries, and may continue to significantly affect every country in Europe, including countries that do not use the Euro. Such events and any others adverse events affecting the European economy and the Euro may have a negative impact on the Sub-Fund's investments in the European markets.

Difference in Trading Hours Risks. As the European stock exchanges will be open when Units in the Sub-Fund are not priced, the value of the securities in the Sub-Fund's portfolio may change on days when investors will not be able to purchase or sell Units. Differences in trading hours between exchanges in Europe and the SEHK may result in the trading price per Unit

deviating from its Net Asset Value (i.e. the trading price being at a premium or discount to the Net Asset Value) because the European exchanges will be closed while the SEHK is open and the Index level will not be available.

Limitations of Hedging Risks. The Sub-Fund invests in currency forward contracts for hedging purposes. While this approach is designed to minimise the impact of currency fluctuations on the Sub-Fund's returns, there can be no assurance that any hedging techniques will fully and effectively eliminate the risk exposure of the Sub-Fund. For a variety of reasons, the return of the currency forward contracts may not perfectly offset the actual fluctuations of foreign currencies relative to USD or the Sub-Fund may not obtain a perfect correlation between its hedging techniques and the currency holdings being hedged. In adverse situations, the Sub-Fund's use of derivatives may become ineffective in hedging and the Sub-Fund may as a result take unhedged positions and suffer losses. Further, as the Index Provider uses one-month currency forwards for hedging purposes, the Sub-Fund may remain exposed to currency risk intra-month as the currency hedge is reset on a monthly basis.

In addition, currency hedging will be performed irrespective of whether the target currency is declining or increasing in value. Such hedging may protect Unitholders against a decrease in the foreign currencies of the Index and the Sub-Fund's portfolio relative to USD, but it may also preclude Unitholders from benefiting from an increase in the value of any such foreign currencies relative to USD.

Derivative Risks. The Sub-Fund will invest in currency forwards for hedging purposes. Investment in derivative instruments such as currency forwards can be illiquid if there is no active market in these instruments. Such instruments are complex in nature and will be subject to insolvency or default risk of the issuers or counterparties. The Sub-Fund may suffer losses if the issuers or counterparties of the derivative instruments default in their obligations.

Besides, derivative instruments may involve an embedded leverage, and their prices may be volatile because such instruments provide significantly larger market exposure than the money paid or deposited when the transaction is entered into, such that a relatively small adverse market movement could expose the Sub-Fund to the possibility of a loss exceeding the original amount invested. Investment in derivatives may therefore result in losses to the Sub-Fund and adversely affect Unitholders' investments.

Costs of Hedging Risk. Any costs and expenses arising from currency hedging transactions, which may be significant depending on prevailing market conditions, will be borne by the Sub-Fund. In particular, depending on various market factors such as interest rate differentials, the near month currency forward contracts may cost more or less to purchase than the later month currency forward contracts. Accordingly, where the expiring currency forward contracts trade at a lower price than the next month contract (i.e. the market is in contango), sale proceeds in the course of rolling (i.e. selling and then buying currency forward contracts) will not be sufficient for purchasing the same number of currency forward contracts. This creates a negative roll yield which will be borne by the Sub-Fund, and therefore adversely affects the Net Asset Value of the Sub-Fund.

OTC Transactions Risks. In general, there is less governmental regulation and supervision of transactions in the over-the-counter ("OTC") markets, in which currency forward contracts are generally traded, than of transactions entered into on 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 OTC financial derivative transactions. Therefore, the Sub-Fund's OTC transactions 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. The Sub-Fund will only enter into transactions with counterparties which it believes to be creditworthy, and may reduce the exposure incurred in connection with such transactions through the receipt of letters of credit or collateral from certain counterparties. Regardless of the measures the Sub-Fund may seek to implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Sub-Fund will not sustain losses as a result.

From time to time, the counterparties with which the Sub-Fund effects transactions might cease making markets or quoting prices in certain of the instruments. In such instances, the Sub-Fund might be unable to enter into a desired transaction in currency forwards, which might adversely affect its performance or effectiveness in implementing its hedging strategy. Further, in contrast to exchange-traded instruments, forward contracts on currencies may not provide the Manager with the possibility to offset the Sub-Fund's obligations through an equal and opposite transaction. For this reason, in entering into forward contracts, the Sub-Fund may be required, and must be able, to perform its obligations under the contracts.

New Product Risk. The Sub-Fund is an exchange traded fund which engages in currency hedging and tracks an underlying index which captures the performance of hedging the currency exposure of an equity index. Although there have been exchange traded funds in Hong Kong which invest in derivatives for hedging purposes, the Sub-Fund and BMO MSCI Japan Hedged to USD ETF were the first exchange traded funds in Hong Kong tracking benchmark indices with a currency hedging component. The novelty and untested nature of such an exchange traded fund and the fact that the Sub-Fund is the first of its kind in Hong Kong makes the Sub-Fund riskier than traditional exchange traded funds which do not engage in currency hedging.

New Index Risk. The Index is a new index having only been launched on 15 May 2015. 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.

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APPENDIX 6: BMO MSCI ASIA PACIFIC REAL ESTATE ETF

This Sub-Fund has been authorised by the SFC under section 104 of the SFO and the Code on Unit Trusts and Mutual Funds but not the Code on Real Estate Investment Trusts.

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	MSCI AC Asia Pacific Real Estate Index
Listing Date (SEHK)	18 February 2016
Exchange Listing	SEHK – Main Board
Stock Code	3121
Short Stock Name	BMO AP REAL EST
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 March and September 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 or USD, as agreed with the relevant Participating Dealer) and in-kind
Application Unit Size (only by or through Participating Dealers)	Minimum 100,000 Units (or multiples thereof) for cash creation/redemption Minimum 500,000 Units (or multiples thereof) for in-kind creation/redemption
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*	ABN AMRO Clearing Hong Kong Limited BNP Paribas Securities Services Goldman Sachs (Asia) Securities Limited Haitong International Securities Company Limited SG Securities (HK) Limited
Market Maker*	BNP Paribas Securities (Asia) 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**

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

** *This website has not been reviewed by the SFC.*

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.

Securities financing transactions

There is no current intention for the Sub-Fund to engage in securities lending transactions, sale and repurchase transactions or reverse repurchase transactions.

Use of derivatives

The Sub-Fund currently does not intend to invest in any financial derivative instruments for hedging or non-hedging purposes (i.e. the Sub-Fund will not use derivatives for any purposes), and is therefore not expected to incur any leverage arising from the use of financial derivative instruments.

Where the Sub-Fund does engage in securities financing transactions and/or invest in financial derivative instruments, prior approval shall be obtained from the SFC (if so required) and no less than 1 month's prior notice (or such other notice period as required by the Code) will be given to the Unitholders.

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

Distribution Policy

The Manager intends to distribute income to Unitholders at least semi-annually (usually in March and September) 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 that is compiled and published by MSCI Inc., the Index Provider. The Index consists of large- and mid-capitalisation equity across 14 markets in the Asia Pacific region and all securities included are classified in the Real Estate Sector according to the Global Industry Classification Standard (GICS®). The Index is constructed based on the MSCI Global Investable Market Indexes ("GIMI") Methodology, as set out below.

The Index was launched on 1 November 2015 and had a base date of 31 December 2004 and 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 31 October 2019, the Index had a total market capitalisation of USD511.15 billion and 97 constituents out of the following 14 eligible markets: Australia, Hong Kong, Japan, China, India, Indonesia, South Korea, Malaysia, New Zealand, Pakistan, the Philippines, Singapore, Taiwan and Thailand.

The Index is denominated in HKD.

The Manager (and each of its Connected Persons) is independent of the Index Provider.

Investable Universe and Index Construction

The Index is constructed based on the MSCI GIMI Methodology. The equity universe of the Index includes listed equity securities, including real estate investment trusts ("REITs") and preferred shares that exhibit characteristics of equity securities, whereas mutual funds, exchange traded funds, derivatives and most investment trusts are not eligible for inclusion.

Each company and its securities are classified in one country primarily by the country of incorporation and primary listing. The market investable equity universe of the Index is derived by: (a) identifying eligible listings for each security in the equity universe that is classified in each of the countries included in the Index; and (b) applying investability screens to individual companies and securities in the equity universe that are classified in each of the countries included in the Index. A security may have a listing in the country where it is classified (i.e. "local listing") and/or in a different country (i.e. "foreign listing"). A security may be represented in the global investable equity universe by a foreign listing (including a depositary receipt) only if the security is classified in a country that meets certain foreign listing materiality requirement, and the security's foreign listing is traded on an eligible stock exchange.

Investability screens to be applied to determine the market investable equity universe of the Index include but are not limited to the following criteria:

(i) *Equity universe minimum size requirement*

This investability screen is applied at the company level. A company must have a full market capitalisation equal to or higher than the minimum full market capitalisation which is determined by (i) sorting all the companies in the equity universe in descending order by full market capitalisation; and (ii) identifying the company when the cumulative coverage of the free float adjusted market capitalisation reaches 99% of the sorted equity universe. The full market capitalisation of this company defines the minimum full market capitalisation. This minimum threshold is updated on a semi-annual basis and, as of the May 2015 semi-annual index review, was USD207 million.

(ii) *Equity universe minimum free float-adjusted market capitalisation requirement*

This investability screen is applied at the individual security level. A security must have a free float-adjusted market capitalisation equal to or higher than 50% of the equity universe minimum size requirement. The minimum threshold is updated on a semi-annual basis and, as of the May 2015 semi-annual index review, was USD103.5 million.

(iii) *Minimum liquidity requirement*

A security must have a minimum liquidity level which is measured as follows: for developed market countries, a 3-month annual traded value ratio ("ATVR") of 20% and 3-month frequency of trading of 90% over the last 4 consecutive quarters, and a 12-month ATVR of 20%; and for emerging market countries, a 3-month ATVR of 15% of and 3-month frequency of trading of 80% over the last 4 consecutive quarters, and a 12-month ATVR of 15%.

(iv) *Minimum length of trading requirement*

For an IPO (other than a large IPO) to be eligible for inclusion, the new issue must have started trading at least 3 months before the implementation of a semi-annual index review. For large IPOs (i.e. an IPO whose full market capitalisation exceeds 1.8 times the cut-off of the Standard Index size segment (see below) and whose free-float adjusted market capitalisation exceeds 1.8 times one-half of the cut-off of the Standard Index size segment), the minimum length of trading requirement will not apply and the securities may be considered for early inclusion in the Standard Index if it meet all the MSCI inclusion criteria.

(v) *Global minimum foreign inclusion factor requirement*

A security's "foreign inclusion factor" relates to the proportion of shares outstanding that is available for purchase in the public equity markets by international investors. In general, a security must have a foreign inclusion factor equal to or larger than 0.15 to be eligible for inclusion in a market investable equity universe.

A coverage target range of 85% ± 5% is applied to the free float-adjusted market capitalisation of Japan to create a size-segment (known as a Standard Index) consisting of the large- and mid-capitalisation stocks in the market investable equity universe of Japan.

Within the Standard Index size segment, only securities which are classified by the Global Industry Classification Standard (GICS®) in the Real Estate Sector will be selected as constituents of the Index. The GICS guidelines are designed by MSCI Inc. in conjunction with S&P Dow Jones Indexes and are used to determine the appropriate industry classification according to the business activities that generate 60% or more of the company's revenues or, where a company engages in two or more substantially different business activities and none of them contributes 60% or more of the company's revenues, the business activity that provides the majority of both the company's revenues and earnings. Where the aforesaid rules cannot be applied or are considered inappropriate, further analysis is conducted to determine an

appropriate classification.

In order to achieve index continuity and provide further diversification, a minimum number of five constituents will be maintained for each developed market country and a minimum of three constituents will be maintained for each emerging market country.

Further details of the MSCI GIMI Methodology can be found on the Index Provider's website at: www.msci.com. This website has not been reviewed by the SFC.

Index Periodical Review

The constituents of the Index are reviewed and rebalanced quarterly in February, May, August and November, with the objective of reflecting change in the underlying equity markets in a timely manner, while limiting undue index turnover.

During the May and November semi-annual index reviews, the Index is rebalanced and the large- and mid-capitalisation cut-off points are recalculated.

Index Constituents

You can obtain the most updated list of the constituents of the Index together with their respective weightings and additional information of the Index including the index methodology and the closing level of the Index from the website of MSCI Inc. at https://www.msci.com/constituents. This website has not been reviewed by the SFC. Please refer to the Manager's website for the latest hyperlink for the Index.

Index Code

Bloomberg Code: M1CXBMOA

Index Provider Disclaimer

THIS FUND IS NOT SPONSORED, ENDORSED, SOLD OR PROMOTED BY MSCI INC. ("MSCI"), ANY OF ITS AFFILIATES, ANY OF ITS INFORMATION PROVIDERS OR ANY OTHER THIRD PARTY INVOLVED IN, OR RELATED TO, COMPILING, COMPUTING OR CREATING ANY MSCI INDEX (COLLECTIVELY, THE "MSCI PARTIES"). THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES ARE SERVICE MARK(S) OF MSCI OR ITS AFFILIATES AND HAVE BEEN LICENSED FOR USE FOR CERTAIN PURPOSES BY BMO GLOBAL ASSET MANAGEMENT (ASIA) LIMITED. NONE OF THE MSCI PARTIES MAKES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, TO THE ISSUER OR OWNERS OF THIS FUND OR ANY OTHER PERSON OR ENTITY REGARDING THE ADVISABILITY OF INVESTING IN FUNDS GENERALLY OR IN THIS FUND PARTICULARLY OR THE ABILITY OF ANY MSCI INDEX TO TRACK CORRESPONDING STOCK MARKET PERFORMANCE. MSCI OR ITS AFFILIATES ARE THE LICENSORS OF CERTAIN TRADEMARKS, SERVICE MARKS AND TRADE NAMES AND OF THE MSCI INDEXES WHICH ARE DETERMINED, COMPOSED AND CALCULATED BY MSCI WITHOUT REGARD TO THIS FUND OR THE ISSUER OR OWNERS OF THIS FUND OR ANY OTHER PERSON OR ENTITY. NONE OF THE MSCI PARTIES HAS ANY OBLIGATION TO TAKE THE NEEDS OF THE ISSUER OR OWNERS OF THIS FUND OR ANY OTHER PERSON OR ENTITY INTO CONSIDERATION IN DETERMINING, COMPOSING OR CALCULATING THE MSCI INDEXES. NONE OF THE MSCI PARTIES IS RESPONSIBLE FOR OR HAS PARTICIPATED IN THE DETERMINATION OF THE TIMING OF, PRICES AT, OR QUANTITIES OF THIS FUND TO BE ISSUED OR IN THE DETERMINATION OR CALCULATION OF THE EQUATION BY OR THE CONSIDERATION INTO WHICH THIS FUND IS REDEEMABLE. FURTHER, NONE OF THE MSCI PARTIES HAS ANY OBLIGATION OR LIABILITY TO THE ISSUER OR OWNERS OF THIS FUND OR ANY OTHER PERSON OR ENTITY IN CONNECTION WITH THE ADMINISTRATION, MARKETING OR OFFERING OF THIS FUND.

ALTHOUGH MSCI SHALL OBTAIN INFORMATION FOR INCLUSION IN OR FOR USE IN THE CALCULATION OF THE MSCI INDEXES FROM SOURCES THAT MSCI CONSIDERS RELIABLE, NONE OF THE MSCI PARTIES WARRANTS OR GUARANTEES THE ORIGINALITY, ACCURACY AND/OR THE COMPLETENESS OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. NONE OF THE MSCI PARTIES MAKES ANY WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE ISSUER OF THE FUND, OWNERS OF THE FUND, OR ANY OTHER PERSON OR ENTITY, FROM THE USE OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. NONE OF THE MSCI PARTIES SHALL HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS OR INTERRUPTIONS OF OR IN CONNECTION WITH ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. FURTHER, NONE OF THE MSCI PARTIES MAKES ANY EXPRESS OR IMPLIED WARRANTIES OF ANY KIND, AND THE MSCI PARTIES HEREBY EXPRESSLY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO EACH MSCI INDEX AND ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL ANY OF THE MSCI PARTIES HAVE ANY LIABILITY FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL OR ANY OTHER DAMAGES (INCLUDING LOST PROFITS) EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

Index Licence Agreement

The initial term of the licence of the Index commenced on 1 November 2015 and will continue for three years. After the expiration of the initial three-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 Real Estate Sector. There are special risk considerations associated with investing in the securities of companies principally engaged in the real estate market. These risks include without limitation: the cyclical nature of real estate values, risks related to global and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, demographic trends and variations in rental income, changes in zoning laws, casualty or condemnation losses, environmental risks, regulatory limitations on rents, changes in neighbourhood values, related party risks, changes in the appeal of properties to tenants and increases in interest rates.

REITs Risk. Particular risks associated with the direct ownership of real estate by REITs is that real estate values may fluctuate as a result of general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, changes in zoning laws, casualty or condemnation losses, regulatory limitations on rents, changes in neighbourhood values, changes in how appealing properties are to tenants and increases in interest rates (which leads to an increase in financing). As well as changes in the value of their underlying properties, the value of REITs may also be affected by defaults by borrowers or tenants. These risks may decrease the value of the Sub-Fund’s investments.

Any dividend policy or dividend payout at the Sub-Fund level may not be representative of the dividend policy or dividend payout of the relevant underlying REIT. The relevant underlying REIT may not necessarily be authorised by the SFC. The ability to trade REITs in the secondary market can be more limited than other stocks. The less liquid nature of REITs may affect the Sub-Fund’s ability to acquire or dispose of such assets at the price and time it wishes to do so, and consequently may have an adverse impact on the investment performance of the Sub-Fund.

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

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.

New Index Risk. The Index is a new index having only been launched on 1 November 2015. 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.

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APPENDIX 7: BMO NASDAQ 100 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-100 Index
Listing Date (SEHK)	18 February 2016
Dealing on SEHK Commencement Date	HKD counter: 18 February 2016 USD counter: 11 March 2019
Exchange Listing	SEHK – Main Board
Stock Code	HKD counter: 3086 USD counter: 9086
Short Stock Name	HKD counter: BMO NASDAQ100 USD counter: BMO NASDAQ100-U
Trading Board Lot Size	HKD counter: 200 Units USD counter: 200 Units
Base Currency	HKD
Trading Currency	HKD counter: HKD USD counter: USD
Distribution Policy	The Manager intends to distribute income to Unitholders at least semi-annually (usually in March and September of each year) having regard to the Sub-Fund's net income after fees and costs. There is no current intention to make distributions out of capital or effectively out of capital. **Distributions on all Units (whether traded in HKD or USD counter) will be in HKD only.** [#]
Creation/Redemption Policy	Cash (HKD or USD, as agreed with the relevant Participating Dealer) and in-kind
Application Unit Size (only by or through Participating Dealers)	Minimum 100,000 Units (or multiples thereof) for cash creation/redemption Minimum 500,000 Units (or multiples thereof) for in-kind creation/redemption
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*	<u>HKD and USD counters</u> ABN AMRO Clearing Hong Kong Limited BNP Paribas Securities Services China Merchants Securities (HK) Co., Limited Goldman Sachs (Asia) Securities Limited Haitong International Securities Company Limited The Hongkong and Shanghai Banking Corporation Limited SG Securities (HK) Limited

Market Maker*	HKD counter BNP Paribas Securities (Asia) Limited Flow Traders Hong Kong Limited HSBC Securities Brokers (Asia) Limited SG Securities (HK) Limited USD counter Flow Traders Hong Kong Limited
Management Fee	Currently 0.30% 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**

*Unitholders of the Sub-Fund should note that all Units will receive distributions in the Base Currency (HKD) only. As such, the Unitholder may have to bear the fees and charges associated with the conversion of such distributions from HKD to USD or any other currency. Unitholders are advised to check with their brokers for arrangements concerning distributions and consider the risk factor "**Other Currencies Distributions Risk**".*

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

*** This website has not been reviewed by the SFC.*

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.

Securities financing transactions

There is no current intention for the Sub-Fund to engage in securities lending transactions, sale and repurchase transactions or reverse repurchase transactions.

Use of derivatives

The Sub-Fund currently does not intend to invest in any financial derivative instruments for hedging or non-hedging purposes (i.e. the Sub-Fund will not use derivatives for any purposes), and is therefore not expected to incur any leverage arising from the use of financial derivative instruments.

Where the Sub-Fund does engage in securities financing transactions and/or invest in financial derivative instruments for investment purposes, prior approval shall be obtained from the SFC (if so required) and no less than 1 month's prior notice (or such other notice period as required by the Code) will be given to the Unitholders.

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

Distribution Policy

The Manager intends to distribute income to Unitholders at least semi-annually (usually in March and September) 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.

Dual Counter Trading

The Manager has arranged for the Units to be available for trading on the secondary market on the SEHK under a Dual Counter arrangement. Units are denominated in HKD. The Sub-Fund offers 2 trading counters on the SEHK (i.e. HKD counter and USD counter) to investors for secondary trading purposes. Units traded in HKD counter will be settled in HKD and Units traded in USD counter will be settled in USD. Apart from settlement in different currencies, the trading prices of Units in the 2 counters may be different as the HKD counter and USD counter are 2 distinct and separate markets.

Units traded on both counters are of the same class and all Unitholders of the counters are treated equally. The 2 counters will have different stock codes and different stock short names as follows:

	HKD counter	**USD counter**
SEHK stock code	3086	9086
Short name	BMO NASDAQ100	BMO NASDAQ100-U

Normally, investors can buy and sell Units traded in the same counter or alternatively buy in 1 counter and sell in another counter provided their brokers provide both the HKD and USD trading services at the same time and offer inter-counter transfer services to support Dual Counter trading. Inter-counter buy and sell is permissible even if the trades take places within the same trading day. However, investors should note that the trading price of Units traded in the HKD counter and that of USD counter may be different and may not always maintain a close relationship depending on factors such as market demand and supply and liquidity in each counter.

More information with regard to the Dual Counter is available in the frequently asked questions in respect of the Dual Counter published on HKEX's website http://www.hkex.com.hk/Products/Securities/Exchange-Traded-Products.

Investors should consult their brokers if they have any questions concerning fees, timing, procedures and the operation of the Dual Counter, including inter-counter transfers. Investors' attention is also drawn to the risk factor below entitled "**Dual Counter Trading Risks**".

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 modified market capitalisation weighted index that is compiled and published by The NASDAQ OMX Group, Inc., the Index Provider. The Index comprises the 100 largest domestic and international non-financial companies listed on the NASDAQ Stock Market, based on market capitalisation. The Index reflects companies across major industry groups including computer hardware and software, telecommunications, retail/wholesale trade and biotechnology and does not contain securities of financial companies including investment companies. The weights of constituent securities of the Index are derived based on their market capitalisation and are subject to rules which cap the influence of the largest constituents.

The Index was launched on 31 January 1985 and had a base date of 31 January 1985 and a base level of 125.

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 31 October 2019, the Index had a total market capitalisation of USD9,071.36 billion and 103 constituents. An issuer may have more than one class of securities which are eligible for inclusion in the Index and which will be included as separate constituents.

The Index is denominated in HKD.

The Manager (and each of its Connected Persons) is independent of the Index Provider.

Index Constituents Eligibility Criteria

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

(1) the issuer of the security's primary US listing must be exclusively listed on the NASDAQ Global Select Market or the NASDAQ Global Market (unless the security was dually listed on another US market prior to 1 January 2004 and has continuously maintained such listing);

(2) the security must be issued by a non-financial company. Non-Financial companies are those companies that are classified under all Industry Codes except 8000 according to the Industry Classification Benchmark (ICB);

(3) the security may not be issued by an issuer currently in bankruptcy proceedings;

(4) the security must have a minimum average daily trading volume of at least 200,000 shares in the preceding 3-month trading period;

(5) the issuer of the security may not have entered into a definitive agreement or other arrangement which would likely result in the security no longer being Index eligible; and

(6) the security must have been traded for at least full three months, not including month of initial listing, on NASDAQ, New York Stock Exchange, or Chicago Board Options Exchange.

To be eligible for continued inclusion in the Index, an Index security must meet the above criteria and must have a weight equal to or exceeding 0.1% in the Index at each month-end. In the event that a company does not meet this criterion for 2 consecutive month-ends, it is removed from the Index effective after the close of trading on the third Friday of the following month.

Index Periodical Review

On a quarterly basis coinciding with the quarterly rebalancing schedule, the weights of the securities in the Index will be reviewed and the Index will be rebalanced if it is determined that:

(1) the weight of the single largest security is greater than 24%; and/or

(2) the collective weight of Index securities whose individual weights are each in excess of 4.5% exceeds 48% of the Index.

During the rebalancing process, the weights of all securities with individual weights greater than 1% will be scaled down proportionately such that the adjusted weight of the single largest Index security is 20% and the collective weight of individual securities exceeding 4.5% does not exceed 40%.

The Index securities are reviewed annually in December. The above eligibility criteria are applied and all eligible securities are ranked (based on market capitalisation) using market data through the end of October. During the annual review process, those Index securities that are ranked within the top 100 of all eligible companies at the annual review are retained in the index, while those ranked between 101 and 125 are retained only if they were in the top 100 at the previous annual review or were added subsequent to the previous annual review. Companies not retained in the Index are replaced by those who have the largest market capitalisation and are not existing constituents in the Index.

Index Constituents

You can obtain the most updated list of the constituents of the Index together with their respective weightings 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://www.nasdaq.com/solutions/nasdaq-global-index-policies This website has not been reviewed by the SFC. Please refer to the Manager's website for the latest hyperlink for the Index.

Index Code

Bloomberg Code: XNDXNNRHKD

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-100 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-100 Index trade/service marks, and certain trade names of the Corporations and the use of the NASDAQ-100 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-100 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-100 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-100 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-100 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 30 November 2015 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 Investing in the US Markets. The recent financial crisis and/or economic recession, decreasing United States imports, new trade regulations, changes in the US dollar exchange rates, and increasing public debt pose concerns on the development of the United States economy. This may have an adverse impact on the United States securities in which the Sub-Fund invests. The Sub-Fund's investment in the United States securities may also be subject to United States taxes.

Difference in Trading Hours Risks. As the NASDAQ Stock Market will be open when Units in the Sub-Fund are not priced, the value of the securities in the Sub-Fund’s portfolio may change on days when investors will not be able to purchase or sell Units. Differences in trading hours between the NASDAQ Stock Market and the SEHK may result in the trading price per Unit deviating from its Net Asset Value (i.e. the trading price being at a premium or discount to the Net Asset Value) because the NASDAQ Stock Market will be closed while the SEHK is open and the Index level will not be available.

Concentration Risk. The Sub-Fund is subject to concentration risk as a result of tracking the performance of the markets in a single country (i.e. the US) and securities trading on a single stock exchange (i.e. NASDAQ). It is likely to be more volatile than a broad-based fund, such as a global equity fund, as it is more susceptible to fluctuations in value resulting from adverse conditions in the relevant region and industry.

Dual Counter Trading Risks. Units of the Sub-Fund are available for trading on the secondary market on the SEHK under a Dual Counter arrangement, which is subject to the following risks:

Dual Counter risk: The Dual Counter arrangement adopted by the Sub-Fund may bring additional risks for investment in the Sub-Fund and may make such investment riskier than investment in single counter exchange traded funds. For example where for some reason there is a settlement failure on an inter-counter day trade if the Units of one counter are delivered to CCASS at the last settlement on a trading day, there may not be enough time to transfer the Units to the other counter for settlement on the same day.

Moreover, where there is a suspension of the inter-counter transfer of Units between the HKD counter and the USD counter for any reasons, for example, operational or systems interruption, Unitholders will only be able to trade their Units in the currency of the relevant counter. Accordingly it should be noted that inter-counter transfers may not always be available. Investors

are recommended to check the readiness of their brokers/intermediaries in respect of the Dual Counter trading and inter-counter transfer. Investors without a USD account may buy and sell HKD traded Units only. Such investors will not be able to buy or sell USD traded Units.

Inter-counter trading risk: Although an investor may buy from one counter and sell the same on the other counter in the same day, it is possible that some brokers/intermediaries and CCASS participants may not be familiar with and may not be able to (i) buy Units in one counter and to sell Units in the other, (ii) carry out inter-counter transfers of Units, or (iii) trade Units in the HKD counter and USD counter at the same time. In such case (i) to (iii), another broker, intermediary or CCASS participant may need to be used. This may inhibit or delay dealing in the HKD traded Units and USD traded Units and may mean investors may only be able to trade their Units in one currency. Investors are recommended to check the readiness of their brokers/intermediaries in respect of the Dual Counter trading and inter-counter transfers and should fully understand the services which the relevant broker is able to provide (as well as any associated fees).

Investors should therefore consult their brokers/intermediaries on the services that the brokers/intermediaries may provide in this regard along with the associated risks and fees. In particular, some brokers/intermediaries may not have in place systems and controls to facilitate inter-counter trading and/or inter-counter day trades.

Difference in trading prices risk: There is a risk that due to different factors such as market liquidity, market supply and demand in the respective counters and the exchange rate fluctuations between HKD and USD, the market price on the SEHK of Units traded in HKD may deviate significantly from the market price on the SEHK of Units traded in USD. The trading price of HKD traded Units or USD traded Units is determined by market forces and so will not be the same as the trading price of Units multiplied by the prevailing rate of foreign exchange. Accordingly when selling Units traded in HKD or buying Units traded in HKD, an investor may receive less or pay more than the equivalent amount in USD if the trade of the relevant Units is in USD and vice versa. There can be no assurance that the price of Units in each counter will be equivalent.

Exchange Rates Movement between the Base Currency and Other Currencies Risk. The Sub-Fund's Base Currency is HKD but has units traded in USD (in addition to HKD). Accordingly secondary market investors may be subject to additional costs or losses associated with foreign currency fluctuations between the Base Currency and the USD trading currency when trading units in the secondary market.

Investors whose assets and liabilities are predominantly in currencies other than HKD should take into account the potential risk of loss arising from fluctuations in value between HKD and the currency of the Units traded. There is no guarantee that HKD will appreciate in value against any other currency, or that the strength of HKD may not weaken. Accordingly, it is possible that an investor may enjoy a gain in terms of HKD but suffer a loss when converting funds from HKD back into any other currency.

Other Currencies Distributions Risk. Investors should note that all Units of the Sub-Fund will receive distributions only in HKD. In the event that the relevant Unitholder has no HKD account, the Unitholder may have to bear the fees and charges associated with the conversion of any distributions from HKD to any other currency. The Unitholder may also have to bear bank or financial institution fees and charges associated with the handling of the distribution payment. Unitholders are advised to check with their brokers regarding arrangements for distributions.

Appendix dated November 2019

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

This Addendum forms an integral part of and should be read in conjunction with the Prospectus dated November 2019 (the "**Prospectus**"). All the capitalised terms used in this Addendum have the same meaning as in the Prospectus, unless otherwise defined herein.

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
HKD Counter Stock Code: 3141
USD Counter Stock Code: 9141

BMO Hong Kong Banks ETF
Stock Code: 3143

BMO Asia High Dividend ETF
Stock Code: 3145

BMO MSCI Japan Hedged to USD ETF
Stock Code: 3160

BMO MSCI Europe Quality Hedged to USD ETF
Stock Code: 3165

BMO MSCI Asia Pacific Real Estate ETF
Stock Code: 3121

BMO NASDAQ 100 ETF
HKD Counter Stock Code: 3086
USD Counter Stock Code: 9086

Addendum to the Prospectus

Effective from the date of this Addendum, the Prospectus is supplemented and amended as follows:

1. <u>SCHEDULE 1 – INVESTMENT RESTRICTIONS</u>

1.1 The following paragraph is added before Section 1 "**Investment limitations applicable to each Sub-Fund**":

"Each Sub-Fund shall be subject to the investment restrictions set out in this Schedule 1 save to the extent that any approval, permission or waiver in respect of the below restrictions has been obtained from the SFC and disclosed in the Appendix of a Sub-Fund, or otherwise provided under the Code."

1.2 The following paragraph is added at the end of paragraph 1(b) under Section 1 "**Investment limitations applicable to each Sub-Fund**":

"The requirements under this sub-paragraph 1(b) are modified in the case of BMO Hong Kong Banks ETF, where the Sub-Fund may invest not more than 35% of its latest available Net Asset Value in securities issued by entities within the same group. Please refer to Appendix 2: BMO Hong Kong Banks ETF for details;"

2. APPENDIX 2: BMO HONG KONG BANKS ETF

2.1 The following is added after the first paragraph under the section headed "**What is the Investment Strategy?**"

"Given the index tracking nature of the Sub-Fund and the nature of the Index, upon consultation with the SFC and as permitted under Chapter 8.6(h)(b) of the Code, the aggregate value of the Sub-Fund's investments in, or exposure to, entities within the same group through investments in Securities issued by such entities is subject to a cap of 35% (not 20%) of the Net Asset Value of the Sub-Fund, as provided in Chapter 7.1A of the Code."

2.2 The last paragraph under the section headed "**Use of derivatives**" is deleted in its entirety and replaced with the following:

"Unless otherwise disclosed in this Appendix, the investment strategy of the Sub-Fund is subject to the investment and borrowing restrictions set out in Schedule 1 of this Prospectus."

BMO Global Asset Management (Asia) Limited accepts responsibility for the information contained in this Addendum as being accurate as at the date of publication.

The Prospectus may only be distributed if accompanied by this Addendum and Product Key Facts Statements.

BMO Global Asset Management (Asia) Limited

Date: 23 December 2019

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

This Second Addendum forms an integral part of and should be read in conjunction with the Prospectus dated November 2019, as supplemented and amended by an addendum dated 23 December 2019 (together, the "**Prospectus**"). All the capitalised terms used in this Addendum have the same meaning as in the Prospectus, unless otherwise defined herein.

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
HKD Counter Stock Code: 3141
USD Counter Stock Code: 9141

BMO Hong Kong Banks ETF
Stock Code: 3143

BMO Asia High Dividend ETF
Stock Code: 3145

BMO MSCI Japan Hedged to USD ETF
Stock Code: 3160

BMO MSCI Europe Quality Hedged to USD ETF
Stock Code: 3165

BMO MSCI Asia Pacific Real Estate ETF
Stock Code: 3121

BMO NASDAQ 100 ETF
HKD Counter Stock Code: 3086
USD Counter Stock Code: 9086

Second Addendum to the Prospectus

Effective from the date of this Addendum, the Prospectus is supplemented and amended as follows:

ACCEPTANCE OF APPLICATIONS AFTER DEALING DEADLINE

1. Under the section headed "**THE OFFERING PHASES**", the second paragraph under the sub-section "*Creations and Redemptions through Participating Dealers*" on pages 11-12 is deleted in its entirety and replaced with the following:

   "To be dealt with on a Dealing Day, the relevant Participating Dealer or PD Agent 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. Notwithstanding, the Manager may

agree to accept a Creation Application in respect of any Dealing Day which is received after the Dealing Deadline but prior to the Valuation Point related to that Dealing Day if it has determined in good faith that such acceptance will not materially prejudice the interest of the other Unitholders and the Trustee has not raised any objections. 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."

2. The section headed "**CREATIONS AND REDEMPTIONS (PRIMARY MARKET)**" is amended as follows:

   (a) the second paragraph under the sub-section "*Creation Process*" on pages 19-20 is deleted in its entirety and replaced with the following:

   "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, unless otherwise determined by the Manager, 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."

   (b) the fourth paragraph under the sub-section "*Issue of Units*" on page 21 is deleted in its entirety and replaced with the following:

   "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, unless otherwise determined by the Manager, 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."

(c) the second paragraph under the sub-section "*Redemption Process*" on page 24 is deleted in its entirety and replaced with the following:

"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. Notwithstanding, the Manager may agree to accept a Redemption Application in respect of any Dealing Day which is received after the Dealing Deadline but prior to the Valuation Point relating to that Dealing Day if it has determined in good faith that such acceptance will not materially prejudice the interest of the other Unitholders. 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."

INDEX METHODOLOGY AND OTHER INDEX RELATED AND GENERAL UPDATES

3. Under **Appendix 1: BMO ASIA USD INVESTMENT GRADE BOND ETF** in Part 2 of the Prospectus, the sub-section headed "***General Information on the Index***" on page 81, paragraph 5 is deleted in its entirety and replaced with the following:

   "As at 28 February 2020, the Index had a total market capitalisation of USD696.07 billion and consisted of 847 constituents out of the following eligible Asian markets: Bangladesh, China, Hong Kong, India, Indonesia, Macau, Malaysia, Mongolia, Pakistan, the Philippines, South Korea, Singapore, Sri Lanka, Taiwan, Thailand and Vietnam.

4. **Appendix 2: BMO HONG KONG BANKS ETF** in Part 2 of the Prospectus is amended as follows:

   (a) the sub-section headed "***General Information on the Index***" on page 89, paragraph 6 is deleted in its entirety and replaced with the following:

   "As at 28 February 2020, the Index had a total market capitalisation of HKD2,966.87 billion and 16 constituents."

   (b) the sub-section headed "***Index Calculation***" on pages 89-90, paragraph 7 is deleted in its entirety and replaced with the following:

   "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:

   (1) The largest group entity will be capped at 33% with excess weight being redistributed to all non-capped entities. Weights for group entities that have more than one security are proportionally distributed in accordance to their float market cap weights.

   (2) Second largest group entity and all others are capped at 18% with the excess weight being redistributed to all non-capped entities. Weights for group entities that have more than one security are proportionally distributed in accordance to their float market cap weights.

   (3) The top five (5) securities are capped at 70%, if the aggregate weight of the top five (5) securities is greater than 70%.

   (4) Any security with a weight greater than 18% is capped at 18% and the weight

is proportionally redistributed to those securities in the top five (5) that are not capped such that the top five (5) securities weight totals capped at 70% (if they were above 70%). The remaining weight is proportionally redistributed such that the remaining securities have a total weight of 30% (if the top five (5) were capped at 70%).

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."

5. **Appendix 3: BMO ASIA HIGH DIVIDEND ETF** in Part 2 of the Prospectus is amended as follows:

   (a) the row "**Market Maker**" under the section headed "**Key Information**" on page 93 is deleted in its entirety and replaced with the following:

Market Maker*	BNP Paribas Securities (Asia) Limited Flow Traders Hong Kong Limited SG Securities (HK) Limited

   (b) the sub-section headed "***General Information on the Index***" on pages 95-96, paragraph 8 is deleted in its entirety and replaced with the following:

   "As at 28 February 2020, the Index had a total market capitalisation of HKD8,264.25 billion and consisted of 167 constituents out of the following 10 eligible Asian markets: China, Hong Kong, India, Indonesia, South Korea, Malaysia, the Philippines, Singapore, Taiwan and Thailand."

6. **Appendix 4: BMO MSCI JAPAN HEDGED TO USD ETF** in Part 2 of the Prospectus is amended as follows:

   (a) the sub-section headed "***General Information on the Index***" on page 101, paragraph 4 is deleted in its entirety and replaced with the following:

   "As at 28 February 2020, the Index had a total market capitalisation of USD3,263.90 billion and 323 constituents."

   (b) the sub-section headed "***Investable Universe and Index Construction***" on pages 101-102, sub-paragraphs (i) and (ii) under paragraph 2 are deleted in their entirety and replaced with the following:

   "(i) Equity universe minimum size requirement

   This investability screen is applied at the company level. A company must have a full market capitalisation equal to or higher than the minimum full market capitalisation which is determined by (i) sorting all the companies in the equity universe in descending order by full market capitalisation; and (ii) identifying the company when the cumulative coverage of the free float adjusted market capitalisation reaches 99% of the sorted equity universe. The full market capitalisation of this company defines the minimum full market capitalisation. This minimum threshold is updated on a semi-annual basis and, as of the November 2019 semi-annual index review, was USD233

million.

(ii) Equity universe minimum free float-adjusted market capitalisation requirement

This investability screen is applied at the individual security level. A security must have a free float-adjusted market capitalisation equal to or higher than 50% of the equity universe minimum size requirement. The minimum threshold is updated on a semi-annual basis and, as of the November 2019 semi-annual index review, was USD116.5 million."

7. Under **Appendix 5: BMO MSCI EUROPE QUALITY HEDGED TO USD ETF** in Part 2 of the Prospectus, the sub-section headed "***General Information on the Index***" on page 109, paragraph 4 is deleted in its entirety and replaced with the following:

"As at 28 February 2020, the Index had a total market capitalisation of USD2,986.38 billion and consisted of 125 constituents out of the following 15 eligible European markets: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and United Kingdom."

8. **Appendix 6: BMO MSCI ASIA PACIFIC REAL ESTATE ETF** in Part 2 of the Prospectus is amended as follows:

(a) the sub-section headed "***General Information on the Index***" on page 118, paragraph 4 is deleted in its entirety and replaced with the following:

"As at 28 February 2020, the Index had a total market capitalisation of USD485.37 billion and consisted of 104 constituents out of the following 14 eligible markets: Australia, Hong Kong, Japan, China, India, Indonesia, South Korea, Malaysia, New Zealand, Pakistan, the Philippines, Singapore, Taiwan and Thailand."

(b) the sub-section headed "*Investable Universe and Index Construction*" on pages 118-120, sub-paragraphs (i) and (ii) under paragraph 2 are deleted in their entirety and replaced with the following:

"(i) Equity universe minimum size requirement

This investability screen is applied at the company level. A company must have a full market capitalisation equal to or higher than the minimum full market capitalisation which is determined by (i) sorting all the companies in the equity universe in descending order by full market capitalisation; and (ii) identifying the company when the cumulative coverage of the free float adjusted market capitalisation reaches 99% of the sorted equity universe. The full market capitalisation of this company defines the minimum full market capitalisation. This minimum threshold is updated on a semi-annual basis and, as of the November 2019 semi-annual index review, was USD233 million.

(ii) Equity universe minimum free float-adjusted market capitalisation requirement

This investability screen is applied at the individual security level. A security must have a free float-adjusted market capitalisation equal to or higher than 50% of the equity universe minimum size requirement. The minimum threshold is updated on a semi-annual basis and, as of the November 2019 semi-annual index review, was USD116.5 million."

(c) the sub-section headed "***Investable Universe and Index Construction***" on pages 118-120, the paragraph after sub-paragraph (v) is deleted in its entirety and replaced with the following:

"A coverage target range of 85% ± 5% is applied to the free float-adjusted market capitalisation of the Asia Pacific region to create a size-segment (known as a Standard Index) consisting of the large- and mid-capitalisation stocks in the market investable equity universe of the Asia Pacific region."

9. **Appendix 7: BMO NASDAQ 100 ETF** in Part 2 of the Prospectus is amended as follows:

   (a) the sub-section headed "***General Information on the Index***" on page 126, paragraph 4 is deleted in its entirety and replaced with the following:

   "As at 28 February 2020, the Index had a total market capitalisation of USD9,491.18 billion and 103 constituents. An issuer may have more than one class of securities which are eligible for inclusion in the Index and which will be included as separate constituents."

   (b) the sub-section headed "***Index Periodical Review***" on page 127, paragraph 1 sub-paragraph (2) is deleted in its entirety and replaced with the following:

   "(2) the collective weight of Index securities whose individual weights are each in excess of 4.5%, when added together, exceeds 48% of the Index."

BMO Global Asset Management (Asia) Limited accepts responsibility for the information contained in this Addendum as being accurate as at the date of publication.

The Prospectus may only be distributed if accompanied by this 2nd Addendum and Product Key Facts Statements.

BMO Global Asset Management (Asia) Limited

Date: 19 March 2020