

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

## PROSPECTUS

Continuous Offering

January 29, 2016



This prospectus qualifies the distribution of CAD Units (defined below) of the following BMO exchange traded funds (each, a “**BMO ETF**” and collectively, the “**BMO ETFs**”):

BMO S&P/TSX Capped Composite Index ETF	BMO Junior Gas Index ETF
BMO S&P 500 Hedged to CAD Index ETF	BMO Equal Weight US Health Care Hedged to CAD Index ETF
BMO MSCI EAFE Hedged to CAD Index ETF	BMO Equal Weight US Banks Hedged to CAD Index ETF
BMO MSCI Emerging Markets Index ETF	BMO Long Federal Bond Index ETF
BMO Global Infrastructure Index ETF	BMO Real Return Bond Index ETF
BMO Dow Jones Industrial Average Hedged to CAD Index ETF	BMO Emerging Markets Bond Hedged to CAD Index ETF
BMO Short Federal Bond Index ETF	BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF
BMO Short Provincial Bond Index ETF	BMO Mid-Term US IG Corporate Bond Index ETF
BMO Short Corporate Bond Index ETF	BMO Mid Provincial Bond Index ETF
BMO High Yield US Corporate Bond Hedged to CAD Index ETF	BMO Long Provincial Bond Index ETF
BMO S&P/TSX Equal Weight Banks Index ETF	BMO S&P/TSX Equal Weight Industrials Index ETF
BMO S&P/TSX Equal Weight Oil & Gas Index ETF	BMO S&P/TSX Equal Weight Global Gold Index ETF
BMO S&P/TSX Equal Weight Global Base Metals Hedged to CAD Index ETF	BMO S&P 500 Index ETF
BMO China Equity Index ETF	BMO Laddered Preferred Share Index ETF
BMO India Equity Index ETF	BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF
BMO Equal Weight Utilities Index ETF	BMO Discount Bond Index ETF
BMO Nasdaq 100 Equity Hedged to CAD Index ETF	BMO Equal Weight US Banks Index ETF
BMO Junior Gold Index ETF	BMO MSCI EAFE Index ETF
BMO Mid Corporate Bond Index ETF	BMO MSCI Europe High Quality Hedged to CAD Index ETF
BMO Mid Federal Bond Index ETF	BMO MSCI USA High Quality Index ETF
BMO Long Corporate Bond Index ETF	BMO MSCI All Country World High Quality Index ETF
BMO Aggregate Bond Index ETF	
BMO Equal Weight REITs Index ETF	
BMO Junior Oil Index ETF	

This prospectus also qualifies the distribution of USD Units (defined below) of BMO Mid-Term US IG Corporate Bond Index ETF and BMO S&P 500 Index ETF. Collectively, CAD Units and USD Units are referred to as “**Units**”.

The BMO ETFs are exchange traded mutual funds established as trusts under the laws of the Province of Ontario. Each BMO ETF seeks to replicate, to the extent possible, the performance of an index (each, an “**Index**” and collectively, the “**Indices**”), net of expenses. See “Investment Objectives”.

Units of each of the BMO ETFs are being issued and sold on a continuous basis and there is no maximum number of Units that may be issued. Units of the BMO ETFs may be either Canadian dollar denominated or U.S. dollar denominated. Any exposure that the portfolio of each of BMO S&P 500 Hedged to CAD Index ETF, BMO Dow Jones Industrial Average Hedged to CAD Index ETF, BMO High Yield US Corporate Bond Hedged to CAD Index ETF, BMO S&P/TSX Equal Weight Global Base Metals Hedged to CAD Index ETF, BMO Nasdaq 100 Equity Hedged to CAD Index ETF, BMO Equal Weight US Health Care Hedged to CAD Index ETF, BMO Equal Weight US Banks Hedged to CAD Index ETF, BMO Emerging Markets Bond Hedged to CAD Index ETF, BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF, and BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF may have to the United States dollar will be hedged back to the Canadian dollar. Any exposure that the portfolio of BMO MSCI EAFE Hedged to CAD Index ETF and BMO MSCI Europe High Quality Hedged to CAD Index ETF may have to any currencies other than the Canadian dollar will be hedged back to the Canadian dollar. Except as described above, the BMO ETFs will not hedge any foreign currency exposure back to the currency in which the applicable class of Units is denominated.

BMO Asset Management is the trustee, manager, portfolio manager, promoter and valuation agent of the BMO ETFs and is responsible for the administration of the BMO ETFs. See “Organization and Management Details – The Trustee, Manager, Portfolio Manager, Promoter and Valuation Agent”. In this prospectus, BMO Financial Group means the group of companies that includes Bank of Montreal and all of its direct or indirect wholly-owned subsidiaries. The BMO ETFs are offered by BMO Asset Management, the trustee and manager of the BMO ETFs.

Unitholders may redeem Units for cash, subject to a redemption discount. Unitholders may also exchange a Prescribed Number of Units (or integral multiple thereof) for Baskets of Securities of the Constituent Issuers held by each BMO ETF and cash, or, with respect to certain BMO ETFs, cash only.

The BMO ETFs issue Units directly to Designated Brokers and Dealers. BMO Nesbitt Burns Inc. (“**BMO NB**”), an affiliate of the Manager, will act as a Designated Broker and Dealer for the BMO ETFs.

Units of the BMO ETFs are listed on the Toronto Stock Exchange (“**TSX**”) and offered on a continuous basis. Investors may incur customary brokerage commissions in buying or selling Units.

**No underwriter has been involved in the preparation of this prospectus or has performed any review of the contents of this prospectus.**

**For a discussion of the risks associated with an investment in Units of the BMO ETFs, see “Risk Factors”. Your investment in any of the BMO ETFs is not guaranteed by any entity, including Bank of Montreal. Unlike bank accounts or guaranteed investment certificates, your investment in a BMO ETF is not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.**

Additional information about each BMO ETF is or will be available in the most recently filed annual financial statements, any interim financial statements filed after those annual financial statements, the most recently filed annual management report of fund performance (“**MRFP**”), any interim MRFP filed after the annual MRFP for each BMO ETF, and the most recently filed ETF Summary Document (defined herein) for each BMO ETF. These documents are incorporated by reference into, and legally form an integral part of, this prospectus. See “Documents Incorporated by Reference”.

BMO Asset Management has entered into license agreements with the Index Providers (as defined below) to use the Indices and certain other trademarks. See “Material Contracts – License Agreements”.

S&P Dow Jones Indices LLC, FTSE TMX, Barclays, BNY Mellon, NASDAQ OMX, MSCI and Solactive is each an “**Index Provider**”. The Units of the BMO ETFs are not in any way sponsored, endorsed, sold or promoted by the Index Providers or Brookfield (as defined below), as applicable, and the Index Providers and Brookfield, as applicable, make no representation or warranty, express or implied, regarding the advisability of investing in securities generally or in the BMO ETFs particularly or the ability of the Indices to track general market performance.

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## IMPORTANT TERMS

*Unless otherwise indicated, all references to dollar amounts in this prospectus are to Canadian dollars and all references to times in this prospectus are to Toronto time.*

**ADRs** – American Depositary Receipts. An ADR is a type of negotiable financial security that is traded on a local stock exchange but which represents a security that is issued by a foreign publicly-listed company.

**Barclays** – Barclays Capital Inc.

**Basket of Securities** – in relation to a particular BMO ETF, a group of securities or assets determined by the Manager from time to time representing the constituents of the BMO ETF.

**BMO Asset Management** – BMO Asset Management Inc., a corporation established under the laws of the Province of Ontario and a registered portfolio manager, investment fund manager, exempt market dealer and commodity trading manager.

**BMO ETFs** – means, collectively, BMO S&P/TSX Capped Composite Index ETF, BMO S&P 500 Hedged to CAD Index ETF, BMO MSCI EAFE Hedged to CAD Index ETF, BMO MSCI Emerging Markets Index ETF, BMO Global Infrastructure Index ETF, BMO Dow Jones Industrial Average Hedged to CAD Index ETF, BMO Short Federal Bond Index ETF, BMO Short Provincial Bond Index ETF, BMO Short Corporate Bond Index ETF, BMO High Yield US Corporate Bond Hedged to CAD Index ETF, BMO S&P/TSX Equal Weight Banks Index ETF, BMO S&P/TSX Equal Weight Oil & Gas Index ETF, BMO S&P/TSX Equal Weight Global Base Metals Hedged to CAD Index ETF, BMO China Equity Index ETF, BMO India Equity Index ETF, BMO Equal Weight Utilities Index ETF, BMO Nasdaq 100 Equity Hedged to CAD Index ETF, BMO Junior Gold Index ETF, BMO Mid Corporate Bond Index ETF, BMO Mid Federal Bond Index ETF, BMO Long Corporate Bond Index ETF, BMO Aggregate Bond Index ETF, BMO Equal Weight REITs Index ETF, BMO Junior Oil Index ETF, BMO Junior Gas Index ETF, BMO Equal Weight US Health Care Hedged to CAD Index ETF, BMO Equal Weight US Banks Hedged to CAD Index ETF, BMO Long Federal Bond Index ETF, BMO Real Return Bond Index ETF, BMO Emerging Markets Bond Hedged to CAD Index ETF, BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF, BMO Mid-Term US IG Corporate Bond Index ETF, BMO Mid Provincial Bond Index ETF, BMO Long Provincial Bond Index ETF, BMO S&P/TSX Equal Weight Industrials Index ETF, BMO S&P/TSX Equal Weight Global Gold Index ETF, BMO S&P 500 Index ETF, BMO Laddered Preferred Share Index ETF, BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF, BMO Discount Bond Index ETF, BMO Equal Weight US Banks Index ETF, BMO MSCI EAFE Index ETF, BMO MSCI Europe High Quality Hedged to CAD Index ETF, BMO MSCI USA High Quality Index ETF and BMO MSCI All Country World High Quality Index ETF, each an investment trust established under the laws of the Province of Ontario pursuant to the Declaration of Trust.

**BMO NB** – BMO Nesbitt Burns Inc.

**BNY Mellon** – The Bank of New York Mellon.

**CAD Units** – the Canadian dollar denominated Units of the BMO ETFs.

**Canadian securities legislation** – the applicable securities legislation in force in each province and territory of Canada, all regulations, rules, orders and policies made thereunder and all multilateral and national instruments adopted by the securities regulatory authorities.

**CDS** – CDS Clearing and Depository Services Inc.

**CDS Participant** – a participant in CDS that holds Units on behalf of beneficial owners of Units.

**Constituent Issuers** – means, for each BMO ETF, the issuers included in the Index or portfolio of that BMO ETF from time to time.

**Constituent Securities** – means, for each BMO ETF, the securities of the Constituent Issuers.

**Continuous Distribution Agreement** – an agreement between the Manager, on behalf of one or more BMO ETFs, and a Dealer, as amended from time to time.

**CRA** – Canada Revenue Agency.

**Custodian** – CIBC Mellon Trust Company.

**Custodian Agreement** – the custodian agreement dated May 12, 2009 (as amended from time to time) between the Manager, the BMO ETFs, CIBC Mellon Global Securities Services Company, Canadian Imperial Bank of Commerce, The Bank of New York Mellon and CIBC Mellon Trust Company, as custodian.

**Dealer** – a registered dealer (that may or may not be a Designated Broker), including BMO NB, an affiliate of the Manager, that has entered into a Continuous Distribution Agreement with the Manager, on behalf of one or more BMO ETFs, pursuant to which the Dealer may subscribe for Units of that BMO ETF as described under “Purchases of Units – Issuance of Units”.

**Declaration of Trust** – the master declaration of trust dated May 12, 2009 (as amended or as amended and restated from time to time) under which the BMO ETFs have been established.

**Designated Broker** – a registered dealer, including BMO NB, an affiliate of the Manager, that has entered into a Designated Broker Agreement with the Manager, on behalf of one or more BMO ETFs pursuant to which the Designated Broker agrees to perform certain duties in relation to the BMO ETFs.

**Designated Broker Agreement** – an agreement between the Manager, on behalf of a BMO ETF, and a Designated Broker, as amended from time to time.

**distribution payment date** – a day that is no later than the 10<sup>th</sup> business day following the applicable distribution record date, on which a BMO ETF pays a distribution to its Unitholders.

**distribution record date** – a date determined by the Manager as a record date for the determination of Unitholders of a BMO ETF entitled to receive a distribution.

**DJIA** – Dow Jones Industrial Average.

**Dow Jones** – Dow Jones Trademark Holdings LLC.

**DPSPs** – deferred profit sharing plans as defined in the Tax Act.

**ETF** – exchange traded fund.

**ETF Summary Document** – a summary document in respect of an ETF, which summarizes certain features of the ETF and which is publicly available at [www.sedar.com](http://www.sedar.com) and provided or made available to registered dealers for delivery to purchasers of securities of an ETF.

**Fixed Income ETFs** – means, collectively, BMO Short Federal Bond Index ETF, BMO Short Provincial Bond Index ETF, BMO Short Corporate Bond Index ETF, BMO High Yield US Corporate Bond Hedged to CAD Index ETF, BMO Mid Corporate Bond Index ETF, BMO Mid Federal Bond Index ETF, BMO Long Corporate Bond Index ETF, BMO Aggregate Bond Index ETF, BMO Long Federal Bond Index ETF, BMO Real Return Bond Index ETF, BMO Emerging Markets Bond Hedged to CAD Index ETF, BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF, BMO Mid-Term US IG Corporate Bond Index ETF, BMO Mid Provincial Bond Index ETF, BMO Long Provincial Bond Index ETF, BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF and BMO Discount Bond Index ETF.

**FTSE TMX** – FTSE TMX Global Debt Capital Markets Inc.

**GAAP** – Canadian generally accepted accounting principles.

**HST** – the harmonized sales tax imposed under the *Excise Tax Act* (Canada) that is applicable in certain provinces of Canada.

**IFRS** – means the International Financial Reporting Standards, as published by the International Accounting Standards Board.

**Index/Indices** – a benchmark or index, provided by an Index Provider, or a replacement or alternative benchmark or index that applies substantially similar criteria to those currently used by the Index Provider for the benchmark or index or a successor index that is comprised of or would be comprised of the same or similar Constituent Securities, which may be used by a BMO ETF in relation to the BMO ETF's investment objective.

**Index Providers** – third-party providers of Indices, including but not limited to S&P Dow Jones Indices LLC, FTSE TMX, Barclays, BNY Mellon, NASDAQ OMX, MSCI and Solactive, with which BMO Asset Management or Bank of Montreal, as applicable, has entered into licensing arrangements permitting BMO Asset Management to use the relevant Indices and certain trademarks in connection with the operation of the applicable BMO ETF.

**IRC** – the Independent Review Committee of the BMO ETFs.

**License Agreements** – the license agreements entered into by BMO Asset Management or Bank of Montreal, as applicable, with each Index Provider.

**Management Fee Distribution** – as described under “Fees and Expenses – Management Fee Distributions”, an amount equal to the difference between the management fee otherwise chargeable and a reduced fee determined by the Manager, from time to time, that is distributed in cash to certain Unitholders of the BMO ETFs.

**Manager** – BMO Asset Management.

**MSCI** – MSCI Inc.

**NASDAQ OMX** – The NASDAQ OMX Group, Inc.

**NAV** and **NAV per Unit** – in relation to a particular BMO ETF, the net asset value of the BMO ETF and the net asset value per Unit of that BMO ETF, calculated by the Valuation Agent as described in “Calculation of Net Asset Value”.

**NI 81-102** – National Instrument 81-102 *Investment Funds*.

**NI 81-107** – National Instrument 81-107 *Independent Review Committee for Investment Funds*.

**Other Securities** – securities other than Constituent Securities included in the portfolio of a BMO ETF, including ETFs, mutual funds or other public investment funds, ADRs or derivative instruments.

**Permitted Merger** – as defined under “Unitholder Matters – Matters Requiring Unitholders’ Approval”.

**Plan Agent** – CST Trust Company, plan agent for the Reinvestment Plan.

**Plan Participant** and **Plan Unit** – as defined under “Distribution Policy – Distribution Reinvestment Plan”.

**Prescribed Number of Units** – in relation to a particular BMO ETF, the number of Units determined by the Manager from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

**Proxy Voting Guidelines** – as defined under “Proxy Voting Disclosure for Portfolio Securities Held”.

**RDSPs** – registered disability savings plans as defined in the Tax Act.

**REIT** – real estate investment trust.

**RESPs** – registered education savings plans as defined in the Tax Act.

**RRIFs** – registered retirement income funds as defined in the Tax Act.

**RRSPs** – registered retirement savings plans as defined in the Tax Act.

**Registered Plans** – means, collectively, RRSPs, RRIFs, DPSPs, RDSPs, RESPs and TFSAs.

**Registrar and Transfer Agent** – CST Trust Company.

**Reinvestment Plan** – the distribution reinvestment plan of each BMO ETF, the key terms of which are described under “Distribution Policy – Distribution Reinvestment Plan”.

**S&P** – Standard & Poor’s Financial Services LLC.

**S&P DJI** – S&P Dow Jones Indices LLC.

**Securities Lending Agent or BNY Mellon** – The Bank of New York Mellon acts as agent for securities lending transactions for those BMO ETFs that engage in securities lending. The Securities Lending Agent is independent of BMO Asset Management.

**Securities Lending Agreement** – the securities lending authorization agreement dated December 15, 2009, as amended from time to time between BMO Asset Management, CIBC Mellon Trust Company, CIBC Mellon Global Securities Services Company, Canadian Imperial Bank of Commerce and The Bank of New York Mellon.

**securities regulatory authorities** – the securities commission or similar regulatory authority in each province and territory of Canada that is responsible for administering the Canadian securities legislation in force in such province or territory.

**SIFT** – a specified investment flow-through trust or partnership as defined in the Tax Act.

**SIFT Rules** – rules in the Tax Act that are applicable to “SIFT trusts” and “SIFT partnerships” (as defined in the Tax Act).

**Solactive** – Solactive AG.

**Tax Act** – the *Income Tax Act* (Canada), as amended from time to time.

**TFSAs** – tax-free savings accounts as defined in the Tax Act.

**Trading Day** – for each BMO ETF, a day on which: (i) a regular session of the TSX is held; and (ii) the primary market or exchange for the majority of the securities held by the BMO ETF is open for trading.

**TSX** – the Toronto Stock Exchange.

**Unit** – in relation to a particular BMO ETF, a redeemable, transferable unit of that BMO ETF, which represents an equal, undivided interest in the net assets of that BMO ETF. Units include CAD Units and USD Units.

**Unitholder** – a holder of Units of a BMO ETF.



***US or U.S. or United States*** – the United States of America.

***USD Units*** – the U.S. dollar denominated Units of BMO Mid-Term US IG Corporate Bond Index ETF and BMO S&P 500 Index ETF.

***Valuation Agent*** – BMO Asset Management.

***Valuation Date*** – each day on which a regular session of the TSX is held. If that BMO ETF elects to have a December 15 year-end for tax purposes as permitted by the Tax Act, the NAV per Unit will be calculated on December 15.

***Valuation Time*** – 4:00 p.m. on each Valuation Date or, if the market closes earlier that day, then the time as of which the market closes.

## PROSPECTUS SUMMARY

*The following is a summary of the principal features of Units of the BMO ETFs and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus or incorporated by reference in this prospectus. For an explanation of certain terms and abbreviations used in this prospectus and not otherwise defined, please refer to “Important Terms”.*

<b>Issuers:</b>	BMO S&P/TSX Capped Composite Index ETF	BMO Junior Oil Index ETF
	BMO S&P 500 Hedged to CAD Index ETF	BMO Junior Gas Index ETF
	BMO MSCI EAFE Hedged to CAD Index ETF	BMO Equal Weight US Health Care Hedged to CAD Index ETF
	BMO MSCI Emerging Markets Index ETF	BMO Equal Weight US Banks Hedged to CAD Index ETF
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	BMO Short Corporate Bond Index ETF	BMO Mid-Term US IG Corporate Bond Index ETF
	BMO High Yield US Corporate Bond Hedged to CAD Index ETF	BMO Mid Provincial Bond Index ETF
	BMO S&P/TSX Equal Weight Banks Index ETF	BMO Long Provincial Bond Index ETF
	BMO S&P/TSX Equal Weight Oil & Gas Index ETF	BMO S&P/TSX Equal Weight Industrials Index ETF
	BMO S&P/TSX Equal Weight Global Base Metals Hedged to CAD Index ETF	BMO S&P/TSX Equal Weight Global Gold Index ETF
	BMO China Equity Index ETF	BMO S&P 500 Index ETF
	BMO India Equity Index ETF	BMO Laddered Preferred Share Index ETF
	BMO Equal Weight Utilities Index ETF	BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF
	BMO Nasdaq 100 Equity Hedged to CAD Index ETF	BMO Discount Bond Index ETF
	BMO Junior Gold Index ETF	BMO Equal Weight US Banks Index ETF
	BMO Mid Corporate Bond Index ETF	BMO MSCI EAFE Index ETF
	BMO Mid Federal Bond Index ETF	BMO MSCI Europe High Quality Hedged to CAD Index ETF
	BMO Long Corporate Bond Index ETF	BMO MSCI USA High Quality Index ETF
	BMO Aggregate Bond Index ETF	BMO MSCI All Country World High Quality Index ETF
	BMO Equal Weight REITs Index ETF	

(each, a “**BMO ETF**” and collectively, the “**BMO ETFs**”).

The BMO ETFs are exchange traded mutual funds established as trusts under the laws of the Province of Ontario. BMO Asset Management is the trustee, manager, portfolio manager, promoter and valuation agent of the BMO ETFs. See “Overview of the Legal Structure of the BMO ETFs”.

**Offerings:** Each BMO ETF offers a class of units denominated in Canadian dollars (the “**CAD Units**”). BMO Mid-Term US IG Corporate Bond Index ETF and BMO S&P 500 Index ETF also offer a class of units denominated in U.S. dollars (the “**USD Units**”). CAD Units and USD Units of the BMO ETFs are collectively referred to as the “**Units**”.

**Continuous Distribution:**

Units of each of the BMO ETFs are being issued and sold on a continuous basis and there is no maximum number of Units that may be issued. The Units of the BMO ETFs may be either Canadian dollar denominated or U.S. dollar denominated. Any exposure that the portfolio of each of BMO S&P 500 Hedged to CAD Index ETF, BMO Dow Jones Industrial Average Hedged to CAD Index ETF, BMO High Yield US Corporate Bond Hedged to CAD Index ETF, BMO S&P/TSX Equal Weight Global Base Metals Hedged to CAD Index ETF, BMO Nasdaq 100 Equity Hedged to CAD Index ETF, BMO Equal Weight US Health Care Hedged to CAD Index ETF, BMO Equal Weight US Banks Hedged to CAD Index ETF, BMO Emerging Markets Bond Hedged to CAD Index ETF, BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF, and BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF may have to the United States dollar will be hedged back to the Canadian dollar. Any exposure that the portfolio of BMO MSCI EAFE Hedged to CAD Index ETF and BMO MSCI Europe High Quality Hedged to CAD Index ETF may have to any currencies other than the Canadian dollar will be hedged back to the Canadian dollar. Except as described above, the BMO ETFs will not hedge any foreign currency exposure back to the currency in which the applicable class of Units is denominated.

The Units of the BMO ETFs are currently listed on the TSX and offered on a continuous basis. Investors may incur customary brokerage commissions in buying or selling Units.

The BMO ETFs issue Units directly to Designated Brokers and Dealers. From time to time as may be agreed between a BMO ETF and the Designated Brokers and Dealers, the Designated Brokers and Dealers may agree to accept Constituent Securities as payment for Units from prospective purchasers.

See “Purchases of Units – Issuance of Units” and “Purchases of Units – Buying and Selling Units”.

**Investment Objectives:**

Each BMO ETF seeks to replicate, to the extent possible, the performance of the applicable Index, net of expenses. The investment strategy of each BMO ETF is to invest in and hold the Constituent Securities of the applicable Index in the same proportion as they are reflected in the applicable Index or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for a BMO ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, a BMO ETF may invest in or use certain Other Securities to obtain exposure to the performance of the applicable Index.

The following table sets out the current Index and Index Provider for each of the BMO ETFs:

<b>BMO ETF</b>	<b>Current Index</b>	<b>Index Provider</b>
BMO S&P/TSX Capped Composite Index ETF	S&P/TSX Capped Composite Index	S&P DJI
BMO S&P 500 Hedged to CAD Index ETF	S&P 500 Hedged to Canadian Dollars Index	S&P DJI
BMO MSCI EAFE Hedged to CAD Index ETF	MSCI EAFE 100% Hedged to CAD Index	MSCI
BMO MSCI Emerging Markets Index ETF	MSCI Emerging Markets Index	MSCI
BMO Global Infrastructure Index ETF	Dow Jones Brookfield Global Infrastructure North American Listed Index	DJI Opco, LLC, a subsidiary of S&P DJI

<b>BMO ETF</b>	<b>Current Index</b>	<b>Index Provider</b>
BMO Dow Jones Industrial Average Hedged to CAD Index ETF	Dow Jones Industrial Average (CAD hedged)	S&P DJI
BMO Short Federal Bond Index ETF	FTSE TMX Canada Short Term Federal Bond Index™	FTSE TMX
BMO Short Provincial Bond Index ETF	FTSE TMX Canada Short Term Provincial Bond Index™	FTSE TMX
BMO Short Corporate Bond Index ETF	FTSE TMX Canada Short Term Corporate Bond Index™	FTSE TMX
BMO High Yield US Corporate Bond Hedged to CAD Index ETF	Barclays U.S. High Yield Very Liquid Index CAD Hedged	Barclays
BMO S&P/TSX Equal Weight Banks Index ETF	S&P/TSX Equal Weight Diversified Banks Index	S&P DJI
BMO S&P/TSX Equal Weight Oil & Gas Index ETF	S&P/TSX Equal Weight Oil & Gas Index	S&P DJI
BMO S&P/TSX Equal Weight Global Base Metals Hedged to CAD Index ETF	S&P/TSX Equal Weight Global Base Metals CAD Hedged Index	S&P DJI
BMO China Equity Index ETF	BNY Mellon China Select ADR Index	BNY Mellon
BMO India Equity Index ETF	BNY Mellon India Select DR Index	BNY Mellon
BMO Equal Weight Utilities Index ETF	Dow Jones Canada Select Equal Weight Utilities Index	S&P DJI
BMO Nasdaq 100 Equity Hedged to CAD Index ETF	NASDAQ—100 Index Hedged to CAD	NASDAQ OMX
BMO Junior Gold Index ETF	Dow Jones North America Select Junior Gold Index	S&P DJI
BMO Mid Corporate Bond Index ETF	FTSE TMX Canada Mid Term Corporate Bond Index™	FTSE TMX
BMO Mid Federal Bond Index ETF	FTSE TMX Canada Mid Term Federal Bond Index™	FTSE TMX
BMO Long Corporate Bond Index ETF	FTSE TMX Canada Long Term Corporate Bond Index™	FTSE TMX
BMO Aggregate Bond Index ETF	FTSE TMX Canada UniverseXM Bond Index™	FTSE TMX
BMO Equal Weight REITs Index ETF	Dow Jones Canada Select Equal Weight REIT Index	S&P DJI
BMO Junior Oil Index ETF	Dow Jones North America Select Junior Oil Index	S&P DJI
BMO Junior Gas Index ETF	Dow Jones North America Select Junior Gas Index	S&P DJI
BMO Equal Weight US Health Care Hedged to CAD Index ETF	Dow Jones U.S. Large-Cap Health Care Equal Weight Total Stock Market Index Canadian Dollar Hedged	S&P DJI
BMO Equal Weight US Banks Hedged to CAD Index ETF	Solactive Equal Weight US Bank Index Canadian Dollar Hedged	Solactive

<b>BMO ETF</b>	<b>Current Index</b>	<b>Index Provider</b>
BMO Long Federal Bond Index ETF	FTSE TMX Canada Long Term Federal Bond Index™	FTSE TMX
BMO Real Return Bond Index ETF	FTSE TMX Canada Real Return Non-Agency Bond Index™	FTSE TMX
BMO Emerging Markets Bond Hedged to CAD Index ETF	Barclays Emerging Markets Tradable External Debt (EMTED) GDP Weighted Capped Index CAD Hedged	Barclays
BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF	Barclays US Investment Grade 5 to 10 Year Corporate Bond Capped Index CAD Hedged	Barclays
BMO Mid-Term US IG Corporate Bond Index ETF	Barclays US Investment Grade 5 to 10 Year Corporate Bond Capped Index	Barclays
BMO Mid Provincial Bond Index ETF	FTSE TMX Canada Mid Term Provincial Bond Index™	FTSE TMX
BMO Long Provincial Bond Index ETF	FTSE TMX Canada Long Term Provincial Bond Index™	FTSE TMX
BMO S&P/TSX Equal Weight Industrials Index ETF	S&P/TSX Equal Weight Industrials Index	S&P DJI
BMO S&P/TSX Equal Weight Global Gold Index ETF	S&P/TSX Equal Weight Global Gold Index	S&P DJI
BMO S&P 500 Index ETF	S&P 500 Index	S&P DJI
BMO Laddered Preferred Share Index ETF	Solactive Laddered Canadian Preferred Share Index	Solactive
BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF	Barclays US Investment Grade 1 to 5 Year Corporate Bond Capped Index CAD Hedged	Barclays
BMO Discount Bond Index ETF	FTSE TMX Canada Universe Discount Bond Index™	FTSE TMX
BMO Equal Weight US Banks Index ETF	Solactive Equal Weight US Bank Index	Solactive
BMO MSCI EAFE Index ETF	MSCI EAFE Index	MSCI
BMO MSCI Europe High Quality Hedged to CAD Index ETF	MSCI Europe Quality 100% Hedged to CAD Index	MSCI
BMO MSCI USA High Quality Index ETF	MSCI USA Quality Index	MSCI
BMO MSCI All Country World High Quality Index ETF	MSCI ACWI Quality Index	MSCI

The Manager may, subject to any required Unitholder approval, change the Index underlying a BMO ETF to another widely-recognized index in order to provide investors with substantially the same exposure to the asset class to which that BMO ETF is currently exposed. If the Manager changes the Index underlying any BMO ETF, or any index replacing such Index, the Manager will issue a press release identifying the new Index, describing its constituent securities and specifying the reasons for the change in the Index.

See “Investment Objectives”.

#### **Investment**

The investment strategy of each BMO ETF is to invest in and hold a proportionate share of the

**Strategies:** Constituent Securities of the applicable Index, or Other Securities, to seek to replicate the performance of that Index, in order to achieve its investment objectives. The BMO ETFs may also hold cash and cash equivalents or other money market instruments in order to meet their current obligations.

The BMO ETFs may invest in or use derivative instruments and may engage in securities lending transactions in order to earn additional income for the BMO ETFs, provided that the use of such derivative instruments and such securities lending transactions is in compliance with applicable Canadian securities legislation and is consistent with the investment objective and investment strategies of the applicable BMO ETF. Any exposure that the portfolio of each of BMO S&P 500 Hedged to CAD Index ETF, BMO Dow Jones Industrial Average Hedged to CAD Index ETF, BMO High Yield US Corporate Bond Hedged to CAD Index ETF, BMO S&P/TSX Equal Weight Global Base Metals Hedged to CAD Index ETF, BMO Nasdaq 100 Equity Hedged to CAD Index ETF, BMO Equal Weight US Health Care Hedged to CAD Index ETF, BMO Equal Weight US Banks Hedged to CAD Index ETF, BMO Emerging Markets Bond Hedged to CAD Index ETF, BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF, and BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF may have to the United States dollar will be hedged back to the Canadian dollar. Any exposure that the portfolio of BMO MSCI EAFE Hedged to CAD Index ETF and BMO MSCI Europe High Quality Hedged to CAD Index ETF may have to any currencies other than the Canadian dollar will be hedged back to the Canadian dollar. The Manager may use a sampling methodology in selecting investments for the BMO ETFs. As an alternative to or in conjunction with investing in and holding the Constituent Securities, the BMO ETFs may also invest in Other Securities to obtain exposure to the Constituent Securities of the applicable Index in a manner that is consistent with the investment objective and investment strategies of each BMO ETF.

See “Investment Strategies”.

**Special Considerations for Purchasers:** The provisions of the so-called “early warning” requirements set out in Canadian securities legislation do not apply in connection with the acquisition of Units. In addition, the BMO ETFs have obtained exemptive relief from the securities regulatory authorities to permit Unitholders to acquire more than 20% of the Units of any BMO ETF through purchases on the TSX without regard to the take-over bid requirements of Canadian securities legislation, provided that any such Unitholder, and any person acting jointly or in concert with the Unitholder, undertakes to BMO Asset Management not to vote more than 20% of the Units of the BMO ETF at any meeting of Unitholders.

Except for BMO S&P/TSX Equal Weight Banks Index ETF, the Units of each BMO ETF are, in the opinion of the Manager, index participation units within the meaning of NI 81-102. A mutual fund wishing to invest in Units of a BMO ETF should make its own assessment of its ability to do so after careful consideration of the relevant provisions of NI 81-102, including but not limited to whether the Units of the applicable BMO ETF should be considered index participation units, as well as the control, concentration and certain of the “fund-of-funds” restrictions. No purchase of Units of a BMO ETF should be made solely in reliance on the above statements.

**Distributions:** Cash distributions on Units of a BMO ETF will be made in the currency in which the Units of the BMO ETF are denominated and as set forth in the following table, if at all.

<b>BMO ETF</b>	<b>Frequency of Distributions</b>
BMO Short Federal Bond Index ETF, BMO Short Provincial Bond Index ETF, BMO Short Corporate Bond Index ETF, BMO High Yield US Corporate Bond Hedged to CAD Index ETF, BMO S&P/TSX Equal Weight Banks Index ETF, BMO Equal Weight Utilities Index ETF, BMO Mid Corporate Bond Index ETF, BMO Mid Federal Bond Index ETF, BMO Long Corporate Bond Index ETF, BMO Aggregate Bond Index ETF, BMO Equal Weight REITs Index ETF, BMO Long Federal Bond Index ETF, BMO Real Return Bond Index ETF, BMO Emerging Markets Bond Hedged to CAD Index ETF, BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF, BMO Mid-Term US IG Corporate Bond Index ETF, BMO Mid Provincial Bond Index ETF, BMO Long Provincial Bond Index ETF, BMO Laddered Preferred Share Index ETF, BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF and BMO Discount Bond Index ETF	Monthly
BMO S&P/TSX Capped Composite Index ETF, BMO S&P 500 Hedged to CAD Index ETF, BMO MSCI EAFE Hedged to CAD Index ETF, BMO Global Infrastructure Index ETF, BMO Dow Jones Industrial Average Hedged to CAD Index ETF, BMO S&P/TSX Equal Weight Oil & Gas Index ETF, BMO Equal Weight US Banks Hedged to CAD Index ETF, BMO S&P/TSX Equal Weight Industrials Index ETF, BMO S&P 500 Index ETF, BMO Equal Weight US Banks Index ETF, BMO MSCI EAFE Index ETF, BMO MSCI Europe High Quality Hedged to CAD Index ETF, BMO MSCI USA High Quality Index ETF and BMO MSCI All Country World High Quality Index ETF	Quarterly
BMO MSCI Emerging Markets Index ETF, BMO S&P/TSX Equal Weight Global Base Metals Hedged to CAD Index ETF, BMO China Equity Index ETF, BMO India Equity Index ETF, BMO Nasdaq 100 Equity Hedged to CAD Index ETF, BMO Junior Gold Index ETF, BMO Junior Oil Index ETF, BMO Junior Gas Index ETF, BMO Equal Weight US Health Care Hedged to CAD Index ETF, and BMO S&P/TSX Equal Weight Global Gold Index ETF	Annually

Cash distributions on Units of a BMO ETF are expected to be paid primarily out of dividends or distributions, and other income or gains, received by the BMO ETF less the expenses of the BMO ETF, but may also consist of non-taxable amounts including returns of capital, which may be paid in the Manager’s sole discretion. To the extent that the expenses of a BMO ETF exceed the income generated by such BMO ETF in any given month, quarter, or year, as the case may be, it is not expected that a monthly, quarterly, or annual distribution will be paid.

For each taxation year, each BMO ETF will ensure that its net income and net realized capital gains have been distributed to Unitholders to such an extent that the BMO ETF will not be liable for ordinary income tax thereon. To the extent that a BMO ETF has not distributed the full amount of its net income or capital gains in any taxation year, the difference between such amount and the amount actually distributed by the BMO ETF will be paid as a “reinvested distribution”. Reinvested distributions, net of any required withholding tax, will be reinvested automatically in additional Units at a price equal to the NAV per Unit of the BMO ETF and the Units will be immediately consolidated such that the number of outstanding Units of each class following the distribution will equal the number of Units of each class outstanding prior to the distribution. See “Distribution Policy”.

In addition to the distributions described above, a BMO ETF may from time to time pay additional distributions on its Units, including without restriction in connection with a special dividend or in connection with returns of capital.

**Distribution Reinvestment:** The BMO ETFs may provide Unitholders with the opportunity to reinvest cash distributions in additional Units through participation in a distribution reinvestment plan. See “Distribution Policy – Distribution Reinvestment Plan”.

**Exchanges and Redemptions:** Unitholders may redeem Units for cash, subject to a redemption discount. Unitholders may also exchange a Prescribed Number of Units (or integral multiple thereof) for Baskets of Securities and cash, or, with respect to certain BMO ETFs, cash only. See “Redemption and Exchange of Units”.

**Termination:** The BMO ETFs do not have a fixed termination date, but may be terminated by the Manager upon not less than 60 days’ written notice to Unitholders. See “Termination of the BMO ETFs”.

In the event that an Index Provider ceases to calculate an Index or the applicable License Agreement is terminated, the Manager may terminate a BMO ETF on 60 days’ notice, change the investment objective of that BMO ETF, seek to replicate an alternative index or make such other arrangements as the Manager considers appropriate and in the best interests of Unitholders of the BMO ETF in the circumstances. See “Investment Objectives – Termination of the Indices”.

**Eligibility for Investment:** In the opinion of legal counsel, provided that a BMO ETF qualifies as a mutual fund trust within the meaning of the Tax Act, or that the Units of the BMO ETF are listed on a designated stock exchange within the meaning of the Tax Act, which includes the TSX, the Units of the BMO ETF will be qualified investments for trusts governed by Registered Plans. See “Eligibility for Investment”.

Holders of TFSAs and annuitants of RRSPs and RRIFs should consult with their tax advisors as to whether Units would be a prohibited investment for such accounts or plans in their particular circumstances. See “Eligibility for Investment”.

**Risk Factors:** There are certain general risks inherent in an investment in the BMO ETFs, including:

- (i) risks relating to investments in equity securities;
- (ii) risks relating to investments in investment funds;
- (iii) asset class risk;
- (iv) the possibility that Constituent Securities may be cease-traded, which may impact the exchange and redemption rights of the Units;
- (v) fluctuations in the NAV and NAV per Unit of the BMO ETFs;
- (vi) foreign investment risk;
- (vii) exchange rate risk;
- (viii) the possibility that the BMO ETFs will be unable to acquire or dispose of illiquid securities;
- (ix) risks associated with an *in specie* distribution of assets in connection with the termination of a BMO ETF;
- (x) risks associated with the use of derivative transactions;



- (xi) counterparty risks associated with securities lending transactions;
- (xii) the Units may trade in the market at a premium or a discount to the NAV per Unit and there can be no guarantee that the Units will trade at prices that reflect their NAV;
- (xiii) the potential absence of a public trading market for the Units;
- (xiv) risks associated with reliance on the Manager;
- (xv) concentration risk;
- (xvi) risk of loss, as an investment in Units is not guaranteed;
- (xvii) risk of error in replicating or tracking the applicable Index;
- (xviii) index investment strategy risk;
- (xix) risks relating to the performance of the Designated Brokers in relation to rebalancing of and adjustments to the applicable Index;
- (xx) potential difficulties in the calculation of the applicable Index and the possible termination of the calculation of the applicable Index or the applicable License Agreement;
- (xxi) changes in legislation, including tax legislation;
- (xxii) other tax-related risks; and
- (xxiii) potential conflicts of interest.

See “Risk Factors – General Risks Relating to an Investment in the BMO ETFs”.

In addition to the general risk factors, there are certain risks inherent in an investment in BMO MSCI Emerging Markets Index ETF, BMO S&P/TSX Equal Weight Oil & Gas Index ETF, BMO S&P/TSX Equal Weight Global Base Metals Hedged to CAD Index ETF, BMO China Equity Index ETF, BMO India Equity Index ETF, BMO Junior Gold Index ETF, BMO Junior Oil Index ETF, BMO Junior Gas Index ETF, BMO Emerging Markets Bond Hedged to CAD Index ETF, BMO S&P/TSX Equal Weight Global Gold Index ETF, BMO S&P 500 Index ETF, and BMO Laddered Preferred Share Index ETF in connection with the sectors to which they provide exposure. See “Risk Factors – Additional Risks Relating to the Sectors in which Certain of the BMO ETFs Invest”.

In addition to the general risk factors, there are certain risks inherent in an investment in the Fixed Income ETFs, including:

- (i) general risks of debt instruments;
- (ii) call risk;
- (iii) extension risk; and
- (iv) credit rating related risk.

See “Risk Factors – Additional Risks Relating to an Investment in the Fixed Income ETFs”.

In addition to the general risk factors, there are certain risks inherent in an investment in BMO Laddered Preferred Share Index ETF, including:

- (i) general risks of preferred share investing;
- (ii) call risk;
- (iii) extension risk; and
- (iv) credit rating related risk.

See “Risk Factors – Additional Risks Relating to an Investment in BMO Laddered Preferred Share Index ETF”.

**Income Tax Considerations:**

This summary of Canadian tax considerations for the BMO ETFs and for Canadian resident Unitholders is subject in its entirety to the qualifications, limitations and assumptions set out in “Income Tax Considerations”.

A Unitholder who is resident in Canada for the purposes of the Tax Act will generally be required to include in the Unitholder’s income for tax purposes for any year the Canadian dollar amount of net income and net taxable capital gains of the BMO ETF paid or payable to the Unitholder in the year and deducted by the BMO ETF in computing its income. Any non-taxable distributions from a BMO ETF (other than the non-taxable portion of any net realized capital gains of a BMO ETF) paid or payable to a Unitholder in a taxation year, such as a return of capital, will reduce the adjusted cost base of the Unitholder’s Units of that BMO ETF. To the extent that a Unitholder’s adjusted cost base would otherwise be a negative amount, the negative amount will be deemed to be a capital gain realized by the Unitholder and the adjusted cost base of the Unit to the Unitholder will be nil immediately thereafter. Any loss realized by a BMO ETF cannot be allocated to, and cannot be treated as a loss of, the Unitholders of such BMO ETF. Upon the actual or deemed disposition of a Unit held by the Unitholder as capital property, including the exchange or redemption of a Unit, a capital gain (or a capital loss) will generally be realized by the Unitholder to the extent that the proceeds of disposition of the Unit exceed (or are less than) the aggregate of the adjusted cost base to the Unitholder of the Unit and any reasonable costs of disposition.

The Declaration of Trust governing each of the BMO ETFs requires that each BMO ETF distribute its net income and net realized capital gains, if any, for each taxation year to Unitholders to such an extent that the BMO ETF will not be liable in any taxation year for ordinary income tax.

Each investor should satisfy himself or herself as to the tax consequences of an investment in Units by obtaining advice from his or her own tax advisor. See “Income Tax Considerations”.

**Organization and Management of the BMO ETFs**

**Manager:**

BMO Asset Management is the manager of the BMO ETFs. BMO Asset Management is a Canadian investment manager. Its clients include pension funds, endowments, trusts, insurance company reserves, corporations and mutual funds. BMO Asset Management is an indirect, wholly-owned subsidiary of Bank of Montreal. The office for service of notice to the BMO ETFs and BMO Asset Management is located at 250 Yonge Street, 9th Floor, Toronto, Ontario M5B 2M8 (the registered office of the BMO ETFs and BMO Asset Management is located at 100 King Street West, 43rd Floor, Toronto, Ontario M5X 1A1). See “Organization and Management Details – The Trustee, Manager, Portfolio Manager, Promoter and Valuation Agent”.

<b>Portfolio Manager:</b>	BMO Asset Management manages the portfolio of each BMO ETF. See “Organization and Management Details – The Trustee, Manager, Portfolio Manager, Promoter and Valuation Agent – Portfolio Management”.
<b>Trustee:</b>	BMO Asset Management acts as the trustee of the BMO ETFs pursuant to the Declaration of Trust. See “Organization and Management Details – The Trustee, Manager, Portfolio Manager, Promoter and Valuation Agent – Duties and Services to be Provided by the Trustee, Manager, Portfolio Manager, Promoter and Valuation Agent”.
<b>Valuation Agent:</b>	BMO Asset Management acts as the valuation agent of the BMO ETFs and provides certain fund accounting and valuation services to the BMO ETFs including, without limitation, calculating the NAV, NAV per Unit, net income and net realized capital gains of the BMO ETFs. See “Organization and Management Details – The Trustee, Manager, Portfolio Manager, Promoter and Valuation Agent – Duties and Services to be Provided by the Trustee, Manager, Portfolio Manager, Promoter and Valuation Agent”.
<b>Promoter:</b>	BMO Asset Management has taken the initiative in founding and organizing the BMO ETFs and is, accordingly, the promoter of the BMO ETFs within the meaning of securities legislation of certain provinces and territories of Canada. See “Organization and Management Details – The Trustee, Manager, Portfolio Manager, Promoter and Valuation Agent – Duties and Services to be Provided by the Trustee, Manager, Portfolio Manager, Promoter and Valuation Agent”.
<b>Custodian:</b>	CIBC Mellon Trust Company is the custodian of the assets of the BMO ETFs. The Custodian is entitled to receive fees from the Manager as described under “Fees and Expenses” and to be reimbursed for all expenses and liabilities that are properly incurred by the Custodian in connection with the activities of the BMO ETFs. The principal office of the Custodian is located in Toronto, Ontario. See “Organization and Management Details – Custodian”.
<b>Registrar and Transfer Agent:</b>	CST Trust Company, at its principal offices in Toronto, Ontario, is the registrar and transfer agent for the Units of the BMO ETFs. The register of the BMO ETFs is kept in Toronto. See “Organization and Management Details – Transfer Agent and Registrar”.
<b>Plan Agent:</b>	CST Trust Company, at its principal offices in Toronto, Ontario, is the Plan Agent for the BMO ETFs. See “Organization and Management Details – Plan Agent”.
<b>Auditor:</b>	PricewaterhouseCoopers LLP, at its principal offices in Toronto, Ontario, is the auditor of the BMO ETFs. See “Organization and Management Details – Auditor”.
<b>Securities Lending Agent:</b>	The Bank of New York Mellon acts as agent for securities lending transactions for those BMO ETFs that engage in securities lending. The Securities Lending Agent is independent of BMO Asset Management. The principal office of the Securities Lending Agent is located in Toronto, Ontario. See “Organization and Management Details – Securities Lending Agent”.

### SUMMARY OF FEES AND EXPENSES

The table set forth below lists the fees and expenses payable by the BMO ETFs. The value of a Unitholder’s investment in a BMO ETF will be reduced by the Unitholder’s proportionate share of the fees and expenses charged to such BMO ETF. For further particulars, see “Fees and Expenses”.

<b>Management Fees:</b>	Each BMO ETF will pay the Manager a management fee as set forth in the table below based on the average daily NAV of the applicable BMO ETF. The management fee, plus applicable taxes, will be accrued daily and paid quarterly in arrears. The Manager may, from time to time in its discretion, waive all or a portion of the management fee charged at any given time.
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<b>BMO ETF</b>	<b>Maximum Annual Management Fee (%)</b>
BMO S&P/TSX Capped Composite Index ETF	0.050
BMO S&P 500 Hedged to CAD Index ETF	0.100
BMO MSCI EAFE Hedged to CAD Index ETF	0.200
BMO MSCI Emerging Markets Index ETF	0.250
BMO Global Infrastructure Index ETF	0.550
BMO Dow Jones Industrial Average Hedged to CAD Index ETF	0.230
BMO Short Federal Bond Index ETF	0.200
BMO Short Provincial Bond Index ETF	0.250
BMO Short Corporate Bond Index ETF	0.120
BMO High Yield US Corporate Bond Hedged to CAD Index ETF	0.550
BMO S&P/TSX Equal Weight Banks Index ETF	0.550
BMO S&P/TSX Equal Weight Oil & Gas Index ETF	0.550
BMO S&P/TSX Equal Weight Global Base Metals Hedged to CAD Index ETF	0.550
BMO China Equity Index ETF	0.650
BMO India Equity Index ETF	0.650
BMO Equal Weight Utilities Index ETF	0.550
BMO Nasdaq 100 Equity Hedged to CAD Index ETF	0.350
BMO Junior Gold Index ETF	0.550
BMO Mid Corporate Bond Index ETF	0.300
BMO Mid Federal Bond Index ETF	0.200
BMO Long Corporate Bond Index ETF	0.300
BMO Aggregate Bond Index ETF	0.200

<b>BMO ETF</b>	<b>Maximum Annual Management Fee (%)</b>
BMO Equal Weight REITs Index ETF	0.550
BMO Junior Oil Index ETF	0.550
BMO Junior Gas Index ETF	0.550
BMO Equal Weight US Health Care Hedged to CAD Index ETF	0.350
BMO Equal Weight US Banks Hedged to CAD Index ETF	0.350
BMO Long Federal Bond Index ETF	0.200
BMO Real Return Bond Index ETF	0.250
BMO Emerging Markets Bond Hedged to CAD Index ETF	0.500
BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF	0.250
BMO Mid-Term US IG Corporate Bond Index ETF	0.250
BMO Mid Provincial Bond Index ETF	0.250
BMO Long Provincial Bond Index ETF	0.250
BMO S&P/TSX Equal Weight Industrials Index ETF	0.550
BMO S&P/TSX Equal Weight Global Gold Index ETF	0.550
BMO S&P 500 Index ETF	0.100
BMO Laddered Preferred Share Index ETF	0.450
BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF	0.250
BMO Discount Bond Index ETF	0.200
BMO Equal Weight US Banks Index ETF	0.350
BMO MSCI EAFE Index ETF	0.200
BMO MSCI Europe High Quality Hedged to CAD Index ETF	0.400
BMO MSCI USA High Quality Index ETF	0.300

BMO ETF	Maximum Annual Management Fee (%)
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BMO ETF	Maximum Annual Management Fee (%)
BMO MSCI All Country World High Quality Index ETF	0.450

In the event that a BMO ETF invests in another investment fund to obtain exposure to Constituent Securities and the management fee payable by the other fund is higher than that of the BMO ETF, the BMO ETF may pay the higher management fee on the portion of the BMO ETF's assets invested in the other fund, regardless of whether the fund is managed by the Manager or an affiliate of the Manager. As a result, the actual management fee may be higher than that shown in the table above.

**Operating Expenses:**

In addition to the payment of the management fee, each BMO ETF is responsible for the costs and expenses incurred in complying with NI 81-107 (including any expenses related to the implementation and on-going operation of the IRC), brokerage expenses and commissions, income and withholding taxes as well as all other applicable taxes, including HST, the costs of complying with any new governmental or regulatory requirement introduced after the BMO ETF was established and extraordinary expenses. The Manager is responsible for all other costs and expenses of the BMO ETFs, including the fees payable to the Custodian, Registrar and Transfer Agent and Plan Agent and fees payable to other service providers, including the Index Providers, retained by the Manager. See "Organization and Management Details – The Trustee, Manager, Portfolio Manager, Promoter and Valuation Agent – Duties and Services to be Provided by the Trustee, Manager, Portfolio Manager, Promoter and Valuation Agent".

**Management Fee Distributions:**

To achieve effective and competitive management fees, the Manager may agree to charge a reduced management fee as compared to the management fee it otherwise would be entitled to receive from the BMO ETFs with respect to investments in the BMO ETFs by certain Unitholders. In such cases, an amount equal to the difference between the fee otherwise chargeable and the reduced fee will be distributed to the applicable Unitholders as Management Fee Distributions. The availability, amount and timing of Management Fee Distributions with respect to Units of a BMO ETF will be determined from time to time by the Manager in its sole discretion. See "Fees and Expenses".

**Annual Returns, Management Expense Ratio and Trading Expense Ratio**

The following chart provides the annual returns, the management expense ratio ("MER") and trading expense ratio ("TER") for each BMO ETF as disclosed in the BMO ETF's management report of fund performance for each of the past five years. The investment performance in respect of a BMO ETF that has been available for less than one year, in any applicable year, is not provided.

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b><u>BMO S&amp;P/TSX Capped Composite Index ETF</u></b>					
Annual Returns (%)	10.44	12.81	7.01	-9.96	13.63
MER (%)	0.09	0.17	0.17	0.17	0.17
TER (%)	0.00	0.00	0.00	0.00	0.00
<b><u>BMO S&amp;P 500 Hedged to CAD Index ETF</u></b>					
Annual Returns (%)	13.68	32.17	16.09	0.99	11.15
MER (%)	0.13	0.17	0.23	0.25	0.25
TER (%)	0.00	0.00	0.01	0.01	0.00

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b><u>BMO MSCI EAFE Hedged to CAD Index ETF</u></b>					
Annual Returns (%)	5.51	25.86	18.40	-12.59	1.12
MER (%)	0.29	0.41	0.52	0.52	0.51
TER (%)	0.02	0.28	0.18	0.07	0.51
<b><u>BMO MSCI Emerging Markets Index ETF</u></b>					
Annual Returns (%)	5.05	3.53	13.61	-17.12	11.90
MER (%)	0.46	0.58	0.65	0.61	0.59
TER (%)	0.05	0.10	0.11	0.09	0.27
<b><u>BMO Global Infrastructure Index ETF</u></b>					
Annual Returns (%)	30.27	22.12	13.05	19.61	13.86*
MER (%)	0.62	0.62	0.62	0.62	0.63
TER (%)	0.00	0.01	0.00	0.02	0.00
* Return from January 19, 2010 to December 31, 2010					
<b><u>BMO Dow Jones Industrial Average Hedged to CAD Index ETF</u></b>					
Annual Returns (%)	9.87	29.28	9.87	7.16	11.90
MER (%)	0.26	0.26	0.26	0.26	0.26
TER (%)	0.00	0.00	0.00	0.00	0.00
<b><u>BMO Short Federal Bond Index ETF</u></b>					
Annual Returns (%)	2.36	1.10	0.85	4.39	2.94
MER (%)	0.23	0.23	0.23	0.22	0.22
TER (%)	0.00	0.00	0.00	0.00	0.00
<b><u>BMO Short Provincial Bond Index ETF</u></b>					
Annual Returns (%)	3.12	1.57	1.33	4.98	3.48
MER (%)	0.28	0.28	0.28	0.28	0.28
TER (%)	0.00	0.00	0.00	0.00	0.00
<b><u>BMO Short Corporate Bond Index ETF</u></b>					
Annual Returns (%)	3.24	2.07	3.62	4.53	3.87
MER (%)	0.20	0.34	0.34	0.34	0.33
TER (%)	0.00	0.00	0.00	0.00	0.00
<b><u>BMO High Yield US Corporate Bond Hedged to CAD Index ETF</u></b>					
Annual Returns (%)	1.71	6.42	14.60	4.84	10.29
MER (%)	0.62	0.62	0.62	0.62	0.72
TER (%)	0.00	0.01	0.02	0.02	0.09
<b><u>BMO S&amp;P/TSX Equal Weight Banks Index ETF</u></b>					
Annual Returns (%)	13.79	20.43	14.57	1.31	12.87
MER (%)	0.62	0.62	0.62	0.62	0.61
TER (%)	0.00	0.00	0.00	0.00	0.00
<b><u>BMO S&amp;P/TSX Equal Weight Oil &amp; Gas Index ETF</u></b>					
Annual Returns (%)	-11.23	13.65	-1.95	-7.15	11.26
MER (%)	0.62	0.62	0.62	0.62	0.61
TER (%)	0.00	0.00	0.00	0.00	0.00
<b><u>BMO S&amp;P/TSX Equal Weight Global Base Metals Hedged to CAD Index ETF</u></b>					
Annual Returns (%)	-9.56	-6.97	-9.76	-32.89	42.81
MER (%)	0.63	0.63	0.62	0.62	0.61
TER (%)	0.02	0.03	0.02	0.09	0.09
<b><u>BMO China Equity Index ETF</u></b>					
Annual Returns (%)	10.87	34.63	9.18	-26.44	3.95*
MER (%)	0.74	0.75	0.74	0.74	0.73
TER (%)	0.04	0.07	0.07	0.05	0.01

\* Return from January 19, 2010 to December 31, 2010

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b><u>BMO India Equity Index ETF</u></b>					
Annual Returns (%)	32.27	6.62	21.66	-35.46	1.53*
MER (%)	0.73	0.75	0.74	0.74	0.74
TER (%)	0.12	0.11	0.12	0.02	0.11

\* Return from January 19, 2010 to December 31, 2010

<b><u>BMO Equal Weight Utilities Index ETF</u></b>					
Annual Returns (%)	12.42	-4.41	4.44	2.33	14.81*
MER (%)	0.62	0.62	0.62	0.62	0.61
TER (%)	0.00	0.03	0.00	0.03	0.02

\* Return from January 19, 2010 to December 31, 2010

<b><u>BMO Nasdaq 100 Equity Hedged to CAD Index ETF</u></b>					
Annual Returns (%)	19.43	36.55	17.84	2.73	15.06*
MER (%)	0.40	0.40	0.40	0.40	0.39
TER (%)	0.00	0.00	0.00	0.02	0.00

\* Return from January 19, 2010 to December 31, 2010

<b><u>BMO Junior Gold Index ETF</u></b>					
Annual Returns (%)	-2.87	-56.40	-16.78	-27.95	56.94*
MER (%)	0.62	0.63	0.62	0.62	0.61
TER (%)	0.00	0.00	0.03	0.06	0.19

\* Return from January 19, 2010 to December 31, 2010

<b><u>BMO Mid Corporate Bond Index ETF</u></b>					
Annual Returns (%)	8.71	0.67	7.58	8.39	5.76*
MER (%)	0.34	0.34	0.34	0.34	0.34
TER (%)	0.00	0.00	0.00	0.00	0.00

\* Return from January 19, 2010 to December 31, 2010

<b><u>BMO Mid Federal Bond Index ETF</u></b>					
Annual Returns (%)	8.50	-2.36	2.78	11.46	7.18
MER (%)	0.23	0.23	0.23	0.23	0.28
TER (%)	0.00	0.00	0.00	0.00	0.00

<b><u>BMO Long Corporate Bond Index ETF</u></b>					
Annual Returns (%)	16.15	-3.78	9.07	14.94	10.68*
MER (%)	0.34	0.34	0.34	0.34	0.34
TER (%)	0.00	0.00	0.00	0.00	0.00

\* Return from January 19, 2010 to December 31, 2010

<b><u>BMO Aggregate Bond Index ETF</u></b>					
Annual Returns (%)	8.43	-1.45	3.34	9.09	5.14*
MER (%)	0.23	0.23	0.30	0.32	0.32
TER (%)	0.01	0.01	0.00	0.00	0.00

\* Return from January 19, 2010 to December 31, 2010

<b><u>BMO Equal Weight REITs Index ETF</u></b>					
Annual Returns (%)	8.73	-4.60	18.11	13.85	17.93*
MER (%)	0.62	0.62	0.62	0.62	0.62
TER (%)	0.00	0.02	0.00	0.00	0.01

\* Return from May 19, 2010 to December 31, 2010

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b><u>BMO Junior Oil Index ETF</u></b>					
Annual Returns (%)	-28.84	35.87	-2.69	-3.88	34.28*
MER (%)	0.63	0.63	0.62	0.62	0.63
TER (%)	0.00	0.00	0.00	0.02	0.06

\* Return from May 19, 2010 to December 31, 2010

<b><u>BMO Junior Gas Index ETF</u></b>					
Annual Returns (%)	-19.53	39.94	-11.10	2.20	36.08*
MER (%)	0.63	0.64	0.63	0.62	0.63
TER (%)	0.00	0.00	0.00	0.03	0.16

\* Return from May 19, 2010 to December 31, 2010

<b><u>BMO Equal Weight US Health Care Hedged to CAD Index ETF</u></b>					
Annual Returns (%)	33.63	43.19	21.29	4.08	10.73*
MER (%)	0.40	0.40	0.40	0.40	0.41
TER (%)	0.00	0.00	0.00	0.01	0.00

\* Return from May 19, 2010 to December 31, 2010

<b><u>BMO Equal Weight US Banks Hedged to CAD Index ETF</u></b>					
Annual Returns (%)	10.56	37.51	33.09	-26.87	2.28*
MER (%)	0.40	0.40	0.40	0.40	0.41
TER (%)	0.01	0.00	0.00	0.04	0.00

\* Return from May 19, 2010 to December 31, 2010

<b><u>BMO Long Federal Bond Index ETF</u></b>					
Annual Returns (%)	17.14	-9.13	4.27	19.87	5.73*
MER (%)	0.23	0.23	0.23	0.23	0.24
TER (%)	0.00	0.00	0.00	0.00	0.00

\* Return from May 19, 2010 to December 31, 2010

<b><u>BMO Real Return Bond Index ETF</u></b>					
Annual Returns (%)	13.16	-12.68	2.68	17.84	6.97*
MER (%)	0.29	0.29	0.28	0.28	0.29
TER (%)	0.00	0.00	0.00	0.00	0.00

\* Return from May 19, 2010 to December 31, 2010

<b><u>BMO Emerging Markets Bond Hedged to CAD Index ETF</u></b>					
Annual Returns (%)	8.68	-4.71	15.92	7.13	8.46*
MER (%)	0.57	0.57	0.56	0.57	0.57
TER (%)	0.00	0.00	0.00	0.00	0.00

\* Return from May 19, 2010 to December 31, 2010

<b><u>BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF</u></b>					
Annual Returns (%)	7.68	-2.02*	n/a	n/a	n/a
MER (%)	0.28	0.28	n/a	n/a	n/a
TER (%)	0.02	0.01	n/a	n/a	n/a

\* Return from March 20, 2013 to December 31, 2013

<b><u>BMO Mid-Term US IG Corporate Bond Index ETF</u></b>					
Annual Returns (%)	16.92	0.71*	n/a	n/a	n/a
MER (%)	0.28	0.28	n/a	n/a	n/a
TER (%)	0.00	0.00	n/a	n/a	n/a

\* Return from March 19, 2013 to December 31, 2013



	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b><u>BMO Mid-Term US IG Corporate Bond Index ETF (USD Units)</u></b>					
Annual Returns (%)	6.50	-2.65*	n/a	n/a	n/a
MER (%)	0.31	0.29	n/a	n/a	n/a
TER (%)	0.00	0.00	n/a	n/a	n/a

\* Return from March 19, 2013 to December 31, 2013

<b><u>BMO Mid Provincial Bond Index ETF</u></b>					
Annual Returns (%)	9.13	-1.41*	n/a	n/a	n/a
MER (%)	0.28	0.28	n/a	n/a	n/a
TER (%)	0.00	0.00	n/a	n/a	n/a

\* Return from March 19, 2013 to December 31, 2013

<b><u>BMO Long Provincial Bond Index ETF</u></b>					
Annual Returns (%)	17.61	-5.23*	n/a	n/a	n/a
MER (%)	0.28	0.28	n/a	n/a	n/a
TER (%)	0.00	0.00	n/a	n/a	n/a

\* Return from March 19, 2013 to December 31, 2013

<b><u>BMO S&amp;P/TSX Equal Weight Industrials Index ETF</u></b>					
Annual Returns (%)	-0.85	37.98	7.41*	n/a	n/a
MER (%)	0.63	0.64	0.63	n/a	n/a
TER (%)	0.00	0.00	0.00	n/a	n/a

\* Return from November 14, 2012 to December 31, 2012

<b><u>BMO S&amp;P/TSX Equal Weight Global Gold Index ETF</u></b>					
Annual Returns (%)	7.89	-52.66	-3.27*	n/a	n/a
MER (%)	0.63	0.66	0.63	n/a	n/a
TER (%)	0.02	0.00	0.00	n/a	n/a

\* Return from November 14, 2012 to December 31, 2012

<b><u>BMO S&amp;P 500 Index ETF</u></b>					
Annual Returns (%)	23.75	40.77	4.33*	n/a	n/a
MER (%)	0.13	0.17	0.17	n/a	n/a
TER (%)	0.00	0.00	0.00	n/a	n/a

\* Return from November 14, 2012 to December 31, 2012

<b><u>BMO S&amp;P 500 Index ETF (USD Units)</u></b>					
Annual Returns (%)	13.23	31.65	5.56*	n/a	n/a
MER (%)	0.13	0.17	0.17	n/a	n/a
TER (%)	0.00	0.00	0.00	n/a	n/a

\* Return from November 14, 2012 to December 31, 2012

<b><u>BMO Laddered Preferred Share Index ETF</u></b>					
Annual Returns (%)	4.72	-3.47	0.55*	n/a	n/a
MER (%)	0.51	0.51	0.49	n/a	n/a
TER (%)	0.02	0.00	0.00	n/a	n/a

\* Return from November 14, 2012 to December 31, 2012

<b><u>BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF</u></b>					
Annual Returns (%)	1.33*	n/a	n/a	n/a	n/a
MER (%)	0.28	n/a	n/a	n/a	n/a
TER (%)	0.00	n/a	n/a	n/a	n/a

\* Return from February 10, 2014 to December 31, 2014

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b><u>BMO Discount Bond Index ETF</u></b>					
Annual Returns (%)	6.27*	n/a	n/a	n/a	n/a
MER (%)	0.23	n/a	n/a	n/a	n/a
TER (%)	0.00	n/a	n/a	n/a	n/a

\* Return from February 10, 2014 to December 31, 2014

<b><u>BMO Equal Weight US Banks Index ETF</u></b>					
Annual Returns (%)	15.52*	n/a	n/a	n/a	n/a
MER (%)	0.39	n/a	n/a	n/a	n/a
TER (%)	0.00	n/a	n/a	n/a	n/a

\* Return from February 10, 2014 to December 31, 2014

<b><u>BMO MSCI EAFE Index ETF</u></b>					
Annual Returns (%)	1.94*	n/a	n/a	n/a	n/a
MER (%)	0.25	n/a	n/a	n/a	n/a
TER (%)	0.36	n/a	n/a	n/a	n/a

\* Return from February 10, 2014 to December 31, 2014

<b><u>BMO MSCI Europe High Quality Hedged to CAD Index ETF</u></b>					
Annual Returns (%)	9.99*	n/a	n/a	n/a	n/a
MER (%)	0.46	n/a	n/a	n/a	n/a
TER (%)	0.07	n/a	n/a	n/a	n/a

\* Return from February 10, 2014 to December 31, 2014

<b><u>BMO MSCI USA High Quality Index ETF</u></b>					
Annual Returns (%)	4.15*	n/a	n/a	n/a	n/a
MER (%)	0.36	n/a	n/a	n/a	n/a
TER (%)	0.00	n/a	n/a	n/a	n/a

\* Return from November 5, 2014 to December 31, 2014

<b><u>BMO MSCI All Country World High Quality Index ETF</u></b>					
Annual Returns (%)	2.60*	n/a	n/a	n/a	n/a
MER (%)	0.52	n/a	n/a	n/a	n/a
TER (%)	0.00	n/a	n/a	n/a	n/a

\* Return from November 5, 2014 to December 31, 2014

## **OVERVIEW OF THE LEGAL STRUCTURE OF THE BMO ETFs**

The BMO ETFs are exchange traded mutual funds established as trusts under the laws of the Province of Ontario. The BMO ETFs have been established pursuant to the Declaration of Trust. The Units of the BMO ETFs are listed on the TSX and offered on a continuous basis. Investors may incur customary brokerage commissions in buying or selling Units.

While each BMO ETF will be a mutual fund under the securities legislation of certain provinces and territories of Canada, it has been granted exemptive relief from certain provisions of Canadian securities legislation applicable to conventional mutual funds. See “Exemptions and Approvals”.

The office for service of notice to the BMO ETFs and BMO Asset Management is located at 250 Yonge Street, 9th Floor, Toronto, Ontario M5B 2M8 (the registered office of the BMO ETFs and BMO Asset Management is located at 100 King Street West, 43rd Floor, Toronto, Ontario M5X 1A1).

The following table sets out the full legal name, as well as the TSX ticker symbol, for each of the BMO ETFs:

Legal name of BMO ETF	TSX Ticker Symbol
BMO S&P/TSX Capped Composite Index ETF	ZCN
BMO S&P 500 Hedged to CAD Index ETF	ZUE
BMO MSCI EAFE Hedged to CAD Index ETF	ZDM
BMO MSCI Emerging Markets Index ETF	ZEM
BMO Global Infrastructure Index ETF	ZGI
BMO Dow Jones Industrial Average Hedged to CAD Index ETF	ZDJ
BMO Short Federal Bond Index ETF	ZFS
BMO Short Provincial Bond Index ETF	ZPS
BMO Short Corporate Bond Index ETF	ZCS
BMO High Yield US Corporate Bond Hedged to CAD Index ETF	ZHY
BMO S&P/TSX Equal Weight Banks Index ETF	ZEB
BMO S&P/TSX Equal Weight Oil & Gas Index ETF	ZEO
BMO S&P/TSX Equal Weight Global Base Metals Hedged to CAD Index ETF	ZMT
BMO China Equity Index ETF	ZCH
BMO India Equity Index ETF	ZID
BMO Equal Weight Utilities Index ETF	ZUT
BMO Nasdaq 100 Equity Hedged to CAD Index ETF	ZQQ
BMO Junior Gold Index ETF	ZJG
BMO Mid Corporate Bond Index ETF	ZCM
BMO Mid Federal Bond Index ETF	ZFM
BMO Long Corporate Bond Index ETF	ZLC
BMO Aggregate Bond Index ETF	ZAG

Legal name of BMO ETF	TSX Ticker Symbol
BMO Equal Weight REITs Index ETF	ZRE
BMO Junior Oil Index ETF	ZJO
BMO Junior Gas Index ETF	ZJN
BMO Equal Weight US Health Care Hedged to CAD Index ETF	ZUH
BMO Equal Weight US Banks Hedged to CAD Index ETF	ZUB
BMO Long Federal Bond Index ETF	ZFL
BMO Real Return Bond Index ETF	ZRR
BMO Emerging Markets Bond Hedged to CAD Index ETF	ZEF
BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF	ZMU
BMO Mid-Term US IG Corporate Bond Index ETF	ZIC/ZIC.U
BMO Mid Provincial Bond Index ETF	ZMP
BMO Long Provincial Bond Index ETF	ZPL
BMO S&P/TSX Equal Weight Industrials Index ETF	ZIN
BMO S&P/TSX Equal Weight Global Gold Index ETF	ZGD
BMO S&P 500 Index ETF	ZSP/ZSP.U
BMO Laddered Preferred Share Index ETF	ZPR
BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF	ZSU
BMO Discount Bond Index ETF	ZDB
BMO Equal Weight US Banks Index ETF	ZBK
BMO MSCI EAFE Index ETF	ZEA
BMO MSCI Europe High Quality Hedged to CAD Index ETF	ZEQ
BMO MSCI USA High Quality Index ETF	ZUQ
BMO MSCI All Country World High Quality Index ETF	ZGQ

## INVESTMENT OBJECTIVES

Each of the BMO ETFs seeks to replicate, to the extent possible, the performance of an Index, net of expenses, as outlined herein.

### ***BMO S&P/TSX Capped Composite Index ETF***

BMO S&P/TSX Capped Composite Index ETF seeks to replicate, to the extent possible, the performance of the S&P/TSX Capped Composite Index, net of expenses. The investment strategy of BMO S&P/TSX Capped Composite Index ETF is to invest in and hold the Constituent Securities of the S&P/TSX Capped Composite Index in the same proportion as they are reflected in the S&P/TSX Capped Composite Index or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO S&P/TSX Capped Composite Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO S&P/TSX Capped Composite Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the S&P/TSX Capped Composite Index.

### ***BMO S&P 500 Hedged to CAD Index ETF***

BMO S&P 500 Hedged to CAD Index ETF seeks to replicate, to the extent possible, the performance of the S&P 500 Hedged to Canadian Dollars Index, net of expenses. The investment strategy of BMO S&P 500 Hedged to CAD Index ETF is to invest in and hold the Constituent Securities of the S&P 500 Hedged to Canadian Dollars Index in the same proportion as they are reflected in the S&P 500 Hedged to Canadian Dollars Index or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO S&P 500 Hedged to CAD Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO S&P 500 Hedged to CAD Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the S&P 500 Hedged to Canadian Dollars Index.

### ***BMO MSCI EAFE Hedged to CAD Index ETF***

BMO MSCI EAFE Hedged to CAD Index ETF seeks to replicate, to the extent possible, the performance of an international equity markets index, net of expenses. Currently, BMO MSCI EAFE Hedged to CAD Index ETF seeks to replicate the performance of the MSCI EAFE 100% Hedged to CAD Index. The investment strategy of BMO MSCI EAFE Hedged to CAD Index ETF is to invest in and hold the Constituent Securities of the MSCI EAFE 100% Hedged to CAD Index in the same proportion as they are reflected in the MSCI EAFE 100% Hedged to CAD Index or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO MSCI EAFE Hedged to CAD Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO MSCI EAFE Hedged to CAD Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the MSCI EAFE 100% Hedged to CAD Index.

### ***BMO MSCI Emerging Markets Index ETF***

BMO MSCI Emerging Markets Index ETF seeks to replicate, to the extent possible, the performance of an emerging markets index, net of expenses. Currently, BMO MSCI Emerging Markets Index ETF seeks to replicate the performance of the MSCI Emerging Markets Index. The investment strategy of BMO MSCI Emerging Markets Index ETF is to invest in and hold the Constituent Securities of the MSCI Emerging Markets Index in the same proportion as they are reflected in the MSCI Emerging Markets Index or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO MSCI Emerging Markets Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO MSCI Emerging Markets Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the MSCI Emerging Markets Index.

### ***BMO Global Infrastructure Index ETF***

BMO Global Infrastructure Index ETF seeks to replicate, to the extent possible, the performance of an index that is comprised of North American-listed securities of global infrastructure companies, net of expenses. Currently, BMO Global Infrastructure Index ETF seeks to replicate the performance of the Dow Jones Brookfield Global Infrastructure North American Listed Index. The investment strategy of BMO Global Infrastructure Index ETF is to invest in and hold the Constituent Securities of the Dow Jones Brookfield Global Infrastructure North American Listed Index in the same proportion as they are reflected in the Dow Jones Brookfield Global Infrastructure North American Listed Index or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO Global Infrastructure Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO Global Infrastructure Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the Dow Jones Brookfield Global Infrastructure North American Listed Index.

### ***BMO Dow Jones Industrial Average Hedged to CAD Index ETF***

BMO Dow Jones Industrial Average Hedged to CAD Index ETF seeks to replicate, to the extent possible, the performance of the Dow Jones Industrial Average (CAD hedged), net of expenses. The investment strategy of BMO Dow Jones Industrial Average Hedged to CAD Index ETF is to invest in and hold the Constituent Securities of the Dow Jones Industrial Average (CAD hedged) in the same proportion as they are reflected in the Dow Jones Industrial Average (CAD hedged) or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO Dow Jones Industrial Average Hedged to CAD Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO Dow Jones Industrial Average Hedged to CAD Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the Dow Jones Industrial Average (CAD hedged).

### ***BMO Short Federal Bond Index ETF***

BMO Short Federal Bond Index ETF seeks to replicate, to the extent possible, the performance of a short term federal bond index, net of expenses. Currently, BMO Short Federal Bond Index ETF seeks to replicate the performance of the FTSE TMX Canada Short Term Federal Bond Index™. The investment strategy of BMO Short Federal Bond Index ETF is currently to invest in and hold the Constituent Securities of the FTSE TMX Canada Short Term Federal Bond Index™ in the same proportion as they are reflected in the FTSE TMX Canada Short Term Federal Bond Index™ or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO Short Federal Bond Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO Short Federal Bond Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the FTSE TMX Canada Short Term Federal Bond Index™.

### ***BMO Short Provincial Bond Index ETF***

BMO Short Provincial Bond Index ETF seeks to replicate, to the extent possible, the performance of a short term provincial bond index, net of expenses. Currently, BMO Short Provincial Bond Index ETF seeks to replicate the performance of the FTSE TMX Canada Short Term Provincial Bond Index™. The investment strategy of BMO Short Provincial Bond Index ETF is currently to invest in and hold the Constituent Securities of the FTSE TMX Canada Short Term Provincial Bond Index™ in the same proportion as they are reflected in the FTSE TMX Canada Short Term Provincial Bond Index™ or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO Short Provincial Bond Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO Short Provincial Bond Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the FTSE TMX Canada Short Term Provincial Bond Index™.

### ***BMO Short Corporate Bond Index ETF***

BMO Short Corporate Bond Index ETF seeks to replicate, to the extent possible, the performance of a short term corporate bond index, net of expenses. Currently, BMO Short Corporate Bond Index ETF seeks to replicate the performance of the FTSE TMX Canada Short Term Corporate Bond Index™. The investment strategy of BMO Short Corporate Bond Index ETF is currently to invest in and hold the Constituent Securities of the FTSE TMX Canada Short Term Corporate Bond Index™ in the same proportion as they are reflected in the FTSE TMX Canada Short Term Corporate Bond Index™ or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO Short Corporate Bond Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO Short Corporate Bond Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the FTSE TMX Canada Short Term Corporate Bond Index™.

### ***BMO High Yield US Corporate Bond Hedged to CAD Index ETF***

BMO High Yield US Corporate Bond Hedged to CAD Index ETF seeks to replicate, to the extent possible, the performance of a broad United States high yield corporate bond market index, net of expenses. Currently, BMO High Yield US Corporate Bond Hedged to CAD Index ETF seeks to replicate the performance of the Barclays U.S. High Yield Very Liquid Index CAD Hedged. The investment strategy of BMO High Yield US Corporate Bond Hedged to CAD Index ETF is currently to invest in and hold the Constituent Securities of the Barclays U.S. High Yield Very Liquid Index CAD Hedged in the same proportion as they are reflected in the Barclays U.S. High Yield Very Liquid Index CAD Hedged or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO High Yield US Corporate Bond Hedged to CAD Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO High Yield US Corporate Bond Hedged to CAD Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the Barclays U.S. High Yield Very Liquid Index CAD Hedged.

### ***BMO S&P/TSX Equal Weight Banks Index ETF***

BMO S&P/TSX Equal Weight Banks Index ETF seeks to replicate, to the extent possible, the performance of an equal weight diversified Canadian bank index, net of expenses. Currently, BMO S&P/TSX Equal Weight Banks Index ETF seeks to replicate the performance of the S&P/TSX Equal Weight Diversified Banks Index. The investment strategy of BMO S&P/TSX Equal Weight Banks Index ETF is currently to invest in and hold the Constituent Securities of the S&P/TSX Equal Weight Diversified Banks Index in the same proportion as they are reflected in the S&P/TSX Equal Weight Diversified Banks Index or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO S&P/TSX Equal Weight Banks Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO S&P/TSX Equal Weight Banks Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the S&P/TSX Equal Weight Diversified Banks Index.

### ***BMO S&P/TSX Equal Weight Oil & Gas Index ETF***

BMO S&P/TSX Equal Weight Oil & Gas Index ETF seeks to replicate, to the extent possible, the performance of an equal weight Canadian large-cap oil and gas companies index, net of expenses. Currently, BMO S&P/TSX Equal Weight Oil & Gas Index ETF seeks to replicate the performance of the S&P/TSX Equal Weight Oil & Gas Index. The investment strategy of BMO S&P/TSX Equal Weight Oil & Gas Index ETF is currently to invest in and hold the Constituent Securities of the S&P/TSX Equal Weight Oil & Gas Index in the same proportion as they are reflected in the S&P/TSX Equal Weight Oil & Gas Index or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO S&P/TSX Equal Weight Oil & Gas Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO S&P/TSX Equal Weight Oil & Gas Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the S&P/TSX Equal Weight Oil & Gas Index.

### ***BMO S&P/TSX Equal Weight Global Base Metals Hedged to CAD Index ETF***

BMO S&P/TSX Equal Weight Global Base Metals Hedged to CAD Index ETF seeks to replicate, to the extent possible, the performance of an equal weight global base metals companies index, net of expenses. Currently, BMO S&P/TSX Equal Weight Global Base Metals Hedged to CAD Index ETF seeks to replicate the performance of the S&P/TSX Equal Weight Global Base Metals CAD Hedged Index. The investment strategy of BMO S&P/TSX Equal Weight Global Base Metals Hedged to CAD Index ETF is currently to invest in and hold the Constituent Securities of the S&P/TSX Equal Weight Global Base Metals CAD Hedged Index in the same proportion as they are reflected in the S&P/TSX Equal Weight Global Base Metals CAD Hedged Index or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO S&P/TSX Equal Weight Global Base Metals Hedged to CAD Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO S&P/TSX Equal Weight Global Base Metals Hedged to CAD Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the S&P/TSX Equal Weight Global Base Metals CAD Hedged Index.

### ***BMO China Equity Index ETF***

BMO China Equity Index ETF seeks to replicate, to the extent possible, the performance of a broad Chinese equity markets index, net of expenses. Currently, BMO China Equity Index ETF seeks to replicate the performance of the BNY Mellon China Select ADR Index. The investment strategy of BMO China Equity Index ETF is to invest in and hold the Constituent Securities of the BNY Mellon China Select ADR Index in the same proportion as they are reflected in the BNY Mellon China Select ADR Index or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO China Equity Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO China Equity Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the BNY Mellon China Select ADR Index.

### ***BMO India Equity Index ETF***

BMO India Equity Index ETF seeks to replicate, to the extent possible, the performance of a broad Indian equity markets index, net of expenses. Currently, BMO India Equity Index ETF seeks to replicate the performance of the BNY Mellon India Select DR Index. The investment strategy of BMO India Equity Index ETF is to invest in and hold the Constituent Securities of the BNY Mellon India Select DR Index in the same proportion as they are reflected in the BNY Mellon India Select DR Index or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO India Equity Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO India Equity Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the BNY Mellon India Select DR Index.

### ***BMO Equal Weight Utilities Index ETF***

BMO Equal Weight Utilities Index ETF seeks to replicate, to the extent possible, the performance of an equal weight utilities companies index, net of expenses. Currently, BMO Equal Weight Utilities Index ETF seeks to replicate the performance of the Dow Jones Canada Select Equal Weight Utilities Index. The investment strategy of BMO Equal Weight Utilities Index ETF is currently to invest in and hold the Constituent Securities of the Dow Jones Canada Select Equal Weight Utilities Index in the same proportion as they are reflected in the Dow Jones Canada Select Equal Weight Utilities Index or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO Equal Weight Utilities Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO Equal Weight Utilities Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the Dow Jones Canada Select Equal Weight Utilities Index.

### ***BMO Nasdaq 100 Equity Hedged to CAD Index ETF***

BMO Nasdaq 100 Equity Hedged to CAD Index ETF seeks to replicate, to the extent possible, the performance of a NASDAQ listed companies index, net of expenses. Currently, BMO Nasdaq 100 Equity Hedged to CAD Index ETF seeks to replicate the performance of the NASDAQ—100 Index Hedged to CAD. The investment strategy of BMO Nasdaq 100 Equity Hedged to CAD Index ETF is currently to invest in and hold the Constituent Securities of the NASDAQ—100 Index Hedged to CAD in the same proportion as they are reflected in the NASDAQ—100 Index Hedged to CAD or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO Nasdaq 100 Equity Hedged to CAD Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO Nasdaq 100 Equity Hedged to CAD Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the NASDAQ—100 Index Hedged to CAD.

### ***BMO Junior Gold Index ETF***

BMO Junior Gold Index ETF seeks to replicate, to the extent possible, the performance of a junior gold companies index, net of expenses. Currently, BMO Junior Gold Index ETF seeks to replicate the performance of the Dow Jones North America Select Junior Gold Index. The investment strategy of BMO Junior Gold Index ETF is currently to invest in and hold the Constituent Securities of the Dow Jones North America Select Junior Gold Index in the same proportion as they are reflected in the Dow Jones North America Select Junior Gold Index or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO Junior Gold Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO Junior Gold Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the Dow Jones North America Select Junior Gold Index.

### ***BMO Mid Corporate Bond Index ETF***

BMO Mid Corporate Bond Index ETF seeks to replicate, to the extent possible, the performance of a midterm corporate bond index, net of expenses. Currently, BMO Mid Corporate Bond Index ETF seeks to replicate the performance of the FTSE TMX Canada Mid Term Corporate Bond Index™. The investment strategy of BMO Mid Corporate Bond Index ETF is currently to invest in and hold the Constituent Securities of the FTSE TMX Canada Mid Term Corporate Bond Index™ in the same proportion as they are reflected in the FTSE TMX Canada Mid Term Corporate Bond Index™ or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO Mid Corporate Bond Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO Mid Corporate Bond Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the FTSE TMX Canada Mid Term Corporate Bond Index™.

### ***BMO Mid Federal Bond Index ETF***

BMO Mid Federal Bond Index ETF seeks to replicate, to the extent possible, the performance of a midterm federal bond index, net of expenses. Currently, BMO Mid Federal Bond Index ETF seeks to replicate the performance of the FTSE TMX Canada Mid Term Federal Bond Index™. The investment strategy of BMO Mid Federal Bond Index ETF is currently to invest in and hold the Constituent Securities of the FTSE TMX Canada Mid Term Federal Bond Index™ in the same proportion as they are reflected in the FTSE TMX Canada Mid Term Federal Bond Index™ or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO Mid Federal Bond Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO Mid Federal Bond Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the FTSE TMX Canada Mid Term Federal Bond Index™.

### ***BMO Long Corporate Bond Index ETF***

BMO Long Corporate Bond Index ETF seeks to replicate, to the extent possible, the performance of a long term corporate bond index, net of expenses. Currently, BMO Long Corporate Bond Index ETF seeks to replicate the



performance of the FTSE TMX Canada Long Term Corporate Bond Index™. The investment strategy of BMO Long Corporate Bond Index ETF is currently to invest in and hold the Constituent Securities of the FTSE TMX Canada Long Term Corporate Bond Index™ in the same proportion as they are reflected in the FTSE TMX Canada Long Term Corporate Bond Index™ or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO Long Corporate Bond Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO Long Corporate Bond Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the FTSE TMX Canada Long Term Corporate Bond Index™.

### ***BMO Aggregate Bond Index ETF***

BMO Aggregate Bond Index ETF seeks to replicate, to the extent possible, the performance of an aggregate bond index, net of expenses. Currently, BMO Aggregate Bond Index ETF seeks to replicate the performance of the FTSE TMX Canada UniverseXM Bond Index™. The investment strategy of BMO Aggregate Bond Index ETF is currently to invest in and hold the Constituent Securities of the FTSE TMX Canada UniverseXM Bond Index™ in the same proportion as they are reflected in the FTSE TMX Canada UniverseXM Bond Index™ or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO Aggregate Bond Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO Aggregate Bond Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the FTSE TMX Canada UniverseXM Bond Index™.

### ***BMO Equal Weight REITs Index ETF***

BMO Equal Weight REITs Index ETF seeks to replicate, to the extent possible, the performance of an equal weight Canadian REITs index, net of expenses. Currently, BMO Equal Weight REITs Index ETF seeks to replicate the performance of the Dow Jones Canada Select Equal Weight REIT Index. The investment strategy of BMO Equal Weight REITs Index ETF is currently to invest in and hold the Constituent Securities of the Dow Jones Canada Select Equal Weight REIT Index in the same proportion as they are reflected in the Dow Jones Canada Select Equal Weight REIT Index or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO Equal Weight REITs Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO Equal Weight REITs Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the Dow Jones Canada Select Equal Weight REIT Index.

### ***BMO Junior Oil Index ETF***

BMO Junior Oil Index ETF seeks to replicate, to the extent possible, the performance of a North American junior oil index, net of expenses. Currently, BMO Junior Oil Index ETF seeks to replicate the performance of the Dow Jones North America Select Junior Oil Index. The investment strategy of BMO Junior Oil Index ETF is currently to invest in and hold the Constituent Securities of the Dow Jones North America Select Junior Oil Index in the same proportion as they are reflected in the Dow Jones North America Select Junior Oil Index or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO Junior Oil Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO Junior Oil Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the Dow Jones North America Select Junior Oil Index.

### ***BMO Junior Gas Index ETF***

BMO Junior Gas Index ETF seeks to replicate, to the extent possible, the performance of a North American junior gas index, net of expenses. Currently, BMO Junior Gas Index ETF seeks to replicate the performance of the Dow Jones North America Select Junior Gas Index. The investment strategy of BMO Junior Gas Index ETF is currently to invest in and hold the Constituent Securities of the Dow Jones North America Select Junior Gas Index in the same proportion as they are reflected in the Dow Jones North America Select Junior Gas Index or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO Junior Gas Index ETF. As an alternative to or in conjunction with investing in and holding the

Constituent Securities, BMO Junior Gas Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the Dow Jones North America Select Junior Gas Index.

***BMO Equal Weight US Health Care Hedged to CAD Index ETF***

BMO Equal Weight US Health Care Hedged to CAD Index ETF seeks to replicate, to the extent possible, the performance of an equal-weight United States large-cap health care index, net of expenses. Currently, BMO Equal Weight US Health Care Hedged to CAD Index ETF seeks to replicate the performance of the Dow Jones U.S. Large-Cap Health Care Equal Weight Total Stock Market Index Canadian Dollar Hedged. The investment strategy of BMO Equal Weight US Health Care Hedged to CAD Index ETF is currently to invest in and hold the Constituent Securities of the Dow Jones U.S. Large-Cap Health Care Equal Weight Total Stock Market Index Canadian Dollar Hedged in the same proportion as they are reflected in the Dow Jones U.S. Large-Cap Health Care Equal Weight Total Stock Market Index Canadian Dollar Hedged or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO Equal Weight US Health Care Hedged to CAD Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO Equal Weight US Health Care Hedged to CAD Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the Dow Jones U.S. Large-Cap Health Care Equal Weight Total Stock Market Index Canadian Dollar Hedged.

***BMO Equal Weight US Banks Hedged to CAD Index ETF***

BMO Equal Weight US Banks Hedged to CAD Index ETF seeks to replicate, to the extent possible, the performance of an equal-weight United States large-cap banks index, net of expenses. Currently, BMO Equal Weight US Banks Hedged to CAD Index ETF seeks to replicate the performance of the Solactive Equal Weight US Bank Index Canadian Dollar Hedged. The investment strategy of BMO Equal Weight US Banks Hedged to CAD Index ETF is currently to invest in and hold the Constituent Securities of the Solactive Equal Weight US Bank Index Canadian Dollar Hedged in the same proportion as they are reflected in the Solactive Equal Weight US Bank Index Canadian Dollar Hedged or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO Equal Weight US Banks Hedged to CAD Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO Equal Weight US Banks Hedged to CAD Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the Solactive Equal Weight US Bank Index Canadian Dollar Hedged.

***BMO Long Federal Bond Index ETF***

BMO Long Federal Bond Index ETF seeks to replicate, to the extent possible, the performance of a long term federal bond index, net of expenses. Currently, BMO Long Federal Bond Index ETF seeks to replicate the performance of the FTSE TMX Canada Long Term Federal Bond Index™. The investment strategy of BMO Long Federal Bond Index ETF is currently to invest in and hold the Constituent Securities of the FTSE TMX Canada Long Term Federal Bond Index™ in the same proportion as they are reflected in the FTSE TMX Canada Long Term Federal Bond Index™ or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO Long Federal Bond Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO Long Federal Bond Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the FTSE TMX Canada Long Term Federal Bond Index™.

***BMO Real Return Bond Index ETF***

BMO Real Return Bond Index ETF seeks to replicate, to the extent possible, the performance of a real return bond index, net of expenses. Currently, BMO Real Return Bond Index ETF seeks to replicate the performance of the FTSE TMX Canada Real Return Non-Agency Bond Index™. The investment strategy of BMO Real Return Bond Index ETF is currently to invest in and hold the Constituent Securities of the FTSE TMX Canada Real Return Non-Agency Bond Index™ in the same proportion as they are reflected in the FTSE TMX Canada Real Return Non-Agency Bond Index™ or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO Real Return Bond Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO Real Return Bond

Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the FTSE TMX Canada Real Return Non-Agency Bond Index™.

***BMO Emerging Markets Bond Hedged to CAD Index ETF***

BMO Emerging Markets Bond Hedged to CAD Index ETF seeks to replicate, to the extent possible, the performance of an emerging markets bond index, net of expenses. Currently, BMO Emerging Markets Bond Hedged to CAD Index ETF seeks to replicate the performance of the Barclays Emerging Markets Tradable External Debt (EMTED) GDP Weighted Capped Index CAD Hedged. The investment strategy of BMO Emerging Markets Bond Hedged to CAD Index ETF is currently to invest in and hold the Constituent Securities of the Barclays Emerging Markets Tradable External Debt (EMTED) GDP Weighted Capped Index CAD Hedged in the same proportion as they are reflected in the Barclays Emerging Markets Tradable External Debt (EMTED) GDP Weighted Capped Index CAD Hedged or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO Emerging Markets Bond Hedged to CAD Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO Emerging Markets Bond Hedged to CAD Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the Barclays Emerging Markets Tradable External Debt (EMTED) GDP Weighted Capped Index CAD Hedged.

***BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF***

BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF seeks to replicate, to the extent possible, the performance of a mid-term U.S. investment grade corporate bond index, net of expenses. Currently, BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF seeks to replicate the performance of the Barclays US Investment Grade 5 to 10 Year Corporate Bond Capped Index CAD Hedged. The investment strategy of BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF is currently to invest in and hold the Constituent Securities of the Barclays US Investment Grade 5 to 10 Year Corporate Bond Capped Index CAD Hedged in the same proportion as they are reflected in the Barclays US Investment Grade 5 to 10 Year Corporate Bond Capped Index CAD Hedged or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the Barclays US Investment Grade 5 to 10 Year Corporate Bond Capped Index CAD Hedged.

***BMO Mid-Term US IG Corporate Bond Index ETF***

BMO Mid-Term US IG Corporate Bond Index ETF seeks to replicate, to the extent possible, the performance of a mid-term U.S. investment grade corporate bond index, net of expenses. Currently, BMO Mid-Term US IG Corporate Bond Index ETF seeks to replicate the performance of the Barclays US Investment Grade 5 to 10 Year Corporate Bond Capped Index. The investment strategy of BMO Mid-Term US IG Corporate Bond Index ETF is currently to invest in and hold the Constituent Securities of the Barclays US Investment Grade 5 to 10 Year Corporate Bond Capped Index in the same proportion as they are reflected in the Barclays US Investment Grade 5 to 10 Year Corporate Bond Capped Index or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO Mid-Term US IG Corporate Bond Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO Mid-Term US IG Corporate Bond Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the Barclays US Investment Grade 5 to 10 Year Corporate Bond Capped Index.

***BMO Mid Provincial Bond Index ETF***

BMO Mid Provincial Bond Index ETF seeks to replicate, to the extent possible, the performance of a mid-term provincial bond index, net of expenses. Currently, BMO Mid Provincial Bond Index ETF seeks to replicate the performance of the FTSE TMX Canada Mid Term Provincial Bond Index™. The investment strategy of BMO Mid Provincial Bond Index ETF is currently to invest in and hold the Constituent Securities of the FTSE TMX Canada Mid Term Provincial Bond Index™ in the same proportion as they are reflected in the FTSE TMX Canada Mid Term

Provincial Bond Index™ or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO Mid Provincial Bond Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO Mid Provincial Bond Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the FTSE TMX Canada Mid Term Provincial Bond Index™.

#### ***BMO Long Provincial Bond Index ETF***

BMO Long Provincial Bond Index ETF seeks to replicate, to the extent possible, the performance of a long term provincial bond index, net of expenses. Currently, BMO Long Provincial Bond Index ETF seeks to replicate the performance of the FTSE TMX Canada Long Term Provincial Bond Index™. The investment strategy of BMO Long Provincial Bond Index ETF is currently to invest in and hold the Constituent Securities of the FTSE TMX Canada Long Term Provincial Bond Index™ in the same proportion as they are reflected in the FTSE TMX Canada Long Term Provincial Bond Index™ or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO Long Provincial Bond Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO Long Provincial Bond Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the FTSE TMX Canada Long Term Provincial Bond Index™.

#### ***BMO S&P/TSX Equal Weight Industrials Index ETF***

BMO S&P/TSX Equal Weight Industrials Index ETF seeks to replicate, to the extent possible, the performance of an equal weight diversified Canadian industrial companies index, net of expenses. Currently, BMO S&P/TSX Equal Weight Industrials Index ETF seeks to replicate the performance of the S&P/TSX Equal Weight Industrials Index. The investment strategy of BMO S&P/TSX Equal Weight Industrials Index ETF is to invest in and hold the Constituent Securities of the S&P/TSX Equal Weight Industrials Index in the same proportion as they are reflected in the S&P/TSX Equal Weight Industrials Index or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO S&P/TSX Equal Weight Industrials Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO S&P/TSX Equal Weight Industrials Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the S&P/TSX Equal Weight Industrials Index.

#### ***BMO S&P/TSX Equal Weight Global Gold Index ETF***

BMO S&P/TSX Equal Weight Global Gold Index ETF seeks to replicate, to the extent possible, the performance of an equal weight diversified global gold mining companies index, net of expenses. Currently, BMO S&P/TSX Equal Weight Global Gold Index ETF seeks to replicate the performance of the S&P/TSX Equal Weight Global Gold Index. The investment strategy of BMO S&P/TSX Equal Weight Global Gold Index ETF is to invest in and hold the Constituent Securities of the S&P/TSX Equal Weight Global Gold Index in the same proportion as they are reflected in the S&P/TSX Equal Weight Global Gold Index or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO S&P/TSX Equal Weight Global Gold Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO S&P/TSX Equal Weight Global Gold Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the S&P/TSX Equal Weight Global Gold Index.

#### ***BMO S&P 500 Index ETF***

BMO S&P 500 Index ETF seeks to replicate, to the extent possible, the performance of a broad U.S. stock market index, net of expenses. Currently, BMO S&P 500 Index ETF seeks to replicate the performance of the S&P 500 Index. The investment strategy of BMO S&P 500 Index ETF is to invest in and hold the Constituent Securities of the S&P 500 Index in the same proportion as they are reflected in the S&P 500 Index or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO S&P 500 Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO S&P 500 Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the S&P 500 Index.

### ***BMO Laddered Preferred Share Index ETF***

BMO Laddered Preferred Share Index ETF seeks to replicate, to the extent possible, the performance of a Canadian preferred shares index, net of expenses. Currently, BMO Laddered Preferred Share Index ETF seeks to replicate the performance of the Solactive Laddered Canadian Preferred Share Index. The investment strategy of BMO Laddered Preferred Share Index ETF is to invest in and hold the Constituent Securities of the Solactive Laddered Canadian Preferred Share Index in the same proportion as they are reflected in the Solactive Laddered Canadian Preferred Share Index or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO Laddered Preferred Share Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO Laddered Preferred Share Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the Solactive Laddered Canadian Preferred Share Index.

### ***BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF***

BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF seeks to replicate, to the extent possible, the performance of a U.S. short term investment grade corporate bond index (CAD hedged), net of expenses. Currently, BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF seeks to replicate the performance of the Barclays US Investment Grade 1 to 5 Year Corporate Bond Capped Index CAD Hedged. The investment strategy of BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF is to invest in and hold the Constituent Securities of the Barclays US Investment Grade 1 to 5 Year Corporate Bond Capped Index CAD Hedged or securities intended to replicate the performance of the Barclays US Investment Grade 1 to 5 Year Corporate Bond Capped Index CAD Hedged. The Manager may also use a sampling methodology in selecting investments for BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the Barclays US Investment Grade 1 to 5 Year Corporate Bond Capped Index CAD Hedged.

### ***BMO Discount Bond Index ETF***

BMO Discount Bond Index ETF seeks to replicate, to the extent possible, the performance of a discount bond index representing investment grade domestic bond issues denominated in Canadian dollars, net of expenses. Currently, BMO Discount Bond Index ETF seeks to replicate the performance of the FTSE TMX Canada Universe Discount Bond Index™. The investment strategy of BMO Discount Bond Index ETF is to invest in and hold the Constituent Securities of the FTSE TMX Canada Universe Discount Bond Index™ or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO Discount Bond Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO Discount Bond Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the FTSE TMX Canada Universe Discount Bond Index™.

### ***BMO Equal Weight US Banks Index ETF***

BMO Equal Weight US Banks Index ETF seeks to replicate, to the extent possible, the performance of a U.S. large capitalization banks index representing US banks included in a US bank sector or subsector industry classification, net of expenses. Currently, BMO Equal Weight US Banks Index ETF seeks to replicate the performance of the Solactive Equal Weight US Bank Index. The investment strategy of BMO Equal Weight US Banks Index ETF is to invest in and hold the Constituent Securities of the Solactive Equal Weight US Bank Index in the same proportion as they are reflected in the Solactive Equal Weight US Bank Index or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO Equal Weight US Banks Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO Equal Weight US Banks Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the Solactive Equal Weight US Bank Index.

### ***BMO MSCI EAFE Index ETF***

BMO MSCI EAFE Index ETF seeks to replicate, to the extent possible, the performance of an international equity markets index representing mid- and large-capitalization issuers in the European, Asian and Far East regions, net of expenses. Currently, BMO MSCI EAFE Index ETF seeks to replicate the performance of the MSCI EAFE Index. The investment strategy of BMO MSCI EAFE Index ETF is to invest in and hold the Constituent Securities of the MSCI EAFE Index in the same proportion as they are reflected in the MSCI EAFE Index or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for BMO MSCI EAFE Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO MSCI EAFE Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the MSCI EAFE Index.

### ***BMO MSCI Europe High Quality Hedged to CAD Index ETF***

BMO MSCI Europe High Quality Hedged to CAD Index ETF seeks to replicate, to the extent possible, the performance of the MSCI Europe Quality 100% Hedged to CAD Index, net of expenses. The investment strategy of BMO MSCI Europe High Quality Hedged to CAD Index ETF is to invest in and hold the Constituent Securities of the MSCI Europe Quality 100% Hedged to CAD Index in the same proportion as they are reflected in the MSCI Europe Quality 100% Hedged to CAD Index or securities intended to replicate the performance of the MSCI Europe Quality 100% Hedged to CAD Index. The Manager may also use a sampling methodology in selecting investments for BMO MSCI Europe High Quality Hedged to CAD Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO MSCI Europe High Quality Hedged to CAD Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the MSCI Europe Quality 100% Hedged to CAD Index.

### ***BMO MSCI USA High Quality Index ETF***

BMO MSCI USA High Quality Index ETF seeks to replicate, to the extent possible, the performance of an index of US equities, net of expenses. BMO MSCI USA High Quality Index ETF seeks to replicate the performance of the MSCI USA Quality Index. The investment strategy of BMO MSCI USA High Quality Index ETF is to invest in and hold the US equity Constituent Securities of the MSCI USA Quality Index in the same proportion as they are reflected in the MSCI USA Quality Index or securities intended to replicate the performance of the MSCI USA Quality Index. The Manager may, but currently does not expect to, also use a sampling methodology in selecting investments for BMO MSCI USA High Quality Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO MSCI USA High Quality Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the MSCI USA Quality Index.

### ***BMO MSCI All Country World High Quality Index ETF***

BMO MSCI All Country World High Quality Index ETF seeks to replicate, to the extent possible, the performance of an index of equities across developed market and emerging market countries, net of expenses. BMO MSCI All Country World High Quality Index ETF seeks to replicate the performance of the MSCI ACWI Quality Index, net of expenses. The investment strategy of BMO MSCI All Country World High Quality Index ETF is to invest in and hold the developed market and emerging market equity Constituent Securities of the MSCI ACWI Quality Index in the same proportion as they are reflected in the MSCI ACWI Quality Index or securities intended to replicate the performance of the MSCI ACWI Quality Index. The Manager may also use a sampling methodology in selecting investments for BMO MSCI All Country World High Quality Index ETF. As an alternative to or in conjunction with investing in and holding the Constituent Securities, BMO MSCI All Country World High Quality Index ETF may invest in or use certain Other Securities to obtain exposure to the performance of the MSCI ACWI Quality Index.

## **The Indices**

### ***S&P/TSX Capped Composite Index***

The S&P/TSX Capped Composite Index is a market capitalization-weighted index of securities of the largest and most liquid companies on the TSX. It is the broadest in the S&P/TSX family and is the basis for multiple sub-indices. It includes common stocks and income trust units. Further information about the S&P/TSX Capped Composite Index and its Constituent Issuers is available from S&P on its website at <http://ca.spindices.com/>.

### ***S&P 500 Hedged to Canadian Dollars Index***

The S&P 500 Hedged to Canadian Dollars Index is a market capitalization-weighted index of securities of 500 of the largest U.S. public issuers provided by S&P, hedged to Canadian dollars. The S&P 500 Index, which forms the basis for the S&P 500 Hedged to Canadian Dollars Index, is commonly used as a measure of broad U.S. stock market performance. Further information about the S&P 500 Hedged to Canadian Dollars Index and its Constituent Issuers is available from S&P on its website at <http://ca.spindices.com/>.

### ***MSCI EAFE 100% Hedged to CAD Index***

The MSCI EAFE 100% Hedged to CAD Index is an equity index that captures large and mid capitalization representation across developed market countries around the world, excluding the US and Canada. MSCI EAFE 100% Hedged to CAD Index covers approximately 85% of the free float-adjusted market capitalization in each country. Foreign currency exposure is also hedged back to the Canadian dollar. Further information about the MSCI EAFE 100% Hedged to CAD Index and its Constituent Issuers is available from MSCI on its website at [www.msci.com](http://www.msci.com).

### ***MSCI Emerging Markets Index***

The MSCI Emerging Markets Index is an equity index that captures large and mid capitalization representation across emerging markets countries. The MSCI Emerging Markets Index covers approximately 85% of the free float-adjusted market capitalization in each country. Further information about the MSCI Emerging Markets Index and its Constituent Issuers is available from MSCI on its website at [www.msci.com](http://www.msci.com).

### ***Dow Jones Brookfield Global Infrastructure North American Listed Index***

The Dow Jones Brookfield Global Infrastructure North American Listed Index is a float-adjusted market capitalization weighted index that reflects shares of securities actually available to investors in the marketplace. To be eligible for inclusion in the Dow Jones Brookfield Global Infrastructure North American Listed Index, a company must have a minimum float-adjusted market capitalization of US\$500 million as well as a minimum three-month average daily trading volume of US\$1 million. Securities of constituent issuers also must be listed on a North American stock exchange. Further information about the Dow Jones Brookfield Global Infrastructure North American Listed Index and its Constituent Issuers is available from Dow Jones on its website at [www.djindexes.com](http://www.djindexes.com).

### ***Dow Jones Industrial Average (CAD hedged)***

The DJIA was first published in 1896. Initially comprised of 12 companies, the DJIA has evolved into the most recognizable stock indicator in the world, and the only index composed of companies that have sustained earnings performance over a significant period of time. In its second century, the DJIA is the oldest continuous barometer of the United States stock market, and the most widely quoted indicator of United States stock market activity. The 30 stocks now comprising the DJIA are all leaders in their respective industries, and their stocks are widely held by individuals and institutional investors. The DJIA is a price-weighted stock index, meaning that the component stocks of the DJIA are accorded relative importance based on their prices. In this regard, the DJIA is unlike many other stock indices which weight their component stocks by market capitalization (price times shares outstanding). The DJIA is called an “average” because originally it was calculated by adding up the component

stock prices and then dividing by the number of stocks. The method remains the same today, but the number of significant digits in the divisor (the number that is divided into the total of the stock prices) has been increased to eight significant digits to minimize distortions due to rounding and has been adjusted over time to ensure continuity of the DJIA after component stock changes and corporate actions. The DJIA divisor is adjusted due to corporate actions that change the price of any of its component shares. The most frequent reason for such an adjustment is a stock split.

Changes in the composition of the DJIA are made entirely by the editors of The Wall Street Journal without consultation with the companies, the respective stock exchange or any official agency. Additions or deletions of components may be made to achieve better representation of the broad market and of American industry. In selecting components for the DJIA, the following criteria are used: (i) the company is not a utility or in the transportation business; (ii) the company has a premier reputation in its field; (iii) the company has a history of successful growth; and (iv) there is wide interest in the company among individual and institutional investors. Whenever one component is changed, the others are reviewed. For the sake of historical continuity, composition changes are rarely made. Further information about the Dow Jones Industrial Average (CAD hedged) and its Constituent Issuers is available from Dow Jones on its website at [www.djindexes.com](http://www.djindexes.com).

#### ***FTSE TMX Canada Short Term Federal Bond Index™***

The FTSE TMX Canada Short Term Federal Bond Index™ consists of semi-annual pay fixed rate bonds denominated in Canadian dollars, with an effective term to maturity less than five years and greater than one year, a credit rating of AAA and minimum size requirement of \$50 million per issue. The federal sector consists of bonds issued by the Government of Canada (including both non-agency, agency/crown corporations) and supranational entities. Each Constituent Security in the Index is weighted by its relative market capitalization and rebalanced on a daily basis. Further information about the FTSE TMX Canada Short Term Federal Bond Index™ and its Constituent Issuers is available from FTSE TMX on its website at <http://www.ftse.com/products/ftsetmx>.

#### ***FTSE TMX Canada Short Term Provincial Bond Index™***

The FTSE TMX Canada Short Term Provincial Bond Index™ consists of semi-annual pay fixed rate provincial bonds denominated in Canadian dollars, with an effective term to maturity less five years but greater than one year, a credit rating of BBB or higher and minimum size requirement of \$50 million per issue. The provincial sector consists of bonds issued by Canadian provinces and provincial or territorial corporations, incorporated under their respective jurisdiction. Each Constituent Security in the Index is weighted by its relative market capitalization and rebalanced on a daily basis. Further information about the FTSE TMX Canada Short Term Provincial Bond Index™ and its Constituent Issuers is available from FTSE TMX on its website at <http://www.ftse.com/products/ftsetmx>.

#### ***FTSE TMX Canada Short Term Corporate Bond Index™***

The FTSE TMX Canada Short Term Corporate Bond Index™ consists of semi-annual pay fixed rate corporate bonds denominated in Canadian dollars, with an effective term to maturity less five years but greater than one year, a credit rating of BBB or higher and minimum size requirement of \$100 million per issue. The corporate sector is divided into sub-sectors based on major industry groups: Financial, Communication, Industrial, Energy, Infrastructure, Real Estate and Securitization. Each Constituent Security in the Index is weighted by its relative market capitalization and rebalanced on a daily basis. Further information about the FTSE TMX Canada Short Term Corporate Bond Index™ and its Constituent Issuers is available from FTSE TMX on its website at <http://www.ftse.com/products/ftsetmx>.

#### ***Barclays U.S. High Yield Very Liquid Index CAD Hedged***

The Barclays U.S. High Yield Very Liquid Index CAD Hedged is a more liquid version of the U.S. Corporate High Yield Index that consists of United States dollar-denominated, non-investment grade, fixed rate, taxable corporate bonds. In addition, each issue has a US\$500 million minimum amount outstanding and includes the three largest issues from each issuer. Each security in the Barclays U.S. High Yield Very Liquid Index CAD



Hedged is weighted by its relative market capitalization and rebalanced on a monthly basis. Further information about the Barclays U.S. High Yield Very Liquid Index CAD Hedged and its Constituent Issuers is available from Barclays on its website at <https://index.barcap.com/Home>.

#### ***S&P/TSX Equal Weight Diversified Banks Index***

The S&P/TSX Equal Weight Diversified Banks Index is the equal-weighted version of the S&P/TSX Diversified Banks Index, a benchmark including commercial banks whose businesses are derived primarily from commercial lending operations and have significant business activity in retail banking and small and medium enterprise corporate lending. The S&P/TSX Diversified Banks Index is a subset of the S&P/TSX Composite Index. The S&P/TSX Diversified Banks Index is a float-adjusted capitalization weighted benchmark of the S&P/TSX Composite Index and the constituents of the S&P/TSX Diversified Banks Index are in the Global Industry Classification Standard (GICS<sup>®</sup>) categories of Diversified Banks. The S&P/TSX Equal Weight Diversified Banks Index has the same constituents as the S&P/TSX Diversified Banks Index, but each constituent in the S&P/TSX Equal Weight Diversified Banks Index is allocated an equal weight at each rebalancing. Further information about the S&P/TSX Equal Weight Diversified Banks Index and its Constituent Issuers is available from S&P on its website at <http://ca.spindices.com/>.

#### ***S&P/TSX Equal Weight Oil & Gas Index***

The S&P/TSX Equal Weight Oil & Gas Index includes securities which are constituents of the S&P/TSX 60 Index and are in the Global Industry Classification Standard (GICS<sup>®</sup>) categories of Oil & Gas Drilling (101010), Oil & Gas Equipment & Services (1010102), Integrated Oil & Gas (10102010), Oil & Gas Exploration & Production (10102020), Oil & Gas Refining & Marketing (10102030) and Oil & Gas Storage & Transportation (10102040). In addition, each security in this Index is allocated a fixed weight rather than a market capitalization weight. Further information about the S&P/TSX Equal Weight Diversified Oil & Gas Index and its Constituent Issuers is available from S&P on its website at <http://ca.spindices.com/>.

#### ***S&P/TSX Equal Weight Global Base Metals CAD Hedged Index***

The S&P/TSX Equal Weight Global Base Metals CAD Hedged Index has the same constituents as the capitalization weighted S&P/TSX Global Base Metals Index, but each constituent security is allocated a fixed weight. The Index is designed to provide investors an investable index of global securities involved in the production or extraction of base metals. The Index is an equal weighted subset of the S&P/TSX Global Mining Index. In addition, the United States dollar exposure in the Index is hedged to the Canadian dollar. Further information about the S&P/TSX Equal Weight Global Base Metals CAD Hedged Index and its Constituent Issuers is available from S&P on its website at <http://ca.spindices.com/>.

#### ***BNY Mellon China Select ADR Index***

The BNY Mellon China Select ADR Index (as calculated in Canadian dollars) is comprised of a select group of American depository receipts traded on the New York Stock Exchange (“NYSE”), NYSE Amex or NASDAQ which are domiciled in China. The Index is a subset of the BNY Mellon ADR Index<sup>SM</sup>, which is the only index to track all depository receipts that trade on the NYSE, NYSE Amex and NASDAQ. Further information about the BNY Mellon China Select ADR Index and its Constituent Issuers is available from BNY on its website at [www.adrbnymellon.com](http://www.adrbnymellon.com).

#### ***BNY Mellon India Select DR Index***

The BNY Mellon India Select DR Index (as calculated in Canadian dollars) is a subset of BNY Mellon DR Index<sup>SM</sup>, which is comprised of a select group of American and global depository receipts traded on the NYSE, NYSE Amex, NASDAQ and London Stock Exchange. Further information about the BNY Mellon India Select DR Index and its Constituent Issuers is available from BNY on its website at [www.adrbnymellon.com](http://www.adrbnymellon.com).

### ***Dow Jones Canada Select Equal Weight Utilities Index***

The Dow Jones Canada Select Equal Weight Utilities Index consists of the securities that are classified on the Industry Classification Benchmark as utilities on the Dow Jones Canada Total Stock Market Index. In addition, each security in this Index is allocated a fixed weight rather than a market capitalization weight. To be included in the Index as a Constituent Security, an issue generally must be: (i) a company's common shares or other securities that have the characteristics of common equities; (ii) securities that possess float adjusted market values that are between certain thresholds; and (iii) the security of a company that is incorporated in, or has its primary market listing in, Canada and that meets certain minimum trading volume requirements. Further information about the Dow Jones Canada Select Equal Weight Utilities Index and its Constituent Issuers is available from Dow Jones on its website at [www.djindexes.com](http://www.djindexes.com).

### ***NASDAQ—100 Index Hedged to CAD***

The NASDAQ—100 Index Hedged to CAD is a modified market capitalization weighted index that tracks 100 of the largest non-financial securities listed on the Nasdaq Stock Market based on market capitalization. The NASDAQ—100 Index Hedged to CAD is constructed by identifying and selecting, from the securities that constitute the Nasdaq Stock Market, the securities of companies that rank in the top 100 eligible securities based on market capitalization. To be included in the Index as a Constituent Security, an issue generally must be: (i) an eligible security type including common stocks, ordinary shares, ADRs, shares of beneficial interest or limited partnerships interests and tracking stocks; and (ii) the security of a company that is exclusively listed on the Nasdaq Global Select Market (unless the security was dually listed on another United States market prior to January 1, 2004 and has continuously maintained such listing) having an average daily trading volume of at least 200,000 shares. Constituent Securities of the Index and the total Constituent Securities outstanding of any Constituent Issuer of the Index are updated quarterly after the close of trading on the third Friday of March, June, September and December and such updates become effective at the opening of trading on the first Monday thereafter. In addition to these scheduled reviews, the Index is also reviewed and updated on an on-going basis to account for extraordinary events such as delistings, bankruptcies, spin-offs, mergers or take-overs involving Constituent Issuers. Further information about the NASDAQ—100 Index Hedged to CAD and its Constituent Issuers is available from NASDAQ on its website at <https://indexes.nasdaqomx.com/>.

### ***Dow Jones North America Select Junior Gold Index***

The Dow Jones North America Select Junior Gold Index is a float-adjusted market capitalization weighted index that tracks the securities that are classified on the Industry Classification Benchmark as gold mining. The Dow Jones North America Select Junior Gold Index is constructed by identifying and selecting, from the securities that constitute the Dow Jones Canada Total Stock Market Index and the Dow Jones U.S. Total Stock Market Index, the securities of companies that possess float-adjusted market values that are between certain established thresholds. To be included in the Index as a Constituent Security, an issue generally must be: (i) a company's common shares or other securities that have the characteristics of common equities; and (ii) the security of a company that is incorporated in, or has its primary market listing in, Canada or the United States and that meets certain minimum trading volume requirements. Further information about the Dow Jones North America Select Junior Gold Index and its Constituent Issuers is available from Dow Jones on its website at [www.djindexes.com](http://www.djindexes.com).

### ***FTSE TMX Canada Mid Term Corporate Bond Index™***

The FTSE TMX Canada Mid Term Corporate Bond Index™ consists of semi-annual pay fixed rate corporate bonds denominated in Canadian dollars, with an effective term to maturity between five and 10 years, a credit rating of BBB or higher and minimum size requirement of \$100 million per issue. The corporate sector is divided into sub-sectors based on major industry groups: Financial, Communication, Industrial, Energy, Infrastructure, Real Estate and Securitization. Each security in the Index is weighted by its relative market capitalization and rebalanced on a daily basis. Further information about the FTSE TMX Canada Mid Term Corporate Bond Index™ and its Constituent Issuers is available from FTSE TMX on its website at <http://www.ftse.com/products/ftsetmx>.

### ***FTSE TMX Canada Mid Term Federal Bond Index™***

The FTSE TMX Canada Mid Term Federal Bond Index™ consists of semi-annual pay fixed rate bonds denominated in Canadian dollars with an effective term to maturity of between five and 10 years, a credit rating of AAA and minimum size requirement of \$50 million per issue. The federal sector consists of bonds issued by the Government of Canada (including both non-agency and agency/crown corporations) and supra-national entities. Each security in the Index is weighted by its relative market capitalization and rebalanced on a daily basis. Further information about the FTSE TMX Canada Mid Term Federal Bond Index™ and its Constituent Issuers is available from FTSE TMX on its website at <http://www.ftse.com/products/ftsetmx>.

### ***FTSE TMX Canada Long Term Corporate Bond Index™***

The FTSE TMX Canada Long Term Corporate Bond Index™ consists of semi-annual pay fixed rate corporate bonds denominated in Canadian dollars, with an effective term to maturity of greater than 10 years, a credit rating of BBB or higher and minimum size requirement of \$100 million per issue. The corporate sector is divided into sub-sectors based on major industry groups: Financial, Communication, Industrial, Energy, Infrastructure, Real Estate and Securitization. Each security in the Index is weighted by its relative market capitalization and rebalanced on a daily basis. Further information about the FTSE TMX Canada Long Term Corporate Bond Index™ and its Constituent Issuers is available from FTSE TMX on its website at <http://www.ftse.com/products/ftsetmx>.

### ***FTSE TMX Canada UniverseXM Bond Index™***

The FTSE TMX Canada UniverseXM Bond Index™ is designed to be a broad measure of the Canadian investment-grade fixed income market consisting of Government of Canada (including Crown Corporations), provincial and corporate bonds. The Index consists of semi-annual pay fixed rate bonds issued domestically in Canada and denominated in Canadian dollars, with an effective term to maturity of greater than one year and a credit rating of BBB or higher. Each security in the Index is weighted by its relative market capitalization and rebalanced on a daily basis. Further information about the FTSE TMX Canada UniverseXM Bond Index™ and its Constituent Issuers is available from FTSE TMX on its website at <http://www.ftse.com/products/ftsetmx>.

### ***Dow Jones Canada Select Equal Weight REIT Index***

The Dow Jones Canada Select Equal Weight REIT Index consists of the securities of Canadian real estate investment trusts that fall within the Real Estate Investment Trust sector of the Industry Classification Benchmark. Each security in the Dow Jones Canada Select Equal Weight REIT Index is allocated a fixed weight rather than a market capitalization weight. To be included in the Dow Jones Canada Select Equal Weight REIT Index as a Constituent Security, an issue must meet certain minimum trading volume requirements and must generally be: (i) a company's trust units or other securities that have the characteristics of trust units; and (ii) the security of a company that is incorporated in, or has its primary market listing in, Canada. Further information about the Dow Jones Canada Select Equal Weight REIT Index and its Constituent Issuers is available from Dow Jones on its website at [www.djindexes.com](http://www.djindexes.com).

### ***Dow Jones North America Select Junior Oil Index***

The Dow Jones North America Select Junior Oil Index is a float-adjusted market capitalization weighted index that tracks the securities of companies that fall within the Oil & Gas Producers or Oil Equipment, Services & Distribution sectors of the Industry Classification Benchmark and have the majority of their business derived from oil-related activities. The Dow Jones North America Select Junior Oil Index is constructed by identifying and selecting, from the securities that constitute the Dow Jones Canada Total Stock Market Index and the Dow Jones U.S. Total Stock Market Index, the securities of companies that possess float-adjusted market values that are between certain established thresholds. To be included in the Dow Jones U.S. Total Stock Market Index as a Constituent Security, an issue must meet certain minimum trading volume requirements and must generally be: (i) a company's common shares or other securities that have the characteristics of common equities; and (ii) the security of a company that is incorporated in, or has its primary market listing in, Canada or the United States. Further

information about the Dow Jones North America Select Junior Oil Index and its Constituent Issuers is available from Dow Jones on its website at [www.djindexes.com](http://www.djindexes.com).

#### ***Dow Jones North America Select Junior Gas Index***

The Dow Jones North America Select Junior Gas Index is a float-adjusted market capitalization weighted index that tracks the securities of companies that fall within the Oil & Gas Producers or Oil Equipment, Services & Distribution sectors of the Industry Classification Benchmark and have the majority of their business derived from gas-related activities. The Dow Jones North America Select Junior Gas Index is constructed by identifying and selecting, from the securities that constitute the Dow Jones Canada Total Stock Market Index and the Dow Jones U.S. Total Stock Market Index, the securities of companies that possess float-adjusted market values that are between certain established thresholds. To be included in the Dow Jones North America Select Junior Gas Index as a Constituent Security, an issue must meet certain minimum trading volume requirements and must generally be: (i) a company's common shares or other securities that have the characteristics of common equities; and (ii) the security of a company that is incorporated in, or has its primary market listing in, Canada or the United States. Further information about the Dow Jones North America Select Junior Gas Index and its Constituent Issuers is available from Dow Jones on its website at [www.djindexes.com](http://www.djindexes.com).

#### ***Dow Jones U.S. Large-Cap Health Care Equal Weight Total Stock Market Index Canadian Dollar Hedged***

The Dow Jones U.S. Large-Cap Health Care Equal Weight Total Stock Market Index Canadian Dollar Hedged consists of the securities of United States health care companies that fall within the Health Care supersector of the Industry Classification Benchmark. To be included in the Dow Jones U.S. Large-Cap Health Care Equal Weight Total Stock Market Index Canadian Dollar Hedged as a Constituent Security, an issue must meet certain minimum trading volume requirements and must generally be: (i) a company's common shares or other securities that have the characteristics of common equities; and (ii) the security of a company that is incorporated in, or has its primary market listing in, the United States. Further information about the Dow Jones U.S. Large-Cap Health Care Equal Weight Total Stock Market Index Canadian Dollar Hedged and its Constituent Issuers is available from Dow Jones on its website at [www.djindexes.com](http://www.djindexes.com).

#### ***Solactive Equal Weight US Bank Index Canadian Dollar Hedged***

The Solactive Equal Weight US Bank Index Canadian Dollar Hedged includes securities which are constituents of the Solactive US Broad Market Index and are classified as one of the following Industry groups; Finance, US Banks, US Commercial Banks, or US Commercial Savings Institutions. Constituents are subject to minimum market capitalization and liquidity screens. In addition, each security in this Index is allocated an equal weight rather than a market capitalization weight. Further information about the Solactive Equal Weight US Bank Index Canadian Dollar Hedged and its Constituent Issuers is available from Solactive on its website at <http://www.solactive.com>.

#### ***FTSE TMX Canada Long Term Federal Bond Index<sup>™</sup>***

The FTSE TMX Canada Long Term Federal Bond Index<sup>™</sup> consists of semi-annual pay fixed rate bonds denominated in Canadian Dollars with an effective term to maturity of greater than 10 years, a credit rating of AAA and minimum size requirement of \$50 million per issue. The federal sector consists of bonds issued by the Government of Canada (including both non-agency and agency/crown corporations) and supra-national entities. Each Constituent Security in the FTSE TMX Canada Long Term Federal Bond Index<sup>™</sup> is weighted by its relative market capitalization and is rebalanced on a daily basis. Further information about the FTSE TMX Canada Long Term Federal Bond Index<sup>™</sup> and its Constituent Issuers is available from FTSE TMX on its website at <http://www.ftse.com/products/ftsetmx>.

#### ***FTSE TMX Canada Real Return Non-Agency Bond Index<sup>™</sup>***

The FTSE TMX Canada Real Return Non-Agency Bond Index<sup>™</sup> consists of semi-annual pay real return bonds denominated in Canadian dollars, with an effective term to maturity greater than one year. The Index consists

of bonds issued by the Government of Canada (excluding both agency/crown corporations and supranational entities). Each Constituent Security in the FTSE TMX Canada Real Return Non-Agency Bond Index™ is weighted by its relative market capitalization and is rebalanced on a daily basis. Further information about the FTSE TMX Canada Real Return Non-Agency Bond Index™ and its Constituent Issuers is available from FTSE TMX on its website at <http://www.ftse.com/products/ftsetmx>.

***Barclays Emerging Markets Tradable External Debt (EMTED) GDP Weighted Capped Index CAD Hedged***

The Barclays Emerging Markets Tradable External Debt (EMTED) GDP Weighted Capped Index CAD Hedged is a rules-based index designed to provide diversified exposure to USD-denominated sovereign debt from emerging market issuers spanning four broad regions: (i) Latin America; (ii) Europe; (iii) the Middle East and Africa; and (iv) Asia. The basket is designed to be broad-based in its coverage of emerging market sovereign issuers, yet tradable by specifically focusing on the most liquid securities and countries from each region within predefined maturity bands (i.e., from 18 months to no greater than 10 years to maturity at rebalancing). The Barclays Emerging Markets Tradable External Debt (EMTED) GDP Weighted Capped Index CAD Hedged is rebalanced annually and is differentiated by its use of gross domestic product as a measure of economy size to determine the relative weights of each country within the basket, rather than using the market value of outstanding debt as in traditional benchmark bond indices. Further information about the Barclays Emerging Markets Tradable External Debt (EMTED) GDP Weighted Capped Index CAD Hedged and its Constituent Issuers is available from Barclays on its website at <https://index.barcap.com/Home>.

***Barclays US Investment Grade 5 to 10 Year Corporate Bond Capped Index CAD Hedged***

Barclays US Investment Grade 5 to 10 Year Corporate Bond Capped Index CAD Hedged measures the investment grade, fixed-rate, taxable, corporate bond market. It includes U.S. dollar denominated securities publicly issued by U.S. and non-U.S. industrial, utility, and financial issuers. Eligible securities must be purchased within five years from the issue date and have between five and ten years to maturity, and greater than US \$750 million outstanding. The Index includes only the three largest issues from each issuer. Exposure to each issuer is limited to 2% of the total market value of the Index, any excess market value is redistributed index-wide on a pro-rata basis. The U.S. dollar currency exposure is hedged back to Canadian dollars. Further information about the Barclays US Investment Grade 5 to 10 Year Corporate Bond Capped Index CAD Hedged and its Constituent Issuers is available from Barclays on its website at <https://index.barcap.com/Home>.

***Barclays US Investment Grade 5 to 10 Year Corporate Bond Capped Index***

Barclays US Investment Grade 5 to 10 Year Corporate Bond Capped Index measures the investment grade, fixed-rate, taxable, corporate bond market. It includes U.S. dollar denominated securities publicly issued by U.S. and non-U.S. industrial, utility, and financial issuers. Eligible securities must have less than five years from issue date, between five and ten years to maturity, and greater than US \$750 million outstanding. The Index includes only the three largest issues from each issuer. Exposure to each issuer is limited to 2% of the total market value of the Index, any excess market value is redistributed index-wide on a pro-rata basis. Further information about the Barclays US Investment Grade 5 to 10 Year Corporate Bond Capped Index and its Constituent Issuers is available from Barclays on its website at <https://index.barcap.com/Home>.

***FTSE TMX Canada Mid Term Provincial Bond Index™***

The FTSE TMX Canada Mid Term Provincial Bond Index™ consists of semi-annual pay fixed rate provincial bonds denominated in Canadian dollars, with an effective term to maturity between five and ten years, a credit rating of BBB or higher and minimum size requirement of CAD \$50 million per issue. The provincial sector consists of bonds issued by Canadian provinces and provincial or territorial corporations, incorporated under their respective jurisdiction. Each security in the Index is weighted by its relative market capitalization and rebalanced on a daily basis. Further information about the FTSE TMX Canada Mid Term Provincial Bond Index™ and its Constituent Issuers is available from FTSE TMX on its website at <http://www.ftse.com/products/ftsetmx>.

### ***FTSE TMX Canada Long Term Provincial Bond Index™***

The FTSE TMX Canada Long Term Provincial Bond Index™ consists of semi-annual pay fixed rate provincial bonds denominated in Canadian dollars, with an effective term to maturity greater than ten years, a credit rating of BBB or higher and minimum size requirement of CAD \$50 million per issue. The provincial sector consists of bonds issued by Canadian provinces and provincial or territorial corporations, incorporated under their respective jurisdiction. Each security in the Index is weighted by its relative market capitalization and rebalanced on a daily basis. Further information about the FTSE TMX Canada Long Term Provincial Bond Index™ and its Constituent Issuers is available from FTSE TMX on its website at <http://www.ftse.com/products/ftsetmx>.

### ***S&P/TSX Equal Weight Industrials Index***

The S&P/TSX Equal Weight Industrials Index includes securities which are constituents of the S&P/TSX Composite Index and are classified as Industrials using the Global Industry Classification Standard (GICS®). Constituents are subject to minimum market capitalization and liquidity screens. In addition, each constituent security is allocated a fixed weight rather than a market capitalization weight. Further information about the S&P/TSX Equal Weight Industrials Index and its Constituent Issuers is available from S&P on its web site at <http://ca.spindices.com/>.

### ***S&P/TSX Equal Weight Global Gold Index***

The S&P/TSX Equal Weight Global Gold Index is a subset of securities which are constituents of the S&P/TSX Global Mining Index. The Index is designed to provide investors an investable index of global securities involved in the production or extraction of gold. Constituents are subject to minimum market capitalization and liquidity screens. In addition, each constituent security is allocated a fixed weight rather than a market capitalization weight. Further information about the S&P/TSX Equal Weight Global Gold Index and its Constituent Issuers is available from S&P on its web site at <http://ca.spindices.com/>.

### ***S&P 500 Index***

The S&P 500 Index is a market capitalization-weighted index of securities of 500 of the largest U.S. listed issuers provided by S&P. The S&P 500 Index is commonly used as a measure of broad U.S. stock market performance. Further information about the S&P 500 Index and its Constituent Issuers is available from S&P on its web site at <http://ca.spindices.com/>.

### ***Solactive Laddered Canadian Preferred Share Index***

The Solactive Laddered Canadian Preferred Share Index includes preferred shares that generally have an adjustable dividend rate and are laddered using equal weights in annual reset term buckets. Securities are market capitalization weighted within the annual term buckets. Constituents are subject to minimum market capitalization, quality and liquidity screens. Further information about the Solactive Laddered Canadian Preferred Share Index and its Constituent Issuers is available from Solactive on its website at [www.solactive.com](http://www.solactive.com).

### ***Barclays US Investment Grade 1 to 5 Year Corporate Bond Capped Index CAD Hedged***

The Barclays US Investment Grade 1 to 5 Year Corporate Bond Capped Index CAD Hedged measures the investment grade, fixed-rate, taxable, corporate bond market. It includes U.S. dollar denominated securities publicly issued by U.S. and non-U.S. industrial, utility, and financial issuers. Eligible securities must have less than five years from issue date, between one and five years to maturity, and greater than US \$750 million outstanding. The Index includes only the three largest issues from each issuer. Exposure to each issuer is limited to 2% of the total market value of the Index, any excess market value is redistributed index-wide on a pro-rata basis. The U.S. dollar currency exposure is hedged back to Canadian dollars. Further information about the Barclays US Investment Grade 1 to 5 Year Corporate Bond Capped Index CAD Hedged and its Constituent Issuers is available from Barclays on its website at <https://index.barcap.com/Home>.

### ***FTSE TMX Canada Universe Discount Bond Index™***

The FTSE TMX Canada Universe Discount Bond Index™ is designed to be a broad measure of the Canadian investment-grade fixed income securities that trade near or below par value (\$100), consisting of Government of Canada (including Crown Corporations), provincial, and corporate bonds. The Index consists of semi-annual pay fixed rate bonds issued domestically in Canada and denominated in Canadian dollars, with an effective term to maturity of greater than one year and a credit rating of BBB or higher. For inclusion in the FTSE TMX Canada Universe Discount Bond Index™, issues must have a trailing three month average price equal to or below \$100.50. Each security in the Index is weighted by its modified market capitalization to approximate the term, duration, and sector characteristics of the FTSE TMX Universe Bond Index™. Further information about the FTSE TMX Canada Universe Discount Bond Index™ and its Constituent Issuers is available from FTSE TMX on its website at <http://www.ftse.com/products/ftsetmx>.

### ***Solactive Equal Weight US Bank Index***

The Solactive Equal Weight US Bank Index includes securities which are constituents of the Solactive US Broad Market Index and are classified as one of the following Industry groups; Finance, US Banks, US Commercial Banks, or US Commercial Savings Institutions. Constituents are subject to minimum market capitalization and liquidity screens. In addition, each security in this Index is allocated an equal weight rather than a market capitalization weight. Further information about the Solactive Equal Weight US Bank Index and its Constituent Issuers is available from Solactive on its website at <http://www.solactive.com>.

### ***MSCI EAFE Index***

The MSCI EAFE Index is an equity index that captures large and mid-capitalization representation across developed market countries around the world, excluding the United States and Canada. The MSCI EAFE Index covers approximately 85% of the free float-adjusted market capitalization in each country. Further information about the MSCI EAFE Index is available from MSCI on its website at [www.msci.com](http://www.msci.com).

### ***MSCI Europe Quality 100% Hedged to CAD Index***

The MSCI Europe Quality 100% Hedged to CAD Index is based on a traditional market capitalization-weighted parent index, the MSCI Europe Index, which includes large- and mid-capitalization stocks. The index aims to capture the performance of quality stocks selected from the parent index, by identifying stocks with high quality scores based on three main fundamental variables: high return on equity; stable year-over-year earnings growth, which may be measured by the standard deviation of earnings growth over the last five fiscal years; and low financial leverage, which may be measured by the debt-to-equity ratio. The quality score for each security is calculated by normalizing the three fundamental variables using winsorized Z scores. Computing a Z score is a widely used method of standardizing a variable in order to combine it with other variables that may have a different unit of measurement or a different scale. Based on the quality scores, a fixed number of Constituent Securities are selected for the MSCI Europe Quality 100% Hedged to CAD Index. The MSCI Europe Quality 100% Hedged to CAD Index weights the securities by the product of their market capitalization weight in the parent index and the quality score. The MSCI Europe Quality 100% Hedged to CAD Index is 100% hedged to CAD by notionally selling each foreign currency forward at the one-month forward exchange rate at the end of each month. The components of the MSCI Europe Quality 100% Hedged to CAD Index, as well as the countries included in it, may change over time. Further information about the MSCI Europe Quality 100% Hedged to CAD Index and its Constituent Issuers is available from MSCI on its website at [www.msci.com](http://www.msci.com).

### ***MSCI USA Quality Index***

The MSCI USA Quality Index is based on a traditional market capitalization-weighted parent index, the MSCI USA Index, which includes large- and mid-capitalization stocks across the US. The index aims to capture the performance of quality stocks selected from the parent index, by identifying stocks with high quality scores based on three main fundamental variables: high return on equity; stable year-over-year earnings growth, which may be measured by the standard deviation of earnings growth over the last five fiscal years; and low financial leverage,

which may be measured by the debt-to-equity ratio. The quality score for each security is calculated by normalizing the three fundamental variables using winsorized Z scores. Computing a Z score is a widely used method of standardizing a variable in order to combine it with other variables that may have a different unit of measurement or a different scale. Based on the quality scores, a fixed number of Constituent Securities are selected for the MSCI USA Quality Index. The MSCI USA Quality Index weights the securities by the product of their market capitalization weight in the parent index and the quality score. The MSCI USA Quality Index reweights the selected quality growth stocks from the parent index to emphasize stocks with high quality scores. Further information about the MSCI USA Quality Index and its Constituent Issuers is available from MSCI on its website at [www.msci.com](http://www.msci.com).

### ***MSCI ACWI Quality Index***

The MSCI ACWI Quality Index is based on a traditional market capitalization-weighted parent index, the MSCI ACWI, which includes large- and mid-capitalization stocks across developed market and emerging market countries. The index aims to capture the performance of quality stocks selected from the parent index, by identifying stocks with high quality scores based on three main fundamental variables: high return on equity; stable year-over-year earnings growth, which may be measured by the standard deviation of earnings growth over the last five fiscal years; and low financial leverage, which may be measured by the debt-to-equity ratio. The quality score for each security is calculated by normalizing the three fundamental variables using winsorized Z scores. Computing a Z score is a widely used method of standardizing a variable in order to combine it with other variables that may have a different unit of measurement or a different scale. Based on the quality scores, a fixed number of Constituent Securities are selected for the MSCI ACWI Quality Index. The MSCI ACWI Quality Index weights the securities by the product of their market capitalization weight in the parent index and the quality score. The MSCI ACWI Quality Index reweights the selected quality growth stocks from the parent index to emphasize stocks with high quality scores. Further information about the MSCI ACWI Quality Index is available from MSCI on its website at [www.msci.com](http://www.msci.com).

### **Change in an Underlying Index**

The Manager may, subject to any required Unitholder approval, change the Index underlying a BMO ETF to another widely-recognized index in order to provide investors with substantially the same exposure to the asset class to which that BMO ETF is currently exposed. If the Manager changes the Index underlying any BMO ETF, or any index replacing such Index, the Manager will issue a press release identifying the new Index, describing its Constituent Securities and specifying the reasons for the change in the Index.

### **Termination of the Indices**

The Index Providers calculate, determine and maintain the respective Indices. In the event that an Index Provider ceases to calculate an Index or a License Agreement is terminated, the Manager may terminate the applicable BMO ETF(s) on 60 days' notice, change the investment objective of that BMO ETF, seek to replicate an alternative index or make such other arrangements as the Manager considers appropriate and in the best interests of Unitholders of the BMO ETF in the circumstances.

### **Use of the Indices**

The Manager and the applicable BMO ETF are permitted to use the applicable Index pursuant to the applicable License Agreement described below under "Material Contracts – License Agreements". The Manager and the BMO ETFs do not accept responsibility for, or guarantee the accuracy and/or completeness of, the Indices or any data included in the Indices.

## **INVESTMENT STRATEGIES**

The investment strategy of each BMO ETF is to invest in and hold a proportionate share of the Constituent Securities of the applicable Index, or Other Securities, to seek to replicate the performance of that Index, in order to achieve its investment objectives. The BMO ETFs may also hold cash and cash equivalents or other money market instruments in order to meet their current obligations.



The Manager may use a sampling methodology in selecting investments for a BMO ETF. Sampling means that the Manager will use quantitative analysis to select securities from the applicable Index to obtain a representative sample of securities that resemble the Index in terms of key risk factors, performance attributes, industry weightings, market capitalization and other appropriate financial characteristics. The quantity of Constituent Securities selected using such sampling methodology will be based on a number of factors, including the asset base of the BMO ETF.

The BMO ETFs may invest in or use derivative instruments and may engage in securities lending transactions in order to earn additional income for the BMO ETFs, provided that the use of such derivative instruments and such securities lending transactions is in compliance with applicable Canadian securities legislation and is consistent with the investment objective and investment strategies of the applicable BMO ETF. Any exposure that the portfolio of each of BMO S&P 500 Hedged to CAD Index ETF, BMO Dow Jones Industrial Average Hedged to CAD Index ETF, BMO High Yield US Corporate Bond Hedged to CAD Index ETF, BMO S&P/TSX Equal Weight Global Base Metals Hedged to CAD Index ETF, BMO Nasdaq 100 Equity Hedged to CAD Index ETF, BMO Equal Weight US Health Care Hedged to CAD Index ETF, BMO Equal Weight US Banks Hedged to CAD Index ETF, BMO Emerging Markets Bond Hedged to CAD Index ETF, BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF, and BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF may have to the United States dollar will be hedged back to the Canadian dollar. Any exposure that the portfolio of BMO MSCI EAFE Hedged to CAD Index ETF and BMO MSCI Europe High Quality Hedged to CAD Index ETF may have to any currencies other than the Canadian dollar will be hedged back to the Canadian dollar. In accordance with applicable Canadian securities legislation, including NI 81-102, and as an alternative to or in conjunction with investing in and holding the Constituent Securities, a BMO ETF may also invest in Other Securities in a manner that is consistent with the investment objectives and investment strategies of the BMO ETF, provided that there shall be no duplication of management fees chargeable in connection with Constituent Securities held indirectly by a BMO ETF through investments in other investment funds. In the event that a BMO ETF invests in another investment fund to obtain exposure to Constituent Securities and the management fee payable by the other fund is higher than that of the BMO ETF, the BMO ETF may pay the higher management fee on the portion of the BMO ETF's assets invested in the other fund, regardless of whether the fund is managed by the Manager or an affiliate of the Manager.

### **Securities Lending**

A BMO ETF may, in compliance with NI 81-102, lend securities to securities borrowers acceptable to it in order to earn additional income for the BMO ETF pursuant to the terms of a securities lending agreement between the BMO ETF and a securities lending agent under which: (i) the borrower will pay to the BMO ETF a negotiated securities lending fee and will make compensation payments to the BMO ETF equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans qualify as "securities lending arrangements" for the purposes of the Tax Act; (iii) the BMO ETF will receive collateral security equal to at least 102% of the value of the portfolio securities loaned; and (iv) immediately after the BMO ETF enters into the transaction, the aggregate market value of all securities loaned and not yet returned to it does not exceed 50% of the total assets of the BMO ETF. The securities lending agent for a BMO ETF will be responsible for the ongoing administration of the securities loans, including the obligation to mark-to-market the collateral on a daily basis.

### **Use of Derivative Instruments**

The BMO ETFs may invest in or use derivatives such as options, futures, forward contracts and swaps for purposes that include gaining exposure to securities without buying the securities directly or as otherwise set forth in a BMO ETF's investment objective. The BMO ETFs may invest in or use derivative instruments only if the use of such derivative instruments is in compliance with applicable securities law, including with respect to limits on counterparty exposure, and is consistent with the investment objective and investment strategies of the applicable BMO ETF. Any exposure that the portfolio of each of BMO S&P 500 Hedged to CAD Index ETF, BMO Dow Jones Industrial Average Hedged to CAD Index ETF, BMO High Yield US Corporate Bond Hedged to CAD Index ETF, BMO S&P/TSX Equal Weight Global Base Metals Hedged to CAD Index ETF, BMO Nasdaq 100 Equity Hedged to CAD Index ETF, BMO Equal Weight US Health Care Hedged to CAD Index ETF, BMO Equal Weight US Banks Hedged to CAD Index ETF, BMO Emerging Markets Bond Hedged to CAD Index ETF, BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF, and BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF may have to the United States dollar will be hedged back to the Canadian dollar. Any exposure that the

portfolio of BMO MSCI EAFE Hedged to CAD Index ETF and BMO MSCI Europe High Quality Hedged to CAD Index ETF may have to any currencies other than the Canadian dollar will be hedged back to the Canadian dollar. See “Risk Factors – General Risks Relating to an Investment in the BMO ETFs – Use of Derivative Instruments”.

### Rebalancing and Adjustment

The following table sets out the current Index for each of the BMO ETFs and information about the rebalancing of the Indices.

<b>BMO ETF</b>	<b>Current Index</b>	<b>Rebalancing and Adjustment</b>
BMO S&P/TSX Capped Composite Index ETF	S&P/TSX Capped Composite Index	Rebalanced quarterly
BMO S&P 500 Hedged to CAD Index ETF	S&P 500 Hedged to Canadian Dollars Index	Rebalanced quarterly
BMO MSCI EAFE Hedged to CAD Index ETF	MSCI EAFE 100% Hedged to CAD Index	Rebalanced quarterly
BMO MSCI Emerging Markets Index ETF	MSCI Emerging Markets Index	Rebalanced quarterly
BMO Global Infrastructure Index ETF	Dow Jones Brookfield Global Infrastructure North American Listed Index	Rebalanced quarterly
BMO Dow Jones Industrial Average Hedged to CAD Index ETF	Dow Jones Industrial Average (CAD hedged)	Additions or deletions of components may be made to achieve better representation of the broad market and of American industry. For the sake of historical continuity, composition changes are rarely made. See “Investment Objectives – The Indices – Dow Jones Industrial Average (CAD hedged)”.
BMO Short Federal Bond Index ETF	FTSE TMX Canada Short Term Federal Bond Index™	Rebalanced daily
BMO Short Provincial Bond Index ETF	FTSE TMX Canada Short Term Provincial Bond Index™	Rebalanced daily
BMO Short Corporate Bond Index ETF	FTSE TMX Canada Short Term Corporate Bond Index™	Rebalanced daily
BMO High Yield US Corporate Bond Hedged to CAD Index ETF	Barclays U.S. High Yield Very Liquid Index CAD Hedged	Rebalanced monthly
BMO S&P/TSX Equal Weight Banks Index ETF	S&P/TSX Equal Weight Diversified Banks Index	Rebalanced semi-annually
BMO S&P/TSX Equal Weight Oil & Gas Index ETF	S&P/TSX Equal Weight Oil & Gas Index	Rebalanced semi-annually
BMO S&P/TSX Equal Weight Global Base Metals Hedged to CAD Index ETF	S&P/TSX Equal Weight Global Base Metals CAD Hedged Index	Rebalanced semi-annually
BMO China Equity Index ETF	BNY Mellon China Select ADR Index	Rebalanced quarterly
BMO India Equity Index ETF	BNY Mellon India Select DR Index	Rebalanced quarterly

<b>BMO ETF</b>	<b>Current Index</b>	<b>Rebalancing and Adjustment</b>
BMO Equal Weight Utilities Index ETF	Dow Jones Canada Select Equal Weight Utilities Index	Rebalanced semi-annually
BMO Nasdaq 100 Equity Hedged to CAD Index ETF	NASDAQ—100 Index Hedged to CAD	Rebalanced quarterly
BMO Junior Gold Index ETF	Dow Jones North America Select Junior Gold Index	Rebalanced quarterly
BMO Mid Corporate Bond Index ETF	FTSE TMX Canada Mid Term Corporate Bond Index <sup>TM</sup>	Rebalanced daily
BMO Mid Federal Bond Index ETF	FTSE TMX Canada Mid Term Federal Bond Index <sup>TM</sup>	Rebalanced daily
BMO Long Corporate Bond Index ETF	FTSE TMX Canada Long Term Corporate Bond Index <sup>TM</sup>	Rebalanced daily
BMO Aggregate Bond Index ETF	FTSE TMX Canada UniverseXM Bond Index <sup>TM</sup>	Rebalanced daily
BMO Equal Weight REITs Index ETF	Dow Jones Canada Select Equal Weight REIT Index	Rebalanced semi-annually
BMO Junior Oil Index ETF	Dow Jones North America Select Junior Oil Index	Rebalanced quarterly
BMO Junior Gas Index ETF	Dow Jones North America Select Junior Gas Index	Rebalanced quarterly
BMO Equal Weight US Health Care Hedged to CAD Index ETF	Dow Jones U.S. Large-Cap Health Care Equal Weight Total Stock Market Index Canadian Dollar Hedged	Rebalanced semi-annually
BMO Equal Weight US Banks Hedged to CAD Index ETF	Solactive Equal Weight US Bank Index Canadian Dollar Hedged	Rebalanced semi-annually
BMO Long Federal Bond Index ETF	FTSE TMX Canada Long Term Federal Bond Index <sup>TM</sup>	Rebalanced daily
BMO Real Return Bond Index ETF	FTSE TMX Canada Real Return Non-Agency Bond Index <sup>TM</sup>	Rebalanced daily
BMO Emerging Markets Bond Hedged to CAD Index ETF	Barclays Emerging Markets Tradable External Debt (EMTED) GDP Weighted Capped Index CAD Hedged	Rebalanced annually
BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF	Barclays US Investment Grade 5 to 10 Year Corporate Bond Capped Index CAD Hedged	Rebalanced monthly
BMO Mid-Term US IG Corporate Bond Index ETF	Barclays US Investment Grade 5 to 10 Year Corporate Bond Capped Index	Rebalanced monthly
BMO Mid Provincial Bond Index ETF	FTSE TMX Canada Mid Term Provincial Bond Index <sup>TM</sup>	Rebalanced daily
BMO Long Provincial Bond Index ETF	FTSE TMX Canada Long Term Provincial Bond Index <sup>TM</sup>	Rebalanced daily

<b>BMO ETF</b>	<b>Current Index</b>	<b>Rebalancing and Adjustment</b>
BMO S&P/TSX Equal Weight Industrials Index ETF	S&P/TSX Equal Weight Industrials Index	Rebalanced semi-annually
BMO S&P/TSX Equal Weight Global Gold Index ETF	S&P/TSX Equal Weight Global Gold Index	Rebalanced semi-annually
BMO S&P 500 Index ETF	S&P 500 Index	Rebalanced quarterly
BMO Laddered Preferred Share Index ETF	Solactive Laddered Canadian Preferred Share Index	Rebalanced monthly
BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF	Barclays US Investment Grade 1 to 5 Year Corporate Bond Capped Index CAD Hedged	Rebalanced monthly
BMO Discount Bond Index ETF	FTSE TMX Canada Universe Discount Bond Index™	Rebalanced daily
BMO Equal Weight US Banks Index ETF	Solactive Equal Weight US Bank Index	Rebalanced semi-annually
BMO MSCI EAFE Index ETF	MSCI EAFE Index	Rebalanced quarterly
BMO MSCI Europe High Quality Hedged to CAD Index ETF	MSCI Europe Quality 100% Hedged to CAD Index	Rebalanced semi-annually
BMO MSCI USA High Quality Index ETF	MSCI USA Quality Index	Rebalanced semi-annually
BMO MSCI All Country World High Quality Index ETF	MSCI ACWI Quality Index	Rebalanced semi-annually

The portfolio of each BMO ETF is expected to be rebalanced by the end of the first Trading Day after the day on which any adjustment is effected.

#### **Action on Index Rebalancing or Portfolio Adjustment**

Whenever an Index or a portfolio is rebalanced or adjusted by adding securities to or subtracting securities from that Index or portfolio, the applicable BMO ETF will generally acquire and/or dispose of the appropriate number of securities. On a rebalancing: (i) Units of a BMO ETF may be issued, or cash may be paid, in consideration for Constituent Securities to be acquired by the BMO ETF as determined by BMO Asset Management; and (ii) Units may be exchanged in consideration for those securities that BMO Asset Management determines should be sold by the BMO ETF, or cash may be paid, as determined by BMO Asset Management. Generally, such transactions may be implemented by a transfer of Constituent Securities to the BMO ETF that BMO Asset Management determines should be acquired by the BMO ETF or a transfer of those securities that BMO Asset Management determines should be sold by the BMO ETF.

When the applicable Index of a BMO ETF is adjusted as a result of a special dividend, the BMO ETF shall issue such additional Units in consideration for the additional Constituent Securities of the applicable Constituent Issuer as BMO Asset Management may stipulate. Special dividends will generally not have an effect on the replication of the weighting of such Constituent Security in the Indices by the BMO ETFs.

#### **Take-over Bids for Constituent Issuers**

If a take-over bid (including an issuer bid) is made for a Constituent Issuer, the Manager, in its discretion, may or may not tender securities of such Constituent Issuer. If securities are tendered by a BMO ETF, they may or may not be taken up under the bid. If a take-over bid is successful, the Constituent Issuer may no longer qualify for inclusion in the applicable Index or portfolio and may be removed from the relevant Index or portfolio, in which

case any securities of the Constituent Issuer still held by the relevant BMO ETF will be disposed of by the BMO ETF as described above under “Action on Index Rebalancing or Portfolio Adjustment”.

If a BMO ETF tenders securities under a take-over bid and they are taken up but the Constituent Issuer is not taken out of the applicable Index or portfolio, the BMO ETF will use the proceeds received from tendering to the take-over bid to purchase securities of the Constituent Issuer to replenish Baskets of Securities held by that BMO ETF. If the proceeds are not sufficient for this purpose, the BMO ETF will purchase the necessary securities in return for the issue of the appropriate number of Units. If the proceeds received by the BMO ETF under a take-over bid are more than sufficient to purchase replacement securities where the Constituent Issuer is not removed from the applicable Index or portfolio, the surplus will be used, first, to pay expenses of the BMO ETF, and then any remaining amounts will be distributed to Unitholders.

Any proceeds received by a BMO ETF in a form other than cash as a result of a sale of Constituent Securities to a person other than a Designated Broker will be delivered to a Designated Broker and, if so determined by BMO Asset Management, the Designated Broker shall subscribe for Units of the BMO ETF in exchange for such non-cash proceeds, provided that the purchase price for such Units shall not exceed the value of such non-cash proceeds received by the BMO ETF on the sale of Constituent Securities to such person or such other amount as the BMO ETF and the Designated Broker shall agree.

After a tender of securities by a BMO ETF, a Unitholder exchanging Units for Baskets of Securities as described below under “Redemption and Exchange of Units – Exchange of Units for Baskets of Securities” will be entitled to receive the applicable portion of the proceeds received by the BMO ETF for securities taken up under the bid or, if the securities are not taken up, the applicable portion of those securities when they are returned to that BMO ETF.

## **OVERVIEW OF THE SECTORS IN WHICH THE BMO ETFS INVEST**

### ***BMO S&P/TSX Capped Composite Index ETF***

BMO S&P/TSX Capped Composite Index ETF invests in over 200 equity securities of publicly-traded Canadian companies in a variety of sectors. See “Investment Objectives – The Indices – S&P/TSX Capped Composite Index”.

### ***BMO S&P 500 Hedged to CAD Index ETF***

BMO S&P 500 Hedged to CAD Index ETF invests in 500 equity securities of publicly-traded American companies in a variety of sectors. See “Investment Objectives – The Indices – S&P 500 Hedged to Canadian Dollars Index”.

### ***BMO MSCI EAFE Hedged to CAD Index ETF***

BMO MSCI EAFE Hedged to CAD Index ETF invests in the equity securities of publicly-traded companies incorporated in, or having a primary market listing in, the countries that the Index Provider considers to be a “developed market country”, with the exception of the United States and Canada. See “Investment Objectives – The Indices – MSCI EAFE 100% Hedged to CAD Index”.

### ***BMO MSCI Emerging Markets Index ETF***

BMO MSCI Emerging Markets Index ETF invests in the equity securities of publicly-traded companies incorporated in, or having a primary market listing in, the countries that the Index Provider considers to be an “emerging market country”. See “Investment Objectives – The Indices – MSCI Emerging Markets Index”.

### ***BMO Global Infrastructure Index ETF***

BMO Global Infrastructure Index ETF invests in the North American-listed equities of entities owning, operating or managing infrastructure assets. Infrastructure assets typically provide relatively stable and predictable income streams and exhibit some or all of the following characteristics: low correlation to other asset classes; stable yields; fixed and regulated returns; leverage on a fixed cost base; relatively steady demand profiles; inflation linked revenues; basic, irreplaceable essential services; and relative immunity to the business cycle. See “Investment Objectives – The Indices – Dow Jones Brookfield Global Infrastructure North American Listed Index”.

### ***BMO Dow Jones Industrial Average Hedged to CAD Index ETF***

BMO Dow Jones Industrial Average Hedged to CAD Index ETF invests in the equity securities of companies that are publicly-traded on stock exchanges in the United States. See “Investment Objectives – The Indices – Dow Jones Industrial Average (CAD hedged)”.

### ***BMO Short Federal Bond Index ETF***

BMO Short Federal Bond Index ETF invests in a variety of debt securities primarily with a term to maturity between one and five years. Securities held in the applicable Index are generally issued or guaranteed by the Government of Canada, by various agencies of the Government of Canada, and by various instrumentalities that have been established or sponsored by the Government of Canada. See “Investment Objectives – The Indices – FTSE TMX Canada Short Term Federal Bond Index<sup>™</sup>”.

### ***BMO Short Provincial Bond Index ETF***

BMO Short Provincial Bond Index ETF invests in a variety of debt securities primarily with a term to maturity between one and five years. Securities held in the applicable Index are generally issued or guaranteed by the provincial governments in Canada, by various agencies of the provincial governments, and by various instrumentalities that have been established or sponsored by provincial governments. BMO Short Provincial Bond Index ETF may also invest in securities issued by Canadian municipal governments. See “Investment Objectives – The Indices – FTSE TMX Canada Short Term Provincial Bond Index<sup>™</sup>”.

### ***BMO Short Corporate Bond Index ETF***

BMO Short Corporate Bond Index ETF invests in a variety of debt securities primarily with a term to maturity between one and five years. Securities held in the applicable Index are generally corporate bonds issued domestically in Canada in Canadian dollars, with an investment grade rating. See “Investment Objectives – The Indices – FTSE TMX Canada Short Term Corporate Bond Index<sup>™</sup>”.

### ***BMO High Yield US Corporate Bond Hedged to CAD Index ETF***

BMO High Yield US Corporate Bond Hedged to CAD Index ETF generally provides exposure to high yield corporate bonds issued in the United States (in United States dollars) with a term to maturity primarily greater than one year and a credit rating below investment grade. See “Investment Objectives – The Indices – Barclays U.S. High Yield Very Liquid Index CAD Hedged”.

### ***BMO S&P/TSX Equal Weight Banks Index ETF***

BMO S&P/TSX Equal Weight Banks Index ETF invests in the equity securities of Canadian banks as defined by the Global Industry Classification Standard (GICS<sup>®</sup>): Diversified Banks. See “Investment Objectives – The Indices – S&P/TSX Equal Weight Diversified Banks Index”.

### ***BMO S&P/TSX Equal Weight Oil & Gas Index ETF***

BMO S&P/TSX Equal Weight Oil & Gas Index ETF invests in the equity securities of Canadian oil and gas companies within the S&P/TSX 60 Index. See “Investment Objectives – The Indices – S&P/TSX Equal Weight Oil & Gas Index”.

### ***BMO S&P/TSX Equal Weight Global Base Metals Hedged to CAD Index ETF***

BMO S&P/TSX Equal Weight Global Base Metals Hedged to CAD Index ETF invests primarily in the securities of global mining companies that are involved in the production or extraction of base metals. Securities eligible to be held by BMO S&P/TSX Equal Weight Global Base Metals Hedged to CAD Index ETF are classified under two Global Industry Classification Standard (GICS<sup>®</sup>) sub-industries: (i) Diversified Metals and Mining; and (ii) Aluminum. See “Investment Objectives – The Indices – S&P/TSX Equal Weight Global Base Metals CAD Hedged Index”.

### ***BMO China Equity Index ETF***

BMO China Equity Index ETF generally provides exposure to a broad Chinese equity markets index on an un-hedged CNY currency basis. See “Investment Objectives – The Indices – BNY Mellon China Select ADR Index”.

### ***BMO India Equity Index ETF***

BMO India Equity Index ETF generally provides exposure to a broad Indian equity markets index on an un-hedged INR currency basis. See “Investment Objectives – The Indices – BNY Mellon India Select DR Index”.

### ***BMO Equal Weight Utilities Index ETF***

BMO Equal Weight Utilities Index ETF invests in the equity securities of Canadian utilities as defined by the Global Industry Classification Standard (GICS<sup>®</sup>): Utilities. See “Investment Objectives – The Indices – Dow Jones Canada Select Equal Weight Utilities Index”.

### ***BMO Nasdaq 100 Equity Hedged to CAD Index ETF***

BMO Nasdaq 100 Equity Hedged to CAD Index ETF invests in the equity securities of publicly-traded non-financial companies listed on the Nasdaq Stock Market in a variety of sectors. See “Investment Objectives – The Indices – NASDAQ—100 Index Hedged to CAD”.

### ***BMO Junior Gold Index ETF***

BMO Junior Gold Index ETF invests in the equity securities of gold mining companies as defined by the Industry Classification Benchmark as: Gold Mining. See “Investment Objectives – The Indices – Dow Jones North America Select Junior Gold Index”.

### ***BMO Mid Corporate Bond Index ETF***

BMO Mid Corporate Bond Index ETF invests in a variety of debt securities primarily with a term to maturity between five and 10 years. Securities held in the applicable Index are generally corporate bonds issued domestically in Canada in Canadian dollars, with an investment grade rating. See “Investment Objectives – The Indices – FTSE TMX Canada Mid Term Corporate Bond Index<sup>™</sup>”.

### ***BMO Mid Federal Bond Index ETF***

BMO Mid Federal Bond Index ETF invests in a variety of debt securities primarily with a term to maturity between five and 10 years. Securities held in the applicable Index consist of bonds issued by the Government of

Canada (including both non-agency and agency/crown corporations) and supra-national entities. See “Investment Objectives – The Indices – FTSE TMX Canada Mid Term Federal Bond Index<sup>TM</sup>”.

#### ***BMO Long Corporate Bond Index ETF***

BMO Long Corporate Bond Index ETF invests in a variety of debt securities primarily with a term to maturity greater than 10 years. Securities held in the applicable Index are generally corporate bonds issued domestically in Canada in Canadian dollars, with an investment grade rating. See “Investment Objectives – The Indices – FTSE TMX Canada Long Term Corporate Bond Index<sup>TM</sup>”.

#### ***BMO Aggregate Bond Index ETF***

BMO Aggregate Bond Index ETF provides exposure to a variety of debt securities primarily with a term to maturity greater than one year and a credit rating of BBB or higher. Securities held in the fund will be selected as to best represent the Canadian bond market across federal, provincial and corporate issuers in Canada. See “Investment Objectives – The Indices – FTSE TMX Canada UniverseXM Bond Index<sup>TM</sup>”.

#### ***BMO Equal Weight REITs Index ETF***

BMO Equal Weight REITs Index ETF invests in the equity securities of Canadian real estate investment trusts that fall within the Real Estate Investment Trust sector of the Industry Classification Benchmark. See “Investment Objectives – The Indices – Dow Jones Canada Select Equal Weight REIT Index”.

#### ***BMO Junior Oil Index ETF***

BMO Junior Oil Index ETF invests in the equity securities of North American oil companies that fall within the Oil & Gas Producers or Oil Equipment, Services & Distribution sectors of the Industry Classification Benchmark and have the majority of their business derived from oil-related activities. See “Investment Objectives – The Indices – Dow Jones North America Select Junior Oil Index”.

#### ***BMO Junior Gas Index ETF***

BMO Junior Gas Index ETF invests in the equity securities of North American gas companies that fall within the Oil & Gas Producers or Oil Equipment, Services & Distribution sectors of the Industry Classification Benchmark and have the majority of their business derived from gas-related activities. See “Investment Objectives – The Indices – Dow Jones North America Select Junior Gas Index”.

#### ***BMO Equal Weight US Health Care Hedged to CAD Index ETF***

BMO Equal Weight US Health Care Hedged to CAD Index ETF invests in the equity securities of large capitalization United States health care companies that fall within the Health Care supersector of the Industry Classification Benchmark. See “Investment Objectives – The Indices – Dow Jones U.S. Large-Cap Health Care Equal Weight Total Stock Market Index Canadian Dollar Hedged”.

#### ***BMO Equal Weight US Banks Hedged to CAD Index ETF***

BMO Equal Weight US Banks Hedged to CAD Index ETF invests in the equity securities of large capitalization United States banks that fall within the Banks supersector of the Industry Classification Benchmark. See “Investment Objectives – The Indices – Solactive Equal Weight US Bank Index Canadian Dollar Hedged”.

#### ***BMO Long Federal Bond Index ETF***

BMO Long Federal Bond Index ETF invests in a variety of debt securities primarily with a term to maturity greater than 10 years. Securities held in the applicable Index are generally issued or guaranteed by the Government



of Canada, and by various instrumentalities that have been established or sponsored by the Government of Canada. See “Investment Objectives – The Indices – FTSE TMX Canada Long Term Federal Bond Index<sup>™</sup>”.

#### ***BMO Real Return Bond Index ETF***

BMO Real Return Bond Index ETF invests in a variety of debt securities primarily with a term to maturity greater than one year. Securities held in the applicable Index are generally issued or guaranteed by the Government of Canada and are protected from the impact of inflation on a bond’s coupon. See “Investment Objectives – The Indices – FTSE TMX Canada Real Return Non-Agency Bond Index<sup>™</sup>”.

#### ***BMO Emerging Markets Bond Hedged to CAD Index ETF***

BMO Emerging Markets Bond Hedged to CAD Index ETF invests in a variety of debt securities. Securities held in the applicable Index are generally issued or guaranteed by the federal governments of countries that the Index Provider considers to be an “emerging market country”. See “Investment Objectives – The Indices – Barclays Emerging Markets Tradable External Debt (EMTED) GDP Weighted Capped Index CAD Hedged”.

#### ***BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF***

BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF invests in U.S. investment grade debt securities, three issues per issuer with a notional outstanding of at least USD \$750 million per bond. The portfolio is weighted by market capitalization with a cap of 2% per issuer. See “Investment Objectives – The Indices – Barclays US IG 5 to 10 Year Corporate Bond Capped Index CAD Hedged”.

#### ***BMO Mid-Term US IG Corporate Bond Index ETF***

BMO Mid-Term US IG Corporate Bond Index ETF invests in U.S. investment grade debt securities, three issues per issuer with a notional outstanding of at least USD \$750 million per bond. The portfolio is weighted by market capitalization with a cap of 2% per issuer. See “Investment Objectives – The Indices – Barclays US IG 5 to 10 Year Corporate Bond Capped Index”.

#### ***BMO Mid Provincial Bond Index ETF***

BMO Mid Provincial Bond Index ETF invests in a variety of debt securities primarily with a term to maturity between five and ten years. Securities held in the applicable Index are generally issued or guaranteed by the provincial governments in Canada, by various agencies of the provincial governments, and by various instrumentalities that have been established or sponsored by provincial governments. BMO Mid Provincial Bond Index ETF may also invest in securities issued by Canadian municipal governments. See “Investment Objectives – The Indices – FTSE TMX Canada Mid Term Provincial Bond Index<sup>™</sup>”.

#### ***BMO Long Provincial Bond Index ETF***

BMO Long Provincial Bond Index ETF invests in a variety of debt securities primarily with a term to maturity greater than ten years. Securities held in the applicable Index are generally issued or guaranteed by the provincial governments in Canada, by various agencies of the provincial governments, and by various instrumentalities that have been established or sponsored by provincial governments. BMO Long Provincial Bond Index ETF may also invest in securities issued by Canadian municipal governments. See “Investment Objectives – The Indices – FTSE TMX Canada Long Term Provincial Bond Index<sup>™</sup>”.

#### ***BMO S&P/TSX Equal Weight Industrials Index ETF***

BMO S&P/TSX Equal Weight Industrials Index ETF generally invests in the equity securities of Canadian industrial companies as defined by the Global Industry Classification Standard (GICS<sup>®</sup>): Industrials. See “Investment Objectives – The Indices – S&P/TSX Equal Weight Industrials Index”.

***BMO S&P/TSX Equal Weight Global Gold Index ETF***

BMO S&P/TSX Equal Weight Global Gold Index ETF generally invests in the securities of global mining companies that are involved in the production or extraction of gold as defined by the Global Industry Classification Standard (GICS®): Gold. See “Investment Objectives – The Indices – S&P/TSX Equal Weight Global Gold Index”.

***BMO S&P 500 Index ETF***

BMO S&P 500 Index ETF generally invests in 500 equity securities of U.S. listed companies in a variety of sectors. See “Investment Objectives – The Indices – S&P 500 Index”.

***BMO Laddered Preferred Share Index ETF***

BMO Laddered Preferred Share Index ETF generally invests in Canadian preferred shares listed on the Toronto Stock Exchange. See “Investment Objectives – The Solactive Laddered Canadian Preferred Share Index”.

***BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF***

BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF generally invests in U.S. investment grade fixed rated, taxable corporate bonds with a term of maturity between one and five years. See “Investment Objectives – The Indices – Barclays US Investment Grade 1 to 5 Year Corporate Bond Capped Index CAD Hedged”.

***BMO Discount Bond Index ETF***

BMO Discount Bond Index ETF generally invests in Canadian federal, provincial and corporate bonds that trade near or below par value (\$100). See “Investment Objectives – The Indices – FTSE TMX Canada Universe Discount Bond Index™”.

***BMO Equal Weight US Banks Index ETF***

BMO Equal Weight US Banks Index ETF generally invests in the equity securities of large capitalization United States banks that fall within the banks’ supersector of the Industry Classification. See “Investment Objectives – The Indices – Solactive Equal Weight US Bank Index”.

***BMO MSCI EAFE Index ETF***

BMO MSCI EAFE Index ETF invests in the equity securities of publicly-traded companies incorporated in, or having a primary market listing in, the countries that the Index Provider considers to be a “developed market country”, with the exception of the United States and Canada. See “Investment Objectives – The Indices – MSCI EAFE Index”.

***BMO MSCI Europe High Quality Hedged to CAD Index ETF***

BMO MSCI Europe High Quality Hedged to CAD Index ETF invests in the equity securities of publicly-traded companies incorporated in, or having a primary market listing in, the countries that the Index Provider considers to be a “European developed market country”. See “Investment Objectives – The Indices – MSCI Europe Quality 100% Hedged to CAD Index”.

***BMO MSCI USA High Quality Index ETF***

BMO MSCI USA High Quality Index ETF invests in the equity securities of publicly-traded US companies that operate in a variety of sectors. See “Investment Objectives – The Indices – MSCI USA Quality Index”.

## ***BMO MSCI All Country World High Quality Index ETF***

BMO MSCI All Country World High Quality Index ETF invests in the equity securities of publicly-traded companies incorporated in, or having a primary market listing in, the countries that the Index Provider considers to be developed market and emerging market countries. See “Investment Objectives – The Indices – MSCI ACWI Quality Index”.

### **INVESTMENT RESTRICTIONS**

The BMO ETFs are subject to certain restrictions and practices contained in Canadian securities legislation. The BMO ETFs are managed in accordance with these restrictions and practices, except as otherwise permitted by exemptions provided by Canadian securities regulatory authorities. See “Exemptions and Approvals”. A change to the fundamental investment objective of a BMO ETF would require the approval of the Unitholders of that BMO ETF. See “Unitholder Matters – Matters Requiring Unitholders’ Approval”.

### **FEES AND EXPENSES**

#### **Management Fees**

Each BMO ETF will pay the Manager a management fee as set forth in the table below based on the average daily NAV of the applicable BMO ETF. The management fee is payable to the Manager in consideration of the services that the Manager provides to each BMO ETF in its capacity as the manager, which include acquiring or arranging to acquire securities on behalf of the BMO ETFs, calculating NAV, NAV per Unit, net income and net realized capital gains of the BMO ETFs, authorizing the payment of operating expenses incurred on behalf of the BMO ETFs, preparing financial statements and financial and accounting information as required by the BMO ETFs, ensuring that Unitholders are provided with financial statements (including interim and annual financial statements) and other reports as are required by applicable law from time to time, ensuring that the BMO ETFs comply with regulatory requirements and applicable stock exchange listing requirements, preparing the BMO ETFs’ reports to Unitholders and the securities regulatory authorities, determining the amount of distributions to be made by the BMO ETFs and negotiating contractual agreements with third-party providers of services, including Designated Brokers, the Custodian, the Registrar and Transfer Agent, the auditor and printers. See “Organization and Management Details – The Trustee, Manager, Portfolio Manager, Promoter and Valuation Agent – Duties and Services to be Provided by the Trustee, Manager, Portfolio Manager, Promoter and Valuation Agent” for more information. The management fee, plus applicable taxes, will be accrued daily and paid quarterly in arrears. The Manager may, from time to time in its discretion, waive all or a portion of the management fee charged at any given time.

<b>BMO ETF</b>	<b>Maximum Annual Management Fee (%)</b>
BMO S&P/TSX Capped Composite Index ETF	0.050
BMO S&P 500 Hedged to CAD Index ETF	0.100
BMO MSCI EAFE Hedged to CAD Index ETF	0.200
BMO MSCI Emerging Markets Index ETF	0.250
BMO Global Infrastructure Index ETF	0.550

<b>BMO ETF</b>	<b>Maximum Annual Management Fee (%)</b>
BMO Equal Weight REITs Index ETF	0.550
BMO Junior Oil Index ETF	0.550
BMO Junior Gas Index ETF	0.550
BMO Equal Weight US Health Care Hedged to CAD Index ETF	0.350
BMO Equal Weight US Banks Hedged to CAD Index ETF	0.350

<b>BMO ETF</b>	<b>Maximum Annual Management Fee (%)</b>
BMO Dow Jones Industrial Average Hedged to CAD Index ETF	0.230
BMO Short Federal Bond Index ETF	0.200
BMO Short Provincial Bond Index ETF	0.250
BMO Short Corporate Bond Index ETF	0.120
BMO High Yield US Corporate Bond Hedged to CAD Index ETF	0.550
BMO S&P/TSX Equal Weight Banks Index ETF	0.550
BMO S&P/TSX Equal Weight Oil & Gas Index ETF	0.550
BMO S&P/TSX Equal Weight Global Base Metals Hedged to CAD Index ETF	0.550
BMO China Equity Index ETF	0.650
BMO India Equity Index ETF	0.650
BMO Equal Weight Utilities Index ETF	0.550
BMO Nasdaq 100 Equity Hedged to CAD Index ETF	0.350
BMO Junior Gold Index ETF	0.550
BMO Mid Corporate Bond Index ETF	0.300
BMO Mid Federal Bond Index ETF	0.200
BMO Long Corporate Bond Index ETF	0.300
BMO Aggregate Bond Index ETF	0.200

<b>BMO ETF</b>	<b>Maximum Annual Management Fee (%)</b>
BMO Long Federal Bond Index ETF	0.200
BMO Real Return Bond Index ETF	0.250
BMO Emerging Markets Bond Hedged to CAD Index ETF	0.500
BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF	0.250
BMO Mid-Term US IG Corporate Bond Index ETF	0.250
BMO Mid Provincial Bond Index ETF	0.250
BMO Long Provincial Bond Index ETF	0.250
BMO S&P/TSX Equal Weight Industrials Index ETF	0.550
BMO S&P/TSX Equal Weight Global Gold Index ETF	0.550
BMO S&P 500 Index ETF	0.100
BMO Laddered Preferred Share Index ETF	0.450
BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF	0.250
BMO Discount Bond Index ETF	0.200
BMO Equal Weight US Banks Index ETF	0.350
BMO MSCI EAFE Index ETF	0.200
BMO MSCI Europe High Quality Hedged to CAD Index ETF	0.400
BMO MSCI USA High Quality Index ETF	0.300
BMO MSCI All Country World High Quality Index ETF	0.450

In the event that a BMO ETF invests in another investment fund to obtain exposure to Constituent Securities and the management fee payable by the other fund is higher than that of the BMO ETF, the BMO ETF may pay the higher management fee on the portion of the BMO ETF's assets invested in the other fund, regardless of whether the fund is managed by the Manager or an affiliate of the Manager. As a result, the actual management fee may be higher than that shown in the table above.

### **Operating Expenses**

In addition to the payment of the management fee, each BMO ETF is responsible for the costs and expenses incurred in complying with NI 81-107 (including any expenses related to the implementation and on-going

operation of the IRC), brokerage expenses and commissions, income and withholding taxes as well as all other applicable taxes, including HST, the costs of complying with any new governmental or regulatory requirement introduced after the BMO ETF was established and extraordinary expenses. The Manager is responsible for all other costs and expenses of the BMO ETFs, including the fees payable to the Custodian, Registrar and Transfer Agent and Plan Agent and fees payable to other service providers, including the Index Providers, retained by the Manager. See “Organization and Management Details – The Trustee, Manager, Portfolio Manager, Promoter and Valuation Agent – Duties and Services to be Provided by the Trustee, Manager, Portfolio Manager, Promoter and Valuation Agent”.

### Management Fee Distributions

To achieve effective and competitive management fees, the Manager may agree to charge a reduced management fee as compared to the management fee it would otherwise be entitled to receive from the BMO ETFs with respect to investments in the BMO ETFs by certain Unitholders. An amount equal to the difference between the fee otherwise chargeable and the reduced fee of the BMO ETF will be distributed in cash by the BMO ETF to those Unitholders as “Management Fee Distributions”.

The availability, amount and timing of Management Fee Distributions with respect to Units of a BMO ETF will be determined from time to time by the Manager in its sole discretion. Management Fee Distributions will generally be calculated and applied based on a Unitholder’s average holdings of Units (excluding Units lent by those Unitholders under the terms of securities lending agreements) over each applicable period as specified by the Manager from time to time. Management Fee Distributions will be available only to beneficial owners of Units (including Designated Brokers and Dealers) and not to the holdings of Units by dealers, brokers or other CDS Participants that hold Units on behalf of beneficial owners. Management Fee Distributions will be paid first out of net income of the BMO ETF then out of capital gains of the BMO ETF and thereafter out of capital. See “Income Tax Considerations – Taxation of Unitholders” for further details. In order to receive a Management Fee Distribution for any applicable period, a beneficial owner of Units must submit a claim for a Management Fee Distribution that is verified by a CDS Participant on the beneficial owner’s behalf and provide the Manager with such further information as the Manager may require in accordance with the terms and procedures established by the Manager from time to time.

The Manager reserves the right to discontinue or change Management Fee Distributions at any time. The tax consequences of Management Fee Distributions made by a BMO ETF generally will be borne by the Unitholders receiving these distributions.

### ANNUAL RETURNS, MANAGEMENT EXPENSE RATIO AND TRADING EXPENSE RATIO

The following chart provides the annual returns, the management expense ratio (“MER”) and the trading expense ratio (“TER”) for each BMO ETF as disclosed in the BMO ETF’s management report of fund performance for each of the past five years. The investment performance in respect of a BMO ETF that has been available for less than one year, in any applicable year, is not provided.

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b><u>BMO S&amp;P/TSX Capped Composite Index ETF</u></b>					
Annual Returns (%)	10.44	12.81	7.01	-9.96	13.63
MER (%)	0.09	0.17	0.17	0.17	0.17
TER (%)	0.00	0.00	0.00	0.00	0.00
<b><u>BMO S&amp;P 500 Hedged to CAD Index ETF</u></b>					
Annual Returns (%)	13.68	32.17	16.09	0.99	11.15
MER (%)	0.13	0.17	0.23	0.25	0.25
TER (%)	0.00	0.00	0.01	0.01	0.00
<b><u>BMO MSCI EAFE Hedged to CAD Index ETF</u></b>					
Annual Returns (%)	5.51	25.86	18.40	-12.59	1.12
MER (%)	0.29	0.41	0.52	0.52	0.51
TER (%)	0.02	0.28	0.18	0.07	0.51

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b><u>BMO MSCI Emerging Markets Index ETF</u></b>					
Annual Returns (%)	5.05	3.53	13.61	-17.12	11.90
MER (%)	0.46	0.58	0.65	0.61	0.59
TER (%)	0.05	0.10	0.11	0.09	0.27
<b><u>BMO Global Infrastructure Index ETF</u></b>					
Annual Returns (%)	30.27	22.12	13.05	19.61	13.86*
MER (%)	0.62	0.62	0.62	0.62	0.63
TER (%)	0.00	0.01	0.00	0.02	0.00
* Return from January 19, 2010 to December 31, 2010					
<b><u>BMO Dow Jones Industrial Average Hedged to CAD Index ETF</u></b>					
Annual Returns (%)	9.87	29.28	9.87	7.16	11.90
MER (%)	0.26	0.26	0.26	0.26	0.26
TER (%)	0.00	0.00	0.00	0.00	0.00
<b><u>BMO Short Federal Bond Index ETF</u></b>					
Annual Returns (%)	2.36	1.10	0.85	4.39	2.94
MER (%)	0.23	0.23	0.23	0.22	0.22
TER (%)	0.00	0.00	0.00	0.00	0.00
<b><u>BMO Short Provincial Bond Index ETF</u></b>					
Annual Returns (%)	3.12	1.57	1.33	4.98	3.48
MER (%)	0.28	0.28	0.28	0.28	0.28
TER (%)	0.00	0.00	0.00	0.00	0.00
<b><u>BMO Short Corporate Bond Index ETF</u></b>					
Annual Returns (%)	3.24	2.07	3.62	4.53	3.87
MER (%)	0.20	0.34	0.34	0.34	0.33
TER (%)	0.00	0.00	0.00	0.00	0.00
<b><u>BMO High Yield US Corporate Bond Hedged to CAD Index ETF</u></b>					
Annual Returns (%)	1.71	6.42	14.60	4.84	10.29
MER (%)	0.62	0.62	0.62	0.62	0.72
TER (%)	0.00	0.01	0.02	0.02	0.09
<b><u>BMO S&amp;P/TSX Equal Weight Banks Index ETF</u></b>					
Annual Returns (%)	13.79	20.43	14.57	1.31	12.87
MER (%)	0.62	0.62	0.62	0.62	0.61
TER (%)	0.00	0.00	0.00	0.00	0.00
<b><u>BMO S&amp;P/TSX Equal Weight Oil &amp; Gas Index ETF</u></b>					
Annual Returns (%)	-11.23	13.65	-1.95	-7.15	11.26
MER (%)	0.62	0.62	0.62	0.62	0.61
TER (%)	0.00	0.00	0.00	0.00	0.00
<b><u>BMO S&amp;P/TSX Equal Weight Global Base Metals Hedged to CAD Index ETF</u></b>					
Annual Returns (%)	-9.56	-6.97	-9.76	-32.89	42.81
MER (%)	0.63	0.63	0.62	0.62	0.61
TER (%)	0.02	0.03	0.02	0.09	0.09
<b><u>BMO China Equity Index ETF</u></b>					
Annual Returns (%)	10.87	34.63	9.18	-26.44	3.95*
MER (%)	0.74	0.75	0.74	0.74	0.73
TER (%)	0.04	0.07	0.07	0.05	0.01

\* Return from January 19, 2010 to December 31, 2010

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b><u>BMO India Equity Index ETF</u></b>					
Annual Returns (%)	32.27	6.62	21.66	-35.46	1.53*
MER (%)	0.73	0.75	0.74	0.74	0.74
TER (%)	0.12	0.11	0.12	0.02	0.11

\* Return from January 19, 2010 to December 31, 2010

<b><u>BMO Equal Weight Utilities Index ETF</u></b>					
Annual Returns (%)	12.42	-4.41	4.44	2.33	14.81*
MER (%)	0.62	0.62	0.62	0.62	0.61
TER (%)	0.00	0.03	0.00	0.03	0.02

\* Return from January 19, 2010 to December 31, 2010

<b><u>BMO Nasdaq 100 Equity Hedged to CAD Index ETF</u></b>					
Annual Returns (%)	19.43	36.55	17.84	2.73	15.06*
MER (%)	0.40	0.40	0.40	0.40	0.39
TER (%)	0.00	0.00	0.00	0.02	0.00

\* Return from January 19, 2010 to December 31, 2010

<b><u>BMO Junior Gold Index ETF</u></b>					
Annual Returns (%)	-2.87	-56.40	-16.78	-27.95	56.94*
MER (%)	0.62	0.63	0.62	0.62	0.61
TER (%)	0.00	0.00	0.03	0.06	0.19

\* Return from January 19, 2010 to December 31, 2010

<b><u>BMO Mid Corporate Bond Index ETF</u></b>					
Annual Returns (%)	8.71	0.67	7.58	8.39	5.76*
MER (%)	0.34	0.34	0.34	0.34	0.34
TER (%)	0.00	0.00	0.00	0.00	0.00

\* Return from January 19, 2010 to December 31, 2010

<b><u>BMO Mid Federal Bond Index ETF</u></b>					
Annual Returns (%)	8.50	-2.36	2.78	11.46	7.18
MER (%)	0.23	0.23	0.23	0.23	0.28
TER (%)	0.00	0.00	0.00	0.00	0.00

<b><u>BMO Long Corporate Bond Index ETF</u></b>					
Annual Returns (%)	16.15	-3.78	9.07	14.94	10.68*
MER (%)	0.34	0.34	0.34	0.34	0.34
TER (%)	0.00	0.00	0.00	0.00	0.00

\* Return from January 19, 2010 to December 31, 2010

<b><u>BMO Aggregate Bond Index ETF</u></b>					
Annual Returns (%)	8.43	-1.45	3.34	9.09	5.14*
MER (%)	0.23	0.23	0.30	0.32	0.32
TER (%)	0.01	0.01	0.00	0.00	0.00

\* Return from January 19, 2010 to December 31, 2010

<b><u>BMO Equal Weight REITs Index ETF</u></b>					
Annual Returns (%)	8.73	-4.60	18.11	13.85	17.93*
MER (%)	0.62	0.62	0.62	0.62	0.62
TER (%)	0.00	0.02	0.00	0.00	0.01

\* Return from May 19, 2010 to December 31, 2010

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b><u>BMO Junior Oil Index ETF</u></b>					
Annual Returns (%)	-28.84	35.87	-2.69	-3.88	34.28*
MER (%)	0.63	0.63	0.62	0.62	0.63
TER (%)	0.00	0.00	0.00	0.02	0.06

\* Return from May 19, 2010 to December 31, 2010

<b><u>BMO Junior Gas Index ETF</u></b>					
Annual Returns (%)	-19.53	39.94	-11.10	2.20	36.08*
MER (%)	0.63	0.64	0.63	0.62	0.63
TER (%)	0.00	0.00	0.00	0.03	0.16

\* Return from May 19, 2010 to December 31, 2010

<b><u>BMO Equal Weight US Health Care Hedged to CAD Index ETF</u></b>					
Annual Returns (%)	33.63	43.19	21.29	4.08	10.73*
MER (%)	0.40	0.40	0.40	0.40	0.41
TER (%)	0.00	0.00	0.00	0.01	0.00

\* Return from May 19, 2010 to December 31, 2010

<b><u>BMO Equal Weight US Banks Hedged to CAD Index ETF</u></b>					
Annual Returns (%)	10.56	37.51	33.09	-26.87	2.28*
MER (%)	0.40	0.40	0.40	0.40	0.41
TER (%)	0.01	0.00	0.00	0.04	0.00

\* Return from May 19, 2010 to December 31, 2010

<b><u>BMO Long Federal Bond Index ETF</u></b>					
Annual Returns (%)	17.14	-9.13	4.27	19.87	5.73*
MER (%)	0.23	0.23	0.23	0.23	0.24
TER (%)	0.00	0.00	0.00	0.00	0.00

\* Return from May 19, 2010 to December 31, 2010

<b><u>BMO Real Return Bond Index ETF</u></b>					
Annual Returns (%)	13.16	-12.68	2.68	17.84	6.97*
MER (%)	0.29	0.29	0.28	0.28	0.29
TER (%)	0.00	0.00	0.00	0.00	0.00

\* Return from May 19, 2010 to December 31, 2010

<b><u>BMO Emerging Markets Bond Hedged to CAD Index ETF</u></b>					
Annual Returns (%)	8.68	-4.71	15.92	7.13	8.46*
MER (%)	0.57	0.57	0.56	0.57	0.57
TER (%)	0.00	0.00	0.00	0.00	0.00

\* Return from May 19, 2010 to December 31, 2010

<b><u>BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF</u></b>					
Annual Returns (%)	7.68	-2.02*	n/a	n/a	n/a
MER (%)	0.28	0.28	n/a	n/a	n/a
TER (%)	0.02	0.01	n/a	n/a	n/a

\* Return from March 20, 2013 to December 31, 2013



	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b><u>BMO Mid-Term US IG Corporate Bond Index ETF</u></b>					
Annual Returns (%)	16.92	0.71*	n/a	n/a	n/a
MER (%)	0.28	0.28	n/a	n/a	n/a
TER (%)	0.00	0.00	n/a	n/a	n/a

\* Return from March 19, 2013 to December 31, 2013

<b><u>BMO Mid-Term US IG Corporate Bond Index ETF (USD Units)</u></b>					
Annual Returns (%)	6.50	-2.65*	n/a	n/a	n/a
MER (%)	0.31	0.29	n/a	n/a	n/a
TER (%)	0.00	0.00	n/a	n/a	n/a

\* Return from March 19, 2013 to December 31, 2013

<b><u>BMO Mid Provincial Bond Index ETF</u></b>					
Annual Returns (%)	9.13	-1.41*	n/a	n/a	n/a
MER (%)	0.28	0.28	n/a	n/a	n/a
TER (%)	0.00	0.00	n/a	n/a	n/a

\* Return from March 19, 2013 to December 31, 2013

<b><u>BMO Long Provincial Bond Index ETF</u></b>					
Annual Returns (%)	17.61	-5.23*	n/a	n/a	n/a
MER (%)	0.28	0.28	n/a	n/a	n/a
TER (%)	0.00	0.00	n/a	n/a	n/a

\* Return from March 19, 2013 to December 31, 2013

<b><u>BMO S&amp;P/TSX Equal Weight Industrials Index ETF</u></b>					
Annual Returns (%)	-0.85	37.98	7.41*	n/a	n/a
MER (%)	0.63	0.64	0.63	n/a	n/a
TER (%)	0.00	0.00	0.00	n/a	n/a

\* Return from November 14, 2012 to December 31, 2012

<b><u>BMO S&amp;P/TSX Equal Weight Global Gold Index ETF</u></b>					
Annual Returns (%)	7.89	-52.66	-3.27*	n/a	n/a
MER (%)	0.63	0.66	0.63	n/a	n/a
TER (%)	0.02	0.00	0.00	n/a	n/a

\* Return from November 14, 2012 to December 31, 2012

<b><u>BMO S&amp;P 500 Index ETF</u></b>					
Annual Returns (%)	23.75	40.77	4.33*	n/a	n/a
MER (%)	0.13	0.17	0.17	n/a	n/a
TER (%)	0.00	0.00	0.00	n/a	n/a

\* Return from November 14, 2012 to December 31, 2012

<b><u>BMO S&amp;P 500 Index ETF (USD Units)</u></b>					
Annual Returns (%)	13.23	31.65	5.56*	n/a	n/a
MER (%)	0.13	0.17	0.17	n/a	n/a
TER (%)	0.00	0.00	0.00	n/a	n/a

\* Return from November 14, 2012 to December 31, 2012

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b><u>BMO Laddered Preferred Share Index ETF</u></b>					
Annual Returns (%)	4.72	-3.47	0.55*	n/a	n/a
MER (%)	0.51	0.51	0.49	n/a	n/a
TER (%)	0.02	0.00	0.00	n/a	n/a

\* Return from November 14, 2012 to December 31, 2012

<b><u>BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF</u></b>					
Annual Returns (%)	1.33*	n/a	n/a	n/a	n/a
MER (%)	0.28	n/a	n/a	n/a	n/a
TER (%)	0.00	n/a	n/a	n/a	n/a

\* Return from February 10, 2014 to December 31, 2014

<b><u>BMO Discount Bond Index ETF</u></b>					
Annual Returns (%)	6.27*	n/a	n/a	n/a	n/a
MER (%)	0.23	n/a	n/a	n/a	n/a
TER (%)	0.00	n/a	n/a	n/a	n/a

\* Return from February 10, 2014 to December 31, 2014

<b><u>BMO Equal Weight US Banks Index ETF</u></b>					
Annual Returns (%)	15.52*	n/a	n/a	n/a	n/a
MER (%)	0.39	n/a	n/a	n/a	n/a
TER (%)	0.00	n/a	n/a	n/a	n/a

\* Return from February 10, 2014 to December 31, 2014

<b><u>BMO MSCI EAFE Index ETF</u></b>					
Annual Returns (%)	1.94*	n/a	n/a	n/a	n/a
MER (%)	0.25	n/a	n/a	n/a	n/a
TER (%)	0.36	n/a	n/a	n/a	n/a

\* Return from February 10, 2014 to December 31, 2014

<b><u>BMO MSCI Europe High Quality Hedged to CAD Index ETF</u></b>					
Annual Returns (%)	9.99*	n/a	n/a	n/a	n/a
MER (%)	0.46	n/a	n/a	n/a	n/a
TER (%)	0.07	n/a	n/a	n/a	n/a

\* Return from February 10, 2014 to December 31, 2014

<b><u>BMO MSCI USA High Quality Index ETF</u></b>					
Annual Returns (%)	4.15*	n/a	n/a	n/a	n/a
MER (%)	0.36	n/a	n/a	n/a	n/a
TER (%)	0.00	n/a	n/a	n/a	n/a

\* Return from November 5, 2014 to December 31, 2014

<b><u>BMO MSCI All Country World High Quality Index ETF</u></b>					
Annual Returns (%)	2.60*	n/a	n/a	n/a	n/a
MER (%)	0.52	n/a	n/a	n/a	n/a
TER (%)	0.00	n/a	n/a	n/a	n/a

\* Return from November 5, 2014 to December 31, 2014

## RISK FACTORS

In addition to the considerations set out elsewhere in this prospectus, the following are certain considerations relating to an investment in Units that prospective investors should consider before purchasing such Units.

## **General Risks Relating to an Investment in the BMO ETFs**

### ***Equity Investment Risk***

Equities such as common shares give the holder part ownership in a company. The value of an equity security changes with the fortunes of the company that issued it. General market conditions and the health of the economy as a whole can also affect equity prices. Certain securities may be particularly sensitive to general market movements, which may result in a greater degree of price volatility for such securities and in the NAV of a BMO ETF that invests in such securities under specific market conditions and over time. Equity related securities that provide indirect exposure to the equity securities of an issuer, such as convertible debentures, can also be affected by equity risk.

### ***Fund-of-Funds Investment Risk***

The BMO ETFs may invest directly in, or obtain exposure to, other ETFs, mutual funds or public investment funds as part of their investment strategy. These BMO ETFs will be subject to the risks of the underlying funds. Also, if an underlying fund suspends redemptions, the BMO ETF will be unable to accurately value part of its investment portfolio and may be unable to redeem its Units.

### ***Asset Class Risk***

The Constituent Securities may underperform the returns of other securities that track other countries, regions, industries, asset classes or sectors. Various asset classes tend to experience cycles of outperformance and underperformance in comparison to the general securities markets.

### ***Cease Trading of Constituent Securities***

If Constituent Securities are cease-traded at any time by order of the TSX, a securities regulatory authority or other relevant regulator or stock exchange, the Manager may suspend the exchange or redemption of Units until such time as the transfer of the securities is permitted by law.

### ***Fluctuations in NAV and NAV per Unit***

The NAV per Unit will vary according to, among other things, the value of the securities held by the BMO ETFs. The Manager and the BMO ETFs have no control over the factors that affect the value of the securities held by the BMO ETFs, including factors that affect the equity and bond markets generally such as general economic and political conditions, fluctuations in interest rates and factors unique to each Constituent Issuer such as changes in management, changes in strategic direction, achievement of strategic goals, mergers, acquisitions and divestitures, changes in distribution and dividend policies and other events.

### ***Foreign Investment Risk***

A BMO ETF's investments in non-Canadian and non-United States issuers may expose the BMO ETF to unique risks compared to investing in securities of Canadian or United States issuers, including, among others, greater market volatility than Canadian or United States securities and less complete financial information than for Canadian or United States issuers. In addition, adverse political, economic or social developments could undermine the value of the BMO ETF's investments or prevent the BMO ETF from realizing the full value of its investments. Finally, the value of the currency of the country in which the BMO ETF has invested could decline relative to the value of the Canadian dollar.

### ***Exchange Rate Risk***

Changes in foreign currency exchange rates may affect the NAV of BMO ETFs that hold investments denominated in currencies other than the currency in which the Units of the BMO ETFs are denominated. The Units of the BMO ETFs may either be Canadian dollar denominated or US dollar denominated. Any exposure that the

portfolio of each of BMO S&P 500 Hedged to CAD Index ETF, BMO Dow Jones Industrial Average Hedged to CAD Index ETF, BMO High Yield US Corporate Bond Hedged to CAD Index ETF, BMO S&P/TSX Equal Weight Global Base Metals Hedged to CAD Index ETF, BMO Nasdaq 100 Equity Hedged to CAD Index ETF, BMO Equal Weight US Health Care Hedged to CAD Index ETF, BMO Equal Weight US Banks Hedged to CAD Index ETF, BMO Emerging Markets Bond Hedged to CAD Index ETF, BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF, and BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF may have to the United States dollar will be hedged back to the Canadian dollar. Any exposure that the portfolio of BMO MSCI EAFE Hedged to CAD Index ETF and BMO MSCI Europe High Quality Hedged to CAD Index ETF may have to any currencies other than the Canadian dollar will be hedged back to the Canadian dollar. Except as described above, the BMO ETFs will not hedge any foreign currency exposure back to the currency in which the applicable class of Units is denominated. The ability to purchase USD Units is offered only as a convenience for investors and does not act as a currency hedge between the Canadian dollar and the US dollar.

### ***Illiquid Securities***

If a BMO ETF is unable to dispose of some or all of the securities held by it, that BMO ETF may experience a delay in the receipt of the proceeds of disposition until such time as it is able to dispose of such securities or may be able to do so only at prices which may not reflect the true value of such investments. Likewise, if certain securities are particularly illiquid, the Manager may be unable to acquire the number of securities it would like to at a price acceptable to the Manager on a timely basis.

### ***Distributions In Specie***

A portion of a BMO ETF's portfolio may be invested in illiquid securities and instruments. There can be no assurance that all of a BMO ETF's investments will be liquidated prior to the termination of the BMO ETF and that only cash will be distributed to its Unitholders. The securities and instruments that Unitholders may receive on termination may not be readily marketable and may have to be held for an indefinite period of time.

### ***Use of Derivative Instruments***

The BMO ETFs may use derivative instruments from time to time as described under "Investment Strategies – Use of Derivative Instruments". The use of derivative instruments involves risks different from, and possibly greater than, the risks associated with investing directly in securities and other traditional investments. Risks associated with the use of derivatives include: (i) there is no guarantee that hedging to reduce risk will not result in a loss or that there will be a gain; (ii) there is no guarantee that a market will exist when the BMO ETFs want to complete the derivative contract, which could prevent the BMO ETFs from reducing a loss or making a profit; (iii) securities exchanges may impose trading limits on options and futures contracts, and these limits may prevent the BMO ETFs from completing the derivative contract; (iv) the BMO ETFs could experience a loss if the other party to the derivative contract is unable to fulfill its obligations; (v) if the BMO ETF has an open position in an option, a futures contract or a forward contract with a dealer who goes bankrupt, the BMO ETF could experience a loss and, for an open futures or forward contract, a loss of margin deposited with that dealer; and (vi) if a derivative is based on a stock market index and trading is halted on a substantial number of stocks in the index or there is a change in the composition of the index, there could be an adverse effect on the derivative. In circumstances where there is an interest rate hedge employed, total return on the investment portfolio of a BMO ETF may be higher with the hedge than without it when interest rates rise significantly, but may be lower when interest rates are stable or decrease.

### ***Securities Lending***

The BMO ETFs may engage in securities lending transactions in accordance with NI 81-102 in order to earn additional income for the BMO ETFs. Although they will receive collateral security equal to at least 102% of the value of the portfolio securities loaned and such collateral will be marked-to-market, the BMO ETFs may be exposed to the risk of loss should the borrower default on its obligation to return the borrowed securities and the collateral be insufficient to reconstitute the portfolio of loaned securities.

### ***Trading Price of Units***

Units may trade in the market at a premium or discount to the NAV per Unit. There can be no assurance that Units will trade at prices that reflect their NAV. The trading price of the Units will fluctuate in accordance with changes in the BMO ETF's NAV, as well as market supply and demand on the TSX. However, given that generally only a Prescribed Number of Units are issued to Designated Brokers and Dealers, and that holders of a Prescribed Number of Units (or an integral multiple thereof) may redeem such Units at their NAV, the Manager believes that large discounts or premiums to the NAV of the Units should not be sustained.

### ***Absence of an Active Market for the Units***

Although the BMO ETFs are listed on the TSX, there can be no assurance that an active public market for the Units of the BMO ETFs will be sustained.

### ***Reliance on the Manager***

Unitholders will be dependent on the ability of the Manager to effectively manage the BMO ETFs in a manner consistent with the investment objectives, strategies and restrictions of the BMO ETFs. There is no certainty that the individuals who are principally responsible for providing administration and portfolio management services to the BMO ETFs will continue to be employed by the Manager.

### ***Concentration Risk***

The BMO ETFs, which seek to replicate the performance of one or more Indices, may have more of their net assets invested in one or more issuers than is usually permitted for mutual funds. Consequently, a BMO ETF's portfolio may be less diversified when compared to a less concentrated investment portfolio. Also, the NAV of such BMO ETFs may be more volatile than that of a more broadly-diversified portfolio and may fluctuate substantially over short periods of time. Although a more concentrated portfolio can sometimes result in increased liquidity risk, which may, in turn, have an effect on the ability of a mutual fund to satisfy redemptions, the Manager does not believe these risks are material for the BMO ETFs.

### ***Risk of Loss***

Your investment in any of the BMO ETFs is not guaranteed by any entity, including Bank of Montreal. Unlike bank accounts or guaranteed investment certificates, your investment in a BMO ETF is not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

### ***Risk of Error in Replicating or Tracking the Indices***

The BMO ETFs will not replicate exactly the performance of the Indices because the total return generated by the Units will be reduced by the management fee payable to BMO Asset Management and transaction costs incurred in adjusting the portfolio of securities held by the BMO ETFs and other expenses of the BMO ETFs, whereas such transaction costs and expenses are not included in the calculation of the Indices.

Also, deviations in the tracking of the Indices by the BMO ETFs could occur for a variety of reasons, including as a result of certain Other Securities being included in the portfolio of securities held by the BMO ETFs. It is also possible that, for a period of time, the BMO ETFs may not fully replicate the performance of the Indices due to extraordinary circumstances.

Adjustments to the Basket of Securities necessitated by the rebalancing of or adjustment to the Indices could affect the underlying market for Constituent Securities of the applicable Index, which in turn would be reflected in the value of that Index. Similarly, subscriptions for Units by Designated Brokers and Dealers may impact the market for Constituent Securities of the Index, as the Designated Broker or Dealer seeks to buy or borrow such securities to constitute Baskets of Securities to deliver to the BMO ETF as payment for the Units to be issued.

### ***Index Investment Strategy Risk***

The Indices were not created by the Index Providers solely for the purpose of the BMO ETFs. The Index Providers have the right to make adjustments or to cease calculating the Indices without regard to the particular interests of the Manager, the BMO ETFs or the Unitholders. Further, the Manager will seek to replicate, to the extent possible, the performance of the Index applicable to each BMO ETF. The Manager will “passively manage” the BMO ETFs by employing an investment strategy of buying and holding, in respect of each BMO ETF, a proportionate share of the Constituent Securities of the applicable Index in the same proportion as they are reflected in that Index or securities intended to replicate the performance of the Index including by a sampling methodology that is consistent with the investment objective of the BMO ETF. In general, if a BMO ETF uses a sampling methodology, or certain Other Securities, to construct its portfolio holdings, then that BMO ETF will tend to have greater tracking error to the Index versus a BMO ETF that fully replicates its respective Index. In selecting securities for the BMO ETFs, the Manager will not “actively manage” the BMO ETFs by undertaking any fundamental analysis of the securities it invests in for the BMO ETFs nor will the Manager buy or sell securities for the BMO ETFs based on Manager’s market, financial or economic analysis. Because the Manager will not attempt to take defensive positions in declining markets, the adverse financial condition of an issuer represented in an Index will not necessarily result in the BMO ETF ceasing to hold the issuer’s securities, unless such securities are removed from the applicable Index.

### ***Rebalancing and Adjustment Risk***

Adjustments to Baskets of Securities held by the BMO ETFs to reflect rebalancing of and adjustments to the Indices may depend on the ability of the Manager and the Designated Brokers to perform their respective obligations under the Designated Broker Agreement(s). If a Designated Broker fails to perform, the BMO ETFs may be required to sell or purchase, as the case may be, Constituent Securities of the Indices in the market. If this happens, the BMO ETFs would incur additional transaction costs and security mis-weights that would cause the performance of the BMO ETFs to deviate more significantly from the performance of the Indices than would otherwise be expected.

### ***Calculation and Termination of the Indices***

If the computer or other facilities of the Index Providers or the TSX or other relevant stock exchange malfunction for any reason, calculation of value of the Indices and the determination by the Manager of the Prescribed Number of Units and Baskets of Securities may be delayed and trading in Units may be suspended for a period of time.

In the event that an Index Provider ceases to calculate the applicable Index or a License Agreement is terminated, the Manager may terminate the relevant BMO ETF on 60 days’ notice, change the investment objective of the BMO ETF, seek to replicate an alternative index or make such other arrangements as the Manager considers appropriate and in the best interests of Unitholders of the BMO ETF in the circumstances.

### ***Changes in Legislation***

There can be no assurance that tax, securities or other laws will not be changed in a manner that adversely affects the distributions received by the BMO ETFs or by the Unitholders. There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the CRA respecting the treatment of mutual fund trusts will not be changed in a manner that adversely affects the BMO ETFs or the Unitholders.

For example, changes to tax legislation or the administration thereof could affect the taxation of a BMO ETF or the issuers in which it invests.

### ***Other Tax-Related Risks***

If a BMO ETF were to not qualify as a “mutual fund trust” for the purposes of the Tax Act for any period of time, there could be negative tax consequences for the BMO ETF and its investors.

There can be no assurances that the CRA will agree with the tax treatment adopted by a BMO ETF in filing its tax return and the CRA could reassess a BMO ETF on a basis that results in tax being payable by the BMO ETF.

The Tax Act contains tax loss restriction rules that apply to trusts such as the BMO ETFs. The loss restriction rules generally apply at any time when a unitholder of a trust (counted together with its affiliates) becomes a majority-interest beneficiary of the trust (i.e., holds more than 50% of the fair market value of the units of the trust) or a group of unitholders of the trust becomes a majority interest group of beneficiaries of the trust. If applicable, the taxation year of a BMO ETF will be deemed to end and an automatic distribution of income and net capital gains may occur under the terms of the Declaration of Trust. Because of the way Units are bought and sold, it may not be possible for a BMO ETF to determine if or when a loss restriction event has occurred. Therefore, there can be no assurance that a BMO ETF has not or will not in the future be subject to the loss restriction rules and there can be no assurance regarding when distributions resulting from a loss restriction event will be made.

Relief from the application of the loss restriction event rules may be available to a trust that qualifies as a “mutual fund trust” for purposes of the Tax Act and meets certain asset diversification requirements. Proposed amendments to these relieving provisions released on January 15, 2016 would change the asset diversification criteria, certain aspects of which are unclear. If the amendments are enacted as proposed, the availability of relief from the loss restriction event rules to a BMO ETF may be uncertain.

### ***Potential Conflicts of Interest***

The Manager and its directors and officers and their respective affiliates (including BMO Financial Group entities) and associates may engage in the promotion, management or investment management of other accounts, funds or trusts that invest primarily in the securities held by one or more BMO ETFs.

Although officers, directors and professional staff of the Manager will devote as much time to the BMO ETFs as is deemed appropriate to perform the Manager’s duties, the staff of the Manager may have conflicts in allocating their time and services among the BMO ETFs and the other funds managed by the Manager or BMO Financial Group entities.

### **Additional Risks Relating to the Sectors in which Certain of the BMO ETFs Invest**

#### ***Emerging Markets Risk***

BMO MSCI Emerging Markets Index ETF, BMO China Equity Index ETF, BMO India Equity Index ETF, BMO Emerging Markets Bond Hedged to CAD Index ETF, and BMO S&P/TSX Equal Weight Global Gold Index ETF may be subject to a number of risks specific to having exposure to issuers in emerging market countries. Investments in the securities of issuers in emerging market countries involve risks not associated with investments in the securities of issuers in developed countries. Emerging markets can be substantially more volatile, and substantially less liquid, than more developed markets such as Canada. Emerging markets are subject to greater political and economic instability, uncertainty regarding the existence of trading markets and more governmental limitations on foreign investment than more developed markets.

There may be less information publicly available with regard to emerging market issuers and such issuers are not subject to the uniform accounting, auditing and financial reporting standards applicable to Canadian issuers. There may be no single centralized securities exchange on which securities are traded in emerging market countries and the systems of corporate governance to which companies in emerging markets are subject may be less advanced than that to which Canadian issuers are subject, and therefore, shareholders in such companies may not receive many of the protections available to shareholders in Canada.

Securities laws in many emerging markets countries are relatively new and unsettled. In addition, laws regarding foreign investment in emerging market securities, securities regulation, title to securities and shareholder rights may change quickly and unpredictably. Further, the enforcement of systems of taxation at federal, regional and local levels in emerging market countries may be inconsistent, and subject to sudden change.

### ***Energy Risk***

BMO S&P/TSX Equal Weight Oil & Gas Index ETF, BMO Junior Oil Index ETF, BMO Junior Gas Index ETF, BMO S&P 500 Index ETF, and BMO Laddered Preferred Share Index ETF may be subject to a number of risks specific to the energy sector, such as: (i) changes in industrial, government and consumer demand, which will be affected by levels of industrial and commercial activities that are associated with high levels of energy demand; (ii) price changes in alternative sources of energy; (iii) disruptions in the supply chain or in the production or supply of energy sources; (iv) adjustments to inventories; (v) variations in production and shipping costs; and (vi) costs associated with regulatory compliance, including environmental regulations. These factors interrelate in complex ways, and the effect of one factor on BMO S&P/TSX Equal Weight Oil & Gas Index ETF, BMO Junior Oil Index ETF, BMO Junior Gas Index ETF, BMO S&P 500 Index ETF, or BMO Laddered Preferred Share Index ETF and the value of their respective Units may increase or reduce the effect of another factor.

### ***Base Metals Risk***

BMO S&P/TSX Equal Weight Global Base Metals Hedged to CAD Index ETF may be subject to a number of risks specific to industrial metals, such as: (i) changes in industrial, government and consumer demand, which will be affected by the levels of activities using industrial metals and the availability of man-made and synthetic substitutes; (ii) disruptions in the supply chain, from mining to storage to smelting or refining; (iii) adjustments to inventories; (iv) variations in production costs, including storage, labour and energy costs; and (v) costs associated with regulatory compliance, including environmental regulations. These factors interrelate in complex ways, and the effect of one factor on BMO S&P/TSX Equal Weight Global Base Metals Hedged to CAD Index ETF and the value of its Units may increase or reduce the effect of another factor.

### ***Precious Metals Risk***

BMO Junior Gold Index ETF and BMO S&P/TSX Equal Weight Global Gold Index ETF may be subject to a number of risks specific to precious metals, such as: (i) changes in industrial, government and consumer demand, including industrial and jewellery demand and the degree to which governments, corporate and financial institutions and consumers hold precious metals, such as physical gold, as a safe haven asset, which may be affected by the structure of and confidence in the global monetary system or a rapid change in the value of other assets; (ii) disruptions in the supply chain, from mining to storage to smelting or refining; (iii) adjustments to inventories; (iv) variations in production costs, including storage, labour and energy costs; (v) costs associated with regulatory compliance, including environmental regulations; (vi) interest rates and borrowing and lending rates relating to precious metals; (vii) currency exchange rates, including the relative strength of, and confidence in, exchange rates relating to currencies in which precious metals prices are quoted; and (viii) levels of economic growth and inflation. These factors interrelate in complex ways, and the effect of one factor on BMO Junior Gold Index ETF or BMO S&P/TSX Equal Weight Global Gold Index ETF and the value of their respective Units may increase or reduce the effect of another factor. In addition, BMO S&P/TSX Equal Weight Global Gold Index ETF provides exposure to a commodities market, which has historically been more volatile than other markets, including the broader equity markets.

## **Additional Risks Relating to an Investment in the Fixed Income ETFs**

### ***General Risks of Debt Instruments***

Investment in the Fixed Income ETFs should be made with an understanding that the value of the underlying debt securities will be affected by changes in the general level of interest rates. Generally, debt securities will decrease in value when interest rates rise and will increase in value when interest rates decline. Securities with longer durations tend to be more interest rate sensitive, which may make them more volatile than securities with shorter durations. The NAV of a Fixed Income ETF will fluctuate with interest rate changes and the corresponding changes in the value of the securities held by the Fixed Income ETF. The value of the bonds held by the Fixed Income ETFs may be affected by price changes due to a change in general economic conditions.



### ***Call Risk***

During periods of falling interest rates, an issuer of a callable security may repay a security prior to its stated maturity, which may result in a Fixed Income ETF reinvesting the proceeds of that security at a lower interest rate, reducing the applicable Fixed Income ETF's income.

### ***Extension Risk***

During periods of rising interest rates, an issuer may exercise its right to pay principal on an obligation later than expected. Under these circumstances, the value of the obligation will decrease and the Fixed Income ETF's performance may suffer from its inability to invest in higher yielding securities.

### ***Credit Rating Related Risk***

Constituent Securities held by the Fixed Income ETFs that are considered below investment grade may be subject to greater levels of credit or default risk than higher-rated securities. High yield securities are often issued by highly-leveraged firms or by smaller, less creditworthy firms. These securities may be more volatile than higher-rated securities of similar duration. In addition, the possibility that any Constituent Security could have its credit rating downgraded or that it could default by failing to make scheduled interest and/or principal payments could potentially reduce a Fixed Income ETF's income and Unit price.

## **Additional Risks Relating to an Investment in BMO Laddered Preferred Share Index ETF**

### ***General Risks of Preferred Shares***

Investment in BMO Laddered Preferred Share Index ETF should be made with an understanding that the value of the underlying securities will be affected by changes in the general level of interest rates. Generally, preferred shares will decrease in value when interest rates rise and will increase in value when interest rates decline. Securities with longer durations tend to be more interest rate sensitive, which may make them more volatile than securities with shorter durations. The NAV of BMO Laddered Preferred Share Index ETF will fluctuate with interest rate changes and the corresponding changes in the value of the securities held by BMO Laddered Preferred Share Index ETF. The value of the securities held by BMO Laddered Preferred Share Index ETF may be affected by price changes due to a change in general economic conditions.

### ***Call Risk***

During periods of falling interest rates, an issuer of a callable security may repay a security prior to its stated maturity, which may result in BMO Laddered Preferred Share Index ETF reinvesting the proceeds of that security at a lower dividend rate, reducing BMO Laddered Preferred Share Index ETF's income.

### ***Extension Risk***

During periods of rising interest rates, an issuer may, if it has such rights, exercise its right to pay the redemption amount on preferred shares later than expected. Under these circumstances, the value of the preferred shares will decrease and BMO Laddered Preferred Share Index ETF's performance may suffer from its inability to invest in higher yielding securities.

### ***Credit Rating Related Risk***

The possibility that any Constituent Security held by BMO Laddered Preferred Share Index ETF could have its credit rating downgraded or that it could default by failing to make scheduled dividend payments or payments of redemption proceeds could potentially reduce BMO Laddered Preferred Share Index ETF's income and Unit price.

## Risk Ratings of the BMO ETFs

The Manager assigns an investment risk rating to each BMO ETF to provide investors with further information to help investors determine whether the BMO ETF is appropriate for an investor. The methodology that the Manager uses to determine the risk rating of each BMO ETF is based on the methodology recommended by the Fund Risk Classification Task Force of The Investment Funds Institute of Canada (the “**IFIC Task Force**”). The IFIC Task Force concluded that the most comprehensive, easily understood form of risk in this context is historical volatility risk as measured by the standard deviation of fund performance. However, the IFIC Task Force recognizes that other types of risk, both measurable and non-measurable, may exist and reminds investors that historical performance may not be indicative of future returns and a fund’s historical volatility may not be indicative of future volatility.

Using this methodology, the Manager will generally assign a risk rating to a BMO ETF in one of the following categories:

- Low – generally includes money market funds and Canadian fixed income funds;
- Low to medium – generally includes balanced and asset allocation funds;
- Medium – generally includes large-cap equity funds investing in developed markets;
- Medium to high – generally includes equity funds investing in small/mid-cap issuers, or in specific countries or larger sectors; and
- High – generally includes equity funds investing in emerging markets or narrower sectors.

In certain instances, the methodology set forth above may produce a result that the Manager believes may not be indicative of a BMO ETF’s future volatility. As a result, in addition to using the methodology recommended by the IFIC Task Force, the Manager may take into account other qualitative factors, including, but not limited to, economic climate, portfolio management styles, sector concentration and types of investments made by a BMO ETF and the liquidity of those investments, in making the final determination of each BMO ETF’s risk rating. The investment risk rating for each BMO ETF is reviewed at least annually as well as if there is a material change in a BMO ETF’s investment objective or investment strategies.

The risk ratings set forth in the table below do not necessarily correspond to an investor’s risk tolerance assessment. Investors are advised to consult their financial advisor for advice regarding an individual investor’s personal circumstances.

TICKER	BMO ETF	RISK RATING
ZCN	BMO S&P/TSX Capped Composite Index ETF	Medium
ZUE	BMO S&P 500 Hedged to CAD Index ETF	Medium
ZDM	BMO MSCI EAFE Hedged to CAD Index ETF	Medium
ZEM	BMO MSCI Emerging Markets Index ETF	Medium to High
ZGI	BMO Global Infrastructure Index ETF	Medium
ZDJ	BMO Dow Jones Industrial Average Hedged to CAD Index ETF	Medium
ZFS	BMO Short Federal Bond Index ETF	Low
ZPS	BMO Short Provincial Bond Index ETF	Low
ZCS	BMO Short Corporate Bond Index ETF	Low
ZHY	BMO High Yield US Corporate Bond Hedged to CAD Index ETF	Low to Medium
ZEB	BMO S&P/TSX Equal Weight Banks Index ETF	Medium
ZEO	BMO S&P/TSX Equal Weight Oil & Gas Index ETF	Medium to High
ZMT	BMO S&P/TSX Equal Weight Global Base Metals	High

<b>TICKER</b>	<b>BMO ETF</b>	<b>RISK RATING</b>
	Hedged to CAD Index ETF	
ZCH	BMO China Equity Index ETF	High
ZID	BMO India Equity Index ETF	High
ZUT	BMO Equal Weight Utilities Index ETF	Medium
ZQQ	BMO Nasdaq 100 Equity Hedged to CAD Index ETF	Medium
ZJG	BMO Junior Gold Index ETF	High
ZCM	BMO Mid Corporate Bond Index ETF	Low
ZFM	BMO Mid Federal Bond Index ETF	Low
ZLC	BMO Long Corporate Bond Index ETF	Low to Medium
ZAG	BMO Aggregate Bond Index ETF	Low
ZRE	BMO Equal Weight REITs Index ETF	Medium
ZJO	BMO Junior Oil Index ETF	High
ZJN	BMO Junior Gas Index ETF	High
ZUH	BMO Equal Weight US Health Care Hedged to CAD Index ETF	Medium
ZUB	BMO Equal Weight US Banks Hedged to CAD Index ETF	Medium to High
ZFL	BMO Long Federal Bond Index ETF	Low to Medium
ZRR	BMO Real Return Bond Index ETF	Low to Medium
ZEF	BMO Emerging Markets Bond Hedged to CAD Index ETF	Low to Medium
ZMU	BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF	Low
ZIC	BMO Mid-Term US IG Corporate Bond Index ETF	Low
ZIC.U	BMO Mid-Term US IG Corporate Bond Index ETF	Low
ZMP	BMO Mid Provincial Bond Index ETF	Low
ZPL	BMO Long Provincial Bond Index ETF	Low to Medium
ZIN	BMO S&P/TSX Equal Weight Industrials Index ETF	Medium
ZGD	BMO S&P/TSX Equal Weight Global Gold Index ETF	High
ZSP	BMO S&P 500 Index ETF	Medium
ZSP.U	BMO S&P 500 Index ETF	Medium
ZPR	BMO Laddered Preferred Share Index ETF	Low to Medium
ZSU	BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF	Low
ZDB	BMO Discount Bond Index ETF	Low
ZBK	BMO Equal Weight US Banks Index ETF	Medium to High
ZEA	BMO MSCI EAFE Index ETF	Medium
ZEQ	BMO MSCI Europe High Quality Hedged to CAD Index ETF	Medium
ZUQ	BMO MSCI USA High Quality Index ETF	Medium
ZGQ	BMO MSCI All Country World High Quality Index ETF	Medium

### **DISTRIBUTION POLICY**

#### **Distributions**

Cash distributions on Units of a BMO ETF will be made in the currency in which the Units of the BMO ETF are denominated and as set forth in the following table, if at all.

BMO ETF	Frequency of Distributions
BMO Short Federal Bond Index ETF, BMO Short Provincial Bond Index ETF, BMO Short Corporate Bond Index ETF, BMO High Yield US Corporate Bond Hedged to CAD Index ETF, BMO S&P/TSX Equal Weight Banks Index ETF, BMO Equal Weight Utilities Index ETF, BMO Mid Corporate Bond Index ETF, BMO Mid Federal Bond Index ETF, BMO Long Corporate Bond Index ETF, BMO Aggregate Bond Index ETF, BMO Equal Weight REITs Index ETF, BMO Long Federal Bond Index ETF, BMO Real Return Bond Index ETF, BMO Emerging Markets Bond Hedged to CAD Index ETF, BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF, BMO Mid-Term US IG Corporate Bond Index ETF, BMO Mid Provincial Bond Index ETF, BMO Long Provincial Bond Index ETF, BMO Laddered Preferred Share Index ETF, BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF, and BMO Discount Bond Index ETF	Monthly
BMO S&P/TSX Capped Composite Index ETF, BMO S&P 500 Hedged to CAD Index ETF, BMO MSCI EAFE Hedged to CAD Index ETF, BMO Global Infrastructure Index ETF, BMO Dow Jones Industrial Average Hedged to CAD Index ETF, BMO S&P/TSX Equal Weight Oil & Gas Index ETF, BMO Equal Weight US Banks Hedged to CAD Index ETF, BMO S&P/TSX Equal Weight Industrials Index ETF, BMO S&P 500 Index ETF, BMO Equal Weight US Banks Index ETF, BMO MSCI EAFE Index ETF, BMO MSCI Europe High Quality Hedged to CAD Index ETF, BMO MSCI USA High Quality Index ETF, and BMO MSCI All Country World High Quality Index ETF	Quarterly
BMO MSCI Emerging Markets Index ETF, BMO S&P/TSX Equal Weight Global Base Metals Hedged to CAD Index ETF, BMO China Equity Index ETF, BMO India Equity Index ETF, BMO Nasdaq 100 Equity Hedged to CAD Index ETF, BMO Junior Gold Index ETF, BMO Junior Oil Index ETF, BMO Junior Gas Index ETF, BMO Equal Weight US Health Care Hedged to CAD Index ETF, and BMO S&P/TSX Equal Weight Global Gold Index ETF	Annually

Cash distributions on Units of a BMO ETF are expected to be paid primarily out of dividends or distributions, and other income or gains, received by the BMO ETF less the expenses of the BMO ETF, but may also consist of non-taxable amounts including returns of capital, which may be paid in the Manager’s sole discretion. To the extent that the expenses of a BMO ETF exceed the income generated by such BMO ETF in any given month, quarter or year, as the case may be, it is not expected that a monthly, quarterly, or annual distribution will be paid.

For each taxation year, each BMO ETF will ensure that its income (including income received from special dividends on securities held by that BMO ETF) and net realized capital gains, if any, have been distributed to Unitholders to such an extent that the BMO ETF will not be liable for ordinary income tax thereon. To the extent that a BMO ETF has not distributed the full amount of its net income or capital gains in any taxation year, the difference between such amount and the amount actually distributed by the BMO ETF will be paid as a “reinvested distribution”. Reinvested distributions on Units, net of any required withholding taxes, will be reinvested automatically in additional Units of the BMO ETF at a price equal to the NAV per Unit of the BMO ETF and the Units will be immediately consolidated such that the number of outstanding Units following the distribution will equal the number of Units outstanding prior to the distribution. The tax treatment to Unitholders of reinvested distributions is discussed under the heading “Income Tax Considerations – Taxation of Unitholders – Distributions”.

In addition to the distributions described above, a BMO ETF may from time to time pay additional distributions on its Units, including without restriction in connection with a special dividend or in connection with returns of capital.

### Distribution Reinvestment Plan

Certain BMO ETFs have adopted a Reinvestment Plan, which provides that a Unitholder (a “**Plan Participant**”) may elect to automatically reinvest all cash distributions paid on Units held by that Plan Participant in additional Units (“**Plan Units**”) in accordance with the terms of the Reinvestment Plan (a copy of which is available through your broker or dealer) and the distribution reinvestment agency agreement between the Manager, on behalf

of the BMO ETF, and the Plan Agent, as may be amended. The key terms of the Reinvestment Plan are as described below.

Unitholders who are not residents of Canada may not participate in the Reinvestment Plan and any Unitholder who ceases to be a resident of Canada will be required to terminate its participation in the Reinvestment Plan. No BMO ETF will be required to purchase Plan Units if such purchase would be illegal.

A Unitholder who wishes to enrol in the Reinvestment Plan as of a particular distribution record date should notify the CDS Participant through which that Unitholder holds Units sufficiently in advance of that distribution record date to allow such CDS Participant to notify CDS by 4:00 p.m. on the distribution record date.

Distributions that Plan Participants are due to receive will be used to purchase Plan Units on behalf of such Plan Participants in the market.

No fractional Plan Units will be purchased under the Reinvestment Plan. Any funds remaining after the purchase of whole Plan Units will be credited to the Plan Participant via its CDS Participant in lieu of fractional Plan Units.

The automatic reinvestment of the distributions under the Reinvestment Plan will not relieve Plan Participants of any income tax applicable to such distributions. See “Income Tax Considerations – Taxation of Unitholders”.

Plan Participants may voluntarily terminate their participation in the Reinvestment Plan as of a particular distribution record date by notifying their CDS Participant sufficiently in advance of that distribution record date. Plan Participants should contact their CDS Participant to obtain details of the appropriate procedures for terminating their participation in the Reinvestment Plan. Beginning on the first distribution payment date after such notice is received from a Plan Participant and accepted by a CDS Participant, distributions to such Plan Participant will be made in cash. Any expenses associated with the preparation and delivery of such termination notice will be borne by the Plan Participant exercising its right to terminate participation in the Reinvestment Plan. The Manager may terminate the Reinvestment Plan, in its sole discretion, upon not less than 30 days’ notice to: (i) the CDS Participants through which the Plan Participants hold their Units; (ii) the Plan Agent; and (iii) if necessary, the TSX.

The Manager may amend, modify or suspend the Reinvestment Plan at any time in its sole discretion, provided that it gives notice of that amendment, modification or suspension to: (i) the CDS Participants through which the Plan Participants hold their Units; (ii) the Plan Agent; and (iii) if necessary, the TSX.

## **PURCHASES OF UNITS**

### **Continuous Distribution**

Units of the BMO ETFs are being issued and sold on a continuous basis and there is no maximum number of Units that may be issued.

### **Designated Brokers**

The Manager, on behalf of each of the BMO ETFs, has entered into a Designated Broker Agreement with one or more Designated Brokers pursuant to which the Designated Broker agrees to perform certain duties relating to the BMO ETFs including, without limitation: (i) to subscribe for a sufficient number of Units to satisfy the TSX’s original listing requirements; (ii) to subscribe for Units on an ongoing basis in connection with the rebalancing of and adjustments to the applicable Index as described under “Investment Strategies – Rebalancing and Adjustment” and “Investment Strategies – Take-over Bids for Constituent Issuers” and when cash redemptions of Units occur as described under “Redemption and Exchange of Units”; and (iii) to post a liquid two-way market for the trading of Units on the TSX. The Manager may, in its discretion from time to time, reimburse any Designated Broker for certain expenses incurred by the Designated Broker in performing these duties.

The Designated Broker Agreement provides that the Manager may from time to time and, in any event not more than once quarterly, require the Designated Broker to subscribe for Units of a BMO ETF for cash in a dollar amount not to exceed 0.30% of the NAV of the BMO ETF. The number of Units issued will be the subscription amount divided by the NAV per Unit next determined following the delivery by the Manager of a subscription notice to the Designated Broker. Payment for the Units must be made by the Designated Broker, and the Units will be issued, by no later than the third Trading Day after the subscription notice has been delivered.

## **Issuance of Units**

### ***To Designated Brokers and Dealers***

All orders to purchase Units directly from the BMO ETFs must be placed by Designated Brokers or Dealers. The BMO ETFs reserve the absolute right to reject any subscription order placed by a Designated Broker or Dealer. No fees will be payable by a BMO ETF to a Designated Broker or Dealer in connection with the issuance of Units. On the issuance of Units, the Manager may, in its discretion, charge an administrative fee to a Designated Broker or Dealer to offset the expenses (including any applicable TSX additional listing fees) incurred in issuing the Units.

On any Trading Day, a Designated Broker or Dealer may place a subscription order for the Prescribed Number of Units (or an integral multiple thereof) of a BMO ETF. If a subscription order is received by the BMO ETF by 9:00 a.m. on a Trading Day (or such later time on such Trading Day as the Manager may permit), the BMO ETF will issue to the Designated Broker or Dealer the Prescribed Number of Units (or an integral multiple thereof) by no later than the third Trading Day after the date on which the subscription order is accepted, provided that payment for such Units has been received.

For each Prescribed Number of Units issued, a Designated Broker or Dealer must deliver payment consisting of, in the Manager's discretion: (i) one Basket of Securities and cash in an amount sufficient so that the value of the securities and the cash received is equal to the NAV of the Units next determined following the receipt of the subscription order; (ii) cash in an amount equal to the NAV of the Units next determined following the receipt of the subscription order; or (iii) a combination of securities and cash, as determined by the Manager, in an amount sufficient so that the value of the securities and cash received is equal to the NAV of the Units next determined following the receipt of the subscription order.

The Manager may, in its discretion, increase or decrease the Prescribed Number of Units from time to time.

### ***To Designated Brokers in Special Circumstances***

Units may be issued by a BMO ETF to Designated Brokers in connection with the rebalancing of and adjustments to the BMO ETF or its portfolio as described under "Investment Strategies – Rebalancing and Adjustment" and "Investment Strategies – Take-over Bids for Constituent Issuers" and when cash redemptions of Units occur as described below under "Redemption and Exchange of Units – Redemption of Units for Cash".

### ***To Unitholders as Reinvested Distributions***

Units may be issued by a BMO ETF to Unitholders of the BMO ETF on the automatic reinvestment of special dividends and other reinvested distributions. See "Distribution Policy".

## **Buying and Selling Units**

Investors are able to buy or sell Units through registered brokers and dealers in the province or territory where the investor resides. Investors may incur customary brokerage commissions in buying or selling Units. The BMO ETFs issue Units directly to the Designated Brokers and Dealers.

From time to time as may be agreed by a BMO ETF and the Designated Brokers and Dealers, the Designated Brokers and Dealers may agree to accept Constituent Securities as payment for Units from prospective purchasers.

### **Special Considerations for Unitholders**

The provisions of the so-called “early warning” requirements set out in Canadian securities legislation do not apply in connection with the acquisition of Units. In addition, the BMO ETFs have obtained exemptive relief from the securities regulatory authorities to permit Unitholders to acquire more than 20% of the Units of any BMO ETF through purchases on the TSX without regard to the take-over bid requirements of Canadian securities legislation, provided that any such Unitholder, and any person acting jointly or in concert with the Unitholder, undertakes to BMO Asset Management not to vote more than 20% of the Units of that BMO ETF at any meeting of Unitholders.

Except for BMO S&P/TSX Equal Weight Banks Index ETF, the Units of each BMO ETF are, in the opinion of the Manager, index participation units within the meaning of NI 81-102. A mutual fund wishing to invest in Units of a BMO ETF should make its own assessment of its ability to do so after careful consideration of the relevant provisions of NI 81-102, including but not limited to whether the Units of the applicable BMO ETF should be considered index participation units, as well as the control, concentration and certain of the “fund-of-funds” restrictions. No purchase of Units of a BMO ETF should be made solely in reliance on the above statements.

### **Non-Resident Unitholders**

At no time may: (i) non-residents of Canada; (ii) partnerships that are not Canadian partnerships; or (iii) a combination of non-residents of Canada and such partnerships (all as defined in the Tax Act), be the beneficial owners of a majority of the Units of a BMO ETF. The Manager may require declarations as to the jurisdictions in which a beneficial owner of Units is resident and, if a partnership, its status as a Canadian partnership. If the Manager becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 40% of the Units of a BMO ETF then outstanding are, or may be, non-residents and/or partnerships that are not Canadian partnerships, or that such a situation is imminent, the Manager may make a public announcement thereof. If the Manager determines that more than 40% of such Units are beneficially held by non-residents and/or partnerships that are not Canadian partnerships, the Manager may send a notice to such non-resident Unitholders and partnerships, chosen in inverse order to the order of acquisition or in such manner as the Manager may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not less than 30 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the Manager with satisfactory evidence that they are not non-residents or partnerships other than Canadian partnerships within such period, the Manager may on behalf of such Unitholders sell such Units and, in the interim, shall suspend the voting and distribution rights attached to such Units. Upon such sale, the affected holders shall cease to be beneficial holders of Units and their rights shall be limited to receiving the net proceeds of sale of such Units.

Notwithstanding the foregoing, the Manager may determine not to take any of the actions described above if the Manager has been advised by legal counsel that the failure to take any of such actions would not adversely impact the status of the BMO ETF as a mutual fund trust for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of the BMO ETF as a mutual fund trust for purposes of the Tax Act.

### **Registration and Transfer through CDS**

Registration of interests in, and transfers of, the Units will be made only through CDS. Units must be purchased, transferred and surrendered for exchange or redemption only through a CDS Participant. All rights of an owner of Units must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds such Units. Upon purchase of any Units, the owner will receive only the customary confirmation; physical certificates evidencing ownership will not be issued. References in this prospectus to a holder of Units mean, unless the context otherwise requires, the owner of the beneficial interest in such Units.

Neither the BMO ETFs nor the Manager will have any liability for: (i) records maintained by CDS relating to the beneficial interests in the Units or the book entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made or given by CDS and made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS Participants.

The ability of a beneficial owner of Units to pledge such Units or otherwise take action with respect to such owner's interest in such Units (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

The BMO ETFs have the option to terminate registration of the Units through the book-based system in which case certificates for Units in fully registered form will be issued to beneficial owners of such Units or to their nominees.

## **REDEMPTION AND EXCHANGE OF UNITS**

### **Redemption of Units for Cash**

On any Trading Day, Unitholders may redeem Units of any BMO ETF for cash at a redemption price per Unit equal to the lesser of: (i) 95% of the closing price for the Units on the TSX on the effective day of the redemption; and (ii) the net asset value per Unit on the effective day of the redemption. Because Unitholders will generally be able to sell Units at the market price on the TSX through a registered broker or dealer subject only to customary brokerage commissions, Unitholders are advised to consult their brokers, dealers or investment advisors before redeeming their Units for cash.

In order for a cash redemption to be effective on a Trading Day, a cash redemption request in the form prescribed by the Manager from time to time must be delivered to the applicable BMO ETF at its registered office by 9:00 a.m. on the Trading Day (or such later time on such Trading Day as the Manager may permit). If a cash redemption request is not received by the delivery deadline noted immediately above on a Trading Day, the cash redemption request will be effective only on the next Trading Day. Payment of the redemption price will be made by no later than the third Trading Day after the effective day of the redemption. The cash redemption request forms may be obtained from any registered broker or dealer.

Investors that redeem Units prior to the distribution record date for any distribution will not be entitled to receive that distribution.

In connection with the redemption of Units, a BMO ETF will generally dispose of securities or other assets to satisfy the redemption.

### **Exchange of Units for Baskets of Securities**

On any Trading Day, Unitholders may exchange the Prescribed Number of Units (or an integral multiple thereof) for Baskets of Securities and cash. Each of BMO China Equity Index ETF, BMO India Equity Index ETF and BMO Global Infrastructure Index ETF may only pay cash on the exercise by a Unitholder of the exchange right in respect of a Prescribed Number of Units.

To effect an exchange of Units, a Unitholder must submit an exchange request in the form prescribed by the Manager from time to time to the applicable BMO ETF at its registered office by 9:00 a.m. on a Trading Day (or such later time on such Trading Day as the Manager may permit). The exchange price will be equal to the NAV of the Units on the effective day of the exchange request, payable by delivery of Baskets of Securities and cash, or, with respect to BMO China Equity Index ETF, BMO India Equity Index ETF and BMO Global Infrastructure Index ETF, cash only. The Units will be redeemed in the exchange.

If an exchange request is not received by the submission deadline noted immediately above on a Trading Day, the exchange order will be effective only on the next Trading Day. Settlement of exchanges for Baskets of



Securities and cash will be made by no later than the third Trading Day after the effective day of the exchange request. The securities to be included in the Baskets of Securities delivered on an exchange shall be selected by the Manager in its discretion.

Unitholders should be aware that the NAV per Unit will decline on the ex-dividend date of any distribution payable in cash on Units. A Unitholder that is no longer a holder of record on the applicable distribution record date will not be entitled to receive that distribution.

If Constituent Securities are cease traded at any time by order of a securities regulatory authority or other relevant regulator or stock exchange, the delivery of such securities to a Unitholder on an exchange in the Prescribed Number of Units may be postponed until such time as the transfer of the securities is permitted by law.

### **Requests for Exchange and Redemption**

A Unitholder submitting an exchange or redemption request is deemed to represent to the BMO ETF and the Manager that: (i) it has full legal authority to tender the Units for exchange or redemption and to receive the proceeds of the exchange or redemption; and (ii) the Units have not been loaned or pledged and are not the subject of a repurchase agreement, securities lending agreement or a similar arrangement that would preclude the delivery of the Units to the BMO ETF. The Manager reserves the right to verify these representations at its discretion. Generally, the Manager will require verification with respect to an exchange or redemption request if there are unusually high levels of exchange or redemption activity or short interest in the applicable BMO ETF. If the Unitholder, upon receipt of a verification request, does not provide the Manager with satisfactory evidence of the truth of the representations, the Unitholder's exchange or redemption request will not be considered to have been received in proper form and will be rejected.

### **Suspension of Exchange and Redemption**

The Manager may suspend the redemption of Units or payment of redemption proceeds of a BMO ETF: (i) during any period when normal trading is suspended on a stock exchange or other market on which securities owned by the BMO ETF are listed and traded, if these securities represent more than 50% by value or underlying market exposure of the total assets of the BMO ETF, without allowance for liabilities, and if these securities are not traded on any other exchange that represents a reasonably practical alternative for the BMO ETF; or (ii) with the prior permission of the securities regulatory authorities, for any period not exceeding 30 days during which the Manager determines that conditions exist that render impractical the sale of assets of the BMO ETF or that impair the ability of the Valuation Agent to determine the value of the assets of the BMO ETF. The suspension may apply to all requests for redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Unitholders making such requests shall be advised by the Manager of the suspension and that the redemption will be effected at a price determined on the first Valuation Date following the termination of the suspension. All such Unitholders shall have and shall be advised that they have the right to withdraw their requests for redemption. The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the BMO ETFs, any declaration of suspension made by the Manager shall be conclusive.

### **Costs Associated with Exchange and Redemption**

The Manager may charge to Unitholders, in its discretion, an administrative fee of up to 0.05% of the exchange or redemption proceeds of the BMO ETF to offset certain transaction costs associated with the exchange or redemption of Units of a BMO ETF.

### **Exchange and Redemption of Units through CDS Participants**

The exchange and redemption rights described above must be exercised through the CDS Participant through which the owner holds Units. Beneficial owners of Units should ensure that they provide exchange and/or

redemption instructions to the CDS Participants through which they hold Units sufficiently in advance of the cut-off times described above to allow such CDS Participants to notify CDS and for CDS to notify the Manager prior to the relevant cut-off time.

### Short-Term Trading

At the present time, the Manager is of the view that it is not necessary to impose any short-term trading restrictions on the BMO ETFs as Units of the BMO ETFs are generally traded by investors on an exchange in the secondary market in the same way as other listed securities. In the few situations where the BMO ETFs are not purchased in the secondary market, purchases usually involve a Designated Broker or a Dealer upon whom the Manager may impose a redemption fee, which is intended to compensate the applicable BMO ETF for any costs and expenses incurred in relation to the trade.

### PRICE RANGE AND TRADING VOLUME OF UNITS

The following tables set out the market price range and monthly trading volume of the Units of the BMO ETFs on the TSX for each month or, if applicable, partial months of the 12-month period before the date of the prospectus. Partial data reflects that certain BMO ETFs were recently created.

<u>BMO S&amp;P/TSX Capped Composite Index ETF</u>				<u>BMO S&amp;P 500 Hedged to CAD Index ETF</u>			
	Price		Volume		Price		Volume
	High	Low			High	Low	
<u>2015</u>				<u>2015</u>			
February	\$20.71	\$20.20	7,289,778	February	\$32.64	\$30.94	2,471,612
March	\$20.66	\$19.86	2,319,511	March	\$32.65	\$31.48	2,078,610
April	\$20.90	\$20.19	3,259,967	April	\$32.61	\$31.67	2,593,649
May	\$20.78	\$20.28	2,238,638	May	\$32.87	\$31.97	1,083,092
June	\$20.53	\$19.56	2,461,141	June	\$32.82	\$31.70	1,395,111
July	\$19.89	\$18.92	2,974,525	July	\$32.89	\$31.56	7,724,214
August	\$19.62	\$17.76	2,577,179	August	\$32.50	\$28.85	3,869,591
September	\$18.74	\$17.58	7,720,573	September	\$30.89	\$29.03	4,575,080
October	\$18.89	\$17.87	3,079,066	October	\$32.19	\$29.65	3,066,419
November	\$18.58	\$17.72	3,387,560	November	\$32.45	\$31.14	3,487,221
December	\$18.50	\$17.25	4,154,843	December	\$32.42	\$30.92	5,139,882
<u>2016</u>				<u>2016</u>			
January 1-26	\$17.45	\$16.01	5,178,684	January 1-26	\$30.96	\$28.47	8,902,956
<u>BMO MSCI EAFE Hedged to CAD Index ETF</u>				<u>BMO MSCI Emerging Markets Index ETF</u>			
	Price		Volume		Price		Volume
	High	Low			High	Low	
<u>2015</u>				<u>2015</u>			
February	\$20.02	\$19.00	2,994,437	February	\$17.90	\$17.41	2,593,960
March	\$20.70	\$19.80	1,749,841	March	\$17.91	\$17.13	680,859
April	\$20.98	\$20.20	3,708,740	April	\$18.81	\$17.86	1,663,366
May	\$21.03	\$20.13	1,560,295	May	\$18.40	\$17.74	532,709
June	\$20.83	\$19.64	2,567,276	June	\$17.96	\$17.11	518,599
July	\$20.76	\$19.10	3,403,472	July	\$17.84	\$16.66	1,007,462
August	\$20.66	\$17.67	6,533,242	August	\$17.04	\$14.83	2,323,504
September	\$18.74	\$17.47	4,991,273	September	\$16.02	\$14.99	1,619,384
October	\$19.39	\$17.89	3,901,784	October	\$16.75	\$15.40	2,115,986
November	\$19.51	\$18.86	6,240,316	November	\$16.60	\$15.62	1,631,690
December	\$19.56	\$18.16	3,211,464	December	\$16.29	\$15.27	538,486
<u>2016</u>				<u>2016</u>			

**BMO MSCI EAFE Hedged to CAD Index ETF**

	Price		Volume
	High	Low	
January 1-26	\$18.34	\$16.52	2,448,534

**BMO MSCI Emerging Markets Index ETF**

	Price		Volume
	High	Low	
January 1-26	\$15.27	\$14.10	1,416,268

**BMO Global Infrastructure Index ETF**

	Price		Volume
	High	Low	
<b>2015</b>			
February	\$35.08	\$34.10	994,607
March	\$34.71	\$33.63	1,033,536
April	\$34.66	\$33.49	949,297
May	\$34.20	\$32.75	897,645
June	\$34.20	\$32.24	3,025,564
July	\$34.33	\$32.85	1,198,102
August	\$34.41	\$31.50	870,913
September	\$32.02	\$30.38	483,726
October	\$32.78	\$31.01	550,237
November	\$32.52	\$30.69	460,263
December	\$31.37	\$29.50	888,195
<b>2016</b>			
January 1-26	\$30.83	\$29.00	416,352

**BMO Dow Jones Industrial Average Hedged to CAD Index ETF**

	Price		Volume
	High	Low	
<b>2015</b>			
February	\$31.50	\$29.91	411,874
March	\$31.57	\$30.48	410,268
April	\$31.23	\$30.45	677,504
May	\$31.67	\$30.73	342,721
June	\$31.44	\$30.37	587,116
July	\$31.33	\$30.09	463,415
August	\$30.44	\$27.13	1,104,672
September	\$29.03	\$27.63	534,410
October	\$30.64	\$28.03	347,812
November	\$30.95	\$29.77	374,319
December	\$30.90	\$29.62	621,661
<b>2016</b>			
January 1-26	\$29.50	\$27.08	728,723

**BMO Short Federal Bond Index ETF**

	Price		Volume
	High	Low	
<b>2015</b>			
February	\$14.98	\$14.90	1,098,712
March	\$14.94	\$14.86	320,972
April	\$14.91	\$14.80	355,258
May	\$14.82	\$14.77	221,244
June	\$14.85	\$14.76	514,060
July	\$14.89	\$14.83	587,753
August	\$14.92	\$14.82	644,847
September	\$14.85	\$14.76	697,066
October	\$14.86	\$14.74	1,091,914
November	\$14.77	\$14.70	1,111,315
December	\$14.79	\$14.70	412,092
<b>2016</b>			
January 1-26	\$14.86	\$14.78	1,081,041

**BMO Short Provincial Bond Index ETF**

	Price		Volume
	High	Low	
<b>2015</b>			
February	\$14.61	\$14.50	1,765,974
March	\$14.55	\$14.46	1,310,302
April	\$14.51	\$14.37	1,027,805
May	\$14.40	\$14.34	1,132,531
June	\$14.40	\$14.29	1,640,709
July	\$14.44	\$14.37	1,385,429
August	\$14.45	\$14.36	836,370
September	\$14.38	\$14.27	830,401
October	\$14.32	\$14.26	3,426,447
November	\$14.26	\$14.19	1,937,275
December	\$14.28	\$14.19	1,526,160
<b>2016</b>			
January 1-26	\$14.32	\$14.19	1,501,061

**BMO Short Corporate Bond Index ETF**

	Price		Volume
	High	Low	
<b>2015</b>			
February	\$15.00	\$14.94	7,229,367
March	\$14.98	\$14.88	4,475,053
April	\$14.96	\$14.81	4,602,746
May	\$14.84	\$14.79	6,095,436
June	\$14.83	\$14.74	7,294,453

**BMO High Yield US Corporate Bond Hedged to CAD Index ETF**

	Price		Volume
	High	Low	
<b>2015</b>			
February	\$15.75	\$15.34	5,919,779
March	\$15.62	\$15.28	9,001,597
April	\$15.64	\$15.35	19,403,704
May	\$15.57	\$15.35	18,037,695
June	\$15.43	\$14.89	18,358,464

**BMO Short Corporate Bond Index ETF**

	Price		Volume
	High	Low	
July	\$14.87	\$14.77	4,063,265
August	\$14.83	\$14.72	4,168,025
September	\$14.73	\$14.62	4,568,940
October	\$14.66	\$14.58	8,655,668
November	\$14.62	\$14.54	7,866,038
December	\$14.62	\$14.55	5,474,984
<u>2016</u>			
January 1-26	\$14.65	\$14.53	4,266,998

**BMO High Yield US Corporate Bond Hedged to CAD Index ETF**

	Price		Volume
	High	Low	
July	\$15.21	\$14.75	16,037,096
August	\$14.76	\$14.12	10,105,702
September	\$14.53	\$13.85	7,162,435
October	\$14.41	\$13.81	7,382,268
November	\$14.33	\$13.75	10,754,269
December	\$13.87	\$13.22	9,019,739
<u>2016</u>			
January 1-26	\$13.34	\$12.64	5,928,748

**BMO S&P/TSX Equal Weight Banks Index ETF**

	Price		Volume
	High	Low	
<u>2015</u>			
February	\$23.05	\$21.51	21,870,111
March	\$22.86	\$21.91	9,003,145
April	\$23.46	\$22.16	8,780,144
May	\$23.38	\$22.76	8,766,310
June	\$23.04	\$22.12	7,949,448
July	\$22.39	\$21.30	4,811,829
August	\$22.19	\$20.07	7,708,656
September	\$21.50	\$20.72	6,681,796
October	\$22.64	\$21.07	9,061,190
November	\$22.40	\$21.63	4,638,987
December	\$22.43	\$21.02	5,120,056
<u>2016</u>			
January 1-26	\$21.14	\$19.30	10,157,195

**BMO S&P/TSX Equal Weight Oil & Gas Index ETF**

	Price		Volume
	High	Low	
<u>2015</u>			
February	\$13.64	\$13.01	4,442,506
March	\$13.07	\$12.34	3,054,343
April	\$13.84	\$12.66	1,567,105
May	\$13.66	\$12.64	1,805,343
June	\$12.75	\$11.85	2,897,810
July	\$11.90	\$10.35	2,358,393
August	\$10.97	\$9.32	2,728,471
September	\$10.29	\$9.48	1,737,523
October	\$11.42	\$9.54	3,435,038
November	\$11.01	\$10.12	2,662,973
December	\$10.43	\$9.16	8,071,286
<u>2016</u>			
January 1-26	\$9.41	\$8.19	4,255,746

**BMO S&P/TSX Equal Weight Global Base Metals Hedged to CAD Index ETF**

	Price		Volume
	High	Low	
<u>2015</u>			
February	\$11.17	\$10.20	172,497
March	\$11.17	\$10.39	165,357
April	\$11.72	\$10.74	153,330
May	\$12.06	\$10.79	98,024
June	\$11.02	\$9.95	102,979
July	\$9.84	\$8.00	255,657
August	\$8.18	\$6.69	397,975
September	\$7.50	\$6.21	193,758
October	\$7.77	\$6.27	750,518
November	\$6.92	\$6.05	7,161,408
December	\$6.29	\$5.54	4,823,141
<u>2016</u>			
January 1-26	\$5.88	\$4.55	431,996

**BMO China Equity Index ETF**

	Price		Volume
	High	Low	
<u>2015</u>			
February	\$19.50	\$18.90	141,545
March	\$19.82	\$18.73	207,135
April	\$22.15	\$19.92	352,491
May	\$22.35	\$20.55	360,150
June	\$22.22	\$20.56	223,188
July	\$21.22	\$18.91	805,538
August	\$20.51	\$17.05	192,343
September	\$18.13	\$16.84	77,624
October	\$19.85	\$17.23	165,963
November	\$20.48	\$19.41	82,491
December	\$21.57	\$20.02	99,468
<u>2016</u>			
January 1-26	\$20.27	\$18.53	108,529

**BMO India Equity  
Index ETF**

	Price		Volume
	High	Low	
<u>2015</u>			
February	\$20.31	\$19.08	956,751
March	\$20.66	\$18.69	1,006,206
April	\$19.91	\$17.58	5,331,890
May	\$18.69	\$17.25	6,839,935
June	\$18.94	\$17.62	712,162
July	\$20.36	\$18.95	611,488
August	\$20.55	\$17.10	419,204
September	\$18.58	\$17.50	208,409
October	\$19.27	\$18.30	186,059
November	\$18.61	\$17.71	404,696
December	\$18.82	\$17.62	374,925
<u>2016</u>			
January 1-26	\$18.49	\$17.50	283,258

**BMO Equal Weight Utilities Index ETF**

	Price		Volume
	High	Low	
<u>2015</u>			
February	\$16.32	\$15.91	833,637
March	\$16.18	\$15.62	631,139
April	\$16.33	\$15.72	574,998
May	\$15.92	\$15.38	616,350
June	\$15.66	\$14.61	929,358
July	\$15.21	\$14.32	784,482
August	\$15.02	\$13.54	451,712
September	\$14.80	\$13.96	1,451,807
October	\$15.55	\$14.63	955,704
November	\$14.90	\$14.17	773,400
December	\$14.89	\$13.40	936,140
<u>2016</u>			
January 1-26	\$14.50	\$13.30	567,488

**BMO Nasdaq 100 Equity Hedged to CAD Index  
ETF**

	Price		Volume
	High	Low	
<u>2015</u>			
February	\$34.36	\$32.23	912,038
March	\$34.51	\$33.15	906,222
April	\$34.92	\$33.19	853,000
May	\$35.10	\$33.74	490,744
June	\$35.12	\$33.84	659,063
July	\$36.23	\$33.63	850,974
August	\$35.64	\$31.10	2,217,001
September	\$34.01	\$31.69	1,045,470
October	\$36.20	\$32.47	966,124
November	\$36.48	\$34.83	785,577
December	\$36.52	\$34.93	1,189,894
<u>2016</u>			
January 1-26	\$34.50	\$31.60	2,684,293

**BMO Junior Gold Index ETF**

	Price		Volume
	High	Low	
<u>2015</u>			
February	\$7.27	\$6.43	1,201,335
March	\$6.56	\$5.52	880,639
April	\$6.29	\$5.91	1,266,273
May	\$6.47	\$6.06	619,222
June	\$6.40	\$5.90	451,696
July	\$6.01	\$4.51	1,449,942
August	\$5.77	\$4.56	1,424,418
September	\$5.22	\$4.62	557,983
October	\$5.86	\$4.76	856,874
November	\$5.24	\$4.58	835,829
December	\$5.36	\$4.93	1,021,140
<u>2016</u>			
January 1-26	\$5.72	\$4.51	1,125,295

**BMO Mid Corporate Bond Index ETF**

	Price		Volume
	High	Low	
<u>2015</u>			
February	\$16.81	\$16.63	6,604,022
March	\$16.86	\$16.56	5,510,811
April	\$16.90	\$16.51	11,258,964
May	\$16.51	\$16.35	7,436,768
June	\$16.50	\$16.20	8,302,671
July	\$16.55	\$16.34	11,618,375
August	\$16.60	\$16.28	15,706,657
September	\$16.39	\$16.16	13,457,733
October	\$16.27	\$16.13	12,932,462
November	\$16.18	\$15.97	4,690,148
December	\$16.23	\$16.06	6,072,467

**BMO Mid Federal Bond Index ETF**

	Price		Volume
	High	Low	
<u>2015</u>			
February	\$17.30	\$17.04	1,777,356
March	\$17.20	\$16.88	3,936,088
April	\$17.18	\$16.82	12,186,111
May	\$16.80	\$16.58	4,720,211
June	\$16.81	\$16.53	3,086,420
July	\$17.01	\$16.73	4,130,887
August	\$17.22	\$16.93	6,826,267
September	\$17.00	\$16.83	9,259,848
October	\$16.95	\$16.82	12,551,125
November	\$16.80	\$16.62	4,530,487
December	\$16.97	\$16.71	3,670,083

<b>BMO Mid Corporate Bond Index ETF</b>			
	Price		Volume
	High	Low	
<b>2016</b>			
January 1-26	\$16.37	\$16.10	8,385,686

<b>BMO Mid Federal Bond Index ETF</b>			
	Price		Volume
	High	Low	
<b>2016</b>			
January 1-26	\$17.22	\$16.94	7,664,395

<b>BMO Long Corporate Bond Index ETF</b>			
	Price		Volume
	High	Low	
<b>2015</b>			
February	\$19.48	\$18.86	551,157
March	\$19.43	\$18.66	400,252
April	\$19.29	\$18.53	238,788
May	\$18.57	\$18.03	220,399
June	\$18.55	\$17.69	585,442
July	\$18.35	\$17.85	587,418
August	\$18.39	\$17.76	215,029
September	\$17.88	\$17.56	255,408
October	\$17.72	\$17.40	1,148,937
November	\$17.59	\$17.14	728,283
December	\$17.73	\$17.44	409,839
<b>2016</b>			
January 1-26	\$17.91	\$17.34	689,887

<b>BMO Aggregate Bond Index ETF</b>			
	Price		Volume
	High	Low	
<b>2015</b>			
February	\$16.59	\$16.31	2,428,823
March	\$16.50	\$16.16	2,529,812
April	\$16.47	\$16.12	2,547,353
May	\$16.08	\$15.88	2,050,414
June	\$16.07	\$15.77	10,457,819
July	\$16.17	\$15.91	1,987,551
August	\$16.24	\$15.95	3,272,437
September	\$15.99	\$15.82	1,850,930
October	\$15.89	\$15.76	4,057,121
November	\$15.77	\$15.61	5,215,650
December	\$15.93	\$15.72	2,224,364
<b>2016</b>			
January 1-26	\$16.04	\$15.84	4,137,613

<b>BMO Equal Weight REITs Index ETF</b>			
	Price		Volume
	High	Low	
<b>2015</b>			
February	\$21.07	\$20.59	1,269,178
March	\$20.98	\$19.80	1,230,508
April	\$20.96	\$20.57	1,074,789
May	\$20.74	\$19.55	1,303,377
June	\$19.89	\$19.08	2,117,107
July	\$19.91	\$18.92	1,827,323
August	\$19.26	\$17.76	2,154,495
September	\$18.47	\$17.95	1,850,505
October	\$18.92	\$18.17	1,721,041
November	\$18.39	\$17.66	2,650,350
December	\$17.94	\$16.81	2,797,402
<b>2016</b>			
January 1-26	\$17.45	\$16.20	2,211,433

<b>BMO Junior Oil Index ETF</b>			
	Price		Volume
	High	Low	
<b>2015</b>			
February	\$19.33	\$18.00	590,776
March	\$18.54	\$17.53	489,925
April	\$20.42	\$18.43	79,344
May	\$20.05	\$18.66	118,279
June	\$19.21	\$17.87	79,512
July	\$17.73	\$14.91	109,210
August	\$15.79	\$13.01	497,215
September	\$15.03	\$13.32	57,780
October	\$16.13	\$13.37	206,980
November	\$15.71	\$14.61	401,694
December	\$15.19	\$12.48	154,034
<b>2016</b>			
January 1-26	\$12.82	\$9.87	98,422

<b>BMO Junior Gas Index ETF</b>			
	Price		Volume
	High	Low	
<b>2015</b>			
February	\$22.66	\$20.75	213,605
March	\$22.51	\$20.87	378,635
April	\$24.51	\$22.24	46,743
May	\$24.13	\$22.29	56,118

<b>BMO Equal Weight US Health Care Hedged to CAD Index ETF</b>			
	Price		Volume
	High	Low	
<b>2015</b>			
February	\$41.62	\$39.47	1,686,578
March	\$43.60	\$40.96	1,604,443
April	\$43.82	\$41.84	1,373,629
May	\$44.20	\$41.85	1,454,669

**BMO Junior Gas Index ETF**

	Price		Volume
	High	Low	
June	\$22.75	\$21.39	96,042
July	\$21.30	\$18.15	57,188
August	\$18.53	\$15.12	35,019
September	\$17.18	\$14.90	12,197
October	\$18.56	\$15.35	48,587
November	\$17.20	\$15.61	45,684
December	\$16.38	\$13.30	26,716
<u>2016</u>			
January 1-26	\$13.68	\$11.94	9,690

**BMO Equal Weight US Health Care  
Hedged to CAD Index ETF**

	Price		Volume
	High	Low	
June	\$45.58	\$43.73	2,079,889
July	\$45.75	\$43.85	1,896,108
August	\$45.64	\$40.50	2,818,816
September	\$42.85	\$37.60	2,683,760
October	\$41.23	\$38.79	1,517,703
November	\$41.85	\$40.05	748,767
December	\$42.40	\$40.60	728,048
<u>2016</u>			
January 1-26	\$41.20	\$37.90	1,275,337

**BMO Equal Weight US Banks  
Hedged to CAD Index ETF**

	Price		Volume
	High	Low	
<u>2015</u>			
February	\$20.60	\$19.23	2,619,700
March	\$20.97	\$20.10	3,447,420
April	\$20.74	\$20.27	2,111,356
May	\$21.62	\$20.73	1,865,997
June	\$22.41	\$21.06	2,073,837
July	\$22.57	\$21.04	1,884,334
August	\$22.38	\$19.01	3,045,260
September	\$20.41	\$19.03	1,671,004
October	\$20.73	\$19.19	3,334,019
November	\$21.17	\$20.36	1,547,457
December	\$21.37	\$20.14	2,105,886
<u>2016</u>			
January 1-26	\$19.97	\$16.43	4,218,813

**BMO Long Federal Bond Index ETF**

	Price		Volume
	High	Low	
<u>2015</u>			
February	\$19.34	\$18.51	678,993
March	\$19.01	\$18.22	1,141,907
April	\$18.94	\$18.23	242,739
May	\$18.14	\$17.62	359,184
June	\$18.02	\$17.41	698,861
July	\$18.43	\$17.70	367,757
August	\$18.79	\$18.13	465,752
September	\$18.20	\$17.80	502,996
October	\$18.17	\$17.78	278,988
November	\$17.83	\$17.47	639,355
December	\$18.30	\$17.67	757,254
<u>2016</u>			
January 1-26	\$18.81	\$18.20	1,213,013

**BMO Real Return Bond Index ETF**

	Price		Volume
	High	Low	
<u>2015</u>			
February	\$19.04	\$18.24	813,964
March	\$18.91	\$18.25	1,159,883
April	\$18.86	\$18.31	294,043
May	\$18.15	\$17.61	288,602
June	\$17.94	\$17.19	333,318
July	\$18.24	\$17.58	206,844
August	\$18.19	\$17.31	1,267,654
September	\$17.79	\$17.37	518,705
October	\$17.55	\$17.03	138,331
November	\$17.31	\$16.85	3,114,188
December	\$17.55	\$17.25	3,152,014
<u>2016</u>			
January 1-26	\$17.54	\$17.15	120,509

**BMO Emerging Markets Bond  
Hedged to CAD Index ETF**

	Price		Volume
	High	Low	
<u>2015</u>			
February	\$16.82	\$16.50	697,972
March	\$17.00	\$16.50	682,597
April	\$17.06	\$16.82	585,763
May	\$16.98	\$16.69	623,360
June	\$16.72	\$16.31	2,995,940
July	\$16.65	\$16.46	887,287
August	\$16.52	\$15.97	731,717
September	\$16.69	\$16.26	928,779
October	\$16.86	\$16.25	868,995
November	\$16.79	\$16.45	891,949
December	\$16.58	\$16.18	528,484
<u>2016</u>			
January 1-26	\$16.37	\$15.94	418,598

**BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF**

	Price		Volume
	High	Low	
<b>2015</b>			
February	\$15.32	\$14.99	727,447
March	\$15.23	\$14.93	2,261,465
April	\$15.29	\$15.00	421,195
May	\$15.05	\$14.88	559,182
June	\$14.91	\$14.60	4,586,120
July	\$14.82	\$14.59	27,450,473
August	\$14.88	\$14.64	264,058
September	\$14.89	\$14.69	691,277
October	\$15.00	\$14.81	4,019,807
November	\$14.88	\$14.71	987,125
December	\$14.88	\$14.53	4,011,346
<b>2016</b>			
January 1-26	\$14.74	\$14.53	32,897,243

**BMO Mid-Term US IG Corporate Bond Index ETF (USD Units)**

	Price		Volume
	High	Low	
<b>2015</b>			
February	\$14.97	\$14.73	18,338
March	\$14.87	\$14.60	146,103
April	\$15.01	\$14.75	147,233
May	\$14.76	\$14.59	151,276
June	\$14.61	\$14.27	200,324
July	\$14.50	\$14.28	50,012
August	\$14.37	\$14.18	26,133
September	\$14.39	\$14.19	169,055
October	\$14.49	\$14.31	50,831
November	\$14.34	\$14.23	26,475
December	\$14.32	\$14.09	92,307
<b>2016</b>			
January 1-26	\$14.23	\$14.03	42,027

**BMO Long Provincial Bond Index ETF**

	Price		Volume
	High	Low	
<b>2015</b>			
February	\$16.99	\$16.38	950,375
March	\$16.83	\$16.11	467,829
April	\$16.79	\$16.16	1,422,404
May	\$16.11	\$15.65	316,647
June	\$16.05	\$15.42	561,839
July	\$16.19	\$15.64	259,183
August	\$16.29	\$15.62	400,483
September	\$15.74	\$15.38	330,174
October	\$15.53	\$15.18	590,378
November	\$15.37	\$15.06	897,236

**BMO Mid-Term US IG Corporate Bond Index ETF**

	Price		Volume
	High	Low	
<b>2015</b>			
February	\$18.44	\$17.81	2,362,564
March	\$18.46	\$17.91	2,980,270
April	\$18.42	\$17.37	3,457,409
May	\$17.88	\$17.03	3,220,971
June	\$17.91	\$17.17	1,343,597
July	\$18.41	\$17.64	23,016,431
August	\$18.64	\$18.18	4,250,020
September	\$18.93	\$18.39	4,782,527
October	\$18.85	\$18.22	4,271,831
November	\$18.82	\$18.34	1,894,268
December	\$19.46	\$18.62	4,367,994
<b>2016</b>			
January 1-26	\$20.25	\$19.28	34,722,031

**BMO Mid Provincial Bond Index ETF**

	Price		Volume
	High	Low	
<b>2015</b>			
February	\$15.95	\$15.72	630,515
March	\$15.84	\$15.56	436,564
April	\$15.82	\$15.48	431,509
May	\$15.50	\$15.27	538,539
June	\$15.48	\$15.20	908,677
July	\$15.61	\$15.36	656,252
August	\$15.71	\$15.45	472,862
September	\$15.50	\$15.34	641,088
October	\$15.44	\$15.25	1,550,265
November	\$15.31	\$15.16	1,116,460
December	\$15.44	\$15.21	1,066,171
<b>2016</b>			
January 1-26	\$15.58	\$15.37	1,133,098

**BMO S&P/TSX Equal Weight Industrials Index ETF**

	Price		Volume
	High	Low	
<b>2015</b>			
February	\$20.91	\$20.06	166,911
March	\$20.90	\$20.09	74,344
April	\$21.52	\$20.55	479,559
May	\$21.60	\$20.93	56,352
June	\$21.70	\$20.43	48,355
July	\$20.62	\$18.99	111,547
August	\$19.93	\$17.37	84,336
September	\$19.19	\$18.08	59,437
October	\$19.48	\$18.42	204,576
November	\$18.94	\$18.29	176,166



**BMO Long Provincial Bond Index ETF**

	Price		Volume
	High	Low	
December <u>2015</u>	\$15.69	\$15.25	437,253
January 1-26	\$15.79	\$15.45	336,502

**BMO S&P/TSX Equal Weight Global Gold Index ETF**

	Price		Volume
	High	Low	
<u>2015</u>			
February	\$9.41	\$8.31	481,445
March	\$8.63	\$7.11	122,306
April	\$8.15	\$7.68	49,705
May	\$8.28	\$7.79	83,003
June	\$8.16	\$7.44	58,609
July	\$7.58	\$5.88	2,428,529
August	\$7.40	\$5.98	2,400,395
September	\$6.78	\$6.15	77,772
October	\$7.65	\$6.60	71,781
November	\$6.88	\$6.00	2,279,856
December	\$6.90	\$6.46	79,217
<u>2016</u>			
January 1-26	\$7.42	\$6.03	159,594

**BMO S&P 500 Index ETF (USD Units)**

	Price		Volume
	High	Low	
<u>2015</u>			
February	\$23.47	\$22.20	245,746
March	\$23.47	\$22.70	259,413
April	\$23.48	\$22.77	196,515
May	\$23.68	\$22.97	272,993
June	\$23.61	\$22.80	256,388
July	\$23.56	\$22.69	529,281
August	\$23.33	\$20.86	814,554
September	\$22.16	\$20.75	344,513
October	\$23.15	\$21.19	397,439
November	\$23.42	\$22.46	331,463
December	\$23.34	\$22.29	418,994
<u>2016</u>			
January 1-26	\$22.30	\$20.66	439,996

**BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF**

	Price		Volume
	High	Low	
<u>2015</u>			
February	\$15.06	\$14.96	165,412
March	\$15.07	\$14.96	323,889
April	\$15.10	\$14.98	398,331

**BMO S&P/TSX Equal Weight Industrials Index ETF**

	Price		Volume
	High	Low	
December <u>2015</u>	\$18.75	\$17.29	203,270
January 1-26	\$17.59	\$16.18	66,936

**BMO S&P 500 Index ETF**

	Price		Volume
	High	Low	
<u>2015</u>			
February	\$29.30	\$28.02	3,942,670
March	\$29.43	\$28.25	3,032,685
April	\$29.15	\$27.75	7,181,513
May	\$29.24	\$27.64	3,538,789
June	\$29.26	\$28.11	4,071,783
July	\$30.51	\$28.73	11,321,092
August	\$30.56	\$27.56	7,447,466
September	\$29.09	\$27.83	5,408,710
October	\$30.40	\$28.11	3,257,640
November	\$30.85	\$29.74	5,080,676
December	\$31.66	\$30.22	7,103,843
<u>2016</u>			
January 1-26	\$31.11	\$29.43	10,615,353

**BMO Laddered Preferred Share Index ETF**

	Price		Volume
	High	Low	
<u>2015</u>			
February	\$13.30	\$12.79	8,035,874
March	\$12.93	\$12.68	10,085,418
April	\$12.55	\$12.00	15,132,204
May	\$12.71	\$12.40	7,518,098
June	\$12.38	\$11.90	5,472,802
July	\$12.00	\$11.31	13,234,030
August	\$11.32	\$10.37	10,089,420
September	\$10.96	\$9.80	7,355,958
October	\$10.74	\$9.56	22,612,085
November	\$11.14	\$10.37	17,056,333
December	\$10.58	\$9.29	40,113,587
<u>2016</u>			
January 1-26	\$10.29	\$8.50	20,839,007

**BMO Discount Bond Index ETF**

	Price		Volume
	High	Low	
<u>2015</u>			
February	\$16.32	\$16.11	162,760
March	\$16.30	\$15.94	162,003
April	\$16.26	\$15.96	237,087

**BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF**

	Price		Volume
	High	Low	
May	\$15.06	\$14.96	116,301
June	\$15.01	\$14.88	1,573,790
July	\$15.00	\$14.90	392,153
August	\$14.97	\$14.80	417,981
September	\$14.96	\$14.84	1,750,592
October	\$15.02	\$14.87	5,157,307
November	\$14.96	\$14.85	1,368,316
December	\$14.90	\$14.76	3,832,118
<u>2016</u>			
January 1-26	\$14.91	\$14.76	4,975,410

**BMO Discount Bond Index ETF**

	Price		Volume
	High	Low	
May	\$15.99	\$15.74	137,918
June	\$15.98	\$15.65	6,655,203
July	\$16.11	\$15.86	674,559
August	\$16.18	\$15.90	472,114
September	\$15.93	\$15.78	338,434
October	\$15.88	\$15.76	717,284
November	\$15.76	\$15.58	222,665
December	\$15.92	\$15.71	400,805
<u>2016</u>			
January 1-26	\$16.03	\$15.84	720,618

**BMO Equal Weight US Banks Index ETF**

	Price		Volume
	High	Low	
<u>2015</u>			
February	\$18.04	\$16.95	1,100,653
March	\$18.78	\$17.67	1,387,001
April	\$18.19	\$17.23	1,816,820
May	\$18.73	\$17.52	1,161,158
June	\$19.35	\$18.45	1,381,009
July	\$20.58	\$18.75	4,220,973
August	\$20.45	\$17.74	2,354,166
September	\$18.90	\$17.81	1,296,494
October	\$19.16	\$17.35	2,447,613
November	\$19.70	\$18.62	1,546,431
December	\$20.42	\$19.37	1,864,929
<u>2016</u>			
January 1-26	\$19.52	\$16.55	2,074,032

**BMO MSCI EAFE Index ETF**

	Price		Volume
	High	Low	
<u>2015</u>			
February	\$17.25	\$16.35	1,272,293
March	\$17.47	\$16.75	1,230,714
April	\$17.48	\$16.85	3,575,297
May	\$17.66	\$16.75	913,810
June	\$17.59	\$16.77	747,904
July	\$18.10	\$16.58	3,672,225
August	\$18.21	\$16.39	4,646,697
September	\$16.91	\$15.92	7,818,342
October	\$17.27	\$16.01	2,265,403
November	\$17.19	\$16.70	3,797,252
December	\$17.54	\$16.84	1,184,079
<u>2016</u>			
January 1-26	\$17.10	\$16.00	1,938,856

**BMO MSCI Europe High Quality Hedged to CAD Index ETF**

	Price		Volume
	High	Low	
<u>2015</u>			
February	\$17.88	\$16.92	1,587,815
March	\$18.35	\$17.59	3,895,605
April	\$18.63	\$17.79	3,866,007
May	\$18.43	\$17.64	1,816,022
June	\$18.19	\$16.97	1,508,489
July	\$18.18	\$16.86	2,572,145
August	\$18.30	\$15.82	1,582,592
September	\$16.98	\$16.10	657,410
October	\$17.69	\$16.53	1,338,190
November	\$17.98	\$17.22	1,364,579
December	\$18.00	\$16.79	1,483,791
<u>2016</u>			
January 1-26	\$17.15	\$16.10	1,265,535

**BMO MSCI USA High Quality Index ETF**

	Price		Volume
	High	Low	
<u>2015</u>			
February	\$23.40	\$22.21	93,270
March	\$23.61	\$22.76	88,200
April	\$23.40	\$22.15	37,717
May	\$23.43	\$22.02	52,182
June	\$23.39	\$22.44	123,116
July	\$24.63	\$22.93	137,652
August	\$24.80	\$22.30	222,127
September	\$23.81	\$22.82	160,070
October	\$25.26	\$23.05	98,707
November	\$25.80	\$24.60	553,554
December	\$26.55	\$25.22	365,826
<u>2016</u>			
January 1-26	\$26.03	\$24.80	748,061

**BMO MSCI All Country World High Quality Index  
ETF**

	Price		Volume
	High	Low	
<b><u>2015</u></b>			
<b>February</b>	\$23.14	\$22.08	83,159
<b>March</b>	\$23.18	\$22.49	67,151
<b>April</b>	\$23.19	\$22.15	104,298
<b>May</b>	\$23.26	\$21.99	76,620
<b>June</b>	\$23.29	\$22.16	149,493
<b>July</b>	\$24.16	\$22.49	152,374
<b>August</b>	\$24.12	\$21.86	69,656
<b>September</b>	\$22.97	\$21.96	51,748
<b>October</b>	\$24.11	\$22.41	111,349
<b>November</b>	\$24.49	\$23.64	67,666
<b>December</b>	\$25.19	\$24.07	435,103
<b><u>2016</u></b>			
<b>January 1-26</b>	\$24.61	\$23.43	93,041

**INCOME TAX CONSIDERATIONS**

In the opinion of Osler, Hoskin & Harcourt LLP, the following is a summary of the principal Canadian federal income tax considerations under the Tax Act for the BMO ETFs and for a prospective investor in a BMO ETF that, for the purpose of the Tax Act, is an individual, other than a trust, is resident in Canada, holds Units of the BMO ETF, and any securities of Constituent Issuers accepted as payment for Units of a BMO ETF, as capital property, has not with respect to Units or securities of Constituent Issuers accepted as payment for Units of a BMO ETF entered into a “derivative forward agreement” as that term is defined in the Tax Act, and is not affiliated and deals at arm’s length with the BMO ETF. This summary is based upon the current provisions of the Tax Act and regulations thereunder, all specific proposals to amend the Tax Act and such regulations that have been publicly announced by the Minister of Finance (Canada) prior to the date hereof (“**Tax Proposals**”), and counsel’s understanding of the current published administrative policies and assessing practices of the CRA. This summary does not take into account or anticipate any other changes in law whether by legislative, administrative or judicial action and it does not take into account provincial, territorial or foreign income tax legislation or considerations, which may differ from the considerations described below.

**This summary is of a general nature only and is not exhaustive of all possible income tax considerations. Prospective investors should therefore consult their own tax advisors about their individual circumstances.**

This summary is also based on the assumptions that: (i) none of the issuers of securities held by a BMO ETF will be a foreign affiliate of the BMO ETF or any Unitholder; (ii) none of the securities held by a BMO ETF will be a “tax shelter investment” within the meaning of section 143.2 of the Tax Act; (iii) none of the securities held by a BMO ETF will be an interest in a non-resident trust other than an “exempt foreign trust” as defined in Section 94 of the Tax Act relating to non-resident trusts; and (iv) no BMO ETF will enter into any arrangement where the result is a dividend rental arrangement for the purposes of the Tax Act.

**Status of the BMO ETFs**

This summary is based on the assumption that each BMO ETF will comply at all material times with the conditions prescribed in the Tax Act and otherwise so as to qualify as a “mutual fund trust” as defined in the Tax Act. Counsel is advised that each of the BMO ETFs has qualified, or is expected to qualify (as the case may be), as a “mutual fund trust” under the Tax Act at all material times. If a BMO ETF were to not qualify as a “mutual fund trust” for the purposes of the Tax Act for any period of time, the tax considerations could be materially different from those described below.

## Taxation of the BMO ETFs

A BMO ETF will include in computing its income taxable distributions received on securities held by it, including any special dividends, the taxable portion of capital gains realized by the BMO ETF on the disposition of securities held by it and income earned by any securities lending activity and futures trading activity. Under the SIFT Rules, certain income earned by issuers of Constituent Securities that are SIFT trusts or SIFT partnerships, when such income is distributed or allocated to a BMO ETF, would be treated as eligible dividends from a taxable Canadian corporation. A BMO ETF will include in computing its income any interest accruing to it on bonds held by that BMO ETF. In the case of BMO Real Return Bond Index ETF, or any other BMO ETF holding real return or inflation-adjusted bonds, any amounts in respect of inflation-related adjustments to the principal amount of the bonds will be deemed to be interest for this purpose. Any such amounts of accrued interest and amounts deemed to be interest will be reflected in distributions to Unitholders.

The Declaration of Trust governing each of the BMO ETFs requires that each BMO ETF distribute its net income and net realized capital gains, if any, for each taxation year of the BMO ETF to Unitholders to such an extent that the BMO ETF will not be liable in any taxation year for ordinary income tax (after taking into account any applicable losses of the BMO ETF and any capital gains refunds to which the BMO ETF is entitled). If in a taxation year the income for tax purposes of a BMO ETF exceeds the cash available for distribution by the BMO ETF, such as in the case of the receipt by the BMO ETF of special dividends, the BMO ETF will distribute its income through a payment of reinvested distributions.

If a BMO ETF invests in another fund (an “**Underlying Fund**”) that is a Canadian resident trust other than a SIFT trust, the Underlying Fund may designate a portion of amounts that it distributes to the BMO ETF as may reasonably be considered to consist of: (i) taxable dividends (including eligible dividends) received by the Underlying Fund on shares of taxable Canadian corporations; and (ii) net taxable capital gains realized by the Underlying Fund. Any such designated amounts will be deemed for tax purposes to be received or realized by the BMO ETF as a taxable dividend or taxable capital gain, respectively. An Underlying Fund that pays foreign withholding tax may make designations such that a BMO ETF may be treated as having paid its share of such foreign tax.

The BMO ETFs may be subject to the suspended loss rules contained in the Tax Act. A loss realized on a disposition of property may be considered to be a suspended loss when a BMO ETF acquires a property (a “**substituted property**”) that is the same or identical to the property disposed of, within 30 days before and 30 days after the disposition and the BMO ETF owns the substituted property 30 days after the original disposition. If a loss is suspended, the applicable BMO ETF cannot deduct the loss from the BMO ETF’s gains until the substituted property is sold and is not reacquired within 30 days before and after the sale.

In determining the income of a BMO ETF, gains or losses realized upon transactions in securities undertaken by the BMO ETF will constitute capital gains or capital losses of the BMO ETF in the year realized unless the BMO ETF is considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or the BMO ETF engaged in a transaction or transactions considered to be an adventure in the nature of trade. The Manager has advised counsel that each BMO ETF that holds “Canadian securities” (as defined in the Tax Act) has elected or will elect in accordance with the Tax Act to have each such security treated as capital property. Such election will ensure that gains or losses realized by a BMO ETF on the disposition of Canadian securities are taxed as capital gains or capital losses.

A BMO ETF will be entitled for each taxation year throughout which it is a mutual fund trust to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemptions of its Units during the year (“**capital gains refund**”). The capital gains refund in a particular taxation year may not completely offset the tax liability of the BMO ETF for such taxation year which may arise upon the sale of its investments in connection with redemptions of Units.

The Manager has advised counsel that, generally, each BMO ETF will include gains and deduct losses on income account, rather than as capital gains and capital losses, in connection with investments made through derivative transactions, except where such derivatives are not “derivative forward agreements” (as defined in the Tax Act), and are entered into in order to hedge and are sufficiently linked with securities that are held on capital

account by the BMO ETF. Gains or losses on derivatives will be recognized for tax purposes at the time they are realized by the BMO ETF. Where a BMO ETF uses derivatives to hedge foreign currency exposure with respect to securities held on capital account, such derivatives are not “derivative forward agreements”, and the derivatives are sufficiently linked to such securities, gains or losses realized thereon will be treated as capital gains or capital losses.

Each BMO ETF is required to compute its income and gains for tax purposes in Canadian dollars. Therefore, the amount of income, cost, proceeds of disposition and other amounts in respect of investments that are not Canadian dollar denominated will be affected by fluctuations in the exchange rate of the Canadian dollar against the relevant foreign currency.

A BMO ETF may pay foreign withholding or other taxes in connection with investments in foreign securities.

## **Taxation of Unitholders**

### ***Distributions***

A Unitholder will be required to include in the Unitholder’s income for tax purposes for any year the Canadian dollar amount of net income and net taxable capital gains of the BMO ETF, if any, paid or payable to the Unitholder in the year and deducted by the BMO ETF in computing its income, whether or not such amounts are reinvested in additional Units (including Plan Units acquired under the Reinvestment Plan), including in the case of Unitholders who receive Management Fee Distributions to the extent they are paid out of net income and net taxable capital gains of the BMO ETF.

The non-taxable portion of any net realized capital gains of a BMO ETF that is paid or payable to a Unitholder in a taxation year will not be included in computing the Unitholder’s income for the year and will not reduce the adjusted cost base of the Unitholder’s Units of that BMO ETF. Any other non-taxable distribution, such as a return of capital, will not be included in computing the Unitholder’s income for the year but will reduce the Unitholder’s adjusted cost base (unless the BMO ETF elects to treat such amount as a distribution of additional income). To the extent that a Unitholder’s adjusted cost base would otherwise be a negative amount, the negative amount will be deemed to be a capital gain realized by the Unitholder and the Unitholder’s adjusted cost base will be nil immediately thereafter.

Each BMO ETF will designate, to the extent permitted by the Tax Act, the portion of the net income distributed to Unitholders as may reasonably be considered to consist of, respectively: (i) taxable dividends (including eligible dividends) received or considered to be received by the BMO ETF on shares of taxable Canadian corporations; and (ii) net taxable capital gains realized or considered to be realized by the BMO ETF. Any such designated amount will be deemed for tax purposes to be received or realized by Unitholders in the year as a taxable dividend and as a taxable capital gain, respectively. The dividend gross-up and tax credit treatment normally applicable to taxable dividends (including eligible dividends) paid by a taxable Canadian corporation will apply to amounts designated by the applicable BMO ETF as such taxable dividends. Capital gains so designated will be subject to the general rules relating to the taxation of capital gains described below. In addition, a BMO ETF may make designations in respect of income from foreign sources, if any, so that Unitholders may be able to claim a foreign tax credit in accordance with the provisions of and subject to the general limitations under the Tax Act for a portion of foreign tax, if any, paid or considered to be paid by the BMO ETF. Any loss realized by the BMO ETF for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, the Unitholders of such BMO ETF.

### ***Composition of Distributions***

Unitholders will be informed each year of the composition of the amounts distributed to them, including amounts in respect of both cash and reinvested distributions. This information will indicate whether distributions are to be treated as ordinary income, taxable dividends (including eligible dividends), taxable capital gains, non-taxable amounts or foreign source income, and as to foreign tax deemed paid by the Unitholder as those items are applicable.

### ***Disposition of Units***

Upon the actual or deemed disposition of a Unit, including the exchange or redemption of a Unit, and including upon the termination of a BMO ETF, a capital gain (or a capital loss) will generally be realized by the Unitholder to the extent that the proceeds of disposition of the Unit exceed (or are less than) the aggregate of the adjusted cost base to the Unitholder of the Unit and any reasonable costs of disposition. In general, the adjusted cost base of all Units of a particular BMO ETF held by the Unitholder is the total amount paid for the Units (including brokerage commissions paid and the amount of reinvested distributions), regardless of when the investor bought them, less any non-taxable distributions (other than the non-taxable portion of capital gains) such as a return of capital and less the adjusted cost base of any Units of that BMO ETF previously redeemed/exchanged by the Unitholder. For the purpose of determining the adjusted cost base of Units to a Unitholder, when Units of a BMO ETF are acquired, the cost of the newly acquired Units will be averaged with the adjusted cost base of all Units of that BMO ETF owned by the Unitholder as capital property immediately before that time. The cost of Units acquired on the reinvestment of distributions, including under the Reinvestment Plan, will be the amount so reinvested.

Where Units of a BMO ETF are exchanged by a redeeming Unitholder for Baskets of Securities, or where securities are received by a Unitholder on a distribution *in specie* on the termination of a BMO ETF, the proceeds of disposition to the Unitholder of the Units will be equal to the fair market value of the securities so received, plus the amount of any cash received on the exchange, and less any capital gain or income realized by the BMO ETF as a result of the transfer of those securities that has been designated by the BMO ETF to the Unitholder. Where income or a capital gain realized by the BMO ETF as a result of the transfer of securities on the redemption of Units has been designated by the BMO ETF to a redeeming Unitholder, the Unitholder will be required to include in income the income or taxable portion of the capital gain so designated. The cost for tax purposes of securities acquired by a redeeming Unitholder on the exchange or redemption of Units will generally be the fair market value of such securities at that time.

Where a Unitholder holds USD Units, any capital gain or capital loss for tax purposes on a disposition of such USD Units will be determined by converting the U.S. dollar cost and proceeds of disposition into Canadian dollars using the applicable rate of exchange on the date of acquisition and disposition, respectively.

### ***Where Securities of Constituent Issuers are Accepted as Payment for Units of a BMO ETF***

Where securities of Constituent Issuers are accepted as payment for Units acquired by a Unitholder, such Unitholder will generally realize a capital gain (or capital loss) in the taxation year of the Unitholder in which the disposition of such securities takes place to the extent that the proceeds of disposition for such securities, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such securities to the Unitholder. For this purpose, the proceeds of disposition to the Unitholder will equal the aggregate of the fair market value of the Units received and the amount of any cash received in lieu of fractional Units. The cost to a Unitholder of Units so acquired will be equal to the fair market value of the securities of the Constituent Issuers disposed of in exchange for such Units at the time of disposition less any cash received in lieu of fractional Units, which sum would generally be equal to or would approximate the fair market value of the Units received as consideration for the securities of Constituent Issuers. In computing the adjusted cost base of a Unit so acquired by a Unitholder, the cost of such Unit must be averaged with the adjusted cost base of any other Units then held by that Unitholder as capital property. Where the securities so disposed of by a Unitholder are denominated in a currency other than Canadian dollars, any capital gain or capital loss realized by the Unitholder will be determined by converting the Unitholder's cost and proceeds of disposition into Canadian dollars using the applicable rate of exchange on the date of acquisition and disposition, respectively.

### ***Taxation of Capital Gains and Capital Losses***

One-half of any capital gain realized by a Unitholder and the amount of any net taxable capital gains realized or considered to be realized by a BMO ETF and designated by the BMO ETF in respect of a Unitholder will be included in the Unitholder's income as a taxable capital gain. One-half of a capital loss realized by a Unitholder will be an allowable capital loss that may be deducted from taxable capital gains subject to and in accordance with detailed rules in the Tax Act.

## **Taxation of Registered Plans**

In general, a Registered Plan will not be taxable on the amount of a distribution paid or payable to a Registered Plan from a BMO ETF, nor on gains realized by a Registered Plan on a disposition of a Unit. As is the case for all investments held in Registered Plans, amounts withdrawn from a Registered Plan (other than from a TFSA or a return of contributions from an RESP or RDSP) will generally be subject to tax.

## **Tax Implications of the BMO ETFs' Distribution Policy**

When an investor purchases Units, a portion of the price paid may reflect income or capital gains accrued or realized before such person acquired such Units. When these amounts are payable to such Unitholder as distributions, they must be included in the Unitholder's income for tax purposes subject to the provisions of the Tax Act, even though the BMO ETF earned or accrued these amounts before the Unitholder owned the Units. This may particularly be the case if Units are purchased near year-end before the final year-end distributions have been made.

## **Exchange of Tax Information**

Due diligence and reporting obligations in the Tax Act have been enacted to implement the Canada-United States Enhanced Tax Information Exchange Agreement. As long as Units continue to be registered in the name of CDS, a BMO ETF should not have any US reportable accounts and, as a result, should not be required to provide information to the CRA in respect of its Unitholders. However, dealers through which Unitholders hold their Units are subject to due diligence and reporting obligations with respect to financial accounts they maintain for their clients. Unitholders may be requested to provide information to their dealer to identify US persons holding Units. If a Unitholder is a US person (including a US citizen) or if a Unitholder does not provide the requested information, Part XVIII of the Tax Act will generally require information about the Unitholder's investments held in the financial account maintained by the dealer to be reported to the CRA, unless the investments are held within a registered plan. The CRA is expected to provide that information to the US Internal Revenue Service.

## **ELIGIBILITY FOR INVESTMENT**

In the opinion of counsel, provided that a BMO ETF qualifies as a mutual fund trust within the meaning of the Tax Act, or that the Units of the BMO ETF are listed on a designated stock exchange within the meaning of the Tax Act, which includes the TSX, the Units of that BMO ETF will be qualified investments for trusts governed by Registered Plans.

Notwithstanding the foregoing, if Units are a "prohibited investment" for a TFSA, RRSP or RRIF that acquires Units, the holder or annuitant will be subject to a penalty tax as set out in the Tax Act. A "prohibited investment" includes a unit of a trust with which the holder or annuitant does not deal at arm's length. Holders of TFSAs and annuitants of RRSPs and RRIFs should consult with their tax advisors in this regard.

In the case of an exchange of Units of a BMO ETF for a Basket of Securities of the BMO ETF, or a distribution *in specie* on the termination of a BMO ETF, the investor will receive securities. The securities received by an investor as a result of an exchange of Units or a distribution *in specie* may or may not be qualified investments for Registered Plans. Investors should consult their own tax counsel for advice on whether or not such securities would be qualified investments for Registered Plans or prohibited investments for TFSAs, RRSPs or RRIFs.

## **ORGANIZATION AND MANAGEMENT DETAILS**

### **Officers and Directors of the Trustee, Manager, Portfolio Manager, Promoter and Valuation Agent**

The name and municipality of residence of each of the directors and executive officers of BMO Asset Management, the trustee, manager, portfolio manager, promoter and valuation agent of the BMO ETFs, and their principal occupations are as follows:

<b>Name and Municipality of Residence</b>	<b>Position with Manager</b>	<b>Principal Occupation</b>
BARRY M. COOPER Toronto, Ontario	Chair and Director	Chairman, BMO Asset Management
RAJIV SILGARDO Toronto, Ontario	Chief Executive Officer, Ultimate Designated Officer and Director	Chief Executive Officer, BMO Asset Management
THOMAS BURIAN Mississauga, Ontario	Chief Financial Officer and Director	Chief Financial Officer, Wealth Management, BMO Financial Group
KEVIN GOPAUL Oakville, Ontario	Senior Vice President and Chief Investment Officer, ETFs and Mutual Funds	Senior Vice President and Chief Investment Officer, BMO Asset Management
ANDREW PAUL TAYLOR Toronto, Ontario	Senior Vice President and Chief Investment Officer, Asset Allocation	Chief Investment Officer, Asset Allocation, BMO Asset Management
DIRK A. MCROBB Toronto, Ontario	Senior Vice President, Chief Administrative Officer, Alternate Ultimate Designated Officer and Director	Senior Vice President, Chief Administrative Officer, BMO Asset Management
SUBHAS SEN Toronto, Ontario	Senior Vice President, Chief Operating Officer and Director	Senior Vice President and Chief Operating Officer, BMO Asset Management
ROSS KAPPELE Toronto, Ontario	Executive Vice President and Head of Retail Distribution	Executive Vice President and Head of Retail Distribution, BMO Asset Management
ROB BECHARD Toronto, Ontario	Senior Vice President	Senior Vice President & Head of Portfolio Management, ETFs and Global Structured Investments, BMO Asset Management
GEORGE PATTERSON Wellesley, MA, USA	Senior Vice President and Chief Investment Officer	Chief Investment Officer, Multi-Asset Investments and Head of Trading
MARIJA FINNEY Toronto, Ontario	Senior Vice President	Senior Vice President, Head of Institutional Sales and Service, BMO Asset Management
ROBERT J. SCHAUER Toronto, Ontario	Vice President	Chief Financial Officer and Treasurer, BMO Mutual Funds
BARRY MCINERNEY Chicago, IL, USA	Director	President and Chief Executive Officer, BMO Asset Management Corp.



<b>Name and Municipality of Residence</b>	<b>Position with Manager</b>	<b>Principal Occupation</b>
WILLIAM CHINKIWSKY Toronto, Ontario	Chief Compliance Officer	Head of Compliance, BMO Global Asset Management
DENISE CHOW Whitby, Ontario	Chief Anti-Money Laundering Officer	Senior Manager, Private Client Group, Anti-Money Laundering Compliance Office, BMO Financial Group
LESLEY MARKS Toronto, Ontario	Senior Vice President and Chief Investment Officer, Fundamental Canadian Equity	Senior Vice President and Chief Investment Officer, Fundamental Canadian Equity, BMO Financial Group
RICHARD WILSON London, England	Director	Chief Executive Officer, F&C Asset Management plc
DENIS SENEAL Toronto, Ontario	Senior Vice President	Senior Vice President, Chief Investment Officer, Active Fixed Income, BMO Asset Management
VIKI LAZARIS Thornhill, Ontario	Director	Chief Operating Officer, Canadian Personal & Commercial Banking, BMO Financial Group
BENJAMIN IRAYA Oakville, Ontario	Corporate Secretary	Manager, Subsidiary Governance, Bank of Montreal

Except as described herein, each of the foregoing individuals has held his or her current office or a senior position with the Manager or an affiliate thereof during the past five years. Prior to joining Bank of Montreal in October 2012, William Chinkiwsky was Senior Vice President and General Counsel at OPTrust (OPSEU Pension Trust) from January 2012 to June 2012 and Director, Compliance Legal Counsel at The Bank of Nova Scotia from March 2009 to January 2012. Prior to its acquisition in May 2014, Richard Wilson was Chief Executive Officer at F&C Asset Management plc. Prior to joining Bank of Montreal in March 2014, Denis Senecal was Vice President, Head of Fixed Income and Cash at State Street Global Advisors. Prior to March 2014, Viki Lazaris was Senior Vice President and Chief Administrative Officer, Wealth Management, BMO Financial Group from March 2014 to November 2015, President and Chief Executive Officer, BMO InvestorLine from April 2012 to March 2014 and Senior Vice President, Investor Relations, BMO Financial Group from April 2006 to April 2012. Prior to October 2015, Benjamin Iraya was Senior Law Clerk, BMO Financial Group from August 2010 to October 2015.

#### **The Trustee, Manager, Portfolio Manager, Promoter and Valuation Agent**

BMO Asset Management is the trustee, manager, portfolio manager, promoter and valuation agent of the BMO ETFs and is responsible for the administration of the BMO ETFs. BMO Asset Management is registered as a portfolio manager and exempt market dealer in each of the provinces and territories of Canada, as a commodity trading manager in Ontario, and as an investment fund manager in Ontario, Newfoundland and Labrador and Quebec.

BMO Asset Management is a Canadian investment manager. Its clients include pension funds, endowments, trusts, insurance company reserves, corporations and mutual funds. BMO Asset Management is an indirect, wholly-owned subsidiary of Bank of Montreal. The office for service of notice to the BMO ETFs and BMO Asset Management is located at 250 Yonge Street, 9th Floor, Toronto, Ontario M5B 2M8 (the registered office of the BMO ETFs and BMO Asset Management is located at 100 King Street West, 43rd Floor, Toronto, Ontario M5X 1A1).

### ***Duties and Services to be Provided by the Trustee, Manager, Portfolio Manager, Promoter and Valuation Agent***

BMO Asset Management is the trustee, manager, portfolio manager, promoter and valuation agent of each of the BMO ETFs and, as such, is responsible for providing managerial, administrative and compliance services to the BMO ETFs including, without limitation, acquiring or arranging to acquire securities on behalf of the BMO ETFs, calculating NAV, NAV per Unit, net income and net realized capital gains of the BMO ETFs, authorizing the payment of operating expenses incurred on behalf of the BMO ETFs, preparing financial statements and financial and accounting information as required by the BMO ETFs, ensuring that Unitholders are provided with financial statements (including interim and annual financial statements) and other reports as are required by applicable law from time to time, ensuring that the BMO ETFs comply with regulatory requirements and applicable stock exchange listing requirements, preparing the BMO ETFs' reports to Unitholders and the securities regulatory authorities, determining the amount of distributions to be made by the BMO ETFs and negotiating contractual agreements with third-party providers of services, including Index Providers, Designated Brokers, the Custodian, the Registrar and Transfer Agent, the auditor and printers.

### ***Details of the Declaration of Trust***

BMO Asset Management is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of Unitholders, and in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent trustee and manager would exercise in similar circumstances.

BMO Asset Management may resign as trustee and/or manager of any of the BMO ETFs upon 60 days' notice to the Unitholders. If the Manager resigns it may appoint its successor but, unless its successor is an affiliate of the Manager, its successor must be approved by the Unitholders. If the Manager is in material default of its obligations under the Declaration of Trust and such default has not been cured within 30 days after notice of the same has been given to the Manager, the Unitholders may remove the Manager and appoint a successor trustee and/or manager.

BMO Asset Management is entitled to fees for its services as manager under the Declaration of Trust as described under "Fees and Expenses – Management Fees". In addition, BMO Asset Management and its affiliates and each of their directors, officers, employees and agents will be indemnified by each of the BMO ETFs for all liabilities, costs and expenses incurred in connection with any action, suit or proceeding that is proposed or commenced or other claim that is made against any of them in the exercise of BMO Asset Management's duties under the Declaration of Trust, if they do not result from BMO Asset Management's wilful misconduct, bad faith, negligence or breach of its obligations thereunder.

BMO Asset Management also acts as the valuation agent of the BMO ETFs and provides certain fund accounting and valuation services to the BMO ETFs including, without limitation, calculating the NAV, NAV per Unit, net income and net realized capital gains of the BMO ETFs.

The management, trustee and valuation services of BMO Asset Management are not exclusive and nothing in the Declaration of Trust or any agreement prevents BMO Asset Management from providing similar services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the BMO ETFs) or from engaging in other business activities.

BMO Asset Management has taken the initiative in founding and organizing the BMO ETFs and is, accordingly, the promoter of the BMO ETFs within the meaning of securities legislation of certain provinces and territories of Canada.

### ***Portfolio Management***

As the portfolio manager of the BMO ETFs, BMO Asset Management buys and sells investments on behalf of the BMO ETFs in accordance with the investment objectives and investment strategies of the BMO ETFs. Investment decisions are made by a portfolio management team that has a manager or lead person. The table below

sets forth information about the individual(s) principally responsible for managing the investments of the BMO ETFs.

Individual Principally Responsible	Length of Service with BMO Asset Management
Rob Bechard, Head of ETF Portfolio Management	Since 2009

### Brokerage Arrangements

BMO Asset Management utilizes various brokers to effect securities transactions on behalf of the BMO ETFs. These brokers may directly provide BMO Asset Management with research and related services, as outlined below, in addition to executing transactions – often referred to as “bundled services”. Although each BMO ETF may not benefit equally from each research and related service received from a broker, BMO Asset Management will endeavour to ensure that all of the BMO ETFs receive an equitable benefit over time.

BMO Asset Management maintains a list of brokers that have been approved to effect securities transactions on behalf of the BMO ETFs. When determining whether a broker should be added to that list there are numerous factors that are considered including: (a) with respect to trading: (i) level of service; (ii) response time; (iii) availability of securities (liquidity); (iv) account management; (v) idea generation; and (vi) access to alternative markets/liquidity pools; (b) with respect to research: (i) proprietary research reports; (ii) industry knowledge; (iii) access to analysts; and (iv) access to staff; (c) with respect to personnel: (i) back office support; and (ii) sales contacts; and (d) with respect to infrastructure: (i) trade settlement; (ii) confirmations; and (iii) reporting.

Approved brokers are monitored on a regular basis to ensure that the value of the goods and services, as outlined above, provides a reasonable benefit as compared to the amount of brokerage commissions paid for the goods and services. In conducting this analysis, BMO Asset Management considers the use of the goods and services, execution quality in terms of trade impact and the ability to achieve the target benchmark price, as well as the amount of brokerage commissions paid relative to other brokers and the market in general. The selection and monitoring processes are the same regardless of whether the broker is affiliated with BMO Asset Management or is an unrelated third party.

Since the date of the last prospectus of the BMO ETFs, BMO Asset Management has received proprietary research reports, industry knowledge and access to both analysts and staff from BMO NB, an affiliated broker. In addition, BMO Asset Management has received proprietary research reports, industry knowledge and access to analysts, staff and alternative trading systems from various unrelated third party brokers. Additional information including the services supplied by each broker can be obtained from the Manager upon request, at no cost, by calling 1-800-361-1392.

### Conflicts of Interest

The Manager, on behalf of each of the BMO ETFs, has entered into a Designated Broker Agreement with one or more Designated Brokers pursuant to which the Designated Broker agrees to perform certain duties relating to the BMO ETFs including, without limitation: (i) to subscribe for a sufficient number of Units to satisfy the TSX’s original listing requirements; (ii) to subscribe for Units on an ongoing basis in connection with the rebalancing of and adjustments to the applicable Index and when cash redemptions of Units occur; and (iii) to post a liquid two-way market for the trading of Units on the TSX. BMO NB, an affiliate of the Manager, has agreed to act as a Designated Broker and Dealer for the BMO ETFs.

The directors and officers of BMO Asset Management may be directors, officers, shareholders or unitholders of one or more issuers in which the BMO ETFs may acquire securities. BMO Asset Management and its affiliates, including other BMO Financial Group entities, may be managers or portfolio managers of one or more issuers in which the BMO ETFs may acquire securities and may be managers or portfolio managers of funds that invest in the same securities as the BMO ETFs. Such transactions will only be undertaken where permitted by applicable securities legislation and upon obtaining any required regulatory or IRC approvals.

## **Independent Review Committee**

The Manager has appointed an IRC for the BMO ETFs under NI 81-107. The IRC currently consists of four members, each of whom is independent of the Manager.

The mandate of the IRC is to review conflict of interest matters identified and referred to the IRC by the Manager and to give an approval or a recommendation, depending on the nature of the conflict of interest matter. At all times, the members of the IRC are required to act honestly and in good faith in the best interests of the BMO ETFs and, in connection therewith, will exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The Manager has established written policies and procedures for dealing with each conflict of interest matter. At least annually, the IRC will review and assess the adequacy and effectiveness of the Manager's written policies and procedures relating to conflict of interest matters and will conduct a self-assessment of the IRC's independence, compensation and effectiveness.

The Manager will maintain records of all matters and/or activities subject to the review of the IRC, including a copy of the Manager's written policies and procedures dealing with conflict of interest matters, minutes of IRC meetings, and copies of materials, including any written reports, provided to the IRC. The Manager will also provide the IRC with assistance and information sufficient for the IRC to carry out its responsibilities under NI 81-107.

The members of the IRC are entitled to be compensated by the BMO ETFs and reimbursed for all reasonable costs and expenses for the duties they perform as IRC members. In addition, the members of the IRC are entitled to be indemnified by the BMO ETFs, except in cases of wilful misconduct, bad faith, negligence or breach of their standard of care.

The name and municipality of residence of each of the members of the IRC is as follows:

ALLEN B. CLARKE	JOHN K. MCBRIDE	LOUISE VAILLANCOURT	MARK BROWN
Toronto, Ontario	Ottawa, Ontario	Montreal, Quebec	Calgary, Alberta

Each IRC member receives compensation for the duties he or she performs as an IRC member. The annual retainer for each IRC member (other than the Chair of the IRC) in respect of all of the exchange traded funds managed by the Manager is approximately \$19,630; the annual retainer for the Chair of the IRC is approximately \$28,220. In addition, each IRC member is entitled to the reimbursement of all reasonable expenses in connection with his or her duties as an IRC member.

The Manager will not reimburse the exchange traded funds for any costs incurred in relation to compliance with NI 81-107.

The IRC is subject to requirements to conduct regular assessments and, for each financial year of the BMO ETFs, will prepare a report to Unitholders that describes the IRC and its activities for the financial year. A copy of this report can be obtained from the Manager upon request, at no cost, by calling 1-800-361-1392 or is available on the BMO ETFs' website at [www.bmo.com/etflegal](http://www.bmo.com/etflegal) or SEDAR at [www.sedar.com](http://www.sedar.com).

## **Officers of the BMO ETFs**

Robert J. Schauer of Toronto, Ontario is the Chief Financial Officer of each of the BMO ETFs. Mr. Schauer's principal occupation is Chief Financial Officer and Treasurer, BMO Mutual Funds.

## **Custodian**

Pursuant to the Custodian Agreement, CIBC Mellon Trust Company is the custodian of the assets of the BMO ETFs and has been given authority to appoint sub-custodians. The principal office of the Custodian is located

in Toronto, Ontario. The Manager on behalf of the BMO ETFs, CIBC Mellon Trust Company or CIBC Mellon Global Securities Services Company may terminate the Custodian Agreement upon at least 90 days' written notice or immediately in the event of a bankruptcy event in respect of a party that is not cured within 30 days. The Manager on behalf of the BMO ETFs may terminate the Custodian Agreement immediately if the Custodian ceases to be qualified to act as a custodian of the BMO ETFs under applicable law. The Custodian is entitled to receive fees from the Manager as described under "Fees and Expenses" and to be reimbursed for all expenses and liabilities that are properly incurred by the Custodian in connection with the activities of the BMO ETFs.

#### **Auditor**

The auditor of the BMO ETFs is PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants, located at 18 York Street, Suite 2600, Toronto, ON M5J 0B2.

#### **Transfer Agent and Registrar**

CST Trust Company, at its principal offices in Toronto, Ontario, is the registrar and transfer agent for the Units. The register of the BMO ETFs is kept in Toronto, Ontario.

#### **Plan Agent**

CST Trust Company, at its principal offices in Toronto, Ontario, is the Plan Agent for the BMO ETFs.

#### **Securities Lending Agent**

On behalf of the BMO ETFs, BMO Asset Management has entered into a securities lending agreement with CIBC Mellon Trust Company, Canadian Imperial Bank of Commerce ("CIBC"), BNY Mellon and CIBC Mellon Global Securities Services Company ("GSS"). The securities lending program is administered by GSS. The Securities Lending Agent acts as agent for securities lending transactions for those BMO ETFs that engage in securities lending. The Securities Lending Agent is independent of BMO Asset Management. The securities lending program administrator, GSS, will value the loaned securities and the collateral daily to ensure that the collateral is worth at least 102% of the value of the securities. Pursuant to the terms of the Securities Lending Agreement, CIBC Mellon Trust Company, GSS, CIBC and BNY Mellon will indemnify and hold harmless the Manager, on behalf of the BMO ETFs, from all losses, damages, liabilities, costs or expenses (including reasonable counsel fees and expenses, but excluding consequential damages) suffered by the Manager of the BMO ETF(s) arising from (a) the failure of the Securities Lending Agent or GSS to perform any obligations under the Securities Lending Agreement, (b) any inaccuracy of any representation or warranty made by GSS of the Securities Lending Agent in the Securities Lending Agreement or (c) fraud, bad faith, wilful misconduct or reckless disregard of the duties by the Securities Lending Agent or GSS. The Securities Lending Agreement may be terminated at any time at the option of any party upon thirty days' prior notice to the other parties.

### **CALCULATION OF NET ASSET VALUE**

The NAV and NAV per Unit of a BMO ETF will be calculated by the Valuation Agent as of the Valuation Time on each Valuation Date. The NAV of the Units of a BMO ETF on a particular date will be equal to the aggregate value of the assets of that BMO ETF less the aggregate value of the liabilities of that BMO ETF including any income, net realized capital gains or other amounts payable to Unitholders on or before such date and the value of the liabilities of that BMO ETF for management fees, expressed in Canadian dollars at the applicable exchange rate on such date for CAD Units and in U.S. dollars for USD Units. The NAV per Unit on any day will be obtained by dividing the NAV on such day by the number of Units then outstanding.

#### **Valuation Policies and Procedures**

In determining the NAV of each BMO ETF at any time, the Valuation Agent uses the following principles:

- (a) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received, are valued at the full amount or at what the Valuation Agent considers to be the fair value;
- (b) bonds, debentures and other debt securities shall be marked-to-market based on prices obtained from a recognized pricing service at the Valuation Time on the Valuation Date. Short-term investments, including notes and money market instruments, shall be recorded at their fair value;
- (c) any security that is listed or dealt in on a stock exchange shall be valued at the closing sale price (or such other value as the securities regulatory authorities may permit) last reported at the Valuation Time on the Valuation Date on the principal stock exchange on which such security is traded, or, if no reliable closing sale price is available at that time, the security shall be fair valued;
- (d) securities of any mutual funds held by a BMO ETF shall be valued at the reported net asset value of that mutual fund;
- (e) foreign currency accounts shall be expressed in Canadian dollars on the following basis: (i) investments and other assets shall be valued by applying the applicable exchange rate at the end of the relevant valuation period; and (ii) purchases and sales of investments, income and expenses shall be recorded by applying the applicable exchange rate on the dates of such transactions;
- (f) a BMO ETF's holdings shall be valued in Canadian dollars before its NAV is calculated;
- (g) forward foreign exchange contracts shall be valued as the difference between the value of the contract on the date the contract was originated and the value of the contract on the Valuation Date. Foreign exchange options shall be valued at their quoted market value. When the contract or option closes or expires, a realized foreign exchange gain or loss shall be recognized;
- (h) forward contracts shall be valued as the difference between the value of the contract on the date the contract originated and the value of the contract on the Valuation Date;
- (i) clearing corporation options shall be valued at the current market value;
- (j) should a BMO ETF write a covered clearing corporation option, the premium received shall be considered a deferred credit with a value equal to the current market value of an option that would have the effect of closing the position. Any difference resulting from revaluation will be treated as an unrealized gain or loss. Deferred credits will be deducted to arrive at the net asset value of the BMO ETF;
- (k) futures contracts shall be valued at the outstanding current margin payable or receivable;
- (l) bullion, coins, certificates or other evidences of precious metals shall be valued at current market value;
- (m) restricted securities shall be valued according to reported quotations in common use, or according to the following method, whichever is less: restricted securities shall be valued at that percentage of the market value of unrestricted securities which the BMO ETF paid to acquire them, provided that if the time period during which the restrictions on these securities will apply is known, the price may be adjusted to reflect this time period;
- (n) all other assets shall be valued at our best estimate of fair value; and
- (o) if any investment cannot be valued under the foregoing rules or if the foregoing rules are at any time considered by the Valuation Agent to be inappropriate under the circumstances, then, notwithstanding the foregoing rules, the Valuation Agent shall make such valuation as it considers fair and reasonable. The Valuation Agent has not exercised this discretion in respect of any of the BMO ETFs.

The value of any security or property to which, in the opinion of the Valuation Agent, the above valuation principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) shall be the fair value thereof determined in such manner as the Valuation Agent from time to time provides. The Valuation Agent may also fair value securities in the following circumstances: (i) when there is a halt trade on a security which is normally traded on an exchange; (ii) on securities that trade on markets that have closed prior to the time of calculation of the NAV of a BMO ETF and for which there is sufficient evidence that the closing price on the market is not the most appropriate value at the time of valuation; and (iii) when there are investment or currency restrictions imposed by a country that affect the BMO ETFs' ability to liquidate the assets held in that market.

Each portfolio transaction will be reflected in the calculation of NAV per Unit no later than the calculation of NAV per Unit next made after the date on which the transaction becomes binding. The issue, exchange or redemption of Units will be reflected in the calculation of NAV per Unit next made after the calculation made for the purchase of such issue, exchange or redemption.

### **Reporting of Net Asset Value**

Following the Valuation Time on the Valuation Date, the NAV and NAV per Unit for each BMO ETF will usually be published in the financial press and will be posted on the BMO ETFs' website at [www.bmo.com/etflegal](http://www.bmo.com/etflegal).

## **ATTRIBUTES OF THE UNITS**

### **Description of the Securities Distributed**

Each of the BMO ETFs is authorized to issue an unlimited number of redeemable, transferable Units of an unlimited number of classes of Units, each of which represents an equal, undivided interest in the net assets of that BMO ETF. Except for the USD Units, which are denominated in U.S. dollars, the Units of the BMO ETFs are Canadian dollar denominated.

On December 16, 2004, the *Trust Beneficiaries' Liability Act, 2004* (Ontario) came into force. This statute provides that holders of units of a trust are not, as beneficiaries, liable for any default, obligation or liability of the trust if, when the default occurs or the liability arises: (i) the trust is a reporting issuer under the *Securities Act* (Ontario); and (ii) the trust is governed by the laws of the Province of Ontario. Each of the BMO ETFs is or will be a reporting issuer under the *Securities Act* (Ontario) prior to the initial issuance of Units and each BMO ETF is governed by the laws of the Province of Ontario by virtue of the provisions of the Declaration of Trust.

### **Certain Provisions of the Units**

All Units of a BMO ETF have equal rights and privileges. Each whole Unit is entitled to one vote at all meetings of Unitholders and is entitled to participate equally with respect to any and all distributions made by a BMO ETF to Unitholders, other than Management Fee Distributions, including distributions of net income and net realized capital gains and distributions upon the termination of the BMO ETF. Units are issued only as fully-paid and are non-assessable.

### ***Exchange of Units for Baskets of Securities***

On any Trading Day, Unitholders may exchange the Prescribed Number of Units (or an integral multiple thereof) for Baskets of Securities and cash or, with respect to certain BMO ETFs, cash only. See "Redemption and Exchange of Units – Exchange of Units for Baskets of Securities".

### ***Redemption of Units for Cash***

On any Trading Day, Unitholders may redeem Units of any BMO ETF for cash at a redemption price per Unit equal to the lesser of: (i) 95% of the closing price for the Units on the TSX on the effective day of the

redemption; and (ii) the net asset value per Unit on the effective day of the redemption. See “Redemption and Exchange of Units – Redemption of Units for Cash”.

### ***No Voting Rights***

Unitholders of a BMO ETF will not have any right to vote securities held by that BMO ETF.

### **Modification of Terms**

The rights attached to the Units of a BMO ETF may only be modified, amended or varied in accordance with the terms of the Declaration of Trust. See “Unitholder Matters – Matters Requiring Unitholders’ Approval”.

## **UNITHOLDER MATTERS**

### **Meeting of Unitholders**

A meeting of the Unitholders of a BMO ETF may be called at any time by BMO Asset Management and shall be called by BMO Asset Management upon written request of Unitholders of a BMO ETF holding in the aggregate not less than 10% of the Units of the BMO ETF. Except as otherwise required or permitted by law, meetings of Unitholders of a BMO ETF will be held if called by the Manager upon written notice of not less than 21 days nor more than 50 days before the meeting. At any meeting of Unitholders of a BMO ETF, a quorum shall consist of two or more Unitholders of the BMO ETF present in person or by proxy and holding 10% of the Units of the BMO ETF. If no quorum is present at such meeting within one-half hour after the time fixed for the holding of such meeting, the meeting, if convened upon the request of Unitholders or for the purpose of considering a change in the manager of the BMO ETF, shall be cancelled, but in any other case, the meeting shall stand adjourned and will be held at the same time and place on the day which is not less than 10 days later. BMO Asset Management will give at least three days’ notice by press release to Unitholders of the date of the reconvened meeting, and at the reconvened meeting, Unitholders present in person or represented by proxy will constitute a quorum.

### **Matters Requiring Unitholders’ Approval**

NI 81-102 requires a meeting of Unitholders of a BMO ETF to be called to approve certain changes as follows:

- (a) the basis of the calculation of a fee or expense that is charged to the BMO ETF is changed in a way that could result in an increase in charges to the BMO ETF, except where:
  - (i) the BMO ETF is at arm’s length with the person or company charging the fee;
  - (ii) the Unitholders have received at least 60 days’ notice before the effective date of the change; and
  - (iii) the right to notice described in (ii) is disclosed in the prospectus of the BMO ETF;
- (b) a fee or expense is introduced that is to be charged to a BMO ETF or directly to its Unitholders by the BMO ETF or the Manager in connection with the holding of Units of the BMO ETF that could result in an increase in charges to the BMO ETF or its Unitholders;
- (c) the Manager is changed, unless the new manager of the BMO ETF is an affiliate of the Manager;
- (d) the fundamental investment objective of the BMO ETF is changed;
- (e) the BMO ETF decreases the frequency of the calculation of its NAV per Unit;



- (f) the BMO ETF undertakes a reorganization with, or transfers its assets to, another mutual fund, if the BMO ETF ceases to continue after the reorganization or transfer of assets and the transaction results in the Unitholders of the BMO ETF becoming securityholders in the other mutual fund, unless:
  - (i) the IRC of the BMO ETF has approved the change;
  - (ii) the BMO ETF is being reorganized with, or its assets are being transferred to, another mutual fund that is managed by the Manager, or an affiliate of the Manager;
  - (iii) the Unitholders have received at least 60 days' notice before the effective date of the change;
  - (iv) the right to notice described in (iii) is disclosed in the prospectus of the BMO ETF; and
  - (v) the transaction complies with certain other requirements of applicable Canadian securities legislation;
- (g) the BMO ETF undertakes a reorganization with, or acquires assets from, another mutual fund, if the BMO ETF continues after the reorganization or acquisition of assets, the transaction results in the securityholders of the other mutual fund becoming Unitholders of the BMO ETF, and the transaction would be a material change to the BMO ETF; or
- (h) any matter which is required by the constating documents of the BMO ETF or by the laws applicable to the BMO ETF or by any agreement to be submitted to a vote of the Unitholders of the BMO ETF.

Approval of Unitholders of a BMO ETF will be deemed to have been given if expressed by resolution passed at a meeting of Unitholders of the BMO ETF duly called and held for the purpose of considering the same, by at least a majority of the votes cast. Unitholders are entitled to one vote per whole Unit held on the record date established for voting at any meeting of Unitholders.

A BMO ETF may, without Unitholders' approval, enter into a merger or other similar transaction that has the effect of combining the funds or their assets (a "**Permitted Merger**") with any other investment fund or funds managed by the Manager or an affiliate of the Manager that have investment objectives that are substantially similar to those of the BMO ETF, subject to:

- (a) approval of the merger by the IRC;
- (b) compliance with certain merger pre-approval conditions set out in section 5.6 of NI 81-102; and
- (c) written notice to Unitholders at least 60 days before the effective date of the merger.

In connection with a Permitted Merger, the merging funds will be valued at their respective net asset values for the purpose of such transaction.

In addition, the auditor of a BMO ETF may not be changed unless:

- (a) the IRC has approved the change; and
- (b) Unitholders have received at least 60 days' notice before the effective date of the change.

#### ***Amendments to the Declaration of Trust***

Except for changes to the Declaration of Trust that require the approval of Unitholders as described above, or the changes described below that do not require approval of or prior notice to Unitholders, the Declaration of

Trust may be amended from time to time by BMO Asset Management upon not less than 30 days' prior written notice to Unitholders.

The Declaration of Trust may be amended by BMO Asset Management without the approval of or notice to Unitholders for the following purposes: (i) to remove any conflicts or other inconsistencies which may exist between any terms of the Declaration of Trust and any provisions of any law or regulation applicable to or affecting the BMO ETFs; (ii) to make any change or correction in the Declaration of Trust which is of a typographical nature or is required to cure or correct any ambiguity or defective or inconsistent provision, clerical omission, mistake or manifest error contained therein; (iii) to bring the Declaration of Trust into conformity with applicable laws, rules and policies of the securities regulatory authorities or with current practice within the securities industry, provided that any such amendment does not adversely affect the rights, privileges or interests of Unitholders; (iv) to maintain, or permit BMO Asset Management to take such steps as may be desirable or necessary to maintain the status of a BMO ETF as a "mutual fund trust" for the purposes of the Tax Act; (v) to change the taxation year end of a BMO ETF as permitted under the Tax Act; (vi) to establish one or more new BMO ETFs; (vii) to change the name of a BMO ETF; (viii) to create additional classes of Units of a BMO ETF and to redesignate existing classes of Units of a BMO ETF, unless the rights attaching to such Units are changed or are adversely affected thereby; (ix) to provide added protection to Unitholders; or (x) if in the opinion of BMO Asset Management, the amendment is not prejudicial to Unitholders and is necessary or desirable. Any amendments to the Declaration of Trust made by BMO Asset Management without the consent of Unitholders will be disclosed in the next regularly scheduled report to Unitholders.

### **Reporting to Unitholders**

A BMO ETF's fiscal year is the calendar year or such other fiscal period permitted or deemed under the Tax Act. The annual financial statements of a BMO ETF shall be audited by the BMO ETF's auditor in accordance with Canadian generally accepted auditing standards. The auditor will be asked to report on the fair presentation of the annual financial statements in accordance with International Financial Reporting Standards, which is one of the financial reporting frameworks included in Canadian generally accepted accounting principles. The Manager will ensure that the BMO ETF complies with all applicable reporting and administrative requirements.

The Manager, on behalf of each BMO ETF, will furnish Unitholders of that BMO ETF with unaudited interim financial statements, audited annual financial statements, interim MRFPs and the most recently filed annual MRFPs of that BMO ETF, in accordance with applicable laws.

Any tax information necessary for Unitholders to prepare their annual federal income tax returns will be distributed to them within 90 days after the end of each financial year of the BMO ETFs occurring in December of each calendar year.

The Manager will keep adequate books and records reflecting the activities of the BMO ETFs. A Unitholder or his or her duly authorized representative has the right to examine the books and records of the applicable BMO ETF during normal business hours at the registered office of the Manager. Notwithstanding the foregoing, a Unitholder shall not have access to any information that, in the opinion of the Manager, should be kept confidential in the interests of the BMO ETFs.

### **TERMINATION OF THE BMO ETFS**

A BMO ETF may be terminated by the Manager on at least 60 days' notice to Unitholders of such termination and the Manager will issue a press release in advance thereof. The Manager may also terminate a BMO ETF in the event that the Index Provider ceases to calculate the Index or the respective License Agreement is terminated, as described above under "Investment Objectives – Termination of the Indices". Upon termination of a BMO ETF, the Constituent Securities, Other Securities, cash and other assets remaining after paying or providing for all liabilities and obligations of the BMO ETF shall be distributed *pro rata* among the Unitholders of the BMO ETF.

The rights of Unitholders to exchange and redeem Units described under “Redemption and Exchange of Units” will cease as and from the date of termination of the applicable BMO ETF.

### **PRINCIPAL HOLDERS OF SECURITIES**

CDS & Co., the nominee of CDS, is the registered owner of the Units of all of the BMO ETFs, which it holds for various brokers and other persons on behalf of their clients and others. From time to time, a BMO ETF or another investment fund managed by the Manager or an affiliate of the Manager may beneficially own, directly or indirectly, more than 10% of the Units of a BMO ETF.

### **INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

The Manager, on behalf of the BMO ETFs, may enter into various Continuous Distribution Agreements with registered dealers (that may or may not be Designated Brokers) pursuant to which the Dealers may subscribe for Units of one or more of the BMO ETFs as described under “Purchases of Units – Issuance of Units”.

The Manager will receive fees for its services to the BMO ETFs. See “Fees and Expenses”.

### **PROXY VOTING DISCLOSURE FOR PORTFOLIO SECURITIES HELD**

BMO Asset Management has established policies and procedures with respect to the voting of proxies (the “**Proxy Voting Guidelines**”) received from issuers of securities held in a BMO ETF’s portfolio. The Proxy Voting Guidelines provide that BMO Asset Management will vote (or refrain from voting) proxies for each BMO ETF for which it has voting power in the best economic interests of the BMO ETF. The Proxy Voting Guidelines are not exhaustive and due to the variety of proxy voting issues that BMO Asset Management may be required to consider, are intended only to provide guidance and are not intended to dictate how proxies are to be voted in each instance. BMO Asset Management may depart from the Proxy Voting Guidelines in order to avoid voting decisions that may be contrary to the best interests of the BMO ETFs.

BMO Asset Management will not generally take an activist stance in proxy voting matters that relate to the BMO ETFs, which are passively managed. Therefore, as part of its proxy voting decision making process, BMO Asset Management utilizes a leading provider of in-depth analysis for recommendations on all proxy proposals, and proxies are generally voted in accordance with such recommendations.

However, to ensure consistency in voting decisions across the various investment funds and other accounts managed by BMO Asset Management, where the securities being voted are also held within an actively managed investment fund or other account and providing such decision is in the best interest of the applicable BMO ETF, proxies for such securities will generally be voted in accordance with the decisions made on behalf of such actively managed investment fund or other account (which decisions are made in accordance with the Proxy Voting Guidelines). In this regard, pursuant to the Proxy Voting Guidelines, on routine matters (such as election of directors, appointment of auditors, changes in capital structure and increases in authorized stock) BMO Asset Management will generally cause the BMO ETFs to vote the securities within an actively managed investment fund or other account in accordance with the recommendations of management, unless it considers that there are factors that may have a negative impact on the actively managed investment fund or other account. Non-routine matters will generally be voted on a case-by-case basis, favouring shareholder rights, corporate governance, transparency and accountability, and long-term profitability. Where there are contentious issues included in the proxy voting materials in such cases for any security held within a BMO ETF, the particular portfolio manager(s) for the BMO ETF will generally also be involved in the firm-wide proxy voting decision.

Any proxy decision that pertains to Bank of Montreal shall be made free from any influence by Bank of Montreal or any affiliate or associate thereof and shall represent the business judgment of BMO Asset Management uninfluenced by considerations other than the best interests of the BMO ETFs. A conflict of interest may exist if BMO Asset Management, its personnel or another related entity has a business relationship with (or is actively soliciting business from) either the company soliciting the proxy or a third party that has a material interest in the

outcome of a proxy vote or that is actively lobbying for a particular outcome of a proxy vote. Individual conflicts of interest may also arise if any individual employed by BMO Asset Management and involved in the proxy vote decision has a direct or indirect material personal relationship or other material interest in either the company soliciting the proxy or in a third party that has a material interest in the outcome of a proxy vote or that is lobbying for a particular outcome of a proxy vote. When BMO Asset Management becomes aware of any vote that presents a conflict, it will vote such proxy in a manner consistent with, and uninfluenced by considerations other than, the best interests of the BMO ETFs.

## MATERIAL CONTRACTS

The following contracts can reasonably be regarded as material to purchasers of Units:

- (a) the Declaration of Trust;
- (b) the Custodian Agreement; and
- (c) the License Agreements.

Details of the Declaration of Trust can be found under “Organization and Management Details – The Trustee, Manager, Portfolio Manager, Promoter and Valuation Agent – Details of the Declaration of Trust”. Details of the Custodian Agreement can be found under “Organization and Management Details – Custodian”. Details of the License Agreements can be found under “Material Contracts – License Agreements”. Copies of the agreements referred to above may be inspected during business hours at the registered office of the Manager.

### License Agreements

#### *S&P Dow Jones Indices LLC*

#### *Special Definitions*

For purposes of this Section only, the “**S&P Indices**” means the following indices:

S&P/TSX Capped Composite Index  
S&P 500 Hedged to Canadian Dollars Index  
S&P/TSX Equal Weight Diversified Banks Index  
S&P/TSX Equal Weight Oil & Gas Index  
S&P/TSX Equal Weight Global Base Metals CAD Hedged Index  
S&P/TSX Equal Weight Industrials Index  
S&P/TSX Equal Weight Global Gold Index  
S&P 500 Index

For purposes of this Section only, the “**Dow Jones Indices**” means the following indices:

Dow Jones Brookfield Global Infrastructure North American Listed Index  
Dow Jones Industrial Average (CAD hedged)  
Dow Jones Canada Select Equal Weight Utilities Index  
Dow Jones North America Select Junior Gold Index  
Dow Jones Canada Select Equal Weight REIT Index  
Dow Jones North America Select Junior Oil Index  
Dow Jones North America Select Junior Gas Index  
Dow Jones U.S. Large-Cap Health Care Equal Weight Total Stock Market Index Canadian Dollar Hedged

The S&P Indices and the Dow Jones Indices together are referred to as the “**Indices**.”

For purposes of this Section only, “**Products**” means the following BMO ETFs:

BMO S&P/TSX Capped Composite Index ETF  
BMO S&P 500 Hedged to CAD Index ETF

BMO Global Infrastructure Index ETF  
BMO Dow Jones Industrial Average Hedged to CAD Index ETF  
BMO S&P/TSX Equal Weight Banks Index ETF  
BMO S&P/TSX Equal Weight Oil & Gas Index ETF  
BMO S&P/TSX Equal Weight Global Base Metals Hedged to CAD Index ETF  
BMO Equal Weight Utilities Index ETF  
BMO Junior Gold Index ETF  
BMO Equal Weight REITs Index ETF  
BMO Junior Oil Index ETF  
BMO Junior Gas Index ETF  
BMO Equal Weight US Health Care Hedged to CAD Index ETF  
BMO S&P/TSX Equal Weight Industrials Index ETF  
BMO S&P/TSX Equal Weight Global Gold Index ETF  
BMO S&P 500 Index ETF

### *License Agreements*

BMO Asset Management has entered into an agreement dated May 29, 2009, as amended from time to time, with Dow Jones Opco, LLC (the “**Dow Jones License Agreement**”) under which BMO Asset Management has the right, on and subject to the terms of the Dow Jones License Agreement, to use the Dow Jones Indices and certain related trademarks as a basis for the operation of the related Products.

The initial term of the Dow Jones License Agreement remained in effect for a period of three years from May 29, 2009 and automatically renews for successive one-year periods unless terminated by either party. If the Dow Jones License Agreement is terminated for any reason, BMO Asset Management will no longer be able to operate the Products covered by such Dow Jones License Agreement.

Bank of Montreal and BMO Asset Management have entered into agreements dated October 16, 2009, January 21, 2011, September 21, 2012, and November 1, 2012 with S&P Opco, LLC (each, an “**S&P Opco License Agreement**” and collectively, the “**S&P Opco License Agreements**”) under which BMO Asset Management has the right, on and subject to the terms of the S&P Opco License Agreements, to use the S&P Indices and certain related trademarks as a basis for the operation of the related Products.

The initial terms of the S&P Opco License Agreements will expire on October 16, 2014, January 21, 2016 and September 21, 2017, respectively, but the S&P Opco License Agreements may be terminated prior to that date in certain circumstances. Following the expiration of its initial term, each S&P Opco License Agreement may be renewed for another three years in accordance with its terms. If the S&P Opco License Agreements are terminated for any reason, BMO Asset Management will no longer be able to operate the Products covered by such S&P Opco License Agreements.

### *Trademark Information and Disclaimers*

Each of the Indices is a product of S&P Dow Jones Indices LLC, its affiliates and/or third party licensors and has been licensed for use by BMO Asset Management.

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The Products are not sponsored, endorsed, sold or promoted by S&P Dow Jones Indices LLC, its affiliates, or third party licensors, including, without limitation, S&P, TSX, Brookfield or their respective affiliates (collectively, “**S&P Dow Jones Indices Parties**”). S&P Dow Jones Indices Parties make no representation or warranty, express or implied, to the owners of the Products or any member of the public regarding the advisability of

trading or investing in securities generally or in the Products particularly or the ability of the Indices to track market performance. S&P Dow Jones Indices Parties' only relationship to BMO Asset Management is the licensing of the Indices and certain related trademarks and trade names. The Indices are determined, composed and calculated by S&P Dow Jones Indices LLC without regard to BMO Asset Management or the Products. S&P Dow Jones Indices Parties have no obligation to take the needs of BMO Asset Management or the owners of the Products into consideration in determining, composing or calculating the Indices. S&P Dow Jones Indices Parties are not responsible for and have not participated in the determination of the timing of, prices at, or quantities of the Products to be sold or in the determination or calculation of the equation by which the Products are to be converted into cash. S&P Dow Jones Indices Parties have no obligation or liability in connection with the administration, marketing or trading of the Products. There is no assurance that investment products based on the Indices will accurately track index performance or provide positive investment returns. S&P Dow Jones Indices LLC is not an investment advisor. Inclusion of a security within an Index is not a recommendation by S&P Dow Jones Indices Parties or its affiliates to buy, sell, or hold such security, nor is it considered to be investment advice.

**S&P DOW JONES INDICES PARTIES DO NOT GUARANTEE THE ADEQUACY, ACCURACY, TIMELINESS, AND/OR THE COMPLETENESS OF THE INDICES OR ANY DATA RELATED THERETO OR ANY COMMUNICATION, INCLUDING BUT NOT LIMITED TO, ORAL OR WRITTEN COMMUNICATION (INCLUDING ELECTRONIC COMMUNICATIONS) WITH RESPECT THERETO. S&P DOW JONES INDICES PARTIES SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, INTERRUPTIONS, OR DELAYS IN CALCULATING THE INDICES. S&P DOW JONES INDICES PARTIES MAKE NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY BMO ASSET MANAGEMENT, OWNERS OF THE PRODUCTS, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDICES OR ANY DATA INCLUDED THEREIN. S&P DOW JONES INDICES PARTIES 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 INDICES OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL S&P DOW JONES INDICES PARTIES HAVE ANY LIABILITY FOR ANY LOST PROFITS OR INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES OR LOSSES, INCLUDING BUT NOT LIMITED TO LOST TIME, GOODWILL, OR LOST PROFITS, EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES. THERE ARE NO THIRD PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN S&P DOW JONES INDICES LLC AND BMO ASSET MANAGEMENT, OTHER THAN THE THIRD PARTY LICENSORS OF S&P DOW JONES INDICES LLC.**

#### ***FTSE TMX***

BMO Asset Management has entered into an agreement dated October 16, 2009 (as amended) with FTSE TMX (the "**FTSE TMX License Agreement**") under which BMO Asset Management has the right, on and subject to the terms of the FTSE TMX License Agreement, to use "FTSE TMX Canada Short Term Federal Bond Index<sup>TM</sup>", "FTSE TMX Canada Short Term Provincial Bond Index<sup>TM</sup>", "FTSE TMX Canada Short Term Corporate Bond Index<sup>TM</sup>", "FTSE TMX Canada Mid Term Corporate Bond Index<sup>TM</sup>", "FTSE TMX Canada Mid Term Federal Bond Index<sup>TM</sup>", "FTSE TMX Canada Long Term Corporate Bond Index<sup>TM</sup>", " FTSE TMX Canada UniverseXM Bond Index<sup>TM</sup>", "FTSE TMX Canada Long Term Federal Bond Index<sup>TM</sup>" "FTSE TMX Canada Real Return Non-Agency Bond Index<sup>TM</sup>" and "FTSE TMX Canada Universe Discount Bond Index<sup>TM</sup>" (collectively, the "**FTSE TMX BMO ETF Indices**") as a basis for the operation of BMO Short Federal Bond Index ETF, BMO Short Provincial Bond Index ETF, BMO Short Corporate Bond Index ETF, BMO Mid Corporate Bond Index ETF, BMO Mid Federal Bond Index ETF, BMO Long Corporate Bond Index ETF, BMO Aggregate Bond Index ETF, BMO Long Federal Bond Index ETF, BMO Real Return Bond Index ETF and BMO Discount Bond Index ETF (collectively, the "**FTSE TMX BMO ETFs**"), respectively, and to use certain trademarks in connection with these Indices and the FTSE TMX BMO ETFs. The initial term of the FTSE TMX License Agreement will expire on October 16, 2014, but the FTSE TMX License Agreement may be terminated prior to that date in certain circumstances. Following the expiration of the initial term, the FTSE TMX License Agreement will be automatically renewed on an annual basis unless the agreement is terminated earlier in accordance with its terms. If the FTSE TMX License Agreement is terminated for any reason, BMO Asset Management will no longer be able to operate the FTSE TMX BMO ETFs based on the FTSE TMX Indices.

The FTSE TMX BMO ETFs are not in any way sponsored, endorsed, sold or promoted by FTSE TMX Debt Capital Markets Inc. (“**FTDCM**”), FTSE International Limited (“**FTSE**”), the London Stock Exchange Group companies (the “**Exchange**”) or TSX INC. (“**TSX**” and together with FTDCM, FTSE and the Exchange, the “**Licensor Parties**”). The Licensor Parties make no warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSE TMX BMO ETF Indices and/or the figure at which any of the FTSE TMX BMO ETF Indices stands at any particular time on any particular day or otherwise. Each of the FTSE TMX BMO ETF Indices is compiled and calculated by FTDCM and all copyright in any of the FTSE TMX BMO ETF Indices values and constituent lists vests in FTDCM. The Licensor Parties shall not be liable (whether in negligence or otherwise) to any person for any error in any of the FTSE TMX BMO ETF Indices and the Licensor Parties shall not be under any obligation to advise any person of any error therein. “**TMX**” is a trade mark of TSX Inc. and is used under licence. “**FTSE**®” is a trade mark of the London Stock Exchange Group companies and is used by FTDCM under licence.

### **Barclays**

BMO Asset Management has entered into an agreement dated March 26, 2010 (as amended) with Barclays (the “**Barclays License Agreement**”) under which BMO Asset Management has the right, on and subject to the terms of the Barclays License Agreement, to use the Barclays U.S. High Yield Very Liquid Index CAD Hedged, the Barclays Emerging Markets Tradable External Debt (EMTED) GDP Weighted Capped Index CAD Hedged, the Barclays US Investment Grade 5 to 10 Year Corporate Bond Capped Index, the Barclays US Investment Grade 5 to 10 Year Corporate Bond Capped Index CAD Hedged and the Barclays US Investment Grade 1 to 5 Year Corporate Bond Capped Index CAD Hedged (collectively, the “**Barclays Indices**”) as a basis for the operation of BMO High Yield US Corporate Bond Hedged to CAD Index ETF, BMO Emerging Markets Bond Hedged to CAD Index ETF, BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF, BMO Mid-Term US IG Corporate Bond Index ETF and BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF, respectively (collectively, the “**BMO ETF Products**”) and to use certain trademarks in connection with these Indices and these BMO ETF Products. The initial term of the Barclays License Agreement is one year, unless the agreement is terminated earlier as provided therein. The Barclays License Agreement will be automatically renewed on an annual basis, unless either party gives at least 90 days’ notice of termination prior to the end of the term or unless the agreement is otherwise terminated earlier in accordance with its terms. If the Barclays License Agreement is terminated for any reason, BMO Asset Management will no longer be able to operate the BMO ETF Products based on the Barclays Indices.

Barclays Capital Inc. and its affiliates (“**Barclays**”) is not the issuer or producer of the BMO ETF Products and Barclays has no responsibilities, obligations or duties to investors in the BMO ETF Products. The Barclays Indices are trademark owned by Barclays Bank PLC and licensed for use by BMO Asset Management Inc., as the manager of BMO ETF Products. Barclays’ only relationship with the Manager in respect of the Barclays Indices is the licensing of the Barclays Indices, which is determined, composed and calculated by Barclays without regard to the Manager of the BMO ETF Products or the owners of the BMO ETF Products. Additionally, the Manager may for itself execute transaction(s) with Barclays in or relating to the Barclays Indices in connection with the BMO ETF Products that investors acquire from the Manager, and investors in the BMO ETF Products neither acquire any interest in the Barclays Indices nor enter into any relationship of any kind whatsoever with Barclays upon making an investment in any of the BMO ETF Products. The BMO ETF Products are not sponsored, endorsed, sold or promoted by Barclays. Barclays does not make any representation or warranty, express or implied, regarding the advisability of investing in the BMO ETF Products or the advisability of investing in securities generally or the ability of the Barclays Indices to track corresponding or relative market performance. Barclays has not passed on the legality or suitability of the BMO ETF Products with respect to any person or entity. Barclays is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the BMO ETF Products to be issued. Barclays has no obligation to take the needs of the Manager or the owners of the BMO ETF Products or any other third party into consideration in determining, composing or calculating the Barclays Indices. Barclays has no obligation or liability in connection with administration, marketing or trading of the BMO ETF Products.

The licensing agreement between the Manager and Barclays is solely for the benefit of the Manager and Barclays and not for the benefit of the owners of the BMO ETF Products, investors or other third parties.

BARCLAYS SHALL HAVE NO LIABILITY TO THE MANAGER, INVESTORS OR TO OTHER THIRD PARTIES FOR THE QUALITY, ACCURACY AND/OR COMPLETENESS OF THE BARCLAYS INDICES OR ANY DATA INCLUDED THEREIN OR FOR INTERRUPTIONS IN THE DELIVERY OF THE BARCLAYS INDICES. BARCLAYS MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE MANAGER, THE INVESTORS OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE BARCLAYS INDICES OR ANY DATA INCLUDED THEREIN, WHETHER IN CONNECTION WITH ANY OF THE BMO ETF PRODUCTS OR OTHERWISE. BARCLAYS MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE BARCLAYS INDICES OR ANY DATA INCLUDED THEREIN, WHETHER IN CONNECTION WITH ANY OF THE BMO ETF PRODUCTS OR OTHERWISE. BARCLAYS RESERVES THE RIGHT TO CHANGE THE METHODS OF CALCULATION OR PUBLICATION, OR TO CEASE THE CALCULATION OR PUBLICATION OF THE BARCLAYS INDICES, AND BARCLAYS SHALL NOT BE LIABLE FOR ANY MISCALCULATION OF OR ANY INCORRECT, DELAYED OR INTERRUPTED PUBLICATION WITH RESPECT TO ANY OF THE BARCLAYS INDICES. BARCLAYS SHALL NOT BE LIABLE FOR ANY DAMAGES, INCLUDING, WITHOUT LIMITATION, ANY SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES, OR ANY LOST PROFITS AND EVEN IF ADVISED OF THE POSSIBILITY OF SUCH, RESULTING FROM THE USE OF THE BARCLAYS INDICES OR ANY DATA INCLUDED THEREIN OR WITH RESPECT TO THE BMO ETF PRODUCTS.

### ***BNY Mellon***

“BNY Mellon”, “BNY Mellon ADR Index,” and “BNY Mellon DR Index” are service marks of The Bank of New York Mellon. BMO Asset Management Inc. has entered into a licensing agreement dated March 25, 2010 (as amended) with The Bank of New York Mellon (the “**BNY Mellon License Agreement**”) under which BMO Asset Management has the right, on and subject to the terms of the BNY Mellon License Agreement, to use the BNY Mellon China Select ADR Index and the BNY Mellon India Select DR Index (collectively, the “**Indices**”) as a basis for the operation of its BMO China Equity Index ETF and BMO India Equity Index ETF (collectively, the “**BMO ETFs**”), respectively, and to use the above service marks and certain other trademarks in connection with these Indices and these BMO ETFs. There is no set term of the BNY Mellon License Agreement. However, the BNY Mellon License Agreement may be terminated in certain circumstances. If the BNY Mellon License Agreement is terminated for any reason, BMO Asset Management will no longer be able to base BMO China Equity Index ETF and BMO India Equity Index ETF on the BNY Mellon China Select ADR Index and the BNY Mellon India Select DR Index, respectively, and will no longer be able to operate these BMO ETFs.

BMO China Equity Index ETF and BMO India Equity Index ETF based on the Indices named above are not sponsored, endorsed, sold, recommended or promoted by The Bank of New York Mellon or any of its subsidiaries or affiliates, and none of The Bank of New York Mellon or any of its subsidiaries or affiliates makes any representation or warranty, express or implied, to the purchasers or owners of the BMO ETFs or any member of the public regarding the advisability of investing in financial products generally or in these BMO ETFs particularly, the ability of the ADR Index to track market performance or the suitability or appropriateness of the BMO ETFs for such purchasers, owners or such members of the public. The relationship between The Bank of New York Mellon, on one hand, and BMO Asset Management Inc., on the other, is limited to the licensing of certain trademarks and trade names of The Bank of New York Mellon and BNY Mellon ADR Index, which indices are determined, composed and calculated by The Bank of New York Mellon without regard to BMO Asset Management or the BMO ETFs. Neither The Bank of New York Mellon nor any of its subsidiaries or affiliates has any obligation to take the needs of BMO Asset Management Inc. or the purchasers or owners of the BMO ETFs into consideration in determining, composing or calculating the Indices named above. Neither The Bank of New York Mellon nor any of its subsidiaries or affiliates is responsible for, or has participated in, the determination of the timing of, prices at, or quantities of the BMO ETFs to be issued or in the determination or calculation of the equation by which the BMO ETFs are to be converted into cash. Neither The Bank of New York Mellon nor any of its subsidiaries or affiliates has any obligation or liability in connection with the administration, marketing or trading of the BMO ETFs or any other BMO products.

**NEITHER THE BANK OF NEW YORK MELLON NOR ANY OF ITS SUBSIDIARIES OR AFFILIATES GUARANTEES THE ACCURACY OR COMPLETENESS OF THE ADR INDICES OR ANY DATA**



**INCLUDED THEREIN, AND NEITHER THE BANK OF NEW YORK MELLON NOR ANY OF ITS SUBSIDIARIES OR AFFILIATES SHALL HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS OR INTERRUPTIONS THEREIN. NEITHER THE BANK OF NEW YORK MELLON NOR ANY OF ITS SUBSIDIARIES OR AFFILIATES MAKES ANY WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY BMO ASSET MANAGEMENT INC., PURCHASERS OR OWNERS OF THEIR PRODUCTS OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE ADR INDICES OR ANY DATA INCLUDED THEREIN. NEITHER THE BANK OF NEW YORK MELLON NOR ANY OF ITS SUBSIDIARIES OR AFFILIATES MAKES ANY EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE ADR INDICES OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL THE BANK OF NEW YORK MELLON OR ANY OF ITS SUBSIDIARIES OR AFFILIATES HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.**

### ***NASDAQ OMX***

BMO Asset Management has entered into an agreement dated January 6, 2010 with NASDAQ OMX (the “**NASDAQ OMX License Agreement**”) under which BMO Asset Management has the right, on and subject to the terms of the NASDAQ OMX License Agreement, to use the NASDAQ—100 Index<sup>®</sup> Hedged to CAD as a basis for the operation of BMO Nasdaq 100 Equity Hedged to CAD Index ETF and to use certain trademarks in connection with this Index and this BMO ETF. The initial term of the NASDAQ OMX License Agreement is one year, unless the agreement is terminated earlier as provided therein. The NASDAQ OMX License Agreement will be automatically renewed on an annual basis, unless either party gives at least 90 days’ notice of termination prior to the end of the term or unless the agreement is otherwise terminated earlier in accordance with its terms. If the NASDAQ OMX License Agreement is terminated for any reason, BMO Asset Management will no longer be able to operate BMO Nasdaq 100 Equity Hedged to CAD Index ETF based on the NASDAQ—100 Index<sup>®</sup> Hedged to CAD.

BMO Nasdaq 100 Equity Hedged to CAD Index ETF (for the purposes of this section only, the “**Product**”) is not sponsored, endorsed, sold or promoted by NASDAQ OMX 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 Product. The Corporations make no representation or warranty, express or implied to the owners of the Product or any member of the public regarding the advisability of investing in securities generally or in the Product particularly, or the ability of the NASDAQ—100 Index<sup>®</sup> Hedged to CAD to track general stock market performance. The Corporations’ only relationship to BMO Asset Management (the “**Licensee**”) is in the licensing of the Nasdaq<sup>®</sup>, OMX<sup>®</sup>, NASDAQ OMX<sup>®</sup>, Nasdaq-100<sup>®</sup>, and NASDAQ—100 Index<sup>®</sup> Hedged to CAD registered trademarks, and certain trade names of the Corporations and the use of the NASDAQ—100 Index<sup>®</sup> Hedged to CAD which is determined, composed and calculated by NASDAQ OMX without regard to Licensee or the Product. NASDAQ OMX has no obligation to take the needs of the Licensee or the owners of the Product into consideration in determining, composing or calculating the NASDAQ—100 Index<sup>®</sup> Hedged to CAD. The Corporations are not responsible for and have not participated in the determination of the timing of, prices at, or quantities of the Product to be issued or in the determination or calculation of the equation by which the Product is to be converted into cash. The Corporations have no liability in connection with the administration, marketing or trading of the Product.

**THE CORPORATIONS DO NOT GUARANTEE THE ACCURACY AND/OR UNINTERRUPTED CALCULATION OF THE NASDAQ—100 INDEX<sup>®</sup> HEDGED TO CAD OR ANY DATA INCLUDED THEREIN. THE CORPORATIONS MAKE NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY LICENSEE, OWNERS OF THE PRODUCT(S), OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE NASDAQ—100 INDEX<sup>®</sup> HEDGED TO CAD 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<sup>®</sup> HEDGED TO CAD 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.**

### ***MSCI***

BMO Asset Management has entered into an agreement dated January 29, 2013, as amended from time to time, with MSCI (the “**MSCI License Agreement**”) under which BMO Asset Management has the right, on and subject to the terms of the MSCI License Agreement, to use the MSCI EAFE 100% Hedged to CAD Index, the MSCI Emerging Markets Index, the MSCI EAFE Index, the MSCI Europe Quality 100% Hedged to CAD Index, the MSCI USA Quality Index and the MSCI ACWI Quality Index (collectively, the “**MSCI Indexes**”) as a basis for the operation of BMO MSCI EAFE Hedged to CAD Index ETF, BMO MSCI Emerging Markets Index ETF, BMO MSCI EAFE Index ETF, BMO MSCI Europe High Quality Hedged to CAD Index ETF, BMO MSCI USA High Quality Index ETF and BMO MSCI All Country World High Quality Index ETF, respectively, and to use certain trademarks in connection with these Indices and these BMO ETFs. The initial term of the MSCI License Agreement is three years, unless the agreement is terminated earlier as provided therein. The MSCI License Agreement will be automatically renewed on an annual basis, unless either party gives at least 90 days’ notice of termination prior to the end of the term or unless the agreement is otherwise terminated earlier in accordance with its terms. If the MSCI License Agreement is terminated in whole or in part for any reason, BMO Asset Management will no longer be able to operate BMO MSCI EAFE Hedged to CAD Index ETF, BMO MSCI Emerging Markets Index ETF, BMO MSCI EAFE Index ETF, BMO MSCI Europe High Quality Hedged to CAD Index ETF, BMO MSCI USA High Quality Index ETF or BMO MSCI All Country World High Quality Index ETF based on the applicable MSCI Index.

**THE BMO ETFS ARE 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 ASSET MANAGEMENT. NONE OF THE MSCI PARTIES MAKES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, TO THE ISSUER OR OWNERS OF THESE BMO ETFS OR ANY OTHER PERSON OR ENTITY REGARDING THE ADVISABILITY OF INVESTING IN BMO ETFS GENERALLY OR IN THESE BMO ETFS 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 THESE BMO ETFS OR THE ISSUER OR OWNERS OF THESE BMO ETFS OR ANY OTHER PERSON OR ENTITY. NONE OF THE MSCI PARTIES HAS ANY OBLIGATION TO TAKE THE NEEDS OF THE ISSUER OR OWNERS OF THESE BMO ETFS 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 THESE BMO ETFS TO BE ISSUED OR IN THE DETERMINATION OR CALCULATION OF THE EQUATION BY OR THE CONSIDERATION INTO WHICH THESE BMO ETFS ARE REDEEMABLE. FURTHER, NONE OF THE MSCI PARTIES HAS ANY OBLIGATION OR LIABILITY TO THE ISSUER OR OWNERS OF THESE BMO ETFS OR ANY OTHER PERSON OR ENTITY IN CONNECTION WITH THE ADMINISTRATION, MARKETING OR OFFERING OF THESE BMO ETFS.**

**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 THESE BMO ETFS, OWNERS OF THESE BMO ETFS, 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.**

No purchaser, seller or holder of this security, product or BMO ETF, or any other person or entity, should use or refer to any MSCI trade name, trademark or service mark to sponsor, endorse, market or promote this security without first contacting MSCI to determine whether MSCI's permission is required. Under no circumstances may any person or entity claim any affiliation with MSCI without the prior written permission of MSCI.

### *Solactive*

BMO Asset Management Inc. has entered into a licensing agreement dated October 19, 2015, as amended from time to time, with Solactive (the "**Solactive License Agreement**") under which BMO Asset Management has the right, on and subject to the terms of the Solactive License Agreement, to use Solactive Laddered Canadian Preferred Share Index, Solactive Equal Weight US Bank Index and Solactive Equal Weight US Bank Index Canadian Dollar Hedged (the "**Indices**") as a basis for the operation of BMO Laddered Preferred Share Index ETF, BMO Equal Weight US Banks Index ETF and BMO Equal Weight US Banks Hedged to CAD Index ETF (the "**BMO ETFs**"), and to use Solactive's trade marks in connection with the Indices and the BMO ETFs. There is no set term of the Solactive License Agreement. However, the Solactive License Agreement may be terminated in certain circumstances. If the Solactive License Agreement is terminated for any reason, BMO Asset Management will no longer be able to base the BMO ETFs on the Indices.

The BMO ETFs are not sponsored, promoted, sold or supported in any other manner by Solactive AG nor does Solactive AG offer any express or implicit guarantee or assurance either with regard to the results of using the Indices and/or Indices trademarks or the Indices Prices at any time or in any other respect. The Indices are calculated and published by Solactive AG. Solactive AG uses its best efforts to ensure that the Indices are calculated correctly. Irrespective of its obligations towards the Manager, Solactive AG has no obligation to point out errors in the Indices to third parties including but not limited to investors and/or financial intermediaries of the BMO ETFs. Neither publication of the Indices by Solactive AG nor the licensing of the Indices or Indices trademarks for the purpose of use in connection with the BMO ETFs constitutes a recommendation by Solactive AG to invest capital in the BMO ETFs nor does it in any way represent an assurance or opinion of Solactive AG with regard to any investment in the BMO ETFs.

## **LEGAL AND ADMINISTRATIVE PROCEEDINGS**

The BMO ETFs are not involved in any legal proceedings nor is the Manager aware of existing or pending legal or arbitration proceedings involving any of the BMO ETFs.

## **EXPERTS**

Osler, Hoskin & Harcourt LLP, legal counsel to the BMO ETFs and the Manager, has provided certain legal opinions on the principal Canadian federal income tax considerations that apply to an investment in the Units by an individual resident in Canada. See "Income Tax Considerations" and "Eligibility for Investment".

The auditor of the BMO ETFs is PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants, who has prepared independent auditor's reports as follows:

- Dated March 31, 2015 in respect of the financial statements of the BMO ETFs as at and for the period ending December 31, 2014.

PricewaterhouseCoopers LLP has advised that they are independent with respect to the BMO ETFs within the meaning of the Rules of Professional Conduct of the CPA Canada.

### EXEMPTIONS AND APPROVALS

Each BMO ETF has obtained exemptive relief from the Canadian securities regulatory authorities to permit the following practices:

- (a) the purchase by a Unitholder of a BMO ETF of more than 20% of the Units of that BMO ETF through purchases on the TSX without regard to the take-over bid requirements of Canadian securities legislation;
- (b) the purchase and sale of Units of the BMO ETFs on the TSX, which precludes the transmission of purchase or redemption orders to the order receipt offices of the BMO ETFs;
- (c) the payment for the issuance of Units of the BMO ETFs to be made partially in cash and partially in securities, provided that the acceptance of securities as payment is made in accordance with subparagraphs 9.4(2)(b)(i) and 9.4(2)(b)(ii) of NI 81-102;
- (d) the redemption of less than the Prescribed Number of Units of a BMO ETF at a price equal to 95% of the closing price of the Units of such BMO ETF on the TSX;
- (e) to relieve the BMO ETFs from the requirement relating to the record date for the payment of distributions, provided that the BMO ETFs comply with applicable TSX requirements;
- (f) to relieve the BMO ETFs from the requirement that a prospectus contain a certificate of the underwriters;
- (g) subject to certain conditions, to pay the brokerage commissions associated with a BMO ETF's purchase in the secondary market of Units of a BMO ETF or another ETF managed by an affiliate or associate of BMO Investments Inc., an affiliate of the Manager;
- (h) to relieve the BMO ETFs from certain requirements regarding the counterparty and the posting of margin in connection with certain cleared swaps entered into with dealers registered with the U.S. Commodity Futures Trading Commission;
- (i) to relieve the BMO ETFs from the requirement that a prospectus contain a certificate of the Dealers; and
- (j) to relieve the BMO ETFs from the requirement to include in the prospectus a statement respecting purchasers' statutory rights of withdrawal and remedies of rescission as prescribed in Item 36.2 of Form 41-101F2 *Information Required in an Investment Fund Prospectus*.

BMO S&P/TSX Equal Weight Banks Index ETF has obtained exemptive relief from the Canadian securities regulatory authorities to permit it to purchase certain securities such that, immediately after the transaction, more than 10 percent of its net assets would be invested in the securities of one issuer for the purposes of determining compliance with the concentration restriction in subsection 2.1(1) of NI 81-102, subject to certain conditions.

The BMO ETFs have obtained exemptive relief from the Canadian securities regulatory authorities to permit the BMO ETFs to invest in certain BMO ETFs that are not considered "index participation units" under NI 81-102, subject to certain conditions.

Additionally, certain dealers of the BMO ETFs, including the Designated Brokers and Dealers, have received exemptive relief from the Canadian securities regulatory authorities from the requirement that a dealer, not acting as agent of the purchaser, who receives an order or subscription for a security offered in a distribution to

which the prospectus requirement of the securities legislation of the provinces and territories apply, send or deliver to the purchaser or its agent, unless the dealer has previously done so, the latest prospectus and any amendment either before entering into an agreement of purchase and sale resulting from the order or subscription, or not later than midnight on the second business day after entering into that agreement. As a condition of this exemptive relief, the dealer is required to deliver a copy of the ETF Summary Document of the applicable BMO ETF to a purchaser if the dealer does not deliver a copy of this prospectus.

The BMO ETFs have applied for exemptive relief from the Canadian securities regulatory authorities to permit the BMO ETFs to invest in exchange traded funds that trade on a stock exchange in Canada or the United States and that issue securities that (i) do not qualify as “index participation units” (as defined in NI 81-102), (ii) are managed by investment fund managers other than the Manager or an affiliate of the Manager, (iii) and, in respect of certain of such exchange traded funds, may have exposure to one or more physical commodities on an unlevered basis (the “**Commodity ETFs**”). In addition, the exemptive relief would permit the BMO ETFs to invest in the following categories of Commodity ETFs: energy, grains, industrial metals, livestock, precious metals (other than gold) and softs (including cocoa, cotton, coffee and sugar). The risks associated with such investments and strategies are described under “Risk Factors”.

### **PURCHASERS’ STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase mutual fund securities offered in a distribution within two (2) business days after receipt of a prospectus and any amendment. In addition, securities legislation in certain of the provinces of Canada provides purchasers of mutual fund securities with a limited right to rescind the purchase within 48 hours after receipt of a confirmation of such purchase. If the purchase of mutual fund securities is made under a contractual plan, the time period during which the right to rescind is exercisable may be longer. In most of the provinces and territories of Canada, the securities legislation further provides a purchaser with remedies for rescission or damages, or, in Québec, revision of the price, if the prospectus and any amendment is not delivered to the purchaser, provided that the remedies for rescission, damages or revision of the price are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory.

Notwithstanding the foregoing, purchasers of Units of the BMO ETFs will not have the right to withdraw from an agreement to purchase the Units after the receipt of a prospectus and any amendment, and will not have remedies for rescission, damages or revision of the price for non-delivery of the prospectus or any amendment, if the dealer receiving the purchase order has obtained an exemption from the prospectus delivery requirement under a decision pursuant to National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* (“**NP 11-203**”). However, purchasers of Units of the BMO ETFs will, in the applicable provinces of Canada, retain their right under securities legislation to rescind their purchase within 48 hours (or, if purchasing under a contractual plan, such longer time period as applicable) after the receipt of a confirmation of purchase.

In several of the provinces and territories of Canada, the securities legislation further provides a purchaser with remedies for rescission or damages if the prospectus, together with any amendment to the prospectus, contains a misrepresentation, provided that such remedies are exercised by the purchaser within the time limits prescribed by the securities legislation of the purchaser’s province or territory. Any remedies under securities legislation that a purchaser of Units may have for rescission or damages, if the prospectus and any amendment to the prospectus contains a misrepresentation, remain unaffected by the non-delivery of the prospectus pursuant to reliance by a dealer upon the decision referred to above.

However, the Manager has obtained exemptive relief from the requirement in securities legislation to include an underwriter’s certificate in the prospectus under a decision pursuant to NP 11-203. As such, purchasers of Units of the BMO ETFs will not be able to rely on the inclusion of an underwriter’s certificate in the prospectus or any amendment for the statutory rights and remedies that would otherwise have been available against an underwriter that would have been required to sign an underwriter’s certificate.

Purchasers should refer to the applicable provisions of the securities legislation and the decisions referred to above for the particulars of their rights or consult with a legal advisor.

## DOCUMENTS INCORPORATED BY REFERENCE

Additional information about the BMO ETFs is or will be available in the following documents:

- (a) the most recently filed comparative annual financial statements of the BMO ETFs, together with the accompanying report of the auditor;
- (b) any interim financial statements of the BMO ETFs filed after the most recently filed comparative annual financial statements of the BMO ETFs;
- (c) the most recently filed annual MRFP of the BMO ETFs;
- (d) any interim MRFP of the BMO ETFs filed after that most recently filed annual MRFP of the BMO ETFs; and
- (e) the most recently filed ETF Summary Document of the BMO ETFs.

These documents are or will be incorporated by reference in this prospectus, which means that they will legally form part of this document just as if they were printed in it. The above documents, if filed by the BMO ETFs after the date of this prospectus and before the end of the distribution hereunder, are also deemed to be incorporated by reference herein. An investor can get a copy of these documents, when available, upon request and at no cost by calling the Manager at 1-800-361-1392 or by contacting a registered dealer. These documents are or will also be available on the BMO ETFs' website at [www.bmo.com/etflegal](http://www.bmo.com/etflegal).

These documents and other information about the BMO ETFs are or will be available on the Internet at [www.sedar.com](http://www.sedar.com).

**CERTIFICATE OF THE BMO ETFS, THE MANAGER AND PROMOTER**

Dated: January 29, 2016

This prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Yukon Territory, Northwest Territories and Nunavut.

**BMO ASSET MANAGEMENT INC.  
as Manager and Trustee of the BMO ETFS**

*(Signed) "Rajiv Silgado"*  
RAJIV SILGARDO  
Chief Executive Officer

*(Signed) "Thomas Burian"*  
THOMAS BURIAN  
Chief Financial Officer

**On behalf of the Board of Directors of BMO Asset Management Inc.**

*(Signed) "Subhas Sen"*  
SUBHAS SEN  
Director

*(Signed) "Dirk A. McRobb"*  
DIRK A. MCROBB  
Director

**BMO ASSET MANAGEMENT INC.  
as Promoter of the BMO ETFS**

*(Signed) "Rajiv Silgado"*  
RAJIV SILGARDO  
Chief Executive Officer