

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell these securities.

PROSPECTUS

Initial Public Offering and Continuous Offering

October 14, 2025



BMO Broad Commodity ETF

This prospectus qualifies the distribution of the CAD Units (also referred to as “**Units**”) of BMO Broad Commodity ETF (the “**BMO ETF**”).

The BMO ETF is an exchange traded alternative mutual fund within the meaning of NI 81-102 (as defined below) established as a trust under the laws of the Province of Ontario. As an alternative mutual fund, the BMO ETF has the ability to invest in asset classes and use investment strategies that are not permitted for conventional mutual funds, including the ability to invest in other alternative mutual funds, employ leverage and borrow cash to use for investment purposes and increased ability to invest in commodities. While these strategies will be used in accordance with the BMO ETF’s investment objective and strategies, during certain market conditions, they may accelerate the pace at which an investor’s investment decreases in value. The BMO ETF is subject to restrictions and practices contained in Canadian securities legislation applicable to alternative mutual funds, including NI 81-102, and is managed in accordance with these restrictions, except as otherwise permitted by exemptions provided by Canadian securities regulatory authorities. The Units constitute exchange-traded units of the BMO ETF, which will be issued and sold on a continuous basis, and there is no maximum number of Units that may be issued.

The BMO ETF seeks to replicate, to the extent possible, the total return performance of a broad based commodity index (the “**Index**”) or a successor index thereto, net of fees and expenses. See “Investment Objectives” and “Investment Strategies”.

BMO Asset Management Inc. (the “**Manager**”) is the trustee, manager and portfolio manager and promoter of the BMO ETF and is responsible for the administration of the BMO ETF. See “Organization and Management Details of the BMO ETF – Trustee, Manager, Portfolio Manager and Promoter of the BMO ETF”. 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. See “Overview of the Legal Structure of the BMO ETF”.

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 issuers held by the BMO ETF and/or cash, as applicable.

Capitalized terms used but not otherwise defined have the meanings ascribed herein.

The BMO ETF issues Units directly to Designated Brokers and Dealers. BMO Nesbitt Burns Inc., a related entity, will act as a Designated Broker for the BMO ETF and will also act as a Dealer for the BMO ETF. See “Organization and Management Details of the BMO ETF – Conflicts of Interest” for more information. The initial

issuance of the Units of the BMO ETF will not occur until the BMO ETF has received, in aggregate, subscriptions sufficient to satisfy the original listing requirements of the Cboe Canada Inc. (“**Cboe Canada**”).

Cboe Canada has conditionally approved the listing of the Units of the BMO ETF on Cboe Canada. Listing of the Units of the BMO ETF is subject to the BMO ETF fulfilling all of the requirements of Cboe Canada, including the minimum distribution requirements. Subject to satisfying Cboe Canada’s original listing requirements, the Units of the BMO ETF will be listed on Cboe Canada and offered on a continuous basis, and an investor will be able to buy or sell these Units on Cboe Canada through registered brokers and dealers in the province or territory where the investor resides. Investors may incur customary brokerage commissions in buying or selling the Units.

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

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

Additional information about the 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 the BMO ETF, and the most recently filed ETF Facts for the Units of the BMO ETF. These documents are incorporated by reference into this prospectus which means that they legally form part of this prospectus. See “Documents Incorporated by Reference” for further details.

The Manager will enter into a license agreement with the Index Provider (defined below) to use the Index and certain other trademarks. See “Material Contracts – License Agreement”.

Bloomberg (as defined below) is the “**Index Provider**”. The Units of the BMO ETF are not in any way sponsored, endorsed, sold or promoted by the Index Provider and the Index Provider makes no representation or warranty, express or implied, regarding the advisability of investing in securities generally or in the BMO ETF particularly or the ability of the Index 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.

The terms set out below have the meanings provided here.

adjusted cost base – the cost of a security adjusted in accordance with the Tax Act.

ATR Rules – has the meaning given under “Risk Factors – Taxation Risks”.

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

Bloomberg – Bloomberg Index Services Limited.

BMO Funds – ETFs, mutual funds or other investment funds managed by the Manager or an affiliate.

BMO NB – BMO Nesbitt Burns Inc., an affiliate of the Manager.

CAD Units – the Canadian dollar denominated units of the BMO ETF.

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.

Capital Gains Designation Limit – has the meaning given under “Risk Factors – Taxation Risks”.

Capital Gains Refund – has the meaning given under “Income Tax Considerations – Taxation of the BMO ETF”.

Cboe Canada – Cboe Canada Inc.

CDS – CDS Clearing and Depository Services Inc.

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

Continuous Distribution Agreement – an agreement between the Manager, on behalf of the BMO ETF, and a Dealer, as amended from time to time.

CRA – Canada Revenue Agency.

Custodian – the custodian of the BMO ETF, being SSTCC.

Custodian Agreement – the custodian contract effective June 1, 2018 (as amended from time to time) between the Manager, BMO Investments Inc. and SSTCC, as custodian of the BMO ETF.

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 the BMO ETF, pursuant to which the Dealer may subscribe for Units of the BMO ETF as described under “Purchases of Units – Issuance of Units”.

Declaration of Trust – the amended and restated declaration of trust dated as of October 14, 2025 (as amended or as amended and restated from time to time) under which the BMO ETF has 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 the BMO ETF pursuant to which the registered dealer agrees to perform certain duties in relation to the BMO ETF.

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

Distribution Payment Date – a day that is no later than the 10th business day following the applicable Distribution Record Date, on which the 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 the BMO ETF entitled to receive a distribution.

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

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

ESG – environmental, social and governance.

ETF – exchange traded fund.

Exchange – Cboe Canada.

FHSA – first home savings accounts as defined in the Tax Act.

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

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

Index – a broad based commodity index or a successor index thereto.

Index Provider – third-party provider of the Index with which the Manager has entered into a licensing arrangement permitting the Manager to use the Index and certain trademarks in connection with the operation of the BMO ETF.

IRC – the Independent Review Committee of the BMO ETF.

License Agreement – the license agreement entered into by the Manager with the 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 ETF.

Manager – 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, acting in its capacity as the manager and portfolio manager of the BMO ETF.

minimum distribution requirements – has the meaning given under “Income Tax Considerations – Status of the BMO ETF”.

NAV and NAV per Unit – in relation to the Units of the BMO ETF, the net asset value of the BMO ETF and the net asset value per Unit of the 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 the constituent securities of the Index, included in the portfolio of the BMO ETF, including ETFs, mutual funds or other investment funds, or derivative instruments.

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

Plan Agent – SSTCC when acting in its capacity as plan agent for the Distribution Reinvestment Plan.

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

Portfolio Manager – BMO Asset Management Inc. when acting in its capacity as portfolio manager of the BMO ETF.

Prescribed Number of Units – the number of Units of the BMO ETF 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.

Registered Plans –collectively, DPSPs, FHSAs, RDSPs, RESPs, RRIFs, RRSPPs, and TFSA.

Registrar and Transfer Agent – SSTCC.

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.

SEC – United States Securities and Exchange Commission.

Securities Lending Agent – State Street Bank and Trust Company acts as agent for securities lending transactions for the BMO ETF. The Securities Lending Agent is independent of the Manager.

Securities Lending Agreement – the securities lending authorization agreement dated June 12, 2018, as amended from time to time between the Manager and State Street Bank and Trust Company.

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).

SSTCC – State Street Trust Company Canada, which is the Custodian, registrar and transfer agent and Plan Agent of the BMO ETF.

substituted property – has the meaning given under “Income Tax Considerations – Taxation of the BMO ETF”.

Tax Act – the *Income Tax Act* (Canada) and the regulations issued thereunder, as the same may be amended from time to time.

Tax Proposals – all specific proposals to amend the Tax Act that have been publicly announced in writing by the Minister of Finance (Canada) prior to the date of this prospectus.

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

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

Trustee – BMO Asset Management Inc. when acting in its capacity as the trustee of the BMO ETF.

Underlying Funds – ETFs, mutual funds or other investment funds in which the BMO ETF may invest, which may include BMO Funds.

Unit – a redeemable, transferable unit of the BMO ETF, which represents an equal, undivided interest in the net assets of the BMO ETF. Units include CAD Units.

Unitholder – a holder of Units of the BMO ETF.

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

Valuation Agent – SSTCC.

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

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

PROSPECTUS SUMMARY

The following is a summary of the principal features of the Units of the BMO ETF 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”.

Issuer: BMO Broad Commodity ETF (the “**BMO ETF**”).

The BMO ETF is an exchange traded alternative mutual fund, within the meaning of NI 81-102, established as a trust under the laws of the Province of Ontario. BMO Asset Management Inc. is the Trustee, Manager, Portfolio Manager and Promoter of the BMO ETF. See “Overview of the Legal Structure of the BMO ETF”.

As an alternative mutual fund, the BMO ETF has the ability to invest in asset classes and use investment strategies that are not permitted for conventional mutual funds, including the ability to invest in other alternative mutual funds, employ leverage and borrow cash to use for investment purposes and increased ability to invest in commodities. While these strategies will be used in accordance with the BMO ETF’s investment objective and strategies, during certain market conditions, they may accelerate the pace at which an investor’s investment decreases in value. The BMO ETF is subject to restrictions and practices contained in Canadian securities legislation applicable to alternative mutual funds, including NI 81-102, and is managed in accordance with these restrictions, except as otherwise permitted by exemptions provided by Canadian securities regulatory authorities.

Units: This prospectus qualifies the distribution of the CAD Units of the BMO ETF. The CAD Units are denominated in Canadian dollars.

Continuous Distribution: Units are issued and sold on a continuous basis and there is no maximum number of Units that may be issued.

The BMO ETF issues Units directly to Designated Brokers and Dealers. BMO NB will act as a Designated Broker for the BMO ETF and also will act as a Dealer for the BMO ETF. The initial issuance of the Units of the BMO ETF will not occur until the BMO ETF has received, in aggregate, subscriptions sufficient to satisfy the original listing requirements of Cboe Canada.

Cboe Canada has conditionally approved the listing of the Units of the BMO ETF on Cboe Canada. Listing of the Units of the BMO ETF is subject to the BMO ETF fulfilling all of the requirements of Cboe Canada, including the minimum distribution requirements. Subject to satisfying Cboe Canada’s original listing requirements, the Units of the BMO ETF will be listed on Cboe Canada and offered on a continuous basis, and an investor will be able to buy or sell these Units on Cboe Canada through registered brokers and dealers in the province or territory where the investor resides. Investors may incur customary brokerage commissions in buying or selling the Units.

Investment Objectives of the BMO ETF: The BMO ETF seeks to replicate, to the extent possible, the total return performance of a broad based commodity index or a successor index thereto, net of fees and expenses. The table below sets out the current Index and Index Provider for the BMO ETF.

Name of BMO ETF	Current Index	Index Provider
BMO Broad Commodity ETF	Bloomberg Commodity Index Total Return	Bloomberg Index Services Limited

The Manager may, subject to any required Unitholder approval, change the Index to another widely-recognized index in order to provide investors with substantially the same exposure to the asset class to which the BMO ETF is currently exposed. If the Manager changes the Index, 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 Strategies of the BMO ETF:

The investment strategy of the BMO ETF is generally to invest in derivative instruments (such as commodity-linked derivative instruments) to seek to replicate the total return performance of the Index. Currently, the BMO ETF seeks to replicate, to the extent possible, the performance of the Bloomberg Commodity Index Total Return, net of fees or expenses, primarily through the use of commodity-linked derivative instruments that provide exposure to the constituents of the Bloomberg Commodity Index, and the reinvestment of any excess cash in money market instruments, fixed income securities, Underlying Funds or similar financial instruments in order to replicate the performance of the Bloomberg Commodity Index Total Return.

The BMO ETF may also invest in and hold a proportionate share of the constituent derivative instruments that comprise the Index or Other Securities to seek to replicate the total return performance of the Index, in order to achieve its investment objectives. If selected, the Other Securities will have characteristics similar to the constituent derivative instruments or other instruments that comprise the Index.

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

The BMO ETF may hold cash and cash equivalents, other money market instruments, fixed income securities or Underlying Funds in order to meet its current obligations, including as collateral for the derivative instruments entered into by the BMO ETF.

The BMO ETF may use derivatives for hedging or non-hedging purposes in accordance with NI 81-102. In addition, certain Underlying Funds in which the BMO ETF may invest may use derivatives for hedging or non-hedging purposes.

When the BMO ETF invests in Underlying Funds, it may invest in Underlying Funds that are managed by the Manager or one of its affiliates. The BMO ETF may also invest in securities of an issuer related to the Manager. For more information about the conflicts of interest associated with the BMO ETF investing in Underlying Funds or

other securities associated with the Manager, please see “Organization and Management Details of the BMO ETF – Conflicts of Interest”.

The BMO ETF may use investment strategies that are more permissive than conventional mutual funds. In particular, the BMO ETF may borrow cash for investment purposes, sell securities short to a greater extent than conventional mutual funds, and invest in or use derivative instruments to create leverage, provided that the use of these investment strategies is in compliance with applicable Canadian Securities Legislation and is consistent with the investment objective and investment strategies of the BMO ETF.

The BMO ETF may engage in securities lending transactions in order to earn additional income for the BMO ETF, provided that the use of such securities lending transactions is in compliance with applicable Canadian Securities Legislation and is consistent with the investment objective and investment strategies of the BMO ETF.

See “Investment Strategies”.

Use of Leverage

The BMO ETF may use leverage. Leverage may be created through the use of cash borrowings, short sales and/or derivatives.

The BMO ETF’s aggregate exposure to the sources of leverage, to be calculated as the sum of the following divided by the BMO ETF’s NAV, must not exceed 300% of the BMO ETF’s NAV: (i) the aggregate market value of the BMO ETF’s cash borrowing; (ii) the aggregate market value of short sales on equities, fixed income securities or other portfolio assets; and (iii) the aggregate notional value of the BMO ETF’s specified derivatives positions excluding any specified derivatives used for hedging purposes. Leverage will be calculated in accordance with the methodology prescribed by securities laws, or any exemptions therefrom.

Under normal market conditions, the BMO ETF’s aggregate exposure to those sources of leverage will be less than 300% of its NAV.

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 ETF has obtained exemptive relief from the securities regulatory authorities to permit Unitholders to acquire more than 20% of the Units of the BMO ETF through purchases on the Exchange 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 the Manager not to vote more than 20% of the Units of the BMO ETF at any meeting of Unitholders.

Distributions:

Cash distributions, if any, on CAD Units will be paid quarterly, with the possibility of more frequent distributions at the Manager’s discretion.

Distributions on Units will consist of ordinary income, but may also include net realized capital gains, in any case, less the expenses of the BMO ETF and may include returns of capital. To the extent that the expenses of the BMO ETF exceed the income generated by the BMO ETF in any given quarter, it is not expected that a quarterly distribution will be paid.

For each taxation year, the BMO ETF will ensure that its net income 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 the BMO ETF has not distributed in cash the full amount of its net income or net realized capital gains in any taxation year, the difference between such amount and the amount of cash distributed by the BMO ETF will be paid as a “reinvested distribution”. Such distributions, net of any required withholding taxes, 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 following the distribution will equal the number of Units outstanding prior to the distribution. See “Distribution Policy”.

In addition to the distributions described above, the BMO ETF may from time to time pay additional distributions on its Units, including without restriction in connection with returns of capital. See “Distribution Policy”.

The tax treatment to Unitholders of distributions is discussed under the heading “Income Tax Considerations”.

Distribution Reinvestment: The BMO ETF 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) of the BMO ETF for Baskets of Securities and cash. See “Redemption and Exchange of Units”.

Termination: The BMO ETF does 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 ETF”. In the event that the Index Provider ceases to calculate an Index or the License Agreement is terminated, the Manager may terminate the 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. See “Investment Strategies – Termination of the Index”.

Eligibility for Investment: In the opinion of Borden Ladner Gervais LLP, provided that the 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 Exchange, the Units of the BMO ETF, if issued on the date hereof, would be on such date qualified investments under the Tax Act for trusts governed by Registered Plans.

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

Risk Factors: There are certain risks inherent in an investment in the BMO ETF. See “Risk Factors”.

Income Tax Considerations: This summary of Canadian federal income tax considerations is subject in its entirety to the qualifications, limitations and assumptions set out in “Income Tax Considerations”.

A Unitholder who is an individual (other than a trust) resident in Canada and who holds Units as capital property (all within the meaning 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 realized taxable capital gains of the BMO ETF paid or payable to the Unitholder in the year (including any reinvested distribution). Any non-taxable distributions from the BMO ETF (other than the non-taxable portion of any net realized capital gains of the 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 the 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. Upon the actual or deemed disposition of a Unit, 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 the BMO ETF requires that the 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 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 ETF

- Manager:** BMO Asset Management Inc. is the manager of the BMO ETF and, as such, manages the overall business and operations of the BMO ETF. The Manager is a Canadian investment management company. Its clients include pension funds, endowments, trusts, insurance company reserves, corporations and mutual funds. The Manager is an indirect, wholly-owned subsidiary of Bank of Montreal. The office for service of notice to the BMO ETF and the Manager is located at 250 Yonge Street, 8th Floor, Toronto, Ontario M5B 2M8 (the registered office of the BMO ETF and the Manager is located at 100 King Street West, 43rd Floor, Toronto, Ontario M5X 1A1). See "Organization and Management Details of the BMO ETF – Trustee, Manager, Portfolio Manager and Promoter of the BMO ETF".
- Portfolio Manager:** In its capacity as portfolio manager, the Manager manages, or causes to be managed, the investment portfolio of the BMO ETF. The Manager has the authority to appoint one or more sub-advisors to provide advice on or manage the investment portfolio of the BMO ETF. See "Organization and Management Details of the BMO ETF – Trustee, Manager, Portfolio Manager and Promoter of the BMO ETF".
- Trustee:** The Manager acts as the trustee of the BMO ETF pursuant to the Declaration of Trust. See "Organization and Management Details of the BMO ETF – Trustee, Manager, Portfolio Manager and Promoter of the BMO ETF – Duties and Services to be Provided by the Trustee, Manager, Portfolio Manager and Promoter".
- Valuation Agent:** SSTCC acts as the valuation agent of the BMO ETF and provides certain fund accounting and valuation services to the BMO ETF including, without limitation, calculating the NAV, NAV per Unit, net income and net realized capital gains of the BMO ETF. The principal office of the Valuation Agent is located in Toronto, Ontario. The Valuation Agent is independent of the Manager.
- Promoter:** The Manager has taken the initiative in founding and organizing the BMO ETF and is, accordingly, the promoter of the BMO ETF within the meaning of securities legislation of certain provinces and territories of Canada. See "Organization and Management Details of the BMO ETF – Trustee, Manager, Portfolio Manager and Promoter of the

BMO ETF – Duties and Services to be Provided by the Trustee, Manager, Portfolio Manager and Promoter”.

Custodian: SSTCC is the Custodian of the BMO ETF. SSTCC 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 ETF. The principal office of SSTCC is located in Toronto, Ontario. SSTCC is independent of the Manager.

See “Organization and Management Details of the BMO ETF – Custodian”.

Registrar and Transfer Agent: SSTCC, at its principal offices in Toronto, Ontario, is the registrar and transfer agent for the Units of the BMO ETF and maintains the register of registered Unitholders. The register of the BMO ETF is kept in Toronto. The Registrar and Transfer Agent is independent of the Manager. See “Organization and Management Details of the BMO ETF – Transfer Agent and Registrar”.

Plan Agent: SSTCC, at its principal offices in Toronto, Ontario, is the Plan Agent and administers the Distribution Reinvestment Plan for the BMO ETF. The Plan Agent is independent of the Manager. See “Organization and Management Details of the BMO ETF – Plan Agent”.

Auditor: PricewaterhouseCoopers LLP, at its principal offices in Toronto, Ontario, is the auditor of the BMO ETF. See “Organization and Management Details of the BMO ETF – Auditor”.

Securities Lending Agent: State Street Bank and Trust Company, a sub-custodian of the BMO ETF, acts as agent for securities lending transactions for the BMO ETF that engages in securities lending and administers securities lending transactions entered by the BMO ETF. The Securities Lending Agent is independent of the Manager. The principal office of the Securities Lending Agent is located in Boston, Massachusetts. The Securities Lending Agent is independent of the Manager. See “Organization and Management Details of the BMO ETF – Securities Lending Agent”.

SUMMARY OF FEES AND EXPENSES

Fees and Expenses Payable by the BMO ETF

The table set forth below lists the fees and expenses payable by the BMO ETF. The value of a Unitholder's investment in the BMO ETF will be reduced by the amount of fees and expenses charged to the BMO ETF. See "Fees and Expenses".

Management Fees: The BMO ETF will pay the Manager a management fee as set forth in the table below based on the average daily NAV of the 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.

Name of BMO ETF	Series of Units	Annual Management Fee (%)
BMO Broad Commodity ETF	CAD Units	0.26

Operating Expenses: In addition to the payment of the management fee, the 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), trading and 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 ETF, including the fees payable to the Custodian, the Registrar and Transfer Agent and the Plan Agent, and fees payable to other service providers retained by the Manager. See "Organization and Management Details of the BMO ETF – Trustee, Manager, Portfolio Manager and Promoter of the BMO ETF – Duties and Services to be Provided by the Trustee, Manager, Portfolio Manager and Promoter".

If the BMO ETF holds securities of one or more Underlying Funds which may be managed by the Manager, its affiliates or independent fund managers, the expenses incurred by each such other fund Issuer in connection with its operations are indirectly paid by the BMO ETF in addition to those operating expenses incurred directly by the BMO ETF.

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 ETF with respect to investments in the BMO ETF by certain Unitholders. In such cases, a cash amount equal to the difference between the fee otherwise chargeable and the reduced fee will be distributed 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 the BMO ETF will be determined from time to time by the Manager in its sole discretion. See "Fees and Expenses".

Underlying Fund Fees: The BMO ETF may, in accordance with applicable Canadian Securities Legislation including NI 81-102 and applicable exemptive relief, invest in Underlying Funds which may be managed by the Manager, its affiliates or independent fund managers. There are fees and expenses payable by these Underlying Funds in addition to the fees and expenses payable by the BMO ETF. No management fees or incentive fees are payable by the BMO ETF in respect of an investment in an Underlying Fund that, to a reasonable person, would duplicate a fee payable by such Underlying Fund for the same service.

To ensure that there is no duplication of management fees chargeable in connection with the BMO ETF and any investment in an Underlying Fund, the management fee of the BMO ETF will be reduced by the amount of the management fee paid by the BMO ETF in respect

of its investment in the Underlying Fund. Further, no sales fees or redemption fees are payable by the BMO ETF in relation to purchases or redemptions of the securities of the Underlying Funds in which it invests if these Underlying Funds are managed by the Manager or an affiliate or associate of the Manager, and no sales fees or redemption fees are payable by the BMO ETF in relation to its purchases or redemptions of securities of Underlying Funds that, to a reasonable person, would duplicate a fee payable by an investor in the BMO ETF.

Fees and Expenses Payable Directly by You

Unitholders who buy and sell their Units through the facilities of an Exchange do not pay a fee directly to the Manager or the BMO ETF in respect of those purchases and sales.

If stated in the applicable Designated Broker Agreement or Continuous Distribution Agreement or a similar agreement, the Manager or the BMO ETF may charge a Designated Broker and/or Dealer a fee to offset certain transaction costs associated with an issue, exchange or redemption of Units of the BMO ETF to or by such Designated Broker and/or Dealer. See “Purchases of Units” and “Redemption and Exchange of Units”.

OVERVIEW OF THE LEGAL STRUCTURE OF THE BMO ETF

The BMO ETF is an exchange traded mutual fund established as a trust under the laws of the Province of Ontario. The BMO ETF is an “alternative mutual fund” as defined in NI 81-102. The BMO ETF is not an “index mutual fund” as defined in NI 81-102 and is managed at the discretion of the Manager in accordance with its investment strategies and, as such, is generally more active in nature than index mutual funds.

Cboe Canada has conditionally approved the listing of the Units of the BMO ETF on Cboe Canada. Listing of the Units of the BMO ETF is subject to the BMO ETF fulfilling all of the requirements of Cboe Canada, including the minimum distribution requirements. Subject to satisfying Cboe Canada’s original listing requirements, the Units of the BMO ETF will be listed on Cboe Canada and offered on a continuous basis, and an investor will be able to buy or sell these Units on Cboe Canada through registered brokers and dealers in the province or territory where the investor resides. Investors may incur customary brokerage commissions in buying or selling the Units.

While the BMO ETF will be a mutual fund under the securities legislation of each of the 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 ETF and the Manager is located at 250 Yonge Street, 8th Floor, Toronto, Ontario M5B 2M8. The registered office of the BMO ETF and the Manager is located at 100 King Street West, 43rd Floor, Toronto, Ontario M5X 1A1.

The table below sets out the full legal name as well as the Cboe Canada ticker symbols for the Units of the BMO ETF:

Legal name of BMO ETF	Series of Units	Ticker Symbol
BMO Broad Commodity ETF	CAD Units	ZCOM

INVESTMENT OBJECTIVES

Investment Objectives of the BMO ETF

The BMO ETF is an “alternative mutual fund” for securities law purposes. As an alternative mutual fund, the BMO ETF has the ability to invest in asset classes and use investment strategies that are not permitted for conventional mutual funds, including the ability to invest in other alternative mutual funds, employ leverage and borrow cash to use for investment purposes and increased ability to invest in commodities. See “Investment Strategies”. While these strategies will be used in accordance with the BMO ETF’s investment objective and strategies, during certain market conditions, they may accelerate the pace at which an investor’s investment decreases in value. The BMO ETF is subject to restrictions and practices contained in Canadian securities legislation applicable to alternative mutual funds, including NI 81-102, and is managed in accordance with these restrictions, except as otherwise permitted by exemptions provided by Canadian securities regulatory authorities.

The BMO ETF seeks to replicate, to the extent possible, the total return performance of a broad based commodity index or successor index thereto, net of fees and expenses.

INVESTMENT STRATEGIES

The investment strategy of the BMO ETF is generally to invest in derivative instruments (such as commodity-linked derivative instruments) to seek to replicate the total return performance of the Index. Currently, the BMO ETF seeks to replicate, to the extent possible, the performance of the Bloomberg Commodity Index Total Return, net of fees or expenses, primarily through the use of commodity-linked derivative instruments that provide exposure to the constituents of the Bloomberg Commodity Index, and the reinvestment of any excess cash in money market instruments, fixed income securities, Underlying Funds or similar financial instruments in order to replicate the performance of the Bloomberg Commodity Index Total Return.

The BMO ETF may also invest in and hold a proportionate share of the constituent derivative instruments that comprise the Index or Other Securities to seek to replicate the total return performance of the Index, in order to achieve its investment objectives. If selected, the Other Securities will have characteristics similar to the constituent derivative instruments or other instruments that comprise the Index.

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

The BMO ETF may hold cash and cash equivalents, other money market instruments, fixed income securities or Underlying Funds in order to meet its current obligations, including as collateral for the derivative instruments entered into by the BMO ETF.

The BMO ETF may use derivatives for hedging or non-hedging purposes in accordance with NI 81-102. In addition, certain Underlying Funds in which the BMO ETF may invest may use derivatives for hedging or non-hedging purposes.

When the BMO ETF invests in Underlying Funds, it may invest in Underlying Funds that are managed by the Manager or one of its affiliates. The BMO ETF may also invest in securities of an issuer related to the Manager. For more information about the conflicts of interest associated with the BMO ETF investing in Underlying Funds or other securities associated with the Manager, please see “Organization and Management Details of the BMO ETF – Conflicts of Interest”.

The BMO ETF may use investment strategies that are more permissive than conventional mutual funds. In particular, the BMO ETF may borrow cash for investment purposes, sell securities short to a greater extent than conventional mutual funds, and invest in or use derivative instruments to create leverage, provided that the use of these investment strategies is in compliance with applicable Canadian Securities Legislation and is consistent with the investment objective and investment strategies of the BMO ETF.

The Current Index

The current Index, the Bloomberg Commodity Index Total Return, is a total return index based on the Bloomberg Commodity Index. The Bloomberg Commodity Index Total Return is composed of futures contracts and reflects the returns on a fully collateralized investment in the Bloomberg Commodity Index, which combines the returns of the Bloomberg Commodity Index with the returns on cash collateral invested in 13 week (3-month) U.S. Treasury Bills.

The Bloomberg Commodity Index, which is calculated on an excess return basis, is designed to be a highly liquid and diversified benchmark for commodity investments. It provides broad-based exposure to commodities and no single commodity or sector dominates the Bloomberg Commodity Index. The index is composed of futures contracts on physical commodities rather than physical commodities. Currently, the Bloomberg Commodity Index is comprised of exchange-traded futures on physical commodities across the following five sectors: energy, agriculture, industrial metals, precious metals and livestock.

Rebalancing and Adjustment of the Index

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

Name of BMO ETF	Current Index	Rebalancing and Adjustment
BMO Broad Commodity ETF	Bloomberg Commodity Index Total Return	Rebalanced annually

Change in the Index

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

Termination of the Index

The Index Provider calculates, determines and maintains the Index. In the event that the Index Provider ceases to calculate the Index or the License Agreement is terminated, the Manager may terminate the BMO ETF on 60 days' notice, change the investment strategy 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.

Use of the Index

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

Securities Lending

The 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 the Securities Lending Agreement 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 the 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

A derivative is an instrument, agreement or security whose market price, value or payment obligations is derived from, referenced to or based on an underlying interest (including a value, price, rate, security, or index). Types of derivatives include options, swaps, futures contracts, forward contracts, or other instruments.

The BMO ETF 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 BMO ETF.

The BMO ETF may use derivative instruments for hedging purposes and/or non-hedging purposes. “Hedging” refers to investments that are intended to offset or reduce a specific risk associated with all or a portion of an existing investment or position or group of investments or positions. For non-hedging purposes, the BMO ETF may use derivative instruments as a substitute for investing directly in certain securities in order to obtain the desired investment exposure. If the BMO ETF uses derivative instruments for non-hedging purposes, NI 81-102 requires that the BMO ETF hold certain assets and/or cash to ensure the BMO ETF is able to meet its obligations under the derivative instrument and to limit any possible losses that could result from the use of derivative instruments. See “Risk Factors – Use of Derivative Instruments Risk”.

Underlying Funds

In accordance with applicable Canadian Securities Legislation, including NI 81-102, the BMO ETF may invest in Underlying Funds 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 securities held indirectly by the BMO ETF through its investments in Underlying Funds and the management fees directly charged to the BMO ETF. In the event that the BMO ETF invests in an Underlying Fund and the management fee payable by the Underlying Fund is higher than that of the BMO ETF, the BMO ETF may indirectly pay the higher management fee on the portion of the BMO ETF’s assets invested in the Underlying Fund, regardless of whether the Underlying Fund is managed by the Manager (or affiliate of the Manager) or by an independent fund manager. When the BMO ETF invests in Underlying Funds, it may invest in Underlying Funds that are managed by the Manager or one of its affiliates. For more information about the conflicts of interest associated with the BMO ETF investing in Underlying Funds, please see “Organization and Management Details of the BMO ETF – Conflicts of Interest”.

Use of Leverage

The BMO ETF may use leverage. Leverage may be created through the use of cash borrowings, short sales and/or derivatives.

The BMO ETF’s aggregate exposure to the sources of leverage, to be calculated as the sum of the following divided by the BMO ETF’s NAV, must not exceed 300% of the BMO ETF’s NAV: (i) the aggregate market value of the BMO ETF’s cash borrowing; (ii) the aggregate market value of short sales on equities, fixed income securities or other portfolio assets; and (iii) the aggregate notional value of the BMO ETF’s specified derivatives positions excluding any specified derivatives used for hedging purposes. Leverage will be calculated in accordance with the methodology prescribed by securities laws, or any exemptions therefrom.

Under normal market conditions, the BMO ETF’s aggregate exposure to those sources of leverage will be less than 300% of its NAV.

OVERVIEW OF THE SECTORS IN WHICH THE BMO ETF INVESTS

The BMO ETF generally invests in derivative instruments (such as commodity-linked derivative instruments) that provide exposure to the following sectors: energy, agriculture, industrial metals, precious metals and livestock. See “Investment Strategies”.

INVESTMENT RESTRICTIONS

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

Tax-Related Investment Restrictions

The BMO ETF shall not make or hold any investment that would result in the BMO ETF becoming a “SIFT trust” as defined in subsection 122.1(1) of the Tax Act.

Notwithstanding the foregoing, the Manager may determine that the BMO ETF may acquire and hold an investment if the Manager determines that the holding of such investment would not give rise to any material amounts of income from, including taxable capital gains in respect of the disposition of, “non-portfolio property” as defined in subsection 122.1(1) of the Tax Act.

FEES AND EXPENSES

Fees and Expenses Payable by the BMO ETF

The value of a Unitholder’s investment in the BMO ETF will be reduced by the amount of fees and expenses charged to the BMO ETF.

Management Fees

The BMO ETF will pay the Manager a management fee as set forth in the table below based on the average daily NAV of the BMO ETF. The management fee is payable to the Manager in consideration of the services that the Manager provides to the BMO ETF in its capacity as the manager, which include acquiring or arranging to acquire securities on behalf of the BMO ETF, calculating NAV, NAV per Unit, net income and net realized capital gains of the BMO ETF, authorizing the payment of operating expenses incurred on behalf of the BMO ETF, preparing financial statements and financial and accounting information as required by the BMO ETF, 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 ETF complies with regulatory requirements and applicable stock exchange listing requirements, preparing the BMO ETF’s reports to Unitholders and the securities regulatory authorities, determining the amount of distributions to be made by the BMO ETF and negotiating contractual agreements with service providers, including Designated Brokers, the Custodian, the Registrar and Transfer Agent, the Plan Agent, the auditor and printers. See “Organization and Management Details of the BMO ETF – Trustee, Manager, Portfolio Manager and Promoter of the BMO ETF – Duties and Services to be Provided by the Trustee, Manager, Portfolio Manager and Promoter” 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.

BMO ETF	Series of Units	Annual Management Fee (%)
BMO Broad Commodity ETF	CAD Units	0.26

Operating Expenses

In addition to the payment of the management fee, the 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), trading and 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 ETF, including the fees payable to the Custodian, the Registrar and Transfer Agent and the Plan Agent, and fees payable to other service providers retained by the Manager. See “Organization and Management Details of the BMO ETF – Trustee, Manager, Portfolio Manager and Promoter of the BMO ETF – Duties and Services to be Provided by the Trustee, Manager, Portfolio Manager and Promoter”.

If the BMO ETF holds securities of one or more Underlying Funds which may be managed by the Manager, its affiliates or independent fund managers, the expenses incurred by each such other fund Issuer in connection with its operations are indirectly paid by the BMO ETF in addition to those operating expenses incurred directly by the BMO ETF.

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 ETF with respect to investments in the BMO ETF by certain Unitholders. In such cases, a cash amount equal to the difference between the fee otherwise chargeable and the reduced fee of the BMO ETF will be distributed 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 the 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 daily holdings of Units over each applicable period as specified by the Manager from time to time. Management Fee Distributions will be available only to holders of Units (including Designated Brokers and Dealers) and are only provided to nominee name holders of Units in circumstances where the benefit of the Management Fee Distribution will be passed on to the beneficial owner of the Units. 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, the eligible Unitholder must submit a claim for a Management Fee Distribution that can be verified by the relevant CDS Participant in whose name the Units are held, 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 the BMO ETF generally will be borne by the Unitholders receiving these distributions.

Underlying Fund Fees

The BMO ETF may, in accordance with applicable Canadian Securities Legislation including NI 81-102 and applicable exemptive relief, invest in Underlying Funds which may be managed by the Manager, its affiliates or independent fund managers. There are fees and expenses payable by these Underlying Funds in addition to the fees and expenses payable by the BMO ETF.

No management fees or incentive fees are payable by the BMO ETF in respect of an investment in an Underlying Fund that, to a reasonable person, would duplicate a fee payable by such Underlying Fund for the same service. To ensure that there is no duplication of management fees chargeable in connection with the BMO ETF and any investment in an Underlying Fund, the management fee of the BMO ETF will be reduced by the amount of the management fee paid by the BMO ETF in respect of its investment in the Underlying Fund.

Further, no sales fees or redemption fees are payable by the BMO ETF in relation to purchases or redemptions of the securities of the Underlying Funds in which it invests if these Underlying Funds are managed by the Manager or an affiliate or associate of the Manager, and no sales fees or redemption fees are payable by the BMO ETF in relation to its purchases or redemptions of securities of Underlying Funds that, to a reasonable person, would duplicate a fee payable by an investor in the BMO ETF.

Fees and Expenses Payable Directly by You

Unitholders who buy and sell their Units through the facilities of an Exchange do not pay a fee directly to the Manager or the BMO ETF in respect of those purchases and sales.

If stated in the applicable designated broker agreement or dealer agreement, the Manager or the BMO ETF may charge a Designated Broker and/or Dealer a fee to offset certain transaction costs associated with an issue, exchange or redemption of Units of the BMO ETF to or by such Designated Broker and/or Dealer. See "Purchases of Units" and "Redemption and Exchange of Units".

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.

Alternative Mutual Fund Risk

The BMO ETF is an “alternative mutual fund” for securities law purposes. As an alternative mutual fund, the BMO ETF has the ability to invest in asset classes and use investment strategies that are not permitted for conventional mutual funds, including the ability to invest in other alternative mutual funds, employ leverage and borrow cash to use for investment purposes and increased ability to invest in commodities. While these strategies will be used in accordance with the BMO ETF’s investment objective and strategies, during certain market conditions, they may accelerate the pace at which an investor’s investment decreases in value. The BMO ETF is subject to restrictions and practices contained in Canadian securities legislation applicable to alternative mutual funds, including NI 81-102, and is managed in accordance with these restrictions, except as otherwise permitted by exemptions provided by Canadian securities regulatory authorities.

Commodity Risk

The BMO ETF may invest directly or indirectly or gain exposure to commodities by investing in companies engaged in commodity-focused industries or by using ETFs. These investments, and therefore the value of the BMO ETF’s investment in these commodities and the NAV, will be affected by changes in the price of commodities and which can fluctuate significantly in short time periods. Commodity prices can change as a result of a number of factors, including supply and demand, speculation, government and regulatory activities, international monetary and political factors, central bank activity and changes in interest rates and currency values.

Commodity-Linked Derivative Risk

The value of a commodity-linked derivative investment typically is based upon the price movements of a physical commodity and the market’s expectation for a futures price movements. The prices of commodity futures contracts may fluctuate quickly and dramatically and may not correlate to price movements in other asset classes. Additional futures contract prices may be affected by changes in overall market movements, volatility of the Index, changes in interest rates, or factors affecting a particular industry or commodity, such as global pandemics, weather and other natural disasters, changes in supply and production embargoes, tariffs and international economic, political and regulatory developments and changes in speculators’ and/or investors’ demand. Investments in commodity-linked derivatives may be subject to greater volatility than non-derivative based investments. Commodity-linked derivatives also may be subject to credit and interest rate risks that in general affect the values of debt securities. Each of these factors and events could have a significant negative impact on the BMO ETF.

Futures Strategy Risk

The use of futures contracts is subject to special risk considerations. The primary risks associated with the use of futures contracts are (a) the imperfect correlation between the change in market value of the instruments held by the BMO ETF and the price of the futures contract; (b) possible lack of a liquid secondary market for a futures contract and the resulting inability to close a futures contract when desired; (c) losses caused by unanticipated market movements, which are potentially unlimited; (d) the Index’s inability to predict correctly the direction of securities prices, interest rates, currency exchange rates and other economic factors; (e) the possibility that the counterparty will default in the performance of its obligations; and (f) if the BMO ETF has insufficient cash, it may have to sell securities or financial instruments from its portfolio to meet daily variation margin requirements, which may lead to the BMO ETF selling securities or financial instruments at a time when it may be disadvantageous to do so.

If the BMO ETF holds futures contracts, it does not intend to hold such futures contracts through their expiration dates; therefore, as a futures contract approaches its settlement date, the BMO ETF may sell futures

contracts and replace the position with a similar contract with a more distant settlement date. This process is referred to as “rolling” a futures contract. Although the BMO ETF will attempt to roll from an expiring futures contract to another contract that the Index Provider believes will generate the greatest yield for the BMO ETF, the BMO ETF nevertheless may endure a cost to “roll” the contracts. In the event of a commodity futures market where near month contracts set to expire trade at a higher price than the next expiring month contract, a situation referred to as “backwardation,” then absent the impact of the overall movement in commodity prices, the BMO ETF may benefit because it would be selling more expensive contracts and buying less expensive contracts when it “rolls” the futures contracts. Conversely, in the event of a commodity futures market where near month contracts trade at a lower price than the next expiring month contracts, a situation referred to as “contango,” then absent the impact of the overall movement in commodity prices, the BMO ETF may experience an adverse impact because it would be selling less expensive contracts and buying more expensive contracts.

The impact of backwardation and contango may cause the total return of the BMO ETF to vary significantly from the total return of other price references, such as the spot price of the commodities comprising the Index. In the event of a prolonged period of contango, and absent the impact of rising or falling commodity prices, there could be a significant negative impact on the BMO ETF when it “rolls” its futures contract positions.

Gap Risk

The BMO ETF is subject to the risk that a commodity price will change between the periods of trading. Usually such movements occur when there are adverse news announcements while commodity markets are closed, which can cause the price of a commodity to drop substantially from the previous day’s closing price.

Agriculture Risk

Investments in the agriculture sector are sensitive to the overall condition of the agriculture sector. Economic forces affecting the agricultural sector include changes in agricultural commodity prices, labour costs, and energy and financial markets, as well as government policies and regulations, such as taxes, tariffs, duties, subsidies and import and export restrictions. Agricultural production and trade flows are significantly affected by government policies and regulations. In addition, companies in the agricultural sector must comply with a broad range of environmental and food safety laws and regulations which could adversely affect the BMO ETF’s investments. In addition, increased competition caused by economic recession, labour difficulties and changing consumer tastes and spending, as well as change in agricultural commodity prices, can affect the demand for agricultural products, and consequently the value of the BMO ETF’s investments.

Energy Risk

The BMO 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 the BMO ETF and the value of its Units may increase or reduce the effect of another factor.

Precious Metals Risk

The BMO 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 the BMO ETF and the value of its Units may increase or reduce the effect of another factor. In addition, the BMO ETF provides exposure to the commodities market, which has historically been more volatile than other markets, including the broader equity markets.

Industrial Metals Risk

The BMO 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 the BMO ETF and the value of its Units may increase or reduce the effect of another factor.

Use of Derivative Instruments Risk

Although derivatives may be used by the BMO ETF to avoid risk, they have their own kinds of risk including the following risks:

- There is no guarantee a properly priced market will exist when the BMO ETF wants to exit a derivative. This could prevent the BMO ETF from realizing a profit or limiting a loss on the derivative.
- Certain derivatives are traded on exchanges that may set daily trading limits that may prevent the BMO ETF from entering or exiting a derivative when it wishes to do so.
- If the counterparty to a derivative defaults on its obligations to the BMO ETF, the BMO ETF may incur a loss.
- When entering into a derivative, the BMO ETF may be required to provide collateral to the counterparty to that derivative. If the counterparty becomes insolvent, the BMO ETF may not recover some or all of the collateral it provided to the lender.
- Any use of derivatives for hedging purposes may be ineffective, and may limit, reduce or eliminate the BMO ETF's opportunity for profit in respect of the investment(s) being hedged.

Leverage Risk

When the BMO ETF makes investments in derivatives, borrows cash for investment purposes, or uses short sales on equities, fixed income securities or other portfolio assets, leverage may be introduced into the BMO ETF. Leverage occurs when the BMO ETF's notional exposure to underlying assets is greater than the amount invested. It is an investment technique that can magnify gains and losses. Consequently, any adverse change in the value or level of the underlying asset, rate or index may amplify losses compared to those that would have been incurred if the underlying asset had been directly held by the BMO ETF and may result in losses greater than the amount invested in the derivative itself. Leverage may increase volatility, may impair the BMO ETF's liquidity and may cause the BMO ETF to liquidate positions at unfavourable times.

Index Investment Strategy Risk

The Index was not created by the Index Provider solely for the purpose of the BMO ETF. The Index Provider has the right to make adjustments or to cease calculating the Index without regard to the particular interests of the Manager, the BMO ETF or the Unitholders. Further, the Manager will seek to replicate, to the extent possible, the total return performance of the Index. In general, if the BMO ETF uses a sampling methodology, or Other Securities, to construct its portfolio holdings, then the BMO ETF will tend to have greater tracking error to the Index

versus if it fully replicates the Index. Because the Manager will not attempt to take defensive positions in declining markets, the adverse financial condition of an issuer represented in the Index will not necessarily result in the BMO ETF ceasing to hold the issuer's securities, unless such securities are removed from the Index.

Index Tracking Risk

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

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

Adjustments to the Basket of Securities necessitated by the rebalancing of or adjustment to the Index could affect the underlying market for the constituent securities of the Index, which in turn would be reflected in the value of the 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.

Calculation and Termination of the Index Risk

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

In the event that the Index Provider ceases to calculate the Index or the License Agreement is terminated, the Manager may terminate the 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.

Index Concentration Risk

The BMO ETF, which seeks to replicate the total return performance of the Index, may have more of its net assets invested in one or more constituent securities than is usually permitted for mutual funds. Consequently, the BMO ETF's portfolio may be less diversified when compared to a less concentrated investment portfolio. Also, the NAV of the BMO ETF 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 ETF.

General Risks of Investments

An investment in the BMO ETF should be made with an understanding that the value of the BMO ETF may fluctuate in accordance with changes in the financial condition of the underlying investments, the condition of markets generally and other factors. Underlying investments held by the BMO ETF and the value of the BMO ETF may fluctuate over short term periods due to market movements and over longer periods during more prolonged market upturns or downturns. In addition to changes in the condition of markets generally, local, regional or global events such as the imposition of or increase in tariffs or other financial or trade restrictions, war, acts of terrorism, the spread of infectious illness or other public health issues and recessions, or the perception that such events could occur, could have a significant impact on the BMO ETF and its investments and could also result in fluctuations in

the value of the BMO ETF. The identity and weighting of the assets held by the BMO ETF may also change from time to time.

Recent tariff actions from the U.S. and other countries have resulted in market uncertainty and volatility. It remains unclear the extent to which additional tariffs and/or other trade restrictions may be imposed, whether any changes to the currently announced tariffs will be applied, how long such tariffs may be in effect and the extent to which further retaliatory measures will be imposed. Policy and legislative changes in one country, including tariff changes or trade restrictions, may have a significant effect on North American markets generally, on Canadian markets specifically, as well as on the value of securities held by the BMO ETF. As a result of these changes, the value of the Units may increase or decrease and the value of an investment in the BMO ETF may fluctuate.

Changes in Legislation Risk

There can be no assurance that tax, securities or other laws will not be changed in a manner that adversely affects the BMO ETF or the distributions received by the BMO ETF 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 will not be changed in a manner that adversely affects the BMO ETF or the issuers in which it invests. See “Taxation Risk” below for other tax-related risks.

Taxation Risks

The BMO ETF will be established in 2025 and is expected to qualify as a “mutual fund trust” for purposes of the Tax Act before the 91st day after the end of its first taxation year (determined without regard to any taxation year-end that may be deemed to occur for other purposes under the rules in the Tax Act relating to “loss restriction events”). Assuming the BMO ETF meets these requirements before such day, the BMO ETF will make an election to be deemed to be a mutual fund trust effective from the date of its creation. It is the Manager’s intention that the conditions prescribed in the Tax Act for qualification as a mutual fund trust once met will be satisfied on a continuing basis by the BMO ETF. It is therefore anticipated that the BMO ETF will qualify, or be deemed to qualify, at all times as a mutual fund trust within the meaning of the Tax Act.

If the BMO ETF fails to or 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 the Unitholders. For example, if the BMO ETF does not qualify as a “mutual fund trust” for the purposes of the Tax Act throughout a taxation year, the BMO ETF (i) may become liable for alternative minimum tax under the Tax Act, (ii) may be liable to pay tax under Part XII.2 of the Tax Act, (iii) would not be entitled to the Capital Gains Refund (as defined herein), and (iv) may be subject to the “mark-to-market” rules applicable to “financial institutions” under the Tax Act. In addition, if the BMO ETF fails to or were to not qualify as a “mutual fund trust”, the election filed under subsection 39(4) of the Tax Act for the BMO ETF may not apply to treat the gains or losses realized by the BMO ETF on the disposition of Canadian securities (including those in connection with a short sale) as capital gains or capital losses.

Recent amendments to the Tax Act have introduced new exemptions from the alternative minimum tax regime for (i) a unit trust if the total fair market value of the units of the trust that are listed on a designated stock exchange for purposes of the Tax Act (which includes the Exchange) represents all or substantially all of the total fair market value of all the units of the trust (the “**AMT Unit Trust Exemption**”) and (ii) a trust that meets the definition of an “investment fund” for purposes of the loss restriction event rules in the Tax Act as explained further below. The Manager has advised that the BMO ETF is expected to qualify for the AMT Unit Trust Exemption at all material times. As noted below, no assurances can be given that the BMO ETF will meet or will continue to meet the “investment fund” definition for purposes of the loss restriction event rules.

If the BMO ETF does not qualify as a mutual fund trust, it may be subject to the “mark-to-market” rules under the Tax Act if more than 50% of the fair market value of the Units are held by “financial institutions” within the meaning of the Tax Act for purposes of the “mark-to-market” rules. In such a case, the BMO ETF will be required to recognize on income account any gains and losses accruing on certain types of debt obligations and equity securities that it holds and also will be subject to special rules with respect to income inclusion on these securities. Any income arising from such treatment will be included in the amounts distributed to Unitholders. Each time the BMO ETF becomes or ceases to be a financial institution in accordance with the mark-to-market rules, the

tax year of the BMO ETF will be deemed to end immediately before that time, and gains or losses accrued on certain securities before that time will be deemed realized by the BMO ETF and will be distributed to Unitholders. A new taxation year for the BMO ETF will then begin, and for that and subsequent taxation years, for so long as not more than 50% of the Units of the BMO ETF are held by financial institutions, or the BMO ETF is a mutual fund trust for purposes of the Tax Act, the BMO ETF will not be subject to the mark-to-market rules. As the Units are publicly-traded on an exchange and/or marketplace, the BMO ETF may not know with certainty who the owners of its Units are, or may have difficulty ascertaining the number of Units owned, at any given point in time. Accordingly, there will be circumstances in which it will not be possible to control or may be difficult to identify whether the BMO ETF has, or has ceased to, become a “financial institution”. In addition, Designated Brokers and Dealers and other market makers (which may be considered a “financial institution”) may hold Units of the BMO ETF for their own account and/or in connection with their market making activities. As a result, there can be no assurance that the BMO ETF is not a “financial institution” or will not in the future become, or cease to be, a “financial institution” and no assurance as to when and to whom any distributions arising on the change in “financial institution” status of the BMO ETF will be made, or that the BMO ETF will not be required to pay tax on any undistributed income or taxable capital gains realized by the BMO ETF on such event. This may result in additional or adverse tax consequences to the Unitholders of the BMO ETF.

There can be no assurances that the CRA will agree with the tax treatment adopted by the BMO ETF in filing its tax return and the CRA could reassess the BMO ETF on a basis that results in tax being payable by the BMO ETF or in an increase in the taxable component of distributions considered to have been paid to Unitholders. A reassessment by the CRA may result in the BMO ETF being liable for unremitted withholding tax on prior distributions to non-resident Unitholders. Such liability may reduce the NAV of, or trading price of, Units of the BMO ETF.

The BMO ETF will generally recognize gains or losses under a derivative instrument (including a total return swap or future) when it is realized by the BMO ETF upon partial settlement or upon maturity. This may result in significant gains being realized by the BMO ETF at such times. To the extent such gains are not offset by any available deductions, it would be distributed to applicable Unitholders in the taxation year in which it is realized and included in such Unitholder’s income for the year. As a result, such distributions to a particular Unitholder may not correspond to the economic gains and losses which such Unitholder may experience.

The Tax Act contains tax loss restriction event rules that could apply to trusts such as the BMO ETF. The loss restriction event 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 to the BMO ETF, then the taxation year of the BMO ETF would be deemed to end and an automatic distribution of income and net realized capital gains may occur under the terms of the Declaration of Trust. Please see “Income Tax Considerations – Taxation of Unitholders” for the tax consequences of an unscheduled or other distribution to Unitholders. In addition, accrued capital losses and certain other realized losses of the BMO ETF would be unavailable for use by the BMO ETF in future years. However, trusts that qualify as an “investment fund” as defined in the loss restriction event rules are exempt from such adverse consequences. An “investment fund” for this purpose includes a trust that meets certain conditions, including satisfying certain of the conditions necessary to qualify as a “mutual fund trust” for purposes of the Tax Act, not using any property in the course of carrying on a business and complying with certain asset diversification requirements. If the BMO ETF were not to qualify as an “investment fund”, it could potentially have a loss restriction event and thereby become subject to the related tax consequences described above. Because of the way Units of the BMO ETF are bought and sold, it may not be possible for the BMO ETF to determine if or when a loss restriction event has occurred. Therefore, there can be no assurance that the BMO ETF will not become subject to the loss restriction event rules and there can be no assurance regarding when distributions resulting from a loss restriction event will be made.

If the BMO ETF realizes capital gains as a result of a transfer or disposition of its property undertaken to permit an exchange or redemption of Units by a Unitholder, allocation of fund-level capital gains may be permitted pursuant to the Declaration of Trust. Pursuant to certain rules in the Tax Act (the “**ATR Rules**”), the BMO ETF will be able to designate capital gains to Unitholders on an exchange or redemption of Units in an amount determined by a formula (the “**Capital Gains Designation Limit**”) which is based on (i) the amount of capital gains designated to Unitholders on an exchange or redemption of Units in the taxation year, (ii) the total amount paid for exchanges or

redemptions of the Units in the taxation year, (iii) the BMO ETF's NAV at the end of the taxation year and the end of the previous taxation year, and (iv) the BMO ETF's net taxable capital gains for the taxable year. In general, the formula contained in the ATR Rules is meant to limit the BMO ETF's designation to an amount that does not exceed the portion of the BMO ETF's taxable capital gains considered to be attributable to Unitholders that exchanged or redeemed their Units in the year. The Manager does not intend to allocate capital gains to exchanging or redeeming Unitholders in a manner that would result in the allocated amounts being non-deductible under the Tax Act. The amounts of taxable distributions made to non-redeeming Unitholders of the BMO ETF may be greater than they would have been in the absence of the ATR Rules.

The Tax Act contains SIFT Rules concerning the taxation of publicly traded Canadian trusts and partnerships that own certain types of property defined as "non-portfolio property". A trust that is subject to these rules is subject to trust level taxation, at rates comparable to those that apply to corporations, on the trust's income earned from "non-portfolio property" and net taxable capital gains on the disposition of a non-portfolio property to the extent that such income is distributed to its unitholders. If the BMO ETF were to be subject to tax under the SIFT Rules, the after-tax return to its Unitholders could be reduced, particularly in the case of a Unitholder who is exempt from tax under the Tax Act or is a non-resident of Canada. The BMO ETF will not be subject to material amounts of tax under these rules as long as the BMO ETF complies with its investment restrictions in this regard as the BMO ETF is not expected to hold any "non-portfolio property."

In the case of an exchange of Units of the BMO ETF for a Basket of Securities of the BMO ETF, or a distribution *in specie* on the termination of the 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. If such securities are not qualified investments for Registered Plans, such Registered Plans (and, in the case of certain Registered Plans, the annuitants, holders or subscribers thereof) may be subject to adverse tax consequences.

Recent amendments to the Tax Act (the "EIFEL Rules") generally limit the deductibility of interest and financing expenses of a Canadian resident corporation or trust that is not an "excluded entity" to a fixed ratio of tax EBITDA (as calculated in accordance with the EIFEL Rules). If the EIFEL Rules apply to the BMO ETF, the amount of interest and other financing expenses otherwise deductible by the BMO ETF may be reduced and the taxable component of distributions by the BMO ETF to its Unitholders may be increased accordingly. The Manager is reviewing the impact, if any, of the EIFEL Rules on the BMO ETF. Although certain investment funds that are considered to be "excluded entities" for purposes of the EIFEL Rules may be excluded from the application of the EIFEL Rules, there can be no assurance that the BMO ETF would qualify as an "excluded entity" for these purposes, and hence the BMO ETF could be subject to the EIFEL Rules.

Fund-of-Funds Investment Risk

The BMO ETF may invest directly in, or obtain exposure to, other ETFs, mutual funds or other investment funds as part of its investment strategy. The BMO ETF 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.

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 the 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.

Asset Class Risk

The investments held by the BMO ETF may underperform the returns of other investments that track different 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 Securities Risk

If securities held by the BMO ETF are cease-traded at any time by order of the Exchange, 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.

Credit Rating Related Risk

Securities held by the BMO ETF 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 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 the BMO ETF's income and Unit price.

Fluctuations in NAV and NAV per Unit Risk

The NAV and NAV per Unit will vary according to, among other things, the value of the BMO ETF's holdings. The Manager and the BMO ETF have no control over the factors that affect the value of the BMO ETF's holdings, including factors that affect the equity, bond and commodity markets generally such as general economic and political conditions, fluctuations in interest rates and factors unique to the issuers of the securities 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.

Exchange Rate Risk

Changes in foreign currency exchange rates may affect the NAV of the BMO ETF that holds investments denominated in currencies other than the currency in which the Units of the BMO ETF is denominated.

Foreign Market Risk

The value of foreign securities may be influenced by the policies of foreign governments and by political, economic or social instability. There may be less information about foreign issuers than about Canadian issuers and there may be lower standards of government supervision and regulation in foreign financial markets. The BMO ETF holds foreign securities and may have difficulty enforcing its legal rights as an investor in jurisdictions outside Canada.

Liquidity Risk

If the BMO ETF is unable to dispose of some or all of the securities held by it or close out derivatives transactions readily, the 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 derivatives, as applicable, 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.

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 BMO ETF's performance may suffer from its inability to invest in higher yielding securities.

Distributions In Specie Risk

A portion of the BMO ETF's portfolio may be invested in illiquid securities, instruments or other assets. There can be no assurance that all of the 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, instruments or other assets that Unitholders may receive on termination may not be readily marketable and may have to be held for an indefinite period of time.

Large Transaction Risk

Securities of the BMO ETF may be purchased and redeemed by certain investors, including financial institutions and other mutual funds, who may purchase or redeem large numbers of BMO ETF securities at one time.

The purchase or redemption of a substantial number of the BMO ETF's securities may require its portfolio advisor to change the composition of its portfolio significantly or force the portfolio advisor to buy or sell investments at unfavourable prices, which can affect the BMO ETF's performance and may also have other adverse consequences.

Concentration and Sector Risk

The BMO ETF may have more of its net assets invested in one or more issuers than is typical for many investment funds and may, as a result, be affected more by the performance of individual issuers in its portfolio. To the extent that the BMO ETF's investments are concentrated in a small number of issuers, the BMO ETF may be susceptible to loss due to adverse occurrences affecting those issuers. In such case, the investment portfolio of the BMO ETF is less diversified. As a result, the BMO ETF may be more susceptible to any single economic, political or regulatory occurrence than a diversified ETF investing in a broader range of issuers. Further, a decline in the market value of one of the BMO ETF's investments may affect the BMO ETF's value more than if the BMO ETF was a diversified fund.

In addition, the BMO ETF may concentrate its investments in a certain sector, geographic area or industry in the economy. This allows the BMO ETF to focus on that sector's potential, but it also means that they are riskier than investment funds with broader diversification. Because securities in the same industry or geographic area tend to be affected by the same factors, sector-specific and country-specific funds tend to experience greater fluctuations in price. Such industry-and country-based risks, any of which may adversely affect the issuers in which the BMO ETF invests, may include, but are not limited to, the following: general economic conditions or cyclical market patterns that could negatively affect credit quality or supply and demand in a particular industry or country; competition for resources, adverse labour relations, political or world events; obsolescence of technologies; loan growth; regulatory environment; and increased competition or new product introductions that may affect the profitability or viability of companies in an industry or geographic area. In addition, at times, such industry, geographic area or sector may be out of favor and underperform other industries, geographic locations or the market as a whole. The BMO ETF must continue to follow its investment objectives by investing in their particular sector or geographic area, even during periods when that sector or geographic area is performing poorly.

General Risks of Debt Instruments

Investment in the BMO ETF 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 the BMO ETF will fluctuate with interest rate changes and the corresponding changes in the value of the securities held by the BMO ETF. The value of the bonds held by the BMO ETF may be affected by price changes due to a change in general economic conditions. In addition, to the extent the BMO ETF invests in instruments with a negative yield (e.g. where there are negative interest rates), its value could be impaired.

Securities Lending Risk

The BMO ETF may engage in securities lending, repurchase and reverse repurchase transactions in accordance with NI 81-102 in order to earn additional income for the BMO ETF. Although it 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 ETF 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 Risk

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 Exchange. 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 and Lack of Operating History Risk

Although the BMO ETF will be (subject to satisfying the listing requirements of the Exchange), listed on an Exchange, there can be no assurance that an active public market for the Units will develop or be sustained. The BMO ETF is a newly organized investment trust with no previous operating history.

Reliance on the Manager Risk

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

Rebalancing and Adjustment Risk

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

Counterparty Risk

Transactions with the BMO ETF involving a counterparty are subject to the risk that the counterparty will not fulfill its obligation to the BMO ETF. Counterparty risk may arise because of the counterparty's financial condition (i.e., financial difficulties, bankruptcy, or insolvency), market activities and developments, or other reasons, whether foreseen or not. A counterparty's inability to fulfill its obligation may result in significant financial loss to the BMO ETF. The BMO ETF may be unable to recover its investment from the counterparty or may obtain a limited recovery, and/or recovery may be delayed.

Risk of Loss

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

Inflation Risk

Inflation is an investment risk which has not been considered for many years. However, it is possible that the value of fixed income investments could depreciate as the level of inflation rises in the country of origin. Inflation rates are generally measured by government and are reported as the Consumer Price Index (“CPI”). During times of higher and rising rates of the CPI, investors are better protected by being invested in hard asset investments such as real estate, commodities and precious metals or mutual funds that invest in companies in these industries.

Cyber Security Risk

As the use of technology has become more prevalent in the course of business, the Manager and the BMO ETF have become potentially more susceptible to operational risks through breaches in cybersecurity. A breach in cybersecurity refers to both intentional and unintentional events that may cause the BMO ETF to lose proprietary information, suffer data corruption, or lose operational capacity. This in turn could cause the BMO ETF to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial loss. Cybersecurity breaches may involve unauthorized access to the BMO ETF’s digital information systems (for example, through hacking or malicious software coding), but may also result from outside attacks such as denial-of-service attacks (efforts to make network services unavailable to intended users). In addition, cybersecurity breaches of the BMO ETF’s third-party service providers (who may include administrators, transfer agents, custodians and sub-advisors) or issuers that the BMO ETF invests in can also subject the BMO ETF to many of the same risks associated with direct cybersecurity breaches.

The Manager and the BMO ETF have established risk management systems designed to reduce the risks associated with cybersecurity. However, there is no guarantee that these systems will be effective, especially since the BMO ETF does not directly control the cybersecurity systems of issuers or third-party service providers.

Potential Conflicts of Interest Risk

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 the BMO ETF.

Although officers, directors and professional staff of the Manager will devote as much time to the BMO ETF 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 ETF and the other funds managed by the Manager or BMO Financial Group entities.

Risk Rating of the BMO ETF

The methodology that the Manager uses to determine the investment risk level of ETFs including the BMO ETF, for purposes of disclosure in this prospectus and in the applicable ETF Facts, is required to be determined in accordance with a standardized risk classification methodology that is based on an ETF’s historical volatility as measured by the 10-year standard deviation of the monthly returns of the ETF, assuming the reinvestment of all income and capital gains distributions in additional securities of the ETF. However, other types of risk, both measurable and non-measurable, may exist. It is also important to note that an ETF’s historical volatility may not be indicative of its future volatility.

Using this methodology, the Manager will generally assign an investment risk level based on an ETF’s historical 10-year standard deviation in one of the following categories:

- Low
- Low to medium
- Medium
- Medium to high
- High

In certain instances, the methodology set forth above may produce an investment risk level for an ETF which the Manager believes may be too low and not indicative of the ETF's future volatility. As a result, in addition to using the standardized risk classification methodology described above, the Manager may increase an ETF's investment risk level if it determines that to be reasonable in the circumstances by taking into account other qualitative factors including, but not limited to, economic climate, portfolio management styles, sector concentration and types of investments made by the ETF and the liquidity of those investments.

In addition, if an ETF does not have at least 10 years of performance history, then the return history of a reference index that reasonably approximates, or in the case of a newly established ETF is expected to reasonably approximate, the standard deviation of the ETF, will be used for the remainder of the 10-year period when calculating the standard deviation of the ETF. The investment risk level and the reference index for the ETF are reviewed at least annually and when it is no longer reasonable in the circumstances, such as where there is a material change in the ETF's investment objective and/or investment strategies.

Details about the standardized risk classification methodology used to identify the investment risk level of the BMO ETF are available on request, at no cost to you, by calling the BMO Investment Centre at 1-800-665-7700, or writing to the Manager, BMO Asset Management Inc., at 250 Yonge Street, 8th Floor, Toronto, Ontario M5B 2M8.

The risk rating set forth in the table below for the Units of the BMO ETF does 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	Series of Units	Risk Rating
ZCOM	BMO Broad Commodity ETF	CAD Units	Medium

The risk classification of the CAD Units of the BMO ETF is based on the returns of the Bloomberg Commodity Index. The Bloomberg Commodity Index consists of exchange-traded futures on physical commodities, representing commodities which are weighted to account for economic significance and market liquidity.

DISTRIBUTION POLICY

Distributions

Cash distributions, if any, on CAD Units will be paid quarterly, with the possibility of more frequent distributions at the Manager's discretion

Distributions on Units will consist of ordinary income, but may also include net realized capital gains, in any case, less the expenses of the BMO ETF and may include returns of capital. To the extent that the expenses of the BMO ETF exceed the income generated by the BMO ETF in any given quarter, it is not expected that a quarterly distribution will be paid.

For each taxation year, the BMO ETF will ensure that its net income 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 the BMO ETF has not distributed in cash the full amount of its net income or net realized capital gains in any taxation year, the difference between such amount and the amount distributed in cash by the BMO ETF will be paid as a "reinvested distribution". Such distributions, net of any required withholding taxes, 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 following the distribution will equal the number of Units outstanding prior to the distribution.

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

See also “Income Tax Considerations”.

Distribution Reinvestment Plan

The BMO ETF has adopted a Distribution 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 Distribution 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 Distribution Reinvestment Plan are as described below.

Unitholders who are not residents of Canada may not participate in the Distribution Reinvestment Plan and any Unitholder who ceases to be a resident of Canada will be required to terminate its participation in the Distribution Reinvestment Plan. The BMO ETF will not be required to purchase Plan Units if such purchase would be illegal.

A Unitholder who wishes to enroll in the Distribution 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 Distribution 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 Distribution 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 Distribution 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 Distribution 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 Distribution Reinvestment Plan. The Manager may terminate the Distribution Reinvestment Plan, in its sole discretion, upon not less than 30 days’ notice to: (i) registered participants in the Distribution Reinvestment Plan, (ii) the CDS Participants through which the Plan Participants hold their Units; (iii) the Plan Agent; and (iv) if necessary, the Exchange.

The Manager may amend, modify or suspend the Distribution Reinvestment Plan at any time in its sole discretion, provided that it receives prior approval for amendments from the Exchange and gives notice of the amendment, modification or suspension to: (i) registered participants in the Distribution Reinvestment Plan, (ii) the CDS Participants through which the Plan Participants hold their Units; (iii) the Plan Agent; and (iv) if necessary, the Exchange.

PURCHASES OF UNITS

Initial Investment in the BMO ETF

In compliance with NI 81-102, the BMO ETF will not issue Units to the public until orders aggregating not less than \$500,000 have been received and accepted by the BMO ETF from investors other than the Manager or its directors, officers or securityholders.

Continuous Distribution

Units of the BMO ETF are 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 the BMO ETF, has entered into a Designated Broker Agreement with a Designated Broker pursuant to which the Designated Broker agrees to perform certain duties relating to the BMO ETF including, without limitation: (i) to subscribe for a sufficient number of Units to satisfy the Exchange's original listing requirements; (ii) to subscribe for Units 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 Exchange. 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 the 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 second Trading Day after the subscription notice has been delivered (or such shorter period as may be determined by the Manager in response to changes in applicable law or general changes to settlement procedures in applicable markets).

Issuance of Units

To Designated Brokers and Dealers

All orders to purchase Units directly from the BMO ETF must be placed by a Designated Broker or Dealer. The BMO ETF reserves the absolute right to reject any subscription order placed by a Designated Broker or Dealer. No fees will be payable by the BMO ETF to any 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 the Designated Broker or Dealer to offset the expenses (including any applicable additional Exchange 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 or such number of Units as the Manager may permit) of the 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 Units (i) by no later than the second business day after the date on which the subscription order is accepted, or (ii) in such shorter period as may be determined by the Manager in response to changes in applicable law or general changes to settlement procedures in applicable markets, in each case provided that payment for such Units has been received.

For each Prescribed Number of Units of the BMO ETF issued, the 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 Basket of Securities for the BMO ETF will be made available to the BMO ETF's Designated Brokers and Dealers on each Trading Day. 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 the BMO ETF to the Designated Broker 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 the BMO ETF to Unitholders of the BMO ETF on the automatic reinvestment of reinvested distributions. See "Distribution Policy" and "Income Tax Considerations".

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 ETF issues Units directly to the Designated Brokers and Dealers.

From time to time as may be agreed by the BMO ETF and the Designated Brokers and Dealers, the Designated Brokers and Dealers may agree to accept 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 ETF has obtained exemptive relief from the securities regulatory authorities to permit Unitholders to acquire more than 20% of the Units of the BMO ETF through purchases on the Exchange 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 the Manager not to vote more than 20% of the Units of the BMO ETF at any meeting of Unitholders.

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 the 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 the 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 ETF 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 ETF has 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 the 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 Exchange 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 Exchange 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 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 (i) no later than the second business day after the effective date of the redemption, or (ii) such shorter period as may be determined by the Manager in response to changes in applicable law or general changes to settlement procedures in applicable markets. The cash redemption request forms may be obtained from any registered broker or dealer.

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

In connection with the redemption of Units, the BMO ETF will generally dispose of securities or other assets to satisfy the redemption. See "Income Tax Considerations – Taxation of the BMO ETF".

Exchange of Units for Baskets of Securities and Cash

At the discretion of the Manager, on any Trading Day, Unitholders may exchange the Prescribed Number of Units (or an integral multiple thereof) for Baskets of Securities and cash.

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 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, and at the discretion of the Manager, which will only be payable by delivery of cash. 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 (i) by no later than the second business day after the effective day of the exchange request, or (ii) in such shorter period as may be determined by the Manager in response to changes in applicable law or general changes to settlement procedures in applicable markets. 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 not a holder of record on or after the ex-dividend date will not be entitled to receive that distribution.

If securities held by the BMO ETF 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 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 the BMO ETF in the following extraordinary circumstances: (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 ETF, 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 the 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 ETF as Units of the BMO ETF 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 ETF 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 BMO ETF for any costs and expenses incurred in relation to the trade.

INCOME TAX CONSIDERATIONS

In the opinion of Borden Ladner Gervais LLP, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under the Tax Act for the BMO ETF and for a prospective investor in the BMO ETF that, for the purpose of the Tax Act at all relevant times, is an individual (other than a trust), is resident in Canada, holds Units of the BMO ETF as capital property, has not entered into and will not enter into a “derivative forward agreement” as that term is defined in the Tax Act with respect to the Units of the BMO ETF, and is not affiliated with the BMO ETF or any Designated Broker or Dealer and deals at arm’s length with the BMO ETF and any Designated Broker or Dealer.

Generally, Units of the BMO ETF will be considered to be capital property to a Unitholder provided that the Unitholder does not hold such Units in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Provided that the BMO ETF qualifies as a “mutual fund trust” for purposes of the Tax Act, certain Unitholders who might not otherwise be considered to hold Units of the BMO ETF as capital property may, in certain circumstances, be entitled to have such Units and all other “Canadian securities” owned and subsequently acquired by them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act.

This summary is based on the facts described herein, the current provisions of the Tax Act, all specific proposals to amend the Tax Act that have been publicly announced by the Minister of Finance (Canada) prior to the date hereof (“**Tax Proposals**”), counsel’s understanding of the current published administrative policies and assessing practices of the CRA, and certificates of the Manager. 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. There can be no assurances that the Tax Proposals will be enacted in the form publicly announced, or at all.

This summary is of a general nature only and is not exhaustive of all possible income tax considerations. This summary does not address the deductibility of interest on any funds borrowed by a Unitholder to purchase Units of the BMO ETF. The income and other tax consequences of investing in Units of the BMO ETF will vary depending on an investor’s particular circumstances including the province or territory in which the investor resides or carries on business. This summary is not intended to be, nor should it be constructed to be, legal or tax advice to any holder of Units of the BMO ETF. Prospective investors should therefore consult their own tax advisors about their individual circumstances.

This summary is also based on the assumptions that: (i) the BMO ETF will not be a “SIFT trust” for purposes of the SIFT Rules; (ii) none of the issuers of securities held by the BMO ETF will be a foreign affiliate for the purposes of the Tax Act of the BMO ETF or any Unitholder; (iii) none of the securities held by the BMO ETF will be a “tax shelter investment” within the meaning of subsection 143.2(1) of the Tax Act; (iv) none of the securities held by the 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 (or a partnership which holds such an interest); (v) none of the securities held by the BMO ETF will be an “offshore investment fund property” (or an interest in a partnership that holds such property) which would require the BMO ETF (or the partnership) to include significant amounts in the BMO ETF’s (or the partnership’s) income pursuant to section 94.1 of the Tax Act, or an interest in a trust (or a partnership which holds such an interest) which would require the BMO ETF (or the partnership) to report significant amounts of income in connection with such interest pursuant to the rules in section 94.2 of the Tax Act; and (vi) the BMO ETF will not enter into any arrangement where the result is a dividend rental arrangement for the purposes of the Tax Act.

Status of the BMO ETF

This summary is based on the assumption that the BMO ETF will qualify (or be deemed to qualify) at all times as a “mutual fund trust” within the meaning of the Tax Act.

To qualify as a mutual fund trust, (i) the BMO ETF must be a Canadian resident “unit trust” for purposes of the Tax Act, (ii) the only undertaking of the BMO ETF must be (a) the investing of its funds in property (other than

real property or interests in real property or an immovable or a real right in an immovable), (b) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) or of any immovable (or real right in immovables) that is capital property of the BMO ETF, or (c) any combination of the activities described in (a) and (b), and (iii) the BMO ETF must comply with certain minimum requirements respecting the ownership and dispersal of Units (the “**minimum distribution requirements**”). In this connection, (i) the Manager intends to cause the BMO ETF to qualify as a unit trust throughout the life of the BMO ETF, and (ii) the BMO ETF’s undertaking conforms with the restrictions for mutual fund trusts. In addition, the Manager intends to file the necessary election so that the BMO ETF will qualify as a mutual fund trust from its inception and has no reason to believe that the BMO ETF will not comply with the minimum distribution requirements before the 91st day after the end of its first taxation year (determined without regard to any taxation year-end that may be deemed to occur for other purposes under the rules in the Tax Act relating to “loss restriction events”) and at all relevant times thereafter, thereby permitting the filing by the BMO ETF of such election. In addition, in order to qualify as a mutual fund trust, the BMO ETF cannot at any time reasonably be considered to have been established and/or maintained primarily for the benefit of non-residents unless, at that time, substantially all of its property consists of property other than property that would be “taxable Canadian property” within the meaning of the Tax Act (if the definition of such term were read without reference to paragraph (b) of that definition). The Declaration of Trust contains a restriction on the number of permitted non-resident Unitholders.

If the 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 and adversely different from those described below. See “Risk Factors – Taxation Risks”.

Provided that the 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 Exchange, the Units of the BMO ETF will be qualified investments under the Tax Act for trusts governed by Registered Plans. See “Eligibility for Investment” and “Income Tax Considerations – Taxation of Registered Plans” for the consequences of holding Units in Registered Plans.

Taxation of the BMO ETF

The BMO ETF intends to elect to have a taxation year that ends on December 15 of each calendar year. Prior to making such election, the BMO ETF will have a taxation year that ends on December 31 of each calendar year. The BMO ETF must pay tax on its net income (including net realized taxable capital gains) for a taxation year, less the portion thereof that it deducts in respect of the amount paid or payable to its Unitholders for the year. If the BMO ETF has elected to have a taxation year that ends on December 15, such amounts may be paid or payable to Unitholders in the calendar year in which the taxation year ends. An amount will be considered to be payable to a Unitholder of the BMO ETF in a calendar year if it is paid to the Unitholder in that year by the BMO ETF or if the Unitholder is entitled in that year to enforce payment of the amount. The Declaration of Trust governing the BMO ETF requires that the 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 the BMO ETF exceeds the cash available for distribution by the BMO ETF, the BMO ETF will distribute its income through a payment of reinvested distributions.

With respect to indebtedness, the BMO ETF will be required to include in its income for each taxation year all interest thereon that accrues (or is deemed to accrue) to it to the end of that year (or until the disposition of the indebtedness in that year, including on a redemption or repayment on maturity) or that has become receivable or is received by the BMO ETF before the end of that year except to the extent that such interest was included in computing the BMO ETF’s income for a preceding year and excluding any interest that accrued prior to the time of the acquisition of the indebtedness by the BMO ETF.

The BMO ETF may be subject to the suspended loss rules contained in the Tax Act. A loss realized by the BMO ETF on a disposition of capital property will be considered to be a suspended loss if the BMO ETF, or person affiliated with the 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, or a person

affiliated with the BMO ETF, owns the substituted property 30 days after the original disposition. If a loss is suspended, the BMO ETF cannot deduct the loss from the BMO ETF's capital gains until the substituted property is sold and no substituted property is acquired by the BMO ETF, or a person affiliated with the BMO ETF, within 30 days before and after the sale.

In general, the BMO ETF will realize a capital gain (or capital loss) upon the actual or deemed disposition of a security included in its portfolio to the extent the proceeds of disposition net of any amounts included as interest on the disposition of the security and any reasonable costs of disposition exceed (or are less than) the adjusted cost base of such security 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 or concern in the nature of trade. The Manager has advised counsel that the BMO ETF will purchase the securities in its portfolio with the objective of receiving interest or other distributions thereon and will take the position that gains and losses realized on the disposition of its securities are capital gains and capital losses. The Manager has advised counsel that the BMO ETF will elect, if applicable, in accordance with the Tax Act to have each "Canadian security" owned by the BMO ETF treated as capital property. Such election will ensure that gains or losses realized by the BMO ETF on the disposition of Canadian securities (including those in connection with a short sale) are taxed as capital gains or capital losses.

The 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 the redemption of Units.

As described under "Risk Factors – Taxation Risks", the BMO ETF will be able to designate capital gains to a Unitholder on an exchange or redemption of Units up to the Capital Gains Designation Limit. The Manager has advised counsel that it does not intend to allocate capital gains to exchanging or redeeming Unitholders in a manner that would result in the allocated amounts being non-deductible under the Tax Act.

The Manager has advised counsel that, generally, the 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, and such gains and losses will be recognized for tax purposes at the time they are realized by the BMO ETF.

To the extent the BMO ETF holds trust units issued by a trust resident in Canada that is not at any time in the relevant taxation year a "SIFT trust" and held as capital property for purposes of the Tax Act, the BMO ETF will be required to include in the calculation of its income the net income, including net taxable capital gains, paid or payable to the BMO ETF by such trust in the calendar year in which such taxation year ends, notwithstanding that certain of such amounts may be reinvested in additional units of the trust. Provided that appropriate designations are made by such trust, generally net taxable capital gains realized by the trust and foreign source income of the trust that are paid or payable by the trust to the BMO ETF will effectively retain their character in the hands of the BMO ETF. The BMO ETF will be required to reduce the adjusted cost base of units of such trust by any amount paid or payable by the trust to the BMO ETF except to the extent that the amount was included in calculating the income of the BMO ETF or was the BMO ETF's share of the non-taxable portion of capital gains of the trust, the taxable portion of which was designated in respect of the BMO ETF. If the adjusted cost base to the BMO ETF of such units becomes a negative amount at any time in a taxation year of the BMO ETF, that negative amount will be deemed to be a capital gain realized by the BMO ETF in that taxation year and the BMO ETF's adjusted cost base of such units will be increased by the amount of such deemed capital gain to zero.

The BMO ETF will enter into transactions denominated in currencies other than the Canadian dollar including the acquisition of securities in its portfolio. The cost and proceeds of disposition of securities, interest, distributions and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars using the appropriate exchange rates determined in accordance with the detailed rules in the Tax Act in that regard. The amount of income, gains and losses realized by the BMO ETF may be affected by fluctuations in the value of other currencies relative to the Canadian dollar.

The BMO ETF may derive income or gains from investments in countries other than Canada, and as a result, may be liable to pay income or profits tax to such countries. To the extent that such foreign tax paid by the BMO ETF exceeds 15% of the amount included in the BMO ETF's income from such investments, such excess may generally be deducted by the BMO ETF in computing its net income for the purposes of the Tax Act. To the extent that such foreign tax paid or deemed to be paid by the BMO ETF does not exceed 15% of the amount included in the BMO ETF's income from such investments and has not been deducted in computing the BMO ETF's income, the BMO ETF may designate in respect of a Unitholder a portion of its foreign source income that can reasonably be considered to be part of the BMO ETF's income distributed to such Unitholder so that such income and a portion of the foreign tax paid or deemed to be paid by the BMO ETF may be regarded as foreign source income of, and foreign tax paid by, the Unitholder for the purposes of the foreign tax credit provisions of the Tax Act.

The BMO ETF may be subject to foreign withholding tax on securities of foreign issuers. There is no guarantee that the rate of withholding tax will not increase which may significantly affect returns.

The BMO ETF will be entitled to deduct an amount equal to the reasonable expenses that it incurs in the course of issuing Units. Such issue expenses paid by the BMO ETF and not reimbursed will be deductible by the BMO ETF ratably over a five-year period subject to reduction in any taxation year which is less than 365 days. In computing its income under the Tax Act, the BMO ETF may deduct reasonable administrative and other expenses incurred to earn income.

Losses incurred by the BMO ETF in a taxation year cannot be allocated to Unitholders, but may be deducted by the BMO ETF in future years in accordance with the Tax Act.

Taxation of Unitholders (other than Registered Plans)

Distributions

A Unitholder will be required to include in the Unitholder's income for tax purposes for any taxation year of the Unitholder 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, whether or not such amounts are reinvested in additional Units (including Plan Units acquired under the Distribution 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. Provided the BMO ETF has elected to have a taxation year that ends on December 15 of each calendar year, amounts paid or payable by the BMO ETF to a Unitholder after December 15 and before the end of the calendar year are deemed to have been paid or become payable to the Unitholder on December 15.

Under the Tax Act, the BMO ETF is permitted to deduct in computing its income for a taxation year an amount that is less than the amount of its distributions of income for the year to the extent necessary to enable the BMO ETF to use, in that taxation year, losses from prior years without affecting the ability of the BMO ETF to distribute its income annually. In such circumstances, the amount distributed to a Unitholder but not deducted by the BMO ETF will not be included in the Unitholder's income. However, the adjusted cost base of the Unitholder's Units of the BMO ETF will be reduced by such amount. The non-taxable portion of any net realized capital gains of the 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, provided that the taxable portion of such net realized capital gain is designated in respect of the Unitholder for the taxation year. 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. 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.

The 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 net taxable capital gains 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 capital gain. Capital gains so designated will be subject to the general rules relating to the taxation of capital gains described below. In addition, the 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 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 the BMO ETF.

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 the 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 (other than any amount payable by the BMO ETF which represents capital gains allocated and designated to the redeeming Unitholder) 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 series of the BMO ETF held by the Unitholder is the total amount paid for the Units of such series (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, the taxable portion of which is designated to the Unitholder) such as a return of capital and less the adjusted cost base of any Units of such series previously redeemed/exchanged by the Unitholder. For the purpose of determining the adjusted cost base of Units to a Unitholder, when Units of a particular series of the BMO ETF are acquired, the cost of the newly acquired Units will be averaged with the adjusted cost base of all Units of such series owned by the Unitholder as capital property immediately before that time. The cost of Units acquired on the reinvestment of distributions, including under the Distribution Reinvestment Plan, will be the amount so reinvested. A consolidation of Units of the BMO ETF following a reinvested distribution as described under “Distribution Policy”, which for greater certainty does not include a distribution of Plan Units acquired under the Distribution Reinvestment Plan, will not be regarded as a disposition of Units and will not affect the aggregate adjusted cost base to a Unitholder.

Where Units of the 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 the 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 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.

Any capital gains so allocated and designated, which amount will be restricted by the ATR Rules in the manner described under “Risk Factors – Taxation Risks”, must be included in the calculation of the Unitholder’s income in the manner described above and will reduce the Unitholder’s proceeds of disposition. The remaining portion of the exchange or redemption price will be proceeds of redemption.

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, less any amount that is deductible as interest accrued on such property to the date of distribution and not yet due.

Taxation of Capital Gains and Capital Losses

In general, one-half of any capital gain realized by a Unitholder on the disposition of Units of the BMO ETF and the amount of any net taxable capital gains realized or considered to be realized by the BMO ETF and designated by the BMO ETF in respect of a Unitholder for a taxation year of the Unitholder will be included in the Unitholder’s income for that year as a taxable capital gain. One-half of a capital loss realized by a Unitholder in a taxation year of the Unitholder generally must be deducted from taxable capital gains realized by the Unitholder in the taxation year or designated by the BMO ETF in respect of the Unitholder for the taxation year subject to and in accordance with detailed rules in the Tax Act. Allowable capital losses for a taxation year in excess of taxable capital gains for that taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against taxable capital gains in accordance with the provisions of the Tax Act. Generally, capital losses of the BMO ETF cannot be deducted against any income of the BMO ETF (such as those arising from derivative instruments).

Alternative Minimum Tax

Amounts designated by the BMO ETF to Unitholders as taxable capital gains and taxable capital gains realized on the disposition of Units of the BMO ETF may increase the Unitholder's liability for alternative minimum tax.

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 the BMO ETF, nor on gains realized by a Registered Plan on a disposition of a Unit. Amounts withdrawn from a Registered Plan (other than a withdrawal from a TFSA and certain permitted withdrawals from an FHSA, RESP or RDSP) will generally be subject to tax.

Tax Implications of the BMO ETF's Distribution Policy

When an investor purchases Units, a portion of the price paid may reflect income or capital gains accrued and/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. Further, where a Unitholder acquires Units in a calendar year after December 15 of such year, such Unitholder may become taxable on income earned or capital gains realized in the taxation year ending on December 15 of such calendar year but that had not been made payable before the Units were acquired.

EXCHANGE OF TAX INFORMATION

Generally, Unitholders (or in the case of certain Unitholders that are entities, the "controlling persons" thereof) will be required by law to provide their dealer with information related to their citizenship and tax residence including their foreign taxpayer identification number (if applicable). If a Unitholder (or, if applicable, any of its controlling persons), (i) is identified as a "specified U.S. person" as defined in the Intergovernmental Agreement for the Enhanced Exchange of Tax Information under the Canada-U.S. Tax Convention entered into by Canada and the U.S. (including a U.S. resident or a U.S. citizen residing in Canada); (ii) is identified as a tax resident of a country other than Canada or the U.S.; or (iii) does not provide the required information and indicia of U.S. or non-Canadian status is present, information about the Unitholder (or if applicable, its controlling persons) and their investment in the BMO ETF will generally be reported to the CRA unless the Units are held within a Registered Plan. The CRA will provide that information to, in the case of "specified U.S. persons" or persons who have not provided the required information and for whom indicia of U.S. status is present, the U.S. Internal Revenue Service and, in all other cases, the relevant tax authority of any country that is a signatory of the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information, or that has otherwise agreed to a bilateral information exchange with Canada under the Organization for Economic Co-operation and Development Common Reporting Standard.

ELIGIBILITY FOR INVESTMENT

In the opinion of Borden Ladner Gervais LLP, provided that the 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 Exchange, the Units of the BMO ETF, if issued on the date hereof, would be on such date qualified investments under the Tax Act for trusts governed by Registered Plans.

Notwithstanding the foregoing, the holder of a TFSA, RDSP or FHSA, the annuitant of an RRSP or RRIF or the subscriber of an RESP will be subject to a penalty tax in respect of Units held by such Registered Plan if such Units are a "prohibited investment" for such Registered Plan for the purposes of the Tax Act. The Units will not be a "prohibited investment" for a trust governed by such a Registered Plan unless the holder of the TFSA, RDSP or FHSA, the annuitant of the RRSP or RRIF or the subscriber of the RESP, as applicable, (i) does not deal at arm's length with the BMO ETF for purposes of the Tax Act, or (ii) has a "significant interest" (as defined in the Tax Act)

in the BMO ETF. In addition, the Units will not be a prohibited investment if such Units are “excluded property” as defined in the Tax Act for a trust governed by a TFSA, RDSP, FHSA, RRSP, RRIF or RESP. Under a safe harbour rule for newly established mutual funds, the Units of the BMO ETF are not expected to be a prohibited investment for any TFSA, RDSP, FHSA, RRSP, RRIF or RESP at any time during the first 24 months of the BMO ETF’s existence.

In the case of an exchange of Units of the BMO ETF for a Basket of Securities of the BMO ETF, or a distribution *in specie* on the termination of the 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 their TFSAs, RESPs, RDSPs, RRSPs, RRIFs or FHSAs.

ORGANIZATION AND MANAGEMENT DETAILS OF THE BMO ETF

Officers and Directors of the Trustee, Manager, Portfolio Manager and Promoter

The name and municipality of residence of each of the directors and executive officers of BMO Asset Management Inc., which is the Trustee, Manager, Portfolio Manager and Promoter of the BMO ETF, and their principal occupations are as follows:

Name and Municipality of Residence	Position with the Manager	Principal Occupation
NELSON AVILA Toronto, Ontario	Chief Financial Officer	Lead Financial Officer, BMO Global Asset Management
WILLIAM BAMBER Toronto, Ontario	Head and Ultimate Designated Person and Director	Chief Executive Officer, BMO Global Asset Management
AMANDA CUSTODIO Oakville, Ontario	Director	Chief Growth Officer, BMO Wealth
DENISE (CARSON) FERNANDES Toronto, Ontario	Chief Compliance Officer	Chief Compliance Officer, BMO Asset Management Inc. and BMO Investments Inc., Investment Fund Manager Line of Business
LISA HOFSTATTER Oakville, Ontario	Director	Controller & Chief Accountant, Finance, Bank of Montreal
BENJAMIN IRAYA Oakville, Ontario	Corporate Secretary	Manager, Subsidiary Governance, BMO Bank of Montreal

Name and Municipality of Residence	Position with the Manager	Principal Occupation
GILLES G. OUELLETTE Toronto, Ontario	Chair and Director	Chairman, BMO Global Asset Management
ASMA PANJWANI Toronto, Ontario	Head, Client Management and Distribution and Director	Head, Client Management and Distribution, BMO Global Asset Management
SARA PETRICICH Toronto, Ontario	Head of Exchange Traded Funds and Structured Solutions and Director	Head, ETFs & Alternatives, BMO Global Asset Management
ROBERT J. SCHAUER Toronto, Ontario	Head Investment Funds Operations	Head, Business Transformation, North America, BMO Global Asset Management
FIONA WONG Toronto, Ontario	Chief Anti Money Laundering Officer	Director, Customer Risk Assessment and AML Business Services, BMO Financial Group

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 August 2022, William Bamber was Head, Synthetic Asset Management, BMO Global Asset Management from April 2022 to August 2022 and Managing Director and Head, Wealth Solutions Group, CIBC World Markets Inc. from May 2009 to April 2022. Prior to December 2021, Amanda Custodio was Co-Head Global Markets Engineering, BMO Capital Markets from September 2020 to November 2021 and Managing Director, Global Markets, BMO Capital Markets from December 2017 to September 2020. Prior to June 2021, Denise (Carson) Fernandes was Chief Compliance Officer, BMO Private Investment Counsel Inc. from March 2019 to May 2022 and Chief Compliance Officer, BMO InvestorLine Inc. from July 2017 to March 2019. Prior to August 2024, Lisa Hofstatter was Senior Vice President, Controller & Chief Accountant, Finance, Bank of Montreal from March 2024 to July 2024 and Vice President & Chief Accountant, Bank of Montreal from June 2019 to March 2024. Prior to April 2024, Asma Panjwani was Co-Head of Intermediary Distribution Network, BMO Global Asset Management from November 2023 to March 2024, Director of Specialized Sales Team, BMO Global Asset Management from November 2022 to November 2023 and Director, Capital Markets Trading, Retail Solutions Group, CIBC World Markets from August 2012 to September 2020. Prior to August 2023, Sara Petrich was Managing Director and Head of Synthetic Asset Management, Bank of Montreal from August 2022 to August 2023, Managing Director and Head of Risk Strategy, Global Markets, Bank of Montreal from October 2021 to August 2022, Chief Operating Officer and Head of Group Treasury Central Office, Scotiabank from August 2020 to October 2021 and Credit Relative Value and Capital Structure Trading, Scotiabank from August 2016 to July 2020. Prior to September 2024, Fiona Wong was Director, Enterprise AML Risk and Customer Risk Scoring, BMO Financial Group.

Trustee, Manager, Portfolio Manager and Promoter of the BMO ETF

BMO Asset Management Inc. is the Trustee, Manager, Portfolio Manager and Promoter of the BMO ETF and is responsible for the administration of the BMO ETF. The Manager 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, as an investment fund manager in Ontario, Newfoundland and Labrador and Quebec, and as a derivatives portfolio manager in Quebec.

BMO Asset Management Inc. is a Canadian investment management company. Its clients include pension funds, endowments, trusts, insurance company reserves, corporations and mutual funds. The Manager is an indirect,

wholly-owned subsidiary of Bank of Montreal. The office for service of notice to the Portfolio Manager is located at 250 Yonge Street, 8th Floor, Toronto, Ontario M5B 2M8. The registered office of the Portfolio Manager is located at 100 King Street West, 43rd Floor, Toronto, Ontario M5X 1A1.

Details of the Declaration of Trust

The Manager 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.

The Manager may resign as trustee and/or manager of the BMO ETF 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.

The Manager is entitled to fees for its services as manager under the Declaration of Trust as described under "Fees and Expenses – Fees and Expenses Payable by the BMO ETF – Management Fees". In addition, the Manager and its affiliates and each of their directors, officers, employees and agents will be indemnified by the BMO ETF 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 the Manager's duties under the Declaration of Trust, if they do not result from the Manager's wilful misconduct, bad faith, negligence or breach of its obligations thereunder.

The management and trustee services of the Manager are not exclusive and nothing in the Declaration of Trust or any agreement prevents the Manager 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 ETF) or from engaging in other business activities.

The Manager has taken the initiative in founding and organizing the BMO ETF and is, accordingly, the promoter of the BMO ETF within the meaning of securities legislation of certain provinces and territories of Canada.

Duties and Services to be Provided by the Trustee, Manager, Portfolio Manager and Promoter

As noted above, BMO Asset Management Inc. is the trustee, manager, and promoter of the BMO ETF and, as such, is responsible for providing, or causing to be provided, managerial, administrative and compliance services to the BMO ETF including, without limitation, acquiring or arranging to acquire securities on behalf of the BMO ETF, calculating or causing to be calculated NAV, NAV per Unit, net income and net realized capital gains of the BMO ETF, authorizing the payment of operating expenses incurred on behalf of the BMO ETF, preparing or causing to be prepared financial statements and financial and accounting information as required by the BMO ETF, 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 ETF complies with regulatory requirements and applicable stock exchange listing requirements, preparing or causing to be prepared the BMO ETF's reports to Unitholders and the securities regulatory authorities, determining the amount of distributions to be made by the BMO ETF and negotiating contractual agreements with service providers, including the Designated Broker, the Custodian, the Registrar and Transfer Agent, the auditor and printers.

Portfolio Advisors

In its capacity as the portfolio manager of the BMO ETF, the Portfolio Manager is responsible for buying and selling investments on behalf of the BMO ETF in accordance with the investment objective and investment strategies of the BMO ETF. Investment decisions are made by a portfolio management team that has a manager or lead person. Investment decisions made by the portfolio management team are not subject to the oversight, approval

or ratification of a committee. The table below sets forth information about the individuals principally responsible for managing the investments of the BMO ETF.

Name of Individual	Position and Office	Role in Investment Decisions
Matt Montemuro	Managing Director and Head, Fixed Income and Equity Index ETFs, Exchange Traded Funds	Leader of the Index ETF Team, responsible for strategy, portfolio management, and research of equity and fixed income ETFs
Jimmy Xu	Managing Director, Head of Liquid Alternatives	Leader of the Non-Linear ETF Team, responsible for strategy, portfolio management and research of derivatives based solutions and synthetic asset portfolios

Brokerage Arrangements

The Manager utilizes various brokers to effect securities transactions on behalf of the BMO ETF. These brokers may directly provide the Manager with research and related services, as outlined below, in addition to executing transactions – often referred to as “bundled services”. Although the BMO ETF may not benefit equally from each research and related service received from a broker, the Manager will endeavour to ensure that the BMO ETF receives an equitable benefit over time.

The Manager maintains a list of brokers that have been approved to effect securities transactions on behalf of the BMO ETF. 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, the Manager 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 the Manager or is an unrelated third party.

The research and related services that may be provided to the Manager include proprietary research reports, industry knowledge and access to both analysts and staff from BMO NB, an affiliated broker. In addition, the Portfolio Manager may receive 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 any broker can be obtained from the Portfolio Manager upon request, at no cost, by calling 1-800-361-1392.

Conflicts of Interest

The directors and officers of the Manager may be directors, officers, shareholders or unitholders of one or more issuers in which the BMO ETF may acquire securities. The Manager and its affiliates, including other BMO Financial Group entities, may be managers or portfolio managers of one or more issuers in which the BMO ETF may acquire securities and may be managers or portfolio managers of funds that invest in the same securities as the BMO ETF. Such transactions will only be undertaken where permitted by applicable securities legislation and upon obtaining any required regulatory or IRC approvals.

When the BMO ETF invests in Underlying Funds, it may invest in Underlying Funds managed by the Manager or its affiliates (“**BMO Funds**”). When the Manager chooses to invest in BMO Funds, it generally does so because there are economic efficiencies that can be accessed when investing in BMO Funds and because it has greater familiarity with (i) the capabilities of the investment teams proving investment management to those BMO Funds, (ii) the consistency of the underlying investment strategy of the BMO Funds with the BMO ETF’s overall investment objective, and (iii) how those BMO Funds will react to a wide range of market conditions. In particular, investing in BMO Funds gives the Manager an increased ability to waive management fees, thereby helping to keep the BMO ETF themselves commercially viable.

Investing in BMO Funds creates conflicts of interest because it provides collateral benefits to the Manager, including both an increase in the Manager’s total assets under management and an increase in the assets of the BMO ETF and BMO Funds, potentially increasing the commercial viability of the BMO ETF and BMO Funds through an increase in assets and greater economies of scale. Despite the foregoing, the Manager has the sole discretion to select unaffiliated Underlying Funds in any asset class at any time even if a BMO Fund exists in a similar asset class.

The Manager, acting in its capacity as the Portfolio Manager, may enter into any of the following transactions with a related entity on behalf of the BMO ETF (each a “**related party transaction**”): (i) investing in securities of an issuer related to the Manager; (ii) investing in securities underwritten by an entity related to the Manager; (iii) buying debt securities from or selling debt securities to the Manager or an entity related to the Manager acting as principal; and (iv) buying securities from or selling securities to a mutual fund managed by the Manager or an affiliate that is subject to NI 81-102 or a separately managed account for which the Manager is the portfolio manager. On behalf of the BMO ETF, the Portfolio Manager will enter into any of the related party transactions provided the related party transaction complies with applicable securities legislation, including having been approved by the IRC. The Portfolio Manager may also, acting on behalf of the BMO ETF, engage a related entity as a dealer or counterparty or service provider, provided it does so in compliance with applicable securities legislation, including by obtaining a positive recommendation from the IRC.

The Manager, on behalf of the BMO ETF, has entered into a Designated Broker Agreement with a Designated Broker pursuant to which the Designated Broker agrees to perform certain duties relating to the BMO ETF including, without limitation: (i) to subscribe for a sufficient number of Units to satisfy the Exchange’s original listing requirements; (ii) to subscribe for Units when cash redemptions of Units occur; and (iii) to post a liquid two-way market for the trading of Units on the Exchange. BMO NB, an affiliate of the Manager, has agreed to act as a Designated Broker for the BMO ETF and also acts as a Dealer for the BMO ETF.

Independent Review Committee

The Manager has appointed an IRC for the BMO ETF 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 ETF 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 conflict of interest matters. 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 ETF 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 ETF, 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:

JACQUELINE ALLEN	Toronto, Ontario
MARLENE DAVIDGE (CHAIR)	Toronto, Ontario
JIM FALLE	Port Perry, Ontario
WENDY HANNAM	Toronto, Ontario

Each IRC member receives compensation for the duties he or she performs as an IRC member. 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. During the most recently completed financial year, 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 was \$42,751; the annual retainer for the Chair of the IRC was \$61,453.

The Manager will not reimburse the BMO ETF 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 ETF, 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 ETF's designated website at www.bmo.com/gam/ca/advisor/legal-and-regulatory or at www.sedarplus.ca.

Officers of the BMO ETF

Robert J. Schauer of Toronto, Ontario is the Chief Financial Officer of the BMO ETF. Mr. Schauer's principal occupation is Head of GAM Business Transformation for North America, BMO Global Asset Management.

Valuation Agent

SSTCC acts as the valuation agent of the BMO ETF and provides certain fund accounting and valuation services to the BMO ETF including, without limitation, calculating the NAV, NAV per Unit, net income and net realized capital gains of the BMO ETF. The principal office of the Valuation Agent is located in Toronto, Ontario. The Valuation Agent is independent of the Manager.

Custodian

Pursuant to the Custodian Agreement, SSTCC is the custodian of the assets of the BMO ETF and has been given authority to appoint sub-custodians. The principal office of SSTCC is located in Toronto, Ontario. The Manager, on behalf of the BMO ETF, or SSTCC may terminate the Custodian Agreement upon at least 90 days' written notice. The Manager, on behalf of the BMO ETF, or SSTCC may terminate the Custodian Agreement immediately if there is a change of control, if there is a material breach of the Custodian Agreement not remedied within 60 days or upon the bankruptcy of any party. The Manager, on behalf of the BMO ETF, may terminate the Custodian Agreement immediately if SSTCC ceases to be qualified to act as a custodian of the BMO ETF under applicable law or the Manager is required to cease acting as an investment fund manager of the BMO ETF. SSTCC may terminate the Custodian Agreement immediately if the Manager on behalf of the BMO ETF fails to pay SSTCC invoiced fees and expenses of greater than two months of charges when due and fails to cure such breach within 60

days. SSTCC 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 SSTCC in connection with the activities of the BMO ETF.

Auditor

The auditor of the BMO ETF is PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants, located at 18 York Street, Suite 2500, Toronto, ON M5J 0B2.

Transfer Agent and Registrar

SSTCC, at its principal offices in Toronto, Ontario, is the registrar and transfer agent for the Units. The register of the BMO ETF is kept in Toronto, Ontario.

Plan Agent

SSTCC, at its principal offices in Toronto, Ontario, is the Plan Agent for the Distribution Reinvestment Plan of the BMO ETF.

Securities Lending Agent

On behalf of the BMO ETF, the Manager has entered into a securities lending authorization agreement with State Street Bank and Trust Company. The securities lending program is administered by the Securities Lending Agent. The Securities Lending Agent acts as agent for securities lending transactions for the BMO ETF that engages in securities lending. The Securities Lending Agent is independent of the Manager. The securities lending program administrator will value the loaned securities and the collateral daily to ensure that the collateral is worth at least 105% of the value of the securities. Pursuant to the terms of the Securities Lending Agreement, the Securities Lending Agent will indemnify the BMO ETF from all direct losses, damages, liabilities, costs or expenses actually incurred and arising from a claim of a third party arising from the Securities Lending Agent’s failure to satisfy its standard of care, provided such failure is not caused by events beyond its control or from the BMO ETF or its agent’s negligent act or omission. The Securities Lending Agreement may be terminated at any time at the option of any party upon 5 business days’ prior notice to the other parties.

Designated Website

The BMO ETF is required to post certain regulatory disclosure documents on a designated website. The BMO ETF’s designated website is www.bmo.com/gam/ca/advisor/legal-and-regulatory.

CALCULATION OF NET ASSET VALUE

The NAV and NAV per Unit of the BMO ETF will be calculated by the Valuation Agent as of the Valuation Time on each Valuation Date. The NAV of the Units of the BMO ETF on a particular date will be equal to the aggregate value of the assets of the BMO ETF less the aggregate value of the liabilities of the 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 the BMO ETF for management fees, expressed in Canadian dollars at the applicable exchange rate on such date. 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 the 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 carrying 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 (or at such other time as trading of the relevant instruments generally ends in the relevant primary trading market) on the Valuation Date (or, if the relevant primary trading market was generally closed on such day, on the previous day on which such primary trading market was not generally closed). 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 or for such Valuation Date, the security shall be fair valued;
- (d) securities of any mutual funds held by the 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) the 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 the 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 principles or if the foregoing principles 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 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 the 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 ETF's ability to liquidate the assets held in that market.

The Manager intends to value the securities in the BMO ETF in accordance with the practices disclosed above. The BMO ETF is being established and launched in connection with the commencement of the offering of Units under this prospectus. Accordingly, the Manager has not in the last three years had to exercise discretion to vary from the BMO ETF's stated valuation practices outlined above.

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 purpose 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 the BMO ETF will usually be published in the financial press and will be posted on the BMO ETF's designated website at www.bmo.com/gam/ca/advisor/legal-and-regulatory.

ATTRIBUTES OF THE UNITS

Description of the Securities Distributed

The BMO ETF is authorized to issue an unlimited number of redeemable, transferable Units, each of which represents an equal, undivided interest in the net assets of the BMO ETF. The Units of the BMO ETF 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. The BMO ETF is or will be a reporting issuer under the *Securities Act* (Ontario) prior to the initial issuance of Units and the 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 the 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 the BMO ETF to Unitholders, other than Management Fee Distributions and capital gains allocated and designated on the redemption or exchange of Units, 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. 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 the 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 Exchange 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 the BMO ETF will not have any right to vote securities held by the BMO ETF.

Modification of Terms

The rights attached to the Units of the 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

Meetings of Unitholders

A meeting of the Unitholders of the BMO ETF voting as a single class may be called at any time by the Manager and shall be called by the Manager upon written request of Unitholders of the 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 the 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 the 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. The Manager 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 the 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 the 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 the 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.

The 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 the 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

Pursuant to the terms of the Declaration of Trust, Unitholder approval is only required if the nature of an amendment to the Declaration of Trust is a matter for which applicable laws provide such approval is required.

Except for changes to the Declaration of Trust 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 the Manager upon not less than 30 days' prior written notice to Unitholders.

The Declaration of Trust may be amended by the Manager 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 ETF; (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 the Manager to take such steps as may be desirable or necessary to maintain the status of the BMO ETF as a "mutual fund trust" for the purposes of the Tax Act; (v) to change the taxation year end of the BMO ETF as permitted under the Tax Act; (vi) to establish one or more funds; (vii) to change the name of the BMO ETF; (viii) to create additional series of Units of the BMO ETF and to redesignate existing series of Units of the 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 the Manager, the amendment is not prejudicial to Unitholders and is necessary or desirable. Any amendments to the Declaration of Trust made by the Manager without the consent of Unitholders will be disclosed in the next regularly scheduled report to Unitholders.

Reporting to Unitholders

The 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 the 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 the BMO ETF, will furnish Unitholders of the BMO ETF with unaudited interim financial statements, audited annual financial statements, interim MRFPs and the most recently filed annual MRFPs of the 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 ETF occurring in December of each calendar year.

The Manager will keep adequate books and records reflecting the activities of the BMO ETF. A Unitholder or his or her duly authorized representative has the right to examine the books and records of the 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 ETF.

TERMINATION OF THE BMO ETF

The 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 the BMO ETF in the event that the Index Provider ceases to calculate the Index or the License Agreement is terminated, as described above under "Investment Strategies – Termination of the Index". Upon termination of the BMO ETF, the 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 BMO ETF.

PRINCIPAL HOLDERS OF SECURITIES

CDS & Co., the nominee of CDS, is the registered owner of all of the Units, which it holds for various brokers and other persons on behalf of their clients and others. From time to time, the Manager, an affiliate of the Manager or an 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 the BMO ETF.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Manager, on behalf of the BMO ETF, 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 the BMO ETF as described under "Purchases of Units – Issuance of Units".

No Designated Broker has been involved in the preparation of this prospectus or has performed any review of the contents of this prospectus and, as such, no Designated Broker has performed many of the usual underwriting activities in connection with the distribution by the BMO ETF of Units under this prospectus. Units do not represent an interest in or an obligation of any Designated Broker or Dealer or any affiliate thereof and a Unitholder does not have any recourse against any such parties in respect of amounts payable by the BMO ETF to the applicable Designated Broker or Dealer. See "Organization and Management of the BMO ETF – Conflicts of Interest".

The Manager will receive fees for its services to the BMO ETF. See "Fees and Expenses".

PROXY VOTING DISCLOSURE FOR PORTFOLIO SECURITIES HELD

The Manager is responsible for the voting of proxies on behalf of the BMO ETF and must vote such proxies in the best interests of the BMO ETF and its securityholders.

The Manager, in its capacity as portfolio manager of the BMO ETF, provides engagement and proxy voting services using its Responsible Investment Team ("**RI Team**"), comprised of environmental, social and governance ("**ESG**") experts, and any other existing or future resources appropriate for this purpose. The RI Team works alongside, but independently from, the Manager's portfolio management team. The RI Team undertakes engagement activities as well as proxy voting research and analysis, and also supports the development of the Manager's publicly available Corporate Governance Guidelines ("**CGG**") and Expectations on Environmental, Social and Governance Practices, which set out the Manager's expectations of companies regarding ESG practices to create financial value and mitigate financial risk and guide the Manager's voting on ESG matters. The RI Team focuses on engagement with North American investee companies and actively votes at meetings for companies in the Canadian market. The Manager has retained responsible engagement overlay ("**reo**®"), a third party service provider, to provide it with engagement and proxy voting services in international markets and to execute votes on its behalf in keeping with the CGG. The RI Team monitors and can override any reo® voting instructions across all markets.

The Manager has established proxy voting policies and procedures for the BMO ETF, which include the CGG, the Expectations on Environmental, Social and Governance Practices, and standing voting directions

(collectively, the “**Proxy Voting Guidelines**”). The Proxy Voting Guidelines inform the voting on matters for which the BMO ETF receive proxy materials for an issuer.

In providing proxy voting services, the Manager through reo® uses International Shareholder Services (“ISS”), a third party proxy voting administrator, to auto-execute, without further guidance, the majority of votes in accordance with standing voting directions which reflect the CGG. When ISS or reo® need guidance on the standing voting directions or when the RI Team wishes to further consider how to vote on certain matters, the RI Team will provide specific instructions on how to proceed.

Although the RI Team generally adheres to the Proxy Voting Guidelines in executing votes and relies on reo® and ISS to execute votes, any proxy issues that differ from the Proxy Voting Guidelines are considered by taking into account the particular circumstances involved. This provides needed flexibility in making prudent judgments in the proxy voting process. Further, the Manager may depart from the Proxy Voting Guidelines in order to avoid voting decisions that may be contrary to the best interests of the BMO ETF and its securityholders.

The RI Team actively engages investee companies prior to, during and after proxy season to inform voting decisions and to better understand and discuss each company’s management of its ESG-related risks and opportunities.

Due to the variety of proxy voting issues that may arise, the following summary of the Proxy Voting Guidelines is not exhaustive and is intended to provide guidance but does not necessarily dictate how each issue must be voted in each instance. The Proxy Voting Guidelines include:

- (a) a standing policy for dealing with routine matters on which the BMO ETF may vote, such as election of directors, appointment of auditors and an issuance of shares;
- (b) the circumstances under which the BMO ETF will deviate from the standing policy for routine matters. For example, the Proxy Voting Guidelines provide that the BMO ETF will typically support management’s recommendation regarding appointing auditors, but may vote against such recommendation where auditor independence is in question;
- (c) the policies under which, and the procedures by which, the BMO ETF will determine how to vote on non-routine matters such as mergers and acquisitions, spin-offs and other corporate restructurings, shareholder rights (other than the issuance of shares), corporate governance, compensation, and social and environmental matters. For example, with respect to mergers and acquisitions, spin-offs and other corporate restructurings, the Proxy Voting Guidelines provide that the BMO ETF will typically support incumbent management provided that the financial terms, synergistic benefits and management quality are sound; and
- (d) procedures to ensure that the BMO ETF’s portfolio securities are voted in accordance with the BMO ETF’s instructions, including the Proxy Voting Guidelines.

The Manager has a policy in place to identify and deal with potential conflicts of interest in proxy voting such as the following proxy voting situations:

- (a) voting proxies at a company’s shareholder meeting where the company is a client of, or has another type of business relationship with, BMO Financial Group;
- (b) voting proxies at a Bank of Montreal or an affiliate’s shareholder meeting (including meetings of investment funds managed by the Manager or an affiliate) or a company’s shareholder meeting relating to a corporate action such as a merger or acquisition involving the company (or any of its affiliates) and a member of BMO Financial Group;
- (c) voting proxies at a company’s shareholder meeting where an officer, director or employee of the Manager or BMO Financial Group serves on the board or is nominated for election to that company;

- (d) voting proxies at a company's shareholder meeting with a potential voting outcome that favours one client (including one investment fund) over another; and
- (e) voting proxies at a company's shareholder meeting where different portfolio managers at the Manager prefer different voting outcomes.

The securities of the Underlying Funds held by the BMO ETF that the Manager, or one of its affiliates or associates, manage will not be voted unless, at the Manager's discretion, the Manager arranges for securities of the Underlying Fund to be voted by the securityholders of the BMO ETF.

The Proxy Voting Guidelines of the Manager are available upon request, at no cost, by calling 1-800-668-7327 or by writing to the Manager at 100 King Street West, 43rd Floor, Toronto, Ontario M5X 1A1.

The BMO ETF's proxy voting record for the most recent period ended June 30 of each year is, or will be, available free of charge to any securityholder of the BMO ETF upon request at any time after August 31 of the relevant year by calling 1-800-668-7327. The proxy voting record is also available on the BMO ETF's designated website at www.bmo.com/gam/ca/advisor/legal-and-regulatory.

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 Agreement.

Details of the Declaration of Trust can be found under "Organization and Management Details of the BMO ETF – Trustee, Manager, Portfolio Manager and Promoter of the BMO ETF – Details of the Declaration of Trust". Details of the Custodian Agreement can be found under "Organization and Management Details of the BMO ETF – Custodian". Copies of the agreements referred to above may be inspected during business hours at the registered office of the Manager.

License Agreement

Bloomberg

"Bloomberg®" and the Bloomberg Commodity Index (the "**Bloomberg Index**") are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("**BISL**"), the administrator of the Bloomberg Index (collectively, "**Bloomberg**"), and have been licensed for use for certain purposes by the Manager. The Manager has entered into an agreement dated March 26, 2010, as amended from time to time, and a master index license agreement dated January 17, 2023, as may be amended from time to time, with Bloomberg (collectively, the "**Bloomberg License Agreement**") under which the Manager has the right, on and subject to the terms of the Bloomberg License Agreement, to use the Bloomberg Index as a basis for the operation of the BMO ETF (the "**BMO ETF Product**") and to use certain trademarks in connection with the Bloomberg Index and the BMO ETF Product. The initial term of the Bloomberg License Agreement is one year, unless the agreement is terminated earlier as provided therein. The Bloomberg License Agreement automatically renews 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 Bloomberg License Agreement is terminated for any reason, the Manager will no longer be able to operate the BMO ETF Product based on the Bloomberg Index.

The BMO ETF Product is not sponsored, endorsed, sold or promoted by Bloomberg. Bloomberg does not make any representation or warranty, express or implied, to the owners of or counterparties to the BMO ETF Product or any member of the public regarding the advisability of investing in securities or commodities generally or in the BMO ETF Product particularly. The only relationship of Bloomberg to the Manager is the licensing of certain

trademarks, trade names and service marks and of the Bloomberg Index, which is determined, composed and calculated by BISL without regard to the Manager or the BMO ETF Product. Bloomberg has no obligation to take the needs of the Manager or the owners of the BMO ETF Product into consideration in determining, composing or calculating the Bloomberg Index. Bloomberg is not responsible for and has not participated in the determination of the timing, price, or quantities of the BMO ETF Product to be issued. Bloomberg shall not have any obligation or liability, including, without limitation, to customers of the BMO ETF Product, in connection with the administration, marketing or trading of the BMO ETF Product.

BLOOMBERG DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE BLOOMBERG INDEX OR ANY DATA RELATED THERETO AND SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS OR INTERRUPTIONS THEREIN. BLOOMBERG DOES NOT MAKE ANY WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE MANAGER, OWNERS OF THE BMO ETF PRODUCT OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE BLOOMBERG INDEX OR ANY DATA RELATED THERETO. BLOOMBERG DOES NOT MAKE ANY EXPRESS OR IMPLIED WARRANTIES AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE BLOOMBERG INDEX OR ANY DATA RELATED THERETO. WITHOUT LIMITING ANY OF THE FOREGOING, TO THE MAXIMUM EXTENT ALLOWED BY LAW, BLOOMBERG, ITS LICENSORS, AND ITS AND THEIR RESPECTIVE EMPLOYEES, CONTRACTORS, AGENTS, SUPPLIERS, AND VENDORS SHALL HAVE NO LIABILITY OR RESPONSIBILITY WHATSOEVER FOR ANY INJURY OR DAMAGES—WHETHER DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, PUNITIVE OR OTHERWISE—ARISING IN CONNECTION WITH THE BMO ETF PRODUCT OR BLOOMBERG INDEX OR ANY DATA OR VALUES RELATING THERETO—WHETHER ARISING FROM THEIR NEGLIGENCE OR OTHERWISE, EVEN IF NOTIFIED OF THE POSSIBILITY THEREOF.

LEGAL AND ADMINISTRATIVE PROCEEDINGS

The BMO ETF is not involved in any legal proceedings nor is the Manager aware of existing or pending legal or arbitration proceedings involving the BMO ETF.

EXPERTS

Borden Ladner Gervais LLP, legal counsel to the BMO ETF 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 ETF is PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants, who has prepared an independent auditor’s report as follows:

- Dated October 14, 2025 in respect of the statement of financial position of the BMO ETF as at October 14, 2025.

PricewaterhouseCoopers LLP has advised that they are independent with respect to the BMO ETF within the meaning of the CPA Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

EXEMPTIONS AND APPROVALS

The BMO ETF has obtained exemptive relief from the Canadian securities regulatory authorities to permit the particular practices and relieve the BMO ETF of particular legal requirements as follows:

- (a) to permit the purchase by a Unitholder of more than 20% of the Units of the BMO ETF through purchases on the Exchange without regard to the take-over bid requirements of Canadian Securities Legislation, provided that any such Unitholder, and any person or company acting jointly or in concert with the Unitholder, undertakes to the Manager to not exercise any votes attached to the Units held by the

Unitholder which represent more than 20% of the votes attached to the outstanding Units of the BMO ETF at any meeting of Unitholders;

- (b) to permit the purchase and sale of Units of the BMO ETF on the Exchange, which precludes the transmission of purchase or redemption orders to the order receipt offices of the BMO ETF;
- (c) to permit the payment for the issuance of Units of the BMO ETF 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) to permit the redemption of less than the Prescribed Number of Units of the BMO ETF at a price equal to 95% of the closing price of the Units of the BMO ETF on the Exchange;
- (e) to relieve the BMO ETF from the requirement relating to the record date for the payment of distributions, provided that the BMO ETF complies with applicable Exchange requirements;
- (f) to relieve the BMO ETF from the requirement that a prospectus contain a certificate of the underwriters;
- (g) to permit the Lipper Fund Awards and Lipper Leader Ratings to be referenced in sales communications relating to the BMO ETF, subject to certain conditions;
- (h) to permit the FundGrade A+ Awards and FundGrade Ratings to be referenced in sales communications relating to the BMO ETF, subject to certain conditions;
- (i) to permit the BMO ETF to exclude from consideration as an “illiquid asset”, for the purpose of the restrictions in section 2.4 of NI 81-102, certain fixed income securities that qualify for, and may be traded pursuant to, the exemption from the registration requirements of the United States Securities Act of 1933 as set out in Rule 144A promulgated thereunder, for resales of certain securities to “qualified institutional buyers” as such term is defined in that act, subject to certain conditions; and
- (j) to permit the BMO ETF to invest in securities of Underlying Funds listed for trading on a stock exchange in the U.S. in cases where the securities are not index participation units (as defined in NI 81-102) and the Underlying Funds are not subject to NI 81-102 and are not reporting issuers in any province or territory of Canada.

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 ETF securities within 48 hours after the receipt of a confirmation of a purchase of such securities. In several of the provinces and territories of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation, or for non-delivery of the applicable ETF Facts, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory.

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 National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions*. See “Exemptions and Approvals”. As such, purchasers of Units of the BMO ETF 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.

The purchaser should refer to the applicable provisions of the securities legislation of the province or territory for the particulars of these rights or should consult with a legal adviser.

DOCUMENTS INCORPORATED BY REFERENCE

Additional information about the BMO ETF is or will be available in the following documents:

- (a) the most recently filed ETF Facts for the Units of the BMO ETF;
- (b) the most recently filed comparative annual financial statements of the BMO ETF, together with the accompanying report of the auditor;
- (c) any interim financial statements of the BMO ETF filed after the most recently filed comparative annual financial statements of the BMO ETF;
- (d) the most recently filed annual MRFP of the BMO ETF; and
- (e) any interim MRFP of the BMO ETF filed after that most recently filed annual MRFP of the BMO ETF.

These documents are incorporated by reference in this prospectus, which means that they legally form part of this document just as if they were printed as part of this document. The above documents, if filed by the BMO ETF 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 ETF's designated website at www.bmo.com/gam/ca/advisor/legal-and-regulatory.

These documents and other information about the BMO ETF are or will be available at www.sedarplus.ca.



Independent auditor's report

To the Unitholder and Trustee of BMO Broad Commodity ETF (the BMO ETF)

Our opinion

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial position of the BMO ETF as at October 14, 2025 in accordance with those requirements of International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) relevant to preparing a statement of financial position.

What we have audited

The BMO ETF's financial statement comprises the statement of financial position as at October 14, 2025 and the notes to the financial statement, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statement* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the BMO ETF in accordance with the ethical requirements that are relevant to our audit of the financial statement in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – basis of accounting

We draw to users' attention the fact that the financial statement does not comprise a full set of financial statements prepared in accordance with IFRS Accounting Standards. Our opinion is not modified in respect of this matter.

PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2500, Toronto, Ontario, Canada M5J 0B2
T.: +1 416 863 1133, F.: +1 416 365 8215, Fax to mail: ca_toronto_18_york_fax@pwc.com

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Responsibilities of management and those charged with governance for the financial statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with those requirements of IFRS Accounting Standards relevant to preparing a statement of financial position, and for such internal control as management determines is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is responsible for assessing the BMO ETF's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the BMO ETF or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the BMO ETF's financial reporting process.

Auditor's responsibilities for the audit of the financial statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statement.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the BMO ETF's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the BMO ETF's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the BMO ETF to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
October 14, 2025

BMO Broad Commodity ETF

Statement of financial position

As at October 14, 2025 (All amounts in C\$, unless otherwise stated)

	Note	\$
Assets		
Current assets		
Cash		30
<hr/>		
Total assets		30
<hr/>		
Net assets attributable to holder of redeemable units		
(1 unit issued and redeemable)		
CAD Units	6	30
<hr/>		
Net assets attributable to holder of redeemable units (per unit)		
CAD Units		30

The notes on pages F-4 to F-7 are an integral part of this financial statement.

Approved on behalf of the Board of Directors of BMO Asset Management Inc.

(signed) "William Bamber"

William Bamber

(signed) "Sara Petrcich"

Sara Petrcich

Notes to the statement of financial position

October 14, 2025

(all amounts stated in Canadian dollars unless otherwise stated)

1. General information

BMO Broad Commodity ETF (the “**BMO ETF**”) is an exchange traded alternative mutual fund established as a trust under the laws of the Province of Ontario on October 14, 2025 pursuant to an amended and restated declaration of trust dated as of October 14, 2025, as may be amended or amended and restated from time to time. BMO Asset Management Inc. (the “**Manager**”) is the trustee, manager, and promoter of the BMO ETF and is responsible for the administration of the BMO ETF. The Manager is a wholly owned subsidiary of the Bank of Montreal.

The address of the BMO ETF’s registered office is 100 King Street West, 43rd floor, Toronto, Ontario, M5X 1A1.

The BMO ETF seeks to replicate, to the extent possible, the total return performance of a broad based commodity index, net of fees and expenses, primarily through the use of commodity-linked derivative instruments that provide exposure to the constituents of the index.

The statement of financial position was authorized for issue by the Board of Directors of the Manager on October 14, 2025.

2. Material accounting policy information

The material accounting policy information applied in the preparation of the statement of financial position are set out below.

2a) Basis of preparation

The financial statement of the BMO ETF has been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“**IFRS Accounting Standards**”) relevant to preparing such a financial statement. The financial statement of the BMO ETF has been prepared under the historical cost convention, except for the valuation of financial instruments which is at fair value.

The net asset value (NAV) is the value of the total assets of the BMO ETF less the value of its total liabilities determined, on each valuation day, in accordance with Part 14 of National Instrument 81-106 *Investment Fund Continuous Disclosure* for the purpose of processing unitholder transactions. Net assets are determined in accordance with IFRS Accounting Standards.

2b) Functional and presentation currency

The statement of financial position of the BMO ETF is presented in Canadian dollars, which is the BMO ETF’s functional currency.

2c) Financial instruments

The BMO ETF records financial instruments at fair value. Investment transactions are accounted for on the trade date.

Cash is comprised of cash and deposits with banks, which may include banker acceptances and overnight demand deposits. The carrying amount of cash approximates its fair value because it is short-term in nature.

International Accounting Standard 32 *Financial Instruments: Presentation* requires the obligation for net assets attributable to holders of redeemable units of the BMO ETF to be presented at the redemption amount. The units of the BMO ETF are redeemable at the option of the holder in accordance with the terms described in note 5.

2d) Classification of redeemable units

Redemption of units at 95% of the NAV for some unitholder redemptions results in a situation where the redemption value of this puttable instrument is not based substantially on the net assets of the BMO ETF. As a result, the BMO ETF's obligations for net assets attributable to a holder of redeemable units are classified as financial liabilities and presented at the redemption amounts.

3. Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying value of the obligation for net assets attributable to holders of redeemable units for the BMO ETF approximates its fair value.

4. Risks associated with financial instruments

The BMO ETF's overall risk management program seeks to maximize the returns derived for the level of risk to which the BMO ETF is exposed and seeks to minimize potential adverse effects on the BMO ETF's financial performance.

Credit risk

The BMO ETF is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. As at October 14, 2025, the credit risk is considered limited as the cash balance represents a deposit with an AA-rated financial institution.

Liquidity risk

Liquidity risk is the risk that the BMO ETF will encounter difficulty in meeting obligations associated with financial liabilities. The BMO ETF maintains sufficient liquidity to fund anticipated redemptions.

Capital risk management

The capital of the BMO ETF is represented by the net assets attributable to holders of redeemable units. The amount of net assets attributable to holders of redeemable units can change significantly subject to the amount and frequency of subscriptions and redemptions at the discretion of unitholders. On any trading day, unitholders may redeem units of the 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 Cboe Canada, as applicable, on the effective day of the redemption; and (ii) the net asset value per Unit on the effective day of the redemption.

In order for 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 BMO ETF at its registered office by 9:00 a.m. (EST) on the trading day (or such later time on such trading day as the Manager may permit). In addition, unitholders may exchange their units for baskets of securities and/or cash, as applicable. To affect an exchange of units, a unitholder must submit an exchange request in the form prescribed by the Manager from time to time to the BMO ETF at its registered office by 9:00 a.m. (EST) on a trading day (or such later time on such trading day as the Manager may permit). The exchange price is equal to the NAV of the units on the effective day of the exchange request, payable by delivery of baskets of securities and/or cash, as applicable.

5. Redeemable units

The capital of the BMO ETF is represented by issued redeemable units with no par value. The units are entitled to distributions, if any, and to a proportionate share of the net assets attributable to the unitholders. In accordance with its investment objective and strategies, and the risk management practices outlined in Note 4, the BMO ETF endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of investments where necessary. The BMO ETF is authorized to issue an unlimited number of units.

On any trading day, a Designated Broker or Dealer may place a subscription or exchange order for the prescribed number of units (or an integral multiple thereof) of the BMO ETF. For the BMO ETF, a trading day is a day on which the Exchange is open for business and on which the primary market or exchange for the majority of the securities held by the BMO ETF is open for trading.

If the subscription or exchange order is accepted, the BMO ETF will issue or exchange units to/from the Designated Broker or Dealer (i) by no later than the third business day after the date on which the order is accepted, if the BMO ETF that invests a portion of its portfolio assets in securities the trades in respect of which customarily settle on the third business day after the date upon which pricing for the securities is determined, (ii) by no later than the second business day after the date on which the order is accepted, if the BMO ETF does not invest a portion of its portfolio assets in securities the trades in respect of which customarily settle on the third business day after the date upon which pricing for the securities is determined, or (iii) in such shorter period than specified under (i) or (ii) as may be determined by the Manager in response to changes in applicable law or general changes to settlement procedures in applicable markets, provided that payment for such units has been received. For each prescribed number of units issued or exchanged, the Designated Broker or Dealer must deliver or receive payment consisting of, in the Manager's discretion:

- (a) a basket of applicable 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 issued or exchanged; or
- (b) cash in an amount equal to the NAV of the units issued or exchanged.

Units exchanged for a Basket of Securities will be exchanged at a price equal to the NAV of the units on the effective date of the exchange request, payable by delivery of baskets of securities and cash. The units will be redeemed in the exchange. On any trading day, unitholders may redeem units of the BMO ETF for cash. Units redeemed for cash will be redeemed at a redemption price per unit equal to the lesser of: (i) 95% of the closing price for the units on the Exchange on the effective day of the redemption; and (ii) the net asset value per unit on the effective day of the redemption.

The NAV per unit for the purposes of subscription, redemption or exchange is computed by dividing the NAV of the BMO ETF (that is, the total fair value of the assets attributable to the BMO ETF less the liabilities attributable to it) by the total number of units of the BMO ETF outstanding at such time on each Valuation Date, in accordance with Part 14 National Instrument 81-106 *Investment Fund Continuous Disclosure* for the purpose of processing unitholder transactions. Net assets are determined in accordance with IFRS Accounting Standards and may differ from the BMO ETF's NAV. As at October 14, 2025, there is no difference between net assets and NAV of the BMO ETF.

6. Related party transactions

The BMO ETF's investment activities are managed by the Manager. BMO Investments Inc., an affiliate of the

	Units	Consideration	Price per Unit
BMO Broad Commodity ETF (CAD Units)	1	C\$30	C\$30

Manager, has purchased the initial units of the BMO ETF as summarized in the table below:

The BMO ETF will pay management fees, in accordance with the Declaration of Trust, to the Manager, and the Manager is entitled to a management fee as set forth in the table below based on the average daily net asset value of the BMO ETF. The management fee, plus applicable taxes including HST, is accrued daily and paid quarterly in arrears. The Manager may, from time to time in its discretion, waive a portion of the management fee charged.

	Annual Management Fee (%)
BMO Broad Commodity ETF	0.26

BMO Investments Inc. may not exchange the initial unit of the BMO ETF that it purchased on October 14, 2025 until the BMO ETF has received total subscriptions with a value of \$500,000 from other investors in the relevant series.

CERTIFICATE OF THE BMO ETF, THE MANAGER AND THE PROMOTER

Dated: October 14, 2025

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 ETF**

(signed) "William Bamber"

(signed) "Nelson Avila"

WILLIAM BAMBER
Acting in the capacity of
Chief Executive Officer

NELSON AVILA
Chief Financial Officer

On behalf of the Board of Directors of BMO Asset Management Inc.

(signed) "Sara Petrcich"

(signed) "Asma Panjwani"

SARA PETRCICH
Director

ASMA PANJWANI
Director

**BMO ASSET MANAGEMENT INC.
as Promoter of the BMO ETF**

(signed) "William Bamber"

WILLIAM BAMBER
Acting in the capacity of Chief Executive Officer