PROSPECTUS

Initial Public Offering October 21, 2024

This prospectus qualifies, unless otherwise indicated, the distribution of CAD Units (also referred to as "**Units**") of BMO MSCI EAFE High Quality Index ETF (the "**BMO ETF**").

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

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 "index mutual fund" as defined in NI 81-102.

The BMO ETF seeks to replicate, to the extent possible before fees and expenses, the performance of an index that provides exposure to large and mid capitalization issuers across developed market countries, excluding Canada and the US (the "**Index**"), by establishing, directly or indirectly, a long or short position in the instruments included in the Index (each, an "**Index Constituent**"), each in proportion to its positive or negative weight in the Index and/or instruments that are not Index Constituents but that have, in the aggregate, investment characteristics similar to the Index or a subset of the Index Constituents. See "Investment Objectives – Investment Objectives of the BMO ETF".

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

BMO Asset Management Inc. (the "**Manager**") is the trustee, manager, 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.

The BMO ETF issues Units directly to the Designated Broker and Dealers. BMO Nesbitt Burns Inc. will act as the 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 the Toronto Stock Exchange ("**TSX**").

The TSX has conditionally approved the listing of the Units of the BMO ETF on the TSX. Listing of the Units of the BMO ETF is subject to the BMO ETF fulfilling all of the requirements of the TSX on or before October 9, 2025. Subject to satisfying the TSX's original listing requirements, the Units of the BMO ETF will be listed on the TSX and offered on a continuous basis, and an investor will be able to buy or sell these Units on the TSX 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 each class of securities 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 has entered into a license agreement with the Index Provider (defined below) to use the Index and certain other trademarks. See "Material Contracts – License Agreement".

MSCI (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.

Adjusted Cost Base and ACB – the cost of a security adjusted in accordance with the Tax Act.

ATR Rule – has the meaning given under "Risk Factors – Risks Relating to an Investment in the BMO ETF – Taxation Risk".

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.

BMO ETFs – the BMO Exchange Traded Funds, including the BMO ETF.

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 – Risks Relating to an Investment in the BMO ETF – Taxation Risk".

Capital Gains Proposals – has the meaning given under "Income Tax Considerations – Taxation of the BMO ETF".

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

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.

Dealer – a registered dealer (that may or may not be the 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 master declaration of trust dated October 21, 2024 (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 Designated Broker 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.

DFA Rules – has the meaning given under “Risk Factors – Risks Relating to an Investment in the BMO ETF – Taxation Risk”.

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.

EAFE – Europe, Australasia and Far East.

ESG – environmental, social and governance.

ETF – exchange traded fund.

Exchange – the TSX.

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

BMO ETF – BMO MSCI EAFE High Quality Index ETF.

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

Index Provider – third-party provider of an index, such as MSCI, 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.

MSCI – MSCI Inc.

NAV and ***NAV per Unit*** – in relation to a particular class of the BMO ETF, the net asset value of the BMO ETF attributable to that class and the net asset value per Unit of the BMO ETF attributable to the class, 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.*

Non-Portfolio Income – has the meaning given under "Income Tax Considerations – Taxation of the BMO ETF".

Permitted Merger – as defined under "Unitholder Matters – Matters Requiring Unitholders' Approval".

Plan Agent – SSTCC, plan agent for the Distribution Reinvestment Plan.

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

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

Proxy Voting Guidelines – as defined under "Proxy Voting Disclosure for Portfolio Securities Held".

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

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

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.

Securities Lending Agent – State Street Bank and Trust Company or its successor. 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, the Custodian of the BMO ETF, and the registrar and transfer agent and Plan Agent of the BMO ETF.

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.

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., a corporation established under the laws of the Province of Ontario and a registered portfolio manager, investment fund manager, exempt market dealers and commodity trading manager, acting in its capacity as the trustee of the BMO ETF.

TSX – the Toronto Stock Exchange.

T+3 Securities – 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.

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

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

Unitholder – a holder of Units of the BMO ETF.

US or 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 be calculated on December 15.

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

PROSPECTUS SUMMARY

The following is a summary of the principal features of Units of the BMO 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 MSCI EAFE High Quality Index ETF (the "**BMO ETF**"). The BMO ETF is an exchange traded mutual fund 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".
Units:	The BMO ETF offers a class of units denominated in Canadian dollars (CAD Units).
Continuous Distribution:	Units of the BMO ETF are being issued and sold on a continuous basis and there is no maximum number of Units that may be issued. The Units of the BMO ETF are Canadian dollar denominated. The BMO ETF issues Units directly to the Designated Broker and Dealers. BMO Nesbitt Burns Inc. will act as 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 the TSX. The TSX has conditionally approved the listing of the Units of the BMO ETF on the TSX. Listing of the Units of the BMO ETF is subject to the BMO ETF fulfilling all of the requirements of the TSX on or before October 9, 2025. Subject to satisfying the TSX's original listing requirements, the Units of the BMO ETF will be listed on the TSX and offered on a continuous basis, and an investor will be able to buy or sell these Units on the TSX 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 before fees and expenses, the performance of an index that provides exposure to large and mid capitalization issuers across developed market countries, excluding Canada and the US (the "**Index**"), by establishing, directly or indirectly, a long or short position in the instruments included in the Index (each, an "**Index Constituent**"), each in proportion to its positive or negative weight in the Index and/or instruments that are not Index Constituents but that have, in the aggregate, investment characteristics similar to the Index or a subset of the Index Constituents. 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 investors with 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 its constituent securities and specifying the reasons for the change in the Index. See "Investment Objectives ¬– Investment Objectives of the BMO ETF".

Investment Strategies of the BMO ETF:	Generally, the BMO ETF will invest substantially all of its assets, directly or indirectly, in the Index Constituents, in substantially the same proportions as the Index Constituents are represented in the Index. Currently, the Index is the MSCI EAFE Quality Index. In its capacity as portfolio manager, the Manager may use a sampling strategy in selecting investments for the BMO ETF. Under this strategy, the Manager uses quantitative analysis to select Index Constituents and/or other instruments that, in the aggregate, resemble the Index or a subset of its Index Constituents in terms of performance attributes, key risk factors and other appropriate financial characteristics. Where this strategy is used, the performance of the BMO ETF may not track the performance of the Index as accurately as if the BMO ETF had invested exclusively in the Index Constituents in proportion to their weights in the Index. When the BMO ETF invests in Underlying Funds, it will predominantly, if not exclusively, 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 associated with the Manager, please see "Organization and Management Details of the BMO ETF – Conflicts of Interest". The BMO ETF may invest in or use derivative instruments and may engage in securities lending transactions in order to earn additional income for the BMO ETF, provided that the use of such derivative instruments and such securities lending transactions is in compliance with applicable Canadian Securities Legislation and is consistent with the investment objective and investment strategies of the BMO ETF. See "Investment Strategies – Specific Investment Strategies of the BMO ETF".
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. The BMO ETF invests a portion of its portfolio assets in T+3 Securities and has obtained exemptive relief from the securities regulatory authorities to permit the BMO ETF to settle primary market trades in Units of the BMO ETF no later than the third business day after the date upon which pricing for the Units is determined. This settlement cycle differs from the standard settlement cycle for secondary market trades in the Units of the BMO ETF, which customarily occurs no later than the second business day after the date upon which pricing for the Units is determined.
Distributions:	Cash distributions, if any, on Units of the BMO ETF will be made in Canadian dollars and at the frequency set forth in the following table:

Frequency of Distributions BMO ETF			
BMO ETF	**Monthly**	**Quarterly**	**Annually**
BMO MSCI EAFE High Quality Index ETF		✓	

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

For each taxation year, 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 the full amount of its net income or net realized capital gains in any taxation year, the difference between such amount and the amount actually distributed by the BMO ETF will be paid as a "reinvested distribution". 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 of each class following the distribution will equal the number of Units of each class outstanding prior to the distribution. See "Distribution Policy".

The BMO ETF can generally choose to make a distribution that is a return of capital. Also, the BMO ETF will be considered to distribute a return of capital if it distributes more than its net income and net realized capital gains. In any case, a distribution that is a return of capital is not included in an investor's income, but instead reduces the Adjusted Cost Base of the Units on which it was paid. When an investor eventually redeems their Units, it may realize a larger capital gain (or smaller capital loss). If the Adjusted Cost Base of an investor's Units is reduced to less than zero while the investor continues to hold them, the investor will be deemed to realize an immediate capital gain equal to the negative amount and the investor's Adjusted Cost Base will be increased to zero. A distribution that is a return of capital should not be confused with return on investment or "yield". Investors should not draw any conclusions about the BMO ETF's investment performance from the amount of a return of capital it distributes.

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 a special dividend or in connection with returns of capital. See "Distribution Policy".

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 applicable 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 Objectives – Termination of the Index".

Eligibility for Investment: In the opinion of legal counsel, 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 TSX, or the BMO ETF qualifies as a registered investment within the meaning of the Tax Act, the Units of the BMO ETF will be qualified investments for Registered Plans. See "Eligibility for Investment".

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, including:

(i) index investment risk
(ii) equity risk
(iii) foreign market risk
(iv) concentration risk
(v) currency risk
(vi) portfolio management risk
(vii) large transaction risk
(viii) liquidity risk
(ix) securities lending, repurchase agreement and reverse repurchase agreement risk
(x) short selling risk
(xi) taxation risks
(xii) cybersecurity risk
(xiii) derivatives risk

See "Risk Factors – Risks Relating to an Investment in the BMO ETF".

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 taxable capital gains of the BMO ETF paid or payable to the Unitholder in the year (including any reinvested distribution) and deducted by the BMO ETF in computing its income. 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 manager. 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 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 such 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	Annual Management F (%)
BMO MSCI EAFE High Quality Index ETF	0.35

Underlying Fund Fees: The BMO ETF may, in accordance with applicable Canadian securities legislation, invest in exchange traded funds, mutual funds or other investment 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.

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), 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, Registrar and Transfer Agent and Plan Agent and fees payable to other service providers, including the Index Provider, 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 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 otherwise would 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 to the applicable 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".

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 the 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 "index mutual fund" as defined in NI 81-102.

The TSX has conditionally approved the listing of the Units of the BMO ETF on the TSX. Listing of the Units of the BMO ETF is subject to the BMO ETF fulfilling all of the requirements of the TSX on or before October 9, 2025. Subject to satisfying the TSX's original listing requirements, the Units of the BMO ETF will be listed on the TSX and offered on a continuous basis, and an investor will be able to buy or sell these Units on the TSX 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 TSX ticker symbol, for the BMO ETF listed on the TSX:

Legal name of BMO ETF	TSX Ticker Symbol
BMO MSCI EAFE High Quality Index ETF	ZIQ

INVESTMENT OBJECTIVES

Investment Objectives of the BMO ETF

The BMO ETF seeks to replicate, to the extent possible before fees and expenses, the performance of an index that provides exposure to large and mid capitalization issuers across developed market countries, excluding Canada and the US (the "**Index**"), by establishing, directly or indirectly, a long or short position in the instruments included in the Index (each, an "**Index Constituent**"), each in proportion to its positive or negative weight in the Index and/or instruments that are not Index Constituents but that have, in the aggregate, investment characteristics similar to the Index or a subset of the Index Constituents.

The Index

A general description of the current Index is set out below.

MSCI EAFE Quality Index

The MSCI EAFE Quality Index is based on the MSCI EAFE Index, its parent index, which includes large and mid capitalization issuers across 21 developed market countries, excluding Canada and the US. The Index seeks to reflect the performance of quality growth issuers by identifying issuers with high quality scores based on three main fundamental variables: high return on equity, stable year-over-year earnings growth, and low financial leverage. Further information about the MSCI EAFE Quality Index is available from MSCI on its website at www.msci.com.

Change in an Underlying 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 that 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 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.

Use of the Index

The Manager and the BMO ETF are permitted to use the applicable Index pursuant to the applicable 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.

INVESTMENT STRATEGIES

Specific Investment Strategies of the BMO ETF

Generally, the BMO ETF will invest substantially all of its assets, directly or indirectly, in the Index Constituents, in substantially the same proportions as the Index Constituents are represented in the Index. Currently, the Index is the MSCI EAFE Quality Index.

In its capacity as portfolio manager, the Manager may use a sampling strategy in selecting investments for the BMO ETF. Under this strategy, the Manager uses quantitative analysis to select Index Constituents and/or other instruments that, in the aggregate, resemble the Index or a subset of its Index Constituents in terms of performance attributes, key risk factors and other appropriate financial characteristics. Where this strategy is used, the performance of the BMO ETF may not track the performance of the Index as accurately as if the BMO ETF had invested exclusively in the Index Constituents in proportion to their weights in the Index.

When the BMO ETF invests in Underlying Funds, it will predominantly, if not exclusively, 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 associated with the Manager, please see "Organization and Management Details of the BMO ETF – Conflicts of Interest".

Rebalancing and Adjustment

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

BMO ETF	Current Index	Rebalancing and Adjustment
BMO MSCI EAFE High Quality Index ETF	MSCI EAFE Quality Index	Rebalanced semi-annually

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

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 example, derivatives may be used to hedge foreign currency exposure. 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 – Risks Relating to an Investment in the BMO ETF – Use of Derivative Instruments".

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 will predominantly, if not exclusively, 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".

Short Selling

The BMO ETF may, in accordance with its investment objectives and investment strategies, engage in short selling in compliance with Canadian Securities Legislation. A "**short sale**" is where the BMO ETF borrows securities from a borrowing agent, which are then sold in the open market (or "**sold short**"). At a later date, the same number of securities are repurchased by the BMO ETF and returned to the borrowing agent. In the interim, the proceeds from the first sale are deposited with the borrowing agent and the BMO ETF pays interest to the borrowing agent. If the value of the securities declines between the time that the BMO ETF borrows the securities and the time it repurchases and returns the securities, the BMO ETF makes a profit for the difference (less any interest the BMO ETF is required to pay to the borrowing agent). In this way, the BMO ETF may have more opportunities for gains when markets are generally volatile or declining.

OVERVIEW OF THE SECTORS IN WHICH THE BMO ETF INVESTS

The BMO ETF generally invests in the equity securities of publicly-traded companies in a variety of sectors that are incorporated in, or have a primary market listing in developed market countries, excluding Canada and the US. See “Investment Objectives – The Index – MSCI EAFE Quality Index”.

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”.

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 such 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 the Designated Broker, 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	
BMO ETF	**Annual Management Fee (%)**
BMO MSCI EAFE High Quality Index ETF	0.35

Underlying Fund Fees

The BMO ETF may, in accordance with applicable Canadian securities legislation, 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.

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), 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, Registrar and Transfer Agent, and Plan Agent and fees payable to other service providers, including the Index Provider, 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 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. A cash amount equal to the difference between the fee otherwise chargeable and the reduced fee of the BMO ETF will be distributed in cash by the BMO ETF to those Unitholders as “Management Fee Distributions”.

The availability, amount and timing of Management Fee Distributions with respect to Units of 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 the Designated Broker and Dealer) 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.

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 the 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.

Risks Relating to an Investment in 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 war, acts of terrorism, the spread of infectious illness or other public health issues and recessions could have a significant impact on a fund and its investments and could also result in fluctuations in the value of a fund. The identity and weighting of the assets held by the BMO ETF may also change from time to time.

Index Investment Risk

The BMO ETF seeks to replicate the performance of an index. This entails the following risks:

- the BMO ETF will not take defensive positions in anticipation of adverse market conditions;
- generally, the BMO ETF will not reduce or eliminate its exposure to an index constituent that has experienced, or is expected to experience, an adverse change, until that index constituent is removed from the applicable index; furthermore, if an index constituent is removed from an index, there is no guarantee that the BMO ETF will be able to dispose of that index constituent at an attractive price, or at all; and
- the BMO ETF may invest a greater portion of its NAV invested in one or more issuers than is usually permitted for mutual funds, which may increase the volatility of its returns.

The BMO ETF may fail to replicate the performance of an index for reasons including:

- fees, expenses and/or taxes that are incurred by the BMO ETF that are not included in the calculation of the index;
- the BMO ETF may invest in instruments that are not index constituents, and the performance of these investments may not replicate the performance of those index constituents; and
- the calculation or publication of an index's performance may be incorrect, delayed or suspended.

Equity Risk

Equity instruments, often called stocks or shares, give the holder an ownership stake in their issuer. The price of an equity instrument is influenced by the outlook for its issuer and by general economic, industry and market trends.

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.

Concentration Risk

The BMO ETF may concentrate its investments by:

- investing in relatively few issuers; and/or
- investing primarily or exclusively in a particular sector, country, and/or region.

The BMO ETF that has concentrated its investments in one more of these ways may be less diversified than other mutual funds. It may underperform other mutual funds if there is a downturn in the region, country, sector and/or securities in which the BMO ETF has concentrated its investments.

If the BMO ETF's investment objectives and/or strategies require it to concentrate its investments in this way, the BMO ETF will generally maintain the concentration of its investments, despite unfavourable conditions for investment in the region, country, sector and/or securities in which it has concentrated its investments.

Currency Risk

The value of an investment that is denominated in, or that pays income in, a currency other than the BMO ETF's Valuation Currency (for the purposes of this section and the following section, a foreign currency) is affected by changes in the value of that foreign currency relative to the Valuation Currency. As a result, currency fluctuations may adversely affect the BMO ETF's NAV. For example, if the U.S. dollar rises relative to the Canadian dollar, U.S. securities will be worth more in Canadian dollars. On the other hand, if the U.S. dollar falls, U.S. securities will be worth less in Canadian dollars.

The BMO ETF's strategy includes currency hedging and will seek to minimize this risk. To the extent that the BMO ETF does not hedge its foreign currency risk, the value of the assets attributable to the BMO ETF, or of the income derived from those assets, could be adversely affected by currency exchange rate movements.

Portfolio Management Risk

The BMO ETF depends on its portfolio advisor(s) to manage its portfolio in a manner consistent with its investment objective and investment strategies. There is no certainty that the BMO ETF's portfolio advisors will perform this function well or that they will continue to be employed by us.

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 Fund 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 adverse tax consequences (See "Income Tax Considerations".).

Liquidity Risk

The BMO ETF holds illiquid investments and may be unable to sell these securities. This may be because there is a limited trading market for the securities, or because their trading is subject to legal restrictions. An illiquid security may trade at a price that differs significantly from its value.

Securities lending, repurchase agreement and reverse repurchase agreement risk

The BMO ETF may enter into securities lending agreements, repurchase agreements (repos), and/or reverse repurchase agreements (reverse repos).

If the BMO ETF enters into any of these agreements it is subject to the risk that the counterparty to the agreement defaults on its obligations to the BMO ETF. In this case, the BMO ETF may incur a loss if the collateral it holds is worth less than:

- the portfolio securities it has loaned (in the case of a securities lending agreement) or sold (in the case of a repurchase agreement), or
- the amount by which the securities it has purchased have declined (in the case of a reverse repurchase agreement).

What are securities lending agreements, repurchase agreements and reverse repurchase agreements?

In a securities lending agreement, the BMO ETF loans portfolio securities to a borrower. For as long as the loan remains outstanding, the borrower must compensate the BMO ETF for the loan of the securities, and must also provide collateral to the BMO ETF to secure the loan.

In a repurchase agreement, the BMO ETF sells portfolio securities at one price and simultaneously agrees to repurchase these securities on a specified future date at a specified price. Until the repurchase is complete, the counterparty must provide collateral to the BMO ETF to secure its commitment to resell the portfolio securities to the BMO ETF.

In a reverse repurchase agreement, the BMO ETF purchases securities at one price and simultaneously agrees to sell those securities on a specified future date at a specified price. Until the agreement is completed, the counterparty must provide collateral to the BMO ETF to secure its commitment to repurchase the securities from the BMO ETF.

Short selling risk

The BMO ETF may engage in short selling. If the BMO ETF engages in short selling it is subject to these risks:

- There can be no assurance that the borrowed securities will decline in value during the term of the short position; they may increase in value instead.
- The BMO ETF may experience difficulties in repurchasing the borrowed securities if a liquid market for those securities does not exist at that time.
- The lender may require the BMO ETF to return the borrowed securities at any time, which may require the BMO ETF to close out the short sale at an inopportune time.
- The lender may become insolvent, in which case the BMO ETF may not recover all or any of the collateral it provided to the lender.

What is short selling?

To effect a short sale, the BMO ETF borrows securities from a lender and sells them on the open market. At a later date, the BMO ETF closes out the short position by purchasing the same securities on the open market and delivering those securities to the lender. In the interim, the BMO ETF must compensate the lender for the loan of the securities, and must also provide collateral to the lender to secure the loan.

The BMO ETF's gain (loss) on a short sale equals the amount by which its proceeds from the initial short sale, less the compensation it pays to the lender, is greater (less) than the amount it pays to purchase the securities to close out the short position.

Taxation Risks

The BMO ETF will be established in 2024 and is expected to qualify as a "mutual fund trust" for purposes of the Tax Act by the time it files its first tax return in which it 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. 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 may be liable to pay alternative minimum tax and for tax under Part XII.2 of the Tax Act, and would not be entitled to the Capital Gains Refund (as defined herein). In addition, 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. Recent amendments to the Tax Act will exempt unit trusts from the alternative minimum tax regime 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 TSX) represents all or substantially all of the total fair market value of all the units of the trust. The Manager has advised that the BMO ETF is expected to qualify for this new exemption.

If at any time in a year the BMO ETF that does not qualify as a mutual fund trust has an investor that is a “designated beneficiary” within the meaning of the Tax Act, the BMO ETF may be subject to a special tax at a rate of 40% under Part XII.2 of the Tax Act on its “designated income” within the meaning of the Tax Act. A “designated beneficiary” includes a non-resident person. “Designated income” includes income from carrying on business in Canada (which may include gains on certain derivatives) and capital gains from dispositions of “taxable Canadian property” within the meaning of the Tax Act. If possible, where the BMO ETF is subject to tax under Part XII.2, the BMO ETF may make designations which will result in Unitholders that are not designated beneficiaries receiving a tax credit with respect to their share of the Part XII.2 tax paid by 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 prices of, Units of the BMO ETF.

The Tax Act contains tax loss restriction event rules that 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. 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. Because of the way exchange traded units of the BMO ETF is 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 has not been, or will not in the future, 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 applicable Declaration of Trust. Pursuant to recent amendments to the Tax Act (the “**ATR Rule**”), 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 Rule 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 each 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 these recent amendments.

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", or holds derivative instruments or any other property in the course of carrying on a business in Canada. 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. The BMO ETF will not be subject to tax under these rules as long as the BMO ETF complies with their investment restrictions in this regard. In particular, the BMO ETF intends to take the position that it will not use any property in the course of carrying on a business in Canada and will therefore not be a "SIFT trust" (as defined for purposes of the Tax Act). On that basis, it is anticipated that each such BMO ETF will make sufficient distributions in each year of any income (including taxable capital gains) realized by the BMO ETF for Canadian tax purposes in the year so as to ensure that it will not be subject to non-refundable income tax under Part I of the Tax Act. However, if the BMO ETF constitutes a SIFT trust in a particular year, any "non-portfolio earnings" (as defined for the purposes of the Tax Act) will generally be subject to tax under Part I of the Tax Act, even if distributed in full to Unitholders of the BMO ETF. 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.

Under the Tax Act, the excessive interest and financing expenses limitation rules (the "**EIFEL Rules**"), if applicable to an entity, may limit the deductibility of interest and other financing-related expenses by the entity to the extent that such expenses, net of interest and other financing-related income, exceed a fixed ratio of the entity's adjusted EBITDA. The EIFEL Rules and their application are highly complex, and there can be no assurances that the EIFEL Rules will not have adverse consequences to the BMO ETF or its Unitholders. In particular, if these rules were to apply to restrict deductions otherwise available to the BMO ETF, the taxable component of distributions paid by the BMO ETF to Unitholders may be increased, which could reduce the after-tax return associated with an investment in Units. 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.

Cybersecurity 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.

Derivative risk

Although derivatives are often used by BMO ETFs to avoid risk, they have their own kinds of risk. The BMO ETF uses derivatives and may be subject to the following risks:

- There is no guarantee a 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 all or any of the collateral it provided to the lender.
- If BMO ETF holds a long or short position in a future whose underlying interest is a commodity, the BMO ETF will always seek to close out that position by entering into an offsetting future prior to the first date on which the BMO ETF might be required to make or take delivery of the commodity under the future. However, there is no guarantee the BMO ETF will be able to do so. This could result in the BMO ETF having to make or take delivery of the commodity.
- 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.
- Furthermore, the BMO ETF may use derivatives to implement 'covered call' or 'put write' strategies, which entail additional risks:
- in a 'covered call' strategy, the BMO ETF sells a call option whose underlying interest is contained within in the BMO ETF's portfolio, which limits the return that the BMO ETF may earn on that investment; and
- in a 'put write' strategy, a BMO ETF sells a put option whose underlying interest is not contained within the BMO ETF's portfolio, which exposes the BMO ETF to the risk of loss should the value of that underlying interest decrease.

What is a derivative?

A derivative is a contract between two parties whose value is determined with reference to an underlying interest, such as the market price of an asset (such as a currency, commodity or share) or the value of an index or an economic indicator (such as a stock market index or a specified interest rate).

Derivatives can generally be classified as options, forwards, futures or swaps. An option gives its holder the right, but not the obligation, to buy or sell the underlying interest at a specified price within a specified period of time. (A call option gives its holder the right to buy; a put option gives its holder the right to sell.) A forward is a commitment to buy or sell the underlying interest at a specified price on a specified future date. A future is similar to a forward, except that futures are traded on exchanges. A swap is a commitment to exchange one set of payments for another set of payments.

Some derivatives are settled by one party delivering the underlying interest to the other party, who pays the specified price in full. Other derivatives are settled by a single cash payment representing the final net value of the contract.

Risk Rating of the BMO ETF

The methodology that the Manager uses to determine the investment risk level of the BMO ETF, for purposes of disclosure in this prospectus and in the ETF Facts, is required to be determined in accordance with a standardized risk classification methodology that is based on the BMO ETF's historical volatility as measured by the 10-year standard deviation of the monthly returns of the BMO ETF, assuming the reinvestment of all income and capital gains distributions in additional securities of the BMO ETF. However, other types of risk, both measurable and non-measurable, may exist. It is also important to note that the BMO 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 the BMO 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 the BMO ETF which the Manager believes may be too low and not indicative of the BMO ETF's future volatility. As a result, in addition to using the standardized risk classification methodology described above, the Manager may increase the BMO 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 BMO ETF and the liquidity of those investments.

In addition, if the BMO 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 BMO ETF is expected to reasonably approximate, the standard deviation of the BMO ETF, will be used for the remainder of the 10-year period when calculating the standard deviation of the BMO ETF. The investment risk level and the reference index for the BMO 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 BMO ETF's investment objectives 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 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.

Risk Rating of the BMO ETF

TICKER	BMO ETF	RISK RATING
ZIQ	BMO MSCI EAFE High Quality Index ETF	Medium

The BMO ETF 's risk classification is based on the returns of the MSCI EAFE Quality Index. The MSCI EAFE Quality Index is a factor based EAFE equity index that screens for quality companies based on three main fundamental variables: high return on equity, stable year-over-year earnings growth, and low financial leverage.

DISTRIBUTION POLICY

Distributions

Cash distributions, if any, on Units of the BMO ETF will be made in Canadian dollars and as set forth in the following table:

Frequency of Distributions BMO ETF			
BMO ETF	**Monthly**	**Quarterly**	**Annually**
BMO MSCI EAFE High Quality Index ETF		✓	

Depending on the underlying investments of the BMO ETF, distributions on Units may consist of ordinary income, including foreign source income, sourced from foreign dividends, distributions or interest received by the BMO ETF and dividends from taxable Canadian corporations but may also include net realized capital gains, in any case, less the expenses of the BMO ETF and may include returns of capital. Cash distributions on Units of the BMO ETF are expected to be paid primarily out of dividends or distributions, and other income or gains, received by the BMO ETF less the expenses of the BMO ETF, but may also consist of non-taxable amounts including returns of capital, which may be paid in the Manager's sole discretion. To the extent that the expenses of the BMO ETF exceed the income generated by such 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 the full amount of its net income or net realized capital gains in any taxation year, the difference between such amount and the amount actually distributed by the BMO ETF will be paid as a "reinvested distribution". 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 of each class following the distribution will equal the number of Units of each class outstanding prior to the distribution.

The BMO ETF can generally choose to make a distribution that is a return of capital. Also, the BMO ETF will be considered to distribute a return of capital if it distributes more than its net income and net realized capital gains. In any case, a distribution that is a return of capital is not included in an investor's income, but instead reduces the Adjusted Cost Base of the securities on which it was paid. When an investor eventually redeems the securities, it may realize a larger capital gain (or smaller capital loss). If the Adjusted Cost Base of an investor's securities is reduced to less than zero while the investor continues to hold them, the investor will be deemed to realize an immediate capital gain equal to the negative amount and the investor's Adjusted Cost Base will be increased to zero. A distribution that is a return of capital should not be confused with return on investment or "yield". Investors should not draw any conclusions about the BMO ETF's investment performance from the amount of a return of capital it distributes.

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 a special dividend or in connection with returns of capital.

See “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. No BMO ETF will be required to purchase Plan Units if such purchase would be illegal.

A Unitholder who wishes to enrol 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 being issued and sold on a continuous basis and there is no maximum number of Units that may be issued.

Designated Brokers

The Manager, on behalf of 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 on an ongoing basis in connection with the rebalancing of and adjustments to the applicable Index or portfolio as described under "Investment Strategies – Rebalancing and Adjustment" and when cash redemptions of Units occur as described under "Redemption and Exchange of Units"; and (iii) to post a liquid two-way market for the trading of Units on the 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 Agreements provide 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 the Designated Broker or Dealer. The BMO ETF reserves the absolute right to reject any subscription order placed by the Designated Broker or Dealer. No fees will be payable by the BMO ETF to the 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, the 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 such BMO ETF's Designated Broker 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 in connection with the rebalancing of and adjustments to the BMO ETF or its portfolio as described under "Investment Strategies – Rebalancing and Adjustment" and when cash redemptions of Units occur as described below under "Redemption and Exchange of Units – Redemption of Units for Cash".

To Unitholders as Reinvested Distributions

Units may be issued by the BMO ETF to Unitholders of the BMO ETF on the automatic reinvestment of special dividends and other 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.

The BMO ETF invests a portion of its portfolio assets in T+3 Securities and has obtained exemptive relief from the securities regulatory authorities to permit the BMO ETF to settle primary market trades in Units of the BMO ETF no later than the third business day after the date upon which pricing for the Units is determined. This settlement cycle differs from the standard settlement cycle for secondary market trades in the Units of the BMO ETF, which customarily occurs no later than the second business day after the date upon which pricing for the Units is determined.

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 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, and any portfolio securities of the BMO ETF accepted as payment for Units of the BMO ETF, as capital property, has not with respect to Units or portfolio securities of the BMO ETF accepted as payment for Units of the BMO ETF entered into a "derivative forward agreement" as that term is defined in the Tax Act, and is not affiliated and deals at arm's length with the BMO ETF. This summary is based on 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**"), and counsel's understanding of the current published administrative policies and assessing practices of the CRA. This summary does not take into account or anticipate any other changes in law whether by legislative, administrative or judicial action and it does not take into account provincial, territorial or foreign income tax legislation or considerations, which may differ from the considerations described below.

This summary is of a general nature only and is not exhaustive of all possible income tax considerations. Prospective investors should therefore consult their own tax advisors about their individual circumstances.

This summary is also based on the assumptions that: (i) the BMO ETF will not be subject to 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; (v) none of the securities held by the BMO ETF will be 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 94.1 or 94.2 of the Tax Act; and (vi) no BMO ETF will enter into any arrangement where the result is a dividend rental arrangement for the purposes of the Tax Act.

Status of the BMO ETF

This summary is based on the assumption that the BMO ETF will comply at all material times with the conditions prescribed in the Tax Act and otherwise so as to qualify as a "mutual fund trust" as defined in the Tax Act. 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 different from those described below. See "Risk Factors – Risks Relating to an Investment in the BMO ETF – Taxation Risk".

The BMO ETF that does not qualify as a "mutual fund trust" for purposes of the Tax Act will be treated as a "financial institution" for purposes of certain mark-to-market rules in the Tax Act if more than 50% of the Units of the BMO ETF are held by one or more Unitholders that are themselves considered to be financial institutions under those rules. In such case, the BMO ETF will be required to recognize at least annually 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 amounts to be distributed to Unitholders. If more than 50% of the Units of such BMO ETF cease to be held by financial institutions, the tax year of the BMO ETF will be deemed to end immediately before that time and any 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 these special mark-to-market rules. Given the manner in which Units are distributed, there will be circumstances in which it will not be possible to control or identify whether the BMO ETF has, or has ceased to, become a "financial institution". 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 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.

Taxation of the BMO ETF

The BMO ETF will include in computing its income taxable distributions received on securities held by it, including any special dividends, the taxable portion of capital gains realized by the BMO ETF on the disposition of securities held by it and income earned by any securities lending activity and futures trading activity and taxable capital gains or income realized through transactions in options. Under the SIFT Rules, certain income earned by issuers of portfolio securities of the BMO ETF that are SIFT trusts or SIFT partnerships, when such income is distributed or allocated to the BMO ETF, would be treated as eligible dividends from a taxable Canadian corporation. To the extent the BMO ETF earns income from "non-portfolio property" (as defined in the Tax Act), or realizes net taxable capital gains on the disposition of such property, the BMO ETF will generally be subject to tax under Part I of the Tax Act at corporate income tax rates. The BMO ETF will include in computing its income any interest accruing to it on bonds held by the BMO ETF.

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). Tax Proposals released on September 23, 2024 to implement Tax Proposals first announced in the 2024 Federal Budget (the "**Capital Gains Proposals**"), *inter alia*, provide for certain adjustments to the Capital Gains Refund as determined under the Tax Act to generally take into account the increase in the capital gains inclusion rate as applicable to a relevant taxation year (or applicable portion thereof in the current taxation year) of the BMO ETF. If in a taxation year the income for tax purposes of the BMO ETF exceeds the cash available for distribution by the BMO ETF, such as in the case of the receipt by the BMO ETF of special dividends, the BMO ETF will distribute its income through a payment of reinvested distributions.

If the BMO ETF invests in another fund (an "**Underlying Fund**") that is a Canadian resident trust other than a SIFT trust, the Underlying Fund may designate a portion of amounts that it distributes to the BMO ETF as may reasonably be considered to consist of: (i) taxable dividends (including eligible dividends) received by the Underlying Fund on shares of taxable Canadian corporations; and (ii) net taxable capital gains realized by the Underlying Fund. Any such designated amounts will be deemed for tax purposes to be received or realized by the BMO ETF as a taxable dividend or taxable capital gain, respectively. An Underlying Fund that pays foreign withholding tax may make designations such that the BMO ETF may be treated as having paid its share of such foreign tax. If the BMO ETF owns 10% or more of the securities of a class of a non-resident trust, the BMO ETF will generally be required to include in the calculation of its income its proportionate share of the non-resident trust's undistributed net income (including net taxable capital gains), as calculated under the Tax Act.

The BMO ETF may be subject to the suspended loss rules contained in the Tax Act. A loss realized on a disposition of property may be considered to be a suspended loss when 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 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 gains until the substituted property is sold and is not reacquired within 30 days before and after the sale.

In determining the income of the BMO ETF, gains or losses realized upon transactions in securities undertaken by the BMO ETF will constitute capital gains or capital losses of the BMO ETF in the year realized unless the BMO ETF is considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or the BMO ETF engaged in a transaction or transactions considered to be an adventure in the nature of trade. The BMO ETF will purchase the securities in its portfolio with the objective of receiving dividends, 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 that holds "Canadian securities" (as defined in the Tax Act) have elected or will elect in accordance with the Tax Act to have each such security treated as capital property. Such election will ensure that gains or losses realized by the BMO ETF on the disposition of Canadian securities 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 – Risks Relating to an Investment in the BMO ETF – Taxation Risk", 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 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, including short sales of securities other than Canadian securities, except where such derivatives are used to hedge portfolio securities held on capital account provided there is sufficiently linkage, subject to the DFA Rules discussed below, and such gains and losses will be recognized for tax purposes at the time they are realized by the BMO ETF. An election to realize gains and losses on "eligible derivatives" (as defined in the Tax Act) of the BMO ETF on a mark-to-market basis may be available. The Manager will consider whether such election, if available, would be advisable for the BMO ETF.

The BMO ETF may 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, dividends, 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 by the BMO ETF (or paid by an Underlying Fund and 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 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 rateably 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.

If the EIFEL Rules apply to the BMO ETF, the amount of any 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.

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 year the Canadian dollar amount of net income and net taxable capital gains of the BMO ETF, if any, paid or payable to the Unitholder in the year and deducted by the BMO ETF in computing its income, whether or not such amounts are reinvested in additional Units (including Plan Units acquired under the 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.

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 of the BMO ETF. Any other non-taxable distribution, such as a return of capital, will not be included in computing the Unitholder's income for the year but will reduce the Unitholder's adjusted cost base (unless the BMO ETF elects to treat such amount as a distribution of additional income). To the extent that a Unitholder's adjusted cost base would otherwise be a negative amount, the negative amount will be deemed to be a capital gain realized by the Unitholder and the Unitholder's adjusted cost base will be nil immediately thereafter.

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, respectively: (i) taxable dividends (including eligible dividends) received or considered to be received by the BMO ETF on shares of taxable Canadian corporations; and

(ii) net taxable capital gains realized or considered to be realized by the BMO ETF. Any such designated amount will be deemed for tax purposes to be received or realized by Unitholders in the year as a taxable dividend and as a taxable capital gain, respectively. The dividend gross-up and tax credit treatment normally applicable to taxable dividends (including eligible dividends) paid by a taxable Canadian corporation will apply to amounts designated by the BMO ETF as such taxable dividends. Capital gains so designated will be subject to the general rules relating to the taxation of capital gains described below. In addition, 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 or considered to be paid by the BMO ETF. Any loss realized by the BMO ETF for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, the Unitholders of such BMO ETF.

Composition of Distributions

Unitholders will be informed each year of the composition of the amounts distributed to them, including amounts in respect of both cash and reinvested distributions. This information will indicate whether distributions are to be treated as ordinary income, taxable dividends (including eligible dividends), taxable capital gains, return of capital or foreign source income, and as to foreign tax deemed paid by the Unitholder as those items are applicable.

Disposition of Units

Upon the actual or deemed disposition of a Unit, including the exchange or redemption of a Unit, and including upon the termination of 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 exceed (or are less than) the aggregate of the adjusted cost base to the Unitholder of the Unit and any reasonable costs of disposition. In general, the adjusted cost base of all Units of a particular BMO ETF held by the Unitholder is the total amount paid for the Units (including brokerage commissions paid and the amount of reinvested distributions), regardless of when the investor bought them, less any non-taxable distributions (other than the non-taxable portion of capital gains) such as a return of capital and less the adjusted cost base of any Units of the BMO ETF previously redeemed/exchanged by the Unitholder. For the purpose of determining the adjusted cost base of Units to a Unitholder, when Units of the BMO ETF are acquired, the cost of the newly acquired Units will be averaged with the adjusted cost base of all Units of the BMO ETF owned by the Unitholder as capital property immediately before that time. The cost of Units acquired on the reinvestment of distributions, including under the Distribution Reinvestment Plan, will be the amount so reinvested.

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 Rule in the manner described under "Risk Factors – Risks Relating to an Investment in the BMO ETF – Taxation Risk", 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.

Where Portfolio Securities of the BMO ETF are Accepted as Payment for Units of the BMO ETF

Where portfolio securities of the BMO ETF are accepted as payment for Units acquired by a Unitholder, such Unitholder will generally realize a capital gain (or capital loss) in the taxation year of the Unitholder in which the disposition of such securities takes place to the extent that the proceeds of disposition for such securities, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such securities to the Unitholder. For this purpose, the proceeds of disposition to the Unitholder will equal the aggregate of the fair market value of the Units received and the amount of any cash received in lieu of fractional Units. The cost to a Unitholder of Units so acquired will be equal to the fair market value of the portfolio securities of the BMO ETF disposed of in exchange for such Units at the time of disposition less any cash received in lieu of fractional Units, which sum would generally be equal to or would approximate the fair market value of the Units received as consideration for the portfolio securities of the BMO ETF. In computing the adjusted cost base of a Unit so acquired by a Unitholder, the cost of such Unit must be averaged with the adjusted cost base of any other Units then held by that Unitholder as capital property. Where the securities so disposed of by a Unitholder are denominated in a currency other than Canadian dollars, any capital gain or capital loss realized by the Unitholder will be determined by converting the Unitholder's cost and proceeds of disposition into Canadian dollars using the applicable rate of exchange on the date of acquisition and disposition, respectively.

Taxation of Capital Gains and Capital Losses

Based on the current provisions of the Tax Act, one-half of any capital gain realized by a Unitholder and the amount of any net taxable capital gains realized or considered to be realized by the BMO ETF and designated by the BMO ETF in respect of a Unitholder will be included in the Unitholder's income as a taxable capital gain. One-half of a capital loss may be deducted from taxable capital gains subject to and in accordance with detailed rules in the Tax Act. Under the Capital Gains Proposals, the portion of a capital gain realized on or after June 25, 2024 that must be included in a Unitholder's income and the portion of a capital loss which is or can be deducted against the taxable portion of capital gains will be increased from one-half to two-thirds. However, the two-thirds inclusion rate will only apply to a Unitholder who generally realizes net capital gains (including net taxable capital gains designated by the BMO ETF) above an annual $250,000 threshold (with such threshold not being pro-rated for 2024). Under the Capital Gains Proposals, two-thirds of capital losses realized prior to 2024 will be deductible against capital gains included in income at the two-thirds inclusion rate such that a capital loss will offset an equivalent capital gain regardless of the inclusion rate. Unitholders should consult their own tax advisors about the Capital Gains Proposals based on their individual circumstances.

Alternative Minimum Tax

Amounts designated by the BMO ETF to Unitholders as taxable capital gains or dividends from taxable Canadian corporations (including eligible dividends), and taxable capital gains realized on the disposition of Units of the BMO ETF may increase the Unitholder's liability for alternative minimum tax. Recent amendments to the Tax Act have increased the alternative minimum tax rate, broadened the tax base, and raised the exemption for individuals.

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. As is the case for all investments held in Registered Plans, amounts withdrawn from a Registered Plan (other than from a TFSA or FHSA or a return of contributions from an 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.

Exchange of Tax Information

The BMO ETF has due diligence and reporting obligations under the Foreign Account Tax Compliance Act (as implemented in Canada by the Canada-United States Enhanced Tax Information Exchange Agreement and Part XVIII of the Tax Act, collectively "**FATCA**") and the OECD's Common Reporting Standard (as implemented in Canada by Part XIX of the Tax Act, referred to as "**CRS**"). 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 a unitholder (or, if applicable, any of its controlling persons), (i) is identified as a U.S. Person (including a U.S. resident or a U.S. citizen); (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 FATCA, the U.S. Internal Revenue Service and in the case of CRS, 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 CRS. The U.S. and Canadian competent authorities have reached an agreement that FHSAs will be added to the list of non-reportable accounts under FATCA. Based on the current administrative position of the CRA and certain Tax Proposals, FHSAs are currently not required to be reported to the CRA under CRS.

ELIGIBILITY FOR INVESTMENT

In the opinion of counsel, 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 TSX, or the BMO ETF qualifies as a registered investment within the meaning of the Tax Act, the Units of the BMO ETF will be qualified investments for Registered Plans.

Notwithstanding the foregoing, in the case of a TFSA, RRSP, RESP, RDSP, RRIF or FHSA, if the holder of the TFSA, RDSP or FHSA, the subscriber of the RESP or the annuitant of the RRSP or RRIF (a "controlling individual") holds a "significant interest" in the BMO ETF, or if such controlling individual does not deal at arm's length with the BMO ETF for purposes of the Tax Act, the Units of such BMO ETF will be a "prohibited investment" for such TFSA, RRSP, RESP, RDSP, RRIF, or FHSA. If Units of the BMO ETF are a "prohibited investment" for a TFSA, RRSP, RESP, RDSP, RRIF or FHSA that acquires such Units, the controlling individual will be subject to a penalty tax as set out in the Tax Act. Generally, a controlling individual will not be considered to have a "significant interest" in the BMO ETF unless the controlling individual owns 10% or more of the value of the outstanding Units of such BMO ETF, either alone or together with persons and partnerships with which the controlling individual does not deal at arm's length. In addition, the Units of the BMO ETF will not be a "prohibited investment" at any time during the first 24 months of existence of the BMO ETF provided that the BMO ETF qualifies as a mutual fund trust or as a registered investment under the Tax Act and remains in substantial compliance with NI 81-102 during that period or if such Units are otherwise "excluded property" as defined in the Tax Act for trusts governed by a TFSA, RRSP, RESP, RDSP, RRIF or FHSA.

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 Manager	Principal Occupation
NELSON AVILA Toronto, Ontario	Chief Financial Officer	Lead Financial Officer, BMO Global Asset Management
WILLIAM BAMBER Toronto, Ontario	Head, Ultimate Designated Person and Director	Chief Executive Officer, BMO Global Asset Management

Name and Municipality of Residence	Position with Manager	Principal Occupation
SALVATORE CONIGLIO Toronto, Ontario	Chief Anti-Money Laundering Officer	Compliance Officer, BMO Capital Markets
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., 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, Bank of Montreal
GILLES OUELLETTE Toronto, Ontario	Chair and Director	Chairman, BMO Global Asset Management
ASMA PANJWANI Toronto, Ontario	Head, Client Management and Distribution and Director	Head, Distribution & Client Management, BMO Global Asset Management
SARA PETRCICH Toronto, Ontario	Head of Exchange Traded Funds and Structured Solutions and Director	Managing Director & Head of Synthetic Asset Management, BMO Global Asset Management
ROBERT J. SCHAUER Toronto, Ontario	Head Investment Funds Operations	Head Business Transformation, North America, BMO Global Asset Management

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 January 2024, Salvatore Coniglio was Anti-Money Laundering Officer, BMO Capital Markets from November 2023 to present, Anti-Money Laundering Officer, Wealth Management from August 2019 to present and Director, Canadian Regulatory Examinations, Anti-Money Laundering Office from September 2017 to July 2019. 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 Petrcich 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.

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, and as an investment fund manager in Ontario, Newfoundland and Labrador and Quebec.

BMO Asset Management Inc. is a Canadian investment manager. 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).

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

BMO Asset Management Inc. is the trustee, manager, portfolio 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 Index Provider, Designated Broker, the Custodian, the Registrar and Transfer Agent, the auditor and printers.

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.

Portfolio Advisors

As the portfolio manager of the BMO ETF, the Manager buys and sells investments on behalf of the BMO ETF in accordance with the investment objectives 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	Details of Experience Within the Preceding Five Years
Mirza Shakir	Portfolio Manager, Fixed Income and Equity Index ETFs	Portfolio manager with the Manager since 2024
Raymond Chan	Portfolio Manager, Fixed Income and Equity Index ETFs	Portfolio manager with the Manager since 2009
Matt Montemurro	Head, Fixed Income and Equity Index ETFs	Portfolio manager with the Manager since 2014

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 all of the BMO ETF receive 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 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 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 will predominantly, if not exclusively, invest in Underlying Funds managed by the Manager or its affiliates ("**BMO Funds**").

Where 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 BMO ETFs and BMO Funds, potentially increasing the commercial viability of BMO ETFs and BMO Funds through an increase in assets and greater economies of scale. Despite the predominant use of BMO Funds for the reasons mentioned above, 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 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 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 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 on an ongoing basis in connection with the rebalancing of and adjustments to the applicable Index or portfolio and 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 of the existing BMO ETFs, 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 $38,104; the annual retainer for the Chair of the IRC was $54,776.

The Manager will not reimburse the exchange traded funds for any costs incurred in relation to compliance with NI 81-107.

The IRC is subject to requirements to conduct regular assessments and, for each financial year of the BMO 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/etflegal 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 SSTCC 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 SSTCC Custodian Agreement upon at least 90 days' written notice. The Manager, on behalf of the BMO ETF, or SSTCC may terminate the SSTCC Custodian

Agreement immediately if there is a change of control, if there is a material breach of the SSTCC 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 SSTCC 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 SSTCC 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 2600, 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 those BMO ETFs that engage 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/etflegal.

CALCULATION OF NET ASSET VALUE

The NAV and NAV per Unit of a class 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 a class of the BMO ETF on a particular date will be equal to the aggregate value of the assets of the BMO ETF attributable to that class less the aggregate value of the liabilities attributable to the class 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 of a class on any day will be obtained by dividing the NAV on such day by the number of units of that class 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 on the Valuation Date. Short-term investments, including notes and money market instruments, shall be recorded at their fair value;

(c) any security that is listed or dealt in on a stock exchange shall be valued at the closing sale price (or such other value as the securities regulatory authorities may permit) last reported at the Valuation Time on the Valuation Date on the principal stock exchange on which such security is traded, or, if no reliable closing sale price is available at that time, the security shall be fair valued;

(d) securities of any mutual funds held by 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 has valued the securities in the BMO ETF in accordance with the disclosed practices, and, in particular, in accordance with the foregoing outlined principles. In doing so, 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/etflegal.

ATTRIBUTES OF THE UNITS

Description of the Securities Distributed

The BMO ETF is authorized to issue an unlimited number of redeemable, transferable Units of an unlimited number of classes of Units, each of which represents an equal, undivided interest in the net assets of 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 (unless the circumstances are such that one class is affected differently in which case the holders of each class of the BMO ETF will vote separately) 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 BMO ETFs; (vii) to change the name of the BMO ETF; (viii) to create additional classes of Units of the BMO ETF and to redesignate existing classes 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 respective License Agreement is terminated, as described above under "Investment Objectives – 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 the Units of all of the BMO ETF, which it holds for various brokers and other persons on behalf of their clients and others. From time to time, the BMO ETF or another investment fund managed by the Manager or an affiliate of the Manager may beneficially own, directly or indirectly, more than 10% of the Units of 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 one or more 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, the Designated Broker has not 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 or an obligation of the Designated Broker, any 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 good ESG practices and guide the Manager's voting on ESG matters. The RI Team focuses on corporate engagement with North American investee companies and actively votes at meetings for companies in the Canadian market. The Manager has retained a third party engagement and voting service provider to provide it with proxy voting and responsible engagement overlay ("**reo®**") 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 communicate good ESG expectations.

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/etflegal.

MATERIAL CONTRACTS

The following contracts can reasonably be regarded as material to purchasers of Units:

(a) the Declaration of Trust;

(b) the SSTCC 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 SSTCC Custodian Agreement can be found under "Organization and Management Details of the BMO ETF – Custodian". Details of the License Agreement can be found under "Material Contracts – License Agreement". Copies of the agreements referred to above may be inspected during business hours at the registered office of the Manager.

License Agreement

MSCI

The Manager has entered into an agreement dated January 29, 2013, as amended from time to time, with MSCI (the "**MSCI License Agreement**") under which the Manager has the right, on and subject to the terms of the MSCI License Agreement, to use the MSCI EAFE Quality Index (the "**MSCI Index**") as a basis for the operation of BMO MSCI EAFE High Quality Index ETF, and to use certain trademarks in connection with this Index and the BMO ETF. The initial term of the MSCI License Agreement is three years, unless the agreement is terminated earlier as provided therein. The MSCI 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 MSCI License Agreement is terminated in whole or in part for any reason, the Manager will no longer be able to operate the BMO ETF based on the MSCI Index.

THE BMO ETF IS NOT SPONSORED, ENDORSED, SOLD OR PROMOTED BY MSCI INC. ("MSCI"), ANY OF ITS AFFILIATES, ANY OF ITS INFORMATION PROVIDERS OR ANY OTHER THIRD PARTY INVOLVED IN, OR RELATED TO, COMPILING, COMPUTING OR CREATING ANY MSCI INDEX (COLLECTIVELY, THE "MSCI PARTIES"). THE MSCI INDEX IS THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES ARE SERVICE MARK(S) OF MSCI OR ITS AFFILIATES AND HAVE BEEN LICENSED FOR USE FOR CERTAIN PURPOSES BY BMO ASSET MANAGEMENT. NONE OF THE MSCI PARTIES MAKES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, TO THE ISSUER OR OWNERS OF THESE BMO ETFS OR ANY OTHER PERSON OR ENTITY REGARDING THE ADVISABILITY OF INVESTING IN BMO ETFS GENERALLY OR IN THESE BMO ETFS PARTICULARLY OR THE ABILITY OF ANY MSCI INDEX TO TRACK CORRESPONDING STOCK MARKET PERFORMANCE. MSCI OR ITS AFFILIATES ARE THE LICENSORS OF CERTAIN TRADEMARKS, SERVICE MARKS AND TRADE NAMES AND OF THE MSCI INDEX WHICH ARE DETERMINED, COMPOSED AND CALCULATED BY MSCI WITHOUT

REGARD TO THESE BMO ETFS OR THE ISSUER OR OWNERS OF THESE BMO ETFS OR ANY OTHER PERSON OR ENTITY. NONE OF THE MSCI PARTIES HAS ANY OBLIGATION TO TAKE THE NEEDS OF THE ISSUER OR OWNERS OF THESE BMO ETFS OR ANY OTHER PERSON OR ENTITY INTO CONSIDERATION IN DETERMINING, COMPOSING OR CALCULATING THE MSCI INDEX. NONE OF THE MSCI PARTIES IS RESPONSIBLE FOR OR HAS PARTICIPATED IN THE DETERMINATION OF THE TIMING OF, PRICES AT, OR QUANTITIES OF THESE BMO ETFS TO BE ISSUED OR IN THE DETERMINATION OR CALCULATION OF THE EQUATION BY OR THE CONSIDERATION INTO WHICH THESE BMO ETFS ARE REDEEMABLE. FURTHER, NONE OF THE MSCI PARTIES HAS ANY OBLIGATION OR LIABILITY TO THE ISSUER OR OWNERS OF THESE BMO ETFS OR ANY OTHER PERSON OR ENTITY IN CONNECTION WITH THE ADMINISTRATION, MARKETING OR OFFERING OF THESE BMO ETFS.

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

No purchaser, seller or holder of this security, product or BMO ETF, or any other person or entity, should use or refer to any MSCI trade name, trademark or service mark to sponsor, endorse, market or promote this security without first contacting MSCI to determine whether MSCI's permission is required. Under no circumstances may any person or entity claim any affiliation with MSCI without the prior written permission of MSCI.

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 independent auditor's reports as follows:

- Dated October 21, 2024 in respect of the statement of financial position of the BMO ETF as at October 21, 2024.

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

EXEMPTIONS AND APPROVALS

The BMO ETF has obtained exemptive relief from the Canadian securities regulatory authorities to permit the following practices:

(a) 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) 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) 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) 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 such 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 that invests a portion of its portfolio assets in T+3 Securities to settle primary market trades in Units of such BMO ETF no later than the third business day after the date upon which pricing for the Units is determined; and

(j) to permit the BMO ETF to purchase and hold illiquid assets with respect to certain fixed income securities that qualify for, and may be traded pursuant to, the exemption from the registration requirements of the as set out in Rule 144A of the United States *Securities Act of 1933*, as amended, for resales of certain fixed income securities to “qualified institutional buyers” as such term is defined in that act, subject to certain conditions.

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 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 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/etflegal.

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

Independent auditor's report

To the Unitholder and Trustee of BMO MSCI EAFE High Quality Index ETF (the Fund)

Our opinion

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial position of the Fund as at October 21, 2024 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 Fund's financial statement comprises the statement of financial position as at October 21, 2024 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 Fund 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.

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.

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

In preparing the financial statement, management is responsible for assessing the Fund'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 Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund'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 Fund'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 Fund'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 Fund 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.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
October 21, 2024

BMO MSCI EAFE High Quality Index ETF
Statement of financial position

As at October 21, 2024 (All amounts in C$)

	Note	$
Assets		
Current assets		
Cash		30
Total assets		30
Net assets attributable to holder of redeemable units		
(1 unit issued and redeemable)	5	30
Net assets attributable to holder of redeemable units (per unit)		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) "Asma Panjwani"	*(Signed) "Sara Petrcich"*
Asma Panjwani	Sara Petrcich
Director	Director

Notes to the statement of financial position

October 21, 2024

(all amounts stated in Canadian dollars unless otherwise stated)

1. General information

BMO MSCI EAFE High Quality Index ETF (the "**BMO ETF**") is an exchange traded mutual fund established as a trust under the laws of the Province of Ontario on October 21, 2024 pursuant to a master declaration of trust dated October 21, 2024, as may be amended or amended and restated from time to time. BMO Asset Management Inc. (the "**Manager**") 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 a wholly owned subsidiary of the Bank of Montreal.

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

BMO MSCI EAFE High Quality Index ETF seeks to replicate, to the extent possible before fees and expenses, the performance of an index that provides exposure to large and mid capitalization issuers across developed market countries, excluding Canada and the US (the "**Index**"), by establishing, directly or indirectly, a long or short position in the instruments included in the Index (each, an "**Index Constituent**"), each in proportion to its positive or negative weight in the Index and/or instruments that are not Index Constituents but that have, in the aggregate, investment characteristics similar to the Index or a subset of the Index Constituents. Currently, the Index is the MSCI EAFE Quality Index.

The statement of financial position was authorized for issue by the Board of Directors of the Manager on October 21, 2024.

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 approximate their 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 21, 2024, 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 the TSX, 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 exchange 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 endeavour 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, the 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, in the case of 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, in the case of the BMO ETF that 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 (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

(a) 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 of a class for the purposes of subscription, redemption or exchange is computed by dividing the NAV of each class of the BMO ETF (that is, the total fair value of the assets attributable to the class of the BMO ETF less the liabilities attributable to the class) by the total number of units of the class of the BMO ETF outstanding at such time on each Valuation Day, 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 21, 2024, 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 Manager, has purchased the initial unit/units of the BMO ETF as summarized in the table below:

	Units	Consideration (All amounts in C$)	Price per Unit (All amounts in C$)
BMO MSCI EAFE High Quality Index ETF	1	30	30

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 MSCI EAFE High Quality Index ETF	0.35

BMO Investments Inc. may not exchange the initial unit of the BMO ETF that it purchased on October 21, 2024 until the BMO ETF has received total subscriptions of $500,000 from other investors.

CERTIFICATE OF THE BMO ETF, THE MANAGER AND PROMOTER

Dated: October 21, 2024

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"
WILLIAM BAMBER
Acting in the capacity of Chief Executive Officer

(Signed) "Nelson Avila"
NELSON AVILA
Chief Financial Officer

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

(Signed) "Sara Petrcich"
SARA PETRCICH
Director

(Signed) "Asma Panjwani"
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