

# BMO MSCI Europe High Quality Hedged to CAD Index ETF

## Fund Details

|                                       |              |
|---------------------------------------|--------------|
| Ticker                                | ZEQ          |
| Base Currency                         | CAD          |
| Exchange                              | TSX          |
| Inception Date                        | Feb 10, 2014 |
| Maximum Annual Management Fee         | 0.40%        |
| Management Expense Ratio <sup>1</sup> | 0.45%        |
| RSP Eligible                          | Yes          |
| DRIP Eligible                         | Yes          |
| Distribution Frequency                | Quarterly    |

## Fund Characteristics

|                                   |            |
|-----------------------------------|------------|
| Net Assets (Mn)                   | \$ 280.00  |
| Number of Securities              | 123        |
| Shares Outstanding                | 15,950,001 |
| Market Cap (\$Bn)                 | 4,506.01   |
| Price/Earnings Ratio              | 25.9       |
| Price/Book Ratio                  | 4.4        |
| Annualized Distribution Yield (%) | 2.1        |
| Beta <sup>2</sup>                 | 1.06       |

## Correlation

Index Return data based on 10 years as of Jun 30, 2016

|  |      |
|--|------|
| FTSE TMX Canada Overall Bond Index                                     | 0.08 |
| S&P/TSX Capped Composite Index   | 0.72 |
| S&P 500 Hedged to Canadian Dollars Index                               | 0.79 |
| Dow Jones Brookfield Global Infrastructure North American Listed Index | 0.38 |
| MSCI Emerging Markets Index CAD  | 0.70 |

## Portfolio Strategy

BMO MSCI Europe High Quality Hedged to CAD Index ETF has been designed to replicate, to the extent possible, the performance of the MSCI Europe Quality 100% Hedged to CAD Index, net of expenses. The Fund invests in European equity markets, while screening for high return on equity (ROE), stable year-over-year earnings growth and low financial leverage. The Manager may use a sampling methodology in selecting investments for the fund. The Fund may also invest in or hold securities intended to replicate the performance of the Index. The foreign currency exposure is hedged back to the Canadian dollar.

## Benchmark Info

MSCI Europe Quality 100% Hedged to CAD Index ("Index") is based on the MSCI Europe Index, its parent index, which includes large and mid cap stocks across the Developed Markets (DM) countries in Europe. The Index aims to capture the performance of quality growth stocks by identifying stocks with high quality scores based on three main fundamental variables: high return on equity (ROE), stable year-over-year earnings growth and low financial leverage. All securities eligible for inclusion in the Index are weighted by the product of their market cap weight in the parent index and their quality score. Issuer weights are capped at 5%. The Index is rebalanced semi-annually, as of the close of the last business day of November and May.

## Fund Benefits

- Provides convenient and efficient exposure to European equities with a quality screen
- Currency exposure hedged back to the Canadian dollar
- Diversified portfolio consisting of securities listed in European developed nations
- The underlying securities of ZEQ have large daily trade volumes which represents the ETFs true liquidity

## Growth of 10,000



## Fund Performance

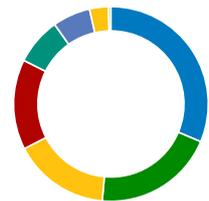
### Cumulative Performance

For period ending Jun 30, 2016

|       | 1Mo   | 3Mo   | 6Mo   | YTD   | 1Yr   | Since Inception |
|-------|-------|-------|-------|-------|-------|-----------------|
| NAV   | 1.19% | 4.41% | 2.44% | 2.44% | 5.71% | 9.27%           |
| Index | 0.66% | 3.72% | 1.67% | 1.67% | 5.85% | 9.78%           |

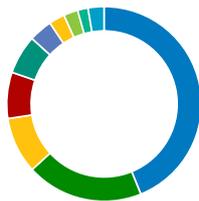
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### Sector Allocation



- 31.34% Consumer Staples
- 20.11% Health Care
- 15.98% Industrials
- 14.97% Consumer Discretionary
- 7.83% Materials
- 6.27% Information Technology
- 3.13% Financials
- 0.39% Telecommunication

### Geographic Allocation



- 43.86% United Kingdom
- 19.38% Switzerland
- 9.35% Germany
- 7.67% Denmark
- 6.47% France
- 3.88% Sweden
- 2.62% Spain
- 2.37% Finland
- 1.75% Ireland
- 2.64% Others

### Top Holdings

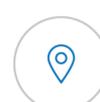
|                             | %     |
|-----------------------------|-------|
| Roche Holding AG            | 5.37% |
| Nestle SA (Regs)            | 5.29% |
| Novo Nordisk A/S Cl B       | 4.98% |
| Brit Amer Tobacco plc GBP   | 4.47% |
| GlaxoSmithKline plc         | 3.98% |
| Unilever Nv-Cva             | 3.47% |
| Astrazeneca Plc             | 3.18% |
| Reckitt Benckiser Group Plc | 2.89% |
| Unilever PLC                | 2.87% |
| Diageo PLC                  | 2.67% |



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<sup>1</sup> Management Expense Ratios (MERs) are the audited MERs as of December 31, 2015.

<sup>2</sup> Beta is a measure of how a BMO ETF responds to moves in the broader market in which it invests. A beta of greater than 1.00 suggests that the ETF is more volatile than the market, while a beta of less than 1.00 suggests that the ETF is less volatile than the market. Beta may change over time and historical beta is not indicative of future beta. The indicated beta is generally based on historical rolling two-year returns. Where a BMO ETF does not have two years of performance history, the beta may be calculated as long as at least six months of performance history is available.