

## **Item 1 Cover Page**

BMO Global Asset Management (Asia) Limited  
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Central, Hong Kong

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Amended: September 11, 2017  
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**This brochure provides information about the qualifications and business practices of BMO Global Asset Management (Asia) Limited. If you have any questions about the contents of this brochure, please contact the HK Compliance Department at 852-3716-0961 or via BMOGAMAsia-HKCompliance@bmo.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by the state securities authority.**

**Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser should provide you with information through which you determine to hire or retain an Adviser.**

**Additional information about BMO Global Asset Management (Asia) Limited is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 Material Changes**

There are no material changes from the last annual update of the brochure dated January 27, 2017.

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#### Brochure

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#### Item 4 Advisory Business

BMO Global Asset Management (Asia) Limited (“BMO GAM (ASIA)”), is an investment advisory firm registered with the Securities and Exchange Commission (“SEC”) since 3 March 1992.

The Principal Owners of BMO GAM (ASIA) are:

- 1) LGM (Bermuda) Limited
- 2) Bank of Montreal

Bank of Montreal (“BMO”), the ultimate parent company within BMO Financial Group, holds 100% of the share capital of LGM (Bermuda) Limited, the parent company of BMO GAM (ASIA).

BMO GAM (ASIA) is a limited liability company incorporated in Hong Kong S.A.R. that provides portfolio management services for its clients, specializing in Greater China equities strategies (trade name “LGM Investments”<sup>1</sup>), and index tracking strategies (trade name “BMO ETF”). The services which BMO GAM (ASIA) provide to a particular client depend upon the investment objectives and restrictions of the client, as set forth in the documents governing BMO GAM (ASIA)’s agreement with the client.

BMO GAM (ASIA) provides discretionary investment advices to 1) clients through separately managed accounts and 2) funds sponsored by BMO GAM (ASIA). Both (1) and (2) are referred to as “Client(s)”. None of the Fund(s) are registered in the United States (“US”).

Except as otherwise described herein, investments for segregated accounts are managed with the client’s investment objectives, strategies, restrictions and guidelines as communicated to BMO GAM (ASIA) by the client.

BMO GAM (ASIA) will tailor its advisory services to its client’s individual needs based on the details obtained from meetings and conversations with clients. If clients wish to impose certain restrictions on investing in certain securities or types of securities, BMO GAM (ASIA) will address those restrictions with the client to ensure that they are in line with the client’s requirements and the restrictions imposed will be met.

The investments of each of the Funds are managed in accordance with the investment objectives, strategies and guidelines applicable to such Fund and are not tailored to any particular investor in the Fund. BMO GAM (ASIA) does not provide individualized investment advice to such investors; therefore, the investors should consider whether a particular Fund meets their investment objectives, risk tolerance and financial situation. LGM specializes in providing investment management services in “long” equity portfolios of Greater China equities, whereas BMO ETF specializes in index tracking exchange traded funds.

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<sup>1</sup> *LGM Investments (“LGM”) is the trade name of LGM (Bermuda) Limited and its subsidiaries, which include BMO Global Asset Management (Asia) Limited.*

BMO GAM (ASIA) manages client assets and as of October 31, 2016 has the following assets under management:

Discretionary assets:	US\$523,240,000
Non-discretionary assets:	US\$ 0

## **Item 5 Fees and Compensation**

The fees paid to BMO GAM (ASIA) are detailed in each Client's investment advisory agreement, or in documents supplementary to that agreement, and generally include: (1) an annual or annualized management fee expressed as a percentage (up to 2%) of the Client account's assets under management with BMO GAM (ASIA) or (2) a combination of (1) and a performance-based fees calculated based upon a percentage (up to 20%) of the Client account's net capital appreciation. The specifics of any fee arrangements are subject to negotiation with the Client.

Performance-based fees, if any, charged by BMO GAM (ASIA) will be in compliance with Rule 205-3 under the Investment Advisers Act of 1940, as amended and is based on a formula which includes realised capital losses and unrealised capital depreciation and provides that such compensation is based on gains less losses in the client's account for a period of not less than one year.

Fees are normally deducted monthly or quarterly in arrears from Client's assets or as otherwise specified or agreed under the Investment Management Agreement ("IMA") or the Fund's prospectus.

Apart from the fees referred to above, the clients will also be subject to other expenses including fees paid to the brokers (relating to securities transactions) and the custodian (relating to account custody) etc. Please also refer to Item 12 for brokerage practices.

For the Funds, fees and expenses generally include a management fee, a custodian fee and an administration fee. All fees and expenses are described in each fund's prospectus.

## **Item 6 Performance-Based Fees and Side-By-Side Management**

BMO GAM (ASIA) accepts performance-based fees. For additional information, please refer to Item 5 above.

There is an inherent conflict of interest when a firm charges performance-based fees to some accounts and management fees based on a percentage of assets under management to other accounts, in that an advisor is incited to favor the accounts from which it could earn higher compensation (from performance-based fees). To mitigate this conflict, the firm maintains trading policies and procedures and a Code of Ethics that are intended to deliver consistency and fairness, so that no one client is favored over another. The internal controls which are set up for this purpose are periodically reviewed and tested by BMO GAM (ASIA)'s Business Compliance and Control Department.

## **Item 7 Types of Clients**

BMO GAM (ASIA) generally provides investment advice to foundations, government organizations, high net worth individuals and third-party.

For segregated accounts, the general minimum account size is US\$50 million but the limit may be waived in the sole discretion of the management.

For the Funds, please refer to the relevant Fund's prospectus or application form which specifies the minimum subscription amount.

## **Item 8 Methods of Analysis, Investment Strategies and Risk of Loss**

In making investment decisions on behalf of the Clients, BMO GAM (ASIA) utilizes third party research in addition to software, database and statistical models and the internal research of the BMO GAM (ASIA) investment team. BMO GAM (ASIA)'s investment decisions on behalf of the Clients reflect its experience and judgment in the relevant markets.

Subject to the Clients' investment guidelines and restrictions as well as relevant regulatory requirements, BMO GAM (ASIA) may invest on behalf of its Clients, directly or indirectly in a wide variety of investments and instruments, including and without limitation, equities, equity-related instruments, fixed income and derivative instruments. The foregoing may be invested for speculative or hedging purposes and leverage may also be used, in accordance with the clients' objectives and guidelines.

*Clients should be reminded that all investments involve a degree of risk. Investment products are not FDIC insured, have no bank guarantee and may lose value. Past performance is not necessarily a guide to future performance. The value of and income from any investment can fall as well as rise, and may be affected by changes in currency rates of exchange or taxation. An investor may not get back the original amount invested. Investments in emerging and underdeveloped markets may involve a higher element of risk due to political and economic instability. If you require information about the suitability of an investment, please contact an independent financial adviser.*

### **Material Risks**

The principal risks involved in portfolios managed by BMO GAM (ASIA) or the securities in those portfolios include;

### **Foreign Securities Risks**

Investing in foreign securities may involve additional risks, including currency-rate fluctuations, political and economic instability, differences in financial reporting standards, and less-strict regulation of the securities markets and possible imposition of

foreign withholding taxes. Furthermore, a portfolio may incur higher costs and expenses when making foreign investments, which will affect the portfolio's total return.

### **Emerging Markets Risks**

Investments in emerging markets can involve risks in addition to and greater than those generally associated with investing in more developed foreign markets, which may make emerging market securities more volatile and potentially less liquid than securities issued in more developed markets.

### **Company Size Risks**

Generally, the smaller the market capitalization of a company the fewer the number of shares traded daily, the less liquid its stock and the more volatile its price. Companies with smaller market capitalisations also tend to have unproven track records, a limited product or service base and limited access to capital. These factors also increase risks and make these companies more likely to fail than companies with larger market capitalisations.

## **Item 9 Disciplinary Information**

There have been no legal or disciplinary events involving BMO GAM (ASIA) or any of our employees involving investments or otherwise material to a client's evaluation of our advisory business or the integrity of our management.

## **Item 10 Other Financial Industry Activities and Affiliations**

BMO Global Asset Management is the brand name for various affiliated entities of BMO Financial Group, that provide trust, custody, securities lending, investment management and retirement plan services. Certain of the products and services offered under the brand name BMO Global Asset Management are designed specifically for various categories of investors in a number of different countries and regions. Those products and services are only offered to such investors in those countries and regions in accordance with applicable laws and regulations. BMO Financial Group is a service mark of Bank of Montreal (BMO).

BMO Global Asset Management comprises BMO Asset Management Corp, BMO Asset Management Inc, F&C Asset Management plc, BMO Global Asset Management (Asia) Limited and BMO's specialised investment boutiques: Monegy, Inc., Pyrford International Limited, LGM Investments Limited, F&C Asset Management plc, and Taplin, Canada & Habacht, LLC. BMO Global Asset Management is part of the BMO Financial Group, a service mark of Bank of Montreal (BMO).

When appropriate, employees of BMO GAM (ASIA) may provide information, marketing materials and disclosure documents to clients or potential clients of companies

that are constituents of BMO Global Asset Management in a number of different countries and regions. These products or services are only offered to such investors in those countries and regions in accordance with applicable laws and regulations. Alternatively, other constituents of BMO Global Asset Management may provide information, marketing materials and disclosure documents with respect to other constituents' products and services to clients or potential clients of BMO GAM (ASIA).

Investment products are not FDIC insured, have no bank guarantee and may lose value.

BMO GAM (ASIA) also provides investment advisor services to funds of BMO Financial Group or its related persons. In addition, BMO GAM (ASIA) has entered into a Technical Services Agreement separately with 2 investment adviser affiliates, Lloyd George Investment Management (Bermuda) Limited ("LGIM(B)") and LGM Investments Limited ("LGMI"), under which BMO GAM (ASIA) provides investment research and investment management services to the affiliates. Under a separate Technical Services Agreement, BMO GAM (ASIA) receives investment research and investment management services from LGMI.

BMO GAM (ASIA) may have common management and officers with some of its affiliates, including with affiliated investment advisers. BMO GAM (ASIA) shares facilities with some affiliates and relies on BMO Financial Group for various administrative support including information technology, human resources, legal, finance, risk management and internal audit.

These facilities can create potential conflicts of interest. BMO GAM (ASIA) seeks to mitigate these potential conflicts of interests through its governance structures and by maintaining trading policies and procedures including a code of ethics.

## **Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

BMO GAM (ASIA) has adopted various policies including a Code of Ethics ("the Code") which sets out the minimum standards the firm expects its staff to follow, in order to ensure that it is discharging its fiduciary duties and obligations to its Clients at all times. These obligations include: the responsibility at all times to place the interests of Clients first; not to take advantage of client transactions, and to avoid any conflicts or the appearance of conflicts, with the interests of Clients.

The Policies and Procedures on Personal Securities Transactions (within the Code) address the potential conflicts of interest which may arise by personal trading of employees, officers and other affiliated persons. These policies restrict the markets, timing and other circumstances under which certain employees may purchase or sell a security for their personal account. Employees are required to obtain prior approval from the firm before any personal trading of securities and to periodically report their securities holdings including any interests held in the Funds.

The Code also includes policies and procedures in prevention of insider trading as well as for other circumstances where a conflict of interest may arise. You may obtain a copy of



the Code by writing to: HK Compliance Department, BMO Global Asset Management (Asia) Limited, Suite 3808, 1 Exchange Square, Central, Hong Kong.

## **Item 12 Brokerage Practices**

In general, BMO GAM (ASIA) will place portfolio transaction orders on behalf of Clients' accounts with one or more broker-dealer firms which BMO GAM (ASIA) selects to execute the transactions. In selecting executing broker-dealer firms, BMO GAM (ASIA) uses its best efforts to obtain execution of portfolio transactions at prices which are advantageous in BMO GAM (ASIA)'s judgment to the client and at a reasonably competitive spread or (when a disclosed commission is being charged) at reasonably competitive commission rates. In seeking best execution, BMO GAM (ASIA) will use its best judgment in evaluating the terms of a transaction, and will give consideration to various relevant factors, including, without limitation, the full range and quality of the broker-dealer's services, including the value of the brokerage and research services provided, the responsiveness of the broker-dealer to BMO GAM (ASIA), the size and type of the transaction, the nature and character of the market for the security, the confidentiality, speed and certainty of effective execution required for the transaction, the general execution and operational capabilities of the broker-dealer, the reputation, reliability, experience and financial condition of the broker-dealer, the value of services rendered by the broker-dealer in other transactions, and the reasonableness of the spread or commission, if any.

BMO GAM (ASIA) aims to minimize counterparty risk by carrying out internal due diligence reviews on all counterparts and by selecting reputable international and domestic recognized counterparts.

BMO GAM (ASIA) may consider the receipt of "Research Services" (as defined below), provided it does not compromise BMO GAM (ASIA)'s obligation to seek best overall execution. BMO GAM (ASIA) will not enter into any agreement or understanding with any broker-dealer which would obligate BMO GAM (ASIA) to direct a specific amount of brokerage transactions or commissions in return for such services.

Although spreads or commission paid on portfolio transactions will, in the judgment of BMO GAM (ASIA), be reasonable in relation to the value of the services provided, spreads or commissions exceeding those which another firm might charge may be paid to broker-dealers who were selected to execute transactions on behalf of BMO GAM (ASIA)'s clients for providing brokerage and research services to BMO GAM (ASIA).

While BMO GAM (ASIA) has an obligation to seek best overall execution with respect to client portfolio transactions, this does not necessarily require BMO GAM (ASIA) to pay the lowest available brokerage commission for a particular transaction. Investment advisers commonly receive brokerage and research services from broker-dealers that effect client portfolio transactions. These brokerage and research services may benefit clients directly or indirectly and are paid for with the commissions charged by the broker-dealers for effecting portfolio transactions. The practice of paying for brokerage and research services with commissions generated by client portfolio transaction is known as using soft dollars. Section 28(e) of the Securities Exchange Act of 1934, as amended, provides a safe harbor for the use of soft dollars by investment advisers.

Pursuant to the safe harbor provided in Section 28(e) of the Securities Exchange Act of 1934, a broker or dealer who executes a portfolio transaction on behalf of a BMO GAM (ASIA) client may receive a commission which is in excess of the amount of commission another broker or dealer would have charged for effecting that transaction if BMO GAM (ASIA) determines in good faith that such commission was reasonable in relation to the value of the brokerage and research services provided. This determination may be made on the basis of either that particular transaction or on the basis of the overall responsibility which BMO GAM (ASIA) and its affiliates have for accounts over which they exercise investment discretion. Brokerage and research services may include advice as to the value of securities, the advisability of investing in, purchasing, or selling securities, and the availability of securities or purchasers or sellers of securities; furnishing analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy and the performance of accounts; effecting securities transactions and performing functions incidental thereto (such as clearance and settlement); and the “Research Services” including any and all brokerage and research services to the extent permitted by Section 28(e) of the Securities and Exchange Act of 1934, as amended.

Consistent with this practice, BMO GAM (ASIA) may receive Research Services from many broker-dealer firms with which BMO GAM (ASIA) places its clients’ portfolio transactions and may receive them from third parties with which these broker-dealers have arrangements. Research Services may include, but are not limited to, such matters as general economic, political, business and market information, industry and company reviews, evaluation of securities and portfolio strategies and transactions, recommendations as to the purchase and sale of securities and other portfolio transactions, technical analysis of various aspects of the securities markets, non mass-marketed financial, industry and trade publications, certain news and information services, and certain research oriented software, data bases and services that provide BMO GAM (ASIA) with lawful and appropriate assistance in the performance of its investment decision making responsibilities.

Any particular Research Services obtained through a broker-dealer may be used by BMO GAM (ASIA) in connection with client accounts other than those accounts which pay commission to such broker-dealer.

Any such Research Service may be broadly useful and of value to BMO GAM (ASIA) in rendering investment advisory services to all or a significant portion of its clients, or may be relevant and useful for the management of only one client’s account or of a few clients’ accounts, or may be useful for the management of merely a segment of certain clients’ accounts, regardless of whether any such account or accounts paid commissions to the broker-dealer through which such Research Service was obtained.

Proprietary Research: Research Services provided by (and produced by) broker-dealers that execute portfolio transactions or from affiliates of executing broker-dealers are referred to as “Proprietary Research”. BMO GAM (ASIA) may consider the receipt of Proprietary Research Services as a factor in selecting broker dealers to execute client portfolio transactions, provided it does not compromise BMO GAM (ASIA)’s obligation to seek best overall execution.

Client Commission Arrangements. BMO GAM (ASIA) may consider the receipt of Research Services under so called “client commission arrangements” or “commission sharing arrangements” (both referred to as “CCAs”) as a factor in selecting broker dealers to execute transactions, provided it does not compromise BMO GAM (ASIA)’s obligation to seek best overall execution. Under a CCA, BMO GAM (ASIA) may cause client accounts to effect transactions through a broker-dealer and request that the broker-dealer allocate a portion of the commissions paid on those transactions to a pool of commission credits that are paid to other firms that provide Research Services to BMO GAM (ASIA). Under a CCA, the broker-dealer that provides the Research Services need not execute the trade.

Participating in CCAs may enable BMO GAM (ASIA) to consolidate payments for research using accumulated client commission credits from transactions executed through a particular broker-dealer to periodically pay for Research Services obtained from and provided by other firms, including other broker-dealers that supply Research Services. BMO GAM (ASIA) believes that CCAs offer the potential to optimize the execution of trades and the acquisition of a variety of high quality Research Services that BMO GAM (ASIA) might not be provided access to absent CCAs.

BMO GAM (ASIA) will only enter into and utilize CCAs to the extent permitted by Section 28(e) of the Securities Exchange Act of 1934, as amended. As required by interpretive guidance issued by the SEC, any CCAs entered into by BMO GAM (ASIA) will provide that: (1) the broker-dealer pays the research preparer directly; and (2) the broker-dealer takes steps to assure itself that the client commissions that BMO GAM (ASIA) directs it to use to pay for Research Services are only for eligible research under Section 28(e). BMO GAM (ASIA) does not routinely recommend, request or require that a client direct us to execute transactions through a specified broker-dealer. Directing use of a specific firm or firms may affect the timeliness of executions for the directed account and may also result in a less advantageous price being realised by the account. BMO GAM (ASIA) does not routinely recommend, request or require that a client direct us to execute transactions through a specified broker-dealer. Directing use of a specific firm or firms may affect the timeliness of executions for the directed account and may also result in a less advantageous price being realised by the account.

In some circumstances, the client may direct BMO GAM (ASIA) to execute orders for its account through a specific broker-dealer firm or firms (referred to as “directed brokerage”), to restrict or prohibit trading through a specific broker-dealer firm or firms, to include or exclude a specific broker-dealer firm or firms in a competitive bidding process, or to institute a similar limitation with respect to orders executed for its account (which restrictions are collectively referred to in this section as “restricted brokerage”), such broker-dealer(s) must also be on BMO GAM (ASIA)’s authorized broker-dealer list. Restricted brokerage may affect (1) BMO GAM (ASIA)’s ability to negotiate favorable commission rates or volume discounts, (2) the availability of certain spreads, and (3) the timeliness of execution, and as a consequence, may result in a less advantageous price being realized by the account. BMO GAM (ASIA) normally will not include orders for restricted brokerage accounts in larger simultaneous aggregated transactions but rather it normally will place orders for restricted brokerage accounts after the completion of non-restricted brokerage orders so as to avoid conflicts in the trading marketplace.

By directing trades to a specific brokerage firm, the account may not participate in potential savings on execution costs resulting from volume discounts that BMO GAM (ASIA) might otherwise be able to obtain for clients which have not directed BMO GAM (ASIA) to send their trades to designated brokers. For directed brokerage accounts, the client will be responsible for negotiating the commission rates with such firms or firms, and that negotiation may result in higher commissions than would have been paid if BMO GAM (ASIA) had full discretion in the selection of broker-dealer firms. In addition, client directed brokerage on behalf of employee benefit plan clients may be subject to special requirements under the Employee Retirement Income Security Act of 1974 (“ERISA”).

## **Trade Aggregation and Allocation**

Investment decisions to buy or sell securities for any account are the product of many factors, including, but not limited to, the particular client’s investment objectives, available cash resources, the relative size of the client’s portfolio holdings of the same or similar securities, the size of investment commitments generally held by the client and the opinions of the persons responsible for making investments for such account. Thus, a particular security may be bought or sold for certain clients while it could have been bought or sold for other clients at the same time. In some cases, a particular security may be bought for certain clients when other clients are selling that security. In certain instances, in accordance with any applicable legal requirements, a client may sell a particular security to another client. At other times, two or more clients may participate in an aggregated order, where they are simultaneously engaged in the purchase or sale of the same security. In such cases BMO GAM (ASIA) will allocate the security transactions (including so-called “IPO’s” or “new issues”) among the participating clients pursuant to its trading policies and procedures as follows: (1) aggregation is allowed only where consistent with a client’s advisory agreement, with this Form ADV and applicable registration statements, as well as with the duty to execute securities transactions at advantageous prices and at reasonably competitive commission rates; (2) if an aggregated order cannot be filled completely, allocation among orders will be made pro rata based on the number or percentage of shares specified in the order provided that the following exceptions may apply: consideration in allocation may be given to (i) a client with specialised investment policies or instructions that coincide with the particulars of a specific offering; and (ii) the relative size of a client’s portfolio holdings in the same or similar investments; (iii) the percentage of uninvested cash per account; and (iv) whether the allocation would be so de minimis that it would provide no material benefit to the client and / or present difficulty in expecting an advantageous disposition; (3) BMO GAM (ASIA) will receive no additional compensation or remuneration of any kind as a result of aggregating orders. As a result of such allocations, there may be instances when a client’s account does not participate in a transaction (including an IPO) that is allocated among other clients. BMO GAM (ASIA) believes that aggregated transactions can, in many instances, produce better executions for clients, but, in certain instances, they could have a negative effect on the size of the position obtained for or disposed of or the price paid or received by the particular client. Depending on such factors as the size of the order and the type and availability of a security, orders may be executed throughout the day rather than being aggregated. When these orders are placed they may experience sequencing delays and market impact costs, which BMO GAM (ASIA) will attempt to minimize. When appropriate, trade rotation among accounts participating in these trades will be used in accordance with BMO GAM (ASIA)’s policy to treat all accounts fairly

and equitably over time. Central Dealing may depart from the above procedures if, in the exercise of its reasonable judgment, it determines that such a departure is advisable.

When trading restrictions are placed by the client on a particular account, the restrictions may prevent the account from participating in the allocation of a larger simultaneous aggregated transaction. Thus, when BMO GAM (ASIA) is directed to execute orders for a client account through a specific broker-dealer firm or firms, or directed to restrict or prohibit trading through a specific broker-dealer firm or firms or to include a specific broker-dealer firm in a competitive bidding process, these orders will normally be placed after completion of non-directed orders so as to avoid conflicts in the trading marketplace.

### **Item 13 Review of Accounts**

The frequency of the review of such accounts, the nature of the review and the factors which may trigger review can vary widely among particular accounts, depending upon the client's investment objectives and circumstances and upon the complexity, portfolio structure and size of an account. The portfolio manager is responsible for reviewing all accounts for which he or she is the principal account manager.

A regular intensive review is undertaken at or prior to the time appraisal reports (monthly or quarterly) is sent to clients. However, interim reviews of various degrees may be triggered by numerous factors, such as: significant equity price changes; new economic forecasts; investment policy changes of BMO GAM (ASIA); asset additions or reduction to the account by the client; and / or changes in a client's objectives, instructions, or circumstances.

BMO GAM (ASIA) aims to accommodate clients' reporting requirements, typically with written monthly and/ or quarterly reports and annual face to face meetings with the portfolio manager (and/ or quarterly conference calls). Contents of the monthly reports typically include performance, portfolio and market commentary, and a portfolio profile. In addition to this information, quarterly reports also include portfolio characteristics, portfolio valuations and transaction summaries.

### **Item 14 Client Referrals and Other Compensation**

From time to time, BMO GAM (ASIA) compensates certain of its employees for client referrals, which may include the introduction of new clients or the retention of existing clients. It also may enter into arrangements whereby payments are made to Bank of Montreal, or other affiliates of BMO GAM (ASIA) in the BMO group of companies (collectively referred to as "BMO GAM (ASIA) Affiliates") and/or their respective employees and officers, for clients referred to BMO GAM (ASIA) by BMO GAM (ASIA) Affiliates. BMO GAM (ASIA) Affiliates may include other investment advisers registered with the SEC or with securities regulators in foreign countries, U.S. or foreign banks, U.S. or foreign broker-dealers, or other regulated entities. Referral payments are paid by BMO GAM (ASIA) and do not result in any additional fee to any BMO GAM (ASIA)'s advisory clients.

Alternatively, officers and employees of BMO GAM (ASIA) may introduce new clients or otherwise market products and services of one or more of the BMO GAM (ASIA)

Affiliates under solicitation agreements with the applicable BMO GAM (ASIA) Affiliates, and such persons may receive incentive compensation related to such activities.

#### **Item 15 Custody**

BMO GAM (ASIA) does not hold custody of client funds or securities. Clients should receive at least quarterly statements from the qualified custodian that holds and maintains client's investment assets. BMO GAM (ASIA) urges clients to carefully review such statements and compare such official custodial records to the account statements that BMO GAM (ASIA) may provide to the client. BMO GAM (ASIA)'s statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

#### **Item 16 Investment Discretion**

BMO GAM (ASIA) generally has discretion over the selection and amount of securities to be purchased or sold in client accounts without obtaining prior consent or approval from the client for each transaction. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the client and agreed by BMO GAM (ASIA).

Discretionary authority will only be provided upon full disclosure to the client. The granting of such authority will be evidenced by the client's execution of an Investment Advisory/Management Agreement containing all applicable limitations to such authority. All discretionary trades made by BMO GAM (ASIA) will be in accordance with each client's investment objectives and guidelines.

#### **Item 17 Voting Client Securities**

BMO GAM (ASIA) is responsible for the proxy voting of stocks held in the accounts on behalf of the clients where the client has delegated the authority to us and where voting services are available to us. BMO GAM (ASIA) has adopted and implemented proxy voting policies and procedures which it believes to be reasonably designed to ensure that proxies are voted in the best interest of its clients, and in accordance with our fiduciary duties, with the Rule 206(4)-6 under the Investment Advisers Act of 1940, as amended and with the long-standing fiduciary standards and responsibilities for ERISA accounts set out in the Department of Labor Bulletin 94-2 C.F.R. 2509.94-2 (July 29, 1994) of the United States of America, if applicable.

BMO GAM (ASIA) will normally vote proxies in accordance with these guidelines unless it determines that it is in the best economic interests of the clients to vote contrary to the guidelines. BMO GAM (ASIA)'s voting guidelines generally address issues related to boards of directors, auditors, enquiry based compensation plans, and shareholder rights.

A conflict of interest may exist, for example, when an issuer who is soliciting proxy votes also has a client relationship with BMO GAM (ASIA). When a conflict of interest arises, in order to ensure that proxies are voted solely in the best interests of the clients, BMO GAM (ASIA) will vote in accordance with BMO GAM (ASIA)'s written guidelines or seek client's instructions before voting.

You may obtain a copy of the proxy voting policy by writing to: Business Compliance and Control Department, BMO Global Asset Management (Asia) Limited, Suite 3808, 1 Exchange Square, Central, Hong Kong.

There are a number of clients who do not provide BMO GAM (ASIA) with the authority to vote client securities. In these instances, clients will receive their proxies directly from their custodian. Should clients have any questions regarding their proxies they are welcome to contact BMO GAM (ASIA) with any queries which they have.

## **Item 18 Financial Information**

Registered investment advisers are required in this Item to provide certain financial information or disclosures about the firm's financial condition. BMO GAM (ASIA) has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

## **Item 19 Additional Information**

### **Anti – Money Laundering**

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may ask to see your driver's license or other identifying documents.

A corporation, partnership, trust or other legal entity may need to provide other information such as its principal place of business, local office, employer identification number, certified articles of incorporation, government-issued business license, a partnership agreement or a trust agreement. We may be required to disclose this information pursuant to applicable laws, rules or regulations, but it will otherwise be retained in confidence according to our privacy policy.