

June 29, 2016

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Securities and Exchange Commission
100 F Street, NE
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Re: Request of Vaulted Gold Bullion Trust for Exemptive, Interpretative and No-Action
Letter Relief from Certain Provisions of Rule 101 and Rule 102 of Regulation M

Dear Ms. Tao:

We are writing on behalf of our clients, Bank of Montreal, in its role as initial depositor and sponsor ("Bank of Montreal" or the "Initial Depositor") of the Vaulted Gold Bullion Trust, a newly formed trust (the "Trust"), the Trust, as issuer of securities referred to as Gold Deposit Receipts (the "Receipts"), and BMO Capital Markets Corp., a broker-dealer affiliate of the Initial Depositor ("BMOCMC"). Our clients request that the Staff of the Division of Trading & Markets of the Securities and Exchange Commission (the "Commission") or the Commission itself grant an exemption, subject to the satisfaction of certain conditions, from certain provisions of Rule 101 and Rule 102 of Regulation M promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act") in order to allow the Trust to effect redemptions and exchanges of the Receipts (through a registered broker-dealer or a "bank," as such term is defined in Section 3(a)(6) of the Exchange Act, that is either a direct or indirect DTC Participant), which Receipts will be continuously offered by the Trust through BMOCMC, acting as underwriter, and by other dealers that may enter into distribution arrangements with BMOCMC.

The Trust and the Receipts

The Trust will offer and sell to the public three classes of Receipts: Class A Gold Deposit Receipts; Class F Gold Deposit Receipts; and Class F-1 Gold Deposit Receipts. The only difference among these classes of Receipts relates to the selling concessions or fees applicable to each class. The Receipts will be offered and sold pursuant to a registration statement that has been declared effective by the Commission pursuant to the Securities Act of 1933, as amended (the "Securities Act"). The Receipts are not listed or traded on a securities exchange and there is no intention to list the Receipts on a securities exchange. It is anticipated that the Trust will offer

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and sell Receipts on a continuous basis through BMOCMC, acting on a principal basis, and that these continuous offerings of Receipts will constitute distributions for Regulation M purposes.

The Trust is not an investment company registered under the Investment Company Act of 1940, as amended. The Trust is not a commodity pool for purposes of the Commodity Exchange Act, and the Initial Depositor is not subject to regulation by the Commodity Futures Trading Commission as a commodity pool or a commodity trading adviser.

The objective of the Trust is to provide a secure, convenient and transparent way for investors to invest in unencumbered, allocated, physical gold bullion (“Gold Bullion”) on a spot basis.¹ As a result, at any given time, the value of the Receipts is intended to reflect the spot price for one troy ounce of Gold Bullion, determined by BMOCMC using EBS, an offering of EBS BrokerTec (“EBS”), as the source for the spot price of gold, without adjustment or modification, plus a deposit fee of 2.00%, payable to Bank of Montreal, as Initial Depositor, plus: (1) in the case of a Class A Gold Deposit Receipt, a sales fee of 2.00% payable to any other broker-dealer that underwrites the sale of Receipts to an investor; (2) in the case of a Class F Gold Deposit Receipt, which will be sold only through fee-based programs, a sales fee of 0.25% payable to the underwriting broker-dealer; and (3) in the case of Class F-1 Gold Deposit Receipts, which will be sold to trust or fiduciary accounts, no additional fee (collectively, the “Sales Fees”). If, for any reason, EBS is not posting spot prices, BMOCMC will use the spot price reflected by the London Bullion Market Association (PM) Gold Price, an offering of ICE Benchmark Administration, as its source for the spot price of gold. BMOCMC will refer to this source without adjustment or modification. Each of these pricing sources is an independent third-party and not affiliated with Bank of Montreal or the Trust.

The Trust is not actively managed. The Trust does not engage in any activities designed to obtain a profit from, or to prevent losses caused by, changes in the spot price of gold. The Trust uses all proceeds, less the Sales Fees, from the sale of Receipts to purchase a fixed quantity of Gold Bullion from the Initial Depositor, which amount corresponds to the then outstanding Receipts and the Trust holds the Gold Bullion. It is intended that the Initial Depositor provide liquidity for holders of the Receipts by effecting redemptions and exchanges of the Receipts. Neither the Initial Depositor nor BMOCMC will receive a sales commission in connection with the sale of Receipts. Subject to payment of certain withdrawal and delivery fees, holders of Receipts may elect to redeem their Receipts for Gold Bullion through an entity that is a registered broker-dealer or a “bank,” as such term is defined in Section 3(a)(6) of the Exchange Act, that is either a direct or indirect DTC Participant.

The Initial Depositor may suspend redemptions of Receipts for Gold Bullion and exchanges of Receipts for cash from time to time, in its sole discretion, due to the occurrence of market

¹ Unlike many gold products, such as gold ETFs, the Trust does not hypothecate or commingle the gold underlying the Receipts.

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disruption, force majeure or other such events (such suspension only lasting so long as the Initial Depositor continues to be so prevented from delivering the Gold Bullion). Redemptions and exchanges of Receipts are not solicited by the Trust or by the Initial Depositor. The trustee of the Trust will undertake certain ministerial acts in order to process any redemption or exchange through BMOCMC and the Initial Depositor.²

There is no secondary market for the Receipts and the Initial Depositor, the Trust and BMOCMC do not intend to create or facilitate the development of such a secondary market. Any redemptions and exchanges of outstanding Receipts during the distribution of newly issued Receipts would be terminated to the extent that a secondary market for the Receipts were to develop.

As an Exchange Act reporting company, the Trust will report its current holdings of Gold Bullion and the corresponding number of outstanding Receipts on a quarterly basis. The Trust will also report the number of Receipts sold (and the price at which sales were made) on a monthly basis by filing a pricing supplement pursuant to Rule 424 under the Securities Act.

Legal Analysis

As noted above, the Receipts are intended to be issued by the Trust on a continuous basis and such offerings will constitute distributions for purposes of Regulation M. While new Receipts are being offered and sold by the Trust through continuous distributions in which BMOCMC will act as underwriter, holders of outstanding Receipts may, through the facilities of the trustee, seek to have their Receipts redeemed for Gold Bullion by the Initial Depositor or may seek to exchange their Receipts for cash through the Initial Depositor.

Rules 101 and 102 of Regulation M prohibit a "distribution participant," and the issuer or a selling security holder, respectively, in connection with a distribution of securities, from bidding for or purchasing, or from attempting to induce any person to bid for or purchase, a "covered security" during the applicable restricted period. "Distribution participant" is defined in Rule 100(b) to include an underwriter or prospective underwriter in a particular distribution of securities, or any broker, dealer or other person that has agreed to participate or is participating in such a distribution. We understand that the Initial Depositor may be considered (along with the Trust) the "issuer" of the Receipts under the Securities Act. In addition, the affiliated broker-dealer, BMOCMC, will be the principal underwriter of the Receipts and will be considered a distribution participant. Furthermore, any broker-dealer that underwrites (in addition to BMOCMC) an offering of Receipts would be a distribution participant.

² Such ministerial acts will not include any direct or indirect purchase, bid for, or attempt to induce other persons to purchase or bid for the Receipts.

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We understand that Rules 101 and 102 of Regulation M are intended to preclude manipulative conduct by those with an interest in the outcome of a distribution of securities. Given the particular circumstances of the continuous offering of Receipts we would like the Staff's concurrence that redemptions or exchanges of outstanding Receipts occurring concurrent with the continuous issuance of new Receipts would, to the extent made in a manner that complies with certain conditions, be exempt from the provisions of Rule 101 and Rule 102. The Initial Depositor, the Trust and BMOCMC believe that the limited exemption is warranted because:

- Initial sales of the Receipts would be effected at the spot price of gold, plus the deposit fee and any Sales Fees. Subsequent transactions in the Receipts, including the redemption and exchange transactions for which relief is being sought, would be effected at the spot price of gold, plus, in the case of a redemption for Gold Bullion, a withdrawal and delivery fee, and, in the case of a cash redemption, any additional fees the holder may be charged by his broker for that transaction. As a result, it is not possible for the redemption or exchange transactions to have a manipulative effect on the price or value of outstanding Receipts;
- the terms of redemptions and exchanges are fully disclosed in the registration statement relating to the Receipts. Any modifications to these terms will be fully disclosed to investors in advance of the effectiveness of such modification. As noted in the registration statement, the Trust maintains a website and a Bloomberg page where gold prices are provided. The price quoted on the Bloomberg page will be the current intra-day price;
- there is considerable transparency in relation to the Trust, given that the assets of the Trust (Gold Bullion) will be known to holders of Receipts, the spot price of gold will be known, the Sales Fees will be known, and holders will have access to information regarding the spot price of gold from the Trust's website and from the Bloomberg page;
- the redemptions and exchanges of Receipts are intended to provide liquidity to holders of the Receipts. These transactions are similar to redemptions by commodity pools, which are exempt from the prohibitions of Rule 102; and
- the Staff of the Commission has granted similar relief in the past in certain limited circumstances wherein creations, redemptions and secondary market transactions in securities would not result in the abuses that Regulation M is intended to address.³ We believe that the same principles would apply in the case of redemptions and exchanges of

³ See, for example, Class Relief for Real Estate Investment Trust Share Redemption Programs, Regulation M Rule 102 (October 22, 2007).

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outstanding Receipts by the Initial Depositor during the continuous offering by the Trust, through BMOCMC or other dealers, of new Receipts.

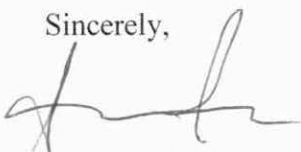
Consistent with the conditions included in the context of exemptive orders granted by the Staff of the Commission, the Initial Depositor and the Trust would terminate redemptions or exchanges of Receipts during the distribution of newly issued Receipts if an active secondary market for the Receipts were to develop.

Request for Exemptive Relief

Based on the facts and circumstances summarized above, we believe that the proposed redemption and exchange transactions related to outstanding Receipts, which would occur concurrent with the continuous distribution of newly issued Receipts, would not manipulate, condition or stimulate the market for the Receipts. As noted above, initial sales of the Receipts would be effected at the spot price of gold, plus the deposit fee and any Sales Fees. Subsequent transactions in the Receipts, including the redemption and exchange transactions for which relief is being sought, would be effected at the spot price of gold, plus, in the case of a redemption for Gold Bullion, a withdrawal and delivery fee, and, in the case of a cash redemption, any additional fees the holder may be charged by his broker for that transaction. There is no secondary market for the Receipts and the Initial Depositor, the Trust and BMOCMC do not intend to facilitate the development of such a secondary market. Any redemptions and exchanges of outstanding Receipts during the distribution of newly issued Receipts would be terminated to the extent that a secondary market for the Receipts were to develop.

Accordingly, on behalf of the Initial Depositor, the Trust, BMOCMC and any other broker-dealer affiliate of the Initial Depositor or the Trust, as well as any broker-dealer that underwrites an offering of Receipts, we respectfully request that the Staff, pursuant to authority delegated to it by the Commission, grant an exemption from the prohibitions of Rule 101 and Rule 102 for these transactions. If you have any questions regarding this letter, please do not hesitate to contact me at (212) 468-8179.

Sincerely,



Anna T. Pinedo