

# 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

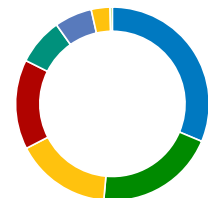
### Cumulative Performance

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%

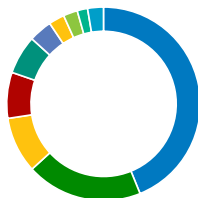
## BMO MSCI Europe High Quality Hedged to CAD Index ETF

### 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

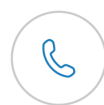
### Geographic Allocation



- 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

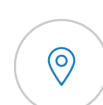
	%
Roche Holding AG	5.37%
Nestle SA (Regs)	5.29%
Novo Nordisk A/S Cl B	4.98%
Brit Amer Tobacco plc GBP	4.47%
GlaxoSmithKline plc	3.98%
Unilever Nv-Cva	3.47%
Astrazeneca Plc	3.18%
Reckitt Benckiser Group Plc	2.89%
Unilever PLC	2.87%
Diageo PLC	2.67%



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Particular investments and/or trading strategies should be evaluated relative to each individuals circumstances. Individuals should seek the advice of professionals, as appropriate, regarding any particular investment.

\*BMO ETFs are managed and administered by BMO Asset Management Inc., an investment fund manager and portfolio manager and separate legal entity from the Bank of Montreal.

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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.