



Investors Exchange Product Information Circular 2018 - 0114

Date: August 17 2018

Re: Bank of Montreal Notes

This Information Circular is being issued to advise you that the following securities have been approved for trading pursuant to unlisted trading privileges (“UTP”) on the Investors Exchange (“IEX” or the “Exchange”) as UTP Derivative Securities pursuant to IEX Rule 16.160. The purpose of this information circular is to outline various rules and policies that will be applicable to trading in these new products pursuant to the Exchange’s unlisted trading privileges, as well as to provide certain characteristics and features of the Notes.

<u>Securities (the “ETNs” or “Notes”)</u>	<u>Symbol</u>
MicroSectors™ FANG+™ Index 2X Leveraged Exchange Traded Notes	FNGO
MicroSectors™ FANG+™ Index Inverse Leveraged Exchange Traded Notes	GNAF
MicroSectors™ FANG+™ Index -2X Inverse Leveraged Exchange Traded Notes	FNGZ

Issuer/Trust: Bank of Montreal

Issuer/Trust Website: <https://www.bmoetns.com/>

Primary Listing Exchange: NYSE Arca

Background Information on the Notes

As more fully explained in the Pricing Supplement dated August 2, 2018, Prospectus Supplement dated April 27, 2017, and the Prospectus dated April 27, 2017 for each of the exchange-traded notes listed above (the “ETNs”) (File No. 333-217200), the return of each of the ETNs is linked to the NYSE FANG+™ Index (the “Index”). The Index represents a segment of technology and consumer discretionary sectors consisting of highly-traded growth stocks of technology and tech-enabled companies. The Index universe will consist of all stocks classified as Consumer Discretionary or Technology by the ICE Data Indices, LLC, the index provider, that are listed on a major U.S. stock exchange, such as the NYSE, Nasdaq or NYSE American. American Depositary Receipts are eligible for inclusion in the Index. At maturity or upon early redemption or termination, holders will receive a cash payment based on the performance of the Index, subject to any inverse or leveraged exposures. The ETNs are senior, unsecured obligations of the Bank of Montreal (the “Issuer”), which mature on January 8, 2038.

ICE Data Indices, LLC serves as the index provider. The value of the Index is reported on Bloomberg.

Each series of ETNs are subject to early redemption or acceleration in whole or in part at any time. Accordingly, an investor should not expect to be able to hold the ETNs to maturity. Additionally, the ETNs do not guarantee any return of principal at maturity and do not pay any interest during their term. Instead, investors will receive a cash payment in U.S. dollars at maturity or upon early redemption based on the performance of the Index to which each series of ETNs are linked, less an investor fee.



Each series of ETNs may be redeemed early, at the investor's option, subject to a minimum redemption amount of 25,000 ETNs. Upon such early redemption, the investor will receive a cash payment that is based on the performance of the Index to which each series of ETNs are linked, less any fees.

Each series of ETNs' initial indicative value current value on the initial valuation date will equal \$50.00.

The Intraday Indicative Value for the ETNs will be disseminated by market data vendors under the symbol .IV.

Additional information regarding the ETNs, including information about redemption procedures, fees, and dividends can be found in the Pricing Supplement.

Investment Risks

As described in the prospectus and prospectus supplement for the ETNs, investing in the ETNs involves a number of risks not associated with an investment in conventional debt securities. An investment in the ETNs involves significant risks and is not appropriate for every investor. Investing in the ETNs is not equivalent to investing directly in the index underlying a series of ETNs. Accordingly, the ETNs should be purchased only by knowledgeable investors who understand the terms of the investment in a particular series of ETNs and are familiar with the behavior of the Index and financial markets generally. The ETNs are riskier than ordinary unsecured debt securities.

Interested persons are referred to the prospectus and prospectus supplement for each of the ETNs for a full description of risks associated with an investment in the ETNs. These risks may include, but are not limited to, issuer creditworthiness; loss of all or a substantial portion of an investment in ETNs; no guaranteed minimum payment at maturity or call, or upon acceleration or early redemption, no payment of interest or any coupon amount; risks associated with the applicable index or reference asset; acceleration and redemption, resulting in a loss of all or a substantial portion of an investment; and restriction on the minimum number of ETNs that may be redeemed and on the procedures and timing for early redemption.

Exchange Rules Applicable to Trading in the Notes

Trading in the ETNs on IEX is subject to IEX's equity trading rules.

Trading Hours

The ETNs will trade on IEX between 8:00 a.m. and 5:00 p.m. Please note that trading in the ETNs during the Exchange's Pre-Market and Post-Market Sessions ("Extended Market Sessions") may result in additional trading risks which include: (1) that the current underlying indicative value may not be updated during the Extended Market Sessions, (2) lower liquidity in the Extended Market Sessions may impact pricing, (3) higher volatility in the Extended Market Sessions may impact pricing, (4) wider spreads may occur in the Extended Markets Sessions, and (5) because the indicative value is not calculated or widely disseminated during the Extended Market Sessions, an investor who is unable to calculate an implied value for the Notes in those sessions may be at a disadvantage to market professionals.

Suitability

Trading in the securities on the Exchange will be subject to the provisions of IEX Rule 3.170 and other applicable suitability rules. Members recommending transactions in the securities to customers should make a determination that the recommendation is suitable for the customer.



Trading Halts

The Exchange will halt trading in the ETNs in accordance with the Exchange's Rules. The grounds for a halt include a halt because the intraday indicative value of the security and/or the value of its underlying index are not being disseminated as required, a halt for other regulatory reasons or due to other conditions or circumstances deemed to be detrimental to the maintenance of a free and orderly market.

This Information Circular is not a statutory prospectus. Members should consult the Prospectus for a security and the security's website for relevant information.

Please contact IEX Regulation at 646-343-2000 with any inquiries regarding this Information Circular.