



INFORMATION CIRCULAR: BANK OF MONTREAL

TO: Head Traders, Technical Contacts, Compliance Officers, Heads of ETF Trading, Structured Products Traders

FROM: Nasdaq / BX / PHLX Listing Qualifications Department

DATE: December 20, 2016

EXCHANGE-TRADED PRODUCT

SYMBOL CUSIP

BMO Elkhorn DWA MLP Select Index Exchange Traded Notes Due December 10, 2036	BMLP	063679104
---	------	-----------

INFORMATION ON THE SECURITIES

The Bank of Montreal (the “Issuer”) has issued Exchange Traded Notes (“ETNs” or “Notes” or “Securities”) due December 10, 2036 that are linked to the performance of the DWA MLP Select Index (the “Index”). The ETNs do not guarantee any return of principal at maturity, call or upon early redemption. Investors should be willing to lose up to 100% of their investment if the Index declines.

The Notes are senior unsecured medium-term notes with a return linked to the performance of the Index. The Index is an equally weighted index of MLPs, ranked by relative price performance, as measured by the Dorsey Wright Relative Strength Ranking Methodology. The Index is a price return index.

The Notes do not guarantee any return of principal at, or prior to, maturity or call, or upon early redemption. Instead, at maturity, investors will receive a cash payment equal to (a) the product of (i) the Indicative Note Value as of the close of the Index Business Day immediately preceding the Calculation Date multiplied by (ii) the Index Factor for the last Index Business Day in the Final Measurement Period minus (b) the Investor Fee for such last Index Business Day plus (c) the final Coupon Amount minus (d) the Accrued Tracking Fee as of such last Index Business Day, plus (d) the Stub Reference Distribution Amount as of such last Index Business Day, if any. The Issuer refers to this cash payment as the “Cash Settlement Amount.” This amount will not be less than zero. Investors may lose some or all of their investment at maturity. Because the Accrued Tracking Fee (including any Tracking Fee Shortfall) reduces the final payment, the level of the Index will need to have increased over the term of the Notes by an amount at least equal to the percentage of the principal amount represented by the Accrued Tracking Fee, less any Coupon Amounts and any Stub Reference Distribution Amount, in order for investors to receive an aggregate amount over the term of the Notes equal to at least the principal amount of their Notes. If the increase in the level of the Index, as measured during the Final Measurement Period, is insufficient to offset the cumulative negative effect of the Accrued Tracking Fee, investors will lose some

or all of their investment at maturity. This loss may occur even if the Index Closing Level at any time during the Final Measurement Period is greater than the Index Closing Level on the Initial Trade Date.

The Accrued Tracking Fee accrues on a daily basis at a rate of 0.85% per annum, applied to the Indicative Note Value on each Index Business Day. The Indicative Note Value reflects the cumulative performance of the Index from the Initial Trade Date of the Notes. If the Indicative Note Value increases, the Accrued Tracking Fee will increase, and if the Indicative Note Value decreases, the Accrued Tracking Fee will decrease.

Unlike ordinary debt securities, the Notes do not guarantee any return of principal at maturity or call, or upon early redemption. Investors are not guaranteed any coupon payment.

Please see the prospectus for the Notes for more details regarding the calculations and details regarding the Index.

It is expected that the market value of the Notes will depend substantially on the value of the Index and may be affected by a number of other interrelated factors including, among other things: the general level of interest rates, the volatility of the Index, the time remaining to maturity, the dividend yield of the stocks comprising the Index, and the credit ratings of the Issuer.

Trading in the Notes on BX is on a UTP basis and is subject to BX equity trading rules. Trading in the Notes on PHLX's PSX system is on a UTP basis and is subject to PHLX rules. The Notes will trade on BX from 8:00 a.m. until 7:00 p.m. Eastern Time. The Notes will trade on PSX from 9:00 a.m. until 5:00 p.m. Eastern Time. For trading during each market's pre-market and post-market sessions, market participants should note that additional risks may exist with respect to trading the Notes during these sessions, when the underlying index's value or similar value may not be disseminated.

BX will halt trading in the Notes in accordance with BX Equity Rule 4120. PHLX will halt trading in the Notes in accordance with PHLX Rule 3100. The grounds for a halt under each of these rules include a halt by the primary market because the value of the underlying index or a similar value is not being disseminated as required, or a halt for other regulatory reasons. In addition, BX and PHLX will also stop trading the Notes if the primary market delists the Notes.

Trading of the Notes on BX is subject to the provisions of BX Rule 2310. Members recommending transactions in the Notes to customers should make a determination that the securities are suitable for the customer. In addition, members must possess sufficient information to satisfy the "know your customer" obligation that is embedded in the BX Conduct Rules.

Members and member organizations recommending transactions in the Notes to customers should make a determination that the recommendation is suitable for the customer, as provided by PHLX Rule 763.

BX members and PHLX members and member organizations should also review NASD Notice to Members 03-71 for guidance on trading these products. The Notice reminds members of their obligations to: (1) conduct adequate due diligence to understand the features of the product; (2) perform a reasonable-basis suitability analysis; (3) perform customer-specific suitability analysis in connection with any recommended transactions; (4) provide a balanced disclosure of both the risks and rewards associated with the particular product, especially when selling to retail investors; (5) implement appropriate internal controls; and (6) train registered persons regarding the features, risk and suitability of these products.

This Information Circular is not a statutory prospectus. BX members and PHLX members and member organizations should consult the registration statement or prospectus for the Notes for additional information.

Inquiries regarding this Information Circular should be directed to:

- Ben Haskell, Listing Qualifications, at 301.978.8092
- BX/ PSX Market Sales at 800.846.0477