

BMO® Income Enriched GIC

Income and Growth potential; Security of a GIC



100% Principal Protected

Overview

A medium-term principal-protected investment with guaranteed annual income and the potential for additional income depending on the performance of select indices within the reference portfolio. The guaranteed annual income is paid out at the end of each period with any additional return paid out at maturity. The additional return, if any, will be the average of the percentage change in the value of each index in the Reference Portfolio, less the guaranteed return, up to the Maximum Rate of Return for the Term.

Reference Portfolio

50% S&P/TSX Banks Index

This index is comprised of companies listed on the S&P/TSX Composite Index whose primary business is banking. This index gives you targeted exposure to the banking sector in Canada.

50% S&P/TSX Capped Utilities Index

This index is comprised of companies listed on the S&P/TSX Composite Index whose primary business is the provision of utilities. This index gives you targeted exposure to companies that operate in the utilities sector such as electric, gas and water utility providers.

October 2010 - Series 42

Term 3 Years

Minimum Investment \$1000

Guaranteed Rate of Return for the Term

1.2% (0.4% annually*)

Maximum Rate of Return for the Term

1.2% - 6.2% (0.4% - 2.067% annually*)

Investor suitability

This investment may be suitable for you if you are looking to diversify your portfolio with a medium-term investment offering principal protection, an annual income and access to your capital at maturity. You are willing to accept a guaranteed return that is less than the return offered on traditional GICs for the potential to earn higher market-linked returns which would, if any, be paid to you at the end of the term.

Key Benefits

Companies in the banking and utility sectors typically possess characteristics looked for by conservative investors – solid, predictable businesses which generate substantial cash flow and have the potential to generate significant longterm returns. This GIC is an excellent way for you to access these positive attributes with the security of principal protection.

- ✓ 100% principal protection
- ✓ Guaranteed return paid after the end of each period
- ✓ Potential for additional returns paid at the end of the term
- ✓ Guaranteed by Bank of Montreal, one of Canada's leading financial institutions
- ✓ Eligible for Canada Deposit Insurance Corporation (CDIC) deposit insurance up to applicable limits

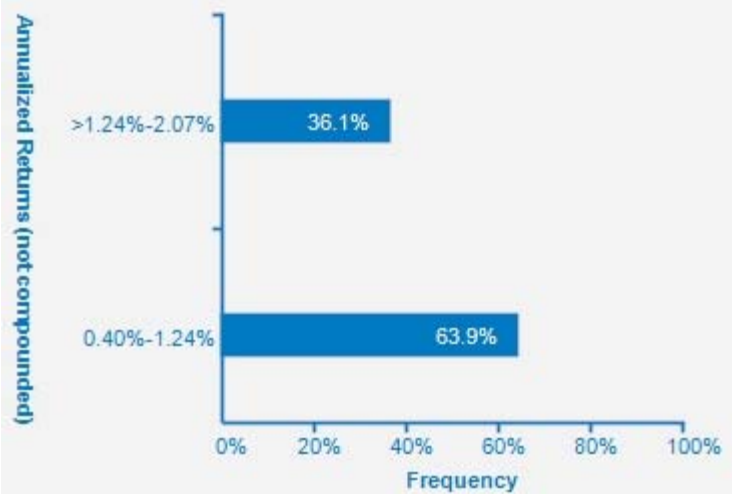
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Hypothetical Results

This chart illustrates hypothetical returns for the BMO Income Enriched GIC. The vertical axis represents ranges of hypothetical non-compound annual returns for the GIC expressed as a percentage and the horizontal axis represents the frequency, or how often, the GIC hypothetically would have generated a return in a particular range. The calculations assume that: the Reference Portfolio is the same as the Reference Portfolio for the Series currently available for sale; the rates used to calculate the returns are the same as the rates for the Series currently available for sale; the GICs are issued monthly during the date range indicated; the issue date is the last business day of the issue month; and the calculation date for each Series occurs on the 3-year anniversary date of the issue date. *Please note that past market performance is not an indicator of future market performance.*

GICs issued between August 2004 and July 2007 and Maturing between August 2007 and July 2010



Contact us

Visit your local **BMOBank of Montreal®** branch and speak to an investment professional

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BMO Income Enriched GICs are issued by Bank of Montreal Mortgage Corporation and unconditionally guaranteed by Bank of Montreal. The BMO Income Enriched GIC provides a guaranteed minimum rate of return, but there is no guarantee of any additional return linked to the performance of underlying indices. The additional rate of return for the term, if any, is based on price return indices, not total return indices and is limited by a cap. On each annual income payment date an investor will receive the guaranteed rate of return for each period on the amount invested. On the series maturity date, an investor is guaranteed to receive 100% of the amount they invest in a BMO Income Enriched GIC plus an additional rate of return for the term, if any. The additional rate of return for the term payable will be the Portfolio Return (up to the Maximum Rate of Return for the Term) minus the Guaranteed Rate of Return for the Term. The Portfolio Return will be the average of the percentage changes in the values of the index or indices in the Reference Portfolio for the series during the term of series (subject to a minimum of zero). If the additional rate of return for the term is calculated to be less than zero, it will be set to zero. If market disruptions or other special circumstances affect the calculation of the return, the Bank may adjust this calculation or payment of any interest. The Terms and Conditions for BMO Income Enriched GICs are available at your local BMO Bank of Montreal branch. BMO Income Enriched GICs are not available in RSPs if the GIC's maturity date is after the date a client is required to convert the RSP to a RIF.

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* Not compounded.