

BMO Mutual Funds 2022

Annual Financial Statements

September 30, 2022

BMO U.S. Dollar Money Market Fund (in US\$)

Independent Auditor's Report

To the Unitholders and Trustee of
BMO Canadian Equity Fund
BMO Canadian Small Cap Equity Fund
BMO Resource Fund
BMO Mortgage and Short-Term Income Fund
BMO Money Market Fund
BMO Bond Fund
BMO Canadian Equity ETF Fund
BMO Asset Allocation Fund
BMO Dividend Fund
BMO Precious Metals Fund
BMO Monthly Income Fund
BMO Diversified Income Portfolio
BMO Global Infrastructure Fund
BMO Emerging Markets Bond Fund
BMO Core Plus Bond Fund
BMO Core Bond Fund
BMO Target Education Income Portfolio
BMO Target Education 2025 Portfolio
BMO Target Education 2030 Portfolio
BMO Target Education 2035 Portfolio
BMO Tactical Global Bond ETF Fund
BMO Tactical Global Equity ETF Fund
BMO Sustainable Global Balanced Fund
(formerly BMO Global Balanced Fund)
BMO U.S. Dividend Fund
BMO Retirement Income Portfolio
BMO Retirement Conservative Portfolio
BMO Retirement Balanced Portfolio
BMO SIA Focused Canadian Equity Fund
BMO SIA Focused North American Equity Fund
BMO Ascent™ Income Portfolio
BMO Ascent™ Conservative Portfolio
BMO Ascent™ Balanced Portfolio
BMO Ascent™ Growth Portfolio
BMO Ascent™ Equity Growth Portfolio
BMO LifeStage Plus 2025 Fund
BMO LifeStage Plus 2030 Fund
BMO LifeStage Plus 2026 Fund
BMO SelectTrust® Fixed Income Portfolio
BMO FundSelect® Income Portfolio
BMO FundSelect® Balanced Portfolio
BMO FundSelect® Growth Portfolio
BMO FundSelect® Equity Growth Portfolio
BMO Fixed Income ETF Portfolio
BMO Income ETF Portfolio
BMO Conservative ETF Portfolio
BMO Balanced ETF Portfolio
BMO Growth ETF Portfolio
BMO Equity Growth ETF Portfolio
BMO World Bond Fund
BMO Emerging Markets Fund
BMO European Fund
BMO North American Dividend Fund

BMO U.S. Equity ETF Fund
BMO U.S. Equity Fund
BMO Global Dividend Fund
BMO International Equity ETF Fund
BMO Global Monthly Income Fund
BMO Preferred Share Fund
BMO Tactical Dividend ETF Fund
BMO Global Strategic Bond Fund
BMO U.S. High Yield Bond Fund
BMO Tactical Balanced ETF Fund
BMO Growth Opportunities Fund
BMO Global Equity Fund
BMO U.S. Equity Plus Fund
BMO U.S. Dollar Money Market Fund
BMO U.S. Dollar Equity Index Fund
BMO U.S. Dollar Monthly Income Fund
BMO U.S. Dollar Dividend Fund
BMO U.S. Dollar Balanced Fund
BMO Risk Reduction Equity Fund
BMO Risk Reduction Fixed Income Fund
BMO Covered Call Canadian Banks ETF Fund
BMO Covered Call Europe High Dividend ETF Fund
BMO Sustainable Opportunities Global Equity Fund
BMO Tactical Global Asset Allocation ETF Fund
BMO Tactical Global Growth ETF Fund
BMO Covered Call U.S. High Dividend ETF Fund
BMO Women in Leadership Fund
BMO International Equity Fund
BMO Japan Fund
BMO Covered Call Canada High Dividend ETF Fund
BMO Concentrated Global Equity Fund
BMO Crossover Bond Fund
BMO Sustainable Global Multi-Sector Bond Fund
(formerly BMO Global Multi-Sector Bond Fund)
BMO U.S. Small Cap Fund
BMO Multi-Factor Equity Fund
BMO Concentrated U.S. Equity Fund
BMO Low Volatility Canadian Equity ETF Fund
BMO USD Balanced ETF Portfolio
BMO USD Conservative ETF Portfolio
BMO USD Income ETF Portfolio
BMO Target Education 2040 Portfolio
BMO Sustainable Income Portfolio
BMO Sustainable Conservative Portfolio
BMO Sustainable Balanced Portfolio
BMO Sustainable Growth Portfolio
BMO Low Volatility U.S. Equity ETF Fund
BMO Sustainable Opportunities Canadian Equity Fund
BMO Sustainable Opportunities China Equity Fund

BMO Sustainable Bond Fund
BMO Clean Energy ETF Fund
BMO Nasdaq 100 Equity ETF Fund
BMO SDG Engagement Global Equity Fund
BMO U.S. All Cap Equity Fund
BMO Brookfield Global Real Estate Tech Fund
BMO Brookfield Global Renewables Infrastructure Fund
BMO U.S. Corporate Bond Fund
BMO Canadian Banks ETF Fund
BMO Global Enhanced Income Fund
BMO Global Quality ETF Fund

To the Shareholders of BMO Corporate Class Inc. for the following funds
BMO Global Dividend Class
BMO Canadian Equity Class
BMO Global Equity Class
BMO Global Energy Class
BMO Dividend Class
BMO Greater China Class
BMO International Value Class
BMO Global Low Volatility ETF Class
BMO SelectClass® Income Portfolio
BMO SelectClass® Balanced Portfolio
BMO SelectClass® Growth Portfolio
BMO SelectClass® Equity Growth Portfolio
BMO Income ETF Portfolio Class
BMO Balanced ETF Portfolio Class
BMO Growth ETF Portfolio Class
BMO Equity Growth ETF Portfolio Class
BMO U.S. Equity Class
BMO Asian Growth and Income Class
(individually, a Fund)

Independent Auditor's Report

Our opinion

In our opinion, the accompanying September 30, 2022 financial statements of each Fund present fairly, in all material respects, the financial position of each Fund, its financial performance and its cash flows as at and for the periods indicated in note 1 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

The financial statements of each Fund comprise:

- the statements of financial position as at the period-end dates indicated in note 1;
- the statements of comprehensive income for the periods indicated in note 1;
- the statements of changes in net assets attributable to holders of redeemable units or shares, as applicable, for the periods indicated in note 1;
- the statements of cash flows for the periods indicated in note 1; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of each Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Management is responsible for the other information of each Fund. The other information comprises the 2022 Annual Management Report of Fund Performance of each Fund.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of each Fund, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of each Fund or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of each Fund in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of each Fund to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate any Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of each Fund.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole for each Fund are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements of each Fund.

Independent Auditor's Report

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of each Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of each Fund.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of each Fund to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements of each Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause any Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of each Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Joseph Pinizzotto.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants
Toronto, Ontario
December 22, 2022

BMO U.S. Dollar Money Market Fund

STATEMENT OF FINANCIAL POSITION

(All amounts in thousands of U.S. dollars, except per unit data)

As at	September 30 2022	September 30 2021
ASSETS		
CURRENT ASSETS		
Cash	1,790	2,031
Investments		
Non-derivative financial assets	187,055	186,173
Subscriptions receivable	3,781	4,337
Interest receivable	1	25
Total assets	192,627	192,566
LIABILITIES		
CURRENT LIABILITIES		
Payable for investments purchased	—	2,004
Redemptions payable	1,992	1,024
Distributions payable	51	0
Accrued expenses	3	9
Total liabilities	2,046	3,037
Net assets attributable to holders of redeemable units	190,581	189,529
Net assets attributable to holders of redeemable units		
Series A Units	9,812	15,198
Advisor Series Units	324	259
Series F Units	2,365	—
Series D Units	—	1,931
Series I Units	0	0
Series O Units	177,387	171,376
Classic Series Units	693	765
Net assets attributable to holders of redeemable units per unit		
Series A Units	\$ 1.00	\$ 1.00
Advisor Series Units	\$ 1.00	\$ 1.00
Series F Units	\$ 1.00	\$ —
Series D Units	\$ —	\$ 1.00
Series I Units	\$ 1.00	\$ 1.00
Series O Units	\$ 1.00	\$ 1.00
Classic Series Units	\$ 1.00	\$ 1.00

STATEMENT OF COMPREHENSIVE INCOME

(All amounts in thousands of U.S. dollars, except per unit data)

For the periods ended	September 30 2022	September 30 2021
INCOME		
Interest income	1,542	321
Net gain in fair value of investments and derivatives	1,542	321
Total income	1,542	321
EXPENSES		
Management fees (note 6)	186	120
Fixed administration fees (note 6)	304	358
Independent review committee fees (note 6)	1	1
Withholding taxes	—	0
Interest expense	4	—
Fund facts fees	0	1
Unitholder reporting costs	2	1
Operating expenses absorbed by the Manager (note 6)	(322)	(346)
Total expenses	175	135
Increase in net assets attributable to holders of redeemable units	1,367	186
Increase in net assets attributable to holders of redeemable units		
Series A Units	33	4
Advisor Series Units	1	0
Series F Units	12	—
Series D Units	0	1
Series I Units	—	—
Series O Units	1,318	181
Classic Series Units	3	0
Increase in net assets attributable to holders of redeemable units per unit (note 8)		
Series A Units	0.00	0.00
Advisor Series Units	0.00	0.00
Series F Units	0.00	—
Series D Units	0.00	0.00
Series I Units	—	—
Series O Units	0.01	0.00
Classic Series Units	0.00	0.00

The accompanying notes are an integral part of these financial statements.

BMO U.S. Dollar Money Market Fund

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

(All amounts in thousands of U.S. dollars)

For the periods ended	September 30 2022	September 30 2021
Series A Units		
Net assets attributable to holders of redeemable units at beginning of period	15,198	10,171
Increase in net assets attributable to holders of redeemable units	33	4
Distributions to holders of redeemable units from:		
Net investment income	(33)	(4)
Total distributions to holders of redeemable units	(33)	(4)
Redeemable unit transactions		
Proceeds from redeemable units issued	4,812	12,871
Reinvestments of distributions to holders of redeemable units	33	4
Redemption of redeemable units	(10,231)	(7,848)
Net (decrease) increase from redeemable unit transactions	(5,386)	5,027
Net (decrease) increase in net assets attributable to holders of redeemable units	(5,386)	5,027
Net assets attributable to holders of redeemable units at end of period	9,812	15,198

Advisor Series Units		
Net assets attributable to holders of redeemable units at beginning of period	259	644
Increase in net assets attributable to holders of redeemable units	1	0
Distributions to holders of redeemable units from:		
Net investment income	(1)	(0)
Total distributions to holders of redeemable units	(1)	(0)
Redeemable unit transactions		
Proceeds from redeemable units issued	697	602
Reinvestments of distributions to holders of redeemable units	1	0
Redemption of redeemable units	(633)	(987)
Net increase (decrease) from redeemable unit transactions	65	(385)
Net increase (decrease) in net assets attributable to holders of redeemable units	65	(385)
Net assets attributable to holders of redeemable units at end of period	324	259

For the periods ended	September 30 2022	September 30 2021
Series F Units		
Net assets attributable to holders of redeemable units at beginning of period	—	—
Increase in net assets attributable to holders of redeemable units	12	—
Distributions to holders of redeemable units from:		
Net investment income	(12)	—
Total distributions to holders of redeemable units	(12)	—
Redeemable unit transactions		
Proceeds from redeemable units issued	20,237	—
Reinvestments of distributions to holders of redeemable units	12	—
Redemption of redeemable units	(17,884)	—
Net increase from redeemable unit transactions	2,365	—
Net increase in net assets attributable to holders of redeemable units	2,365	—
Net assets attributable to holders of redeemable units at end of period	2,365	—

Series D Units		
Net assets attributable to holders of redeemable units at beginning of period	1,931	2,204
Increase in net assets attributable to holders of redeemable units	0	1
Distributions to holders of redeemable units from:		
Net investment income	(0)	(1)
Total distributions to holders of redeemable units	0	(1)
Redeemable unit transactions		
Proceeds from redeemable units issued	126	1,603
Reinvestments of distributions to holders of redeemable units	0	1
Redemption of redeemable units	(2,057)	(1,877)
Net decrease from redeemable unit transactions	(1,931)	(273)
Net decrease in net assets attributable to holders of redeemable units	(1,931)	(273)
Net assets attributable to holders of redeemable units at end of period	—	1,931

Series I Units		
Net assets attributable to holders of redeemable units at beginning of period	0	0
Increase in net assets attributable to holders of redeemable units	—	—
Net assets attributable to holders of redeemable units at end of period	0	0

The accompanying notes are an integral part of these financial statements.

BMO U.S. Dollar Money Market Fund

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (cont'd) (All amounts in thousands of U.S. dollars)

For the periods ended	September 30 2022	September 30 2021	For the periods ended	September 30 2022	September 30 2021
Series O Units			Total Fund		
Net assets attributable to holders of redeemable units at beginning of period	171,376	298,563	Net assets attributable to holders of redeemable units at beginning of period	189,529	312,361
Increase in net assets attributable to holders of redeemable units	1,318	181	Increase in net assets attributable to holders of redeemable units	1,367	186
Distributions to holders of redeemable units from:			Distributions to holders of redeemable units from:		
Net investment income	(1,318)	(181)	Net investment income	(1,367)	(186)
Total distributions to holders of redeemable units	(1,318)	(181)	Total distributions to holders of redeemable units	(1,367)	(186)
Redeemable unit transactions			Redeemable unit transactions		
Proceeds from redeemable units issued	506,503	616,445	Proceeds from redeemable units issued	532,375	631,521
Reinvestments of distributions to holders of redeemable units	1,139	168	Reinvestments of distributions to holders of redeemable units	1,188	173
Redemption of redeemable units	(501,631)	(743,800)	Redemption of redeemable units	(532,511)	(754,526)
Net increase (decrease) from redeemable unit transactions	6,011	(127,187)	Net increase (decrease) from redeemable unit transactions	1,052	(122,832)
Net increase (decrease) in net assets attributable to holders of redeemable units	6,011	(127,187)	Net increase (decrease) in net assets attributable to holders of redeemable units	1,052	(122,832)
Net assets attributable to holders of redeemable units at end of period	177,387	171,376	Net assets attributable to holders of redeemable units at end of period	190,581	189,529
Classic Series Units					
Net assets attributable to holders of redeemable units at beginning of period	765	779			
Increase in net assets attributable to holders of redeemable units	3	0			
Distributions to holders of redeemable units from:					
Net investment income	(3)	(0)			
Total distributions to holders of redeemable units	(3)	(0)			
Redeemable unit transactions					
Reinvestments of distributions to holders of redeemable units	3	0			
Redemption of redeemable units	(75)	(14)			
Net decrease from redeemable unit transactions	(72)	(14)			
Net decrease in net assets attributable to holders of redeemable units	(72)	(14)			
Net assets attributable to holders of redeemable units at end of period	693	765			

The accompanying notes are an integral part of these financial statements.

BMO U.S. Dollar Money Market Fund

STATEMENT OF CASH FLOWS

(All amounts in thousands of U.S. dollars)

For the periods ended	September 30 2022	September 30 2021
Cash flows from operating activities		
Increase in net assets attributable to holders of redeemable units	1,367	186
Adjustments for:		
Decrease (increase) in interest receivable	24	(21)
(Decrease) increase in accrued expenses	(6)	7
Amortization of premium and discounts	(1,474)	(291)
Purchases of investments	(3,845,139)	(3,674,601)
Proceeds from sale and maturity of investments	3,843,727	3,802,505
Net cash (used in) from operating activities	(1,501)	127,785
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(128)	(16)
Proceeds from issuances of redeemable units ⁺	531,369	629,173
Amounts paid on redemption of redeemable units ⁺	(529,981)	(755,023)
Net cash from (used in) financing activities	1,260	(125,866)
Net (decrease) increase in cash	(241)	1,919
Cash at beginning of period	2,031	112
Cash at end of period	1,790	2,031

Supplementary Information

Interest received, net of withholding taxes*	92	9
Interest expense paid*	4	—

⁺ Excludes switches between series, as applicable.

* These items are from operating activities.

The accompanying notes are an integral part of these financial statements.

BMO U.S. Dollar Money Market Fund

SCHEDULE OF INVESTMENT PORTFOLIO

As at September 30, 2022 (All amounts in thousands of U.S. dollars, unless otherwise noted)

	Par Value (USD)	Cost (USD)	Fair Value (USD)		Par Value (USD)	Cost (USD)	Fair Value (USD)
MONEY MARKET INVESTMENTS							
Corporate — 98.1%							
Amazon.com, Inc., Commercial Paper, 2.392% Oct 4, 2022.....	4,000.....	3,999.....	3,999	Sheffield Receivables Company LLC, Commercial Paper, 3.153% Nov 3, 2022	5,000.....	4,986.....	4,986
Apple Inc., Commercial Paper, 2.370% Oct 5, 2022	3,000.....	2,999.....	2,999	Skandinaviska Enskilda Banken AB, Commercial Paper, 2.489% Oct 4, 2022.....	5,050.....	5,049.....	5,049
Apple Inc., Commercial Paper, 2.793% Oct 13, 2022	4,000.....	3,996.....	3,996	SOUND Trust, Commercial Paper, 3.042% Oct 14, 2022	4,000.....	3,996.....	3,996
Atlantic Asset Securitization LLC, Commercial Paper, 3.152% Oct 24, 2022	5,000.....	4,990.....	4,990	SOUND Trust, Commercial Paper, 3.090% Oct 17, 2022	2,700.....	2,696.....	2,696
Atlantic Asset Securitization LLC, Commercial Paper, 3.209% Nov 21, 2022.....	9,000.....	8,960.....	8,960	Sumitomo Mitsui Trust Bank, Limited, Commercial Paper, 3.097% Oct 7, 2022	2,500.....	2,499.....	2,499
Banner Trust, Commercial Paper, 3.014% Oct 11, 2022	4,000.....	3,997.....	3,997	Sumitomo Mitsui Trust Bank, Limited, Commercial Paper, 3.122% Oct 28, 2022	5,000.....	4,988.....	4,988
Bedford Row Funding Corporation, Commercial Paper, 3.151% Oct 21, 2022	5,000.....	4,991.....	4,991	Suncorp-Metway Ltd., Commercial Paper, 3.074% Oct 5, 2022	1,800.....	1,799.....	1,799
Enbridge Pipelines Inc., Commercial Paper, 2.988% Oct 6, 2022.....	8,000.....	7,997.....	7,997	Suncorp-Metway Ltd., Commercial Paper, 3.120% Oct 25, 2022.....	3,750.....	3,742.....	3,742
Export Development Canada, Commercial Paper, 2.565% Oct 12, 2022	5,000.....	4,996.....	4,996	SURE Trust, Commercial Paper, 3.090% Oct 17, 2022	4,000.....	3,995.....	3,995
GTA Funding LLC, Commercial Paper, 2.641% Oct 4, 2022.....	5,000.....	4,999.....	4,999	Swedbank AB, Commercial Paper, 3.117% Oct 17, 2022	1,500.....	1,498.....	1,498
GTA Funding LLC, Commercial Paper, 3.201% Oct 19, 2022	5,000.....	4,992.....	4,992	Victory Receivables Corporation, Commercial Paper, 3.150% Oct 24, 2022	3,000.....	2,994.....	2,994
GTA Funding LLC, Commercial Paper, 3.233% Oct 28, 2022	5,000.....	4,988.....	4,988	Walmart Inc., Commercial Paper, 2.510% Oct 11, 2022	3,500.....	3,498.....	3,498
John Deere Capital Corporation, Commercial Paper, 2.542% Oct 5, 2022.....	4,000.....	3,999.....	3,999	Walmart Inc., Commercial Paper, 2.989% Oct 24, 2022	5,000.....	4,991.....	4,991
John Deere Capital Corporation, Commercial Paper, 3.342% Nov 21, 2022	5,000.....	4,977.....	4,977	Zeus Receivables Trust, Commercial Paper, 2.975% Oct 7, 2022	3,000.....	2,999.....	2,999
Longship Funding LLC, Commercial Paper, 2.965% Oct 4, 2022.....	5,000.....	4,999.....	4,999	Zeus Receivables Trust, Commercial Paper, 3.180% Oct 17, 2022.....	4,000.....	3,994.....	3,994
Longship Funding LLC, Commercial Paper, 2.995% Oct 6, 2022.....	6,330.....	6,327.....	6,327	Zeus Receivables Trust, Commercial Paper, 3.400% Nov 3, 2022	3,000.....	2,991.....	2,991
MetLife Short Term Funding LLC, Commercial Paper, 3.049% Oct 19, 2022	5,000.....	4,993.....	4,993	187,055.....	187,055	187,055
MetLife Short Term Funding LLC, Commercial Paper, 3.000% Oct 26, 2022	2,153.....	2,149.....	2,149	Total Investment Portfolio — 98.1%			
MUFG Bank, Ltd., Bearer Deposit Notes, 2.868% Oct 14, 2022.....	4,500.....	4,495.....	4,495	Other Assets Less Liabilities — 1.9%			
Old Line Funding, LLC, Commercial Paper, 3.258% Nov 15, 2022.....	5,000.....	4,980.....	4,980	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS — 100.0% ...			
OMERS Finance Trust, Commercial Paper, 3.138% Oct 27, 2022.....	3,000.....	2,993.....	2,993				
PACCAR Financial Ltd., Commercial Paper, 3.267% Oct 14, 2022.....	10,000.....	9,988.....	9,988				
PACCAR Financial Ltd., Commercial Paper, 3.268% Oct 28, 2022.....	4,000.....	3,990.....	3,990				
Prime Trust, Commercial Paper, 3.006% Oct 12, 2022	3,000.....	2,997.....	2,997				
PSP Capital Inc., Commercial Paper, 2.532% Oct 5, 2022.....	4,000.....	3,999.....	3,999				
Royal Bank of Canada, Term Deposit Notes, 3.050% Oct 3, 2022.....	4,550.....	4,550.....	4,550				
SAFE Trust, Commercial Paper, 2.582% Oct 3, 2022	3,000.....	3,000.....	3,000				

BMO U.S. Dollar Money Market Fund

NOTES TO THE FINANCIAL STATEMENTS

*(All amounts in thousands of U.S. dollars, except per unit data)
September 30, 2022*

1. The Fund

BMO U.S. Dollar Money Market Fund ["the Fund"] is an open-ended investment fund established under the laws of the province of Ontario by Declaration of Trust. The Master Declaration of Trust was amended on October 23, 2008 and November 3, 2009 to permit certain Funds to offer a multi-series structure. In addition to the existing Series A Units, certain Funds are permitted to offer Series A Hedged Units, Advisor Series Units, Advisor Series Hedged Units, Series T4 Units, Series T5 Units, Series T6 Units, Series M Units, Series F Units, Series F Hedged Units, Series F2 Units, Series F4 Units, Series F6 Units, Series D Units, Series I Units, Series NBA Units, Series O Units, Series L Units, Series R Units, Series S Units and/or Classic Series Units. Each series is intended for different kinds of investors and has different management fees and fixed administration fees. Refer to Note 8 for the series issued in this Fund as well as the management and administration fee rates for each series.

BMO Investments Inc. (the "Manager") is the Manager and Trustee of the Fund. The Manager is a wholly owned subsidiary of Bank of Montreal. The address of the Fund's registered office is 100 King Street West, Toronto, Ontario, M5X 1A1.

The Statement of Financial Position and related notes for the Fund are as at September 30, 2022 and September 30, 2021, as applicable. The Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Holders of Redeemable Units, Statement of Cash Flows and related notes are for the period(s) ended September 30, 2022 and September 30, 2021, except for a Fund established during either of the periods, which is presented from the date of inception (as noted in Note 8) to September 30 of the applicable period. Financial information provided for a series established during the period(s) is presented from the inception date as noted in Note 8 to September 30 of the applicable period.

Except for Funds established during either 2022 or 2021, the term "period" represents a full year.

These financial statements were authorized for issuance by the Board of Directors of the Manager on December 8, 2022.

2. Basis of preparation and presentation

These audited financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The financial statements have been prepared on a historical cost basis, except for the revaluation of financial assets and financial liabilities (including derivative financial instruments) measured at fair value through profit or loss ("FVTPL").

3. Summary of significant accounting policies Financial Instruments

Financial instruments include financial assets and financial liabilities such as equity and debt securities, investment funds and derivatives. These investments are part of a group of financial instruments that are managed and their performance is evaluated on a fair value basis and in accordance with the Fund's investment strategy.

The Fund classifies and measures financial instruments in accordance with IFRS 9 Financial Instruments ("IFRS 9"). Upon initial recognition, financial instruments are recorded at fair value. A financial instrument is recognized when the Fund becomes a party to the contractual requirements of the instrument and is derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. Investments and derivatives are subsequently measured at FVTPL, with changes in fair value recognized in the Statement of Comprehensive Income as "Change in unrealized appreciation (depreciation)".

All financial assets and financial liabilities are recognized in the Statement of Financial Position.

The Fund's outstanding redeemable units, which are puttable instruments, are entitled to a contractual obligation of annual distribution of any net income and net realized capital gains by the Fund. This annual distribution can be in cash at the option of the unitholders, and therefore the ongoing redemption feature is not the redeemable units' only contractual obligation. Also, the Fund has issued multiple series of redeemable units, which are equally subordinated but are not identical and consequently, do not meet the conditions to be classified as equity. As a result, the

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Fund's obligations for net assets attributable to holders of redeemable units ("Net Assets") are classified as financial liabilities and presented at the redemption amounts.

Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis, and excludes commissions and other portfolio transaction costs, which are reported separately in the Statement of Comprehensive Income. Realized gains and losses on disposition are determined based on the cost of the investments.

Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For exchange-traded securities, close prices are considered to be fair value if they fall within the bid-ask spread. In circumstances where the close price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

Procedures are in place to fair value equities traded in countries outside of North America daily, to avoid stale prices and to take into account, among other things, any significant events occurring after the close of a foreign market.

For bonds, debentures, asset-backed securities, short-term investments and other debt securities, fair value is determined as the last traded market price or close price, or other such prices, that falls within the bid-ask spread of the security.

Unlisted warrants, if any, are valued based on a pricing model which considers factors such as the market value of the underlying security, strike price and terms of the warrant.

Mutual fund units held as investments are valued at their respective Net Asset Value ("NAV") on each Valuation Date (the "Valuation Date" is each day on which the Toronto Stock Exchange is open for trading), as these values are the most readily and regularly available.

The Fund enters into To-Be-Announced securities ("TBA") to gain exposure to the underlying mortgage-backed securities ("MBS"), and may or may not take delivery at maturity. TBA securities are typically sold one to three months in advance of issuance, prior to the identification of the underlying pools of mortgage securities but with the interest payment provisions fixed in advance. The underlying pools of mortgage securities are identified shortly before settlement and must meet certain parameters. As such, the TBA securities do not have a known maturity date as of year-end. Losses may arise due to changes in the value of the underlying securities, failure of the counterparty to perform under the contract, or if the issuer fails to issue the MBS due to political, economic or other factors. TBA securities are fair valued based upon quotations from independent security pricing sources. Any gain or loss from selling the TBA security before the underlying MBS is delivered is recorded as "Net realized gain (loss)" and any unrealized gain or loss from changes in the fair value of the TBA security held is recorded as "Change in unrealized appreciation (depreciation)" in the Statement of Comprehensive Income.

The Fund may enter into investment loan commitments, of which all or a portion may be unfunded as of the reporting date. Unfunded loan commitments are contractual obligations for funding, which the Fund may be obligated to make to the borrower on demand. The funded portion of the loan commitment is shown on the Schedule of Investment Portfolio. Additional information on the Fund's unfunded loan commitments, where applicable, is provided in Note 8.

Cash

Cash is comprised of cash and deposits with banks, which include bankers' acceptances and overnight demand deposits. The carrying amount of cash approximates its fair value because it is short-term in nature.

Other assets and other liabilities

Other assets and other liabilities generally include receivables for investments sold, subscriptions receivable, interest receivable, dividend receivable, distribution receivable from investment trusts, payable for investments purchased, redemptions payable, distributions payable and accrued expenses. These

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financial assets and financial liabilities are short-term in nature and are measured at amortized cost, which approximates their fair value.

Investments in subsidiaries, joint ventures and associates

Subsidiaries are entities over which the Fund has control through its exposure or rights to variable returns from its investment and has the ability to affect those returns through its power over the entity. The Manager has determined that the Fund is an investment entity and as such, it accounts for subsidiaries, if any, at fair value. Joint ventures are investments where the Fund exercises joint control through an agreement with other shareholders, and associates are investments in which the Fund exerts significant influence over operating, investing, and financing decisions (such as entities in which the Fund owns 20% - 50% of voting shares), all of which, if any, have been classified at FVTPL.

Unconsolidated structured entities

The Manager has determined that the underlying funds in which the Fund may invest are unconsolidated structured entities. This determination is based on the fact that decision making about the underlying funds is not governed by the voting right or other similar right held by the Fund. Similarly, investments in securitizations, asset-backed securities and MBS are determined to be interests in unconsolidated structured entities.

The Fund may invest in underlying funds whose investment objectives range from achieving short-term to long-term income and capital growth potential. Underlying funds may use leverage in a manner consistent with their respective investment objectives and as permitted by Canadian securities regulatory authorities. Underlying funds finance their operations by issuing redeemable units which are puttable at the holders' option and entitles the holder to a proportionate stake in the respective fund's Net Assets. The change in fair value of each of the underlying funds during the periods is included in "Change in unrealized appreciation (depreciation)" in the Statement of Comprehensive Income.

Mortgage-related securities are created from pools of residential or commercial mortgage loans, including mortgage loans made by savings and loan institutions, mortgage bankers, commercial banks and others.

Asset-backed securities are created from many types of assets, including auto loans, credit card receivables, home equity loans and student loans.

The Fund does not provide and has not committed to providing any additional significant financial or other support to the unconsolidated structured entities other than its investment in the unconsolidated structured entities.

Additional information on the Fund's interest in unconsolidated structured entities, where applicable, is provided in Note 8.

Offsetting of financial assets and financial liabilities

Financial instruments are presented at net or gross amounts in the Statement of Financial Position depending on the existence of intention and legal right to offset opposite positions of such instruments held with the same counterparties. Amounts offset in the Statement of Financial Position are related to transactions for which the Fund has legally enforceable rights to offset and intends to settle the positions on a net basis. Amounts not offset in the Statement of Financial Position relate to positions where there is no legally enforceable right to offset, or the legal right to offset is only in the event of default, insolvency or bankruptcy, or where the Fund has no intention to settle on a net basis. Refer to Note 8 for details.

Income recognition

Dividend income and distributions received from investment trusts are recognized on the ex-dividend and ex-distribution date, respectively.

Interest income from interest bearing investments is recognized in the Statement of Comprehensive Income using the effective interest rate. Interest receivable shown in the Statement of Financial Position is accrued based on the interest bearing investments' stated rates of interest.

Interest on inflation-indexed bonds is paid based on a principal value, which is adjusted for inflation. The inflation adjustment of the principal value is recognized as part of interest income in the Statement of Comprehensive Income. If held to maturity, the Fund will receive, in addition to a coupon interest payment, a final payment equal to the sum of the par value and the inflation compensation accrued from the original issue

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date. Interest is accrued on each Valuation Date based on the inflation adjusted par value at that time and is included in "Interest income" in the Statement of Comprehensive Income.

Foreign currency translation

The fair value of investments and other assets and liabilities in foreign currencies are translated into the Fund's functional currency at the rates of exchange prevailing at the period-end date. Purchases and sales of investments, and income and expenses are translated at the rates of exchange prevailing on the respective dates of such transactions. Realized and unrealized foreign exchange gains (losses) on investment transactions are included in "Net realized gain (loss)" and in "Change in unrealized appreciation (depreciation)" respectively, in the Statement of Comprehensive Income. Realized and unrealized foreign exchange gains (losses) relating to cash, receivables and payables, as applicable, are included in "Foreign exchange gain (loss)" in the Statement of Comprehensive Income.

Securities lending

A Fund may engage in securities lending pursuant to the terms of an agreement with State Street (the "securities lending agent"). The aggregate market value of all securities loaned by the Fund cannot exceed 50% of the NAV of the Fund. The Fund will receive collateral of at least 102% of the value of securities on loan. Collateral will generally be comprised of obligations of or guarantee by the Government of Canada or a province thereof, or by the United States government or its agencies, but it may include obligations of other governments with appropriate credit ratings. Further, the program entered into provides for 100% indemnification by the securities lending agent and parties related to the Fund's custodian, to the Fund for any defaults by borrowers.

For those Funds participating in the program, aggregate values of securities on loan, the collateral held as at September 30, 2022 and September 30, 2021 and information about the security lending income earned by the Fund are disclosed in Note 8, where applicable.

Income from securities lending, where applicable, is included in the Statement of Comprehensive Income and is recognized when earned. The breakdown of the securities lending income is disclosed in Note 8, where applicable.

Short-term trading penalty

To discourage excessive trading, the Fund may, at the Manager's sole discretion, charge a short-term trading penalty. This penalty is paid directly to the Fund and is included in "Short-term penalty fees" in the Statement of Comprehensive Income.

Increase or decrease in net assets attributable to holders of redeemable units per unit

"Increase (decrease) in net assets attributable to holders of redeemable units per unit" of a series in the Statement of Comprehensive Income represents the increase (decrease) in net assets attributable to holders of redeemable units of the series divided by the weighted average number of units of the series outstanding during the period. Refer to Note 8 for details.

Taxation

The Fund qualifies as a unit trust under the provisions of the Income Tax Act (Canada). Distributions of all net taxable income and sufficient amounts of net realized capital gains for each taxation year will be paid to unitholders so that the Fund will not be subject to income tax. As a result, the Manager has determined that the Fund is in substance not taxable and therefore does not record income taxes in the Statement of Comprehensive Income nor does it recognize any deferred tax assets or liabilities in the Statement of Financial Position.

The Fund may incur withholding taxes imposed by certain countries on investment income and capital gains. Such income and capital gains are recorded on a gross basis with the related withholding taxes shown as a separate expense in the Statement of Comprehensive Income.

The allocation of the distributions from each of income, dividends, capital gains and return of capital is based on the Manager's estimate as at September 30 of the period shown, as applicable, which is the Fund's financial year-end. However, the actual allocation of distributions is determined as at December, the Fund's tax year-end. Accordingly, the actual allocation among income, dividends, capital gains and return of capital may differ from these estimates.

4. Critical accounting judgements and estimates

The preparation of financial statements requires the use of judgement in applying the Fund's accounting policies and to make estimates and assumptions about

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the future. The following discusses the most significant accounting judgements and estimates that the Manager has made in preparing the Fund's financial statements.

Accounting judgements:

Functional and presentation currency

The Fund's unitholders are mainly Canadian residents, with the subscriptions and redemptions of the redeemable units denominated in U.S. dollars. The Fund invests in U.S. dollars and other foreign denominated securities, as applicable. The performance of the Fund is measured and reported to the investors in U.S. dollars. The Manager considers the U.S. dollar as the currency that most appropriately represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in U.S. dollars, which is the Fund's functional and presentation currency.

Classification and measurement of investment portfolio

In classifying and measuring financial instruments held by the Fund, the Manager is required to make an assessment of the Fund's business model for managing financial instruments and the Manager is also required to make significant judgements in determining the most appropriate classification in accordance with IFRS 9. The Manager has assessed the Fund's business model with respect to the manner in which financial assets and financial liabilities are managed as a group and performance is evaluated on a fair value basis, and has concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Fund's investment portfolio. The collection of principal and interest is incidental to the fair value business model.

Accounting estimates:

Fair value measurement of securities not quoted in an active market

The Manager has established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed, and consistently applied from period to period. The estimates of the value of the Fund's assets and liabilities are believed to be appropriate as at the reporting date.

The Fund may hold financial instruments that are not quoted in active markets. Note 3 discusses the policies used by the Fund for the estimates used in determining fair value.

5. Units and unit transactions

The redeemable units of the Fund are classified as financial liabilities. The units have no par value and are entitled to distributions, if any. Upon redemption, a unit is entitled to a proportionate share of the Fund's NAV. The Fund is required to pay distributions in an amount not less than the amount necessary to ensure the Fund will not be liable for income taxes on realized capital gains, dividends and interest. The Fund has no restrictions or specific capital requirements on the subscriptions and redemptions of units except as disclosed in Note 8. The relevant movements in redeemable units are shown in the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units.

In accordance with its investment objectives and strategies, and the risk management practices outlined in Note 7, the Fund endeavours to invest the subscriptions received in appropriate investments, while maintaining sufficient liquidity to meet redemptions, with such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

Redeemable units of the Fund are offered for sale on a continuous basis and may be purchased or redeemed on any Valuation Date at the NAV per unit of a particular series. The NAV per unit of a series for the purposes of subscription or redemption is computed by dividing the NAV of the Fund attributable to the series (that is, the total fair value of the assets attributable to the series less the liabilities attributable to the series) by the total number of units of the series of the Fund outstanding at such time on each Valuation Date, in accordance with Part 14 of National Instrument ("NI") 81-106 Investment Fund Continuous Disclosure for the purpose of processing unitholder transactions. Net Assets are determined in accordance with IFRS and may differ to the Funds' NAV. Where the Fund's NAV is not equal to its Net Assets, a reconciliation is shown in Note 8.

Expenses directly attributable to a series are charged to that series. Other expenses, income, realized and unrealized gains and losses from investment transactions are allocated proportionately to each series based upon the relative NAV of each series.

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6. Related party transactions

(a) Management fees

The Manager is responsible for the day-to-day management of the Fund and its investment portfolio in compliance with the Fund's constating documents. The Manager provides key management personnel to the Fund, monitors and evaluates the performance of the Fund, pays for the investment management services of the investment advisors and provides all related administrative services required by the Fund. As compensation for its services the Manager is entitled to receive a fee payable monthly, calculated daily at the maximum annual rates included in Note 8.

(b) Fixed administration fees

The Manager pays certain operating expenses of each Fund except for BMO USD Balanced ETF Portfolio, BMO USD Conservative ETF Portfolio and BMO USD Income ETF Portfolio (the "Variable Operating Expense Series"), including audit and legal fees and expenses; custodian and transfer agency fees; costs attributable to the issue, redemption and change of securities, including the cost of the securityholder record keeping system; expenses incurred in respect of preparing and distributing prospectuses, financial reports and other types of reports, statements and communications to securityholders; fund accounting and valuation costs; filing fees, including those incurred by the Manager (collectively the "Administration Expenses"). In return, the Fund pays a fixed administration fee to the Manager. The fixed administration fee is calculated daily as a fixed annual percentage of the NAV of the Fund. Refer to Note 8 for the fixed administration fee rates charged to the Fund, where applicable.

(c) Fund expenses

The Fund also pays certain operating expenses directly ("Fund Expenses"), including expenses incurred in respect of preparing and distributing fund facts; interest or other borrowing expenses; all reasonable costs and expenses incurred in relation to compliance with NI 81-107, including compensation and expenses payable to Independent Review Committee ("IRC") members and any independent counsel or other advisors employed by the IRC, the costs of the orientation and continuing education of IRC members and the costs and expenses associated with IRC meetings; taxes of all kinds to which the Fund is or might be subject; and costs associated with compliance with any new governmental or regulatory requirement introduced after December 1, 2007.

The Manager may, in some years and in certain cases, absorb a portion of management fees, fixed administration fees or certain specified expenses of the Fund or series of the Fund. The decision to absorb these expenses is reviewed periodically and determined at the discretion of the Manager, without notice to unitholders.

(d) Variable administration fees

The Variable Operating Expense Series pay all of its expenses directly. These operating expenses include Administration Expenses and Fund Expenses.

(e) Commissions and other portfolio transaction costs

The Fund may execute trades with and through BMO Nesbitt Burns Inc., an affiliate of the Manager, based on established standard brokerage agreements at market prices. These fees are included in "Commissions and other portfolio transaction costs" in the Statement of Comprehensive Income. Refer to Note 8 for related party fees charged to the Fund during the period(s) ended September 30, 2022 and September 30, 2021, where applicable.

(f) Initial investments

In order to establish a new Fund, the Manager, makes an initial investment in the Fund. Pursuant to the policies of the Canadian Securities Administrators, an initial investor cannot redeem its investments until an additional \$500 has been received from other investors with respect to the same class of units. Refer to Note 8 for the investment in units of the Fund held by the Manager as at September 30, 2022 and September 30, 2021, where applicable.

(g) Other related party transactions

From time to time, the Manager may on behalf of the Fund, enter into transactions or arrangements with or involving subsidiaries and affiliates of Bank of Montreal, or certain other persons or companies that are related or connected to the Manager of the Fund. These transactions or arrangements may include transactions or arrangements with or involving subsidiaries and affiliates of Bank of Montreal, BMO Investments Inc., BMO Nesbitt Burns Inc., BMO Asset Management Corp., BMO Private Investment Counsel Inc., BMO Asset Management Inc., BMO InvestorLine Inc., Pyrford International Limited, LGM Investments Limited, BMO Trust Company, BMO Asset Management Limited, BMO Global Asset Management (Asia) Limited, Taplin, Canida & Habacht LLC, BMO Capital Markets Corp., or other investment funds

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offered by Bank of Montreal, and may involve the purchase or sale of portfolio securities through or from subsidiaries or affiliates of Bank of Montreal, the purchase or sale of securities issued or guaranteed by subsidiaries or affiliates of Bank of Montreal, the purchase or redemption of units or shares of other Bank of Montreal investment funds or the provision of services to the Manager.

On November 8, 2021, BMO Financial Group announced that it had completed the previously announced sale of the entities that represent its EMEA asset management business to Ameriprise Financial, Inc. As a result of the closing of this transaction, Columbia Threadneedle Management Limited (formerly BMO Asset Management Limited), BMO Global Asset Management (Asia) Limited, LGM Investments Limited and Pyrford International Limited are no longer subsidiaries or affiliates of Bank of Montreal or related or connected to the Manager.

On November 15, 2021, the Manager transferred to Columbia Management Investment Advisers, LLC, Ameriprise Financial's U.S. asset management business, the investment advisory mandates for certain BMO Mutual Funds or portions thereof sub-advised by Taplin, Canida & Habacht, LLC. On December 16, 2021, the Manager transferred to Columbia Management Investment Advisers, LLC the investment advisory mandates for certain BMO Mutual Funds or portions thereof sub-advised by BMO Asset Management Corp.

7. Financial instruments risks

The Fund's activities expose it to a variety of risks associated with the financial instruments, as follows: market risk (including currency risk, interest rate risk and other market risk), credit risk and liquidity risk. The concentration table groups securities by asset type, geographic location and/or market segment. The Fund's risk management practice outlines the monitoring of compliance to investment guidelines.

The Manager manages the potential effects of these financial risks on the Fund's performance by employing and overseeing professional and experienced portfolio managers that regularly monitor the Fund's positions, market events, and diversify investment portfolios within the constraints of the investment guidelines.

Where the Fund invests in other investment fund(s), it may be indirectly exposed to the financial risks of the underlying fund(s), depending on the investment objectives and the type of securities held by the underlying fund(s). The decision to buy or sell an underlying fund is based on the investment guidelines and positions, rather than the exposure of the underlying fund(s).

(a) Currency risk

Currency risk is the risk that the fair value of financial instruments denominated in currencies, other than the functional currency of the Fund, will fluctuate due to changes in foreign exchange rates. Investments in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Fund's functional currency in determining fair value. The Fund may enter into forward currency contracts for hedging purposes to reduce foreign currency exposure or to establish exposure to foreign currencies. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, the Manager monitors the exposure on all foreign currency denominated assets and liabilities. The Fund's exposure to currency risk, if any, is further disclosed in Note 8.

(b) Interest rate risk

Interest rate risk is the risk that the fair value of the Fund's interest bearing investments will fluctuate due to changes in market interest rates. The Fund's exposure to interest rate risk is concentrated in its investment in debt securities (such as bonds, money market investments, short-term investments and debentures) and interest rate derivative instruments, if any. Other assets and liabilities are short-term in nature and/or non-interest bearing. The Fund's exposure to interest rate risk, if any, is further discussed in Note 8.

(c) Other market risk

Other market risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market. Other assets and liabilities are monetary items that are

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short-term in nature, as such they are not subject to other market risk. The Fund's exposure to other market risk, if any, is further discussed in Note 8.

(d) Credit risk

Credit risk is the risk that a loss could arise from a security issuer or counterparty to a financial instrument not being able to meet its financial obligations. The fair value of debt securities includes consideration of the credit worthiness of the debt issuer. Credit risk exposure for over-the-counter derivative instruments is based on the Fund's unrealized gain of the contractual obligations with the counterparty as at the reporting date. The credit exposure of other assets is represented by its carrying amount. The Fund's exposure to credit risk, if any, is further discussed in Note 8.

The Fund may enter into securities lending transactions with approved counterparties. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient approved credit rating and the market value of collateral held by the Fund must be at least 102% of the fair value of securities loaned, as disclosed in Note 8, where applicable.

(e) Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemptions of units, and other liabilities. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, the Fund retains sufficient cash positions to maintain liquidity. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in unlisted securities, which are not traded in an organized market and may be illiquid. Securities for which a market quotation could not be obtained and may be illiquid are identified in the Schedule of Investment Portfolio. The proportion of illiquid securities to the NAV of the Fund is monitored by the Manager to ensure it does not exceed the regulatory limit and does not significantly affect the liquidity required to meet the Fund's financial obligations.

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8. Fund specific information

(a) Fund and Series information and change in units

The Fund is authorized to issue an unlimited number of units in each of Series A Units, Advisor Series Units, Series F Units, Series D Units, Series I Units, BMO Private U.S. Dollar Money Market Fund Series O Units ("Series O Units") and Classic Series Units, which are redeemable at the unitholders' option.

Series	Inception Date
Series A Units	July 6, 1998
Advisor Series Units	October 27, 2009
Series F Units	October 22, 2021*
Series D Units	November 20, 2017
Series I Units	March 5, 2008
Series O Units	April 19, 2016
Classic Series Units	October 27, 2009

* Prospectus for the sale of the series was filed August 27, 2021; seeding was on October 22, 2021.

Series A Units are offered on a no-load basis and are available to all investors.

Advisor Series Units are available to all investors through registered dealers.

Series F Units are available for purchase by investors who are enrolled in dealer-sponsored wrap programs or flat fee accounts. Instead of paying a commission on each transaction, these investors pay an annual fee to the Manager based on the value of their assets.

Series D Units are available to investors who have an account with a discount brokerage. A reduced trailing commission is paid to discount brokerages in respect to Series D Units which means a lower management fee can be charged. On March 28, 2022, 99.99% of the total NAV of the Series D Units were switched to the Series F Units. As at the close of business on May 18, 2022, Series D Units were terminated.

Series I Units are available only to institutional investors and other investment funds as determined by the Manager from time to time and on a case-by-case basis, and who have entered into an agreement with the Manager. No management fees and fixed administration fees are charged to the Fund in respect of the Series I Units as each investor or dealer

negotiates a separate fee with the Manager. As at the close of business on April 3, 2014, Series I Units were capped and are no longer offered for sale to new or existing investors.

Series O Units are available to investors who have entered into an investment management agreement with BMO Private Investment Counsel Inc. or have entered into an investment agreement with BMO Nesbitt Burns Inc. and have received the Manager's consent. There are no sales charges applicable on a purchase of Series O Units. Investors pay a wealth management fee directly to BMO Trust Company and to BMO Private Investment Counsel Inc. or directly to BMO Nesbitt Burns Inc., as applicable. A fund may not pay a management fee on Series O Units because Series O investors pay a separate fee directly to the dealer, a portion of which may be paid to the Manager by the dealer. The Series O fee is set by the dealer.

Classic Series Units were only created for the purpose of effecting a fund merger and are not available for new purchases.

The number of units of each series that have been issued and are outstanding are disclosed in the table below.

For the periods ended (in thousands of units)	Sep. 30, 2022	Sep. 30, 2021
Series A Units		
Units issued and outstanding, beginning of period	15,198	10,171
Issued	4,812	12,871
Issued on reinvestment of distributions	33	4
Redeemed during the period	(10,231)	(7,848)
Units issued and outstanding, end of period	9,812	15,198
Advisor Series Units		
Units issued and outstanding, beginning of period	259	644
Issued	697	602
Issued on reinvestment of distributions	1	0
Redeemed during the period	(633)	(987)
Units issued and outstanding, end of period	324	259

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For the periods ended (in thousands of units)	Sep. 30, 2022	Sep. 30, 2021
Series F Units		
Units issued and outstanding, beginning of period	—	—
Issued	20,237	—
Issued on reinvestment of distributions	12	—
Redeemed during the period	(17,884)	—
Units issued and outstanding, end of period	2,365	—

Series D Units		
Units issued and outstanding, beginning of period	1,931	2,204
Issued	126	1,603
Issued on reinvestment of distributions	0	1
Redeemed during the period	(2,057)	(1,877)
Units issued and outstanding, end of period	—	1,931

Series I Units		
Units issued and outstanding, beginning of period	0	0
Units issued and outstanding, end of period	0	0

Series O Units		
Units issued and outstanding, beginning of period	171,376	298,563
Issued	506,503	616,445
Issued on reinvestment of distributions	1,139	168
Redeemed during the period	(501,631)	(743,800)
Units issued and outstanding, end of period	177,387	171,376

Classic Series Units		
Units issued and outstanding, beginning of period	765	779
Issued on reinvestment of distributions	3	0
Redeemed during the period	(75)	(14)
Units issued and outstanding, end of period	693	765

(b) Reconciliation of NAV to Net Assets

As at September 30, 2022 and September 30, 2021, there were no differences between the Fund's NAV per unit and its Net Assets per unit calculated in accordance with IFRS.

(c) Increase (decrease) in net assets attributable to holders of redeemable units per unit

The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated as follows:

For the periods ended	Sep. 30, 2022	Sep. 30, 2021
Series A Units		
Increase in net assets attributable to holders of redeemable units	33	4
Weighted average units outstanding during the period (in thousands of units)	11,175	8,005
Increase in net assets attributable to holders of redeemable units per unit	0.00	0.00
Advisor Series Units		
Increase in net assets attributable to holders of redeemable units	1	0
Weighted average units outstanding during the period (in thousands of units)	439	472
Increase in net assets attributable to holders of redeemable units per unit	0.00	0.00
Series F Units		
Increase in net assets attributable to holders of redeemable units	12	—
Weighted average units outstanding during the period (in thousands of units)	5,473	—
Increase in net assets attributable to holders of redeemable units per unit	0.00	—
Series D Units		
Increase in net assets attributable to holders of redeemable units	0	1
Weighted average units outstanding during the period (in thousands of units)	1,319	2,180
Increase in net assets attributable to holders of redeemable units per unit	0.00	0.00

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For the periods ended	Sep. 30, 2022	Sep. 30, 2021
Series I Units		
Increase in net assets attributable to holders of redeemable units	—	—
Weighted average units outstanding during the period (in thousands of units)	0	0
Increase in net assets attributable to holders of redeemable units per unit	—	—
Series O Units		
Increase in net assets attributable to holders of redeemable units	1,318	181
Weighted average units outstanding during the period (in thousands of units)	163,769	202,911
Increase in net assets attributable to holders of redeemable units per unit	0.01	0.00
Classic Series Units		
Increase in net assets attributable to holders of redeemable units	3	0
Weighted average units outstanding during the period (in thousands of units)	757	772
Increase in net assets attributable to holders of redeemable units per unit	0.00	0.00

(d) Income taxes

The Fund prepares its financial statements in U.S. dollars but is taxable on its income and net realized capital gains on a Canadian dollar basis. The Fund will realize net foreign currency gains and losses on the translation of its net realized capital gains to Canadian dollars for tax purposes.

As at the tax year-ended December 31, 2021, the Fund had the following capital and non-capital losses available for income tax purposes:

Total Capital Losses (\$)	Total Non-Capital Losses (\$)	Non-Capital Losses That Expire in		
		2027 (\$)	2028 (\$)	2029 and thereafter (\$)
51,025	—	—	—	—

(e) Related party transactions

Management fees and administration fees

The Manager is entitled to receive the following fees payable monthly, calculated at the following maximum annual rates:

Series	Management Fees (%)	Fixed Administration Fees (%)
Series A Units	1.000	0.150
Advisor Series Units	1.000	0.150
Series F Units	0.800	0.150
Series D Units	0.850	0.150
Series I Units	*	*
Series O Units	**	0.150
Classic Series Units	0.750	0.150

* Negotiated and paid by each Series I investor directly to the Manager.

** A wealth management fee is paid by each Series O investor to the dealer, a portion of which may be paid to the Manager.

The outstanding accrued management fees due to the Manager are included in "Accrued expenses" in the Statement of Financial Position and as at September 30, 2022 amounted to \$1 (September 30, 2021 — \$2).

The outstanding accrued fixed administration fees due to the Manager are included in "Accrued expenses" in the Statement of Financial Position and as at September 30, 2022 amounted to \$1 (September 30, 2021 — \$9).

Expenses

The Manager pays the administration and operating expenses of the Series I Units.

Brokerage commissions and soft dollars

There were no brokerage commissions charged to the Fund during the periods ended September 30, 2022 and September 30, 2021.

Units held by the Manager

The Manager held the following units of the Fund:

As at Sep. 30, 2022

Series	Number of Units	Value of Units (\$)
Series F Units	1,004	1
Series I Units	101	0
Series O Units	150	0

BMO U.S. Dollar Money Market Fund

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(All amounts in thousands of U.S. dollars, except per unit data)

September 30, 2022

As at Sep. 30, 2021

Series	Number of Units	Value of Units (\$)
Series I Units	101	0
Series O Units	149	0

(f) Financial instruments risks

The Fund's objective is to provide a high level of U.S. dollar interest income and liquidity, while preserving the value of investments, by investing primarily in a variety of U.S. government and corporate money market instruments.

No changes affecting the overall level of risk of investing in the Fund were made during the period.

Currency risk

As at September 30, 2022 and September 30, 2021, the Fund did not have significant exposure to currency risk as it invested primarily in U.S. denominated securities.

Interest rate risk

As at September 30, 2022, 98.1% (September 30, 2021 — 98.2%) of the Fund's Net Assets were invested in debt securities with term to maturity of less than one year. The Fund's sensitivity to interest rate risk as determined based on portfolio weighted duration was not significant as at September 30, 2022 and September 30, 2021.

Other market risk

As at September 30, 2022 and September 30, 2021, the Fund did not have significant exposure to other market risk as it invested fully in fixed income securities.

Credit risk

The Fund's exposure to credit risk, grouped by credit ratings, is summarized in the following table:

Credit Rating	As a % of Net Assets as at	
	Sep. 30, 2022	Sep. 30, 2021
P1	98.1	98.2

Securities lending

There were no assets involved in securities lending transactions as at September 30, 2022 and September 30, 2021.

Concentration risk

The Fund's concentration risk is summarized in the following table:

As at	Sep. 30, 2022	Sep. 30, 2021
Money Market Investments		
Federal	—%	11.1%
Corporate	98.1%	81.4%
Certificates of Deposit		
Corporate	—%	5.7%
Other Assets Less Liabilities	1.9%	1.8%
	100.0%	100.0%

(g) Fair value hierarchy

The Fund classifies its financial instruments into three levels based on the inputs used to value the financial instruments. Level 1 securities are valued based on quoted prices in active markets for identical securities. Level 2 securities are valued based on significant observable market inputs, such as quoted prices from similar securities and quoted prices in inactive markets or based on observable inputs to models. Level 3 securities are valued based on significant unobservable inputs that reflect the Manager's determination of assumptions that market participants might reasonably use in valuing the securities. The tables below show the relevant disclosure.

As at Sep. 30, 2022

Financial assets	Level 1	Level 2	Level 3	Total
Debt Securities	—	187,055	—	187,055

As at Sep. 30, 2021

Financial assets	Level 1	Level 2	Level 3	Total
Debt Securities	—	186,173	—	186,173

Transfers between levels

There were no transfers between the levels during the periods.

Management's Responsibility for Financial Reporting

The accompanying financial statements have been prepared by management of BMO Investments Inc. Management is responsible for the information and representations made in these financial statements. Management has maintained appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been produced in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and include certain amounts that are based on estimates and judgements. The significant accounting policies which management believes are appropriate for the BMO Mutual Funds are described in Note 3 to the financial statements.

The Trustee of each of the Funds, structured as Trusts, is responsible for reviewing and approving the financial statements and overseeing management's performance of its financial reporting responsibilities. The Trustee reviews the financial statements, adequacy of internal controls, the audit process and financial reporting with management and the external auditors.

The Board of Directors of BMO Corporate Class Inc. is responsible for reviewing and approving the financial statements and overseeing management's performance of its financial reporting responsibilities. The Audit Committee of the Board of Directors reviews the financial statements, adequacy of internal controls, the audit process and financial reporting with management and the external auditors. The Audit Committee reports to the Board of Directors prior to the Board approval of the financial statements.

PricewaterhouseCoopers LLP are the external auditors of the BMO Mutual Funds. The auditors have been appointed by the respective Boards and cannot be changed without the prior approval of the Independent Review Committee and 60 days notice to the Securityholders. They have audited the financial statements in accordance with generally accepted auditing standards in Canada to enable them to express their opinion on the financial statements. Their report is included as an integral part of the financial statements.

William Bamber,
Head, Investment Fund Manager Line of Business
BMO Investments Inc.
December 8, 2022

Robert J. Schauer,
Chief Financial Officer
BMO Mutual Funds
December 8, 2022

BMO Investments Inc.

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If you have any questions, please give us a call as follows:

- If you purchased BMO Mutual Funds through a BMO Bank of Montreal branch or BMO Online Banking, please call 1-800-665-7700.
- If you purchased BMO Mutual Funds through a full-service or discount broker, please call 1-800-668-7327 or email clientservices.mutualfunds@bmo.com.

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Mutual Funds