

**MANAGEMENT INFORMATION CIRCULAR
IN RESPECT OF
SPECIAL MEETINGS OF INVESTORS OF**

**BMO Laddered Corporate Bond Fund
BMO Fixed Income Yield Plus ETF Portfolio
BMO Balanced Yield Plus ETF Portfolio**

(the “Terminating Funds”)

to be held on
April 4, 2019 commencing at 2:00 p.m. (Toronto time)
FCP Gallery, 1 First Canadian Place
100 King Street West
Toronto, Ontario M5X 1A9

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MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

The information contained in this Management Information Circular (“**Information Circular**”) is provided by the board of directors of BMO Investments Inc. (the “**Manager**”), in its capacity as trustee and manager of each of the Terminating Funds, in connection with the solicitation of proxies on behalf of management of the Terminating Funds to be used at the special meetings of the investors of the Terminating Funds.

These meetings are to be held concurrently at the FCP Gallery, 1 First Canadian Place, 100 King Street West, Toronto, Ontario M5X 1A9 on April 4, 2019 commencing at 2:00 p.m. (Toronto time) (collectively, the “**Meeting**”), with securityholders of each Terminating Fund voting together as a fund and Series F securityholders of BMO Laddered Corporate Bond Fund voting separately as a series. The Manager anticipates that the solicitation of proxies will principally be done by mail. The cost of the solicitation will be borne by the Manager. If the Meeting in respect of any Terminating Fund or Series F of BMO Laddered Corporate Bond Fund is adjourned, this notice shall constitute notice of the adjourned meeting, which will be held at the offices of Borden Ladner Gervais LLP, Bay Adelaide Centre, East Tower, 22 Adelaide Street West, Suite 3400, Toronto, Ontario M5H 4E3 on April 11, 2019 commencing at 2:00 p.m. (Toronto time).

Quorum for the Meeting of each Terminating Fund is two securityholders present in person or represented by proxy. Quorum for the adjourned meeting will be the number of securityholders present, in person or by proxy, at the adjourned meeting.

PURPOSE OF THE MEETING

The Meeting of the Terminating Funds is being called to consider the following special business:

1. for **BMO Laddered Corporate Bond Fund** only, the merger of BMO Laddered Corporate Bond Fund into BMO Core Bond Fund, and the matters related thereto described in the resolution attached to this Information Circular;
2. for **BMO Fixed Income Yield Plus ETF Portfolio** only, the merger of BMO Fixed Income Yield Plus ETF Portfolio into BMO Fixed Income ETF Portfolio, and the matters related thereto described in the resolution attached to this Information Circular;
3. for **BMO Balanced Yield Plus ETF Portfolio** only, the merger of BMO Balanced Yield Plus ETF Portfolio into BMO Balanced ETF Portfolio, and the matters related thereto described in the resolution attached to this Information Circular; and
4. for each of the Terminating Funds, to transact such other business as may properly come before the Meeting.

The text of each resolution is set out in Schedule “A” to this Information Circular.

BMO Core Bond Fund, BMO Fixed Income ETF Portfolio and BMO Balanced ETF Portfolio are each referred to as a “**Continuing Fund**” and collectively, as the “**Continuing Funds**”. Collectively, the Terminating Funds and the Continuing Funds are referred to as the “**Funds**”.

PROPOSED CHANGES

The Manager has identified certain changes to its mutual fund line-up that, among other things, are intended to reduce similar fund offerings. It proposes to merge each Terminating Fund with its applicable Continuing Fund as follows (collectively, the “**Mergers**” and individually, a “**Merger**”):

- (a) BMO Laddered Corporate Bond Fund will merge into BMO Core Bond Fund such that securityholders of BMO Laddered Corporate Bond Fund will become securityholders of BMO Core Bond Fund;
- (b) BMO Fixed Income Yield Plus ETF Portfolio will merge into BMO Fixed Income ETF Portfolio such that securityholders of BMO Fixed Income Yield Plus ETF Portfolio will become securityholders of BMO Fixed Income ETF Portfolio; and
- (c) BMO Balanced Yield Plus ETF Portfolio will merge into BMO Balanced ETF Portfolio such that securityholders of BMO Balanced Yield Plus ETF Portfolio will become securityholders of BMO Balanced ETF Portfolio.

BENEFITS OF THE PROPOSED CHANGES

The Manager believes these Mergers will be beneficial to the securityholders of the Funds for the following reasons:

- (a) the Continuing Funds have broader investment objectives than their corresponding Terminating Funds thereby providing greater flexibility to the portfolio manager, which may benefit investors across market cycles and credit cycles;
- (b) the Mergers will result in a more streamlined and simplified product line-up that is easier for investors to understand;
- (c) the Continuing Funds have delivered stronger long term performance than their corresponding Terminating Funds;
- (d) following the Mergers, each Continuing Fund will have a portfolio of greater value, which may allow for increased portfolio diversification opportunities if desired;
- (e) each Continuing Fund, as a result of its greater size, may benefit from its larger profile in the marketplace; and
- (f) in most cases, management fees and/or fixed administration fees will be lower for the Continuing Funds and, thus, the management expense ratios of the Continuing Funds are expected to be lower than for their corresponding Terminating Funds.

Each of the proposed Mergers is subject to investor and regulatory approval.

The Merger of each Terminating Fund into the applicable Continuing Fund will be effected on a tax deferred basis for securityholders.

The historical rates of return for the Terminating Funds and the Continuing Funds are available in the management report of fund performance for the applicable Fund. The tax consequences of the Mergers are summarized below. You should read both the section on “Canadian Federal Income Tax Considerations” and the section that provides a detailed description of the Merger that affects your Terminating Fund.

No sales charges, redemption fees or other fees or commissions will be payable by securityholders of the Terminating Funds in connection with the Mergers. All costs and expenses associated with the Mergers will be borne by the Manager. However, where applicable, the Manager will waive any redemption fees payable by an investor in connection with the redemption of securities of the Terminating Funds purchased under the standard deferred charge option or the low load deferred charge option. The existing standard deferred charge or low load deferred charge schedule applicable to securities of a Terminating Fund will be carried over to the securities of the relevant Continuing Fund.

The Manager recommends that securityholders of the Terminating Funds vote FOR the Mergers.

The Independent Review Committee (“IRC”) of each of the Funds has reviewed the potential conflict of interest matters related to each of the proposed Mergers and has provided the Manager with a positive recommendation having determined that the proposed Mergers, if implemented, achieve a fair and reasonable result for each of the Funds.

PROCEDURE FOR THE MERGERS

The proposed Mergers of the Funds will be structured as follows:

- (a) Each Terminating Fund will jointly elect with the applicable Continuing Fund that the Merger be a “qualifying exchange” as defined in subsection 132.2(1) of the *Income Tax Act* (Canada) (the “**Tax Act**”).
- (b) Prior to effecting the Mergers, if required, each Terminating Fund will sell any securities in its portfolio that do not meet the investment objectives and investment strategies of the applicable Continuing Fund. As a result, the Terminating Funds may temporarily hold cash or money market instruments and may not be fully invested in accordance with their investment objectives for a brief period of time prior to the Mergers being effected.
- (c) Each Terminating Fund will distribute a sufficient amount of its net income and net realized capital gains, if any, to securityholders to ensure that it will not be subject to tax for its current tax year.
- (d) The value of each Terminating Fund’s portfolio securities and other assets will be determined at the close of business on the Effective Date (as defined below) of the applicable Merger in accordance with the constating documents of the Terminating Fund.
- (e) Each Terminating Fund will sell its portfolio securities and other assets to the applicable Continuing Fund in exchange for securities of the Continuing Fund.
- (f) Each Continuing Fund will not assume liabilities of the applicable Terminating Fund and the Terminating Fund will retain sufficient assets to satisfy its estimated liabilities, if any, as of the Effective Date of the applicable Merger.
- (g) The securities of each Continuing Fund received by the applicable Terminating Fund will have an aggregate net asset value equal to the value of the portfolio securities and other assets that the Continuing Fund is acquiring from the Terminating Fund, and the securities of the Continuing Fund will be issued at the applicable series net asset value per security as of the close of business on the Effective Date of the applicable Merger.
- (h) Immediately thereafter, the securities of each Continuing Fund received by the applicable Terminating Fund will be distributed to securityholders of the Terminating Fund in exchange for their securities in the Terminating Fund on a dollar-for-dollar and series-by-series basis, as applicable.
- (i) As soon as reasonably possible following each Merger, and in any case within 60 days following the Effective Date of the Merger, the applicable Terminating Fund will be wound up.

SUSPENDING REDEMPTIONS AND PURCHASES OF SECURITIES OF THE TERMINATING FUNDS

The right of securityholders of a Terminating Fund to redeem or switch their securities of the Terminating Fund will end as of the close of business on April 4, 2019. Subject to obtaining regulatory approval and securityholder approval of each Terminating Fund, the Manager proposes to merge each of the Terminating Funds into their corresponding Continuing Funds on or about April 5, 2019 (the “**Effective Date**”). The Manager will have the discretion to postpone implementation of each Merger until a later date (which shall be no later than September 30, 2019) or to not proceed with a Merger if it is considered in the best interests of a Terminating Fund or its investors.

After the Effective Date of each Merger, securityholders of each Terminating Fund will be able to redeem or switch out of the securities of the applicable Continuing Fund that they acquire upon the Merger. Securities of a Continuing Fund acquired by securityholders upon the Merger are subject to the same redemption charges, if any, to which their securities of a Terminating Fund were subject prior to the Merger.

Purchases of, and switches into, securities of each Terminating Fund will be suspended at the close of business on the third business day prior to the Effective Date of the applicable Merger, except for purchases made pursuant to pre-established systematic purchase plans, which will be suspended as of the close of business on the fifth business day immediately preceding the Effective Date of the applicable Merger. Following the Mergers, systematic plans that have been established for each Terminating Fund will be re-established for the applicable Continuing Fund, unless securityholders of the Terminating Funds advise otherwise. You may change a systematic plan at any time.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

This is a general summary of the principal Canadian federal income tax considerations, as of the date hereof, for the Terminating Funds and for investors in the Terminating Funds who are individuals, other than trusts. This summary assumes that, for the purposes of the Tax Act, individual investors are resident in Canada and hold securities of the Terminating Funds as capital property.

This summary is of a general nature only and is not exhaustive of all possible income tax considerations. You should consult your own tax advisor about your individual circumstances.

If you redeem securities of a Terminating Fund before the Effective Date of the Merger, you will realize a capital gain (or capital loss) to the extent that the proceeds of redemption exceed (or are exceeded by) the aggregate of your adjusted cost base of the securities and any costs of redemption. Unless you hold your securities in a registered retirement savings plan (“**RRSP**”), registered retirement income fund (“**RRIF**”), deferred profit sharing plan, registered education savings plan (“**RESP**”), registered disability savings plan (“**RDSP**”) or tax free savings account (“**TFSA**”) (each a “**Registered Plan**” and collectively, the “**Registered Plans**”) one-half of any such capital gain must be included in computing your income and one-half of any such capital loss must be deducted against taxable capital gains, subject to, and in accordance with, the detailed provisions of the Tax Act.

Mergers

Each Terminating Fund will jointly elect with the applicable Continuing Fund that the Merger be a “qualifying exchange” as defined in subsection 132.2(1) of the Tax Act.

Prior to the Effective Date of the Mergers, securities held by a Terminating Fund will be liquidated if they do not meet the investment objectives of the applicable Continuing Fund. As a result, the Terminating Funds may realize capital gains and capital losses. Based on current market values, the Manager expects that any capital gains realized by a Terminating Fund (other than BMO Balanced Yield Plus ETF Portfolio) on the liquidation of securities will be offset by available losses. BMO Balanced Yield Plus ETF Portfolio may realize net capital gains as a result of the liquidation of securities. The actual amount of capital gains and capital losses realized by a Terminating Fund may be different from the Manager’s current expectation due to changes in the value of securities held by a Terminating Fund between the date of this Information Circular and the Effective Date of the applicable Merger. On the Effective Date of the applicable Merger, each Terminating Fund will realize any remaining accrued capital losses and, to the extent it elects, any remaining accrued capital gains, as a result of the sale of its assets to the applicable Continuing Fund. Each Terminating Fund intends to elect to realize capital gains only to the extent that capital losses and loss carryforwards are available to offset such capital gains.

Prior to effecting the Mergers, each Terminating Fund will, if necessary, distribute a sufficient amount of its net income and net realized capital gains to its securityholders to ensure that it will not be subject to tax for its current taxation year, which is deemed to end immediately before the Effective Date of the Mergers. The amount of net realized capital gains will include any capital gains or capital losses realized on the liquidation of securities described above, as well as any previously realized capital gains or capital losses. Based on current market values, BMO Balanced Yield Plus ETF Portfolio may distribute capital gains as a result of liquidation of securities. The actual amount of distributions paid by a Terminating Fund may be different from the Manager’s current expectation due to changes in the value of securities held by a Terminating Fund between the date of this Information Circular and the Effective Date of the applicable Merger.

Unless your securities are held in a Registered Plan, you will receive a statement for tax purposes identifying your share of the Terminating Fund’s income, if any, for such taxation year. Any income reported thereon must be included in your income for 2019.

The disposition of securities of a Terminating Fund in exchange for securities of the applicable Continuing Fund will not result in a capital gain or loss to the Terminating Fund or to securityholders of the Terminating Fund. The aggregate cost for tax purposes of the securities of a Continuing Fund received by a securityholder of a Terminating Fund will be equal to the securityholder’s aggregate adjusted cost base of the securities of the Terminating Fund immediately prior to the exchange. In determining the adjusted cost base of the securityholder’s securities of a Continuing Fund, the cost of the new securities of the Continuing Fund will be averaged with the adjusted cost base of any other identical securities of the Continuing Fund already held by the securityholder as capital property.

General

Each of the Funds is a mutual fund trust within the meaning of the Tax Act. Please refer to the simplified prospectus relating to the Continuing Funds, which is available from the Manager at no charge upon request, for a description of the income tax consequences of acquiring, holding and disposing of securities of the applicable Continuing Funds.

ELIGIBILITY FOR REGISTERED PLANS

Securities of each of the Funds are qualified investments under the Tax Act for Registered Plans.

Securities of a Fund will not be a “prohibited investment” for a trust governed by a TFSA, RRSP, RRIF, RESP or RDSP unless the holder of the TFSA or RDSP, the annuitant of the RRSP or RRIF, or the subscriber of the RESP, as applicable, (i) does not deal at arm’s length with the Fund for purposes of the Tax Act, or (ii) has a “significant interest” as defined in the Tax Act in the Fund. Generally, a holder, an annuitant or a subscriber, as the case may be, will not have a significant interest in a Fund unless the holder, the annuitant or the subscriber, as the case may be, owns interests as a beneficiary of the Fund that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries of the Fund, either alone or together with persons and partnerships with which the holder, the annuitant or the subscriber, as the case may be, does not deal at arm’s length. In addition, securities of a Fund will not be a “prohibited investment” if the securities are “excluded property” as defined in the Tax Act for a trust governed by a TFSA, RRSP, RRIF, RESP or RDSP. Holders, annuitants or subscribers should consult their own tax advisors with respect to whether securities of a Fund would be prohibited investments, including with respect to whether the securities would be excluded property.

REQUIRED SECURITYHOLDER APPROVAL

Each of the Mergers in respect of the Funds, other than the Merger in respect of BMO Laddered Corporate Bond Fund and BMO Core Bond Fund, will not be effective unless approved by a majority of the votes (*i.e.*, more than 50%) of the outstanding securities of the applicable Terminating Fund cast at the Meeting.

The Merger in respect of BMO Laddered Corporate Bond Fund and BMO Core Bond Fund will not be effective unless (i) approved by a majority of the votes (*i.e.*, more than 50%) of the outstanding Series F securities of BMO Laddered Corporate Bond Fund cast at the Meeting; and (ii) approved by a majority of the votes (*i.e.*, more than 50%) of the outstanding securities of BMO Laddered Corporate Bond Fund cast at the Meeting.

No Merger is contingent on any other Merger, and one may proceed even if another is not approved.

If the required approvals for a Merger is not obtained, the Merger will not proceed. The Manager does not currently intend to terminate a Terminating Fund if the required approvals are not obtained, but may decide to do so in the future. If the Manager decides to terminate a Terminating Fund in the future, it will do so in accordance with the constating documents that govern the Terminating Fund and applicable securities legislation.

Securityholders of the Terminating Funds are entitled to one vote for each whole security held and no votes for fractions of a security.

Holder of securities of record at the close of business on February 22, 2019 will be entitled to vote at the Meeting, except to the extent that such securities are redeemed prior to the Meeting or that a transferee of securities after that date complies with the required procedures in order to qualify to vote the transferred securities. If your securities were transferred to you from another holder after February 22, 2019 (this would occur only in unusual circumstances, such as death of a holder), you should contact the Manager to determine the documentation necessary to transfer the securities on the Manager’s records. You will only be able to vote the transferred securities after the transfer has been recorded on the Manager’s records.

In order for the Meeting for each Terminating Fund and Series F of BMO Laddered Corporate Bond Fund to be duly constituted, two or more securityholders of the Terminating Fund or series, as applicable, must be present in person or represented by proxy at the Meeting.

ADDITIONAL INFORMATION

Additional information regarding the Funds is contained in the simplified prospectuses, annual information forms, fund facts, interim and annual management reports of fund performance and annual audited and interim unaudited financial statements for the Funds. The fund facts relating to the relevant series of each Continuing Fund were sent with the notice-and-access document on March 4, 2019 to securityholders of the corresponding Terminating Funds. You should review these documents carefully.

Investors in each Terminating Fund may obtain, at no cost, a copy of the simplified prospectus, annual information form and fund facts for the applicable Continuing Fund and its most recent interim and annual financial statements and management reports of fund performance by accessing the SEDAR website at www.sedar.com. Alternatively,

- if securities of the Terminating Fund were purchased at a BMO Bank of Montreal branch or through the BMO Investment Centre: by accessing the BMO Mutual Funds website at www.bmo.com/mutualfunds or by calling the toll-free telephone number at 1-800-665-7700, or
- if securities of the Terminating Fund were purchased through another dealer: by accessing the BMO Mutual Funds website at www.bmo.com/gam/ca or by calling the toll-free telephone number at 1-800-668-7327.

MERGER OF BMO LADDERED CORPORATE BOND FUND INTO BMO CORE BOND FUND

(applicable to securityholders of BMO Laddered Corporate Bond Fund only)

General

The Manager is seeking approval from securityholders of BMO Laddered Corporate Bond Fund for the merger of this Terminating Fund into BMO Core Bond Fund, the Continuing Fund. If approved, the Merger will become effective on or about April 5, 2019. The Manager will have the discretion to postpone implementation of the Merger until a later date (which shall be no later than September 30, 2019) or to not proceed with the Merger if it is considered in the best interests of the Terminating Fund or its investors. Following the Merger, the Terminating Fund will be wound up. The proposed Merger of these Funds is also subject to regulatory approval.

As discussed in greater detail below, the investment objectives and strategies of the Terminating Fund are different from the investment objectives and strategies of the Continuing Fund.

In exchange for their current securities, Advisor Series, Series A and Series D investors will receive securities of the Continuing Fund that have a management fee that is lower than the management fee charged in respect of the securities of the Terminating Fund that they currently hold. Series F securityholders will receive securities of the Continuing Fund that have a management fee that is higher than the management fee charged in respect of the securities of the Terminating Fund that they currently hold. In addition, both the Terminating Fund and the Continuing Fund are charged a fixed administration fee by the Manager and pay certain operating expenses directly, and investors of the Terminating Fund will receive securities of the Continuing Fund that have a fixed administration fee that is lower than the fixed administration fee charged in respect of the securities of the Terminating Fund that they currently hold.

By approving this Merger, securityholders of the Terminating Fund accept the investment objectives of the Continuing Fund, the fee structure of the Continuing Fund, and the tax consequences of the Merger. See “Canadian Federal Income Tax Considerations” on page 4 for details regarding the tax consequences of the Merger for Canadian resident individuals, see “Investment Objectives and Strategies” below for a comparison of the investment objectives of the Funds, and see “Comparison of Fund Size, Management Fee, and Expenses” below for a discussion of the fees and expenses of the Funds.

Benefits of this Merger

As discussed above under “Benefits of the Proposed Changes” on page 2, there are a number of benefits to securityholders of both the Terminating Fund and the Continuing Fund, including that the Continuing Funds have broader investment objectives than their corresponding Terminating Funds thereby providing greater flexibility to the portfolio manager, which may benefit investors across market cycles and credit cycles. Additionally, following the Merger, the Continuing Fund will have a portfolio of greater value, which may allow for increased portfolio diversification opportunities if desired, and the Continuing Fund may benefit from its larger profile in the marketplace. The Continuing Fund has also delivered stronger long term performance than the Terminating Fund. Further, Advisor Series, Series A and Series D investors will receive securities of the Continuing Fund that have a management fee that is lower than the management fee charged in respect of the securities of the Terminating Fund that they currently hold. Finally, investors will receive securities of the Continuing Fund that have a fixed administration fee that is lower than the fixed administration fee charged in respect of the securities of the Terminating Fund that they currently hold.

<p>Recommendation</p> <p>The Manager recommends that securityholders of the Terminating Fund vote FOR the Merger.</p> <p>The IRC of each of the Funds has reviewed the potential conflict of interest matters related to the proposed Merger and has provided the Manager with a positive recommendation having determined that the proposed Merger, if implemented, achieves a fair and reasonable result for each of the Funds.</p>

Investment Objectives and Strategies

The investment objectives and primary investment strategies of the Funds are as follows:

Fund	Investment Objectives	Investment Strategies
BMO Laddered Corporate Bond Fund	<p>The investment objective of BMO Laddered Corporate Bond Fund is to provide securityholders with a relatively stable level of investment income by investing primarily in a portfolio of Canadian fixed income securities, more or less equally allocated across maturities ranging from 1 to 5 years. This is commonly known as a “laddered” portfolio.</p>	<p>The portfolio manager of BMO Laddered Corporate Bond Fund invests primarily in Canadian corporate fixed income securities, and may also invest in Canadian government fixed income securities. The portfolio manager seeks to maintain an equally weighted allocation among annual maturities of fixed income securities ranging from 1 to 5 years. The portfolio manager may invest up to 30% of the Fund’s assets in securities of exchange traded funds and other mutual funds, which may include funds managed by the Manager or one of its affiliates, and may invest up to 10% of its assets in foreign securities. The Fund may use derivatives to implement the investment strategy, and may enter into securities lending, repurchase and reverse repurchase transactions to earn additional income.</p>
BMO Core Bond Fund	<p>The investment objective of BMO Core Bond Fund is to provide a high level of interest income along with some opportunity for growth by investing primarily in Canadian dollar denominated investment grade debt instruments.</p>	<p>The portfolio manager of BMO Core Bond Fund invests primarily in Canadian dollar denominated investment grade debt instruments such as debt securities issued or guaranteed by Canadian federal and provincial governments or issued by Canadian corporations, and may also invest in non-investment grade debt instruments to add value and enhance the Fund’s total return. The portfolio manager utilizes fundamental research, employing an active investment style to identify overvalued and undervalued sectors of the fixed income market. The portfolio manager emphasizes credit quality and security selection, along with active yield-curve management when allocating the Fund’s net assets across sectors. The portfolio manager may implement dynamic positioning strategies on the yield-curve by actively trading different types of securities, which will increase the portfolio turnover rate of the Fund. The Fund may invest up to 30% of its assets in securities of other mutual funds and/or exchange traded funds, which may include funds managed by the Manager or one of its affiliates or other mutual fund managers, and may invest up to 30% of its assets in foreign securities. The Fund may use derivatives to implement the investment strategy, and may engage in short selling in order to manage volatility or enhance the Fund’s performance in declining or volatile markets. The Fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional income.</p>

As a result of the fact that the Terminating Fund’s objective is to provide a stable level of investment income, while the Continuing Fund’s objective is focused on a high level of income, and because the Terminating Fund invests primarily in Canadian fixed income securities equally allocated across maturities from 1 to 5 years, while the Continuing Fund invests primarily in Canadian dollar investment-grade debt instruments of any maturity, the Manager believes a reasonable person would consider the investment objectives of these Funds to be less than substantially similar.

The portfolio manager of the Terminating Fund and the Continuing Fund is BMO Asset Management Inc., and BMO Asset Management Inc. will continue to be the portfolio manager of the Continuing Fund after the Merger.

Comparison of Fund Size, Management Fee and Expenses

As at the close of business on February 8, 2019, the net assets of the Terminating Fund were \$248,751,228 and the net assets of the Continuing Fund were \$1,807,541,236.

Holder of the securities of each applicable series of the Terminating Fund will receive securities of the equivalent series of the Continuing Fund, determined on a dollar-for-dollar basis, as set out in the table below. The annual management fee, fixed administration fee and management expense ratio (“MER”) of each applicable series of the Terminating Fund and the Continuing Fund is set out in the table below.

Series	Management Fee per Annum		Fixed Administration Fee per Annum ⁽²⁾		MER ⁽¹⁾ as at September 30, 2018	
	Terminating Fund	Continuing Fund	Terminating Fund	Continuing Fund	Terminating Fund	Continuing Fund
Advisor Series	1.30%	0.95%	0.25%	0.10%	1.47%	1.23%
Series A	1.30%	0.95%	0.25%	0.10%	1.47%	1.20%
Series F	0.30%	0.35%	0.25%	0.10%	0.60%	0.56%
Series D	0.95%	0.50%	0.25%	0.10%	1.12% ⁽³⁾	0.73%
Series I	Negotiated and paid by each Series I investor	Negotiated and paid by each Series I investor	Negotiated and paid by each Series I investor	Negotiated and paid by each Series I investor	Negotiated and paid by each Series I investor	Negotiated and paid by each Series I investor

⁽¹⁾ After waivers and absorptions or expenses.

⁽²⁾ Each Fund pays certain operating expenses directly, 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 National Instrument 81-107 *Independent Review Committee for Investment Funds (“NI 81-107”)*, including compensation and expenses payable to 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.

⁽³⁾ For the period beginning November 20, 2017 to September 30, 2018.

As a result of the Merger, Advisor Series, Series A and Series D securityholders of the Terminating Fund will receive securities of the Continuing Fund that have a management fee that is lower than the management fee charged in respect of their securities of the Terminating Fund. Series F securityholders will receive securities of the Continuing Fund that have a management fee that is higher than the management fee charged in respect of their securities of the Terminating Fund. Additionally, securityholders of the Terminating Fund will receive securities of the Continuing Fund that have a fixed administration fee that is lower than the fixed administration fee that is charged in respect of their securities of the Terminating Fund.

It is the Manager’s opinion that a reasonable person would consider the fee structures of Advisor Series, Series A, Series D and Series I of the Terminating Fund and the Continuing Fund to be substantially similar, and would consider the fee structure of Series F of the Terminating Fund and the Continuing Fund to be less than substantially similar. However, taken as a whole, the combination of the higher management fee and the lower fixed administration fee in the Continuing Fund will result in Series F securityholders of the Terminating Fund receiving securities that have an overall lower fee of 0.45% compared to their existing combined fee of 0.55% and, thus, a lower MER is expected.

Comparison of Distribution Policy

The distribution policy of the Terminating Fund is to distribute any net income monthly and any net capital gains in December. The distribution policy of the Continuing Fund is to distribute any net income and/or return of capital monthly and any net capital gains in December. As a result, it is the opinion of the Manager that a reasonable person would consider the distribution policies of these Funds to be substantially similar.

Comparison of Annual Returns

The table below shows the total annual returns for each series of the Terminating Fund and the equivalent series of the Continuing Fund for the period shown ending December 31.

Fund (Continuing Fund is shaded)	Series	2018	2017	2016	2015	2014
BMO Laddered Corporate Bond Fund	Advisor Series	0.4	-0.4	0.7	1.0	1.6
	Series A	0.4	-0.4	0.7	1.0	1.6
	Series F	1.2	0.5	1.6	1.9	2.5
	Series D	0.8	n/a	n/a	n/a	n/a
BMO Core Bond Fund	Advisor Series	0.2	2.1	1.0	1.9	n/a
	Series A	0.2	2.1	1.1	1.9	n/a
	Series F	0.9	2.7	1.7	2.5	n/a
	Series D	0.7	2.6	1.6	2.5	n/a

MERGER OF BMO FIXED INCOME YIELD PLUS ETF PORTFOLIO INTO BMO FIXED INCOME ETF PORTFOLIO

(applicable to securityholders of BMO Fixed Income Yield Plus ETF Portfolio only)

General

The Manager is seeking approval from securityholders of BMO Fixed Income Yield Plus ETF Portfolio for the merger of this Terminating Fund into BMO Fixed Income ETF Portfolio, the Continuing Fund. If approved, the Merger will become effective on or about April 5, 2019. The Manager will have the discretion to postpone implementation of the Merger until a later date (which shall be no later than September 30, 2019) or to not proceed with the Merger if it is considered in the best interests of the Terminating Fund or its investors. Following the Merger, the Terminating Fund will be wound up. The proposed Merger of these Funds is also subject to regulatory approval.

As discussed in greater detail below, the investment objectives and strategies of the Terminating Fund are different from the investment objectives and strategies of the Continuing Fund. In exchange for their current securities, investors will receive securities of the Continuing Fund that have a management fee that is lower than the management fee charged in respect of the securities of the Terminating Fund that they currently hold. The distribution policies with respect to Advisor Series, Series A, Series F, Series D and Series I securities of the Terminating Fund are different from the distribution policies of the same series of the Continuing Fund. If investors wish to continue to receive monthly cash distributions after the Effective Date of the Merger, they can switch the Advisor Series, Series A, Series F, Series D or Series I securities of the Continuing Fund that they will acquire on the Effective Date of the Merger into Series T6 or Series F2 securities of the Continuing Fund. Alternatively, prior to the close of business on April 4, 2019, investors can redeem or switch their Advisor Series, Series A, Series F, Series D or Series I securities of the Terminating Fund into Series T6 or Series F2 securities of the Continuing Fund or into another BMO Mutual Fund. See the current simplified prospectus of the BMO Mutual Funds for the management fees, administration fees and trailing commissions, if any, that apply to each series of securities of the Continuing Fund and other BMO Mutual Funds.

By approving this Merger, securityholders of the Terminating Fund accept the investment objectives of the Continuing Fund, the fee structure of the Continuing Fund, the distribution policy of the Continuing Fund, and the tax consequences of the Merger. See “Canadian Federal Income Tax Considerations” on page 4 for details regarding the tax consequences of the Merger for Canadian resident individuals, see “Investment Objectives and Strategies” below for a comparison of the investment objectives of the Funds, see “Comparison of Fund Size, Management Fee and Expenses” below for a discussion of the fees and expenses of the Funds, and see “Comparison of Distribution Policy” below for a discussion of the distribution policies of the Funds.

Benefits of this Merger

As discussed above under “Benefits of the Proposed Changes” on page 2, there are a number of benefits to securityholders of both the Terminating Fund and the Continuing Fund, including that the Continuing Funds have broader investment objectives than their corresponding Terminating Funds thereby providing greater flexibility to the portfolio manager, which may benefit investors across market cycles and credit cycles. Additionally, following the Merger, the Continuing Fund will have a portfolio of greater value, which may allow for increased portfolio diversification opportunities if desired, and the Continuing Fund may benefit from its larger profile in the marketplace. The Continuing Fund has also delivered stronger long term performance than the Terminating Fund. Finally, investors will receive securities of the Continuing Fund that have a management fee that is lower than the management fee charged in respect of the securities of the Terminating Fund that they currently hold.

Recommendation

The Manager recommends that securityholders of the Terminating Fund vote FOR the Merger.

The IRC of each of the Funds has reviewed the potential conflict of interest matters related to the proposed Merger and has provided the Manager with a positive recommendation having determined that the proposed Merger, if implemented, achieves a fair and reasonable result for each of the Funds.

Investment Objectives and Strategies

The investment objectives and primary investment strategies of the Funds are as follows:

Fund	Investment Objectives	Investment Strategies
BMO Fixed Income Yield Plus ETF Portfolio	The investment objective of the BMO Fixed Income Yield Plus ETF Portfolio is to provide a regular distribution by investing primarily in exchange traded funds and/or other mutual funds that invest in fixed income securities. The Fund may also invest directly in fixed income securities, and cash or cash equivalents.	The portfolio manager of the BMO Fixed Income Yield Plus ETF Portfolio invests up to 100% of the Fund's assets in securities of exchange traded funds and/or other mutual funds, including funds that are managed by the Manager or one of its affiliates or associates, and may invest directly in fixed income securities in cash or cash equivalents. The underlying funds selected by the portfolio manager will invest primarily in Canadian and foreign fixed income securities, and will be selected on the basis that they help the Fund to achieve the same strategies that it uses when investing directly. The portfolio manager allocates assets among the underlying exchange traded funds and other mutual funds based on each underlying fund's investment objectives and strategies, among other factors. The underlying funds, as well as the percentage holding in each underlying fund, may be changed without notice from time to time. The portfolio manager may invest up to 75% of the Fund's assets in foreign fixed income securities. The Fund or its underlying funds may use derivatives to implement the investment strategy. The underlying funds may temporarily depart from their investment objectives by holding a portion of their assets in cash or short-term money market instruments and/or high quality fixed income securities while seeking investment opportunities or for defensive purposes to reflect economic and market conditions. The Fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional income.

Fund	Investment Objectives	Investment Strategies
BMO Fixed Income ETF Portfolio	The investment objective of the BMO Fixed Income ETF Portfolio is to preserve investment value by investing primarily in exchange traded funds that invest in Canadian, U.S., and international fixed income securities. The Fund may also invest in other mutual funds or invest directly in individual fixed income securities and cash or cash equivalents. The Fund's asset mix may be changed over time to reflect the portfolio manager's long-term outlook for each asset class.	The portfolio manager of the BMO Fixed Income ETF Portfolio employs a strategic asset allocation strategy, with approximately 95-100% of the Fund's assets in fixed income and 0-5% in equity securities. The portfolio manager invests a majority of the Fund's assets in exchange traded funds, and may invest up to 100% of the Fund's assets in securities of exchange traded funds and other mutual funds, including funds that are managed by the Manager or one of its affiliates or associates. The portfolio manager allocates assets among the underlying exchange traded funds and other mutual funds based on each underlying fund's investment objectives and strategies, among other factors. The underlying funds, as well as the percentage holding in each underlying fund, may be changed without notice from time to time. The underlying funds may temporarily depart from their investment objectives by holding a portion of their assets in cash or short-term money market instruments and/or high quality fixed income securities while seeking investment opportunities or for defensive purposes to reflect economic and market conditions. The portfolio manager may invest directly in securities and cash or cash equivalents, and may invest up to 95% of the Fund's assets in foreign securities. The Fund or its underlying funds may use derivatives to implement the investment strategy and may enter into securities lending, repurchase and reverse repurchase transactions to earn additional income.

Although both the Terminating Fund and the Continuing Fund achieve their objectives by investing primarily in underlying fixed income funds, as a result of the fact that the objective of the Terminating Fund is to provide a regular distribution to securityholders, while the objective of the Continuing Fund is to preserve investment value, it is the Manager's opinion that a reasonable person would find the investment objectives of these Funds to be less than substantially similar.

The portfolio manager of the Terminating Fund and the Continuing Fund is BMO Asset Management Inc., and BMO Asset Management Inc. will continue to be the portfolio manager of the Continuing Fund after the Merger.

Comparison of Fund Size, Management Fee and Expenses

As at the close of business on February 8, 2019, the net assets of the Terminating Fund were \$53,264,975 and the net assets of the Continuing Fund were \$69,263,537.

Holders of securities of each applicable series of the Terminating Fund will receive securities of the equivalent series of the Continuing Fund, determined on a dollar-for-dollar basis, as set out in the table below. The annual management fee, fixed administration fee and MER of each applicable series of the Terminating Fund and the Continuing Fund is set out in the table below.

Series	Management Fee per Annum		Fixed Administration Fee per Annum ⁽²⁾		MER ⁽¹⁾ as at September 30, 2018	
	Terminating Fund	Continuing Fund	Terminating Fund	Continuing Fund	Terminating Fund	Continuing Fund
Advisor Series	1.40%	0.75%	0.15%	0.15%	1.58%	1.16%
Series A	1.40%	0.75%	0.15%	0.15%	1.58%	1.17%
Series T6	1.40%	0.75%	0.15%	0.15%	1.58%	1.14%
Series F	0.45%	0.25%	0.15%	0.15%	0.65%	0.51%
Series D	0.65%	0.40%	0.15%	0.15%	0.85%	0.77%
Series I	Negotiated and paid by each Series I investor	Negotiated and paid by each Series I investor	Negotiated and paid by each Series I investor	Negotiated and paid by each Series I investor	Negotiated and paid by each Series I investor	Negotiated and paid by each Series I investor

(1) After waivers and absorptions or expenses.

(2) Each Fund pays certain operating expenses directly, 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 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.

As a result of the Merger, securityholders of the Terminating Fund will receive securities of the Continuing Fund that have a management fee that is lower than the management fee charged in respect of their securities of the Terminating Fund. In addition, securityholders of the Terminating Fund will receive securities of the Continuing Fund that have a fixed administration fee that is same as the fixed administration fee charged in respect of their securities of the Terminating Fund. Further, it is expected that securityholders of the Terminating Fund will receive securities of the Continuing Fund that has a lower MER.

It is the opinion of the Manager that a reasonable person would consider the fee structure of the Terminating Fund and the Continuing Fund to be substantially similar.

Comparison of Distribution Policy

The distribution policy with respect to Advisor Series, Series A, Series F, Series D and Series I securities of the Terminating Fund is to distribute a fixed amount per security per month and to distribute any net income and/or return of capital monthly and any net capital gains in December. The distribution policy with respect to Advisor Series, Series A, Series F, Series D and Series I securities of the Continuing Fund is to distribute any net income quarterly and any net capital gains in December. As a result, it is the opinion of the Manager that a reasonable person would consider the distribution policies of these series of securities of the Terminating Fund and the Continuing Fund to be different.

While the distribution policies with respect to Advisor Series, Series A, Series F, Series D and Series I securities of the Terminating Fund and the Continuing Fund are different, the distribution policy with respect to Series T6 securities of the Terminating Fund and the Continuing Fund is the same. For Series T6 securities, the Terminating Fund and the Continuing Fund each make monthly distributions of an amount comprised of any net income and/or return of capital based on 6% of the net asset value per security of the series as determined on December 31 of the prior year. If investors wish to continue to receive monthly cash distributions after the Effective Date of the Merger, they can switch the Advisor Series, Series A, Series F, Series D or Series I securities of the Continuing Fund that they will acquire on the Effective Date of the Merger into Series T6 or Series F2 securities of the Continuing Fund. Alternatively, prior to the close of business on April 4, 2019, investors can redeem or switch their Advisor Series, Series A, Series F, Series D or Series I securities of the Terminating Fund into Series T6 or Series F2 securities of the Continuing Fund or into another BMO Mutual Fund. See the current simplified prospectus of the BMO Mutual Funds for the management fees, administration fees and trailing commissions, if any, that apply to each series of securities of the Continuing Fund and other BMO Mutual Funds.

Comparison of Annual Returns

The table below shows the total annual returns for each series of the Terminating Fund and the equivalent series of the Continuing Fund for the period shown ending December 31.

Fund (Continuing Fund is shaded)	Series	2018	2017	2016	2015	2014
BMO Fixed Income Yield Plus ETF Portfolio	Advisor Series	-0.9	0.5	1.7	-3.2	4.5
	Series A	-0.9	0.5	1.7	-3.2	4.5
	Series T6	-0.9	0.5	1.7	-3.2	4.5
	Series F	0.0	1.5	2.7	-2.3	5.5
	Series D	-0.2	1.3	2.5	-2.4	n/a
BMO Fixed Income ETF Portfolio	Advisor Series	0.2	0.5	0.9	3.1	5.6
	Series A	0.2	0.5	0.9	3.1	5.6
	Series T6	0.2	0.5	0.9	3.0	5.5
	Series F	0.8	1.2	1.6	3.8	6.7
	Series D	0.5	0.9	1.3	3.5	n/a

**MERGER OF BMO BALANCED YIELD PLUS ETF PORTFOLIO INTO
BMO BALANCED ETF PORTFOLIO**
(applicable to securityholders of BMO Balanced Yield Plus ETF Portfolio only)

General

The Manager is seeking approval from securityholders of BMO Balanced Yield Plus ETF Portfolio for the merger of this Terminating Fund into BMO Balanced ETF Portfolio, the Continuing Fund. If approved, the Merger will become effective on or about April 5, 2019. The Manager will have the discretion to postpone implementation of the Merger until a later date (which shall be no later than September 30, 2019) or to not proceed with the Merger if it is considered in the best interests of the Terminating Fund or its investors. Following the Merger, the Terminating Fund will be wound up. The proposed Merger of these Funds is also subject to regulatory approval.

As discussed in greater detail below, the investment objectives and strategies of the Terminating Fund are different from the investment objectives and strategies of the Continuing Fund. In exchange for their current securities, Series F and Series D investors will receive securities of the Continuing Fund that have a management fee that is lower than the management fee charged in respect of the securities of the Terminating Fund that they currently hold. The distribution policies with respect to Advisor Series, Series A, Series F, Series D and Series I securities of the Terminating Fund are different from the distribution policies of the same series of the Continuing Fund. If investors wish to continue to receive monthly cash distributions after the Effective Date of the Merger, they can switch the Advisor Series, Series A, Series F, Series D or Series I securities of the Continuing Fund that they will acquire on the Effective Date of the Merger into Series T6, Series F2, Series F4 or Series F6 securities of the Continuing Fund. Alternatively, prior to the close of business on April 4, 2019, investors can redeem or switch their Advisor Series, Series A, Series F, Series D or Series I securities of the Terminating Fund into Series T6, Series F2, Series F4 or Series F6 securities of the Continuing Fund or into another BMO Mutual Fund. See the current simplified prospectus of the BMO Mutual Funds for the management fees, administration fees and trailing commissions, if any, that apply to each series of securities of the Continuing Fund and other BMO Mutual Funds.

By approving this Merger, securityholders of the Terminating Fund accept the investment objectives of the Continuing Fund, the fee structure of the Continuing Fund, the distribution policy of the Continuing Fund and the tax consequences of the Merger. See “Canadian Federal Income Tax Considerations” on page 4 for details regarding the tax consequences of the Merger for Canadian resident individuals, see “Investment Objectives and Strategies” below for a comparison of the investment objectives of the Funds, see “Comparison of Fund Size, Management Fee and Expenses” below for a discussion of the fees and expenses of the Funds, and see “Comparison of Distribution Policy” below for a discussion of the distribution policies of the Funds.

Benefits of this Merger

As discussed above under “Benefits of the Proposed Changes” on page 2, there are a number of benefits to securityholders of both the Terminating Fund and the Continuing Fund, including that the Continuing Funds have broader investment objectives than their corresponding Terminating Funds thereby providing greater flexibility to the portfolio manager, which may benefit investors across market cycles and credit cycles. Additionally, following the Merger, the Continuing Fund will have a portfolio of greater value, which may allow for increased portfolio diversification opportunities if desired, and the Continuing Fund may benefit from its larger profile in the marketplace. The Continuing Fund has also delivered stronger long term performance than the Terminating Fund. Finally, Series F and Series D investors will receive securities of the Continuing Fund that have a management fee that is lower than the management fee charged in respect of the securities of the Terminating Fund that they currently hold.

Recommendation

The Manager recommends that securityholders of the Terminating Fund vote FOR the Merger.

The IRC of each of the Funds has reviewed the potential conflict of interest matters related to the proposed Merger and has provided the Manager with a positive recommendation having determined that the proposed Merger, if implemented, achieves a fair and reasonable result for each of the Funds.

Investment Objectives and Strategies

The investment objectives and primary investment strategies of the Funds are as follows:

Fund	Investment Objectives	Investment Strategies
BMO Balanced Yield Plus ETF Portfolio	The investment objective of BMO Balanced Yield Plus ETF Portfolio is to provide a regular distribution by investing primarily in exchange traded funds and/or other mutual funds that invest in fixed income and equity securities. The Fund may also invest directly in fixed income or equity securities, and cash or cash equivalents.	The portfolio manager of BMO Balanced Yield Plus ETF Portfolio invests up to 100% of the Fund's assets in securities of exchange traded funds and/or other mutual funds, including funds that are managed by the Manager or one of its affiliates or associates. The portfolio manager may invest directly in fixed income and equity securities and cash or cash equivalents. The underlying funds selected by the portfolio manager will invest primarily in Canadian and foreign fixed income and equity securities, and will be selected on the basis that they help the Fund to achieve the same strategies that it uses when investing directly in those securities. The portfolio manager allocates assets among the underlying exchange traded funds and other mutual funds based on each underlying fund's investment objectives and strategies, among other factors. The underlying funds, as well as the percentage holding in each underlying fund, may be changed without notice from time to time. The portfolio manager may invest up to 75% of the Fund's assets in foreign securities. The Fund or its underlying funds may use derivatives to implement the investment strategy. The underlying funds may temporarily depart from their investment objectives by holding a portion of their assets in cash or short-term money market instruments and/or high quality fixed income securities while seeking investment opportunities or for defensive purposes to reflect economic and market conditions. The Fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional income.

Fund	Investment Objectives	Investment Strategies
BMO Balanced ETF Portfolio	The investment objective of BMO Balanced ETF Portfolio is to provide a balanced portfolio by investing primarily in exchange traded funds that invest in Canadian, U.S. and international fixed income and equity securities. The Fund may also invest in other mutual funds or invest directly in individual fixed income and equity securities and cash or cash equivalents. The Fund's asset mix may be changed over time to reflect the portfolio manager's long-term outlook for each asset class.	BMO Balanced ETF Portfolio employs a strategic asset allocation strategy. The Fund's asset class weightings will be approximately 40% in fixed income securities and 60% in equity securities. The portfolio manager of BMO Balanced ETF Portfolio may invest up to 100% of the Fund's assets in securities of exchange traded funds and other mutual funds, including funds that are managed by the Manager or one of its affiliates or associates and will invest a majority of the Fund's assets in exchange traded funds. The portfolio manager allocates assets among the underlying exchange traded funds and other mutual funds based on each underlying fund's investment objectives and strategies, among other factors. The underlying funds, as well as the percentage holding in each underlying fund, may be changed without notice from time to time. The underlying funds may temporarily depart from their investment objectives by holding a portion of their assets in cash or short-term money market instruments and/or high quality fixed income securities while seeking investment opportunities or for defensive purposes to reflect economic and market conditions. The portfolio manager may invest directly in fixed income securities and cash or cash equivalents and may invest up to 95% of the Fund's assets in foreign securities. The Fund or its underlying funds may use derivatives to implement the investment strategy. The Fund or the underlying funds may enter into securities lending, repurchase and reverse repurchase transactions to earn additional income.

Although both Funds invest primarily in underlying fixed income and equity funds, as a result of the fact that the investment objective of the Terminating Fund is to provide a regular distribution, while the Continuing Fund's investment objective is to provide a balanced portfolio, it is the Manager's opinion that a reasonable person would consider the investment objectives of these Funds to be less than substantially similar.

The portfolio manager of the Terminating Fund and the Continuing Fund is BMO Asset Management Inc., and BMO Asset Management Inc. will continue to be the portfolio manager of the Continuing Fund after the Merger.

Comparison of Fund Size, Management Fee and Expenses

As at the close of business on February 8, 2019, the net assets of the Terminating Fund were \$71,172,723 and the net assets of the Continuing Fund were \$2,581,863,252.

Holders of securities of each applicable series of the Terminating Fund will receive securities of the equivalent series of the Continuing Fund, determined on a dollar-for-dollar basis, as set out in the table below. The annual management fee, fixed administration fee and MER of each applicable series of the Terminating Fund and the Continuing Fund is set out in the table below.

Series	Management Fee per Annum		Fixed Administration Fee per Annum ⁽²⁾		MER ⁽¹⁾ as at September 30, 2018	
	Terminating Fund	Continuing Fund	Terminating Fund	Continuing Fund	Terminating Fund	Continuing Fund
Advisor Series	1.40%	1.40%	0.15%	0.15%	1.73%	1.72%
Series A	1.40%	1.40%	0.15%	0.15%	1.70%	1.71%
Series T6	1.40%	1.40%	0.15%	0.15%	1.71%	1.72%
Series F	0.55%	0.40%	0.15%	0.15%	0.75%	0.61%
Series D	0.75%	0.65%	0.15%	0.15%	1.02%	0.89%
Series I	Negotiated and paid by each Series I investor	Negotiated and paid by each Series I investor	Negotiated and paid by each Series I investor	Negotiated and paid by each Series I investor	Negotiated and paid by each Series I investor	Negotiated and paid by each Series I investor

(1) After waivers and absorptions or expenses.

(2) Each Fund pays certain operating expenses directly, 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 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.

As a result of the Merger, Advisor Series, Series A and Series T6 securityholders of the Terminating Fund will receive securities of the Continuing Fund that have a management fee that is same as the management fee charged in respect of their securities of the Terminating Fund. Series F and Series D securityholders of the Terminating Fund will receive securities of the Continuing Fund that have a management fee that is lower than the management fee charged in respect of their securities of the Terminating Fund. In addition, securityholders of the Terminating Fund will receive securities of the Continuing Fund that have a fixed administration fee that is same as the fixed administration fee charged in respect of their securities of the Terminating Fund. Further, it is expected that Series F and Series D securityholders of the Terminating Fund will receive securities of the Continuing Fund that has a lower MER.

It is the opinion of the Manager that a reasonable person would consider the fee structure of the Terminating Fund and the Continuing Fund to be substantially similar.

Comparison of Distribution Policy

The distribution policy with respect to Advisor Series, Series A, Series F, Series D and Series I securities of the Terminating Fund is to distribute a fixed amount per security per month and to distribute any net income and/or return of capital monthly and any net capital gains in December. The distribution policy with respect to Advisor Series, Series A, Series F, Series D and Series I securities of the Continuing Fund is to distribute any net income and any net capital gains in December. As a result, it is the opinion of the Manager that a reasonable person would consider the distribution policies of these series of securities of the Terminating Fund and the Continuing Fund to be different.

While the distribution policies with respect to Advisor Series, Series A, Series F, Series D and Series I securities of the Terminating Fund and the Continuing Fund are different, the distribution policy with respect to Series T6 securities of the Terminating Fund and the Continuing Fund is the same. For Series T6 securities, the Terminating Fund and the Continuing Fund each make monthly distributions of an amount comprised of any net income and/or return of capital based on 6% of the net asset value per security of the series as determined on December 31 of the prior year. If investors wish to continue to receive monthly cash distributions after the Effective Date of the Merger, they can switch the Advisor Series, Series A, Series F, Series D or Series I securities of the Continuing Fund that they will acquire on the Effective Date of the Merger into Series T6, Series F2, Series F4 or Series F6 securities of the Continuing Fund. Alternatively, prior to the close of business on April 4, 2019, investors can redeem or switch their Advisor Series, Series A, Series F, Series D or Series I securities of the Terminating Fund into Series T6, Series F2, Series F4 or Series F6 securities of the Continuing Fund or into another BMO Mutual Fund. See the current simplified prospectus of the BMO Mutual Funds for the management fees, administration fees and trailing commissions, if any, that apply to each series of securities of the Continuing Fund and other BMO Mutual Funds.

Comparison of Annual Returns

The table below shows the total annual returns for each series of the Terminating Fund and the equivalent series of the Continuing Fund for the period shown ending December 31.

Fund (Continuing Fund is shaded)	Series	2018	2017	2016	2015	2014
BMO Balanced Yield Plus ETF Portfolio	Advisor Series	-2.9	4.2	4.9	-2.7	8.4
	Series A	-2.8	4.3	5.0	-2.7	8.4
	Series T6	-2.8	4.3	5.0	-2.6	8.4
	Series F	-1.9	5.3	6.0	-1.7	9.4
	Series D	-2.2	5.0	5.7	-2.0	n/a
BMO Balanced ETF Portfolio	Advisor Series	-3.1	6.7	6.4	4.2	8.7
	Series A	-3.0	6.8	6.4	4.2	8.7
	Series T6	-3.0	6.7	6.5	4.2	8.7
	Series F	-2.0	7.9	7.6	5.4	9.9
	Series D	-2.2	7.6	7.3	5.1	n/a

MANAGEMENT OF THE FUNDS

Management of the Funds' day to day affairs is the responsibility of the Manager, pursuant to an amended and restated master management agreement dated as of May 4, 2018. BMO Asset Management Inc., an affiliate of the Manager, is the portfolio manager of the Funds and provides investment advisory and portfolio management services to the Funds pursuant to an investment management agreement with the Manager. The Funds pay fees to the Manager for the services provided to the Funds and the Manager pays a portion of these fees to the portfolio manager.

Since October 1, 2017, the beginning of the last completed financial year for the Funds, until February 8, 2019, the aggregate management fees (inclusive of harmonized sales tax / goods and services tax) paid to the Manager, as applicable, by the Funds were as follows:

	Management Fees Paid During the Year Ended September 30, 2018	Management Fees Paid During the Period October 1, 2018 to February 8, 2019
BMO Laddered Corporate Bond Fund	\$153,458.64	\$38,924.74
BMO Core Bond Fund	\$1,770,178.43	\$593,214.25
BMO Fixed Income Yield Plus ETF Portfolio	\$604,045.66	\$168,428.89
BMO Fixed Income ETF Portfolio	\$398,700.34	\$94,122.29
BMO Balanced Yield Plus ETF Portfolio	\$913,916.74	\$275,864.35
BMO Balanced ETF Portfolio	\$26,528,433.23	\$10,269,692.32

The names and municipalities of residence of the directors and executive officers of the Manager, who are considered insiders of the Funds, are: Nelson C. Avila, Toronto, Ontario; Thomas C.S. Burian, Mississauga, Ontario; William A. Chinkiwsky, Toronto, Ontario; Barry M. Cooper, Toronto, Ontario; Alexandra P. Dousmanis-Curtis, Toronto, Ontario; Kevin R. Gopaul, Oakville, Ontario; Steve R. Ilott, Chicago, Illinois; Benjamin K. Iraya, Oakville, Ontario; Ross F. Kappele, Toronto, Ontario; S. Melissa Kelman, Toronto, Ontario; Viki A. Lazaris, Thornhill, Ontario; Joan Z. Mohammed, Miami Beach, Florida; Grant A.G. Patterson, Toronto, Ontario; Robert J. Schauer, Toronto, Ontario; and Lena M. Zecchino, Toronto, Ontario.

Other than the purchase, sale and ownership of securities of the Funds and the compensation described above, none of these individuals received any form of compensation from the Funds, and none of them was indebted to or had any transaction or arrangement with the Funds during the last completed financial year of the Funds. Bank of Montreal, a chartered bank, with its head office in Toronto, Ontario, indirectly owns 100% of the issued and outstanding securities of the Manager.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the form of proxy are executive officers of the Manager. The proxy form enables a securityholder to instruct the proxyholder to vote for, to withhold from voting, or vote against, as applicable, upon the matters being voted upon at the Meeting. Proxies must be signed and returned in the postage-paid envelope provided to 94 Scarsdale Road, Toronto, Ontario M3B 2R7 in order that they are received no later than 48 hours, excluding Saturdays, Sundays and holidays, prior to the commencement of the Meeting or any adjournment thereof, or deposited with the chairperson of the Meeting prior to the commencement of the Meeting or any adjournment thereof. Alternatively, all pages of the executed proxy can be faxed to 1-888-496-1548, or this proxy can be voted online at www.SecureOnlineVote.com.

Proxies may be revoked at any time prior to their use by a securityholder indicating in writing the wish to revoke the proxy, or by completing and signing another proxy form. This written revocation, or substitute proxy form, must be signed by the securityholder, or a properly authorized attorney or officer, and must reach our offices at 250 Yonge Street, 7th Floor, Toronto, Ontario M5B 2M8 by 3:00 p.m. (Toronto time) on April 3, 2019 or on the last business day preceding any adjourned meeting, or be deposited with the chairperson of the Meeting prior to the commencement of the Meeting or any adjournment thereof.

EXERCISE OF DISCRETION BY PROXIES

The management representatives designated in the form of proxy will vote the securities for which they are appointed proxy in accordance with your instructions as indicated on the form of proxy.

In the absence of such direction, such securities will be voted by the management representatives IN FAVOUR of the resolutions set out in Schedule “A” to this Information Circular.

The form of proxy confers discretionary authority on the designated management representatives relating to amendments to or variations of matters identified in the notice-and-access document sent to you and relating to other matters that may properly come before the Meeting. At the date of this Information Circular, the Manager does not know of any such amendments, variations or other matters.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Each Fund is structured as a trust and is divided into units, which may be divided into an unlimited number of classes or series and an unlimited number of securities of each class or series of a Fund may be issued.

As at the close of business on February 8, 2019, the Terminating Funds had the following number of issued and outstanding securities of each series noted below:

Fund and Series	Number of Securities Issued and Outstanding
BMO Laddered Corporate Bond Fund	
Advisor Series	345,005.1940
Series A	378,599.2823
Series F	205,339.7730
Series D	102.6110
Series I	25,502,043.7110
BMO Fixed Income Yield Plus ETF Portfolio	
Advisor Series	731,821.7450
Series A	2,594,208.4868
Series T6	71,989.3854
Series F	2,603,899.6330
Series D	3,411.6500
Series I	12.3320
BMO Balanced Yield Plus ETF Portfolio	
Advisor Series	1,605,440.6310
Series A	5,558,936.5158
Series T6	297,259.3861
Series F	299,080.6470
Series D	46,485.7790
Series I	12.6700

Securityholders of the Terminating Funds are entitled to one vote for each whole security held and no votes for fractions of a security.

The board of directors of the Manager have fixed February 22, 2019 to be the date for determining which investors of the Terminating Funds are entitled to receive notice of the Meeting and to vote at it.

The quorum requirement for each of the Terminating Funds is set out above under the heading “Required Securityholder Approval”.

To the knowledge of the directors and executive officers of the Manager, as at the close of business on February 12, 2019, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the voting rights attached to the securities of any series of a Terminating Fund entitled to be voted at the Meeting except as follows:

Investor Name	Terminating Fund	Series	Type of Ownership	Number of Securities	% of Series of Outstanding Securities
Manager	BMO Laddered Corporate Bond Fund	D	Of record and beneficial	102.61	100.00%
BMO SelectTrust® Income Portfolio	BMO Laddered Corporate Bond Fund	I	Of record and beneficial	103,946,331.49	44.09%
BMO SelectClass® Income Portfolio	BMO Laddered Corporate Bond Fund	I	Of record and beneficial	75,958,077.19	32.22%
BMO SelectTrust® Conservative Portfolio	BMO Laddered Corporate Bond Fund	I	Of record and beneficial	51,104,068.80	21.68%
Investor A	BMO Fixed Income Yield Plus ETF Portfolio	T6	Of record and beneficial	12,886.34	17.90%
Investor B	BMO Fixed Income Yield Plus ETF Portfolio	D	Of record and beneficial	1,063.74	31.18%
Investor C	BMO Fixed Income Yield Plus ETF Portfolio	D	Of record and beneficial	1,072.11	31.42%
Investor D	BMO Fixed Income Yield Plus ETF Portfolio	D	Of record and beneficial	543.62	15.93%
Manager	BMO Fixed Income Yield Plus ETF Portfolio	I	Of record and beneficial	12.33	100.00%
Investor E	BMO Balanced Yield Plus ETF Portfolio	T6	Of record and beneficial	31,883.99	10.76%
Investor F	BMO Balanced Yield Plus ETF Portfolio	D	Of record and beneficial	7,779.64	16.74%
Investor G	BMO Balanced Yield Plus ETF Portfolio	D	Of record and beneficial	6,956.02	14.96%
Investor H	BMO Balanced Yield Plus ETF Portfolio	D	Of record and beneficial	6,353.88	13.67%
Manager	BMO Balanced Yield Plus ETF Portfolio	I	Of record and beneficial	12.67	100.00%

*To protect the privacy of investors who are individuals and are not directors or executive officers of the Manager, we have omitted the names of certain beneficial owners. This information is available on request by contacting us at 1-800-665-7700.

Securities of the Terminating Funds that are held by an affiliate of the Manager or by other mutual funds managed by the Manager or its affiliates will not be voted at the Meeting. The Manager will vote any securities of the Terminating Funds held by it in favour of the resolutions.

As at the close of business on February 8, 2019, the directors and executive officers of the Manager owned less than 10% of the securities of the Terminating Funds and of Series F securities of BMO Laddered Corporate Bond Fund.

GENERAL

The contents of this Information Circular and its distribution have been approved by the board of directors of the Manager as trustee and manager of the Funds.

Each of the Terminating Funds has provided the information contained in this Information Circular that relates specifically to it and assumes no responsibility for the accuracy or completeness of the information provided by any other Terminating Fund nor for any omission on the part of any other Terminating Fund to disclose facts or events that may affect the accuracy of any information provided by such Terminating Fund.

By Order of the Board of Directors of
BMO Investments Inc., as trustee and manager of the Funds

(signed) "Ben Iraya"

Ben Iraya
Corporate Secretary

March 4, 2019

SCHEDULE "A" RESOLUTIONS

Resolution to merge BMO Laddered Corporate Bond Fund into BMO Core Bond Fund *(for securityholders of BMO Laddered Corporate Bond Fund only)*

WHEREAS it is in the best interests of the Terminating Fund and its securityholders to merge the Terminating Fund into the Continuing Fund, as described in the management information circular dated March 4, 2019 and to wind-up the Terminating Fund as hereinafter provided;

BE IT RESOLVED THAT:

1. the merger of the Terminating Fund into the Continuing Fund, as described in the management information circular dated March 4, 2019, including the investment of the Terminating Fund's portfolio assets in cash or in securities that meet the investment objectives of the Continuing Fund immediately prior to the merger, be and the same is hereby authorized and approved;
2. BMO Investments Inc., as trustee and manager (the "**Manager**") of the Terminating Fund be and is hereby authorized to:
 - (a) sell the net assets of the Terminating Fund to the Continuing Fund in exchange for securities of the applicable series of the Continuing Fund;
 - (b) distribute the securities of the Continuing Fund received by the Terminating Fund to securityholders of the Terminating Fund in exchange for all of these securityholders' existing securities of the Terminating Fund on a dollar-for-dollar and series-by-series basis;
 - (c) wind-up the Terminating Fund as soon as reasonably possible following the merger; and
 - (d) amend the declaration of trust of the Terminating Fund to the extent necessary to give effect to the foregoing;
3. all amendments to any agreements to which the Terminating Fund is a party that are required to give effect to the matters approved in this resolution be and are hereby authorized and approved;
4. any one officer or director of the Manager be and is hereby authorized and directed, on behalf of the Terminating Fund, to execute and deliver all such documents and do all such other acts and things as may be necessary or desirable for the implementation of this resolution;
5. the Manager shall have the discretion to postpone implementing the merger until a later date (which shall be no later than September 30, 2019) if it considers such postponement to be advantageous to either the Terminating Fund, the Continuing Fund or both, for tax or other reasons; and
6. the Manager be and is hereby authorized to revoke this resolution for any reason whatsoever in its sole and absolute discretion, without further approval of the investors of the Terminating Fund at any time prior to the implementation of the changes described above if it is considered to be in the best interests of the Terminating Fund and its securityholders not to proceed.

Resolution to merge BMO Fixed Income Yield Plus ETF Portfolio into BMO Fixed Income ETF Portfolio
(for securityholders of BMO Fixed Income Yield Plus ETF Portfolio only)

WHEREAS it is in the best interests of the Terminating Fund and its securityholders to merge the Terminating Fund into the Continuing Fund, as described in the management information circular dated March 4, 2019 and to wind-up the Terminating Fund as hereinafter provided;

BE IT RESOLVED THAT:

1. the merger of the Terminating Fund into the Continuing Fund, as described in the management information circular dated March 4, 2019, including the investment of the Terminating Fund's portfolio assets in cash or in securities that meet the investment objectives of the Continuing Fund immediately prior to the merger, be and the same is hereby authorized and approved;
2. BMO Investments Inc., as trustee and manager (the "**Manager**") of the Terminating Fund be and is hereby authorized to:
 - (a) sell the net assets of the Terminating Fund to the Continuing Fund in exchange for securities of the applicable series of the Continuing Fund;
 - (b) distribute the securities of the Continuing Fund received by the Terminating Fund to securityholders of the Terminating Fund in exchange for all of these securityholders' existing securities of the Terminating Fund on a dollar-for-dollar and series-by-series basis;
 - (c) wind-up the Terminating Fund as soon as reasonably possible following the merger; and
 - (d) amend the declaration of trust of the Terminating Fund to the extent necessary to give effect to the foregoing;
3. all amendments to any agreements to which the Terminating Fund is a party that are required to give effect to the matters approved in this resolution be and are hereby authorized and approved;
4. any one officer or director of the Manager be and is hereby authorized and directed, on behalf of the Terminating Fund, to execute and deliver all such documents and do all such other acts and things as may be necessary or desirable for the implementation of this resolution;
5. the Manager shall have the discretion to postpone implementing the merger until a later date (which shall be no later than September 30, 2019) if it considers such postponement to be advantageous to either the Terminating Fund, the Continuing Fund or both, for tax or other reasons; and
6. the Manager be and is hereby authorized to revoke this resolution for any reason whatsoever in its sole and absolute discretion, without further approval of the investors of the Terminating Fund at any time prior to the implementation of the changes described above if it is considered to be in the best interests of the Terminating Fund and its securityholders not to proceed.

Resolution to merge BMO Balanced Yield Plus ETF Portfolio into BMO Balanced ETF Portfolio
(for securityholders of BMO Balanced Yield Plus ETF Portfolio only)

WHEREAS it is in the best interests of the Terminating Fund and its securityholders to merge the Terminating Fund into the Continuing Fund, as described in the management information circular dated March 4, 2019 and to wind-up the Terminating Fund as hereinafter provided;

BE IT RESOLVED THAT:

1. the merger of the Terminating Fund into the Continuing Fund, as described in the management information circular dated March 4, 2019 including the investment of the Terminating Fund's portfolio assets in cash or in securities that meet the investment objectives of the Continuing Fund immediately prior to the merger, be and the same is hereby authorized and approved;
2. BMO Investments Inc., as trustee and manager (the "**Manager**") of the Terminating Fund be and is hereby authorized to:
 - (a) sell the net assets of the Terminating Fund to the Continuing Fund in exchange for securities of the applicable series of the Continuing Fund;
 - (b) distribute the securities of the Continuing Fund received by the Terminating Fund to securityholders of the Terminating Fund in exchange for all of these securityholders' existing securities of the Terminating Fund on a dollar for dollar and series by series basis;
 - (c) wind-up the Terminating Fund as soon as reasonably possible following the merger; and
 - (d) amend the declaration of trust of the Terminating Fund to the extent necessary to give effect to the foregoing;
3. all amendments to any agreements to which the Terminating Fund is a party that are required to give effect to the matters approved in this resolution be and are hereby authorized and approved;
4. any one officer or director of the Manager be and is hereby authorized and directed, on behalf of the Terminating Fund, to execute and deliver all such documents and do all such other acts and things as may be necessary or desirable for the implementation of this resolution;
5. the Manager shall have the discretion to postpone implementing the merger until a later date (which shall be no later than September 30, 2019) if it considers such postponement to be advantageous to either the Terminating Fund, the Continuing Fund or both, for tax or other reasons; and
6. the Manager be and is hereby authorized to revoke this resolution for any reason whatsoever in its sole and absolute discretion, without further approval of the investors of the Terminating Fund at any time prior to the implementation of the changes described above if it is considered to be in the best interests of the Terminating Fund and its securityholders not to proceed.

