

BMO Enterprise Fund
Annual Information Form

Series T5, F, I, Advisor Series and Classic Series.

March 28, 2017

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General Introduction

In this document:

- *we, us, and the Manager* refer to BMO Investments Inc., an indirect, wholly-owned subsidiary of Bank of Montreal. On November 1, 2009, the Manager amalgamated with its affiliate, Guardian Group of Funds Ltd., to form a single legal entity
- *you, unitholder and securityholder* refer to anyone who has invested in the fund
- *fund* refers to BMO Enterprise Fund, which is no longer offered for sale to the public
- *BMO Mutual Fund or BMO Mutual Funds* refer to any or all of the mutual funds we offer

BMO Investments Inc. is the trustee of the fund (in such capacity, the “Trustee”) and has exclusive authority over the assets and affairs of the fund. BMO Investments Inc. is the manager of the fund and, in such capacity, manages the fund’s investments and directs and administers the day-to-day affairs of the fund. See “*Trustee, directors and officers of the fund*” under “*Responsibility for Operations*” for details.

The fund has an agreement with us relating to the direction, administration, investment management and distribution of its securities. See “*Management Agreement*” for details.

Name, Formation and History of the Fund

This annual information form contains information about the BMO Enterprise Fund. The fund is a trust established under the laws of the Province of Ontario and is governed by an amended and restated master declaration of trust dated March 28, 2013, as amended (the “Master Declaration of Trust”).

Fund	Formation	Previous name(s), if any in the last 10 years
BMO Enterprise Fund	Declaration of trust dated August 15, 1972, as amended August 18, 2000, as amended and restated August 28, 2002, as amended July 5, 2006, September 12, 2007, December 27, 2007, October 20, 2008 and as amended and restated into the Master Declaration of Trust	BMO Guardian Enterprise Fund (up to March 28, 2013) GGOF Enterprise Fund (up to October 20, 2008)

If you have invested in the fund, you purchased units of a trust and are a “unitholder”. Units are also called “securities” and holders of units are also called “securityholders” in this document.

The principal office of the fund is located at 100 King Street West, 43rd Floor, Toronto, Ontario M5X 1A1.

Major Events in the Past Ten Years

On March 28, 2013, the Manager closed the fund to all new purchases.

Investment Objectives and Policies

The fund offers investors the opportunity to participate with others who share a common investment objective. By pooling your capital with others, you gain access to a diversified portfolio of professionally managed investments with clearly stated goals.

The investment objective of the fund is to provide long-term growth through capital appreciation by investing primarily in a portfolio of Canadian equities and equity-related securities issued by companies with small to medium market capitalization.

We may not change the fundamental investment objective of the fund without first obtaining approval of a majority of the votes cast at a meeting of securityholders called for that purpose. See “*Your Rights as a Securityholder*” for details about your entitlement to vote on certain matters.

Investment Restrictions and Practices

General

Except as set out in this document, we manage the fund according to the fund’s investment objectives and the standard investment restrictions and practices of Canadian securities legislation, including National Instrument 81-102 – *Investment Funds* (“NI 81-102”). These restrictions and practices are designed, in part, to ensure the investments of the fund are diversified and relatively liquid, and to ensure the fund is properly administered.

Except as specifically noted, the fund adheres to these standard investment restrictions and practices.

Self-dealing restrictions and related party investments

The BMO Mutual Funds have received exemptive relief from Canadian securities regulatory authorities to deviate from the standard investment restrictions and practices governing mutual funds, subject to certain conditions, including obtaining the approval of the independent review committee (“IRC”) of the BMO Mutual Funds. Each of the transactions described below is referred to as a “Related Party Transaction”.

Securities legislation prohibits the BMO Mutual Funds from investing in securities of certain related issuers, unless such investment is made in accordance with National Instrument 81-107 — *Independent Review Committee for Investment Funds* (“NI 81-107”). The IRC of the BMO Mutual Funds has granted approval, pursuant to NI 81-107, to permit the funds to make and hold investments in the securities of issuers related to the BMO Mutual Funds, the Manager or an entity related to the Manager, provided that such purchase is made on an exchange on which the securities of the issuer are listed and traded.

Certain BMO Mutual Funds are deemed to be dealer managed investment funds under securities legislation. As a result, these funds may not, unless otherwise permitted by exemptive relief from Canadian securities regulatory authorities, knowingly make an investment in any issuer if a partner, director, officer or employee of such funds’ portfolio manager, or a partner, director,

officer or employee of an affiliate or associate of such funds' portfolio manager is also a partner, director, officer or employee of the issuer of those securities (such issuer is referred to as a "Related Issuer") unless that partner, director, officer or employee:

- does not participate in the formulation of investment decisions made on behalf of the dealer managed investment fund;
- does not have access before implementation to information concerning investment decisions made on behalf of the dealer managed investment fund;
- does not influence, other than through research, statistical and other reports generally available to clients, the investment decisions made on behalf of the dealer managed investment fund; and
- purchases debt securities from or sells debt securities to mutual funds and pooled funds managed by the Manager or BMO Asset Management Inc. or another affiliate of the Manager.

In addition, the dealer managed BMO Mutual Funds are not permitted to make an investment in securities of an issuer during, or for 60 days after, the period in which the dealer manager of the BMO Mutual Fund (or an associate or affiliate of the dealer manager) acts as an underwriter in the distribution of such securities, except in certain circumstances provided under securities legislation. In accordance with securities legislation, the dealer managed BMO Mutual Funds have made such investments in reliance upon IRC approval.

The BMO Mutual Funds and their portfolio managers have obtained exemptive relief to purchase debt securities from or sell debt securities to, a related entity that is a principal dealer in the Canadian debt securities market, subject to certain conditions, including IRC approval.

The BMO Mutual Funds that are dealer managed funds have received exemptive relief from Canadian securities regulatory authorities from the restrictions described above, subject to certain conditions including the approval of the funds' IRC, so that the funds may engage in the following transactions:

- purchase of non-exchange-traded debt securities that have a term to maturity of 365 days or more, other than asset-backed commercial paper, of a Related Issuer under primary offerings;
- purchase of exchange-traded securities and non-exchange-traded securities issued by a Related Issuer in the secondary market;
- purchase of equity securities during the period of distribution of such securities, and during the 60-day period following the distribution, where the distribution of those securities is made by "private placement" (an offering exempted from the prospectus requirements), notwithstanding that an underwriter related to the portfolio manager of the funds has acted as underwriter in such offering; and
- invest in debt securities of an issuer during the period of the distribution (the "Distribution") or during the period of 60 days after the Distribution, notwithstanding that the Manager, or an associate or affiliate of the Manager, acts or has acted as an

underwriter in the Distribution and notwithstanding that the debt securities do not have a designated rating by a designated rating organization as contemplated by section 4.1(4)(b) of NI 81-102.

In addition, all BMO Mutual Funds, including the dealer managed BMO Mutual Funds, have obtained exemptive relief, subject to certain conditions including the approval of the IRC, to engage in the following transactions:

- purchase of non-exchange traded securities issued by entities related to the Manager or the portfolio manager of the BMO Mutual Funds in the secondary market;
- purchase of debt securities from a related dealer that holds such debt securities as principal, or the sale of debt securities to a related dealer that purchases such debt securities as principal; and
- purchase of debt securities from, or the sale of debt securities to mutual funds and pooled funds managed by the Manager or BMO Asset Management Inc. or another affiliate.

Reliance on IRC approval for Related Party Transactions

Each of the transactions described in this section is referred to as a “Related Party Transaction”.

Subject to certain conditions, the BMO Mutual Funds have relied upon IRC approval to engage in the following Related Party Transactions:

- invest in or continue to invest in securities of Bank of Montreal or another related issuer;
- invest in securities during the period of distribution of those securities or during the period of 60 days following the distribution period where the portfolio manager of a fund or an entity that is related to the portfolio manager acted as an underwriter in the distribution of those securities; and
- purchase debt securities from a related dealer that holds such debt securities as principal and/or sell debt securities to a related dealer that purchases such debt securities as principal.

A BMO Mutual Fund may engage in a Related Party Transaction only if (i) such transaction is consistent with the BMO Mutual Fund’s investment objectives and strategies; (ii) the IRC has approved the transaction; (iii) the Manager complies with certain obligations in connection with these types of transactions; and (iv) the IRC and Manager comply with certain requirements under NI 81-107, among other conditions.

For each Related Party Transaction, the IRC has provided its approval and issued standing instructions. In each case, the standing instructions require the Manager to follow governing policies and procedures and to report periodically to the IRC. The policies and procedures are designed to ensure, among other things, that the Related Party Transactions: (i) are consistent with, or are necessary to meet, the investment objectives of the BMO Mutual Funds; (ii) are free from any influence by an entity related to the Manager or the portfolio manager of the BMO Mutual Fund (an “Affiliate”) and without taking into account any consideration relevant to an Affiliate; (iii) represent the business judgment of the Manager uninfluenced by considerations other than the best interests of the BMO Mutual Funds; and (iv) achieve a fair and reasonable

result for the BMO Mutual Funds. In the event an investment decision in respect of a Related Party Transaction is not made in accordance with the foregoing requirements, the Manager is required to notify the IRC and the IRC, as soon as practicable, is required to notify the Canadian securities regulators. The IRC is also required to report such a transaction in its annual report to the securityholders of the BMO Mutual Funds.

Additional information about the mandate, duties and responsibilities of the IRC is disclosed under “*Fund Governance*”.

The Manager has obtained exemptive relief from self-dealing provisions to permit inter-fund trades in debt securities between mutual funds and pooled funds managed by the Manager or an affiliate of the Manager, subject to certain conditions imposed by the regulators, including IRC approval. The Manager has also obtained exemptive relief to permit inter-fund trades among mutual funds, pooled funds and managed accounts managed by the Manager or an affiliate, subject to certain conditions including IRC approval (for mutual funds and pooled funds) and client consent (for managed accounts). Trades involving exchange traded securities are permitted to occur at the last sale price as defined in the Universal Market Integrity Rules subject to pricing and transparency conditions.

Other exemptions for the fund

The Manager, and all of the BMO Mutual Funds, have obtained exemptive relief, subject to certain conditions, to permit the BMO Mutual Funds to purchase securities of exchange-traded funds managed by the Manager, or an affiliate or associate of the Manager, and to pay the applicable brokerage commissions associated with such purchases in the secondary market.

The BMO Mutual Funds received exemptive relief from Canadian securities regulatory authorities, subject to certain conditions, to invest in certain exchange traded funds. The BMO Mutual Funds may invest in these exchange traded funds only if: (i) immediately after the purchase, not more than 10% of the net asset value of the BMO Mutual Fund, taken at market value at the time of the purchase, would consist of securities of these exchange traded funds; and (ii) the investment in securities of these exchange traded funds is in accordance with the BMO Mutual Fund’s investment objectives. Furthermore, a BMO Mutual Fund will not invest in these exchange traded funds with an underlying index based (directly or indirectly through a specified derivative or otherwise) on a physical commodity other than gold.

The BMO Mutual Funds received an exemption to enable them, in certain circumstances, to engage in *in specie* transactions in respect of the purchase and redemption of securities of a fund by an account managed by the Manager or an affiliate (a “managed account”) and in respect of the purchase and redemption of securities of a fund by another fund, another mutual fund that is subject to NI 81-102 for which the Manager or an affiliate acts as portfolio advisor (a “related fund”) or a pooled fund for which the Manager or an affiliate acts as portfolio advisor (a “pooled fund”), subject to certain conditions.

The BMO Mutual Funds have obtained exemptive relief from the Canadian securities regulatory authorities to permit the BMO Mutual Funds to invest in certain BMO exchange traded funds that are not considered “index participation units” under NI 81-102, subject to certain conditions.

Eligibility for Registered Plans

Securities of the fund are a qualified investment under the *Income Tax Act* (Canada) (the “Tax Act”) for registered retirement savings plans (RRSPs), registered retirement income funds (RRIFs), registered education savings plans (RESPs), deferred profit sharing plans (DPSPs), registered disability savings plans (RDSPs) and tax-free savings accounts (TFSAAs), (collectively, “registered plans” and each a “registered plan”).

Securities of the fund may be a prohibited investment under the Tax Act for an RRSP, RRIF or TFSA even when the securities are a qualified investment. Securities of the fund will generally not be a prohibited investment for an RRSP, RRIF or TFSA of a planholder if the planholder and persons (and partnerships) who do not deal at arm’s length with the planholder do not, in total, own directly or indirectly 10% or more of the fair market value of that fund.

Investors should consult their own tax advisor for advice on whether or not securities of the fund are at risk of being or becoming a prohibited investment for their registered plan.

Your Rights as a Securityholder

The fund is divided into units (or “securities”) and is authorized to issue an unlimited number of securities and fractions of securities. Certificates are generally not issued to securityholders.

The fund has issued more than one series of securities. The principal differences between all of the series relates to the fees payable by the series, the purchase options under which you may have purchased the series, and the type and frequency of distributions you may receive as an investor in the series.

As a securityholder, you are generally entitled to participate *pro rata* in the net income and net capital gains of the fund that are attributable to the securities you hold. On liquidation, you are entitled to participate *pro rata* in the net assets of the fund remaining after satisfaction of outstanding liabilities that are attributable to the series of securities you hold. You may not transfer or assign securities but may redeem securities on demand and pledge securities as security. You have no ownership rights in any assets of the fund. A security of the fund does not carry rights to any other fund. As a securityholder, you have no special rights to buy other securities. Please see below under the subheading “*Meetings of securityholders*” for a description of your voting rights.

All securities were issued as fully paid and non-assessable in Canadian dollars so that you will not be liable for any further payments to the fund for those securities.

Meetings of securityholders

You have a right to exercise one vote for each whole security you hold at meetings of securityholders of the fund or of your series on any matters that require securityholder approval under NI 81-102 and the constating documents of the fund.

You are entitled to vote on the following matters:

- certain reorganizations of the fund (see below for further details);
- in certain circumstances, for holders of securities other than Series F and Series I securities, any changes in the basis of the calculation of a fee or expense or the introduction of any fee or expense that could result in an increase in the charges to the series or to securityholders of such series;
- certain material changes to the fund's constating documents (see "*Amendments to the Constating Documents*" for more details);
- the appointment of a new manager of the fund, unless the new manager is an affiliate of the Manager;
- any change in the fundamental investment objective of the fund; and
- any decrease in the frequency of calculating the fund's net asset value.

If the nature of the business to be transacted at a meeting concerns only a particular series of the fund, generally, only securityholders holding securities of that series of the fund will be entitled to vote and those securities will be voted separately as a series.

In general, the approval of securityholders will not be obtained if the basis of the calculation of a fee or expense that is charged to Series F and Series I securities of the fund (or is charged directly to securityholders of these series by the fund or by us in connection with the holding of securities of such series of the fund) is changed in a way that could result in an increase in charges to the series or to securityholders of such series or if a fee or expense, to be charged to Series F and Series I securities of the fund (or to be charged directly to securityholders of these series by the fund or by us in connection with the holding of securities of such series of the fund) that could result in an increase in charges to the series or to securityholders of such series, is introduced. In the cases above, securityholders of such series will be sent a written notice of the change at least 60 days prior to the effective date.

If the basis of the calculation of a fee or expense that is charged to any other series of the fund is changed in a way that could result in an increase in charges to the series or to securityholders of these series or if a fee or expense, to be charged directly to securityholders of these series by the fund or by us in connection with the holding of securities of such series of the fund, is introduced, and if this fee or expense is charged by an entity that is at arm's length to the fund, then the approval of securityholders of such series will not be obtained. In the cases above, securityholders of such series will be sent a written notice of the change at least 60 days prior to the effective date.

In certain circumstances, in place of you approving a fund merger, the IRC has been permitted under securities legislation to approve a fund merger. In these circumstances, you will receive written notice of any proposed merger at least 60 days prior to the effective date of the merger.

If the fund holds securities of another mutual fund that is managed by us or one of our associates or affiliates, the fund will not vote the securities of the underlying fund. We may, at our discretion, arrange for securities of the underlying fund to be voted by the securityholders of the fund holding those securities.

We may change securityholders' rights for the fund, as permitted by applicable legislation, by amending the Master Declaration of Trust. Please see "*Amendments to the Constatng Documents*" for more details.

In order to effect any change which requires securityholder approval, unless otherwise required by the constating documents of the fund or by securities legislation, a resolution passed by at least a majority of the votes cast at a meeting of securityholders is required. In the case of an equality of votes, the chairman presiding at the meetings of the fund will have a casting vote.

Valuation of Portfolio Securities

Assets

The assets of the fund include:

- all cash on hand, on deposit or on call;
- all bills and notes and accounts receivable;
- all shares and subscription rights and other securities;
- all stock and cash dividends and cash distributions not yet received by the fund but declared to shareholders of record before the net asset value per security is determined;
- all bonds, debentures, mortgages and other evidences of indebtedness;
- interest accrued on any fixed interest bearing securities;
- margin receivable on futures contracts; and
- all other property, including prepaid expenses.

Value of assets

We determine the value of the fund's assets using the following principles:

- Cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, dividends receivable and interest declared or accrued and not yet received are valued at the full amount or at what we consider to be the fair value;
- Money market investments are recorded at their fair value;
- Securities listed on any stock exchange are valued at:
 - the latest closing sale price (or such other value as the Canadian Securities Administrators may permit) last reported on the valuation date; or
 - if no closing sale price is available, the security shall be fair valued;
- Mutual fund securities that are not listed on any stock exchange are valued at their respective net asset values on the relevant valuation date;
- Bonds are valued at bid prices obtained from a recognized pricing service;
- Securities or property which have no available price quotations are valued at our best estimate of the fair value;
- Foreign currency accounts are expressed in Canadian dollars on the following basis:

- investments and other assets are valued at the rate of exchange at the end of the valuation period; and
- purchases and sales of investments, income and expenses are recorded at the rate of exchange on the dates of the transactions;
- The fund's holdings are valued in Canadian dollars before we calculate the net asset value of the security;
- Forward foreign exchange contracts are valued as the difference between the value on the date the contract originated and the value of the contract on the valuation date. Foreign exchange options are valued at their quoted market value. When the contract or option closes or expires, we will recognize a realized foreign exchange gain or loss;
- Forward contracts are valued as the difference between the value on the date the contract originated and the value of the contract on the valuation date;
- Clearing corporation options are valued at the current market value;
- Where a covered clearing corporation option is written, the premium received is considered a deferred credit with a value equal to the current market value of an option that would have the effect of closing the position. We'll treat any difference resulting from revaluation as an unrealized gain or loss. We'll deduct the deferred credit to arrive at the net asset value of the fund;
- Futures contracts are valued at outstanding current margin payable or receivable;
- Bullion, coins, certificates or other evidences of precious metals are valued at current market value;
- Restricted securities are valued at the lesser of (i) the value thereof based on reported quotations in common use, and (ii) the percentage of the market value of unrestricted securities of the same class, equal to the percentage that the fund's acquisition cost was of the market value of such unrestricted securities at the time of acquisition, provided that if we know the time period during which the restrictions on such securities apply, we may adjust the price to reflect that time period;
- All other assets are valued at our best estimate of fair value; and
- If we consider any of these valuation rules inappropriate, or we cannot value an investment according to these rules, we may estimate the fair value of an investment using established fair valuation procedures such as: consideration of public information, broker quotes and valuation models. We may also use external fair value service providers. The value calculated on fair value securities for the purposes of calculating the fund's net asset value may differ from the securities' most recent closing market price.

We may also fair value securities in the following circumstances:

- when there is a halt trade on a security that is normally traded on an exchange;

- on securities that trade on markets that have closed prior to the time of calculation of the net asset value of the fund and for which there is sufficient evidence that the closing price on that market is not the most appropriate value at the time of valuation; and
- when there are investment or currency restrictions imposed by a country that affect the fund's ability to liquidate the assets held in that market.

An example of when the closing market price of a security may not be appropriate would be when exchanges are closed by a local government or regulator and the securities involved are a relatively small portion of the fund's total portfolio. In such cases, we may look at the available evidence of value of these securities in North American markets and make an adjustment where appropriate.

The Manager has valued the securities in the fund in accordance with the disclosed practices, and in particular, in accordance with the foregoing outlined principles. In doing so, the Manager has not in the last three years had to exercise discretion to deviate from the fund's stated valuation practices outlined in this annual information form.

Liabilities

The liabilities of the fund include:

- all bills and notes and accounts payable and/or accrued;
- all administrative and operating expenses payable or accrued or both, including management fees;
- all contractual obligations for money or property, including any unpaid distribution credited to securityholders the day before the net asset value per security is determined;
- all allowances authorized or approved by the Manager for taxes (if any) or contingencies;
- the value of margin payable on futures contracts; and
- all other liabilities of the fund.

Securities are still considered outstanding on the day we receive a request to redeem them. They are valued at the redemption price per security on that day, but are considered a liability of the fund only after the close of business on that day.

How we calculate net asset value

The redemption price of securities of the fund is based on the security's net asset value next determined after the receipt of a purchase order or a redemption order.

We determine the net asset value per security as at 4:00 p.m. Eastern Time on each day that the Toronto Stock Exchange is open for business, or any other time as we may from time to time determine to be a day for valuation of the fund (the "Valuation Day"). The net asset value per security remains in effect until we determine the next net asset value per security. The net asset value per security is published each Valuation Day and is available, at no cost to you, on our website www.bmo.com/gam/ca.

To determine the net asset value for each series of securities we first calculate four values:

A = the total market value in Canadian dollars of the series' proportionate share of the assets of the fund

L = the liabilities of the fund attributable to the series of securities

N = net assets attributable to the series of the fund

U = total number of securities of that series outstanding

N = A minus L.

The following equation then determines the net asset value per security:

$$N \div U$$

Buying Securities

How to buy securities of the fund

The securities of the fund described in this annual information form are not currently available for public purchase since the fund was closed to new investments as of March 28, 2013.

Purchase options

If you purchased series F or series I securities of the fund, you did not pay any sales charges and will not pay any redemption charges.

If you purchased Advisor Series or series T5 securities of the fund, you had the option of purchasing, through your dealer, Advisor Series or series T5 securities at the net asset value per security plus a negotiated initial sales charge payable at the time of purchase ("Sales Charge option"), or at the net asset value per security with no initial sales charge, but where you may have to pay a redemption fee in certain circumstances (the "Deferred Charge options"). There were two Deferred Charge options available: the Low Load Deferred Charge option and the Standard Deferred Charge option. Series F and series I securities were not offered under any sales charge option. The purchase option chosen will affect the amount of sales commissions and service fees paid to your dealer.

If you purchased Classic Series, you purchased under the Sales Charge option.

Redeeming Securities

How to request a redemption

Securities of the fund may be redeemed at the option of the investor on any Valuation Day.

You may redeem securities through your dealer. For your protection, you must sign your redemption request and we may ask that your signature be guaranteed by a bank, trust company or your dealer. Your redemption request will be forwarded to us by courier, priority post or

telecommunication facility at no charge to you on the same business day you complete the form. However, if you have not completed the form in full, we cannot fulfill your redemption request.

If you are redeeming your securities through your dealer, whenever practicable, your dealer is required to transmit your redemption request by courier or telecommunications facilities in order to expedite the redemption request's receipt by the Manager. The cost of this transmittal, regardless of its form, must be borne by your dealer. As a security measure, the Manager will not accept a redemption request sent by telecommunications facilities directly from an investor. Your redemption request must be forwarded to us by your dealer on the same business day.

If we have not received all the necessary documentation and/or information needed to settle your redemption request within ten (10) business days, we are required under securities legislation to purchase the equivalent number of securities you asked to be redeemed as of the close of business on the tenth business day. If the purchase price of the securities is less than the original redemption price, the fund will keep the difference. If the amount of the purchase price exceeds the original redemption price, we will pay the difference to the fund and may seek reimbursement from your dealer, together with additional costs. Your dealer may be entitled to recover these amounts from you.

If applicable, an investor whose securityholding is evidenced by a registered certificate who wishes to have his or her securities redeemed shall surrender his or her certificate to the Manager with the request that the same shall be redeemed. For the protection of investors, an investor's signature on any redemption request or on the back of any certificate must be guaranteed by a bank, trust company or dealer. Further documentation may be required for corporations and other accounts that are not in the name of an individual.

If all necessary redemption documents, properly completed, accompany the redemption request, within three business days after we determine the redemption price, we will:

- send you a cheque, make a direct deposit to your bank account or send money to your dealer in payment for the securities you have redeemed; and
- send you or your dealer a transaction confirmation including the balance in your investment account.

Redemption price

You may redeem securities on any Valuation Day at the net asset value per security. If we receive your redemption request before 4:00 p.m. Eastern Time on any Valuation Day, the redemption value will be calculated on that day. If we receive your redemption request after 4:00 p.m. Eastern Time or on a day that is not a Valuation Day, the redemption value will be calculated on the next Valuation Day. This is called the redemption price. If the Toronto Stock Exchange closes earlier than 4:00 p.m. Eastern Time, we may impose an earlier deadline.

If you're redeeming securities, we'll transfer or mail the proceeds to you within three (3) business days after we determine the redemption price provided all necessary documents and/or information have been received. You will receive your redemption proceeds in Canadian dollars when you redeem securities of the fund.

Your dealer may provide in any arrangements it has with you that you are required to compensate your dealer for any losses suffered by it in connection with your failure to satisfy the requirements for a redemption of securities of the fund.

You pay no redemption charges if you bought series F or Series I securities offered under the 'no load' option through us or if you purchased Advisor Series or Classic Series securities under the sales charge option through your dealer.

Calculating redemption fees

If you purchased securities under the Low Load Deferred Charge option or the Standard Deferred Charge option, you may have to pay a redemption fee when you redeem your securities. The redemption fee is based on the original date of purchase and the original price of your securities.

Low Load Deferred Charge Option

The redemption fees payable for redeeming securities purchased under the Low Load Deferred Charge option are set out below:

If redeemed during the following periods after purchase	Redemption fee
First year	3.0%
Second year	2.0%
Third year	1.0%
Thereafter	Nil

No redemption fee will be payable for:

- switching your investment to another fund purchased under the Low Load Deferred Charge option;
- cash distributions on securities purchased under the Low Load Deferred Charge option; or
- securities received on the reinvestment of distributions that are distributed as a result of securities purchased under the Low Load Deferred Charge option.

Standard Deferred Charge Option

The redemption fees payable for redeeming securities purchased under the Standard Deferred Charge option are set out below:

If redeemed during the following periods after purchase	Redemption fee
First year	6.0%
Second year	5.5%
Third year	5.0%
Fourth year	4.5%
Fifth year	4.0%
Sixth year	3.0%
Seventh year	2.0%
Thereafter	Nil

No redemption fee will be payable for:

- switching your investment to another BMO Mutual Fund purchased under the Standard Deferred Charge option;
- cash distributions paid in cash on securities purchased under the Standard Deferred Charge option; or
- securities received on the reinvestment of distributions that are paid from securities purchased under the Standard Deferred Charge option.

To minimize any redemption fees you may be required to pay under any deferred charge option, the following rules apply:

- the securities first purchased or deemed to be purchased along with any securities received on the reinvestment of distributions of these securities will be redeemed first; and
- any redemptions or re-designations in a calendar year that fall within the “Free Redemption Amount” will not be subject to a redemption fee.

The “Free Redemption Amount” for a calendar year is equal to the sum of: (a) 10% of the number of securities held at the end of the last calendar year; and (b) 10% of the number of securities purchased during the current calendar year up to the time of the redemption. You cannot carry forward any unused portion of the Free Redemption Amount to the next calendar year.

Automatic redemption

If the value of your investment in the fund falls below the minimum amount as determined by us from time to time, or if you or your dealer are no longer eligible to hold series F or series I securities of the fund (as the case may be), we may redeem all the securities of the fund in your

account. If, as a result of market fluctuation, the value of your securities falls below the minimum balance, we may buy your securities from you or redeem them for you after giving you 10 days' notice. If, as a result of a partial redemption, the value of your remaining holding falls below the minimum balance, we may redeem such remaining holding immediately and without prior notice to you. See "*Your guide to buying, switching and redeeming the funds*" in the BMO Mutual Funds' simplified prospectus for more details.

Suspension of redemptions

The fund may suspend your right to request a redemption for all or part of a period when:

- normal trading is suspended on a stock, options or futures exchange in Canada or outside Canada on which securities or derivatives that make up more than 50% of the value or underlying exposure of the fund's total assets are traded; and
- those securities or derivatives are not traded on any other exchange that represents a reasonably practical alternative for the fund.

The fund may postpone a redemption payment during any period when your right to request a redemption is suspended under the circumstances described above or with the approval of the securities regulatory authorities. You have the option of withdrawing your request for redemption or completing your redemption order at the net asset value per security on the first Valuation Day after the termination of the suspension. The fund will not accept any orders for the purchase of its securities during any period when the redemption of its securities has been suspended.

Switching Funds

At any time you may switch your securities of the fund for securities of another BMO Mutual Fund that is available for public purchase, provided that you are eligible to purchase the series that you are switching into and provided such series is priced in the same currency.

You may switch your securities of the fund through your dealer.

You must maintain the minimum account balance in the fund to avoid automatic redemption. See "*Redeeming Securities – Automatic redemption*" for more details.

When we receive your switch request, we will redeem your securities in the fund and then apply the proceeds to the purchase of securities of the other BMO Mutual Fund(s) at the net asset value per security next determined after we receive your switch request.

Switching of securities of the fund for securities of another BMO Mutual Fund will constitute a disposition and may result in the securityholder realizing a capital gain or loss for income tax purposes. Redesignations of securities of the fund to securities of another series of the same fund should not result in a disposition for income tax purposes. See "*Canadian Federal Income Tax Considerations*" for more details.

Switching between purchase options

If you are switching securities that you bought under either the Standard Deferred Charge option or Low Load Deferred Charge option, then in order to maintain the deferred charge schedule of your original securities and avoid additional fees, you must switch into the same purchase option. This is true if you switch between any BMO Mutual Funds.

Switches between purchase options may involve a change in the compensation paid to your dealer and redemption fees. We do not recommend that you switch between purchase options as it may result in additional fees.

If you switch your securities through your dealer, you may pay a fee of up to 2% of the value of the securities redeemed for switching between funds. You and your dealer can negotiate this fee. There may also be fees or charges payable on the purchase of the securities of the new fund, depending upon the series of securities purchased and the arrangements between you and your dealer.

Responsibility for Operations

Trustee, directors and officers of the fund

BMO Investments Inc. is the trustee for the fund. The Trustee has the exclusive authority over the assets and affairs of the fund. It has a fiduciary responsibility to act in the best interests of the securityholders of the fund. The fund is administered in its day-to-day operations by the Manager.

The Manager and Principal Distributor

As Manager of the fund, we are responsible for the day-to-day management of the fund and its investment portfolio in compliance with the fund's constating documents (i.e., the Master Declaration of Trust). We are also responsible for performing valuation and fund accounting services of the fund. In addition, we are the principal distributor of the fund. We have taken the initiative in creating the fund and may be considered the promoter of the fund. Our registered and principal office is:

100 King Street West, 43rd Floor
Toronto, Ontario
M5X 1A1

If you purchased your securities at a BMO Bank of Montreal branch or through the BMO Investment Centre, you can direct inquiries about the funds to the BMO Investment Centre by calling toll-free 1-800-665-7700 or through our website at www.bmo.com/gam/ca.

If you purchased your securities through a dealer, you can direct inquiries about the fund to our administration office by calling us toll free at 1-800-668-7327 or through our website at www.bmo.com/gam/ca. The address of our administration office is:

250 Yonge Street, 9th Floor
 Toronto, Ontario
 M5B 2M8

Directors and Executive Officers of the Manager

Below are the names of the directors and executive officers of BMO Investments Inc., along with their municipalities of residence and their principal occupations during the past 5 years:

Name and Municipality of Residence	Position with the Manager	Principal Occupation
KEVIN R. GOPAUL Oakville, Ontario	Chief Executive Officer, Ultimate Designated Officer, Senior Vice President and Chief Product Officer	Chief Executive Officer, BMO Asset Management Inc. and Chief Executive Officer, BMO Investments Inc.
BARRY M. COOPER Toronto, Ontario	Chairman and Director	Chairman, BMO Global Asset Management
ROSS F. KAPPELE Toronto, Ontario	Executive Vice President, Head of Retail Distribution and Director	Head of Distribution, BMO Investments Inc.
NELSON C. AVILA Toronto, Ontario	Chief Financial Officer	Lead Financial Officer, BMO Global Asset Management - Canada
THOMAS C.S. BURIAN Mississauga, Ontario	Director	Vice President and Chief Financial Officer, Wealth Management, BMO Financial Group
JOAN Z. MOHAMMED Miami Beach, Florida	Director	Chief Operating Officer, BMO Global Asset Management
ROBERT J. SCHAUER Toronto, Ontario	Director	Chief Financial Officer and Treasurer, BMO Mutual Funds
VIKI A. LAZARIS Thornhill, Ontario	Director	Chief Operating Officer, Canadian Personal and Commercial Banking, BMO Financial Group

Name and Municipality of Residence	Position with the Manager	Principal Occupation
ANDREW B. AUERBACH Toronto, Ontario	Director	Head, Sales and Distribution, Canadian Personal and Commercial Banking, BMO Bank of Montreal
DENISE CHOW Whitby, Ontario	Chief Anti-Money Laundering Officer	Director and AML Officer – Capital Markets, BMO Financial Group
STEPHANIE R. VASS Grimsby, Ontario	Chief Compliance Officer	Chief Compliance Officer, BMO Investments Inc
STELLA VRANES Richmond Hill, Ontario	Senior Vice President and Chief Administrative Officer	Chief Administrative Officer, BMO Global Asset Management

During the past 5 years, these directors and executive officers have held their present principal occupations, except for: Kevin Gopaul, who was Senior Vice President from April 2009 to July 2016; Nelson Avila, who was Financial Analyst, BMO Mutual Funds from September 2010 to April 2013 and Finance Manager, BMO Mutual Funds from April 2013 to December 2015; Thomas Burian, who was Director, Financial Performance Management, BMO Financial Group from November 2008 to December 2011, Vice President, Financial Performance Management from January 2012 to February 2014 and Chief Financial Officer from August 2015 to January 2017; Joan Mohammed, who was Chief Risk Officer, Wealth Management and Global Head, Operational Risk, BMO Financial Group from May 2008 to June 2016; Viki Lazaris, who was Senior Vice President, Investor Relations, BMO Financial Group from April 2006 to April 2012, President and Chief Executive Officer, BMO InvestorLine from April 2012 to March 2014 and Senior Vice President and Chief Administrative Officer, Wealth Management, BMO Financial Group from March 2014 to November 2015; Andrew Auerbach who was Head, BMO Harris Private Banking from July 2008 to February 2012 and Senior Vice President, Greater Toronto Division, Personal and Commercial Banking from February 2012 to August 2015; Denise Chow who was Senior Manager, Office of the Chief Anti-Money Laundering Officer, Bank of Montreal from July 2010 to August 2014 and Director and AML Officer – Wealth Management, BMO Financial Group from August 2014 to August 2015; and Stephanie Vass, who was Manager, Compliance, TD Investment Services Inc. from March 2011 to January 2013 and Chief Compliance Officer of TD Investment Services Inc. from September 2012 to October 2016.

Auditor

PricewaterhouseCoopers LLP, Chartered Professional Accountants of Toronto, Ontario, is the auditor of the funds.

Registrar and Transfer Agent

BMO Investments Inc., in Toronto, Ontario, is the registrar and transfer agent for the fund and, in this capacity records all investor investment transactions, issues or cancels certificates, if applicable, and deals with enquiries from investors and dealers. The register of securities of the fund is kept in Toronto, Ontario and Montreal, Quebec.

Custodian

CIBC Mellon Trust Company (“CMT” or the “Custodian”) of Toronto, Ontario, is the custodian of the fund. As custodian, it holds the cash and securities of the fund. The parties to the amended and restated master custodial services agreement for certain BMO Mutual Funds, including the fund, dated January 4, 2010, as amended, are the fund, certain other BMO Mutual Funds, BMO Investments Inc., CMT and certain of its affiliates. The custodial services agreements may each be terminated upon 90 days’ written notice in respect of the fund.

All marketable securities are held at CMT’s principal offices in Toronto, with the exception of foreign assets. Foreign assets may be held by local sub-custodians appointed by CMT or under their authority in various foreign jurisdictions where the fund may have assets invested. CMT or the sub-custodians may use the facilities of any domestic or foreign depository or clearing agency authorized to operate a book-based system. The sub-custodians appointed to hold assets of the fund are listed in the most recent Compliance Report prepared by CMT and filed on SEDAR on behalf of the fund, among others, pursuant to the requirements of NI 81-102.

Securities Lending Agent

The Bank of New York Mellon (the “Securities Lending Agent”) acts as agent for securities lending transactions for those BMO Mutual Funds that engage in securities lending. The Securities Lending Agent is independent of the Manager. The principal office of the Securities Lending Agent is located in Toronto, Ontario.

Independent Review Committee

In accordance with NI 81-107, the Manager appointed an Independent Review Committee (“IRC”) for the BMO Mutual Funds. For a description of the mandate and responsibilities of the IRC, see “*Fund Governance – Independent Review Committee*”.

Management Agreement

The master management and distribution agreement dated October 20, 2008 together with the amended and restated Schedule “A” dated October 14, 2016 and amended and restated Schedule “B” dated January 31, 2017 in respect of the fund and certain BMO Mutual Funds (the “Master Management Agreement”) determines how we administer the fund’s day-to-day operations, supervise the fund’s investments, help manage the investment and reinvestment of assets, and serve as principal distributor of the securities of the fund. The Master Management Agreement also provides that we are entitled to management fees in return for our services. We are supervised by, and act on behalf of, the Trustee of the fund. The Master Management Agreement

may be terminated at any time by the fund or by us in respect of the fund by not less than six (6) months' prior notice in writing.

The Master Management Agreement may be immediately terminated with respect to the fund by either party giving notice in writing if:

- (i) the Manager ceases to be properly registered to provide its services under the Master Management Agreement;
- (ii) the other party ceases to carry on business, becomes bankrupt or insolvent, resolves to wind up or liquidate or a receiver of any of the assets of the other party is appointed; or
- (iii) the other party commits a material breach of the provisions of the Master Management Agreement and does not remedy this breach within 30 days after written notice requiring the remedy.

We use our best efforts to help the fund make suitable investments consistent with its objectives and strategies. We are under an obligation to be fair and reasonable in all of our management responsibilities.

We may hire experts to provide investment advice and portfolio management services for the fund. We may designate any officers or employees of the fund, and compensate them.

As principal distributor, we may designate branches of Bank of Montreal in Canada and engage registered dealers to distribute securities of the fund to the public. We supervise the distribution activity of all the branches of Bank of Montreal.

We are also responsible for ensuring provision of complete administration and accounting services necessary for carrying on the business of the fund, including the daily valuation and pricing of the fund and the preparation of interim and annual reports, prospectuses and other disclosure documents.

The fund does not pay management fees to the Manager for Series I securities. Series I investors pay management fees to the Manager directly.

Portfolio Manager

Mawer Investment Management Ltd. (the "Portfolio Manager") in Calgary, Alberta is the portfolio manager of the fund. The Portfolio Manager is an independent investment management firm. As set out in our agreement with the Portfolio Manager, the Portfolio Manager helps us formulate policies and strategies for the fund, and provides specific investment recommendations from time to time. Under our direction, it buys and sells investments according to the objectives and strategies of the fund and the criteria approved by the Trustee. At its own expense, it may retain other investment advisers and securities brokers in any country. However, we are responsible at all times for managing the fund's portfolios, and we are answerable to the Trustee.

The agreement prescribes the duties and powers of the Portfolio Manager, including setting benchmarks and investment policies, stipulating the standard of care each shall exercise and

deciding upon the frequency and nature of reports to be furnished to the Manager and the Custodian. The Portfolio Manager is obliged to adhere to all applicable legislative and regulatory requirements and such other guidelines and restrictions as the Manager may stipulate. We pay the portfolio manager a fee for its services.

The agreement with the Portfolio Manager can be terminated upon 90 days' prior written notice or if the Portfolio Manager becomes insolvent (or for certain other technical reasons), in which event the agreement will terminate immediately.

Investment decisions are made by Jeff Mo, Portfolio Manager, since 2008 at the Portfolio Manager.

Brokerage Arrangements

Decisions regarding the purchase and sale of portfolio securities for the fund are made by the Portfolio Manager, taking into consideration the particular investment objectives, investment strategies and policies of the fund.

Brokerage business is allocated to dealers based on quality of service and the terms offered for specific transactions including price, volume, speed and certainty of execution, the competitiveness of commission terms and prices, the range of services and the quality of research provided and total transaction cost. The process for allocation of brokerage business is the same as described above for dealers that are affiliated entities.

There are no ongoing contractual arrangements with any brokers with respect to securities transactions.

In addition to order execution goods and services, dealers or third parties may provide research goods and services, which include: (i) advice as to the value of securities and the advisability of effecting transactions in securities; and (ii) analyses and reports concerning securities, issuers, industries, portfolio strategy or economic or political factors and trends that may have an impact on the value of securities. Such research goods and services may be provided by the executing dealer directly (known as proprietary research) or by a party other than the executing dealer (known as third party research).

In the event of the provision of a good or service that contains an element that is neither research goods and services nor order execution goods and services ("mixed-use goods and services"), such as data analysis, software applications and data feeds, brokerage commissions will only be used to pay for the portion of such goods and services which would qualify as either research goods and services or order execution goods and services. The Portfolio Manager would itself pay for the remainder of the costs of such mixed-use goods and services. Records detailing the payment allocations will be kept.

The Portfolio Manager makes a good faith determination that the fund, on whose behalf it directs to a dealer any brokerage transactions involving client brokerage commissions, in return for research and order execution goods and services from such dealer or third party, receives reasonable benefit, considering both the use of the goods or services and the amount of the client brokerage commissions paid, by conducting extensive trade cost analyses.

Research and order execution goods and services may benefit not only the funds whose trades generated the brokerage commission, but may also benefit other funds and clients to whom the Portfolio Manager provides advice. Such research and order execution goods and services may also be shared with affiliates of the Manager. Similarly, the fund may benefit from research and order execution goods and services obtained with brokerage commissions generated by client accounts of affiliates of the Manager. There are policies and procedures in place to ensure that, over a reasonable period of time, all clients, including the fund, receive a fair and reasonable benefit in return for the commissions generated.

Since the date of the last annual information form of each BMO Mutual Fund, no affiliated companies have provided investment decision making services in the nature of research analysis and reports concerning securities and portfolio strategies and statistical or other similar services to the Manager or a person appointed by the Manager in return for the allocation of brokerage transactions. Since the date of the last annual information form of each BMO Mutual Fund, services other than order execution provided to portfolio managers by non-affiliated dealers and third parties in return for the allocation of brokerage transactions have included research, market data subscriptions, and economic analysis.

The name of any non-affiliated dealer or third party that provided such goods or services to the fund in return for the allocation of brokerage transactions will be provided upon request. If you purchased your securities at a BMO Bank of Montreal branch or through the BMO Investment Centre, you can direct inquiries about the fund to the BMO Investment Centre by calling toll-free 1-800-665-7700 or through our website at www.bmo.com/mutualfunds. If you purchased your securities through an investment dealer or mutual fund dealer, you can direct inquiries about the fund to our administration office by calling us toll free at 1-800-668-7327 or through our website at www.bmo.com/gam/ca.

Conflicts of Interest

Principal Holders of Securities

The Fund

As of March 2, 2017, the directors and officers of the Trustee, as well as the members of the IRC of the fund, in the aggregate, owned less than 2% of each series of securities of the fund, directly or indirectly.

As of March 2, 2017, the directors and officers of the Manager, in the aggregate, owned less than 2% of each series of securities of the fund, directly or indirectly.

As of March 2, 2017, the following persons owned of record, or are known by the fund or the Manager to own beneficially, directly or indirectly, more than 10% of the outstanding securities of the following series of the fund:

Name*	Type of ownership	Number of securities	% of series of securities outstanding
BMO Investments Inc.	of record and beneficial	37.208 Series I	100%
Individual Investor A	of record and beneficial	7,818.357 Series T5	10%

* To protect the privacy of investors who are individuals and are not directors or officers of the Manager, we have omitted the names of the beneficial owners. This information is available on request by contacting us at the telephone number on the back cover of this annual information form.

We will not redeem any of the securities we own in the fund if it would bring the net assets of the fund below \$1 million, with the exception of any redemption of securities that may occur in the context of a fund merger, termination or reorganization.

The Manager

The Manager is an indirect wholly-owned subsidiary of Bank of Montreal. To the knowledge of Bank of Montreal, no person owns 10% or more of the common shares of Bank of Montreal, directly or indirectly. The directors and senior officers of Bank of Montreal, in aggregate, own less than 1% of Bank of Montreal's outstanding common shares.

The IRC

As of March 2, 2017, the members of the IRC, in aggregate, owned less than 1% of Bank of Montreal's outstanding common shares. The members of the IRC, in aggregate, do not own any voting or equity securities of any other person or company that provides services to the funds or the Manager.

Affiliated entities

The diagram below sets out the relationships among the affiliated entities that provide services to the fund or to the Manager in connection with the fund. All entities below are wholly-owned by Bank of Montreal, directly or indirectly, unless otherwise indicated.

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*On November 1, 2012, this entity, Bank of Montreal Securities Canada Limited, Jones Heward Investments Inc. and BMO Nesbitt Burns Corporation Limited were amalgamated and continued under the name of BMO Nesbitt Burns Inc. The amalgamated BMO Nesbitt Burns Inc. was reorganized to become a wholly-owned subsidiary of BMO Nesbitt Burns Holdings Corporation.

The disclosure of the amount of fees received from the fund by each affiliated entity that provides services to the fund or to the Manager in relation to the fund is, or will be, contained in the audited financial statements of the fund.

The following individuals are directors or executive officers of BMO Investments Inc. and are also directors or officers of an affiliated entity that provides services to the fund:

Name	Position with the Manager	Position with Affiliates
KEVIN R. GOPAUL	Chief Executive Officer, Ultimate Designated Officer, Senior Vice President and Chief Product Officer	Chief Executive Officer, Ultimate Designated Officer, Chief Investment Officer, ETFs and Mutual Funds, and Director, BMO Asset Management Inc.; Head, BMO Global Asset Management Canada, BMO Global Tax Advantage Funds Inc.; Chief Executive Officer, BMO Monthly Dividend Fund Ltd.
BARRY M. COOPER	Chairman and Director	Director and Chair, BMO Asset Management Inc.; Director, BMO Private Investment Counsel Inc.; Director and Chairman, BMO Monthly Dividend Fund Ltd.; Director and Chairman, GGOF Canadian Equity Fund Ltd.; Director and Chairman, BMO Global Tax Advantage Funds Inc.; Director and Chairman, Pyrford International Limited; Director and Chair, Money, Inc.; Director and Chairman, BMO Asset Management Corp.; Director and Chairman, LGM (Bermuda) Limited; Director and Chairman of the Board, Lloyd George Investment Management (Bermuda) Limited; Director and Chairman, LGM Investments Limited; Director, F&C Asset Management plc
ROSS F. KAPPELE	Executive Vice President and Head of Retail Distribution and Director	Director, BMO Global Tax Advantage Funds Inc.; Director, GGOF Canadian Equity Fund Ltd.; Executive Vice President and Head of Retail Distribution, BMO Asset Management Inc.
THOMAS C.S. BURIAN	Director	Chief Financial Officer and Treasurer, BMO Trust Company; Director, BMO Monthly Dividend Fund Ltd.; Director, BMO Asset Management Inc.; Director, BMO Private Investment Counsel Inc.; Director, BMO Life Assurance Company; Director, BMO Life Insurance Company

Name	Position with the Manager	Position with Affiliates
JOAN Z. MOHAMMED	Director	Director, BMO Asset Management Corp.; Director, BMO Asset Management Inc.; Director, BMO Corporate Services Asia Limited; Director, BMO Global Tax Advantage Funds Inc.; Director, BMO Monthly Dividend Fund Ltd.; Director, BMO Reinsurance Limited; Director, BMO Trustee Asia Limited; Director, F&C Asset Management plc; Director, LGM (Bermuda) Limited; Director, Lloyd George Investment Management (Bermuda) Limited; Director, Head and Ultimate Designated Officer, Money, Inc.
ROBERT JOSEF SCHAUER	Director	Director and Chief Financial Officer, BMO Monthly Dividend Fund Ltd.; Chief Financial Officer, GGOF Canadian Equity Fund Ltd.; Chief Financial Officer, BMO Mutual Funds; Vice President, BMO Asset Management Inc.; Director, Chief Financial Officer, BMO Global Tax Advantage Funds Inc.; Chief Financial Officer, BMO Private Portfolios; Chief Financial Officer, BMO Exchange Traded Funds
VIKI A. LAZARIS	Director	Director, BMO InvestorLine Inc.; Director, Moneris Solutions Corporation
STEPHANIE R. VASS	Chief Compliance Officer	n/a
NELSON C. AVILA	Chief Financial Officer	Chief Financial Officer, BMO Asset Management Inc.; Chief Financial Officer, Money Inc.
STELLA VRANES	Senior Vice President and Chief Administrative Officer	Senior Vice President, Chief Administrative Officer and Director, BMO Asset Management Inc.

Name	Position with the Manager	Position with Affiliates
DENISE CHOW	Chief Anti-Money Laundering Officer	Chief Anti-Money Laundering Officer, BMO Asset Management Inc., BMO Private Investment Counsel Inc., BMO Nesbitt Burns Inc., BMO InvestorLine Inc., BMO Estate Insurance Advisory Services Inc., BMO Trust Company, Money, Inc., BMO Life Assurance Company and BMO Life Insurance Company
ANDREW AUERBACH	Director	n/a

Fund Governance

General oversight

As stated above, the Trustee has the exclusive authority over the assets and affairs of the fund and is ultimately responsible for the fund. The Trustee delegates the day-to-day administration and operation of the fund to the Manager.

We also have an Investment Management Committee that meets monthly to examine and review investment performance, compliance, industry trends, ideas, opportunities and related matters in connection with the fund. This committee reports performance and significant issues to the Trustee.

We have hired the Portfolio Manager to provide investment advice and portfolio management for the fund. Its activities are carefully and regularly monitored by the Manager's Investment Management Committee to help ensure observance of investment guidelines, conduct and financial performance. The Portfolio Manager may also report to the Trustee from time to time.

We have established appropriate policies, procedures, practices and guidelines to ensure the proper management of the fund, including the policies and procedures relating to conflicts of interest as required by NI 81-107. Included among these policies is a personal trading policy for employees of the Manager. The personal trading policy is designed to prevent potential, perceived or actual conflicts between the interests of the Manager and its employees, and the interests of the fund. Under the policy, certain senior personnel of the Manager are required to obtain prior approval before placing any trades in securities for their personal accounts in order to ensure that the trades do not conflict with the best interests of the fund and have not been made available to the employee because of his or her position, knowledge of or relationship with the fund.

We are the principal distributor of securities of the fund. There are branch compliance officers overseeing the sale and distribution of the fund, a provincial/divisional compliance officer ensuring that branch compliance officers are carrying out their compliance responsibilities, and a

BMO Mutual Funds' compliance department overseeing trading surveillance, regulatory changes, training courses and materials and transactions involving actual or potential conflicts of interest.

Independent Review Committee

In accordance with NI 81-107, the Manager appointed an IRC for the BMO Mutual Funds. The mandate of the IRC is to:

- review the written policies and procedures established by the Manager and referred to the IRC on conflict of interest matters;
- review conflict of interest matters referred to the IRC by the Manager and provide the Manager with an approval or a recommendation (an IRC decision) depending on the nature of the conflict of interest matter;
- perform any other function required of an independent review committee under applicable Canadian securities legislation; and
- perform any other function, as may be agreed to in writing by the IRC and the Manager, from time to time.

The current members of the IRC are Louise Vaillancourt (Chair), John K. McBride, Mark Brown, Wendy Hannam and Jim Faille. Each member is independent of the BMO Mutual Funds, the Manager and other companies related to the Manager.

Each IRC member receives compensation for the duties he or she performs as an IRC member. The annual retainer for each IRC member (other than the Chair) in respect of all of the BMO Mutual Funds is approximately \$80,000; the annual retainer for the Chair is approximately \$115,000. In addition, each IRC member is entitled to the reimbursement of all reasonable expenses in connection with his or her duties as an IRC member. The IRC members received aggregate annual fees and reimbursement of expenses of approximately \$197,717, inclusive of HST, which was allocated among the BMO Mutual Funds in a manner that was fair and reasonable.

At least annually, the IRC will also review and assess the adequacy and effectiveness of the Manager's written policies and procedures relating to conflict of interest matters in respect of the funds, in addition to any standing instructions the IRC has provided to the Manager to enable the Manager to act in a particular conflict of interest matter on a continuing basis. This review will include an assessment of the Manager's and the funds' compliance with the related policies and procedures and the conditions imposed by the IRC in the applicable standing instruction.

On an annual basis, the IRC will also conduct a self-assessment of the IRC's independence, compensation and effectiveness. The IRC will provide the Manager with a report of the results of such self-assessment.

In accordance with NI 81-107, for each financial year of the funds, the IRC will prepare a report to securityholders that describes the IRC and its activities for the financial year. Securityholders can get a copy of this report, at no cost by writing to us at BMO Investments Inc., 100 King

Street West, 43rd Floor, Toronto, Ontario, M5X 1A1 or going to the website of SEDAR at www.sedar.com. If you purchased your securities at a BMO Bank of Montreal branch or through the BMO Investment Centre, you can direct your request for the IRC's report to securityholders to the BMO Investment Centre by calling us toll-free 1-800-665-7700 or through our website at www.bmo.com/mutualfunds.

If you purchased your securities through an investment dealer or mutual fund dealer, you can get a copy of this report, at no cost by writing to us at BMO Investments Inc., 250 Yonge Street, 9th Floor, Toronto, Ontario, M5B 2M8 or by calling us toll free at 1-800-668-7327 or through our website at www.bmo.com/gam/ca.

Risk management

Risk management is dealt with on a number of levels. The agreement between the Manager and the Portfolio Manager sets out the objectives and strategies of the fund, the investment restrictions and policies prescribed by the Canadian securities regulators and any additional guidelines and criteria considered by the Manager to be appropriate. Various measures to assess risk are used, including mark to market security valuation, fair value accounting, effective exposure reporting, and monthly reconciliations of security and cash positions. Compliance monitoring of the funds' portfolios is ongoing. The fund is priced daily, which aims to ensure that the valuation accurately reflects market movements.

Securities lending, repurchase and reverse repurchase transactions

On behalf of certain BMO Mutual Funds, including the fund, the Manager has entered into a securities lending agreement (the "Securities Lending Agreement") with the Custodian, Canadian Imperial Bank of Commerce ("CIBC"), the Securities Lending Agent and CIBC Mellon Global Securities Services Company ("GSS"). The securities lending program is administered by GSS. The Securities Lending Agent acts as agent for securities lending transactions for those funds that engage in securities lending. The securities lending program administrator, GSS, will value the loaned securities and the collateral daily to ensure that the collateral is worth at least 102% of the market value of the loaned securities. Pursuant to the terms of the Securities Lending Agreement, the Custodian, GSS, CIBC and the Securities Lending Agent will indemnify and hold harmless the Manager, on behalf of the applicable funds, from all losses, damages, liabilities, costs or expenses (including reasonable counsel fees and expenses, but excluding consequential damages) suffered by the Manager of the fund(s) arising from (a) the failure of the Securities Lending Agent or GSS to perform any obligations under the Securities Lending Agreement, (b) any inaccuracy of any representation or warranty made by GSS or the Securities Lending Agent in the Securities Lending Agreement or (c) fraud, bad faith, wilful misconduct or reckless disregard of the duties by the Securities Lending Agent or GSS. The Securities Lending Agreement may be terminated at any time at the option of any party upon thirty (30) days' prior notice to the other parties.

The Securities Lending Agreement complies with the applicable provisions of NI 81-102. The Manager manages the risks associated with securities lending by requiring the Securities Lending Agent to:

- enter into securities lending transactions with reputable and well-established Canadian and foreign brokers, dealers and institutions (“counterparties”);
- maintain internal controls, procedures and records including a list of approved counterparties based on generally accepted creditworthiness standards, transaction and credit limits for each counterparty and collateral diversification standards;
- establish daily the market value of both the securities loaned by a fund under a securities lending transaction or sold by a fund under a repurchase transaction and the cash or collateral held by the fund. If on any day the market value of the cash or collateral is less than 102% of the market value of the borrowed or sold securities, the Custodian will request that the counterparty provide additional cash or collateral to the fund to make up the shortfall; and
- ensure that the collateral to be delivered to the fund is one or more of cash, qualified securities or securities immediately convertible into, or exchangeable for, securities of the same issuer, class or type, and same term, if applicable, as the securities being loaned by the fund.

The transaction may be terminated by the fund at any time and the loaned securities recalled within the normal and customary settlement period for such transactions.

The Manager will review its written policies and procedures at least annually to ensure that the risks associated with securities lending transactions are being properly managed. The fund’s securities lending agent will use risk measurement procedures or simulations to test each portfolio under stress, where applicable.

Although permitted to do so, the fund does not currently engage in securities lending, repurchase or reverse repurchase transactions.

Transactions with related or connected persons or companies

The Manager is a member of a group of related companies known as the “BMO Financial Group”. Applicable securities legislation contains restrictions on the circumstances in which the fund, or the Manager on behalf of the fund, may enter into transactions or arrangements with or involving other members of the BMO Financial Group.

From time to time the Manager may, on behalf of the fund, enter into transactions or arrangements with or involving other members of the BMO Financial Group, or certain other persons or companies that are related or connected to the Manager or the fund. These may include transactions or arrangements with or involving Bank of Montreal, BMO Nesbitt Burns Inc., BMO Private Investment Counsel Inc., Money, Inc., BMO Asset Management Inc., BMO InvestorLine Inc., BMO Asset Management Corp., the LGM group of companies, Pyrford International Limited, F&C Asset Management plc or other related mutual funds, and may involve the purchase or sale of portfolio securities through or from a member of the BMO Financial Group, the purchase or sale of securities issued or guaranteed by a member of the BMO Financial Group, the fund entering into forward contracts, options on forwards or swaps with a member of the BMO Financial Group acting as counterparty, the purchase or redemption of securities of other mutual funds managed by us or by another member of the BMO Financial

Group (including exchange traded funds) or the provision of services to the Manager. However, these transactions and arrangements will only be entered into where they are permitted under applicable securities legislation or by securities regulatory authorities having jurisdiction and, if applicable, approved by the IRC (or after having received the IRC's positive recommendation) and where they are, in the opinion of the Manager, in the best interests of the fund.

Proxy voting policies and procedures

The Manager has delegated the voting of proxies of the fund's portfolio securities to the Portfolio Manager as part of its management of the fund's portfolio, subject to the Manager's continuing oversight. The Portfolio Manager must vote proxies on behalf of the fund in a manner consistent with the best interests of the fund and its securityholders.

The Manager has established policies and procedures to be considered in conjunction with the Portfolio Manager's own policies and procedures, in determining how to vote on matters for which the fund receives proxy materials for a meeting of securityholders of an issuer. Due to the variety of proxy voting issues that may arise, the following summary of the proxy voting policies and procedures is not exhaustive and is intended to provide guidance but does not necessarily dictate how each issue must be voted in each instance. Further, the Manager or the Portfolio Manager may depart from their respective proxy voting policies and procedures or not vote a proxy, in order to avoid voting decisions that may be contrary to the best interests of the fund and its securityholders.

The policies and procedures established by the Manager (the "Proxy Voting Guidelines") include:

- a standing policy for dealing with routine matters on which a fund may vote. In particular, the Proxy Voting Guidelines apply general guidelines to a number of routine matters. These guidelines vary, depending on the specific matter involved. Routine matters include: election of directors; appointment of auditors; changes in capital structure; and an increase in authorized stock;
- the circumstances under which the fund will deviate from the standing policy for routine matters. The Proxy Voting Guidelines provide that the Portfolio Manager may depart from the general guidelines with respect to routine matters, in order to avoid voting decisions that may be contrary to the best interests of the fund and the fund's securityholders. For example, the Proxy Voting Guidelines provide that the fund will typically support management's recommendations regarding the appointment of an auditor, but may vote against such a recommendation if the fees for services are excessive or if there are other reasons to question the independence or quality of the company's auditors;
- the policies under which, and the procedures by which, the fund will determine how to vote or refrain from voting on non-routine matters. These policies vary depending on the specific matter involved. Non-routine matters include: corporate restructurings; mergers and acquisitions; proposals affecting shareholder rights; corporate governance; executive compensation; social and environmental issues; and shareholder proposals. For example, with respect to

shareholders rights, the Proxy Voting Guidelines provide that the fund will typically vote in favour of proposals that give shareholders a greater voice in the affairs of the company and oppose any measure that seeks to limit those rights; and

- procedures to ensure that portfolio securities held by the fund are voted in accordance with the instructions of the Manager. This includes the requirement of the Portfolio Manager to provide to the Manager on a quarterly basis a certificate confirming that it has voted all securities held by the fund in accordance with the Proxy Voting Guidelines.

The following three situations involving the voting of proxies present a potential material conflict of interest:

- (a) voting proxies in respect of a shareholders meeting of the Manager or any of its affiliates;
- (b) voting proxies of an issuer in respect of a proposed merger or other corporate reorganization or transaction involving the issuer (or any of its affiliates) and the Manager, or any of its affiliates; and
- (c) voting proxies of an issuer in regard to the nomination or election of any officer or director of the Manager to the board of directors of that issuer.

In those instances where the Manager or an affiliate is not acting as portfolio manager, the voting responsibility will be outsourced to the portfolio manager who will vote the proxies in the best interests of the fund without reference to, or influence from the Manager. In those instances where the Manager or an affiliate acts as portfolio manager, the Manager will employ a leading, independent proxy agent (the "Proxy Agent") who provides in-depth analysis, guidelines and voting recommendations for proxy proposals (e.g., Glass, Lewis & Co.) and vote the proxies to be consistent with the Proxy Agent's recommendation.

A conflict of interest may exist if BMOAM, its personnel or another related entity has a business relationship with (or is actively soliciting business from) either the company soliciting the proxy or a third party that has a material interest in the outcome of a proxy vote or that is actively lobbying for a particular outcome of a proxy vote. Conflicts of interest also may arise if an individual employed by BMOAM that is involved in the proxy vote decision has a direct or indirect personal relationship or other interest in either the company soliciting the proxy or in a third party that has a material interest in the outcome of a proxy vote, or that is lobbying for a particular outcome of a proxy vote.

The policies and procedures that the fund follows when voting proxies relating to portfolio securities are available on request, at no cost, by calling 1-800-665-7700 if you purchased your securities in a BMO Bank of Montreal branch or through the BMO Investment Centre or by calling 1-800-668-7327 if you purchased your securities through a dealer or by writing to the Manager, 100 King Street West, 43rd Floor, Toronto, Ontario M5X 1A1.

The fund's proxy voting record for the most recent period ended June 30 of each year is, or will be, available free of charge to any securityholder of the fund upon request at any time after August 31 of the relevant year by calling 1-800-665-7700 if you purchased your securities in a

BMO Bank of Montreal branch or through the BMO Investment Centre, or by calling 1-800-668-7327 if you purchased your securities through a dealer.

The proxy voting record is also available on the fund's website at www.bmo.com/mutualfunds or at www.bmo.com/gam/ca.

Policies and procedures on short-term trading

We have policies and procedures to detect and deter short-term or excessive trading that include the ability to refuse your present or future order(s) to buy or switch securities and charging a short-term trading fee.

We monitor for potential timing abuses both in branch offices and at our head office. We use an electronic trade surveillance system to review and flag trades for potential problems and we also review transaction records daily to detect short-term or excessive trading. Flagged trades are reviewed by compliance officers and warnings, verbal or written, may be sent. If, in our sole discretion, we determine that you are engaging in short-term trading, in addition to taking other available remedies, the relevant fund may reject your purchase or switch order(s) or may charge a short-term trading fee to be paid directly to the fund out of the redemption proceeds, reducing the amount otherwise payable to you on the redemption or switch. We have the option to waive this penalty at any time. If further short-term trading occurs, any further transactions, other than redemptions, may be refused.

The restrictions imposed on short-term trading, including the short-term trading fees, will generally not apply in connection with redemptions or switches: from money market funds and similar funds; initiated by us; under special circumstances, as determined by us in our sole discretion; or made under optional plans, including rebalancing in connection with the BMO MatchMaker[®] Investment Service and BMO Intuition[®] Investment Service and Systematic Withdrawal Plans.

Interest of management

We are entitled to receive management fees from the fund. See "*Management Agreement*" for more details. The fees received by us as management fees are disclosed in the audited financial statements of the fund.

The fund pays standard brokerage commissions at market rates to BMO Nesbitt Burns Inc. for trades executed by BMO Nesbitt Burns Inc.

Bank of Montreal, BMO Nesbitt Burns Inc. and BMO InvestorLine Inc. may buy or sell debt securities to or from the fund subject to certain conditions set out in NI 81-102, NI 81-107 and the requirements of the Canadian securities regulators. See "*Investment Restrictions and Practices*" for further information.

Fees and Expenses

Management fees

In return for our services, each series of the fund (except for Series I) pays us a management fee (plus applicable taxes). The fee is calculated daily and payable monthly. The maximum management fee paid by each series was disclosed in the fund's simplified prospectus at the time the securities were purchased. Series I securities of the fund do not pay us a management fee. Instead, each Series I investor pays a separate fee (plus applicable taxes) to the Manager, which is negotiated between the investor and the Manager.

We are responsible for paying:

- all expenses incurred for advice and recommendations about investment policies;
- fees charged by portfolio managers, other advisors or sub-distributors; and
- fees and expenses for services relating to the day-to-day operations of the fund including, but not limited to, advertising and promotional services, office overhead expenses related to the Manager's activities, and all other services necessary or desirable to conduct and operate the fund's business in an efficient manner.

If the basis of the calculation of a fee or expense that is charged to Series F and Series I securities of the fund (or is charged directly to the securityholders by the fund or by us in connection with the holding of the securities of the fund) is changed in a way that could result in an increase in charges to the series or to its securityholders or if such a fee or expense is introduced, then the approval of securityholders will not be obtained. In the cases above, securityholders will be sent a written notice of the change at least 60 days prior to the effective date.

In addition, if the basis of the calculation of a fee or expense that is charged to any other series of the fund described in this document is changed in a way that could result in an increase in charges to the series or to its securityholders or if such a fee or expense is introduced, and if this fee or expense is charged by an entity that is at arm's length to the fund, then the approval of securityholders will not be obtained. In the cases above, securityholders will be sent a written notice of the change at least 60 days prior to the effective date.

We may waive all or a portion of any management fees from time to time without notice.

To encourage large investments in the fund or to accommodate special situations, we may reduce the management fees we charge. The reduction is based on a number of factors, including the type of investor, the number and value of securities held by an investor and the relationship between the investor and the Manager.

If your investments qualify, we will calculate the reduction in the management fees according to a schedule that we may change at our discretion. If we reduce our usual management fee for an investment in the fund, the fund will pay the reduction to you in the form of a special distribution, which is called a management fee distribution.

We calculate management fee distributions on each Valuation Day. They are distributed or paid regularly to eligible investors. We will reinvest the distribution in additional securities of the fund.

Management fee distributions are made first out of net income and net realized capital gains and then out of capital. See “*Income Tax Considerations*” below for information on the tax consequences of management fee distribution.

At all times, the Manager is entitled to charge the fund or the investor, as applicable, the maximum rate of management fee as was set out in the simplified prospectus at the time the securities were purchased. For Series I securities, the management fee is negotiated with the investor. The Manager may reduce the rate of any management fee reductions or cancel any management fee reduction at any time.

Administration fee and operating expenses

The fund does not pay a fixed administration fee and pays its operating expenses directly. The fund allocates these operating expenses proportionately among its series. Operating expenses that are specific to a series are allocated to that series. For each series of the fund we may, at our discretion, absorb all or a portion of these expenses at any given time. Certain operating expenses are subject to applicable tax.

Operating expenses are included in the management expense ratio of the fund.

Income Tax Considerations

The following is a summary of the principal Canadian federal income tax considerations under the Tax Act as of the date hereof generally applicable to the fund and to a securityholder of the fund who is, at all relevant times, a Canadian resident individual (other than a trust) holding securities directly as capital property or in a registered plan, dealing at arm’s length with the fund and not affiliated with the fund, each within the meaning of the Tax Act.

THIS SUMMARY IS OF A GENERAL NATURE ONLY, IS NOT EXHAUSTIVE OF ALL POSSIBLE INCOME TAX CONSIDERATIONS, AND IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSTRUED TO BE, LEGAL OR TAX ADVICE. ACCORDINGLY, SECURITYHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISOR WITH RESPECT TO THEIR PARTICULAR CIRCUMSTANCES.

This summary is based on the current provisions of the Tax Act in force on the date hereof, the regulations enacted pursuant thereto, all specific proposals to amend the Tax Act and the regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and our understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (CRA). This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, government or judicial decision or action or changes in the administrative policies or assessing practices of the CRA, nor does it take into account or consider any provincial, territorial or foreign income tax considerations.

This summary assumes that the fund will, at all material times, qualify as a mutual fund trust under the Tax Act.

Taxation of the Fund

The Master Declaration of Trust requires the fund to distribute to securityholders a sufficient amount of net income and net capital gains, if any, for each taxation year of the fund so that the fund will not be liable for ordinary income tax under Part I of the Tax Act for any taxation year, after taking into account the capital gains refund.

The fund is required to calculate its net income, including net taxable capital gains, in Canadian dollars, for each taxation year according to the rules in the Tax Act. The fund is generally required to include in the calculation of its income, interest as it accrues, dividends when they are received and capital gains and losses when they are realized. In calculating the fund's net income, all of the fund's deductible expenses, including expenses common to all series of securities of the fund and expenses specific to a particular series of securities of the fund, will be taken into account for the fund as a whole. Capital gains realized during a taxation year are reduced by capital losses realized during the year. In certain circumstances, a loss realized by the fund may be denied or suspended and, therefore, may not be available to offset income and/or capital gains.

A trust, such as the fund, is subject to a "loss restriction event" for the purposes of the Tax Act each time a person or partnership becomes a "majority interest beneficiary" of the trust for the purposes of the Tax Act, which generally occurs when a beneficiary of the trust and its affiliates have beneficial interest in the trust of more than 50% of the fair market value of the trust. However, no person, partnership or affiliated group should become a "majority interest beneficiary" of the fund as long as the fund satisfies certain investment diversification and other conditions. If the fund experiences a "loss restriction event", the taxation year of the fund will be deemed to end. The fund will realize its capital losses and may elect to realize its capital gains. Unused capital losses will expire and the ability of the fund to carry forward non-capital losses will be restricted.

Taxation of Securityholders – Securities Held Directly

Generally, an individual who holds securities of the fund directly (not in a registered plan) will be required to include in computing his or her income the amount of the net income and the taxable portion of the net realized capital gains that is paid or payable to him or her by the fund in the year (including by way of management fee distributions), whether or not such amount has been reinvested in additional securities. A securityholder may ultimately be paid and thus taxed on income, realized capital gains, and accrued capital gains that are in a fund at the time the securities are purchased.

Distributions of capital to a securityholder by the fund are not included in income, but will reduce the adjusted cost base to the securityholder of the securities on which the distribution was paid. To the extent that the adjusted cost base of a securityholder's securities is reduced to less than zero, the securityholder will be deemed to realize a capital gain and subsequently the adjusted cost base will be increased to nil.

Provided the appropriate designations are made by the fund, the amount, if any, of net realized taxable capital gains and taxable dividends from taxable Canadian corporations of the fund that is paid or payable to securityholders (including such amounts reinvested in additional securities) will, effectively, retain its character for tax purposes and be treated as taxable capital gains and taxable dividends of the securityholders. Amounts that retain their character as taxable dividends on shares of taxable Canadian corporations will be eligible for the gross-up and dividend credit rules under the Tax Act. An enhanced gross-up and dividend tax credit is available for eligible dividends from Canadian corporations.

Upon the disposition or deemed disposition of a security by a securityholder, whether by redemption, sale, transfer or otherwise, the securityholder will realize a capital gain (or capital loss) to the extent that the proceeds of disposition for the security, less any expenses of disposition, are greater (or less) than the securityholder's adjusted cost base of the security as determined for the purposes of the Tax Act. In particular, a disposition of a security will occur if it is switched for securities of any other BMO Mutual Fund. The redesignation of a security of one series of the fund for securities of another series of the same fund should not be a disposition. The cost of the securities received by a securityholder on the redesignation should be equal to the adjusted cost base to the securityholder of the securities that were redesignated.

One-half of any capital gain realized by a securityholder will generally be included in the securityholder's income as a taxable capital gain and one-half of any capital loss realized by a securityholder may generally be deducted from taxable capital gains in accordance with the provisions of the Tax Act.

Management fees paid directly by you are generally not deductible in computing your income. You should consult with your tax advisor about the tax treatment of fees payable directly to us, your dealer or any other fees payable directly by you.

Taxation of Securityholders – Securities Held in a Registered Plan

A registered plan that holds securities of the fund and the planholder of that registered plan will not generally be subject to tax on the value of the securities or the income or capital gains distributed by the fund or a gain realized on the disposition of the securities of the fund provided the securities are a qualified investment under the Tax Act for the registered plan and, in the case of an RRSP, RRIF and TFSA, not a prohibited investment under the Tax Act for the registered plan. See "*Eligibility for Registered Plans*" for further information about the fund's status under the Tax Act.

Investors should consult their own tax advisor for advice regarding the implications of acquiring, holding or disposing of securities of the fund in their registered plan, including whether or not securities of the fund are at risk of being or becoming a prohibited investment under the Tax Act for their registered plans.

Exchange of Tax Information

As a result of due diligence and reporting obligations in the Tax Act, securityholders may be asked to provide their dealer with information about their citizenship and tax residence. If a securityholder is identified as a U.S. citizen (including a U.S. citizen living in Canada) or a

foreign tax resident, information about the securityholder and their investment in the fund will be reported to the CRA, unless units of the fund are held in a registered plan. The CRA is expected to provide that information to the applicable foreign tax authorities if the applicable foreign government has entered into an exchange of information agreement with Canada.

Amendments to the Constatng Documents

We may make certain amendments to the applicable constating documents (i.e., the Master Declaration of Trust) of the fund, as permitted by applicable legislation. You will be entitled to vote on certain material changes to the fund's constating documents. Please see "*Meetings of securityholders*" for more details.

Changes requiring written notice to securityholders

In respect of the fund and subject to any longer notice requirements imposed under applicable securities legislation, the Trustee is permitted to amend the Master Declaration of Trust by giving not less than 30 days' notice to securityholders of the fund affected by the proposed amendment in circumstances where:

- applicable securities legislation requires that written notice be given to securityholders before the change takes effect; or
- the change would not be prohibited by applicable securities legislation and the Trustee reasonably believes that the proposed amendment has the potential to materially adversely impact the financial interests or rights of the securityholders, so that it is equitable to give securityholders advance notice of the proposed change.

Changes not requiring written notice to securityholders

In respect of the fund, the Trustee is permitted to amend the Master Declaration of Trust, without the approval of or prior notice to the securityholders of the fund, if the Trustee reasonably believes that the proposed amendment does not have the potential to materially adversely impact the financial interests or rights of securityholders of the fund or that the proposed amendment is necessary:

- to ensure compliance with applicable laws, regulations or policies of any governmental authority having jurisdiction over the fund or the distribution of its securities;
- to remove any conflicts or other inconsistencies that may exist between any of the terms of the Master Declaration of Trust and any provisions of any applicable laws, regulations or policies affecting the fund, the Trustee or its agents;
- to make any change or correction in the Master Declaration of Trust that is a typographical correction or is required to cure or correct any ambiguity or defective or inconsistent provision, clerical omission or error contained therein;
- to facilitate the administration of the fund as a mutual fund trust or make amendments or adjustments in response to any existing or proposed amendments

to the Tax Act or its administration which might otherwise adversely affect the tax status of the fund or its securityholders; or

- for the purpose of protecting the securityholders of the fund.

Material Contracts

The material contracts relating to, or executed by the fund, are

- Master Declaration of Trust, as amended;
- Master Management Agreement, as amended;
- Custodial services agreement, as amended; and
- Investment management agreement between BMO Investments Inc. and the Portfolio Manager, as amended.

You may inspect copies of these contracts during normal business hours at our head office at 100 King Street West, 43rd Floor, Toronto, Ontario, M5X 1A1. To receive a copy of the Master Declaration of Trust, send us a written request.

BMO Enterprise Fund

Annual Information Form

Series T5, F, I, Advisor Series and Classic Series.

The fund's Fund Facts, management reports of fund performance and financial statements contain more information about the fund. You can obtain a copy of these documents and other information about the fund, such as information circulars and material contracts, at no cost by:

- calling us toll-free at 1-800-665-7700 if you purchased your securities in a BMO Bank of Montreal branch or through the BMO Investment Centre or at 1-800-668-7327 if you purchased your securities through a dealer
- visiting BMO Investments Inc.'s website at www.bmo.com/mutualfunds (in English) or www.bmo.com/fonds (en français) if you purchased your securities in a BMO Bank of Montreal branch or through the BMO Investment Centre
- visiting BMO Investment Inc.'s website at www.bmo.com/gam/ca (in English), or www.bmo.com/gma/ca (en français) if you purchased your securities through a dealer
- emailing us at mutualfunds@bmo.com if you purchased your securities in a BMO Bank of Montreal branch or through the BMO Investment Centre
- emailing us at clientservices.mutualfunds@bmo.com if you purchased your securities through a dealer
- contacting your dealer directly
- visiting www.sedar.com

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