

BMO Mutual Funds 2019

Semi-Annual Financial Statements

March 31, 2019

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

NOTICE OF NO AUDITOR REVIEW OF THE SEMI-ANNUAL FINANCIAL STATEMENTS

BMO Investments Inc., the Manager of the Fund, appoints independent auditors to audit the Fund's Annual Financial Statements. Under Canadian securities laws (National Instrument 81-106), if an auditor has not reviewed the Semi-Annual Financial Statements, this must be disclosed in an accompanying notice.

The Fund's independent auditors have not performed a review of these Semi-Annual Financial Statements in accordance with standards established by the Chartered Professional Accountants of Canada.

BMO U.S. Dollar Money Market Fund

STATEMENT OF FINANCIAL POSITION

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

As at	March 31 2019	September 30 2018
ASSETS		
CURRENT ASSETS		
Cash	1,530	1
Investments		
Non-derivative financial assets	174,457	170,362
Subscriptions receivable	2,673	3,083
Total assets	178,660	173,446
LIABILITIES		
CURRENT LIABILITIES		
Payable for investments purchased	1,499	—
Redemptions payable	2,310	2,333
Distributions payable	16	16
Accrued expenses	20	1
Total liabilities	3,845	2,350
Net assets attributable to holders of redeemable units	174,815	171,096
Net assets attributable to holders of redeemable units		
Series A Units	8,915	9,675
Advisor Series Units	1,131	1,512
Series D Units	813	662
Series I Units	0	0
Series O Units	163,163	158,436
Classic Series Units	793	811
Net assets attributable to holders of redeemable units per unit		
Series A Units	\$ 1.00	\$ 1.00
Advisor Series Units	\$ 1.00	\$ 1.00
Series D Units	\$ 1.00	\$ 1.00
Series I Units	\$ 1.00	\$ 1.00
Series O Units	\$ 1.00	\$ 1.00
Classic Series Units	\$ 1.00	\$ 1.00

STATEMENT OF COMPREHENSIVE INCOME

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

For the periods ended	March 31 2019	March 31 2018
INCOME		
Interest income	2,153	1,389
Net gain in fair value of investments and derivatives	2,153	1,389
Total income	2,153	1,389
EXPENSES		
Management fees (note 6)	66	84
Fixed administration fees (note 6)	142	159
Independent review committee fees (note 6)	1	1
Interest expense	—	0
Fund facts fees	0	0
Operating expenses absorbed by the Manager (note 6)	(89)	(99)
Total expenses	120	145
Increase in net assets attributable to holders of redeemable units	2,033	1,244
Increase in net assets attributable to holders of redeemable units		
Series A Units	61	15
Advisor Series Units	9	2
Series D Units	5	0
Series I Units	—	—
Series O Units	1,952	1,225
Classic Series Units	6	2
Increase in net assets attributable to holders of redeemable units per unit (note 8)		
Series A Units	0.01	0.00
Advisor Series Units	0.01	0.00
Series D Units	0.01	0.00
Series I Units	—	—
Series O Units	0.01	0.01
Classic Series Units	0.01	0.00

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

BMO U.S. Dollar Money Market Fund

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

For the periods ended	March 31 2019	March 31 2018	For the periods ended	March 31 2019	March 31 2018
Series A Units			Series D Units		
Net assets attributable to holders of redeemable units at beginning of period	9,675	12,614	Net assets attributable to holders of redeemable units at beginning of period	662	—
Increase in net assets attributable to holders of redeemable units	61	15	Increase in net assets attributable to holders of redeemable units	5	0
Distributions to holders of redeemable units from:			Distributions to holders of redeemable units from:		
Net investment income	(61)	(15)	Net investment income	(5)	(0)
Total distributions to holders of redeemable units	(61)	(15)	Total distributions to holders of redeemable units	(5)	(0)
Redeemable unit transactions			Redeemable unit transactions		
Proceeds from redeemable units issued	2,638	6,244	Proceeds from redeemable units issued	968	430
Reinvestments of distributions to holders of redeemable units	60	14	Reinvestments of distributions to holders of redeemable units	5	0
Redemption of redeemable units	(3,458)	(7,617)	Redemption of redeemable units	(822)	(313)
Net decrease from redeemable unit transactions	(760)	(1,359)	Net increase from redeemable unit transactions	151	117
Net decrease in net assets attributable to holders of redeemable units	(760)	(1,359)	Net increase in net assets attributable to holders of redeemable units	151	117
Net assets attributable to holders of redeemable units at end of period	8,915	11,255	Net assets attributable to holders of redeemable units at end of period	813	117
Advisor Series Units			Series I Units		
Net assets attributable to holders of redeemable units at beginning of period	1,512	2,346	Net assets attributable to holders of redeemable units at beginning of period	0	0
Increase in net assets attributable to holders of redeemable units	9	2	Increase in net assets attributable to holders of redeemable units	—	—
Distributions to holders of redeemable units from:			Net increase in net assets attributable to holders of redeemable units	—	—
Net investment income	(9)	(2)	Net assets attributable to holders of redeemable units at end of period	0	0
Total distributions to holders of redeemable units	(9)	(2)			
Redeemable unit transactions					
Proceeds from redeemable units issued	43	158			
Reinvestments of distributions to holders of redeemable units	8	2			
Redemption of redeemable units	(432)	(882)			
Net decrease from redeemable unit transactions	(381)	(722)			
Net decrease in net assets attributable to holders of redeemable units	(381)	(722)			
Net assets attributable to holders of redeemable units at end of period	1,131	1,624			

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

BMO U.S. Dollar Money Market Fund

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

For the periods ended	March 31 2019	March 31 2018	For the periods ended	March 31 2019	March 31 2018
Series O Units			Total Fund		
Net assets attributable to holders of redeemable units at beginning of period	158,436	200,734	Net assets attributable to holders of redeemable units at beginning of period	171,096	216,561
Increase in net assets attributable to holders of redeemable units	1,952	1,225	Increase in net assets attributable to holders of redeemable units	2,033	1,244
Distributions to holders of redeemable units from:			Distributions to holders of redeemable units from:		
Net investment income	(1,952)	(1,225)	Net investment income	(2,033)	(1,244)
Total distributions to holders of redeemable units	(1,952)	(1,225)	Total distributions to holders of redeemable units	(2,033)	(1,244)
Redeemable unit transactions			Redeemable unit transactions		
Proceeds from redeemable units issued	262,306	308,258	Proceeds from redeemable units issued	265,955	315,090
Reinvestments of distributions to holders of redeemable units	1,865	1,181	Reinvestments of distributions to holders of redeemable units	1,944	1,199
Redemption of redeemable units	(259,444)	(357,776)	Redemption of redeemable units	(264,180)	(366,621)
Net increase (decrease) from redeemable unit transactions	4,727	(48,337)	Net increase (decrease) from redeemable unit transactions	3,719	(50,332)
Net increase (decrease) in net assets attributable to holders of redeemable units	4,727	(48,337)	Net increase (decrease) in net assets attributable to holders of redeemable units	3,719	(50,332)
Net assets attributable to holders of redeemable units at end of period	163,163	152,397	Net assets attributable to holders of redeemable units at end of period	174,815	166,229
Classic Series Units					
Net assets attributable to holders of redeemable units at beginning of period	811	867			
Increase in net assets attributable to holders of redeemable units	6	2			
Distributions to holders of redeemable units from:					
Net investment income	(6)	(2)			
Total distributions to holders of redeemable units	(6)	(2)			
Redeemable unit transactions					
Reinvestments of distributions to holders of redeemable units	6	2			
Redemption of redeemable units	(24)	(33)			
Net decrease from redeemable unit transactions	(18)	(31)			
Net decrease in net assets attributable to holders of redeemable units	(18)	(31)			
Net assets attributable to holders of redeemable units at end of period	793	836			

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

BMO U.S. Dollar Money Market Fund

STATEMENT OF CASH FLOWS

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

For the periods ended	March 31 2019	March 31 2018
Cash flows from operating activities		
Increase in net assets attributable to holders of redeemable units	2,033	1,244
Adjustments for:		
(Increase) decrease in accrued interest on money market investments	(294)	48
Increase in accrued expenses	19	21
Amortization of premium and discounts	(4)	0
Purchases of investments	(1,328,949)	(1,889,926)
Proceeds from sale and maturity of investments	1,326,651	1,946,290
Net cash from operating activities	(544)	57,677
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(89)	(44)
Proceeds from issuances of redeemable units	266,338	310,370
Amounts paid on redemption of redeemable units	(264,176)	(368,003)
Net cash from financing activities	2,073	(57,677)
Net increase in cash	1,529	0
Cash at beginning of period	1	1
Cash at end of period	1,530	1
Supplementary Information		
Interest received, net of withholding taxes*	1,855	1,437
Interest expense paid*	—	0

*These items are from operating activities

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

BMO U.S. Dollar Money Market Fund

SCHEDULE OF INVESTMENT PORTFOLIO

As at March 31, 2019 (All amounts in thousands of U.S. dollars, unless otherwise noted)

	Par Value (USD)	Cost (USD)	Fair Value (USD)		Par Value (USD)	Cost (USD)	Fair Value (USD)
MONEY MARKET INVESTMENTS							
Federal — 11.9%							
Federal Farm Credit Banks, Treasury Bills, 2.520% Jul 22, 2019	1,550	1,518	1,538	Glencove Funding LLC, Commercial Paper, 2.660% Jul 9, 2019	1,000	990	993
Federal Home Loan Banks, Treasury Bills, 2.405% Apr 3, 2019	2,832	2,829	2,832	Lexington Parker Capital Company, Commercial Paper, 2.570% May 6, 2019	2,000	1,990	1,995
Federal Home Loan Banks, Treasury Bills, 2.440% Apr 10, 2019	5,000	4,994	4,997	Lexington Parker Capital Company, Commercial Paper, 2.530% May 6, 2019	2,500	2,493	2,494
Federal Home Loan Banks, Treasury Bills, 2.410% Apr 12, 2019	4,500	4,492	4,497	Lexington Parker Capital Company, Commercial Paper, 2.600% May 15, 2019	2,000	1,988	1,994
Federal Home Loan Banks, Treasury Bills, 2.420% Apr 17, 2019	2,000	1,997	1,998	Lexington Parker Capital Company, Commercial Paper, 2.560% Jun 3, 2019	2,000	1,987	1,991
Federal Home Loan Banks, Treasury Bills, 2.580% Sep 26, 2019	1,025	998	1,012	Liberty Street Funding LLC, Commercial Paper, 2.800% Apr 2, 2019	2,500	2,483	2,500
Freddie Mac, Treasury Bills, 2.375% Apr 29, 2019	2,500	2,485	2,495	Liberty Street Funding LLC, Commercial Paper, 2.780% Apr 8, 2019	2,000	1,986	1,999
United States Government, Treasury Bills, 2.375% Apr 9, 2019	1,500	1,499	1,499	Liberty Street Funding LLC, Commercial Paper, 2.560% May 29, 2019	1,555	1,548	1,549
		20,812	20,868	LMA-Americas LLC, Commercial Paper, 2.600% Apr 1, 2019	2,000	1,991	2,000
				LMA-Americas LLC, Commercial Paper, 2.500% Apr 8, 2019	5,670	5,663	5,667
				LMA-Americas LLC, Commercial Paper, 2.530% Apr 25, 2019	1,000	998	998
				LMA-Americas LLC, Commercial Paper, 2.600% May 6, 2019	1,000	993	997
Corporate — 79.4%				Longship Funding LLC, Commercial Paper, 2.530% Apr 1, 2019	2,000	1,994	2,000
Atlantic Asset Securitization LLC, Commercial Paper, 2.580% Apr 1, 2019	2,000	1,974	2,000	Longship Funding LLC, Commercial Paper, 2.480% Apr 3, 2019	2,000	1,996	2,000
Atlantic Asset Securitization LLC, Commercial Paper, 2.770% Apr 8, 2019	707	702	707	Longship Funding LLC, Commercial Paper, 2.530% Apr 15, 2019	1,000	999	999
Atlantic Asset Securitization LLC, Commercial Paper, 2.770% Apr 9, 2019	1,000	993	999	Longship Funding LLC, Commercial Paper, 2.530% Apr 17, 2019	2,500	2,496	2,497
Atlantic Asset Securitization LLC, Commercial Paper, 2.540% Apr 25, 2019	2,500	2,495	2,496	Longship Funding LLC, Commercial Paper, 2.580% Jun 3, 2019	2,000	1,987	1,991
Atlantic Asset Securitization LLC, Commercial Paper, 2.520% May 6, 2019	1,300	1,296	1,297	Manhattan Asset Funding Company LLC, Commercial Paper, 2.480% Apr 2, 2019	626	625	626
Atlantic Asset Securitization LLC, Commercial Paper, 2.960% May 6, 2019	1,750	1,729	1,745	Manhattan Asset Funding Company LLC, Commercial Paper, 2.500% Apr 11, 2019	2,000	1,996	1,999
Bank of Nova Scotia (New York Agency), Commercial Paper, 2.560% Aug 27, 2019	350	346	346	Manhattan Asset Funding Company LLC, Commercial Paper, 2.500% Apr 22, 2019	1,500	1,498	1,498
Bedford Row Funding Corporation, Commercial Paper, 2.793% Apr 11, 2019	2,000	2,000	2,003	Manhattan Asset Funding Company LLC, Commercial Paper, 2.520% Apr 23, 2019	3,000	2,991	2,995
Bedford Row Funding Corporation, Commercial Paper, 2.803% Jun 6, 2019	1,000	1,000	1,002	Manhattan Asset Funding Company LLC, Commercial Paper, 2.500% Apr 23, 2019	2,500	2,493	2,496
Collateralized Commercial Paper Co., Commercial Paper, 2.680% Apr 10, 2019	1,500	1,481	1,499	MetLife Short Term Funding LLC, Commercial Paper, 2.450% Apr 3, 2019	1,805	1,804	1,805
CRC Funding LLC, Commercial Paper, 2.800% Apr 1, 2019	2,000	1,986	2,000	National Rural Utilities Cooperative Finance Corporation, Commercial Paper, 2.440% Apr 12, 2019	708	707	707
CRC Funding LLC, Commercial Paper, 2.450% Apr 11, 2019	4,349	4,345	4,346	Nationwide Building Society, Commercial Paper, 2.720% May 22, 2019	605	600	603
Erste Abwicklungsanstalt, Commercial Paper, 2.600% Jun 3, 2019	1,924	1,907	1,915	Nationwide Building Society, Commercial Paper, 2.740% Jun 13, 2019	1,500	1,486	1,492
Exxon Mobil Corporation, Commercial Paper, 2.440% Apr 2, 2019	3,000	2,995	3,000	Nationwide Building Society, Commercial Paper, 2.760% Jun 18, 2019	2,000	1,979	1,988
Glencove Funding LLC, Commercial Paper, 2.500% Apr 16, 2019	2,000	1,997	1,998	Nationwide Building Society, Commercial Paper, 2.750% Jul 1, 2019	1,000	989	993
Glencove Funding LLC, Commercial Paper, 2.560% Jun 5, 2019	2,000	1,988	1,991				
Glencove Funding LLC, Commercial Paper, 2.550% Jun 11, 2019	1,777	1,766	1,768				

BMO U.S. Dollar Money Market Fund

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at March 31, 2019 (All amounts in thousands of U.S. dollars, unless otherwise noted)

	Par Value (USD)	Cost (USD)	Fair Value (USD)		Par Value (USD)	Cost (USD)	Fair Value (USD)
Novartis Finance Corporation, Commercial Paper, 2.470% Apr 1, 2019	3,000	2,993	3,000	Victory Receivables Corporation, Commercial Paper, 2.540% Apr 9, 2019	2,000	1,991	1,999
Novartis Finance Corporation, Commercial Paper, 2.480% Apr 22, 2019	1,000	997	998	Victory Receivables Corporation, Commercial Paper, 2.560% Jun 18, 2019	1,500	1,491	1,492
Old Line Funding LLC, Commercial Paper, 2.615% Sep 27, 2019	1,000	1,000	1,000	Victory Receivables Corporation, Commercial Paper, 2.580% Jun 20, 2019	1,000	994	994
Regency Markets No. 1, Commercial Paper, 2.500% Apr 4, 2019	1,000	998	1,000			138,340	138,739
Regency Markets No. 1, Commercial Paper, 2.500% Apr 8, 2019	4,128	4,120	4,125	Total Money Market Investments — 91.3%		159,152	159,607
Regency Markets No. 1, Commercial Paper, 2.500% Apr 15, 2019	2,020	2,016	2,018	CERTIFICATES OF DEPOSIT			
Regency Markets No. 1, Commercial Paper, 2.500% Apr 16, 2019	2,000	1,996	1,998	Certificate of Deposit — 6.9%			
Sheffield Receivables Company LLC, Commercial Paper, 2.890% May 15, 2019	500	500	505	Credit Suisse New York, Certificate of Deposit, Series YCD, 2.930%, Jul 22, 2019	1,250	1,250	1,266
Sheffield Receivables Company LLC, Commercial Paper, 2.840% May 30, 2019	1,000	1,000	1,000	HSBC Bank USA, Certificate of Deposit, Series CD, Senior, Unsecured, 2.740%, Jun 27, 2019	2,000	2,000	2,028
Sheffield Receivables Company LLC, Commercial Paper, 2.830% Apr 2, 2019	2,500	2,482	2,500	HSBC Bank USA, National Association, Certificate of Deposit, Series CD, Senior, Unsecured, Floating Rate, Oct 3, 2019	1,500	1,500	1,503
Sheffield Receivables Company LLC, Commercial Paper, 2.620% Apr 2, 2019	2,000	1,974	2,000	Mizuho Bank Limited, New York, Certificate of Deposit, Series YCD, Floating Rate, Sep 12, 2019	1,500	1,500	1,502
Sheffield Receivables Company LLC, Commercial Paper, 2.610% Jun 6, 2019	1,000	992	995	MUFG Bank Ltd., Certificate of Deposit, Series YCD, Floating Rate, Oct 24, 2019	1,000	1,000	1,005
Sheffield Receivables Company LLC, Commercial Paper, 2.830% Jun 24, 2019	2,000	1,974	1,987	Natixis SA, New York Branch, Certificate of Deposit, Series YCD, Floating Rate, Jun 12, 2019	1,000	1,000	1,001
Skandinaviska Enskilda Banken AB (SEB), Commercial Paper, 2.550% Apr 9, 2019	625	623	625	Sumitomo Mitsui Trust Bank Limited of New York, Certificate of Deposit, Series YCD, Senior, Unsecured, Floating Rate, Jul 8, 2019	2,000	2,000	2,014
Skandinaviska Enskilda Banken AB (SEB), Commercial Paper, 2.460% Apr 9, 2019	1,100	1,099	1,099	U.S. Bank, National Association (Cincinnati), Certificate of Deposit, Series CD, 2.910%, Jul 23, 2019	750	750	760
Starbird Funding Corporation, Commercial Paper, 2.420% Apr 1, 2019	4,000	3,999	4,000	Wells Fargo Bank, National Association, Certificate of Deposit, Series CD, Senior, Unsecured, Floating Rate, Jul 23, 2019	1,000	1,000	1,001
Starbird Funding Corporation, Commercial Paper, 2.490% Apr 15, 2019	3,328	3,321	3,325			12,000	12,080
Starbird Funding Corporation, Commercial Paper, 2.550% Jun 13, 2019	2,000	1,987	1,990	Total Certificates of Deposit — 6.9%		12,000	12,080
Sumitomo Mitsui Trust Bank Limited of New York, Commercial Paper, 2.920% Apr 1, 2019	400	396	400	BONDS & DEBENTURES			
Sumitomo Mitsui Trust Bank Limited of New York, Commercial Paper, 2.850% Apr 1, 2019	1,400	1,390	1,400	Corporate Bonds & Debentures — 1.6%			
Sumitomo Mitsui Trust Bank Limited of New York, Commercial Paper, 2.600% Apr 18, 2019	2,270	2,258	2,267	Credit Suisse AG of New York, Series GMTN, Senior, Unsecured, Notes, 2.300%, May 28, 2019	2,750	2,748	2,770
Suncorp-Metway Ltd., Commercial Paper, 2.900% May 15, 2019	750	739	747				
Svenska Handelsbank Inc., Commercial Paper, 2.500% Apr 8, 2019	2,290	2,287	2,289	Total Bonds & Debentures — 1.6%		2,748	2,770
Swedbank AB, Commercial Paper, 2.520% Apr 5, 2019	3,000	2,992	2,999	Total Investment Portfolio — 99.8%		173,900	174,457
Toyota Motor Credit Corporation, Commercial Paper, —% Oct 11, 2019	1,500	1,500	1,509	Other Assets Less Liabilities — 0.2%			358
Victory Receivables Corporation, Commercial Paper, 2.700% Apr 2, 2019	1,500	1,491	1,500	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS - 100.0%			174,815
Victory Receivables Corporation, Commercial Paper, 2.560% Apr 2, 2019	2,000	1,991	2,000				
Victory Receivables Corporation, Commercial Paper, 2.450% Apr 3, 2019	2,000	1,999	2,000				

BMO U.S. Dollar Money Market Fund

NOTES TO THE FINANCIAL STATEMENTS

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

March 31, 2019

1. The Mutual Fund

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

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

The Statement of Financial Position and related notes of each of the Funds are as at March 31, 2019 and September 30, 2018, as applicable. The Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Holders of Redeemable Units, Statement of Cash Flows and related notes are for the period(s) ended March 31, 2019 and March 31, 2018, except for a Fund established during the period(s) which is presented from the date of inception (as noted in Note 8) to March 31 of the applicable period. Financial information provided for a series established during the period(s) is presented from the inception date as noted in Note 8(a) to March 31 of the applicable period.

These financial statements were authorized for issuance by the Board of Directors of the Manager on May 8, 2019.

These financial statements should be read in conjunction with the annual financial statements for the period ended September 30, 2018, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

2. Basis of preparation and presentation

These unaudited interim financial statements have been prepared in accordance with IFRS and in accordance with International Accounting Standard (“IAS”) 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”).

3. Summary of significant accounting policies

Financial instruments

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

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

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

The Fund’s outstanding redeemable units, which are puttable instruments, are entitled to a contractual obligation of annual distribution of any net income and net realized capital gains by the Fund. This annual distribution can be in cash at the option of the unitholders, and therefore the ongoing redemption feature is not the redeemable units’ only contractual obligation. Also, the Fund has issued multiple series of redeemable units, which are equally subordinated but are not identical and consequently, do not meet the conditions to be classified as equity. As a result, the Fund’s obligations for net assets attributable to holders of redeemable units (“Net Assets”) are classified as financial liabilities and presented at the redemption amounts.

BMO U.S. Dollar Money Market Fund

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

March 31, 2019

Cost of investments

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

Fair value measurement

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

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

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

For bonds, debentures, asset-backed securities and other debt securities, fair value is determined as the last traded market price or close price, where the close price falls within the bid-ask spread of the security. Short-term investments, if any, are held at amortized cost, which approximates fair value due to their short-term nature.

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

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

For securities where market quotes are not available, unreliable or not considered to reflect the current value, the Manager may determine another value which it considers to be fair and reasonable, or use a valuation technique that, to the extent possible,

makes maximum use of inputs and assumptions based on observable market data including volatility, comparable companies, NAV (for exchange-traded funds) and other applicable rates or prices. These estimation techniques include discounted cash flows, internal models that utilize observable data or comparisons with other securities that are substantially similar. In limited circumstances, the Manager may use internal models where the inputs are not based on observable market data.

Cash

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

Other assets and other liabilities

Other assets and other liabilities generally include receivables for investments sold, subscription receivable, interest receivable, dividend receivable, distribution receivable from investment trusts, payable for investments purchased, redemption payable, distributions payable and accrued expenses. These financial assets and financial liabilities are short-term in nature and are subsequently measured at amortized cost, which approximates their fair value.

Investments in subsidiaries, joint ventures and associates

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

Unconsolidated structured entities

The Manager has determined that the underlying funds in which the Fund may invest are unconsolidated structured entities. This determination is based on the fact that decision making about the underlying funds is not governed by the voting right or other similar right held by the Fund. Similarly, investments in

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securitizations, asset-backed securities and mortgage-backed securities are determined to be interests in unconsolidated structured entities.

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

Mortgage-related securities are created from pools of residential or commercial mortgage loans, including mortgage loans made by savings and loan institutions, mortgage bankers, commercial banks and others. Asset-backed securities are created from many types of assets, including auto loans, credit card receivables, home equity loans and student loans.

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

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

Offsetting of financial assets and financial liabilities

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

Income recognition

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

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

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

Foreign currency translation

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

Securities lending

A Fund may engage in securities lending pursuant to the terms of agreements with State Street and BNY Mellon (the "security lending agent" and the "former security lending agent", respectively). BNY Mellon was the security lending agent until December 3, 2018, when State Street became the lending agent. The aggregate market value of all securities loaned by the Fund cannot exceed 50% of the NAV of the

BMO U.S. Dollar Money Market Fund

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Fund. The Fund will receive collateral of at least 102% of the value of securities on loan. Collateral will generally be comprised of obligations of or guarantee by the Government of Canada or a province thereof, or by the United States government or its agencies, but it may include obligations of other governments with appropriate credit ratings. Further, the program entered into provides for 100% indemnification by the securities lending agent and parties related to the Fund's custodian, to the Fund for any defaults by borrowers.

For those Funds participating in the program, aggregate values of securities on loan, the collateral held as at March 31, 2019 and September 30, 2018, and information about the security lending income earned by the Fund are disclosed in Note 8.

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

Short-term trading penalty

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

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

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

Taxation

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

deferred tax assets or liabilities in the Statement of Financial Position.

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

4. Critical accounting judgements and estimates

The preparation of financial statements requires the use of judgement in applying the Fund's accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgements and estimates that the Manager has made in preparing the Fund's financial statements.

Accounting judgements:

Functional and presentation currency

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

Classification and measurement of investment portfolio

Effective October 1, 2018, the Fund retrospectively adopted IFRS 9. The new standard requires assets to be carried at either amortized cost, FVTPL, or fair value through other comprehensive income ("FVOCI"), based on an assessment of the Fund's business model for managing financial instruments and the contractual cash flow characteristics of the financial assets. In classifying and measuring financial instruments held by the Fund, the Manager is required to make significant judgements in determining the most appropriate classification in accordance with IFRS 9. The Manager has assessed the Fund's business model with respect to the manner in which financial assets and financial liabilities are managed as a group and performance is evaluated on a fair value basis, and has concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and

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NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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presentation of the Fund's investment portfolio. The collection of principal and interest is incidental to the fair value business model. Further information related to the Fund's transition to IFRS 9 is detailed in Note 9.

Accounting estimates:

Fair value measurement of securities not quoted in an active market

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

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

5. Units and unit transactions

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

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

Redeemable units of the Fund are offered for sale on a continuous basis and may be purchased or redeemed on any Valuation Date at the NAV per unit of a particular series. The NAV per unit of a series for the purposes of subscription or redemption is computed by dividing the NAV of the Fund attributable to the series (that is, the total fair value of the assets attributable to

the series less the liabilities attributable to the series) by the total number of units of the series of the Fund outstanding at such time on each Valuation Date, in accordance with Part 14 of National Instrument ("NI") 81-106 Investment Fund Continuous Disclosure for the purpose of processing unitholder transactions. Net Assets are determined in accordance with IFRS and may differ to the Funds' NAV. Where a Funds' NAV is not equal to its Net Assets, a reconciliation is shown in Note 8.

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

6. Related party transactions

(a) Management fees

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

(b) Fixed administration fees

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

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(c) Fund expenses

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

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

(d) Variable administration fees

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

(e) Commissions and other portfolio transaction costs

The Fund may execute trades with and or through BMO Nesbitt Burns Inc., an affiliate of the Manager, based on established standard brokerage agreements at market prices. These fees are included in "Commissions and other portfolio transaction costs" in the Statement of Comprehensive Income. Refer to Note 8 for related party fees charged to the Fund during the period(s) ended March 31, 2019 and March 31, 2018, where applicable.

(f) Initial investments

In order to establish a new Fund, the Manager makes an initial investment in the Fund. Pursuant to the policies of the Canadian Securities Administrators, an initial investor cannot redeem its investments until an additional \$500 has been received from other investors with respect to the same class of units. Refer to Note 8 for the investment in units of the Fund held by the Manager as at March 31, 2019 and September 30, 2018, where applicable.

(g) Other related party transactions

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

7. Financial instruments risks

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

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

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

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(a) Currency risk

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

(b) Interest rate risk

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

(c) Other market risk

Other market risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market. Other assets and liabilities are monetary items that are short-term in nature, as such they are not subject to other market risk. The Fund's exposure to other market risk, if any, is further discussed in Note 8.

(d) Credit risk

Credit risk is the risk that a loss could arise from a security issuer or counterparty to a financial instrument not being able to meet its financial obligations. The fair value of debt securities includes consideration of the credit worthiness of the debt issuer. Credit risk exposure for over-the-counter

derivative instruments is based on the Fund's unrealized gain of the contractual obligations with the counterparty as at the reporting date. The credit exposure of other assets is represented by its carrying amount. The Fund's exposure to credit risk, if any, is further discussed in Note 8.

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

(e) Liquidity risk

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

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8. Fund specific information

(a) Fund and Series information and change in units

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

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

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

Advisor Series Units are available to all investors through authorized dealers and brokers.

Series D Units are available to investors who have an account with a discount brokerage. A reduced trailing commission is paid to discount brokerages in respect to Series D Units which means a lower management fee can be charged.

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

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

a portion of which may be paid to the Manager by the dealer. The Series O fee is set by the dealer.

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

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

For the periods ended (in thousands of units)	Mar. 31, 2019	Mar. 31, 2018
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Series A Units

Units issued and outstanding, beginning of period	9,675	12,614
Issued	2,638	6,244
Issued on reinvestment of distributions	60	14
Redeemed during the period	(3,458)	(7,617)
Units issued and outstanding, end of period	8,915	11,255

Advisor Series Units

Units issued and outstanding, beginning of period	1,512	2,346
Issued	43	158
Issued on reinvestment of distributions	8	2
Redeemed during the period	(432)	(882)
Units issued and outstanding, end of period	1,131	1,624

Series D Units

Units issued and outstanding, beginning of period	662	—
Issued	968	430
Issued on reinvestment of distributions	5	0
Redeemed during the period	(822)	(313)
Units issued and outstanding, end of period	813	117

Series I Units

Units issued and outstanding, beginning of period	0	0
Issued on reinvestment of distributions	—	0
Units issued and outstanding, end of period	0	0

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For the periods ended (in thousands of units)	Mar. 31, 2019	Mar. 31, 2018
Series O Units		
Units issued and outstanding, beginning of period	158,436	200,734
Issued	262,306	308,258
Issued on reinvestment of distributions	1,865	1,181
Redeemed during the period	(259,444)	(357,776)
Units issued and outstanding, end of period	163,163	152,397
Classic Series Units		
Units issued and outstanding, beginning of period	811	867
Issued on reinvestment of distributions	6	2
Redeemed during the period	(24)	(33)
Units issued and outstanding, end of period	793	836

(b) Reconciliation of NAV to Net Assets

As at March 31, 2019 and September 30, 2018, there were no differences between the Fund's NAV per unit and its Net Assets per unit calculated for each series in accordance with IFRS.

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

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

For the periods ended	Mar. 31, 2019	Mar. 31, 2018
Series A Units		
Increase in net assets attributable to holders of redeemable units	61	15
Weighted average units outstanding during the period (in thousands of units)	9,674	12,821
Increase in net assets attributable to holders of redeemable units per unit	0.01	0.00

For the periods ended	Mar. 31, 2019	Mar. 31, 2018
Advisor Series Units		
Increase in net assets attributable to holders of redeemable units	9	2
Weighted average units outstanding during the period (in thousands of units)	1,346	1,900
Increase in net assets attributable to holders of redeemable units per unit	0.01	0.00
Series D Units		
Increase in net assets attributable to holders of redeemable units	5	0
Weighted average units outstanding during the period (in thousands of units)	573	73
Increase in net assets attributable to holders of redeemable units per unit	0.01	0.00
Series I Units		
Increase in net assets attributable to holders of redeemable units	—	—
Weighted average units outstanding during the period (in thousands of units)	0	0
Increase in net assets attributable to holders of redeemable units per unit	—	—
Series O Units		
Increase in net assets attributable to holders of redeemable units	1,952	1,225
Weighted average units outstanding during the period (in thousands of units)	158,610	174,785
Increase in net assets attributable to holders of redeemable units per unit	0.01	0.01
Classic Series Units		
Increase in net assets attributable to holders of redeemable units	6	2
Weighted average units outstanding during the period (in thousands of units)	795	841
Increase in net assets attributable to holders of redeemable units per unit	0.01	0.00

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(d) Income taxes

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

As at the tax year-ended December 2018, the Fund had the following capital and non-capital losses for income tax purposes:

Total Capital Losses (\$)	Total Non-Capital Losses (\$)	Non-Capital Losses That Expire in		
		2030 (\$)	2031 (\$)	2032 and thereafter (\$)
35,292	—	—	—	—

(e) Related party transactions

Management fees

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

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

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

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

The outstanding accrued management fees due to the Manager are included in "Accrued expenses" in the Statement of Financial Position and as at March 31, 2019 amounted to \$11 (September 30, 2018 — \$1).

The outstanding accrued fixed administration fees due to the Manager are included in "Accrued expenses" in the Statement of Financial Position and as at March 31, 2019 amounted to \$23 (September 30, 2018 — \$2).

Expenses

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

Brokerage commissions and soft dollars

There were no brokerage commissions charged to the Fund during the periods ended March 31, 2019 and March 31, 2018.

Units held by the Manager

The Manager held the following units of the Fund:

As at Mar. 31, 2019

Series	Number of Units	Value of Units (\$)
Series D Units	1,018	1
Series I Units	101	0
Series O Units	1,042	1

As at Sep. 30, 2018

Series	Number of Units	Value of Units (\$)
Series D Units	1,009	1
Series I Units	101	0
Series O Units	1,029	1

(f) Financial instruments risks

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

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

Currency risk

As at March 31, 2019 and September 30, 2018, the Fund did not have significant exposure to currency risk as it invested primarily in U.S. securities.

Interest rate risk

As at March 31, 2019, 99.8% (September 30, 2018 — 100.9%) of the Fund's Net Assets were invested in debt securities with term to maturity of less than one year. The Fund's interest rate sensitivity was determined based on portfolio weighted duration and was not significant as at March 31, 2019 and September 30, 2018.

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Other market risk

The Fund was not significantly exposed to other market risk as at March 31, 2019 and September 30, 2018 as it was invested fully in fixed income securities.

Credit risk

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

Credit Rating	As a % of Net Assets as at	
	Mar. 31, 2019	Sep. 30, 2018
P1	99.8	99.6
Total	99.8	99.6

Securities lending

There were no assets involved in securities lending transactions as at March 31, 2019 and September 30, 2018.

Concentration risk

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

As at	Mar. 31, 2019	Sep. 30, 2018
Money Market Investments		
Federal	11.9%	11.0%
Corporate	79.4%	85.1%
Certificates of Deposit	6.9%	3.5%
Bonds & Debentures		
Corporate Bonds & Debentures	1.6%	—%
Other Assets Less Liabilities	0.2%	0.4%
	100.0%	100.0%

(g) Fair value hierarchy

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

As at Mar. 31, 2019

Financial assets	Level 1	Level 2	Level 3	Total
Debt Securities	—	174,457	—	174,457

As at Sep. 30, 2018

Financial assets	Level 1	Level 2	Level 3	Total
Debt Securities	—	170,362	—	170,362

Transfers between levels

There were no transfers between the levels during the periods.

9. IFRS 9 transition

Upon transition to IFRS 9, financial assets and financial liabilities in the Fund's investment portfolio were classified as FVTPL. The classification for financial assets and financial liabilities differs from the classification under the previous IAS 39. However, there were no changes in the measurement attributes for any of the financial assets and financial liabilities upon transition to IFRS 9. The tables below show the reconciliation of the financial assets and financial liabilities balances as at October 1, 2018, the IFRS 9 transition date.

As at Oct. 1, 2018

Financial Assets	Held for Trading	Designated as FVTPL	Loans and Receivables**	FVTPL
Opening balance - under IAS 39	—	170,362	3,083	—
On the basis of change from IAS 39 to IFRS 9:				
- reclassification of investments to FVTPL*	—	(170,362)	—	170,362
Total change on transition to IFRS 9	—	(170,362)	—	170,362
Opening balance - under IFRS 9	—	—	3,083	170,362

* These are financial instruments (including derivatives) classified as held for trading and others designated as FVTPL under IAS 39.

** These are other financial assets classified as loans and receivables under IAS 39, now classified as amortized cost under IFRS 9.

BMO U.S. Dollar Money Market Fund

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
 (All amounts in thousands of U.S. dollars, except per unit data)
 March 31, 2019

As at Oct. 1, 2018

Financial Liabilities	Held for Trading	Other Financial Liabilities**	FVTPL
Opening balance - under IAS 39	—	2,350	—
On the basis of change from IAS 39 to IFRS 9:			
- reclassification of securities sold short and derivatives*	—	—	—
Total change on transition to IFRS 9	—	—	—
Opening balance - under IFRS 9	—	2,350	—

* These are financial liabilities (such as securities sold short and derivatives) classified as held for trading under IAS 39.

** These were classified as other financial liabilities under IAS 39, now classified as amortized cost under IFRS 9.

BMO Investments Inc.

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Independent Auditor

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

- If you purchased BMO Mutual Funds through a BMO Bank of Montreal branch or BMO Online Banking, please call 1-800-665-7700.
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