

BMO U.S. High Yield Bond Fund (the "Fund")

For the six-month period ended March 31, 2019 (the "Period")

Manager: BMO Investments Inc. (the "Manager" or "BMOI")

Portfolio manager: BMO Asset Management Inc., Toronto, Ontario (the "portfolio manager")

Sub-advisor: Taplin, Canada & Habacht, LLC, Miami, Florida

2019 Semi-Annual Management Report of Fund Performance

This semi-annual management report of fund performance contains financial highlights but does not contain the complete semi-annual or annual financial statements of the Fund. If the semi-annual financial statements of the Fund do not accompany the mailing of this report, you may obtain a copy of the semi-annual or annual financial statements at your request, and at no cost, by calling 1-800-665-7700 and 1-800-668-7327, by writing to us at BMO Investments Inc., First Canadian Place, 100 King Street West, 43rd Floor, Toronto, Ontario, M5X 1A1 or by visiting our website at www.bmo.com/mutualfunds and www.bmo.com/gam/ca or SEDAR at www.sedar.com. You may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record and/or quarterly portfolio disclosure.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Results of Operations

During the Period, the Fund's total net asset value changed from approximately \$1,006 million to approximately \$914 million. Series A units of the Fund returned 1.57%. Please see the *Past Performance* section for information on the performance returns of the Fund's other series.

During Period, market fluctuated between very optimistic and very pessimistic views. At the outset of the Period, 10-year Treasury rates rose to recent highs of 3.25% on optimistic expectations of expanding growth, before a severe risk-off period at the end of 2018 brought interest rates lower. That trend continued into the first quarter of 2019. In addition to expectations of slowing economic growth in the U.S., several additional factors weighed on market sentiment. The looming deadline for Brexit and Chinese-U.S. trade negotiations continued to introduce pockets of volatility at the same time that global growth data slowed in the background.

In October, the U.S. Federal Reserve Board (the "Fed") appeared to signal rate hikes would continue to rise as rates were "a long way" from neutral. At each subsequent meeting, they tweaked messaging; the Fed delivered a rate hike in December as expected, but messaging around Fed meetings introduced volatility. In March, they surprised markets with the level of their dovishness, signalling no additional rate hikes in 2019 and ending the balance sheet run-off sooner than anticipated. Despite concerns of slowing growth in the U.S. for most of the Period economic data remained strong, even as the Period concluded and

some data began to soften (i.e. gross domestic product revised down, as well as inflation), other data such as wage growth continued to strengthen.

For the Period, higher quality issuers in the index significantly outperformed with BB's returning approximately 4%, B's 2.5% and CCC's delivering negative returns (approx. -3%). The Period was bifurcated between the fourth quarter of 2018 when lower quality had more severe drawdowns and the first quarter of 2019 when all segments performed well, but with little differentiation by quality. Allocations to investment grade performed well adding to performance; the decision not to increase the portfolio's limited exposure to CCC bonds during the earlier part of 2018, when that segment was the top performing quality bucket, proved beneficial.

During the Period, the portfolio outperformed, capturing excess roll yield and positive sector/quality selection, while security selection was mildly negative and modestly short duration had a negative impact on returns given the sharp decline in yields. Tactical sector allocation, for example, increasing allocations to the Energy sector during the volatility fourth quarter of 2018 was beneficial as the Energy sector rebounded in the first quarter of 2019 as markets returned closer to fundamental value. The Fund did not significantly shift its quality or duration positioning but made efforts to shift sector weightings. The Fund added exposure to the Energy sectors which offered interesting relative value opportunities.

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Security selection was mildly negative for the Period, with the primary impact from idiosyncratic factors, i.e. Dean Foods Company, Windstream Holdings Inc. Many of the contributors were securities that had experienced volatility and mispricing in the fourth quarter of 2018, but rebounded in the first quarter of 2019.

The Manager confirms that the Fund did not borrow money during the Period.

For information on the Fund's performance and composition, please refer to the Past Performance section and Summary of Investment Portfolio section of this report.

Recent Developments

Given low levels of expected issuance in the high yield market in 2019, the portfolio manager expects to be active in the secondary market with regards to sourcing opportunities. They expect volatility to persist in 2019, which could provide attractive entry points for credits whose fundamentals are attractive but valuations are rich. In the Retail sector, the portfolio manager is actively avoiding those credits likely to be adversely impacted during the next recession by disruptive technologies such as the growth of online retail. In the current environment, liquidity and financial flexibility are key focuses. The portfolio manager continues to look for securities with an attractive risk/reward profile across sectors and quality buckets and is focused on security selection as a driver of outperformance. The Fund remains positioned for rates to continue to rise on the margin and is slightly short duration relative to the benchmark.

While there are signs of slower growth, U.S. economic data remains solid as do balance sheets, supporting forecasts for default rates to remain low in 2019. The portfolio is overweight to single B-rated credits compared to the index due to attractive pick up relative to BB's as fundamentals remain supportive; CCC's do not currently offer enough premium to single B's given their higher exposure to idiosyncratic credit risk. The portfolio has a tactical overweight to the pharmaceuticals, homebuilders and commodity sectors given risk pricing versus fundamentals. The portfolio manager is currently favorable on several sectors (capital goods/banking) from a credit risk perspective which trade at tight valuations; they would take advantage of market volatility to potentially add exposure to these sectors.

On December 6, 2018, the Fund's independent review committee (the "IRC") was decreased to five members when John McBride retired as an IRC member. On December 31, 2018, Louise Vaillancourt ceased to act as Chair of the IRC. On January 1, 2019, Marlene Davidge was appointed as

Chair of the IRC. On April 4, 2019, the Fund's IRC was decreased to four members when Louise Vaillancourt retired as an IRC member.

RELATED PARTY TRANSACTIONS

BMO Investments Inc., an indirect, wholly-owned subsidiary of Bank of Montreal ("BMO"), is the Manager of the Fund. From time to time, the Manager may, on behalf of the Fund, enter into transactions or arrangements with or involving other members of BMO Financial Group, or certain other persons or companies that are related or connected to the Manager (each a "Related Party"). The purpose of this section is to provide a brief description of any transaction involving the Fund and a Related Party.

Portfolio Manager

The Fund's portfolio manager is BMO Asset Management Inc. ("BMOAM"), an affiliate of the Manager and Taplin, Canada & Habacht, LLC, also an affiliate of the Manager, is a sub-advisor to BMOAM. BMOAM provides portfolio management services to the Fund. BMOAM receives from the Manager a management fee based on assets under management, calculated daily and payable monthly.

Administration Fee and Operating Expenses

The Fund pays a fixed administration fee to the Manager in respect of each series other than Series I. The Manager in return pays the operating expenses of these series of the Fund, other than certain specified expenses that are paid directly by the Fund ("Fund Expenses"). Fund Expenses, include expenses incurred in respect of preparing and distributing fund facts, interest or other borrowing expenses, all reasonable costs and expenses incurred in relation to compliance with National Instrument 81-107 – Independent Review Committee for Investment Funds, including compensation and expenses payable to the Fund's IRC members, taxes 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. Fund Expenses are allocated proportionately among the relevant series. If the Fund Expenses are specific to a series, the Fund Expenses are allocated to that series. The fixed administration fee is calculated as a fixed annual percentage of the average net asset value of each relevant series of the Fund. Separate fees and expenses are negotiated and paid directly by each Series I investor. Further details about the fixed administration fee and/or Fund Expenses can be found in the Fund's most recent simplified prospectus at www.bmo.com/mutualfunds and www.bmo.com/gam/ca or www.sedar.com.

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Buying and Selling Securities

During the Period, the Fund relied on standing instructions provided by the IRC with respect to one or more of the following related party transactions:

- (a) investments in securities of BMO, an affiliate of the Manager;
- (b) investments in a class of non-government debt securities and/or equity securities of an issuer during the period of distribution of those securities to the public and/or the 60-day period following the distribution period where BMO Nesbitt Burns Inc., an affiliate of the Manager, acted as an underwriter in the distribution;
- (c) trades in debt securities in the secondary market with BMO Nesbitt Burns Inc. who is trading with the Fund as principal; and
- (d) inter-fund trades (each, a “Related Party Transaction”).

In accordance with the IRC’s standing instructions, in making a decision to cause the Fund to make a Related Party Transaction, the Manager and portfolio manager of the Fund, are required to comply with the Manager’s written policies and procedures governing the Related Party Transaction and report periodically to the IRC, describing each instance that the Manager relied on the standing instructions and its compliance or non-compliance with the governing policies and procedures. The governing policies and procedures are designed to ensure that each Related Party Transaction (i) is made free from any influence of BMO, BMO Nesbitt Burns Inc. or an associate or affiliate of BMO and/or BMO Nesbitt Burns Inc. and without taking into account any considerations relevant to BMO, BMO Nesbitt Burns Inc. or an associate or affiliate of BMO and/or BMO Nesbitt Burns Inc., (ii) represents the business judgment of the Manager, uninfluenced by considerations other than the best interests of the Fund, and (iii) achieves a fair and reasonable result for the Fund.

Distribution Services

The Manager markets and distributes the Fund through Bank of Montreal branches and/or (depending on the series) through registered dealers and brokers, including BMO InvestorLine Inc. and BMO Nesbitt Burns Inc., both affiliates of the Manager. The Manager pays to these affiliates a service fee called a “trailing commission” based on the average daily value of the units and/or shares that are held in investor accounts. This service fee is paid monthly or quarterly and varies by purchase option and by series.

Management Fees

The Manager is responsible for the day-to-day management of the business and operations of the Fund. The Manager monitors and evaluates the Fund’s performance, pays for the investment advice provided by the Fund’s portfolio manager and provides certain administrative services required by the Fund. As compensation for its services, the Manager is entitled to receive a management fee payable monthly, calculated based on the daily net asset value of each series of the Fund at the annual rate set out in the table below.

	Annual Management Fee Rate*	As a Percentage of Management Fees	
		Dealer Compensation %	General Administration, Investment Advice and Profit %
Series A Units	1.60	47	53
Advisor Series Units	1.60	41	59
Series F Units	0.45	0	100
Series D Units	0.75	27	73
Series I Units	—	—	—
Series O Units	0.175	0	100

* For Series I Units, separate Series I fees are negotiated and paid directly by each Series I investor. Since the Manager pays no distribution, service or trailing fees on Series I Units, the combined management and administrative fees for Series I Units will not exceed the management fee charged for Advisor Series or Series A Units.

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund’s financial performance for the periods indicated.

The Fund’s Net Assets per Unit⁽¹⁾

	Period ended		Periods ended Sep. 30			
	Mar. 31 2019	2018	2017	2016	2015	2014
Net assets, beginning of period	\$ 8.85	9.38	9.43	9.31	10.13	10.10
Increase (decrease)						
from operations:						
Total revenue	\$ 0.26	0.53	0.56	0.55	0.60	0.61
Total expenses ⁽²⁾	\$ -0.09	-0.19	-0.19	-0.20	-0.22	-0.23
Realized gains (losses)						
for the period	\$ -0.20	-0.51	0.98	0.26	-1.40	-0.37
Unrealized gains (losses)						
for the period	\$ 0.15	0.11	-0.92	-0.07	0.73	0.53
Total increase (decrease)						
from operations⁽³⁾	\$ 0.12	-0.06	0.43	0.54	-0.29	0.54
Distributions:						
From income						
(excluding dividends)	\$ 0.19	0.48	0.48	0.48	0.48	0.47
From dividends	\$ —	—	—	—	—	—
From capital gains	\$ —	—	—	—	—	—
Return of capital	\$ 0.05	—	—	—	—	0.01
Total Annual Distributions⁽⁴⁾	\$ 0.24	0.48	0.48	0.48	0.48	0.48
Net assets, end of period	\$ 8.75	8.85	9.38	9.43	9.31	10.13

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Advisor Series Units

	Period ended Mar. 31 2019	2018	Periods ended Sep. 30			
			2017	2016	2015	2014
Net assets, beginning of period	\$ 9.85	10.38	10.38	10.23	11.09	11.01
Increase (decrease)						
from operations:						
Total revenue	\$ 0.30	0.58	0.62	0.61	0.65	0.67
Total expenses ⁽²⁾	\$ -0.10	-0.21	-0.22	-0.23	-0.24	-0.25
Realized gains (losses)						
for the period	\$ -0.23	-0.57	1.02	0.32	-1.47	-0.31
Unrealized gains (losses)						
for the period	\$ 0.16	0.13	-0.97	-0.10	0.69	0.42
Total increase (decrease)						
from operations ⁽³⁾	\$ 0.13	-0.07	0.45	0.60	-0.37	0.53
Distributions:						
From income						
(excluding dividends)	\$ 0.20	0.48	0.48	0.53	0.49	0.48
From dividends	\$ —	—	—	—	—	—
From capital gains	\$ —	—	—	—	—	—
Return of capital	\$ 0.04	—	0.00	0.00	0.00	0.00
Total Annual Distributions ⁽⁴⁾	\$ 0.24	0.48	0.48	0.53	0.49	0.48
Net assets, end of period	\$ 9.75	9.85	10.38	10.38	10.23	11.09

Series F Units

	Period ended Mar. 31 2019	2018	Periods ended Sep. 30			
			2017	2016	2015	2014
Net assets, beginning of period	\$ 10.88	11.77	11.72	11.55	12.46	12.31
Increase (decrease)						
from operations:						
Total revenue	\$ 0.32	0.64	0.71	0.68	0.73	0.75
Total expenses ⁽²⁾	\$ -0.04	-0.09	-0.10	-0.10	-0.11	-0.12
Realized gains (losses)						
for the period	\$ -0.25	-0.63	1.10	0.25	-1.63	-0.37
Unrealized gains (losses)						
for the period	\$ 0.18	0.12	-1.04	-0.06	0.75	0.42
Total increase (decrease)						
from operations ⁽³⁾	\$ 0.21	0.04	0.67	0.77	-0.26	0.68
Distributions:						
From income						
(excluding dividends)	\$ 0.30	0.96	0.64	0.70	0.66	0.63
From dividends	\$ —	—	—	—	—	—
From capital gains	\$ —	—	—	—	—	—
Return of capital	\$ 0.00	0.01	0.00	0.00	0.00	0.00
Total Annual Distributions ⁽⁴⁾	\$ 0.30	0.97	0.64	0.70	0.66	0.63
Net assets, end of period	\$ 10.81	10.88	11.77	11.72	11.55	12.46

Series D Units

	Period ended Mar. 31 2019	2018	Periods ended Sep. 30			
			2017	2016	2015	2014 ⁽⁵⁾
Net assets, beginning of period	\$ 8.81	9.25	9.22	9.06	9.78	10.00 ⁽⁶⁾
Increase (decrease)						
from operations:						
Total revenue	\$ 0.26	0.52	0.54	0.53	0.58	0.28
Total expenses ⁽²⁾	\$ -0.05	-0.10	-0.11	-0.10	-0.11	-0.06
Realized gains (losses)						
for the period	\$ -0.20	-0.52	1.10	0.66	-1.32	0.37
Unrealized gains (losses)						
for the period	\$ 0.17	0.14	-1.02	-0.13	0.63	-0.66
Total increase (decrease)						
from operations ⁽³⁾	\$ 0.18	0.04	0.51	0.96	-0.22	-0.07
Distributions:						
From income						
(excluding dividends)	\$ 0.23	0.48	0.47	0.55	0.49	0.20
From dividends	\$ —	—	—	—	—	—
From capital gains	\$ —	—	—	—	—	—
Return of capital	\$ 0.01	0.00	0.01	—	—	—
Total Annual Distributions ⁽⁴⁾	\$ 0.24	0.48	0.48	0.55	0.49	0.20
Net assets, end of period	\$ 8.74	8.81	9.25	9.22	9.06	9.78

Series I Units

	Period ended Mar. 31 2019	2018	Periods ended Sep. 30			
			2017	2016	2015	2014
Net assets, beginning of period	\$ 8.60	9.49	9.44	9.31	10.37	10.29
Increase (decrease)						
from operations:						
Total revenue	\$ 0.26	0.51	0.57	0.55	0.60	0.62
Total expenses ⁽²⁾	\$ 0.00	0.00	0.00	0.00	0.00	—
Realized gains (losses)						
for the period	\$ -0.19	-0.50	0.87	0.34	-1.38	-0.28
Unrealized gains (losses)						
for the period	\$ 0.00	0.12	-0.83	-0.11	0.71	0.42
Total increase (decrease)						
from operations ⁽³⁾	\$ 0.07	0.13	0.61	0.78	-0.07	0.76
Distributions:						
From income						
(excluding dividends)	\$ 0.31	0.99	0.57	0.70	0.93	0.66
From dividends	\$ —	—	—	—	—	—
From capital gains	\$ —	—	—	—	—	—
Return of capital	\$ 0.00	0.04	0.00	0.00	0.00	0.00
Total Annual Distributions ⁽⁴⁾	\$ 0.31	1.03	0.57	0.70	0.93	0.66
Net assets, end of period	\$ 8.51	8.60	9.49	9.44	9.31	10.37

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Series O Units

	Period ended		Periods ended Sep. 30			
	Mar. 31 2019	2018	2017	2016	2015	2014
Net assets, beginning of period	\$ 9.00	9.82	9.75	9.61	10.45	10.33
Increase (decrease) from operations:						
Total revenue	\$ 0.27	0.54	0.58	0.56	0.62	0.63
Total expenses ⁽²⁾	\$ -0.02	-0.05	-0.05	-0.05	-0.05	-0.06
Realized gains (losses) for the period	\$ -0.21	-0.51	1.03	0.35	-1.40	-0.30
Unrealized gains (losses) for the period	\$ 0.14	0.12	-0.96	-0.06	0.65	0.42
Total increase (decrease) from operations⁽³⁾	\$ 0.18	0.10	0.60	0.80	-0.18	0.69
Distributions:						
From income (excluding dividends)	\$ 0.25	0.87	0.53	0.63	0.66	0.58
From dividends	\$ —	—	—	—	—	—
From capital gains	\$ —	—	—	—	—	—
Return of capital	\$ 0.00	0.05	0.00	0.00	0.00	0.00
Total Annual Distributions⁽⁴⁾	\$ 0.25	0.92	0.53	0.63	0.66	0.58
Net assets, end of period	\$ 8.95	9.00	9.82	9.75	9.61	10.45

⁽¹⁾ Initial net assets.

⁽²⁾ This information is derived from the Fund's unaudited and audited annual financial statements.

⁽³⁾ Includes commissions and other portfolio transaction costs and withholding taxes.

⁽⁴⁾ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

⁽⁵⁾ Distributions were either paid in cash or reinvested in additional units of the Fund, or both. The allocation of the distributions from each of income, dividends, capital gains and return of capital is based on the Manager's estimate as at March 31 or September 30 of the period shown, as applicable, which is the Fund's financial year-end. However, the actual allocation of distributions is determined as at December 15, the Fund's tax year-end. Accordingly, the actual allocation among income, dividends, capital gains and return of capital may differ from these estimates.

⁽⁶⁾ The information shown in this column is for the period beginning April 7, 2014 (the series' inception date) and ending September 30, 2014.

Ratios and Supplemental Data

Series A Units

	Period ended		Periods ended Sep. 30			
	Mar. 31 2019	2018	2017	2016	2015	2014
Total net asset value (000's) ⁽¹⁾	\$ 5,480	5,822	7,337	6,733	8,188	12,084
Number of units outstanding (000's) ⁽¹⁾	626	657	782	714	879	1,193
Management expense ratio ⁽²⁾	% 2.03	2.03	2.04	2.18	2.21	2.21
Management expense ratio before waivers or absorptions	% 2.03	2.03	2.04	2.20	2.23	2.23
Trading expense ratio ⁽³⁾	% —	—	—	—	—	—
Portfolio turnover rate ⁽⁴⁾	% 11.56	27.88	30.74	50.47	38.70	31.06
Net asset value per unit	\$ 8.75	8.85	9.38	9.43	9.31	10.13

Advisor Series Units

	Period ended		Periods ended Sep. 30			
	Mar. 31 2019	2018	2017	2016	2015	2014
Total net asset value (000's) ⁽¹⁾	\$ 49,984	55,761	75,424	3,071	4,573	3,372
Number of units outstanding (000's) ⁽¹⁾	5,124	5,662	7,265	296	447	304
Management expense ratio ⁽²⁾	% 2.05	2.06	2.06	2.19	2.21	2.21
Management expense ratio before waivers or absorptions	% 2.06	2.06	2.06	2.26	2.29	2.29
Trading expense ratio ⁽³⁾	% —	—	—	—	—	—
Portfolio turnover rate ⁽⁴⁾	% 11.56	27.88	30.74	50.47	38.70	31.06
Net asset value per unit	\$ 9.75	9.85	10.38	10.38	10.23	11.09

Series F Units

	Period ended		Periods ended Sep. 30			
	Mar. 31 2019	2018	2017	2016	2015	2014
Total net asset value (000's) ⁽¹⁾	\$ 12,113	12,821	19,948	20,754	35,878	24,797
Number of units outstanding (000's) ⁽¹⁾	1,120	1,178	1,695	1,770	3,107	1,990
Management expense ratio ⁽²⁾	% 0.77	0.77	0.78	0.88	0.90	0.90
Management expense ratio before waivers or absorptions	% 0.77	0.77	0.78	0.89	0.92	1.15
Trading expense ratio ⁽³⁾	% —	—	—	—	—	—
Portfolio turnover rate ⁽⁴⁾	% 11.56	27.88	30.74	50.47	38.70	31.06
Net asset value per unit	\$ 10.81	10.88	11.77	11.72	11.55	12.46

Series D Units

	Period ended		Periods ended Sep. 30			
	Mar. 31 2019	2018	2017	2016	2015	2014 ⁽⁵⁾
Total net asset value (000's) ⁽¹⁾	\$ 708	685	706	368	120	194
Number of units outstanding (000's) ⁽¹⁾	81	78	76	40	13	20
Management expense ratio ⁽²⁾	% 1.10	1.10	1.13	1.14	1.15	1.15
Management expense ratio before waivers or absorptions	% 1.10	1.10	1.13	1.15	1.17	1.27
Trading expense ratio ⁽³⁾	% —	—	—	—	—	—
Portfolio turnover rate ⁽⁴⁾	% 11.56	27.88	30.74	50.47	38.70	31.06
Net asset value per unit	\$ 8.74	8.81	9.25	9.22	9.06	9.78

Series I Units

	Period ended		Periods ended Sep. 30			
	Mar. 31 2019	2018	2017	2016	2015	2014
Total net asset value (000's) ⁽¹⁾	\$ 55,836	97,448	125,142	168,942	194,179	333,843
Number of units outstanding (000's) ⁽¹⁾	6,565	11,332	13,182	17,900	20,852	32,192
Management expense ratio ⁺	% —	—	—	—	—	—
Management expense ratio before waivers or absorptions ⁺	% —	—	—	—	—	—
Trading expense ratio ⁽³⁾	% —	—	—	—	—	—
Portfolio turnover rate ⁽⁴⁾	% 11.56	27.88	30.74	50.47	38.70	31.06
Net asset value per unit	\$ 8.51	8.60	9.49	9.44	9.31	10.37

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Series O Units

	Period ended		Periods ended Sep. 30			
	Mar. 31 2019	2018	2017	2016	2015	2014
Total net asset value (000's) ⁽¹⁾	\$ 789,517	833,288	851,242	763,448	678,110	675,351
Number of units						
outstanding (000's) ⁽¹⁾	88,175	92,566	86,682	78,340	70,574	64,651
Management expense ratio ⁽²⁾	% 0.47	0.47	0.47	0.49	0.50	0.51
Management expense ratio						
before waivers or absorptions	% 0.47	0.47	0.47	0.49	0.50	0.53
Trading expense ratio ⁽³⁾	% —	—	—	—	—	—
Portfolio turnover rate ⁽⁴⁾	% 11.56	27.88	30.74	50.47	38.70	31.06
Net asset value per unit	\$ 8.95	9.00	9.82	9.75	9.61	10.45

+ Operating expenses are paid by BMOII and management fees are paid directly to BMOII as negotiated with the investor.

⁽¹⁾ This information is provided as at March 31 or September 30 of the period shown, as applicable.

⁽²⁾ Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

⁽³⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. For all the financial periods listed, no commissions or portfolio transaction costs were incurred by the Fund. As a result, the trading expense ratio for all the periods was zero.

⁽⁴⁾ The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

⁽⁵⁾ The information shown in this column is for the period beginning April 7, 2014 (the series' inception date) and ending September 30, 2014.

PAST PERFORMANCE

The Fund's performance information assumes that all distributions made by the Fund in the periods shown were used to purchase additional securities of the Fund and is based on the net asset value of the Fund.

The performance information does not take into account sales, redemption, distribution or other optional charges that, if applicable, would have reduced returns or performance. Please remember that how the Fund has performed in the past does not indicate how it will perform in the future.

The returns of each series may differ from one another for a number of reasons, including if the series was not issued and outstanding for the entire reporting period and because of the different levels of management fees and expenses allocated and payable by each series.

On July 15, 2016, the management fees on Series A and Advisor Series units was lowered from 1.75% to 1.60%. In addition, the management fee on Series F units was lowered from 0.55% to 0.45%.

On July 15, 2016, the administration fee applicable to the Fund (except Series O units) was lowered from 0.28% to 0.25%. In addition, the administration fee on Series O units was lowered from 0.275% to 0.25%.

On October 14, 2016, after obtaining all necessary unitholder and regulatory approvals, BMO High Yield Bond Fund merged into the Fund.

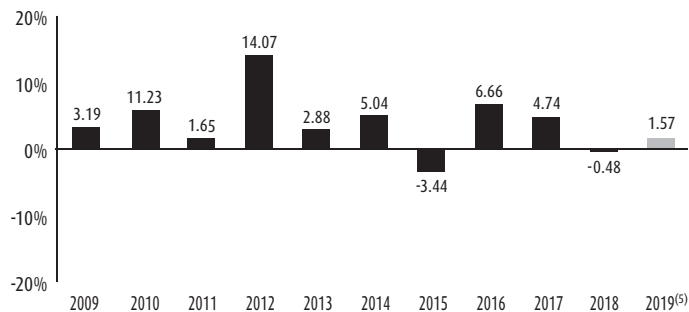
On March 6, 2017, BMO Asset Management Inc. replaced Money, Inc. as portfolio manager of the Fund and Taplin, Canida & Habacht, LLC became the sub-advisor of the Fund.

These changes could have affected the performance of the Fund had they been in effect throughout the performance measurement periods presented.

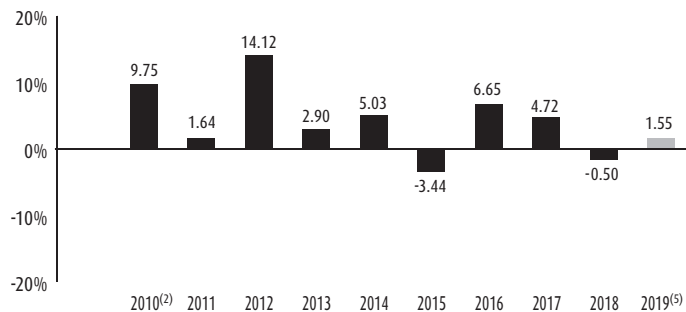
Year-by-Year Returns

The following bar charts show the performance of each series of the Fund for each of the financial years shown and for the six-month period ended March 31, 2019. The charts show in percentage terms how an investment made on the first day of each financial year would have increased or decreased by the last day of each financial year.

Series A Units

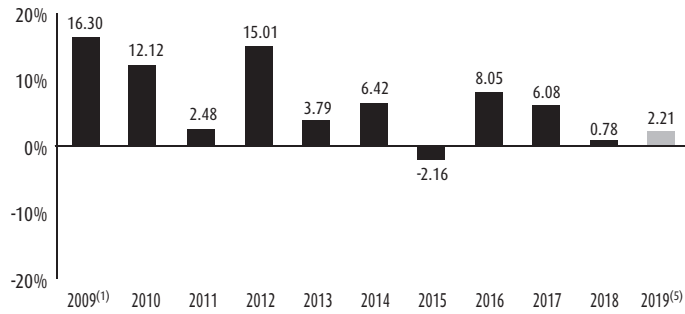


Advisor Series Units

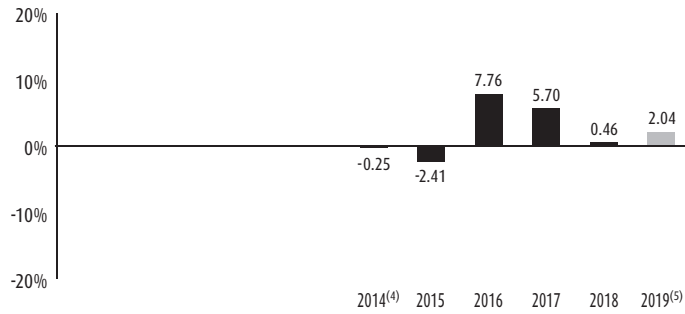


BMO U.S. High Yield Bond Fund

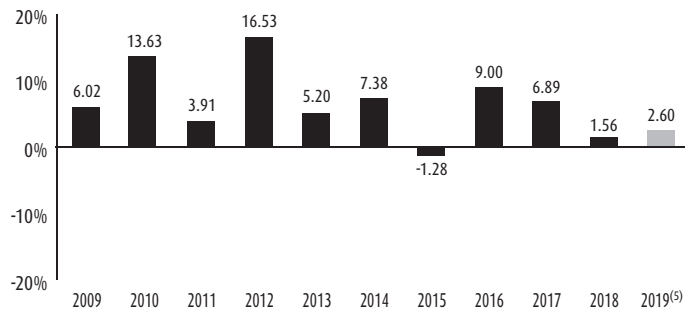
Series F Units



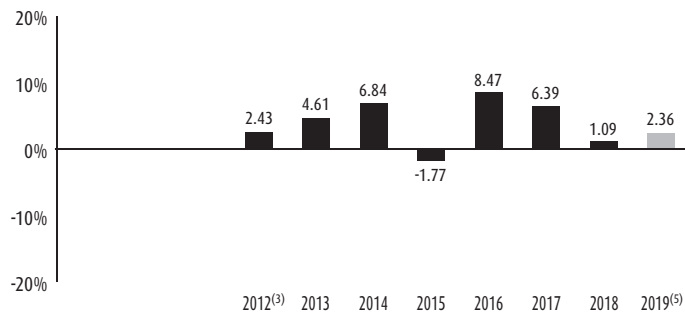
Series D Units



Series I Units



Series O Units



(1) For the period beginning with the performance launch date of February 17, 2009 to September 30, 2009.
 (2) For the period beginning with the performance launch date of November 11, 2009 to September 30, 2010.
 (3) For the period beginning with the performance launch date of July 30, 2012 to September 30, 2012.
 (4) For the period beginning with the performance launch date of April 8, 2014 to September 30, 2014.
 (5) For the six-month period ended March 31, 2019.

BMO U.S. High Yield Bond Fund

SUMMARY OF INVESTMENT PORTFOLIO

As at March 31, 2019

Portfolio Allocation	% of Net Asset Value
Corporate Bonds	94.3
Cash/Receivables/Payables	5.7
Total Portfolio Allocation	100.0

Top 25 Holdings Issuer	% of Net Asset Value
Cash/Receivables/Payables	5.7
Sprint Corporation, Senior, Unsecured, Notes, 7.875% Sep 15, 2023	1.3
Bausch Health Companies Inc., Series 144A, Senior, Unsecured, Notes, Callable, 5.500% Mar 1, 2023	1.2
Beazer Homes USA, Inc., Senior, Unsecured, Notes, Callable, 5.875% Oct 15, 2027	1.0
United States Steel Corporation, Senior, Unsecured, Notes, Callable, 6.875% Aug 15, 2025	1.0
Meritor, Inc., Senior, Unsecured, Notes, Callable, 6.250% Feb 15, 2024	1.0
Hot Topic, Inc., Series 144A, Secured, Notes, Callable, 9.250% Jun 15, 2021	1.0
Drax Finco PLC, Series 144A, Senior, Secured, Notes, Callable, 6.625% Nov 1, 2025	0.9
Cheniere Energy Partners, L.P., Series 144A, Senior, Unsecured, Notes, Callable, 5.625% Oct 1, 2026	0.9
Party City Holdings Inc., Series 144A, Senior, Unsecured, Notes, Callable, 6.125% Aug 15, 2023	0.9
Fly Leasing Limited, Senior, Unsecured, Notes, Callable, 6.375% Oct 15, 2021	0.9
Numericable-SFR S.A., Series 144A, Secured, Notes, Callable, 7.375% May 1, 2026	0.9
Centene Corporation, Senior, Unsecured, Notes, Callable, 6.125% Feb 15, 2024	0.8
Kinross Gold Corporation, Senior, Unsecured, Notes, Callable, 4.500% Jul 15, 2027	0.8
Scientific Games International, Inc., Series 144A, Senior, Secured, Notes, Callable, 5.000% Oct 15, 2025	0.8
Cablevision Systems Corporation, Senior, Unsecured, Notes, 5.875% Sep 15, 2022	0.8
QEP Resources, Inc., Senior, Unsecured, Notes, Callable, 5.250% May 1, 2023	0.8
Tempur Sealy International Inc., Senior, Unsecured, Notes, Callable, 5.625% Oct 15, 2023	0.8
CCO Holdings LLC/CCO Holdings Capital Corp., Series 144A, Senior, Unsecured, Notes, Callable, 5.500% May 1, 2026	0.8
Dell Inc., Senior, Unsecured, Notes, 6.500% Apr 15, 2038	0.8

Top 25 Holdings Issuer	% of Net Asset Value
Qwest Corporation, Senior, Unsecured, Debentures, Callable, 6.875% Sep 15, 2033	0.8
Teva Pharmaceutical Finance Netherlands III B.V., Senior, Unsecured, Notes, 2.800% Jul 21, 2023	0.8
Iron Mountain Incorporated, Senior, Notes, Subordinated, Callable, 5.750% Aug 15, 2024	0.8
Cheniere Corpus Christi Holdings, LLC, Senior, Secured, Notes, 7.000% Jun 30, 2024	0.8
Gulfport Energy Corporation, Senior, Unsecured, Notes, Callable, 6.000% Oct 15, 2024	0.8
Top Holdings as a Percentage of Total Net Asset Value	27.1
Total Net Asset Value	\$913,637,763

The summary of investment portfolio may change due to the Fund's ongoing portfolio transactions. Updates are available quarterly.

BMO Investments Inc.

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

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

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