

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

For the six-month period ended March 31, 2023 (the "Period")

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

Portfolio manager: Columbia Management Investment Advisers, LLC, Boston, Massachusetts

2023 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/gam/ca/advisor/legal-and-regulatory 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 \$685 million to approximately \$683 million. Series A units of the Fund returned 7.11%. Please see the *Past Performance* section for information on the performance returns of the Fund's other series.

During the Period, the U.S. high-yield bond market advanced, while credit spreads tightened 179 basis points, ending the Period at 379 basis points. The five-year U.S. Treasury yield decreased by 52 basis points, ending the Period at 3.58%. U.S. high-yield total returns faced credit spread and interest-rate volatility. Nonetheless, valuations ended the Period lower despite stubbornly high inflation data, interest-rate increases by the U.S. Federal Reserve Board ("Fed"), retail fund outflows and the first failure of a global systemically important bank ("GSIB") since the financial crisis in 2008.

Security selection in telecommunications was the top contributor to performance. It was partially driven by overweight exposure to non-U.S. issuers. Security selection within metals and mining contributed. An underweight allocation to and selection within media content contributed to performance.

The top individual contributor to performance was an overweight allocation to copper producer Hudbay Minerals Inc. (6.13%, 01/05/2029). The company's bonds outperformed the market supported by a healthy supply and demand outlook for commodities. An underweight allocation to Lumen Technologies Inc. contributed to

performance. The telecommunications company reported poor results, resulting in a decline in bond prices. An overweight allocation to aluminum converter Constellium SE (3.75%, 04/15/2029) contributed to performance. The company benefitted from aerospace demand and sequential improvement in automobile production.

Security selection within cable and satellite TV was the largest detractor from performance as growth slowed. Selection within software and services also detracted, driven by an overweight allocation to a single issuer over the Period. Selection within the personal and household products segment also detracted from performance.

An overweight allocation to multiple issues from DISH Network Corp. detracted from performance given market concerns around potential additional financing to support its wireless network roll-out. An overweight allocation to LogMeIn Inc. (5.50%, 09/01/2027) detracted from performance as its business results in the post-COVID-19 work-from-home environment were weaker than forecasted and its reputation suffered after a breach of customer data. An overweight allocation to cable provider Astound Broadband (4.50%, 2026) also detracted. The cable segment faced compressed equity valuations.

A new position was initiated in oil producer Matador Resources (5.89% 09/15/2026). The portfolio manager believes the company has an attractive asset base and is a potential acquisition target by a larger operator.

The Fund's positions were increased within the Automotive, Air Transportation and Insurance Brokerage sectors. The automotive increase was fueled by a new issue from Ford Motor Credit (7.35% 06/03/2030). Air Transportation



Mutual Funds

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increases were driven by increased allocations to United Airlines Holdings Inc. and American Airlines Group Inc., supported by loyalty programs. Insurance Brokerage positions increased solely due to participation in a secured new issue note from Alliant Holdings Intermediate (6.75% 15/04/2028).

At the sector level, the portfolio manager reduced positions in Telecommunications and Health Services. Within telecommunications, exposure to short-dated Sprint notes were reduced, given limited relative value. In health services, the Fund reduced the position in Radiology Partners Inc. which struggled with fundamentals.

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

Gains late in the first quarter of 2023 pulled U.S. high-yield valuations within levels similar to the end of 2022.

Although the portfolio manager believes markets are nearing the end of Fed tightening, economic uncertainty remains as the full impact of rate increases has not yet materialized. The portfolio manager believes the Fed will make interest-rate decisions dependent on their favored inflation measures, although tighter lending conditions due to recent bank failures may limit how many raises are implemented. Recession risk remains a focus, given the impact of rate increases on demand for goods and services. High-yield earnings results for the fourth quarter were mixed but supported credit.

Higher food, housing and energy costs reduced disposable income for U.S. consumers and inflation remained stubbornly high. Still, the labour market remains strong and inflationary pressures have eased, notably for gasoline and rent prices.

Given the wide range of fundamental outcomes and potentially growing levels of default activity, the portfolio manager believes credit selection could be a key driver of performance. The portfolio manager is comfortable maintaining conservative positioning and continues to look for dislocations in the market that provide idiosyncratic buying opportunities.

In February 2022, hostilities commenced in Ukraine. In response, a number of countries have imposed economic sanctions on Russia and certain Russian citizens and entities. The impact of the hostilities, economic sanctions and other measures may have wide-ranging global effects on price volatility for securities and commodities as well as the

stability of global financial markets. It is uncertain how long the hostilities, economic sanctions and market instability will continue and whether they will escalate further.

Subsequent Event

Multi-Series Structure Change

As at the close of business on May 16, 2023, Series D Units will be terminated.

RELATED PARTY TRANSACTIONS

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.

Manager

BMO Investments Inc., an indirect, wholly-owned subsidiary of Bank of Montreal ("BMO"), is the Manager and trustee of the Fund. The Manager is paid a management fee by the Fund as compensation for its services, which is described in the "Management Fees" section later in this document.

Portfolio Manager

On November 15, 2021, Columbia Management Investment Advisers, LLC replaced BMO Asset Management Inc., an affiliate of the Manager, as portfolio manager of the Fund, and Taplin, Canida & Habacht, LLC ceased to act as sub-advisor of the Fund. Prior to November 15, 2021, BMO Asset Management Inc. as portfolio manager received 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 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 net asset value of each relevant series of the Fund. The annual fixed administration fee rate for each series of the Fund other than Series I is 0.25%. The administration fee is subject to applicable taxes. The Manager may, in certain cases, waive a portion of the administration fee that it receives from the Fund or from certain series of the Fund. Separate fees and expenses are negotiated and paid directly by each Series I

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investor. Further details about the fixed administration fee, Fund Expenses and/or operating expenses can be found in the Fund's most recent simplified prospectus at www.bmo.com/gam/ca/advisor/legal-and-regulatory or www.sedar.com.

Buying and Selling Securities

During the Period, the Fund relied on standing instructions provided by the independent review committee ("IRC") for any of the following related party transactions that may have occurred in the Fund (each, a "Related Party Transaction"):

- (a) investments in securities issued by BMO, an affiliate of the Manager, or any other issuer related to the Manager;
- (b) investments in a class of 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, or any other affiliate of the Manager acted as an underwriter in the distribution;
- (c) trades in over-the-counter debt securities in the secondary market with BMO Nesbitt Burns Inc., or any other affiliate of the Manager, acting as principal in the Canadian debt securities market; and
- (d) trades of a security of any issuer from or to, another investment fund managed by the Manager or an affiliate of the Manager or a managed account managed by the Manager or an affiliate of the Manager.

In accordance with the IRC's standing instructions, in making a decision to cause the Fund to enter into a Related Party Transaction, the Manager and the 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 BMO 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. Effective on or after June 1, 2022, series of units of the Fund that pay a service fee are no longer available for purchase by investors who hold those securities in an account with BMO InvestorLine Inc.

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⁾

Series A Units

	Period ended Mar. 31 2023	2022	Periods ended 2021	Sep. 30 2020	2019	2018
Net assets, beginning of period	\$ 6.75	8.34	8.07	8.67	8.85	9.38
Increase (decrease)						
from operations:						
Total revenue	\$ 0.21	0.40	0.50	0.49	0.52	0.53
Total expenses ⁽²⁾	\$ -0.06	-0.12	-0.15	-0.17	-0.18	-0.19
Realized gains (losses) for the period	\$ -0.37	-0.57	-0.38	-0.08	-1.24	-0.51
Unrealized gains (losses) for the period	\$ 0.70	-0.86	0.58	-0.39	1.18	0.11
Total increase (decrease) from operations ⁽³⁾	\$ 0.48	-1.15	0.55	-0.15	0.28	-0.06
Distributions:						
From net investment income (excluding dividends)	\$ 0.14	0.33	0.30	0.44	0.30	0.48
From dividends	\$ —	—	—	—	—	—
From capital gains	\$ —	—	—	—	—	—
Return of capital	\$ 0.06	0.09	0.14	0.04	0.18	—
Total Annual Distributions ⁽⁴⁾	\$ 0.20	0.42	0.44	0.48	0.48	0.48
Net assets, end of period	\$ 7.03	6.75	8.34	8.07	8.67	8.85

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Advisor Series Units

	Period ended		Periods ended Sep. 30			
	Mar. 31	2022	2021	2020	2019	2018
	2023					
Net assets, beginning of period	\$ 7.61	9.41	9.09	9.69	9.85	10.38
Increase (decrease)						
from operations:						
Total revenue	\$ 0.23	0.46	0.55	0.56	0.58	0.58
Total expenses ⁽²⁾	\$ -0.06	-0.14	-0.17	-0.19	-0.20	-0.21
Realized gains (losses)						
for the period	\$ -0.43	-0.65	0.15	-0.09	0.76	-0.57
Unrealized gains (losses)						
for the period	\$ 0.80	-0.98	0.30	-0.41	-0.84	0.13
Total increase (decrease)						
from operations ⁽³⁾	\$ 0.54	-1.31	0.83	-0.13	0.30	-0.07
Distributions:						
From net investment income						
(excluding dividends)	\$ 0.16	0.37	0.36	0.45	0.34	0.48
From dividends	\$ —	—	—	—	—	—
From capital gains	\$ —	—	—	—	—	—
Return of capital	\$ 0.07	0.11	0.12	0.03	0.14	—
Total Annual Distributions ⁽⁴⁾	\$ 0.23	0.48	0.48	0.48	0.48	0.48
Net assets, end of period	\$ 7.92	7.61	9.41	9.09	9.69	9.85

Series F Units

	Period ended		Periods ended Sep. 30			
	Mar. 31	2022	2021	2020	2019	2018
	2023					
Net assets, beginning of period	\$ 8.77	10.75	10.26	10.81	10.88	11.77
Increase (decrease)						
from operations:						
Total revenue	\$ 0.27	0.53	0.62	0.62	0.64	0.64
Total expenses ⁽²⁾	\$ -0.03	-0.08	-0.08	-0.08	-0.08	-0.09
Realized gains (losses)						
for the period	\$ -0.48	-0.74	0.16	-0.10	0.25	-0.63
Unrealized gains (losses)						
for the period	\$ 0.90	-1.19	0.32	-0.47	-0.32	0.12
Total increase (decrease)						
from operations ⁽³⁾	\$ 0.66	-1.48	1.02	-0.03	0.49	0.04
Distributions:						
From net investment income						
(excluding dividends)	\$ 0.24	0.52	0.54	0.54	0.57	0.96
From dividends	\$ —	—	—	—	—	—
From capital gains	\$ —	—	—	—	—	—
Return of capital	\$ 0.03	0.02	0.00	0.00	—	0.01
Total Annual Distributions ⁽⁴⁾	\$ 0.27	0.54	0.54	0.54	0.57	0.97
Net assets, end of period	\$ 9.16	8.77	10.75	10.26	10.81	10.88

Series D Units

	Period ended		Periods ended Sep. 30			
	Mar. 31	2022	2021	2020	2019	2018
	2023					
Net assets, beginning of period	\$ 6.95	8.54	8.19	8.70	8.81	9.25
Increase (decrease)						
from operations:						
Total revenue	\$ 0.21	0.42	0.49	0.49	0.52	0.52
Total expenses ⁽²⁾	\$ -0.04	-0.09	-0.09	-0.09	-0.10	-0.10
Realized gains (losses)						
for the period	\$ -0.43	-0.54	0.14	-0.11	0.48	-0.52
Unrealized gains (losses)						
for the period	\$ 0.84	-0.78	0.27	-0.38	-0.52	0.14
Total increase (decrease)						
from operations ⁽³⁾	\$ 0.58	-0.99	0.81	-0.09	0.38	0.04
Distributions:						
From net investment income						
(excluding dividends)	\$ 0.16	0.38	0.37	0.46	0.42	0.48
From dividends	\$ —	—	—	—	—	—
From capital gains	\$ —	—	—	—	—	—
Return of capital	\$ 0.04	0.04	0.07	0.02	0.06	0.00
Total Annual Distributions ⁽⁴⁾	\$ 0.20	0.42	0.44	0.48	0.48	0.48
Net assets, end of period	\$ 7.25	6.95	8.54	8.19	8.70	8.81

Series I Units

	Period ended		Periods ended Sep. 30			
	Mar. 31	2022	2021	2020	2019	2018
	2023					
Net assets, beginning of period	\$ 6.91	8.46	8.07	8.51	8.60	9.49
Increase (decrease)						
from operations:						
Total revenue	\$ 0.21	0.41	0.49	0.49	0.51	0.51
Total expenses ⁽²⁾	\$ —	-0.00	-0.00	-0.00	-0.00	0.00
Realized gains (losses)						
for the period	\$ -0.37	-0.57	0.12	-0.05	-2.92	-0.50
Unrealized gains (losses)						
for the period	\$ 0.77	-0.86	0.24	-0.37	2.71	0.12
Total increase (decrease)						
from operations ⁽³⁾	\$ 0.61	-1.02	0.85	0.07	0.30	0.13
Distributions:						
From net investment income						
(excluding dividends)	\$ 0.21	0.48	0.48	0.50	0.55	0.99
From dividends	\$ —	—	—	—	—	—
From capital gains	\$ —	—	—	—	—	—
Return of capital	\$ 0.02	0.00	0.00	0.00	0.00	0.04
Total Annual Distributions ⁽⁴⁾	\$ 0.23	0.48	0.48	0.50	0.55	1.03
Net assets, end of period	\$ 7.22	6.91	8.46	8.07	8.51	8.60

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Series O Units

	Period ended		Periods ended Sep. 30			
	Mar. 31 2023	2022	2021	2020	2019	2018
Net assets, beginning of period	\$ 7.25	8.89	8.49	8.95	9.00	9.82
Increase (decrease) from operations:						
Total revenue	\$ 0.22	0.43	0.51	0.51	0.53	0.54
Total expenses ⁽²⁾	\$ -0.02	-0.04	-0.04	-0.04	-0.04	-0.05
Realized gains (losses) for the period	\$ -0.41	-0.62	0.16	-0.07	-0.03	-0.51
Unrealized gains (losses) for the period	\$ 0.77	-0.93	0.24	-0.43	-0.05	0.12
Total increase (decrease) from operations⁽³⁾	\$ 0.56	-1.16	0.87	-0.03	0.41	0.10
Distributions:						
From net investment income (excluding dividends)	\$ 0.20	0.46	0.47	0.48	0.49	0.87
From dividends	\$ —	—	—	—	—	—
From capital gains	\$ —	—	—	—	—	—
Return of capital	\$ 0.03	0.02	0.01	0.00	0.00	0.05
Total Annual Distributions⁽⁴⁾	\$ 0.23	0.48	0.48	0.48	0.49	0.92
Net assets, end of period	\$ 7.57	7.25	8.89	8.49	8.95	9.00

⁽¹⁾ This information is derived from the Fund's unaudited semi-annual and audited annual financial statements.

⁽²⁾ Includes commissions and other portfolio transaction costs and withholding taxes.

⁽³⁾ 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.

⁽⁴⁾ 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 period-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.

Ratios and Supplemental Data

Series A Units

	Period ended		Periods ended Sep. 30			
	Mar. 31 2023	2022	2021	2020	2019	2018
Total net asset value (000's) ⁽¹⁾	\$ 8,622	8,181	12,265	4,267	5,302	5,822
Number of units outstanding (000's) ⁽¹⁾	1,227	1,212	1,470	528	612	657
Management expense ratio ⁽²⁾	% 1.59	1.59	1.81	2.04	2.03	2.03
Management expense ratio before waivers or absorptions	% 1.59	1.59	1.81	2.04	2.03	2.03
Trading expense ratio ⁽³⁾	% —	0.00	0.00	0.00	—	—
Portfolio turnover rate ⁽⁴⁾	% 16.89	87.56	46.31	51.43	27.21	27.88
Net asset value per unit	\$ 7.03	6.75	8.34	8.07	8.67	8.85

Advisor Series Units

	Period ended		Periods ended Sep. 30			
	Mar. 31 2023	2022	2021	2020	2019	2018
Total net asset value (000's) ⁽¹⁾	\$ 20,757	21,586	32,149	33,856	46,159	55,761
Number of units outstanding (000's) ⁽¹⁾	2,622	2,836	3,415	3,726	4,763	5,662
Management expense ratio ⁽²⁾	% 1.60	1.61	1.82	2.05	2.05	2.06
Management expense ratio before waivers or absorptions	% 1.61	1.61	1.93	2.05	2.06	2.06
Trading expense ratio ⁽³⁾	% —	0.00	0.00	0.00	—	—
Portfolio turnover rate ⁽⁴⁾	% 16.89	87.56	46.31	51.43	27.21	27.88
Net asset value per unit	\$ 7.92	7.61	9.41	9.09	9.69	9.85

Series F Units

	Period ended		Periods ended Sep. 30			
	Mar. 31 2023	2022	2021	2020	2019	2018
Total net asset value (000's) ⁽¹⁾	\$ 9,300	8,964	11,527	10,814	11,960	12,821
Number of units outstanding (000's) ⁽¹⁾	1,015	1,022	1,072	1,054	1,107	1,178
Management expense ratio ⁽²⁾	% 0.77	0.77	0.77	0.77	0.77	0.77
Management expense ratio before waivers or absorptions	% 0.77	0.77	0.77	0.77	0.77	0.77
Trading expense ratio ⁽³⁾	% —	0.00	0.00	0.00	—	—
Portfolio turnover rate ⁽⁴⁾	% 16.89	87.56	46.31	51.43	27.21	27.88
Net asset value per unit	\$ 9.16	8.77	10.75	10.26	10.81	10.88

Series D Units

	Period ended		Periods ended Sep. 30			
	Mar. 31 2023	2022	2021	2020	2019	2018
Total net asset value (000's) ⁽¹⁾	\$ 12	17	2,948	3,028	769	685
Number of units outstanding (000's) ⁽¹⁾	2	2	345	370	88	78
Management expense ratio ⁽²⁾	% 1.12	1.11	1.11	1.09	1.10	1.10
Management expense ratio before waivers or absorptions	% 1.12	1.12	1.11	1.09	1.10	1.10
Trading expense ratio ⁽³⁾	% —	0.00	0.00	0.00	—	—
Portfolio turnover rate ⁽⁴⁾	% 16.89	87.56	46.31	51.43	27.21	27.88
Net asset value per unit	\$ 7.25	6.95	8.54	8.19	8.70	8.81

Series I Units

	Period ended		Periods ended Sep. 30			
	Mar. 31 2023	2022	2021	2020	2019	2018
Total net asset value (000's) ⁽¹⁾	\$ 21,306	28,806	43,736	51,433	51,084	97,448
Number of units outstanding (000's) ⁽¹⁾	2,951	4,170	5,169	6,372	6,005	11,332
Management expense ratio ⁺	% —	—	—	—	—	—
Management expense ratio before waivers or absorptions ⁺	% —	—	—	—	—	—
Trading expense ratio ⁽³⁾	% —	0.00	0.00	0.00	—	—
Portfolio turnover rate ⁽⁴⁾	% 16.89	87.56	46.31	51.43	27.21	27.88
Net asset value per unit	\$ 7.22	6.91	8.46	8.07	8.51	8.60

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Series O Units

	Period ended		Periods ended Sep. 30			
	Mar. 31 2023	2022	2021	2020	2019	2018
Total net asset value (000's) ⁽¹⁾	\$ 622,982	617,735	803,710	762,364	788,713	833,288
Number of units						
outstanding (000's) ⁽¹⁾	82,327	85,262	90,422	89,785	88,153	92,566
Management expense ratio ⁽²⁾	% 0.47	0.47	0.47	0.47	0.47	0.47
Management expense ratio						
before waivers or absorptions	% 0.47	0.47	0.47	0.47	0.47	0.47
Trading expense ratio ⁽³⁾	% —	0.00	0.00	0.00	—	—
Portfolio turnover rate ⁽⁴⁾	% 16.89	87.56	46.31	51.43	27.21	27.88
Net asset value per unit	\$ 7.57	7.25	8.89	8.49	8.95	9.00

+ Operating expenses are paid by BMOI and management fees are paid directly to BMOI 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 the financial periods ended March 31, 2023, September 30, 2019 and September 30, 2018, no commissions or other portfolio transaction costs were incurred by the Fund. As a result, the trading expense ratio for these periods was nil.

⁽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.

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. The management fee is subject to applicable taxes. The Manager may, at its discretion, waive a portion or the entire amount of the management fee chargeable at any given time for each series of the Fund.

	Annual Management Fee Rate* %	As a Percentage of Management Fees	
		Dealer Compensation %	General Administration, Investment Advice and Profit %
Series A Units	1.20	63	37
Advisor Series Units	1.20	55	45
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. The combined management and administration fees for Series I Units will not exceed the management fee charged for Advisor Series or Series A Units.

PAST PERFORMANCE

The Fund's performance information assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund and is based on the net asset value of the Fund. The reinvestment of distributions increases returns. The performance information does not take into account sales, redemption, distribution, other optional charges or income taxes payable 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 were 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.

On June 24, 2021, the Manager reduced the annual management fees for Series A and Advisor Series units of the Fund from 1.60% to 1.20%.

On June 25, 2021, after receiving all necessary unitholder and regulatory approvals, BMO Floating Rate Income Fund merged into the Fund.

On November 15, 2021 Columbia Management Investment Advisers, LLC replaced BMO Asset Management Inc. as portfolio manager of the Fund and Taplin Canida & Habacht LLC ceased to act as sub-advisor for the Fund. In addition, a corresponding change was made to the investment strategies as the portfolio manager may invest up to 30% of the Fund's assets in securities of underlying funds, with such underlying funds expected to be predominantly or exclusively underlying funds that are managed by the Manager or one of its affiliates or associates.

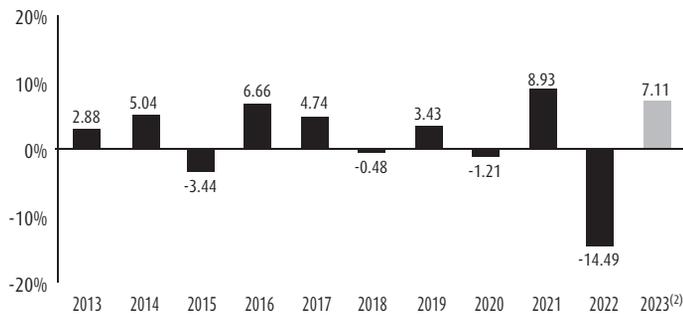
BMO U.S. High Yield Bond Fund

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

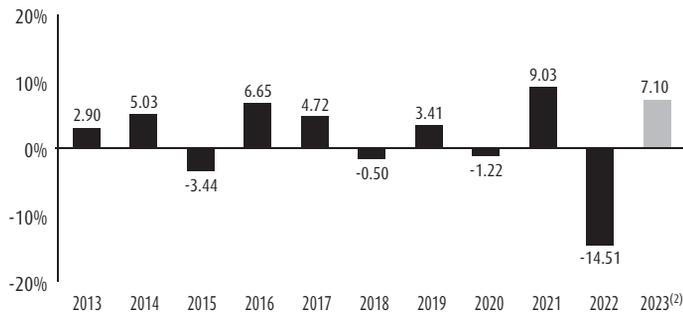
Year-by-Year Returns

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, 2023, and illustrate how the Fund's performance has changed from year to year. 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.

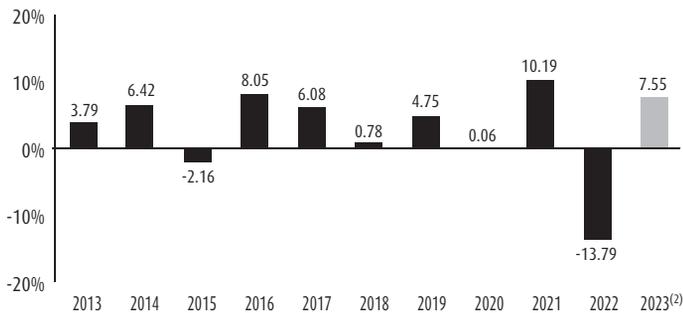
Series A Units



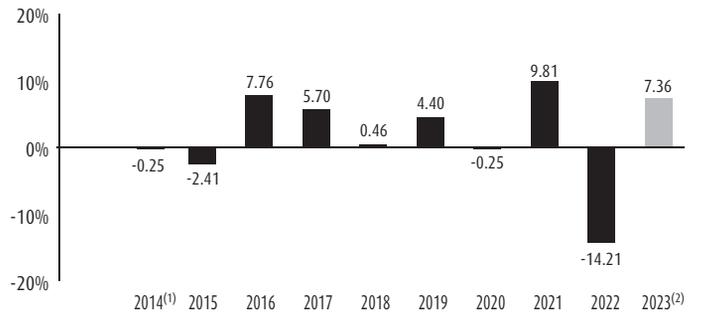
Advisor Series Units



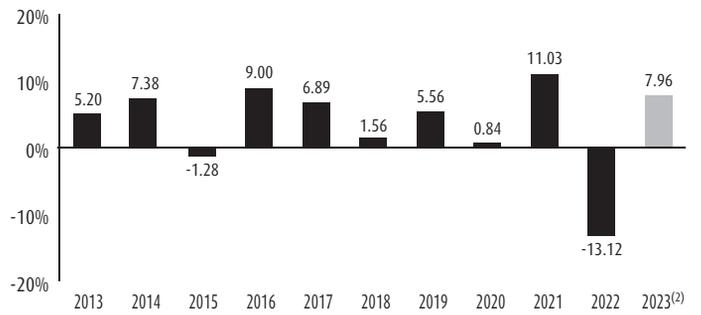
Series F Units



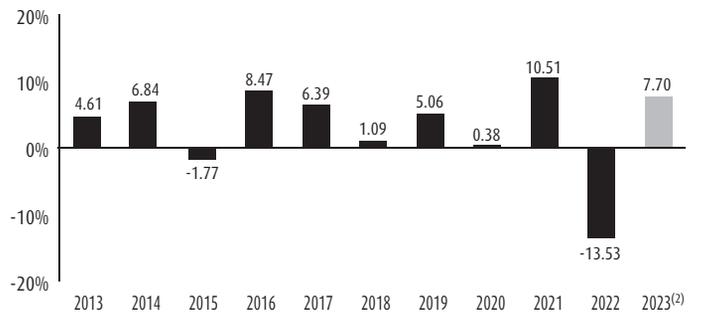
Series D Units



Series I Units



Series O Units



⁽¹⁾ For the period beginning with the performance launch date of April 8, 2014 to September 30, 2014.

⁽²⁾ For the six-month period ended March 31, 2023.

BMO U.S. High Yield Bond Fund

SUMMARY OF INVESTMENT PORTFOLIO

As at March 31, 2023

Portfolio Allocation	% of Net Asset Value
Corporate Bonds & Debentures	93.3
Cash/Receivables/Payables	6.0
Floating Rate Loans	0.6
U.S. Equities	0.1
Total Portfolio Allocation	100.0

Top 25 Holdings Issuer	% of Net Asset Value
Cash/Receivables/Payables	6.0
HudBay Minerals Inc., Series 144A, Senior, Unsecured, Notes, Callable, 6.125% Apr 1, 2029	1.1
NextEra Energy Operating Partners, L.P., Series 144A, Senior, Unsecured, Notes, Callable, 4.500% Sep 15, 2027	1.1
American Builders & Contractors Supply Co., Inc., Series 144A, Senior, Secured, Notes, Callable, 4.000% Jan 15, 2028	1.1
TransDigm Inc., Series 144A, Senior, Secured, Notes, Callable, 6.250% Mar 15, 2026	1.1
Clearway Energy Operating LLC, Series 144A, Senior, Unsecured, Notes, Callable, 3.750% Jan 15, 2032	1.0
Venture Global Calcasieu Pass, LLC, Series 144A, Senior, Secured, Notes, Callable, 4.125% Aug 15, 2031	1.0
Constellium SE, Series 144A, Senior, Unsecured, Notes, Callable, 3.750% Apr 15, 2029	1.0
Alliant Holdings Intermediate LLC/Alliant Holdings Co-Issuer, Series 144A, Senior, Secured, Notes, Callable, 4.250% Oct 15, 2027	1.0
Trivium Packaging Finance B.V., Series 144A, Senior, Secured, Notes, Callable, 5.500% Aug 15, 2026	0.9
American Airlines Inc./AAAdvantage Loyalty IP Ltd., Series 144A, Senior, Secured, Notes, 5.500% Apr 20, 2026	0.9
NFP Corp., Series 144A, Senior, Secured, Notes, Callable, 4.875% Aug 15, 2028	0.9
Iliad Holding, Series 144A, Senior, Secured, Notes, Callable, 6.500% Oct 15, 2026	0.9
NuStar Logistics, L.P., Senior, Unsecured, Notes, Callable, 6.000% Jun 1, 2026	0.9
FAGE International SA/FAGE USA Dairy Industry Inc., Series 144A, Senior, Unsecured, Notes, Callable, 5.625% Aug 15, 2026	0.9
Clear Channel Outdoor Holdings, Inc., Series 144A, Senior, Secured, Notes, Callable, 5.125% Aug 15, 2027	0.8
Uber Technologies Inc., Series 144A, Senior, Unsecured, Notes, Callable, 6.250% Jan 15, 2028	0.8
CSC Holdings, LLC, Series 144A, Senior, Unsecured, Notes, Callable, 4.125% Dec 1, 2030	0.8

Top 25 Holdings Issuer	% of Net Asset Value
Charles River Laboratories International, Inc., Series 144A, Senior, Unsecured, Notes, Callable, 3.750% Mar 15, 2029	0.8
Delek Logistics Partners LP/Delek Logistics Finance Corp., Senior, Unsecured, Callable, 6.750% May 15, 2025	0.8
Virgin Media Finance PLC, Series 144A, Senior, Unsecured, Notes, Callable, 5.000% Jul 15, 2030	0.8
Altice France, Series 144A, Senior, Secured, Notes, Callable, 5.125% Jul 15, 2029	0.8
W. R. Grace Holdings LLC, Series 144A, Senior, Secured, Notes, Callable, 4.875% Jun 15, 2027	0.8
Occidental Petroleum Corporation, Senior, Unsecured, Notes, 6.450% Sep 15, 2036	0.8
Ziggo B.V., Series 144A, Secured, Notes, Callable, 4.875% Jan 15, 2030	0.8
Top Holdings as a Percentage of Total Net Asset Value	27.8
Total Net Asset Value	\$682,979,464

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**.

Caution regarding forward-looking statements

This document may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent our beliefs regarding future events. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking statements will not prove to be accurate. We caution readers of this document not to place undue reliance on our forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed or implied in the forward-looking statements. Actual results may differ materially from management expectations as projected in such forward-looking statements for a variety of reasons, including but not limited to market and general economic conditions, interest rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the Fund may invest in and the risks detailed from time to time in BMO Mutual Funds' simplified prospectus. We caution that the foregoing list of factors is not exhaustive and that when relying on forward-looking statements to make decisions with respect to investing in the Fund, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Due to the potential impact of these factors, BMO Investments Inc. does not undertake, and specifically disclaims, any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

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Mutual Funds