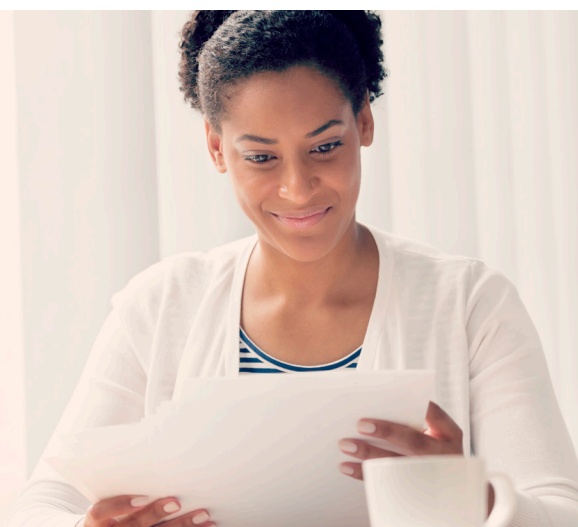


Mutual Fund Fees

FAQs



1. I'm seeing a Trailing Commission / Service Fee for the first time on my statement. What is this for?

The fees that appear on your statement as Trailing Commission / Service Fee cover:

- The investment services provided by BMO Investments Inc. and your investment professionals in branches all over Canada, online and by phone.
- Among other things, your access to financial guidance, market insights, investment strategies and recommendations to help you achieve a solid financial future.

2. Is this the same as the Management Expense Ratio (MER)? Or is this over and above the MER?

No, this service fee is not in addition to the MER, rather it is built into the MER. [Watch this video](#) to learn more.

TIPS

[Watch this video](#)
to understand more about MER.

3. Is this a new fee?

No, the Trailing Commission / Service Fee isn't new—it has always been part of the MER. However, now it is being reported differently. Starting on December 31, 2016, your year end investment statement from BMO Investments Inc. will show the exact dollar amount of the Trailing Commission / Service Fee for the total of your investments in the account. Even though you do not pay this fee directly, the information will provide you with greater clarity about the fees associated with your mutual fund.

$$\text{MER} = \frac{\text{Annual Fees} + \text{Annual Expenses}}{\text{Net Assets}}$$

4. How can I find out what fees are built into my Mutual Funds?

All mutual funds have a simplified prospectus and Fund Fact documents which outline pertinent information about the fund's expenses, including the MER and Trailing Commission / Service Fees.

Starting on December 31, 2016, your year-end investment statement from BMO Investments Inc. will show the exact dollar amount of the Trailing Commission / Service Fee for the total of your investments in the account.

5. Why do some kinds of mutual funds charge a higher MER?

MERs vary according to the type of mutual fund.

Bond and money market funds typically have a lower MER than equity funds, because more research and analysis is required to select equities, and there is typically more active management of equity funds.

International and global funds have a larger investable universe requiring more research than domestic funds and may have more administration costs, so their MERs are generally higher.

6. How can I lower my Trailing Commission / Service Fee?

Since the Trailing Commission / Service Fee is part of the overall MER for a mutual fund, it is important to review the MER along with the performance and structure of the investment to determine how it can help you achieve your long-term goals. A BMO investment professional can help you review the MER of different BMO Mutual Funds and other investment options, and select the investments that best meets your needs.

TIPS

A BMO investment professional can help you select the investments that best meets your needs.

7. Will I pay fees if I invest online?

Yes, depending on the service and the type of investments selected.

If you prefer to invest online, BMO offers three online investing services for your convenience:

- 1) BMO InvestorLine adviceDirect
- 2) BMO InvestorLine Self-Directed
- 3) BMO Smartfolio

Please speak with your BMO investment professional to find out which service is right for you.

8. Is the Trailing Commission / Service Fee tax-deductible?

When it is embedded in the mutual fund, the Trailing Commission / Service Fee is not tax deductible.

9. Where can I learn more about Mutual Fund Fees?

We're committed to bringing clarity around Mutual Fund fees, so that you can make smart decisions about your investments. Speak to a BMO investment professional, or visit bmo.com/whatsrightforme to watch a short video on mutual fund fees, or read our handy factsheet to learn more.

Talk with us
1-800-665-7700

Learn more
bmo.com/whatsrightforme



*Investment professionals are financial services managers, financial planners, investment and retirement planning and investment specialists who are representatives of BMO Investments Inc.

BMO Mutual Funds are offered by BMO Investments Inc., a financial services firm and a separate legal entity from Bank of Montreal.