

BMO Tax-Free Funds

In the vast world of municipal investing, flexibility and experience matters. With \$3.9 trillion of debt outstanding and over one-million securities from more than 50,000 issuers¹, successfully navigating the municipal arena requires a robust investment process and long-established industry relationships. The BMO Tax-Free Team draws on over two decades of experience anchored by time-tested principles that help deliver strong results for investors.

About our team

\$3.9

billion²

Municipal fixed income assets under management

9

Investment professionals

25+

years

Average industry experience of team members

80+

National and regional broker/dealer relationships

Our guiding principles



Income

+



Inefficiencies

+



Consistency

=



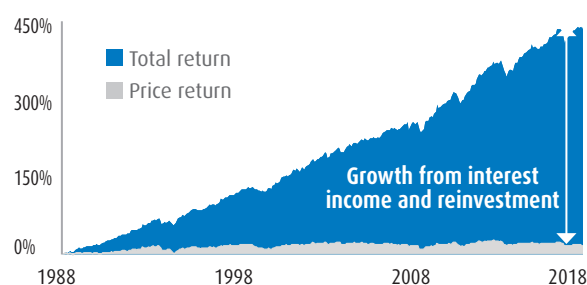
Outperformance

Generating income is a critical factor of total return, regardless of which direction rates move. We use in-depth, proprietary credit analysis to identify securities that have strong financials and the potential to safely service their debt.

Taking advantage of smaller credits enhances diversification and income in our portfolios. Our asset size allows us to be selective and invest in smaller offerings while still taking advantage of our institutional buying power.

Capital preservation is paramount. Our goal is to deliver consistent, year-over-year, long-term performance by striving to minimize losses and help protect on the downside.

Total vs. price return of Bloomberg Barclays Municipal Index³

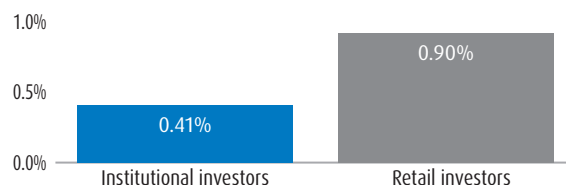


Municipal market size¹ — \$3.9 trillion

Issuers¹ — 50,000

Securities¹ — 1 million

Avg. transaction costs for investment-grade municipal bonds⁴



Percent of time BMO outperformed during negative months over previous 5-years^{3,5}

| | Ultra Short Tax-Free | Short Tax-Free | Intermediate Tax-Free |
|--------------------------|----------------------|----------------|-----------------------|
| # mo. Index was negative | 14 | 24 | 16 |
| # mo. BMO outperformed | 13 | 22 | 13 |
| % mo. BMO outperformed | 93% | 92% | 81% |

¹Municipal Security Rulemaking Board "Muni Facts" as of 2017.

²Source: BMO Global Asset Management. Data as of 6/30/2018.

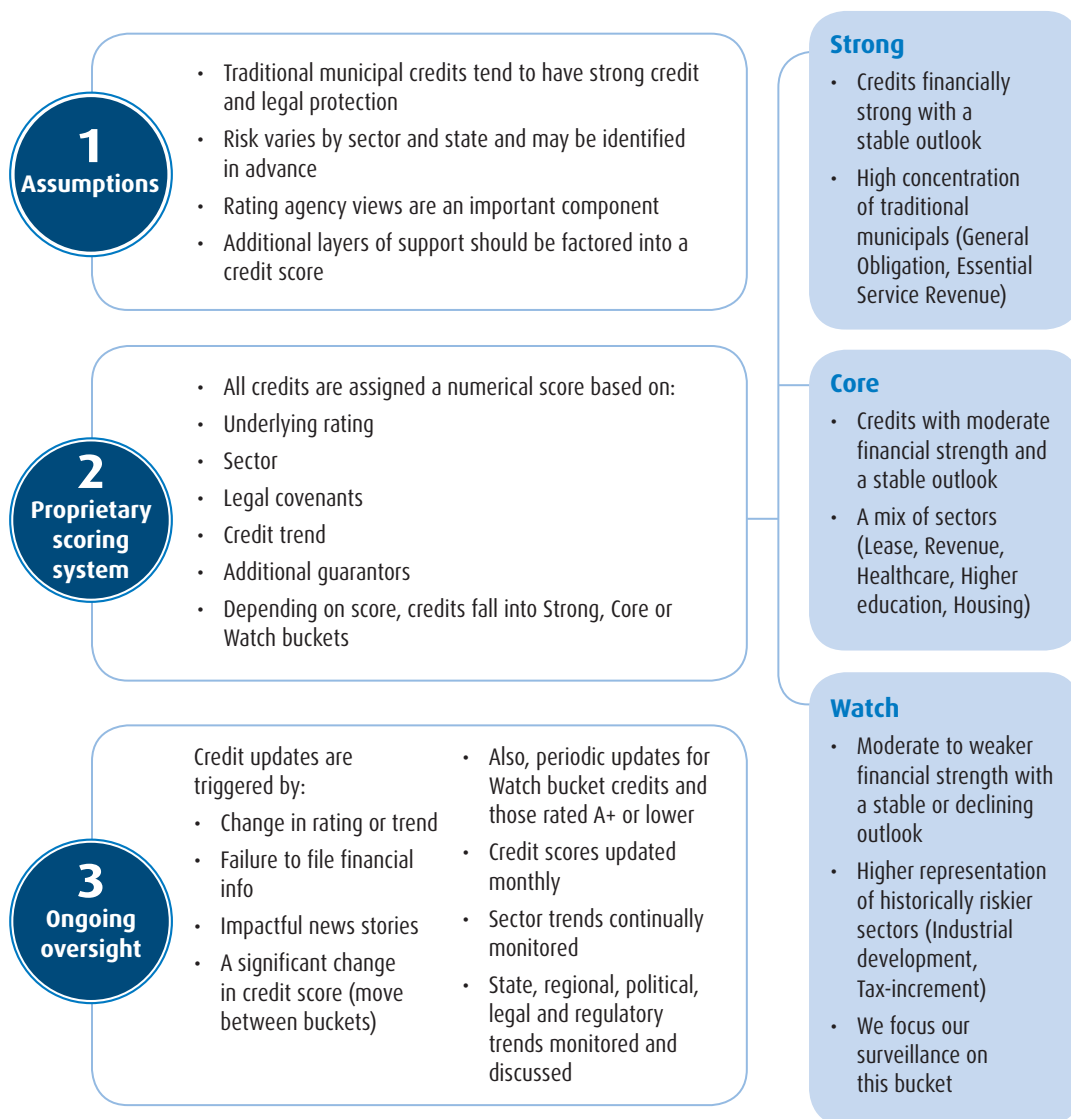
³Morningstar Direct and BMO Global Asset Management as of 8/31/2018.

⁴Source: S&P Down Jones Indices "Unveiling the Hidden Costs of Retail Bond Buying & Selling" as of March 2018. Average historical bond transaction costs for Institutional investors represents dealer-to-dealer trades. Average historical bond transaction costs for retail investors represents retail trades with face value of USD 100,000 or less.

⁵Source: Negative months are determined for each Fund's respective index. The index for the BMO Ultra Short Tax-Free Fund is a blend of 50% Bloomberg Barclays 1-Yr Municipal Bond Index and 50% iMoneyNet Money Fund Tax Free National Retail Index. The index for the BMO Short Tax-Free Fund is the Bloomberg Barclays Short (1-5 Year) Municipal Index. The index for the BMO Intermediate Tax-Free Fund is the Bloomberg Barclays 1-15 Year Blend Municipal Bond Index.

Credit scoring process

We strongly consider macro factors when evaluating the broader economic landscape, however, we're primarily bottom-up investors focused on individual credits. Our analysts rigorously vet each credit's current and long-term prospects and use a proprietary scoring process to assign an internal rating to each credit looking at performance factors and credit outlooks.



Meet our portfolio managers



Robert Wimmel

Head of tax-exempt fixed income, portfolio manager
Industry start: 1990



Thomas Byron

Senior portfolio manager
Industry start: 1981



Brian Sipich, CFA

Portfolio manager
Industry start: 1999

Our mutual fund offerings

| Name | Share class | Ticker | Gross expense | Net expense | Target duration | Floating rate exposure ⁶ |
|--------------------------------|-------------|--------|---------------|-------------|-----------------|-------------------------------------|
| BMO Ultra Short Tax-Free Fund | A | BAUSX | 0.64% | 0.55% | 0.4-0.6 years | ~50% |
| | I | MUISX | 0.39% | 0.30% | | |
| BMO Short Tax-Free Fund | A | BASFX | 0.76% | 0.55% | 1.5-2.5 years | ~25% |
| | I | MTFIX | 0.51% | 0.40% | | |
| BMO Intermediate Tax-Free Fund | A | BITAX | 0.58% | 0.56% | 4.0-6.0 years | ~10% |
| | I | MIITX | 0.33% | 0.33% | | |

⁶Assumes neutral positioning. Actual mix will vary based on market conditions.



Performance and expenses as of 8/31/2018

| Name | Inception | Ticker | Share class | YTD ¹ | 1-yr. ¹ | 3-yr. | 5-yr. | 10-yr. | Since incept. | Load ² | Exp. gross | Exp. net ³ |
|--|------------|--------|----------------|------------------|--------------------|-------|-------|--------|---------------|-------------------|------------|-----------------------|
| BMO Ultra Short Tax-Free | 9/30/2009 | MUISX | I | 0.89% | 1.10% | 0.97% | 0.95% | N/A | 1.18% | — | 0.39% | 0.30% |
| | 5/27/2014 | BAUSX | A (NAV) | 0.82% | 0.95% | 0.75% | 0.72% | N/A | 0.94% | — | 0.64% | 0.55% |
| | | | A Offer (Load) | -1.24% | -1.11% | 0.06% | 0.32% | N/A | 0.72% | 2.00% | 0.64% | 0.55% |
| 50% Bloomberg Barclays 1-Yr Muni Bond Index 50% / iMoney Net Money Fund Tax Free National Retail Index | | | | 0.85% | 0.69% | 0.59% | 0.50% | — | | | | |
| BMO Short Tax-Free Fund | 11/29/2012 | MTFIX | I | 0.87% | 0.77% | 1.28% | 1.84% | N/A | 1.68% | — | 0.51% | 0.40% |
| | 5/27/2014 | BASFX | A (NAV) | 0.87% | 0.62% | 1.13% | 1.69% | N/A | 1.52% | — | 0.76% | 0.55% |
| | | | A Offer (Load) | -1.17% | -1.40% | 0.45% | 1.28% | N/A | 1.18% | 2.00% | 0.76% | 0.55% |
| Bloomberg Barclays Short 1-5 Yr. Muni. Index | | | | 1.04% | 0.06% | 1.04% | 1.24% | — | | | | |
| BMO Intermediate Tax-Free Fund | 12/27/2010 | MIITX | I | 0.32% | 0.68% | 2.47% | 3.68% | 4.26% | 4.34% | — | 0.33% | 0.33% |
| | 5/27/2014 | BITAX | A (NAV) | 0.25% | 0.53% | 2.27% | 3.46% | 4.12% | 4.29% | — | 0.58% | 0.56% |
| | | | A Offer (Load) | -3.26% | -2.97% | 1.05% | 2.72% | 3.75% | 4.14% | 3.50% | 0.58% | 0.56% |
| Bloomberg Barclays 1-15 Yr. Blend Muni. Index | | | | 0.43% | 0.11% | 2.19% | 3.17% | 3.73% | — | | | |

Performance data quoted represents past performance and past performance is not a guarantee of future results. Investment returns and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Mutual fund performance changes over time and current performance may be lower or higher than what is stated. To receive the most recent month-end performance, call 1-800-236-3863.

Returns quoted are pre-tax. Investor should consider his or her current and anticipated investment horizon and income tax bracket when making an investment decision as the illustration above does not reflect these factors. For more information about performance, please contact your investment professional. Total returns for periods of less than one year are cumulative.

¹Performance one year or less is not annualized. Performance data quoted prior to the inception of Class A shares is the performance of the Fund's Investor Class (Class Y). Class A Offer reflects a sales load charged at the time of initial investment.

²The maximum sales charge (load) imposed on purchases (as a percentage of offering price) of Class A shares. The Class NAV performance does not reflect the deduction of the sales load or fee, and if reflected, the load or fee would reduce the performance quoted.

³Net expense ratios reflect contractual fee waivers and/or expense reimbursements if applicable, made by BMO Asset Management Corp., the investment adviser (Adviser). The Adviser may not terminate these fee waivers and/or expense reimbursements prior to December 31, 2018 without the consent of the Board of Directors, unless the investment advisory agreement is terminated. Without these contractual waivers, the Fund's returns would have been lower.

Index definitions: **Bloomberg Barclays 1-Yr Municipal Bond Index** is the 1-year component of the Bloomberg Barclays Municipal Bond Index, which is an unmanaged index composed of long-term tax-exempt bonds with a minimum credit rating of Baa. **Money Fund Report Averages™** is an arithmetic average of performance for all money market mutual funds tracked within this category. Money Fund Report Averages™ is a service of iMoneyNet, Inc. (formerly IBC Financial Data). **Bloomberg Barclays Short (1-5 Year) Muni Bond Index** includes investment-grade tax-exempt bonds that are issued by state and local governments and have maturities of 1 to 5 years. **Bloomberg Barclays 1-15 Yr Blend Muni Bond Index** is the 1-15 year Blend component of the Barclays Municipal Bond Index, which is an unmanaged index composed of long-term tax-exempt bonds with a minimum credit rating of Baa and a range of maturities between 1 and 17 years. **Investments cannot be made in an index.**

All investments involve risk, including the possible loss of principal.

Fixed income securities are subject to increased loss of principal during periods of rising interest rates. Fixed-income investments are subject to various other risks including changes in credit quality, market valuations, liquidity, prepayments, early redemption, corporate events, tax ramifications, and other factors. All of these factors can subject the funds to increased loss of principal.

Keep in mind that as interest rates rise, prices for bonds with fixed interest rates may fall.

Municipal bonds are subject to risks including economic and regulatory developments in the federal and state tax structure, deregulation, court rulings, and other factors. Interest income from Tax-Free Fund investments may still be subject to the federal alternative minimum tax (AMT) for individuals and corporations, and state or local taxes.

Fund Objectives: **BMO Ultra Short Tax-Free Fund** seeks to provide current income exempt from federal income tax consistent with preservation of capital. Under normal circumstances, the fund invests at least 80% of its assets in municipal securities, the income from which is exempt from federal income tax (including the federal alternative minimum tax (AMT)). It normally maintains an average dollar-weighted effective maturity of one year or less. Effective maturity takes into account the possibility that a bond may have prepayments or may be called by the issuer before its stated maturity date. **BMO Short Tax-Free Fund** seeks to provide current income exempt from federal income tax consistent with preservation of capital. The fund invests at least 80% of its assets in municipal securities, the income from which is exempt from federal income tax (including the federal alter-native minimum tax (AMT)). It normally maintains an average dollar-weighted effective maturity of one to three years. **BMO Intermediate Tax-Free Fund** seeks to provide a high level of current income exempt from federal income tax consistent with preservation of capital. The fund invests at least 80% of its assets in municipal securities, the income from which is exempt from federal income tax (including the federal alternative minimum tax (AMT)). It normally maintains an average dollar-weighted effective maturity of three to ten years.

You should consider the Fund's investment objectives, risks, charges and expenses carefully before investing. For a prospectus, which contains this and other information about the BMO Funds, call 1-800-236-3863. Please read it carefully before investing.

The fund may not achieve its objective and/or you could lose money on your investment in the fund.

This report is not intended to be a client-specific suitability analysis or recommendation, an offer to participate in any investment, a recommendation to buy, hold or sell securities, or a recommendation of any investment manager or investment strategy. Do not use this report as the sole basis for your investment decisions. Do not select an asset class, investment product, or investment manager based on performance alone. Consider all relevant information, including your existing portfolio, investment objectives, risk tolerance, liquidity needs and investment time horizon.

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BMO Asset Management Corp. is the investment adviser to the BMO Funds. BMO Investment Distributors, LLC is the distributor. Member FINRA/SIPC.

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Investment products are: **NOT A DEPOSIT — NOT FDIC INSURED — NO BANK GUARANTEE — MAY LOSE VALUE.**