

BMO Mutual Funds

Annual Information Form

Offering series A, I, T6 and/or F securities, as noted.

BMO Security Funds

BMO Canadian Money Market Fund (series A and I)
(formerly BMO AIR MILES^{®†} Money Market Fund)
BMO Money Market Fund (series A and I)
BMO Premium Money Market Fund (series A and I)
BMO T-Bill Fund (series A, I and BMO Guardian T-Bill Fund Series F)

BMO Income Funds

BMO Bond Fund (series A, I and BMO Guardian Bond Fund Series F)
BMO Diversified Income Fund (series A and I)
BMO Global High Yield Bond Fund (series A and I)
BMO Global Monthly Income Fund (series A and I)
BMO Monthly Income Fund (series A, I and BMO Guardian Monthly Income Fund Series F)
BMO Mortgage and Short-Term Income Fund (series A and I)
BMO U.S. High Yield Bond Fund (series A, I and BMO Guardian U.S. High Yield Bond Fund Series F)
BMO World Bond Fund (series A, I and BMO Guardian World Bond Fund Series F)

BMO Growth Funds

BMO Asset Allocation Fund (series A and I)
BMO Dividend Fund (series A, I and BMO Guardian Dividend Fund Series F)
BMO Equity Fund (series A, I and BMO Guardian Equity Fund Series F)
BMO Equity Index Fund (series A and I)
BMO European Fund (series A, I and BMO Guardian European Fund Series F)
BMO Global Infrastructure Fund (series A and I) (formerly BMO Income Trust Fund)
BMO International Index Fund (series A and I)
BMO Japanese Fund (series A and I)
BMO North American Dividend Fund (series A and I)
BMO U.S. Equity Fund (series A, I and BMO Guardian U.S. Equity Fund Series F)
BMO U.S. Equity Index Fund (series A and I)
BMO U.S. Growth Fund (series A and I)

BMO Aggressive Growth Funds

BMO Emerging Markets Fund (series A, I and BMO Guardian Emerging Markets Fund Series F)
BMO Global Science & Technology Fund (series A and I)
BMO Precious Metals Fund (series A and I)

BMO Resource Fund (series A and I)
BMO Special Equity Fund (series A and I)
BMO U.S. Special Equity Fund (series A and I)

BMO U.S. Dollar Funds

BMO U.S. Dollar Equity Index Fund (series A and I)
BMO U.S. Dollar Money Market Fund (series A and I)
BMO U.S. Dollar Monthly Income Fund (series A and I)

BMO Global Tax Advantage Funds[±]

BMO Canadian Equity Class (series A and I)
BMO Canadian Tactical ETF Class (series A)
BMO Dividend Class (series A and I)
BMO Global Dividend Class (series A and I)
BMO Global Energy Class (series A and I)
BMO Global Equity Class (series A and I)
BMO Global Tactical ETF Class (series A)
BMO Greater China Class (series A and I)
BMO International Value Class (series A and I)
BMO Short-Term Income Class (series A and I)
BMO Sustainable Climate Class (series A and I)
BMO Sustainable Opportunities Class (series A and I)
BMO SelectClass Security Portfolio (series A, I and T6)
BMO SelectClass Balanced Portfolio (series A, I and T6)
BMO SelectClass Growth Portfolio (series A, I and T6)
BMO SelectClass Aggressive Growth Portfolio (series A, I and T6)

[±] All funds within this category are part of BMO Global Tax Advantage Funds Inc., a mutual fund corporation

BMO LifeStage Plus Funds

BMO LifeStage Plus 2015 Fund (series A)
BMO LifeStage Plus 2017 Fund (series A)
BMO LifeStage Plus 2020 Fund (series A)
BMO LifeStage Plus 2022 Fund (series A)
BMO LifeStage Plus 2025 Fund (series A)
BMO LifeStage Plus 2026 Fund (series A)
BMO LifeStage Plus 2030 Fund (series A)

BMO FundSelect[™] Portfolios

BMO FundSelect[™] Security Portfolio (series A and I)
BMO FundSelect[™] Balanced Portfolio (series A and I)
BMO FundSelect[™] Growth Portfolio (series A and I)
BMO FundSelect[™] Aggressive Growth Portfolio (series A and I)

April 21, 2010

The BMO Mutual Funds in this annual information form are offered by BMO Investments Inc.

No securities regulatory authority has expressed an opinion about these securities. It is an offence to claim otherwise.

The funds and the securities of the funds offered under this document are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance on exemptions from registration.

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General Introduction

In this document:

- *we, us, and the Manager* refer to BMO Investments Inc., an indirect, wholly-owned subsidiary of Bank of Montreal. On November 1, 2009, the Manager amalgamated with its affiliate, Guardian Group of Funds Ltd., to form a single legal entity;
- *you* refers to anyone who invests in, or is interested in investing in, the funds;
- *BMO Mutual Funds* refers to all of the mutual funds offered by us;
- *funds* refers to the mutual funds listed on the cover of this annual information form;
- if the name of a series includes the words “Series F”, that series is referred to as “series F”; and
- if the name of a fund includes the words “LifeStage Plus”, it is one of the “BMO LifeStage Plus Funds”.

BMO Investments Inc. is the trustee of the BMO Trust Funds (as defined below) (in such capacity, the “Trustee”) and has exclusive authority over the assets and affairs of these funds. The Board of Directors of BMO Global Tax Advantage Funds Inc. has exclusive authority over the assets and affairs of each of the BMO Global Tax Advantage Funds (as defined below). BMO Investments Inc. is the manager of the funds, and in such capacity, manages the funds’ investments and directs and administers the day-to-day affairs of each fund. (See “*Trustee, directors and officers of the BMO Mutual Funds*” under “*Responsibility for Operations*” for details.)

Each fund has an agreement with us relating to the direction, administration, investment management, and distribution of its securities. (See “*Management Agreement*” for details.)

We distribute securities of the funds in all the provinces and territories of Canada where the securities may lawfully be offered for sale directly, through branches of Bank of Montreal in Canada, or through registered dealers and brokers. (See “*The Manager*” under “*Responsibility for Operations*” for details.)

The Structure of the Funds

A mutual fund may be set up as a trust or a corporation. We have both types. Certain of the funds offer series A, I, T6 and/or series F securities. Certain funds also offer other series of securities under separate simplified prospectuses. The principal differences between all of the series are the fees payable by the series, the purchase options under which you may purchase the series, and the type and frequency of distributions you may receive as an investor in the series. Please see the simplified prospectus for further information.

“BMO Trust Funds” refers to the following funds, which are unincorporated trusts established under the laws of the Province of Ontario and, except for the BMO LifeStage Plus Funds, are

governed by an amended and restated master declaration of trust dated November 6, 2007, together with amended and restated Schedule A dated January 1, 2010 (the “Master Declaration of Trust”). The BMO LifeStage Plus Funds are governed by an amended and restated master declaration of trust dated October 23, 2008, together with amended and restated Schedule A dated January 8, 2009 (the “LifeStage Plus Master Declaration of Trust”).

Fund	Formation	Previous name(s) in the last 10 years, if any
BMO Canadian Money Market Fund	declaration of trust dated September 6, 2000, as amended on September 12, 2007 and as amended and restated into the Master Declaration of Trust	BMO AIR MILES ^{®†} Money Market Fund (up to December 31, 2009)
BMO Money Market Fund	declaration of trust dated November 24, 1987, as amended on March 31, 2000 and September 12, 2007 and as amended and restated into the Master Declaration of Trust	
BMO Premium Money Market Fund	declaration of trust dated August 21, 1997, as amended on March 31, 1999, November 18, 2004 and September 12, 2007 and as amended and restated into the Master Declaration of Trust	
BMO T-Bill Fund	declaration of trust dated May 6, 1993, as amended on March 31, 2000 and September 12, 2007 and as amended and restated into the Master Declaration of Trust	
BMO Bond Fund	declaration of trust dated November 24, 1987, as amended on February 22, 1988, March 31, 2000 and September 12, 2007 and as amended and restated into the Master Declaration of Trust	

Fund	Formation	Previous name(s) in the last 10 years, if any
BMO Diversified Income Fund	declaration of trust dated October 1, 2004, as amended February 24, 2005, May 10, 2006, May 2, 2007 and September 12, 2007 and as amended and restated into the Master Declaration of Trust	
BMO Global High Yield Bond Fund	declaration of trust dated September 6, 2000, as amended on November 28, 2003, May 10, 2006 and September 12, 2007 and as amended and restated into the Master Declaration of Trust	BMO Global Bond Fund (up to May 10, 2006)
BMO Global Monthly Income Fund	declaration of trust dated October 1, 2004, as amended February 24, 2005, May 10, 2006, May 2, 2007 and September 12, 2007 and as amended and restated into the Master Declaration of Trust	
BMO Monthly Income Fund	declaration of trust dated February 11, 1999, as amended on March 31, 2000 and September 12, 2007 and as amended and restated into the Master Declaration of Trust	
BMO Mortgage and Short-Term Income Fund	declaration of trust dated July 16, 1974, as amended on September 12, 1974, June 16, 1987, March 31, 2000, July 23, 2003 and September 12, 2007 and as amended and restated into the Master Declaration of Trust	BMO Mortgage Fund (up to July 23, 2003)
BMO U.S. High Yield Bond Fund	Amended and restated Schedule A dated May 9, 2008 to the master declaration of trust dated November 6, 2007	

Fund	Formation	Previous name(s) in the last 10 years, if any
BMO World Bond Fund	declaration of trust dated May 6, 1993, as amended on March 31, 2000, July 22, 2005 and September 12, 2007 and as amended and restated into the Master Declaration of Trust	BMO International Bond Fund (up to July 22, 2005)
BMO Asset Allocation Fund	declaration of trust dated November 24, 1987, as amended on February 22, 1988, March 31, 2000 and September 12, 2007 and as amended and restated into the Master Declaration of Trust	
BMO Dividend Fund	declaration of trust dated May 31, 1994, as amended on February 25, 1999, March 31, 2000 and September 12, 2007 and as amended and restated into the Master Declaration of Trust	
BMO Equity Fund	declaration of trust dated May 6, 1993, as amended on February 25, 1999, March 31, 2000 and September 12, 2007 and as amended and restated into the Master Declaration of Trust	
BMO Equity Index Fund	declaration of trust dated November 24, 1987, as amended on March 31, 2000 and September 12, 2007 and as amended and restated into the Master Declaration of Trust	
BMO European Fund	declaration of trust dated May 31, 1994, as amended on February 25, 1999, March 31, 2000 and September 12, 2007 and as amended and restated into the Master Declaration of Trust	

Fund	Formation	Previous name(s) in the last 10 years, if any
BMO Global Infrastructure Fund	declaration of trust dated October 1, 2004, as amended February 24, 2005, May 10, 2006, May 2, 2007, September 12, 2007 and as amended and restated into the Master Declaration of Trust	BMO Income Trust Fund (up to July 31, 2009)
BMO International Index Fund	declaration of trust dated February 11, 1999, as amended on March 31, 2000, October 24, 2005 and September 12, 2007 and as amended and restated into the Master Declaration of Trust	BMO RSP International Index Fund (up to October 24, 2005)
BMO Japanese Fund	declaration of trust dated May 31, 1994, as amended on February 25, 1999, March 31, 2000 and September 12, 2007 and as amended and restated into the Master Declaration of Trust	
BMO North American Dividend Fund	declaration of trust dated May 31, 1994, as amended on March 31, 2000, May 5, 2006 and September 12, 2007 and as amended and restated into the Master Declaration of Trust	BMO NAFTA Advantage Fund (up to May 5, 2006)
BMO U.S. Equity Fund	declaration of trust dated October 22, 1996, as amended on March 31, 2000, November 28, 2003, July 22, 2005 and September 12, 2007 and as amended and restated into the Master Declaration of Trust	BMO U.S. Value Fund (up to July 22, 2005)

Fund	Formation	Previous name(s) in the last 10 years, if any
BMO U.S. Equity Index Fund	declaration of trust dated October 22, 1996, as amended on February 26, 1998, March 31, 2000, November 28, 2003, October 24, 2005 and September 12, 2007 and as amended and restated into the Master Declaration of Trust	BMO RSP U.S. Equity Index Fund (up to October 24, 2005)
BMO U.S. Growth Fund	declaration of trust dated May 6, 1993, as amended on March 31, 2000 and September 12, 2007 and as amended and restated into the Master Declaration of Trust	
BMO Emerging Markets Fund	declaration of trust dated May 31, 1994, as amended on March 31, 2000 and September 12, 2007 and as amended and restated into the Master Declaration of Trust	
BMO Global Science & Technology Fund	declaration of trust dated October 22, 1996, as amended on March 31, 2000, November 28, 2003 and September 12, 2007 and as amended and restated into the Master Declaration of Trust	
BMO Precious Metals Fund	declaration of trust dated October 22, 1996, as amended on March 31, 2000, November 28, 2003 and September 12, 2007 and as amended and restated into the Master Declaration of Trust	

Fund	Formation	Previous name(s) in the last 10 years, if any
BMO Resource Fund	declaration of trust dated May 6, 1993, as amended on March 31, 2000 and September 12, 2007 and as amended and restated into the Master Declaration of Trust	
BMO Special Equity Fund	declaration of trust dated May 6, 1993, as amended on February 25, 1999, March 31, 2000 and September 12, 2007 and as amended and restated into the Master Declaration of Trust	
BMO U.S. Special Equity Fund	declaration of trust dated October 22, 1996, as amended on February 25, 1999, March 31, 2000, November 28, 2003 and September 12, 2007 and as amended and restated into the Master Declaration of Trust	
BMO U.S. Dollar Equity Index Fund	declaration of trust dated July 6, 1998, as amended on March 31, 2000, May 5, 2006 and September 12, 2007 and as amended and restated into the Master Declaration of Trust	
BMO U.S. Dollar Money Market Fund	declaration of trust dated July 6, 1998, as amended on March 31, 2000, May 5, 2006 and September 12, 2007 and as amended and restated into the Master Declaration of Trust	

Fund	Formation	Previous name(s) in the last 10 years, if any
BMO U.S. Dollar Monthly Income Fund	declaration of trust dated October 1, 2004, as amended February 24, 2005, May 10, 2006, May 2, 2007 and September 12, 2007 and as amended and restated into the Master Declaration of Trust	
BMO LifeStage Plus 2015 Fund	Master Declaration of Trust dated May 2, 2007, and as amended and restated into the LifeStage Plus Master Declaration of Trust	
BMO LifeStage Plus 2017 Fund	LifeStage Plus Master Declaration of Trust	
BMO LifeStage Plus 2020 Fund	Master Declaration of Trust dated May 2, 2007, and as amended and restated into the LifeStage Plus Master Declaration of Trust	
BMO LifeStage Plus 2022 Fund	Amended and restated Schedule A dated January 8, 2009 to the LifeStage Plus Master Declaration of Trust	
BMO LifeStage Plus 2025 Fund	Master Declaration of Trust dated May 2, 2007, and as amended and restated into the LifeStage Plus Master Declaration of Trust	
BMO LifeStage Plus 2026 Fund	Amended and restated Schedule A dated January 8, 2009 to the LifeStage Plus Master Declaration of Trust	
BMO LifeStage Plus 2030 Fund	Master Declaration of Trust dated May 2, 2007, and as amended and restated into the LifeStage Plus Master Declaration of Trust	

Fund	Formation	Previous name(s) in the last 10 years, if any
BMO FundSelect™ Security Portfolio	declaration of trust dated October 1, 2004, as amended February 24, 2005, May 10, 2006, May 2, 2007 and September 12, 2007 and as amended and restated into the Master Declaration of Trust	
BMO FundSelect™ Balanced Portfolio	declaration of trust dated October 1, 2004, as amended February 24, 2005, May 10, 2006, May 2, 2007 and September 12, 2007 and as amended and restated into the Master Declaration of Trust	
BMO FundSelect™ Growth Portfolio	declaration of trust dated October 1, 2004, as amended February 24, 2005, May 10, 2006, May 2, 2007 and September 12, 2007 and as amended and restated into the Master Declaration of Trust	
BMO FundSelect™ Aggressive Growth Portfolio	declaration of trust dated October 1, 2004, as amended February 24, 2005, May 10, 2006, May 2, 2007 and September 12, 2007 and as amended and restated into the Master Declaration of Trust	

The Master Declaration of Trust and the LifeStage Plus Master Declaration of Trust are collectively referred to as the “Declarations of Trust”, and in respect of each BMO Trust Fund, the “Declaration of Trust”.

“BMO Global Tax Advantage Funds” refers to all other funds offered through this document, and specifically the following funds, which are classes of BMO Global Tax Advantage Funds Inc., a mutual fund corporation incorporated by articles of incorporation under the laws of Canada dated September 5, 2000 and amended on September 28, 2000, October 25, 2000,

November 28, 2003, October 1, 2004, April 30, 2007, January 25, 2008, May 9, 2008, September 30, 2008, October 23, 2008, October 22, 2009 and April 14, 2010.

BMO Canadian Equity Class
BMO Canadian Tactical ETF Class
BMO Dividend Class
BMO Global Dividend Class (BMO Global Balanced Class up to April 30, 2007)
BMO Global Energy Class
BMO Global Equity Class (BMO Global Opportunities Class up to November 28, 2003)
BMO Global Tactical ETF Class
BMO Greater China Class
BMO International Value Class
BMO Short-Term Income Class
BMO Sustainable Climate Class
BMO Sustainable Opportunities Class
BMO SelectClass Security Portfolio
BMO SelectClass Balanced Portfolio
BMO SelectClass Growth Portfolio
BMO SelectClass Aggressive Growth Portfolio

If you invest in one of the BMO Global Tax Advantage Funds, you purchase shares of a class of a corporation and are a “shareholder”. If you invest in one of the BMO Trust Funds, you purchase units of a trust and are a “unitholder”. Shares and units are collectively called “securities” and holders of shares and units are collectively called “securityholders”.

The principal office of each fund is located at 77 King Street West, Suite 4200, Toronto, Ontario M5K 1J5.

Major Events in the Past Ten Years

BMO Money Market Fund

On November 20, 2009, BMO Guardian Canadian Money Market Fund merged into this fund.

BMO Bond Fund

On November 27, 2009, BMO Guardian Canadian Bond Fund merged into this fund.

On May 6, 2005, the investment strategies for this fund were changed to allow it to invest up to 10% of its assets in non-investment grade fixed income securities.

BMO Global High Yield Bond Fund

On May 10, 2006, PIMCO Canada Corp. replaced AGF Funds Inc. as the portfolio manager of this fund, and the investment objectives were changed to provide a fixed monthly distribution and capital appreciation potential by investing primarily in debt instruments issued by governments and corporations from around the world. In order to achieve higher yields, the fund also changed its investment strategies to allow it to invest in debt instruments that may have

ratings that are lower than investment grade, as determined by bond rating services, such as Standard & Poor's Rating Service.

BMO Global Monthly Income Fund

Effective October 2, 2006, the investment strategies of the fund were changed to allow it to invest up to 100% of its assets in other mutual funds, including funds that may be managed by one of our affiliates.

BMO Mortgage and Short-Term Income Fund

On July 23, 2003, the investment objectives and strategies of this fund were changed to allow it to invest in high-quality, corporate fixed-income securities in addition to fixed-income securities issued or guaranteed by Canadian federal, provincial or municipal governments. The requirement to invest at least 50% of the fund's assets in mortgage investments was eliminated.

BMO World Bond Fund

On July 22, 2005, the investment objectives and strategies of this fund were changed to allow the fund to invest in bonds and debentures issued by governments and corporations around the world; the reference to investing only in bonds and debentures issued by governments and corporations outside North America was eliminated.

On November 1, 2001, Insight Investment Management (Global) Limited replaced Edinburgh Fund Managers plc as the portfolio manager of this fund.

BMO Asset Allocation Fund

On November 13, 2009, Sanford C. Bernstein & Co., LLC ceased to act as the portfolio manager of this fund and BMO Guardian Canadian Balanced Fund merged into this fund.

BMO European Fund

Effective April 21, 2010, this fund's investment strategies were changed to provide that the portfolio manager of the fund would employ a fundamental bottom-up investment approach that emphasizes growth and stability of earnings, and would seek to identify attractively priced, high quality companies that show superior long-term economic characteristics.

On November 20, 2009, Vontobel Asset Management Inc. was hired as portfolio sub-advisor by Jones Heward Investment Counsel Inc., which replaced Sanford C. Bernstein & Co., LLC as portfolio manager of this fund and BMO Guardian European Equity Fund merged into this fund.

BMO Global Infrastructure Fund

On November 13, 2009, BMO Guardian Global Real Estate Fund merged into this fund.

On July 31, 2009, the investment objective and investment strategies were changed so that the fund would invest primarily in equity securities of companies in infrastructure related businesses. The management and administration fees were also changed.

On July 31, 2009, Macquarie Capital Investment Management LLC replaced Guardian Capital LP as the portfolio manager of this fund.

BMO International Index Fund

On November 28, 2003, BMO RSP Japanese Fund, BMO RSP European Fund, BMO RSP Global Financial Services Fund and BMO RSP Global Balanced Fund were merged into BMO RSP International Index Fund.

BMO Japanese Fund

On March 1, 2004, Martin Currie Inc. replaced the JPMorgan Fleming Asset Management Group as the portfolio manager of this fund.

BMO North American Dividend Fund

On May 5, 2006, the investment objectives and strategies were changed to allow the fund to invest primarily in dividend-yielding common and preferred shares of North American companies. The reference to investing primarily in companies that are expected to benefit from the North American Free Trade Agreement was removed from the investment objectives. State Street Global Advisors, Ltd. was also removed as a portfolio manager of this fund, as the fund no longer allocates a fixed portion of its portfolio to invest in companies in Mexico.

On November 1, 2001, State Street Global Advisors, Ltd. replaced Bancomer S.A. as portfolio manager to the Mexican portion of the portfolio of this fund.

BMO Emerging Markets Fund

On November 27, 2009, Lazard Asset Management (Canada) Inc. replaced Sanford C. Bernstein & Co., LLC as the portfolio manager of this fund and BMO Guardian Emerging Markets Fund merged into this fund.

On March 1, 2004, Sanford C. Bernstein & Co., LLC replaced the JPMorgan Fleming Asset Management Group as the portfolio manager of this fund.

On November 28, 2003, BMO Far East Fund and BMO Latin American Fund were merged into BMO Emerging Markets Fund.

On November 1, 2001, JPMorgan Fleming Asset Management Group replaced Edinburgh Fund Managers plc as the portfolio manager of this fund.

BMO Resource Fund

On November 27, 2009, BMO Guardian Canadian Resource Fund merged into this fund.

BMO Special Equity Fund

On November 13, 2009, BMO Guardian Small Cap Growth and Income Fund merged into this fund.

BMO U.S. Special Equity Fund

On or about June 4, 2010, it is expected that Loomis, Sayles & Company, L.P. will replace Harris Investment Management, Inc. as the portfolio manager of this fund. In addition, on June 4, 2010, this fund's investment strategies were changed to provide that the portfolio manager of the fund would seek attractively valued, small- and mid-sized companies with prospects for above average capital appreciation, invest using a bottom up process and seek to aggressively identify and capitalize on catalysts that it believes can drive stocks to achieve their intrinsic value.

BMO U.S. Dollar Money Market Fund

On November 13, 2009, BMO Guardian U.S. Money Market Fund merged into this fund.

BMO U.S. Dollar Monthly Income Fund

Effective April 21, 2010, the investment strategies of this fund were changed to allow the fund to invest in high yield bonds and debentures, mortgage-backed securities and government agency issued bonds and debentures. In addition, the investment strategies were changed so that the fund may invest in equity securities including preferred shares, equity units of U.S. companies, units of U.S. real estate investment trusts ("REITs") and units of Canadian REITs and property companies denominated in U.S. dollars or holding U.S. property through a bottom-up selection process.

On November 20, 2009, Jones Heward Investment Counsel Inc. and Lazard Asset Management (Canada) Inc. replaced UBS Global Asset Management Canada Co. as the portfolio managers of this fund and BMO Guardian U.S. Diversified Monthly Income Fund merged into this fund.

Effective May 5, 2006, BMO U.S. Dollar Bond Fund was merged into BMO U.S. Dollar Monthly Income Fund.

BMO Canadian Equity Class

On November 27, 2009, GGOF Canadian Equity Fund Ltd. merged into this fund.

BMO Global Dividend Class

On November 20, 2009, BMO Guardian Global Dividend Growth Fund merged into this fund.

On May 9, 2008, BMO U.S. Equity Class merged into this fund.

On April 30, 2007, this fund's investment objectives and strategies were changed to allow it to invest primarily in dividend-yielding common and preferred shares of companies from around

the world and KBC Asset Management International Limited replaced Insight Investment Management (Global) Limited as the portfolio manager of this fund.

BMO Global Equity Class

On January 8, 2010, Aberdeen Asset Management Inc. replaced Insight Investment Management (Global) Inc. as the portfolio manager of this fund.

On November 28, 2003, BMO Global Technology Class, BMO Global Health Sciences Class and BMO Global Financial Services Class were merged into BMO Global Equity Class.

BMO International Value Class

On July 31, 2009, BMO International Equity Fund merged into this fund.

BMO Sustainable Climate Class

On or about June 30, 2010, SAM Sustainable Asset Management AG will cease to be the portfolio manager of this fund.

BMO Sustainable Opportunities Class

On or about June 30, SAM Sustainable Asset Management AG will cease to be the portfolio manager of this fund.

BMO LifeStage Plus 2015 Fund

On October 6, 2008, this fund changed its portfolio allocation to a “protected” asset mix. The portfolio of the fund now consists entirely of fixed income investments (including provincial and corporate bonds) and cash equivalents and will continue to do so until its Target End Date to ensure that the fund has sufficient assets at maturity to pay investors the Guaranteed Maturity Amount. Given the shift to a protected portfolio, this fund is closed to all new purchases. See the simplified prospectus of the fund for more details.

BMO LifeStage Plus 2020 Fund

On November 20, 2008, this fund changed its portfolio allocation to a “protected” asset mix. The portfolio of the fund now consists entirely of fixed income investments (including provincial and corporate bonds) and cash equivalents and will continue to do so until its Target End Date to ensure that the fund has sufficient assets at maturity to pay investors the Guaranteed Maturity Amount. Given the shift to a protected portfolio, this fund is closed to all new purchases. See the simplified prospectus of the fund for more details.

Investment Objectives and Policies

All of the funds offer investors the opportunity to buy securities of the fund and participate with others who share a common investment objective. By pooling your capital with others, you gain access to diversified portfolios of professionally managed investments with clearly stated goals.

We may not change the fundamental objectives of a fund without first obtaining approval of a majority of the votes cast at a meeting of securityholders called for that purpose. (See “*Your Rights as a Securityholder*” for details about your entitlement to vote on certain matters.)

The investment objectives and policies of each of the funds are set out in the simplified prospectus.

Investment Restrictions and Practices

General

Except as set out in this document, each fund is managed according to the fund’s investment objectives and the standard investment restrictions and practices of Canadian securities legislation, including National Instrument 81-102 *Mutual Funds* (“NI 81-102”). These restrictions and practices are designed, in part, to ensure the investments of the funds are diversified and relatively liquid, and to ensure the funds are properly administered.

The funds may engage in securities lending, repurchase and reverse repurchase transactions, as described more fully under “*Fund Governance*” and in the simplified prospectus.

Self-dealing restrictions and related party investments

Certain BMO Mutual Funds are deemed to be dealer managed mutual funds under securities legislation. As a result, these funds may not, unless otherwise permitted by exemptive relief from Canadian securities regulatory authorities, knowingly make an investment in any issuer if a partner, director, officer or employee of such funds’ portfolio manager, or a partner, director, officer or employee of an affiliate or associate of such funds’ portfolio manager, is also a partner, director, officer or employee of the issuer of those securities (such issuer is referred to as a “Related Issuer”) unless that partner, director, officer or employee:

- does not participate in the formulation of investment decisions made on behalf of the dealer managed mutual fund;
- does not have access before implementation to information concerning investment decisions made on behalf of the dealer managed mutual fund; and
- does not influence, other than through research, statistical and other reports generally available to clients, the investment decisions made on behalf of the dealer managed mutual fund.

In addition, the dealer managed funds are not permitted to make an investment in securities of an issuer during, or for 60 days after, the period in which the dealer manager of the fund (or an associate or affiliate of the dealer manager) acts as an underwriter in the distribution of such securities, except in certain circumstances provided under securities legislation.

The BMO Mutual Funds that are dealer managed funds have received exemptive relief from Canadian securities regulatory authorities from the restrictions described above, subject to

certain conditions including the approval of the funds' independent review committee (the "IRC"), so that the funds may engage in the following transactions:

- purchase of non-exchange traded debt securities that have a term to maturity of 365 days or more, other than asset-backed commercial paper, of a Related Issuer under primary offerings;
- purchase of exchange traded securities and non-exchange traded securities issued by a Related Issuer in the secondary market; and
- purchase of equity securities during the period of distribution of such securities, and during the 60-day period following the distribution, where the distribution of those securities is made by "private placement" (an offering exempted from the prospectus requirements), notwithstanding that an underwriter related to the portfolio manager of the funds has acted as underwriter in such offering.

In addition, all BMO Mutual Funds, including the dealer managed funds, have obtained exemptive relief, subject to certain conditions including the approval of the IRC, to engage in the following transactions:

- purchase of non-exchange traded securities issued by entities related to the Manager or the portfolio manager of the funds in the secondary market; and
- purchase of debt securities from a related dealer that holds such debt securities as principal, or the sale of debt securities to a related dealer that purchases such debt securities as principal.

Each of the transactions described in this section is referred to as a "Related Party Transaction".

A fund may engage in a Related Party Transaction only if (i) such transaction is consistent with the fund's investment objectives and strategies; (ii) the IRC has approved the transaction; (iii) the Manager complies with certain obligations in connection with these types of transactions; and (iv) the IRC and Manager comply with certain requirements under National Instrument 81-107 *Independent Review Committee for Investment Funds* ("NI 81-107"), among other conditions.

For each Related Party Transaction, the IRC has provided its approval and issued standing instructions. In each case, the standing instructions require the Manager to follow governing policies and procedures and to report periodically to the IRC. The policies and procedures are designed to ensure, among other things, that the Related Party Transactions: (i) are consistent with, or are necessary to meet, the investment objectives of the funds; (ii) are free from any influence by an entity related to the Manager or the portfolio manager (the "Affiliate") and without taking into account any consideration relevant to an Affiliate; (iii) represent the business judgment of the Manager uninfluenced by considerations other than the best interests of the funds; (iv) are in compliance with the Related Party Transaction's governing policy and procedures; and (v) achieves a fair and reasonable result for the funds. In the event an investment decision in respect of a Related Party Transaction is not made in accordance with the foregoing requirements, the Manager is required to notify the IRC and the IRC, as soon as

practicable, is required to notify the Canadian securities regulators. The IRC is also required to report such a transaction in its annual report to the securityholders of the funds.

Additional information about the mandate, duties and responsibilities of the IRC is disclosed under “*Fund Governance*”.

We have received an exemption from Canadian securities regulators to enable the funds, subject to certain conditions imposed by the regulators, to invest in equity securities where the distribution of those securities is made by “private placement” (an offering exempted from the prospectus requirements).

We, and all of the BMO Mutual Funds, have obtained exemptive relief, subject to certain conditions, to permit the BMO Mutual Funds to purchase securities of exchange traded funds managed by the Manager, or an affiliate or associate of the Manager (including, in certain circumstances and for a limited period of time, exchange traded funds that do not meet the definition of an “index participation unit” under NI 81-102), and to pay the applicable brokerage commissions associated with such purchases in the secondary market.

Investment restrictions and practices for specific funds

BMO Global High Yield Bond Fund and BMO World Bond Fund

BMO Global High Yield Bond Fund and BMO World Bond Fund each have obtained approval from Canadian securities regulators to invest up to 20% of their net assets taken at market value at the time of purchase in evidences of indebtedness that are issued or guaranteed fully as to principal and interest by permitted supranational agencies or governments (other than the government of Canada, a province of Canada, or the United States of America, where such approval was not required) and are rated AA or better by Standard & Poor’s Rating Service, and up to 35% of their net assets taken at market value at the time of purchase in evidences of indebtedness that are issued or guaranteed fully as to principal and interest by permitted supranational agencies or governments (other than the government of Canada, a province of Canada, or the United States of America, where such approval was not required) and are rated AAA or better by Standard & Poor’s Rating Service or the equivalent ratings as defined by other recognized rating agencies.

BMO Global High Yield Bond Fund

The Manager, on behalf of BMO Global High Yield Bond Fund, has obtained approval from the Canadian securities regulators for an exemption from certain of the derivatives rules in NI 81-102, thereby allowing BMO Global High Yield Bond Fund to engage in the following derivatives transactions in accordance with certain conditions:

- to enter into credit default and interest rate swaps with a remaining term to maturity greater than 3 years;
- to the extent that cash cover is required in respect of specified derivatives, to cover specified derivative positions with:

- (a) any bonds, debentures, notes or other evidences of indebtedness that are liquid having a remaining term to maturity of 365 days or less and an “approved credit rating” as defined in NI 81-102 (“Fixed Income Securities”); or
 - (b) floating rate evidences of indebtedness which are a “conventional floating rate debt instrument” as defined in NI 81-102 with principal amounts having a market value of approximately par at the time of each change in the rate to be paid (“FRNs”):
 - (i) if the interest rates are reset no later than every 185 days;
 - (ii) if the FRNs are issued by a government or permitted supranational agency, the principal and interest of the FRN is fully and unconditionally guaranteed by the federal, provincial, territorial or state governments of Canada, of the United States of America, of a government of another sovereign state or of a “permitted supranational agency” as defined in NI 81-102 and the FRNs have an “approved credit rating” as defined in NI 81-102; and
 - (iii) if the FRNs are issued by another person or company, the FRNs have an “approved credit rating” as defined in NI 81-102.
- to use as cover when the fund has a long position in a debt-like security that has a component that is a long position in a forward contract or in a standardized future or forward contract:
 - (a) cash cover, including Fixed Income Securities and FRNs, in an amount that, together with margin on account for the specified derivative and the market value of the specified derivative, is not less than, on a daily mark-to-market basis, the underlying market exposure of the specified derivative;
 - (b) a right or obligation to sell an equivalent quantity of the underlying interest of the future or forward contract, and cash cover that together with margin on account for the position, is not less than the amount, if any, by which the strike price of the future or forward contract exceeds the strike price of the right or obligation to sell the underlying interest;
 - (c) a combination of the positions referred to in subparagraphs (a) and (b) that is sufficient, without recourse to other assets of the fund, to enable the fund to acquire the underlying interest of the future or forward contract.
- to use as cover when the fund has a right to receive payments under a swap:
 - (a) cash cover, including Fixed Income Securities and FRNs, in an amount that, together with margin on account for the swap and the market value of the swap, is not less than, on a daily mark-to-market basis, the underlying market exposure of the swap;

- (b) a right or obligation to enter into an offsetting swap on an equivalent quantity and with an equivalent term and cash cover that together with margin on account for the position is not less than the aggregate amount, if any, of the obligations of the fund under the swap less the obligations of the fund under such offsetting swap;
- (c) a combination of the positions referred to in subparagraphs (a) and (b) that is sufficient, without recourse to other assets of the fund, to enable the fund to satisfy its obligations under the swap.

BMO Mortgage and Short-Term Income Fund

BMO Mortgage and Short-Term Income Fund has adopted the restrictions and practices contained in NI 81-102, except for sections 2.3(b) and 2.3(c). However, the fund has adopted additional restrictions consistent with its investment policies and with securities regulation. The Trustee may revise these restrictions without unitholders' approval.

Specifically, BMO Mortgage and Short-Term Income Fund will not invest in:

- mortgages on raw or undeveloped land unless insured under the *National Housing Act* (Canada);
- mortgages with loan-to-value ratios exceeding 75% unless insured under the *National Housing Act* (Canada) or unless the excess is insured by an insurance company registered under the *Insurance Companies Act* (Canada);
- any one mortgage that represents more than 2% of the net asset value of the fund;
- mortgages on residential properties of more than 8 units or on commercial and industrial properties that would represent more than 40% of the fund's net assets, provided that such mortgages in excess of 20% of the fund's net assets must be insured by an agency of the Government of Canada or a Province of Canada;
- mortgages with an amortization period more than 30 years, unless insured under the *National Housing Act*;
- mortgages on commercial or industrial properties with a remaining term to maturity of more than 10 years;
- mortgages with a remaining term of more than 5 years if 10% of the fund's net assets are already invested in residential mortgages with maturities up to 10 years; and
- mortgages on a property in which any of the following has an interest as mortgagor:
 - any senior officer or Trustee of the fund or the Manager;
 - any person or company who is a substantial securityholder of the fund or the Manager; and

- any associate or affiliate of a person or company named above, unless the mortgage is less than \$75,000 on a single family dwelling.

All mortgage investments of BMO Mortgage and Short-Term Income Fund are insured under the *National Housing Act* (Canada).

Liquidity

Consistent with the requirement of the Canadian securities regulators, if 50% or more of the fund's portfolio is ever invested in mortgages, the Trustee and Manager of the fund will aim to keep liquid assets in the fund totalling \$2,170,000 at all times, plus 5% of the excess over \$30,000,000 of the net assets of the fund. The fund will not invest in additional mortgages that would reduce the fund's liquid assets below that amount. If redemptions on any day would exceed that amount, the Manager will:

- buy or find a buyer of as many of the fund's mortgages necessary to cover redemption, selling those mortgages for at least 95% of their value (see "*Valuation of assets of the Mortgage and Short-Term Income Fund*" for more details); or
- temporarily borrow money from Bank of Montreal to cover the redemptions at an interest rate as good or better than comparable loans to other persons not affiliated with Bank of Montreal. The loan will not exceed 5% of the fund's net assets.

The fund will not enter into forward commitments on mortgages if they would compromise the liquidity standard.

Buying Mortgages

Canadian mutual funds generally use four methods to determine the price of mortgages:

1. The principal amount must produce a yield similar to the yield for the resale of comparable unserviced mortgages by mortgage lenders under similar conditions, if mortgages are bought from a lending institution with which the fund and its manager are dealing at arm's length.
2. The principal amount must produce a yield to the fund equal to the interest rate at which major lending institutions are making commitments to loan on the security of comparable mortgages when the fund buys the mortgage.
3. The principal amount must produce the same yield to the fund as the interest rate charged by the lending institution to the mortgagor on the date of commitment, provided that date is not 120 days before the fund acquires the mortgage, and the interest rate is equal to the rate at which the lending institution made commitments to loan on the security of comparable mortgages on the date of commitment.
4. The principal amount must produce a yield to the fund of not more than 0.25% less than the interest rate at which the lending institution is making commitments, at the time of the purchase, to loan on the security of comparable mortgages, as long as that lending institution has agreed to

repurchase the mortgages from the fund in circumstances favourable to the fund and the Canadian securities regulators consider that such an agreement justifies the difference in yield to the fund.

Since September 1, 1977, the fund has used method 4 to buy mortgages from Bank of Montreal. Method 4 will realize a lower yield than methods 2 and 3 if interest rates do not change in the period between the commitment and the purchase. During periods of constant interest rates, methods 2 and 3 will produce the same yield to the fund. During periods of rising interest rates, method 2 will produce a greater yield than method 3. During periods of falling interest rates, method 3 will produce a greater yield than method 2.

Subject to obtaining the regulatory relief referenced below, the fund may buy mortgage investments from Bank of Montreal.

Bank of Montreal will administer the fund's mortgage loans, if any, according to a Mortgage Servicing Agreement between the fund and Bank of Montreal made on October 1, 1987. Under this agreement, Bank of Montreal buys from the fund any mortgage bought from Bank of Montreal if the mortgage is:

- in default;
- not a valid first mortgage; and
- not paid at maturity.

Bank of Montreal will buy back these mortgages at the principal amount, adjusted to reflect the amortization of any premium or discount paid by the fund at purchase, plus accrued interest.

The BMO Mortgage and Short-Term Income Fund does not currently hold any real property mortgages.

BMO Mortgage and Short-Term Income Fund, BMO Diversified Income Fund and BMO Short-Term Income Class

The Manager, on behalf of BMO Mortgage and Short-Term Income Fund, BMO Diversified Income Fund and BMO Short-Term Income Class, has obtained exemptive relief from the Canadian securities regulators from the self-dealing prohibition in Section 4.2 of NI 81-102 to enable these funds to continue to purchase mortgages from, or sell mortgages to, certain related parties, including Bank of Montreal, in accordance with the following conditions:

- the purchase or sale is consistent with, or is necessary to meet, the investment objectives of the funds;
- the IRC of the funds approves the transaction in accordance with section 5.2(2) NI 81-107;
- the Manager complies with its obligations under section 5.1 of NI 81-107;
- the Manager and the IRC of the funds comply with section 5.4 of NI 81-107 for any standing instructions the IRC provides in connection with the transactions;

- the funds keep the written records required by section 6.1(2)(g) of NI 81-107; and
- the mortgages are purchased from, or sold to, Bank of Montreal and/or MCAP Financial Corporation in accordance with National Policy Statement 29 *Mutual Funds Investing in Mortgages*.

The IRC has provided an approval and issued standing instructions to enable BMO Mortgage and Short-Term Income Fund, BMO Diversified Income Fund and BMO Short-Term Income Class to purchase and/or sell mortgages from and/or to a related party.

BMO Precious Metals Fund and BMO Resource Fund

Both BMO Precious Metals Fund and BMO Resource Fund are permitted to deviate from standard restrictions and practices related to buying and selling commodities. BMO Precious Metals Fund has approval to invest up to 20% of its assets in precious metals, including silver and platinum. BMO Resource Fund has approval to invest up to 10% of its assets directly in commodities such as precious and other metals and minerals.

BMO Global Energy Class

BMO Global Energy Class intends to apply for relief to allow it to deviate from standard restrictions and practices related to buying and selling commodities. It will seek approval to invest up to 10% of its assets directly in commodities.

Eligibility for Registered Plans

Each BMO Trust Fund qualifies as a mutual fund trust within the meaning of the *Income Tax Act* (Canada) (the “Tax Act”). Accordingly, units of the BMO Trust Funds are qualified investments for registered plans, including but not limited to registered retirement savings plans (RRSPs), registered retirement income funds (RRIFs), registered education savings plans (RESPs), deferred profit sharing plans (DPSPs), registered disability savings plans (RDSPs) and tax-free savings accounts (TFSAAs).

The BMO Global Tax Advantage Funds are classes of BMO Global Tax Advantage Funds Inc., which qualifies as a mutual fund corporation within the meaning of the Tax Act. Accordingly, shares of the BMO Global Tax Advantage Funds are qualified investments for registered plans, including but not limited to RRSPs, RRIFs, RESPs, DPSPs, RDSPs and TFSAAs.

We have established RRSPs, RRIFs, RESPs, RDSPs and TFSAAs. Under these plans, we act as financial agent and BMO Trust Company is the trustee. You pay no initial fee for opening these plans. The fee payable to the trustee for RRSPs and RESPs is a maximum of \$10.00 per annum plus applicable taxes, payable semi-annually.

Your Rights as a Securityholder

BMO Trust Funds

Each BMO Trust Fund is divided into units and is authorized to issue an unlimited number of units and fractions of units. No certificates are issued to unitholders.

All of the BMO Trust Funds, except BMO LifeStage Plus 2015 Fund, offer more than one series of units. The principal differences between all of the series we offer relates to the fees payable by the series, the purchase options under which you may purchase the series, and the type and frequency of distributions you may receive as an investor in the series.

As a unitholder, you are generally entitled to participate *pro rata* in the net income and net capital gains of the BMO Trust Fund that are attributable to the units you hold. On liquidation, you are entitled to participate *pro rata* in the net assets of the BMO Trust Fund remaining after satisfaction of outstanding liabilities that are attributable to the units or series of units you hold. You may not transfer or assign units but may redeem units on demand and pledge units as security. You have no ownership rights in any assets of a BMO Trust Fund. A unit of one fund does not carry rights to any other fund. As a unitholder, you have no special rights to buy other units. Please see below under the subheading “*Meetings of securityholders*” for a description of your voting rights.

All units are issued as fully paid and non-assessable in Canadian dollars (U.S. dollars for the BMO U.S. Dollar Funds and either Canadian or U.S. dollars for BMO U.S. Equity Fund and BMO U.S. High Yield Bond Fund) so that you will not be liable for any further payments to the BMO Trust Fund for those units.

BMO Global Tax Advantage Funds

BMO Global Tax Advantage Funds Inc. may issue an unlimited number of authorized Class A and Class B shares. One hundred Class A shares and one Class B share have been issued to the Manager. The corporation is also authorized to issue certain classes of special shares, and each fund is a class of special shares of BMO Global Tax Advantage Funds Inc. BMO Global Tax Advantage Funds Inc. may issue an unlimited number of special shares of each class. Each class of special shares is authorized to designate an unlimited number of series A, series F, series I, series O and series T6 shares. In addition, certain classes of special shares are authorized to designate an unlimited number of certain other series. Holders of the special shares are “shareholders”. The shares may be issued in fractions; however, the holders of fractional shares are not entitled to vote in respect of fractional shares. Certificates are not generally issued to shareholders.

Each of the BMO Global Tax Advantage Funds issues more than one series of shares. Some series are offered through a separate prospectus. The principal differences between the series are the fees payable by the series, the purchase options under which you may purchase the series, and the type and frequency of distributions you may receive as an investor in the series.

Each BMO Global Tax Advantage Fund has its own investment objective, will pay dividends, including capital gains dividends, when declared payable by the Board of Directors of BMO Global Tax Advantage Funds Inc., in its sole discretion, and each class of special shares ranks equally with all other classes of special shares with respect to payment of declared dividends and participation in the remaining assets of BMO Global Tax Advantage Funds Inc. in the event of the liquidation, dissolution or winding-up of BMO Global Tax Advantage Funds Inc. based on the net asset value of the class. Each series of a BMO Global Tax Advantage Fund will participate in the dividends including capital gains dividends that are paid on the BMO Global Tax Advantage Fund, and ranks equally with other series of the BMO Global Tax Advantage Fund with respect to payment of declared dividends in the event of liquidation, dissolution or winding-up of BMO Global Tax Advantage Funds Inc.

All shares are issued as fully paid and non-assessable in Canadian dollars so that you will not be liable for any further payments to the applicable BMO Global Tax Advantage Fund for those shares.

Shareholders are not entitled to receive notice of, or to attend, annual meetings of shareholders of BMO Global Tax Advantage Funds Inc. The holder(s) of the Class B shares will elect the directors and appoint the auditors of BMO Global Tax Advantage Funds Inc. Shareholders of the BMO Global Tax Advantage Funds are entitled to attend meetings of shareholders and to vote when required under securities legislation or corporate law. Please see “*Meetings of securityholders*” below for a description of your voting rights.

The rights attached to each class and series of BMO Global Tax Advantage Funds Inc. are set out in its articles of incorporation, as amended.

Meetings of securityholders

You have a right to exercise one vote for each security you hold at meetings of securityholders of your fund and any meetings of securityholders of your series.

You are entitled to vote on the following matters:

- certain reorganizations of your fund;
- certain material changes to your fund’s constating documents (see “*Amendments to the Constatng Documents*” for more details)
- the appointment of a new manager of your fund, other than to an affiliate of the Manager;
- any change in the fundamental investment objectives of your fund; and
- any decrease in the frequency of calculating your fund’s net asset value.

If the nature of the business to be transacted at a meeting concerns only a particular series of a fund, generally, only investors holding securities of that series of that fund will be entitled to vote and those securities will be voted separately as a series.

If the basis of the calculation of a fee or expense that is charged to a fund (or is charged directly to the securityholders by the fund or by us in connection with the holding of securities of the fund) in respect of series A, series I, series T6 or series F securities is changed in a way that

could result in an increase in charges to the fund or to its securityholders, or if such a fee or expense is introduced, the approval of securityholders of such series will not be obtained. Instead, securityholders will be sent a written notice advising of any such change or introduction at least 60 days prior to such increase being effective.

In certain circumstances, in place of you approving a fund merger, the IRC has been permitted under securities legislation to approve a fund merger. In these circumstances, you will receive written notice of any proposed merger at least 60 days prior to the effective date of the merger.

If a fund holds securities of another mutual fund that is managed by us or one of our associates or affiliates, the fund will not vote the securities of the underlying fund. We may, at our discretion, arrange for securities of the underlying fund to be voted by the securityholders of the fund holding those securities.

We may change securityholders' rights for any fund, as permitted by applicable legislation, by amending its Declaration of Trust or the articles of BMO Global Tax Advantage Funds Inc., as the case may be. Please see "*Amendments to the Constating Documents*" for more details.

Valuation of Portfolio Securities

Assets

The assets of each fund include:

- all cash on hand, on deposit or on call;
- all bills and notes and accounts receivable;
- all shares and subscription rights and other securities;
- all stock and cash dividends and cash distributions not yet received by the fund but declared to shareholders of record before the net asset value per security is determined;
- all bonds, debentures, mortgages and other evidences of indebtedness;
- interest accrued on any fixed interest bearing securities;
- margin receivable on futures contracts; and
- all other property, including prepaid expenses.

Value of assets

We determine the value of each fund's assets using the following principles:

- Cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received are valued at the full amount or at what we consider to be the fair value;
- Money market investments are recorded at their fair value;
- Securities listed on any stock exchange are valued at:
 - the latest closing sale price (or such other value as the Canadian Securities Administrators may permit) last reported on the valuation date; or

- if no closing sale price is available, the security shall be fair valued;
- Mutual fund securities held as investments are valued at their respective net asset values on the relevant valuation date;
- Bonds are valued at bid prices obtained from a recognized pricing service;
- Securities or property which have no available price quotations are valued at our best estimate of the fair value;
- Foreign currency accounts are expressed in Canadian dollars (U.S. dollars in the case of BMO U.S. Dollar Funds) on the following basis:
 - investments and other assets are valued at the rate of exchange at the end of the valuation period; and
 - purchases and sales of investments, income and expenses are recorded at the rate of exchange on the dates of the transactions;
- A fund's holdings are valued in Canadian dollars (U.S. dollars in the case of BMO U.S. Dollar Funds) before we calculate the net asset value of the security;
- Forward foreign exchange contracts are valued as the difference between the value on the date the contract originated and the value of the contract on the valuation date. Foreign exchange options are valued at their quoted market value. When the contract or option closes or expires, we will recognize a realized foreign exchange gain or loss;
- Forward contracts are valued as the difference between the value on the date the contract originated and the value of the contract on the valuation date;
- Clearing corporation options are valued at the current market value;
- Where a covered clearing corporation option is written, the premium received is considered a deferred credit with a value equal to the current market value of an option that would have the effect of closing the position. We'll treat any difference resulting from revaluation as an unrealized gain or loss. We'll deduct the deferred credit to arrive at the net asset value of the fund;
- Futures contracts are valued at outstanding current margin payable or receivable;
- Bullion, coins, certificates or other evidences of precious metals are valued at current market value;
- Restricted securities are valued according to reported quotations in common use, or according to the following method, whichever is less. We value restricted securities at that percentage of the market value of unrestricted securities of the same class which the fund paid to acquire them, provided that if we know the time period during which the restrictions on these securities will apply, we may adjust the price to reflect this time period;

- All other assets are valued at our best estimate of fair value; and
- If we consider any of these valuation rules inappropriate, or we cannot value an investment according to these rules, we may estimate the fair value of an investment using established fair valuation procedures such as: consideration of public information, broker quotes and valuation models. We may also use external fair value service providers. The value calculated on fair value securities for the purposes of calculating a fund's net asset value may differ from the securities' most recent closing market price.

We may also fair value securities in the following circumstances:

- when there is a halt trade on a security that is normally traded on an exchange;
- on securities that trade on markets that have closed prior to the time of calculation of the net asset value of the fund and for which there is sufficient evidence that the closing price on that market is not the most appropriate value at the time of valuation; and
- when there are investment or currency restrictions imposed by a country that affect the fund's ability to liquidate the assets held in that market.

An example of when the closing market price of a security may not be appropriate would be when exchanges are closed by a local government or regulator and the securities involved are a relatively small portion of a fund's total portfolio. In such cases, we may look at the available evidence of value of these securities in North American markets and make an adjustment where appropriate.

The Manager has not used its discretion to deviate from the funds' valuation practices in the past three years.

The net asset value calculated in accordance with Section 3855 of the Canadian Institute of Chartered Accountants Handbook (the "CICA Handbook") is referred to as net assets hereon forward. An investment fund is required to calculate the net assets per security for the purposes of its financial statements in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). The financial statements of the funds will include a reconciliation of the net assets per security contained in the financial statements to the net asset value per security used for other purposes.

The valuation principles and practices of the funds outlined above differ from Canadian GAAP in the following ways. For investments that are traded in an active market where quoted prices are readily and regularly available, CICA Handbook Section 3855 requires the use of bid prices for long positions and ask prices for short positions in the fair valuation of investments, rather than the use of closing prices currently used for the purpose of determining net asset value. For investments that are not traded in an active market, fair valuation techniques are used.

Liabilities

The liabilities of each fund include:

- all bills and notes and accounts payable and/or accrued;

- all administrative and operating expenses payable or accrued or both, including management fees;
- all contractual obligations for money or property, including any unpaid distribution credited to securityholders the day before the net asset value per security is determined;
- all allowances authorized or approved by the Manager for taxes (if any) or contingencies;
- the value of margin payable on futures contracts; and
- all other liabilities of the fund.

Securities are still considered outstanding on the day we receive a request to redeem them. They are valued at the redemption price per security on that day, but are considered a liability of a fund only after the close of business on that day.

Valuation of assets of BMO Mortgage and Short-Term Income Fund

When we calculate the net asset value per unit of BMO Mortgage and Short-Term Income Fund, we apply the following provisions in addition to the general ones above:

- we value any mortgages purchased from Bank of Montreal using method 4 on page 20 under “BMO Mortgage and Short-Term Income Fund - Buying mortgages” in the section “*Investment restrictions and practices*”;
- any mortgages in arrears purchased from Bank of Montreal are valued on the same basis as any other mortgages.

How we calculate net asset value

The issue and redemption price of securities of a fund is based on the security’s net asset value next determined after the receipt of a purchase order or a redemption order.

We determine the net asset value per security as at 4:00 p.m. Eastern Time on each day that the Toronto Stock Exchange is open for business, or any other time as we may from time to time determine to be a day for valuation of any fund (the “Valuation Day”). The net asset value per security remains in effect until we determine the next net asset value per security.

To determine the net asset value for each series of securities we first calculate four values:

A = the total market value in Canadian dollars (U.S. dollars for BMO U.S. Dollar Funds) of the series’ proportionate share of the assets of the fund

L = the liabilities of the fund attributable to the series of securities

N = net assets attributable to the series of the fund

U = total number of securities of that series outstanding

For the BMO Trust Funds, $N = A \text{ minus } L$

For the BMO Global Tax Advantage Funds, N = the assets of the corporation allocated to each series of the fund minus its share of the corporation's liabilities and minus its share of any fund specific liabilities.

The following equation then determines the net asset value per security:

$$N \div U$$

For BMO T-Bill Fund, BMO Money Market Fund, BMO Canadian Money Market Fund, BMO Premium Money Market Fund and BMO U.S. Dollar Money Market Fund, although no assurance can be given, we expect to maintain a net asset value per security of \$1.00 Canadian (U.S. dollars for the BMO U.S. Dollar Money Market Fund) by crediting to unitholders all income accumulated daily, with settlements being made monthly.

Buying Securities

How to buy securities of a fund

We offer securities of the funds for sale on a continuous basis. You may buy securities of a fund in person or by telephone at any branch of Bank of Montreal in Canada, through the BMO Investment Centre, once you have made arrangements for payment, through the internet at www.bmo.com/mutualfunds after completion of an authorization form, or by mail. You may also buy securities of a fund through registered dealers and brokers. You pay no sales charges when you buy any series of the securities offered under this document through us.

Your purchase order will be forwarded to us by courier, priority post or telecommunication facility at no charge to you on the same business day they are received. Between the time you pay for your order and the time the Manager receives payment, any interest earned is paid to the fund whose securities you are buying.

The Manager will accept or reject purchase orders within one business day after receiving your order. If we accept your purchase order, we'll promptly send you a transaction confirmation confirming the purchase amount, the price per security, the number of securities you have bought (including fractions of securities), and the total number of securities held in your account. If you sign up for our Continuous Savings Plan or Systematic Withdrawal Plan, you will only receive confirmation of the first transaction made under the plan. If a purchase order is rejected, we will immediately refund your money.

Purchase price

When you buy, switch or redeem securities, you buy, switch or redeem them at the net asset value per security on the day of your purchase, switch or redemption request, as long as we receive your order by 4:00 p.m. Eastern Time on a Valuation Day. If we receive your order after that time, we'll process your order on the next Valuation Day, using the net asset value per security on the next Valuation Day. If the Toronto Stock Exchange closes earlier than 4:00 p.m. Eastern Time, we may impose an earlier deadline.

You must pay for the securities with guaranteed funds when you order them. We do not accept cash. If you are buying units of BMO U.S. Dollar Funds or units of BMO U.S. Equity Fund or BMO U.S. High Yield Bond Fund in U.S. currency, you must pay in U.S. dollars.

Note that the ability to purchase units of BMO U.S. Equity Fund or BMO U.S. High Yield Bond Fund in U.S. dollars is offered only as a convenience for investors and does not act as a currency hedge between the Canadian and U.S. dollars. For purchases of units of BMO U.S. Equity Fund or BMO U.S. High Yield Bond Fund in U.S. dollars, the net asset value per security is computed by converting the Canadian dollar value into U.S. dollars based on current exchange rates. For fund units purchased in U.S. dollars, switches will be processed entirely in U.S. dollars and redemption proceeds will be paid in U.S. dollars.

Your dealer may provide in any arrangements it has with you that you are required to compensate your dealer for any losses suffered by it in connection with a failed settlement of a purchase order caused by you.

Redeeming Securities

How to request a redemption

You may redeem some or all of your securities in a fund in person or by telephone at any branch of Bank of Montreal in Canada, once you have completed the prescribed redemption form, through the BMO Investment Centre or the internet at www.bmo.com/mutualfunds, after completion of an authorization form, or by mail. You may also redeem securities of a fund through registered dealers and brokers. Your redemption request will be forwarded to us by courier, priority post or telecommunication facility at no charge to you on the same business day you complete the form. However, if you have not completed the form in full, we cannot fulfill your redemption request.

Within 3 business days after we determine the redemption price, we will:

- send you a cheque or make a direct deposit to your bank account in payment for the securities you have redeemed; and
- send you a transaction confirmation including the balance in your investment account.

Redemption price

You may redeem securities on any Valuation Day at the net asset value per security. If we receive your redemption request before 4:00 p.m. Eastern Time on any Valuation Day, the redemption value will be calculated on that day. If we receive your redemption request after 4:00 p.m. or on a day that is not a Valuation Day, the redemption value will be calculated on the next Valuation Day. This is called the redemption price. If the Toronto Stock Exchange closes earlier than 4:00 p.m. Eastern Time, we may impose an earlier deadline.

Units of BMO U.S. Dollar Funds and units of BMO U.S. Equity Fund or BMO U.S. High Yield Bond Fund that are held in U.S. currency will be redeemed in U.S. dollars. However, the

adjusted cost base and proceeds of disposition must be converted into Canadian dollars using the transaction date foreign exchange rate to calculate the appropriate gain or loss. If you redeem units of BMO T-Bill Fund, BMO Money Market Fund, BMO Canadian Money Market Fund, BMO Premium Money Market Fund or BMO U.S. Dollar Money Market Fund before a distribution of income is payable, you will also be paid the accumulated income allocated to your units.

Your dealer may provide in any arrangements it has with you that you are required to compensate your dealer for any losses suffered by it in connection with your failure to satisfy the requirements of a fund, or securities legislation, for a redemption of securities of the fund.

Automatic redemption

If the value of your investment falls below the minimum amount as determined by us from time to time, we'll give you 30 days' written notice before we redeem all the securities of the fund in your account. See *"Your guide to buying, switching and redeeming BMO Mutual Funds"* in the simplified prospectus for more details.

With respect to BMO Premium Money Market Fund, if you have less than the minimum balance, we may either switch all of your units of this fund into BMO Money Market Fund, or redeem them for cash.

Suspension of redemptions

A fund may suspend your right to request a redemption for all or part of a period when:

- normal trading is suspended on a stock, options or futures exchange in Canada or outside Canada on which securities or derivatives that make up more than 50% of the value or underlying exposure of the fund's total assets are traded; and
- those securities or derivatives are not traded on any other exchange that represents a reasonable alternative for the fund.

A fund may postpone a redemption payment during any period when your right to request a redemption is suspended under the circumstances described above or with the approval of the securities regulatory authorities. You have the option of withdrawing your request for redemption or completing your redemption order at the net asset value per security on the first Valuation Day after the termination of the suspension. A fund will not accept any orders for the purchase of its securities during any period when the redemption of its securities has been suspended.

Switching and Converting Between Funds

At any time you may switch your securities of a BMO Mutual Fund for securities of the same series of another BMO Mutual Fund that is priced in the same currency.

You may also switch your securities of a BMO Mutual Fund for securities of another series of a BMO Mutual Fund, provided that you are eligible to purchase the series that you are switching into and provided such series is priced in the same currency.

You may request a switch of your securities in person or by telephone at any branch of Bank of Montreal in Canada, once you have completed the prescribed form, through the BMO Investment Centre or through the internet at www.bmo.com/mutualfunds, after completion of an authorization form, or by mail. You may also switch your securities of a fund through registered dealers and brokers. You must maintain the minimum account balance in each fund to avoid automatic redemption. (See “*Redeeming Securities*” for more details)

When we receive your switch request, we will redeem or convert your securities in the one BMO Mutual Fund and then apply the proceeds to the purchase of securities of the other BMO Mutual Fund(s) at the net asset value per security next determined after we receive your switch request.

Conversions of shares of a BMO Global Tax Advantage Fund to shares of another BMO Global Tax Advantage Fund will not result in a disposition for income tax purposes. Conversions of shares of one series of a BMO Global Tax Advantage Fund for shares of another series of the same fund will not result in a disposition for income tax purposes. Transfers of shares of a BMO Global Tax Advantage Fund for units of a BMO Trust Fund, or vice versa, or transfers of units of a BMO Trust Fund for units of another BMO Trust Fund, will constitute a disposition and may result in a capital gain or loss for income tax purposes. Redesignations of securities of a fund to securities of another series of the same fund should not result in a disposition for income tax purposes. (See “*Canadian Federal Income Tax Considerations*” for more details.)

Redesignation of securities

Provided the conditions set out below are met, we may, in our sole discretion, redesignate your securities of a fund into securities of another series of the same fund. We may only redesignate your securities if:

- you receive securities of the same value;
- the management fee and administration fee of the new series are not more than that of the securities that you previously owned;
- the redesignation is done at no cost to you;
- the redesignation is not a disposition for tax purposes; and
- the service commissions payable to registered dealers and brokers, if any, remains the same.

Responsibility for Operations

Trustee, directors and officers of the funds

BMO Trust Funds

BMO Investments Inc. is the trustee for each BMO Trust Fund. The Trustee has the exclusive authority over the assets and affairs of the BMO Trust Funds. It has a fiduciary responsibility to act in the best interests of the unitholders of the funds.

BMO Global Tax Advantage Funds

The business of BMO Global Tax Advantage Funds Inc. is managed by its Board of Directors, which may exercise all powers that are not required by statute, its articles or its by-laws to be exercised by the shareholders. The BMO Global Tax Advantage Funds are administered in their day-to-day operations by the Manager.

The name, municipality of residence and principal occupation during the past five years and other information pertaining to each of the directors and officers of BMO Global Tax Advantage Funds Inc. are as follows:

Name and Municipality of Residence	Position with BMO Global Tax Advantage Funds Inc.	Principal Occupation
EDGAR N. LEGZDINS Toronto, Ontario	Chief Executive Officer and Director	Senior Vice President, Retail Investments and Managing Director, International, BMO Private Client Group, BMO Capital Markets
BARRY M. COOPER Toronto, Ontario	Chairman and Director	Chairman, Jones Heward Investment Counsel Inc.
ROSS F. KAPPELE Toronto, Ontario	Director	Co-President, BMO Investments Inc.
CAROL A. NEAL Toronto, Ontario	Director	Vice-President and Chief Financial Officer, BMO Private Client Group
HUGH M. S. MCKEE Toronto, Ontario	President, Chief Operating Officer and Director	Co-President and Chief Operating Officer, BMO Mutual Funds
DOUGLAS E. KIRK Toronto, Ontario	Director	President, Durham Radio Inc. (in the business of commercial radio broadcasting)
THOMAS A. PIPPY Mississauga, Ontario	Director	Professor, Conestoga College
ROBERT JOSEF SCHAUER Toronto, Ontario	Chief Financial Officer and Treasurer	Chief Financial Officer and Treasurer, BMO Mutual Funds

Name and Municipality of Residence	Position with BMO Global Tax Advantage Funds Inc.	Principal Occupation
MICHELLE MAGNAYE Mississauga, Ontario	Secretary	Manager, Subsidiaries and Corporate Secretarial Services, BMO Financial Group
VANDRA GOEDVOLK Mississauga, Ontario	Assistant Secretary	Manager, Subsidiaries and Corporate Secretarial Services, BMO Financial Group

During the past 5 years, these directors and officers have held their present principal occupations, except for Hugh M. S. McKee, who was Vice President, Strategic Initiatives, BMO Financial Group from July 2007 to January 2010, and who was a Global Account Manager at Monitor Group prior to 2007; Michelle Magnaye, who was Corporate Law Clerk, Morguard Investments Limited from August 2006 to August 2009, and who was Senior Assistant Manager and Assistant Secretary at Scotiabank prior to 2006; and Vandra Goedvolk, who was Assistant Subsidiary Governance Officer, Royal Bank of Canada from April 2007 to November 2007, and who was Corporate Law Clerk at Aird & Berlis LLP prior to 2007.

The directors of BMO Global Tax Advantage Funds Inc. are entitled to receive fees, which they determine from time to time. These fees are paid by the BMO Global Tax Advantage Funds. The portion of fees allocated to each fund is determined in accordance with a methodology established by the Manager. These fees are reported in the annual financial statements of BMO Global Tax Advantage Funds Inc., and are the only compensation the directors receive in connection with their service as directors of BMO Global Tax Advantage Funds Inc. During the recently completed financial year of BMO Global Tax Advantage Funds Inc., the directors were paid, in the aggregate, approximately \$72,161 in fees and reimbursed expenses.

The Manager

As Manager of the funds, we are responsible for the day-to-day management of each fund and its investment portfolio in compliance with the funds' constating documents (i.e. the Declarations of Trust for the BMO Trust Funds or the articles of BMO Global Tax Advantage Funds Inc. for the BMO Global Tax Advantage Funds, as applicable) and subject to the authority of the Board of Directors of BMO Global Tax Advantage Funds Inc. with respect to the BMO Global Tax Advantage Funds. We are also responsible for performing valuation and fund accounting services for the funds. In addition, we are the principal distributor of the funds. We have taken the initiative in creating all the funds and may be considered the promoter of some of the funds. Our registered and principal office is:

77 King Street West, Suite 4200
Toronto, Ontario
M5K 1J5

Toll-free 1-800-665-7700
www.bmo.com/mutualfunds

Below are the names of the directors and officers of BMO Investments Inc., along with their municipalities of residence and their principal occupations during the past 5 years:

Name and Municipality of Residence	Position with the Manager	Principal Occupation
GILLES G. OUELLETTE Toronto, Ontario	Chairman and Director	President and Chief Executive Officer, BMO Private Client Group, Deputy Chair, BMO Nesbitt Burns Inc.
EDGAR N. LEGZDINS Toronto, Ontario	Chief Executive Officer and Director	Senior Vice President, Retail Investments and Managing Director, International, BMO Private Client Group, BMO Capital Markets
BARRY M. COOPER Toronto, Ontario	Director	Chairman, Jones Heward Investment Counsel Inc.
CAROL A. NEAL Toronto, Ontario	Director	Vice-President and Chief Financial Officer, BMO Private Client Group
CHRISTINA CHEN Toronto, Ontario	Chief Financial Officer	Chief Financial Officer, Retail Investment Products and Asset Management, Bank of Montreal
ROSS F. KAPPELE Toronto, Ontario	Co-President and Director	Co-President, BMO Investments Inc.
HUGH M. S. MCKEE Toronto, Ontario	Co-President, Chief Operating Officer and Director	Co-President and Chief Operating Officer, BMO Mutual Funds
DARCY M. LAKE Toronto, Ontario	Chief Compliance Officer	Director of Regulatory Affairs and Compliance, BMO Private Client Group
MICHELLE MAGNAYE Mississauga, Ontario	Secretary	Manager, Subsidiaries and Corporate Secretarial Services, BMO Financial Group
VANDRA GOEDVOLK Mississauga, Ontario	Assistant Secretary	Manager, Subsidiaries and Corporate Secretarial Services, BMO Financial Group

During the past 5 years, these directors and officers have held their present principal occupations, except for Hugh M. S. McKee, who was Vice President, Strategic Initiatives, BMO Financial Group from July 2007 to January 2010, and who was a Global Account Manager at Monitor Group prior to 2007; Michelle Magnaye, who was Corporate Law Clerk, Morguard Investments Limited from August 2006 to August 2009, and who was Senior Assistant Manager and Assistant Secretary at Scotiabank prior to 2006; and Vandra Goedvolk, who was Assistant Subsidiary Governance Officer, Royal Bank of Canada from April 2007 to November 2007, and who was Corporate Law Clerk at Aird & Berlis LLP prior to 2007.

Auditors

PricewaterhouseCoopers LLP, Chartered Accountants of Toronto, Ontario, are the auditors of the funds.

Registrar and transfer agent

Bank of Montreal, Investment Services in Montréal, Québec, is the registrar and transfer agent for the funds. The register of securities of the funds are kept in Montréal, Québec.

Custodian

CIBC Mellon Trust Company (“CMT”) of Toronto, Ontario, is the custodian of the funds. As custodian, it holds the cash and securities of all the funds. The parties to the amended and restated master custodial services agreement for the BMO Trust Funds dated January 4, 2010 are the BMO Trust Funds, BMO Investments Inc., CMT and certain of its affiliates. The parties to the amended and restated master custodial services agreement for the BMO Global Tax Advantage Funds dated May 8, 2009, as amended, are BMO Global Tax Advantage Funds Inc., BMO Investments Inc., CMT and certain of its affiliates. The custodial services agreements may be terminated upon 90 days’ written notice in respect of a fund.

All marketable securities are held at CMT’s principal offices in Toronto, with the exception of foreign assets. Foreign assets may be held by local sub-custodians appointed by CMT or under their authority in various foreign jurisdictions where a fund may have assets invested. CMT or the sub-custodians may use the facilities of any domestic or foreign depository or clearing agency authorized to operate a book-based system. The sub-custodians appointed to hold assets of the funds are listed in the most recent Compliance Report prepared and filed on SEDAR on behalf of the funds by CMT pursuant to the requirements of NI 81-102.

Independent Review Committee

In accordance with NI 81-107, the Manager appointed an IRC for the BMO Mutual Funds.

The mandate of the IRC is to review conflict of interest matters identified and referred to the IRC by the Manager and to give its approval or recommendation, depending on the nature of the conflict of interest matter. In each instance where a conflict of interest matter is identified and referred to the IRC, the focus of the IRC is to determine if the Manager’s proposed action achieves a fair and reasonable result for the funds.

At least annually, the IRC will also review and assess the adequacy and effectiveness of the Manager’s policies and procedures relating to conflict of interest matters in respect of the funds, and will conduct a self-assessment of the IRC’s independence, compensation and effectiveness.

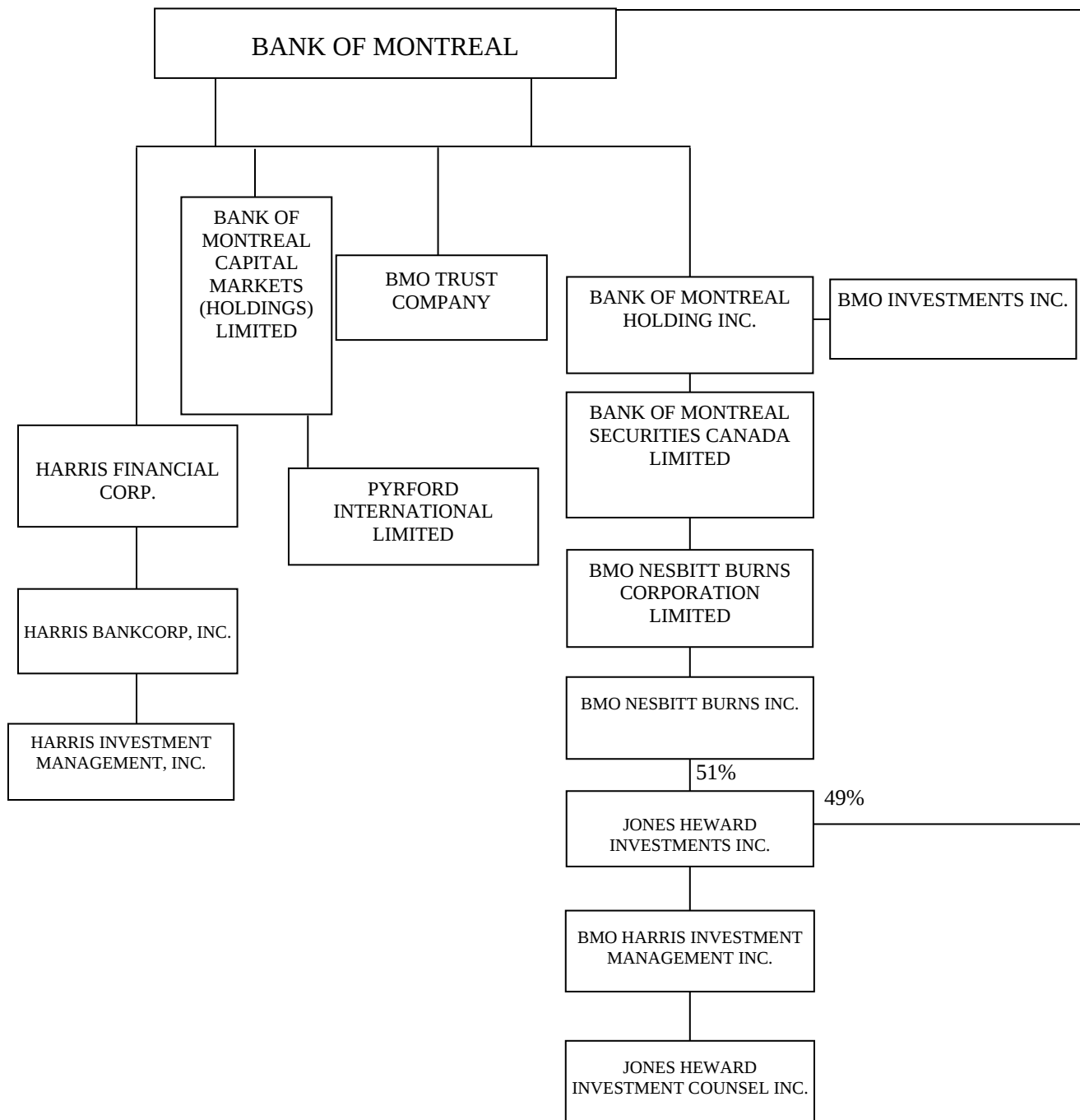
The current members of the IRC are Louise Vaillancourt-Châtillon (Chair), Allen B. Clarke and John K. McBride. Each member is independent of the funds, the Manager and other companies related to the Manager. As of March 31, 2010, Kenneth W. McArthur and R. Jamie Plant chose to retire from their positions as IRC members.

Each member is entitled to receive compensation for the duties he or she performs as an IRC member. For the most recently completed financial year ended September 30, 2009 for the funds, the IRC members, including Kenneth W. McArthur and R. Jamie Plant, received aggregate annual fees and reimbursement of expenses of approximately \$310,757, inclusive of GST. This amount was allocated among the funds in a manner that was fair and reasonable.

For a further description of the mandate and responsibilities of the IRC, see “*Fund Governance*”.

Affiliated entities

The diagram below sets out the relationships among the affiliated entities that provide services to the funds or to the Manager in connection with the funds. All entities below are wholly-owned by Bank of Montreal, directly or indirectly, unless otherwise indicated.



The disclosure of the amount of fees received from the funds by each affiliated entity that provides services to the funds or to the Manager in relation to the funds is, or will be, contained in the audited financial statements of the funds.

The following individuals are directors or officers of BMO Investments Inc. and also of an affiliated entity of BMO Investments Inc.:

Name	Position with the Manager	Position with Affiliates
GILLES G. OUELLETTE	Chairman and Director	President and Chief Executive Officer, BMO Private Client Group; Director and Deputy Chairman, BMO Nesbitt Burns Inc.; Director, Jones Heward Investment Counsel Inc.; Director, Harris Investment Management, Inc.; Executive Vice-President, Harris Financial Corp.; Executive Vice-President, Harris National Association; Executive Vice-President, Harris Bankcorp, Inc.; Director and Vice-Chairman, BMO Nesbitt Burns Corporation Limited; Director and Chairman, Harris myCFO, Inc.; Director, Harris RIA Holdings, Inc.; Director, Pyrford International Limited; Director and Chairman, BMO Life Insurance Company; Director and Chairman, BMO Life Assurance Company
EDGAR N. LEGZDINS	Chief Executive Officer and Director	Senior Vice President Retail Investments, and Managing Director, International, BMO Private Client Group, BMO Capital Markets; Director and Chief Executive Officer, BMO Global Tax Advantage Funds Inc.; Director, BMO Trust Company; Director, Chief Executive Officer, GGOF 2008-I Mining Flow-Through Corporation; Director, President and Chief Executive Officer, BMO Guardian Monthly Dividend Fund Ltd.; Director, Fullgoal Fund Management Company Ltd.; Director, President and Chief Executive Officer, GGOF Canadian Equity Fund Ltd.; Director, President and Chief Executive Officer, BMO Guardian American Equity Fund Ltd.; Director and Chief Executive Officer, GGOF 2007 Mining Flow-Through Corporation
BARRY M. COOPER	Director	Director and Chairman, Jones Heward Investment Counsel Inc.; Director, President, Chairman and Chief Executive Officer, Jones Heward Investments Inc.; Director, BMO Harris Investment Management Inc.; Director and Chairman, BMO Guardian Monthly Dividend Fund Ltd.; Director and Chairman, GGOF 2008-I Mining Flow-Through Corporation; Director and Chairman, BMO Global Tax Advantage Funds Inc.; Director and Chairman, Pyrford International Limited; Director, HIM Money Inc.; Director and Chairman, GGOF Canadian Equity Fund Ltd.; Director and Chairman, BMO Guardian American Equity Fund Ltd.; Director and Chairman, GGOF 2007 Mining Flow-Through Corporation

Name	Position with the Manager	Position with Affiliates
ROSS F. KAPPELE	Co-President and Director	Director and President, GGOF 2008-I Mining Flow-Through Corporation; Director, BMO Guardian Monthly Dividend Fund Ltd.; Director, BMO Global Tax Advantage Funds Inc.; Director, GGOF Canadian Equity Fund Ltd.; Director, BMO American Equity Fund Ltd.; Director and President, GGOF 2007 Mining Flow-Through Corporation
CAROL A. NEAL	Director	Vice-President and Chief Financial Officer, BMO Private Client Group; Director, Jones Heward Investment Counsel Inc.; Director, Chief Financial Officer and Treasurer, BMO Trust Company; Director and Chief Financial Officer, Jones Heward Investments Inc.; Director, Senior Vice-President and Chief Financial Officer, BMO Harris Investment Management, Inc.; Director, BMO Nesbitt Burns Financial Services Inc.; Director, HIM Money, Inc.; Director, BMO Guardian Monthly Dividend Fund Ltd.; Director and Chief Financial Officer, GGOF 2008-I Mining Flow-Through Corporation; Director, BMO Global Tax Advantage Funds Inc.; Director, Pyrford International Limited; Director, Harris Investment Management, Inc.; Director, BMO Life Insurance Company; Director, GGOF Canadian Equity Fund Ltd.; Director, BMO Guardian American Equity Fund Ltd.; Director and Chief Financial Officer, GGOF 2007 Mining Flow-Through Corporation
CHRISTINA CHEN	Chief Financial Officer	Chief Financial Officer, HIM Money, Inc.; Chief Financial Officer, Jones Heward Investment Counsel Inc.; Chief Financial Officer, BMO Group Retirement Services Inc.
HUGH M. S. MCKEE	Co-President, Chief Operating Officer and Director	Co-President and Chief Operating Officer, BMO Mutual Funds; Director, President and Chief Operating Officer, BMO Global Tax Advantage Funds Inc.; Director, BMO Guardian Monthly Dividend Fund Ltd.; Director, GGOF 2008-I Mining Flow-Through Corporation; Director, BMO Group Retirement Services Inc.; Director, GGOF Canadian Equity Fund Ltd.; Director, BMO Guardian American Equity Fund Ltd.; Director, GGOF 2007 Mining Flow-Through Corporation
DARCY M. LAKE	Chief Compliance Officer	Director of Regulatory Affairs and Compliance, BMO Private Client Group; Chief Compliance Officer, HIM Money, Inc.; Chief Compliance Officer, BMO Trust Company; Chief Compliance Officer, BMO Harris Investment Management Inc., Chief Compliance Officer, BMO Nesbitt Burns Group of Funds; Canadian Chief Compliance Officer, Harris Investment Management, Inc.

Name	Position with the Manager	Position with Affiliates
MICHELLE MAGNAYE	Secretary	Manager, Subsidiaries and Corporate Secretarial Services, BMO Financial Group; Assistant Secretary, BMO Nesbitt Burns Securities Ltd.; Secretary, Nesbitt Burns Real Estate Management Corp.; Secretary, Nesbitt Burns Real Estate Services Corp.; Secretary, 151412 Canada Limited; Secretary, Nesbitt Burns Investment Holdings Limited; Assistant Secretary, BMO Investorline Inc.; Assistant Secretary, BMO Nesbitt Burns Financial Services Inc.; Secretary, BMO Guardian Monthly Dividend Fund Ltd.; Secretary, 2002197 Ontario Inc.; Secretary, BMO Global Tax Advantage Funds Inc.; Secretary, BMO Capital Markets Real Estate Inc.; Secretary, GGOF 2008-I Mining Flow-Through Corporation; Secretary, SHM Adminco Ltd.; Secretary, Star Hedge Managers Corp.; Secretary, GGOF Canadian Equity Fund Ltd.; Secretary, BMO Guardian American Equity Fund Ltd.
VANDRA GOEDVOLK	Assistant Secretary	Manager, Subsidiaries and Corporate Secretarial Services, BMO Financial Group; Assistant Secretary, Jones Heward Investment Counsel Inc.; Secretary, BMO Capital Corporation; Secretary, Bank of Montreal Finance Ltd.; Secretary, BMO Nesbitt Burns Inc.; Secretary, BMO Trust Company; Secretary, BMO Nesbitt Burns Corporation Limited; Assistant Secretary, BMO Harris Investment Management Inc.; Secretary, Bank of Montreal Securities Canada Limited; Secretary, BMO Life Insurance Company, Secretary; BMO Life Assurance Company; Secretary, BMO Life Holdings (Canada), ULC; Secretary, BMO Mortgage Corp.; Secretary, BMO (NS) Investment Company; Assistant Secretary, BMO Global Tax Advantage Funds Inc.; Secretary, BMO (NS) Capital Funding Company; Secretary, BMO GP Inc.; Secretary, Bank of Montreal Mortgage Corporation; Secretary, BMRI Realty Investments; Secretary, Bank of Montreal Medical Plan Trust; Secretary, Bank of Montreal Dental Plan Trust; Secretary, BMO Nesbitt Burns Group of Funds; Secretary, GGOF 2007 Mining Flow-Through Corporation

Management Agreement

The amended and restated master management agreement dated December 1, 2007 together with amended and restated Schedule “A” dated January 1, 2010, amended and restated Schedule “B” dated April 14, 2010 and amended and restated Schedule “C” dated April 14, 2010 in respect of each of the funds (the “Master Management Agreement”) determines how we administer each fund’s day-to-day operations, supervise each fund’s investments, help manage the investment and reinvestment of assets, and serve as principal distributor of the securities of the funds. The Master Management Agreement also provides that we are entitled to management fees in return for our services. We are supervised by, and act on behalf of, the Trustee of the BMO Trust

Funds and the Board of Directors of BMO Global Tax Advantage Funds Inc. The Master Management Agreement may be terminated at any time by any fund or by us in respect of any fund by not less than 90 days' prior notice in writing.

We use our best efforts to help each fund make suitable investments consistent with its objectives and strategies. We are under an obligation to be fair and reasonable in all of our management responsibilities.

We may hire experts to provide investment advice and portfolio management services for any fund. We may designate any officers or employees of each fund, and compensate them.

As principal distributor, we may designate branches of Bank of Montreal in Canada and engage registered dealers and brokers to distribute securities of the funds to the public. We supervise the distribution activity of all the branches of Bank of Montreal.

Portfolio Managers

We have hired portfolio managers to help us manage the funds. As set out in our agreements with them, the portfolio managers help us formulate policies and strategies for the funds, and provide specific investment recommendations from time to time. Under our direction, they buy and sell investments according to the objectives and strategies of the funds and the criteria approved by the Trustee and the Board of Directors. At their own expense, they may retain other investment advisers and securities brokers in any country. However, we are responsible at all times for managing the funds' portfolios, and we are answerable to the Trustee and the Board of Directors.

We have agreements with each of the portfolio managers that may be terminated upon written notice or immediately if the portfolio manager becomes insolvent (or for certain other technical reasons). These agreements prescribe the duties and powers of the portfolio manager, including setting benchmarks and investment policies, stipulating the standard of care each shall exercise and deciding upon the frequency and nature of reports to be furnished to the Manager and the Custodian. The portfolio managers are obliged to adhere to all applicable legislative and regulatory requirements and such other guidelines and restrictions as the Manager may stipulate. We pay the portfolio managers a fee for their services.

The table below shows the current portfolio managers, the municipality of their principal place of business and the number of days required to terminate our agreement(s) with them.

Portfolio manager	Municipality	Termination Notice Required
Aberdeen Asset Management Inc. ("Aberdeen")	Edinburgh, Scotland	90 days
Harris Investment Management, Inc. ("Harris")	Chicago, Illinois	30 days
HIM Money, Inc. ("HIM Money")	Toronto, Ontario	90 days
Insight Investment Management (Global) Limited ("Insight")	London, England	90 days

Portfolio manager	Municipality	Termination Notice Required
Jones Heward Investment Counsel Inc. ("Jones Heward")	Toronto, Ontario	60 days
KBC Asset Management International Limited ("KBC")	Dublin, Ireland	90 days
Lazard Asset Management (Canada), Inc. ("Lazard")	New York, New York	90 days
Loomis, Sayles & Company, L.P. ("Loomis")	Boston, Massachusetts	90 days
Macquarie Capital Investment Management LLC ("Macquarie")	New York, New York	90 days
Martin Currie Inc. ("Martin Currie")	Edinburgh, Scotland	90 days
PIMCO Canada Corp. ("PIMCO")	Toronto, Ontario	60 days
Pyrford International Limited ("Pyrford")	London, England	90 days
SAM Sustainable Asset Management AG ("SAM")	Zurich, Switzerland	90 days
State Street Global Advisors, Ltd. ("State Street")	Montreal, Quebec	30 days
UBS Global Asset Management (Canada) Co. ("UBS")	Toronto, Ontario	60 days
Vontobel Asset Management, Inc. ("Vontobel")	New York, New York	N/A Vontobel is a sub-advisor to the portfolio manager*

* Jones Heward is the portfolio manager to whom Vontobel provides investment advice.

Aberdeen is an independent asset manager, based in Aberdeen, Scotland, UK.

Harris is a wholly-owned indirect subsidiary of Bank of Montreal.

HIM Money is a wholly-owned direct subsidiary of Chicago-based Harris Investment Management, Inc., and operates within BMO Financial Group. HIM Money is a wholly-owned indirect subsidiary of Bank of Montreal.

Insight is a subsidiary of HBOS plc and formerly carried on business as "Rothschild Asset Management Limited", prior to being acquired by Insight on January 31, 2003.

Jones Heward is a wholly-owned indirect subsidiary of Bank of Montreal.

KBC is a wholly-owned subsidiary of KBC Asset Management Ltd, Dublin and is ultimately owned by the KBC Group, a financial services provider headquartered in Brussels and publicly listed on the Euronext Stock Exchange in Brussels.

Lazard is an international financial advisory and asset management firm with company history dating back to 1848.

Loomis is an indirect, wholly owned subsidiary of Natixis Global Asset Management, L.P., which is part of Natixis Global Asset Management, an international asset management group based in Paris, France.

Macquarie is a wholly-owned, indirect subsidiary of Macquarie Funds Group, an Australian fund manager established in 1985.

Martin Currie is an affiliate of Martin Currie Investment Management Limited, a Scottish investment company which was established in 1881.

PIMCO is a wholly-owned, indirect subsidiary of Pacific Investment Management Company LLC, a Delaware limited liability company.

Pyrford is a wholly-owned indirect subsidiary of Bank of Montreal.

SAM is an independent asset management company headquartered in Zurich, Switzerland.

State Street is a wholly-owned subsidiary of State Street Corp. of Boston, Massachusetts.

UBS was formed in 1998 through the merger of Union Bank of Switzerland and Swiss Bank Corporation.

Vontobel is a wholly-owned subsidiary of Vontobel Holding AG, which is listed on the Swiss Stock Exchange.

Investment decisions are made by teams at each portfolio management firm. Each team generally has a manager or lead person and investment decisions are overseen by a committee. The list below provides information about each fund's portfolio manager(s) and sub-advisor(s), if any, as well as the individual(s) principally responsible for managing the investments of the fund.

Fund	Portfolio Manager(s)	Individual(s) Principally Responsible
BMO Canadian Money Market Fund	Jones Heward	Mark McMahon
BMO Money Market Fund	Jones Heward	Mark McMahon
BMO Premium Money Market Fund	Jones Heward	Mark McMahon
BMO T-Bill Fund	Jones Heward	Mark McMahon
BMO Bond Fund	Jones Heward	Mark McMahon Andrew Osterback
BMO Diversified Income Fund	Jones Heward	Michael Stanley Mark McMahon
BMO Global High Yield Bond Fund	PIMCO	Curtis A. Mewbourne
BMO Global Monthly Income Fund	UBS	Curt Custard
BMO Monthly Income Fund	Jones Heward	Michael Stanley Mark McMahon
BMO Mortgage and Short-Term Income Fund	Jones Heward	Mark McMahon Andrew Osterback

Fund	Portfolio Manager(s)	Individual(s) Principally Responsible
BMO U.S. High Yield Bond Fund	HIM Money	Sadhana Valia
BMO World Bond Fund	Insight	Dale Thomas Isobel Lee
BMO Asset Allocation Fund	Harris (U.S. portfolio)	Daniel L. Sido
	Jones Heward (Canadian portfolio)	Michael Stanley Mark McMahon Robert Taylor
	Martin Currie (Asian portfolio)	James Chong
BMO Dividend Fund	Jones Heward	Michael Stanley
BMO Equity Fund	Jones Heward	Michael Stanley
BMO Equity Index Fund	Jones Heward	Michael Stanley
BMO European Fund	Jones Heward	Michael Stanley
	Vontobel (sub-advisor)	Rajiv Jain Matthew Benkendorf
BMO Global Infrastructure Fund	Macquarie	Andrew Maple-Brown
BMO International Index Fund	State Street	Tony Beaulac
BMO Japanese Fund	Martin Currie	John Millar
BMO North American Dividend Fund	Harris (U.S. portfolio)	Daniel L. Sido
	Jones Heward (Canadian portfolio)	Michael Stanley
BMO U.S. Equity Fund	Harris	Daniel L. Sido
BMO U.S. Equity Index Fund	Harris	Daniel L. Sido Matthew F. Bender
BMO U.S. Growth Fund	Harris	T. Andrew Janes
BMO Emerging Markets Fund	Lazard	Jai Jacob Kevin O'Hare James Donald
BMO Global Science & Technology Fund	Harris	T. Andrew Janes Matthew F. Bender
BMO Precious Metals Fund	Jones Heward	Mark Serdan Robert Taylor
BMO Resource Fund	Jones Heward	Mark Serdan Robert Taylor
BMO Special Equity Fund	Jones Heward	Lesley Marks
BMO U.S. Special Equity Fund	Harris (until on or about June 4, 2010)	Todd C. Sanders
	Loomis (effective on or about June 4, 2010)	Dan Thelen Joe Gatz David Sowerby
BMO U.S. Dollar Equity Index Fund	Harris	Daniel L. Sido Matthew F. Bender
BMO U.S. Dollar Money Market Fund	Harris	Peter J. Arts

Fund	Portfolio Manager(s)	Individual(s) Principally Responsible
BMO U.S. Dollar Monthly Income Fund	Jones Heward (U.S. equities)	Keith Taylor
	Lazard (U.S. equities and U.S. fixed income)	Eulogio (Joe) Ramos J. William Charlton J. Richard Tutino, Jr.
BMO Canadian Equity Class	Jones Heward	Michael Stanley
BMO Canadian Tactical ETF Class	Jones Heward	Michael Stanley Mark McMahon Robert Taylor John Young
BMO Dividend Class	Jones Heward	Michael Stanley
BMO Global Dividend Class	KBC	Gareth Maher
BMO Global Energy Class	Jones Heward	Robert Taylor
BMO Global Equity Class	Aberdeen	Bruce Stout Stephen Docherty
BMO Global Tactical ETF Class	Jones Heward	Michael Stanley Mark McMahon Robert Taylor John Young
	Pyrford (sub-advisor)	Tony Cousins
BMO Greater China Class	Martin Currie	James Chong
BMO International Value Class	Pyrford	Tony Cousins Paul Simons Daniel McDonagh
BMO Short-Term Income Class	Jones Heward	Mark McMahon
BMO Sustainable Climate Class	SAM (until June 30, 2010)	Thiemo Lang Dieter Küffer
BMO Sustainable Opportunities Class	SAM (until June 30, 2010)	Diego d'Argenio Kai Fachinger
BMO SelectClass Security Portfolio	Jones Heward	Michael Stanley
BMO SelectClass Balanced Portfolio	Jones Heward	Michael Stanley
BMO SelectClass Growth Portfolio	Jones Heward	Michael Stanley
BMO SelectClass Aggressive Growth Portfolio	Jones Heward	Michael Stanley
BMO LifeStage Plus 2015 Fund	Jones Heward	Michael Stanley
	Bank of Montreal (sub-advisor)	Luke Seabrook Jeff Poulsen
BMO LifeStage Plus 2017 Fund	Jones Heward	Michael Stanley
	Bank of Montreal (sub-advisor)	Luke Seabrook Jeff Poulsen
BMO LifeStage Plus 2020 Fund	Jones Heward	Michael Stanley
	Bank of Montreal (sub-advisor)	Luke Seabrook Jeff Poulsen

Fund	Portfolio Manager(s)	Individual(s) Principally Responsible
BMO LifeStage Plus 2022 Fund	Jones Heward	Michael Stanley
	Bank of Montreal (sub-advisor)	Luke Seabrook Jeff Poulsen
BMO LifeStage Plus 2025 Fund	Jones Heward	Michael Stanley
	Bank of Montreal (sub-advisor)	Luke Seabrook Jeff Poulsen
BMO LifeStage Plus 2026 Fund	Jones Heward	Michael Stanley
	Bank of Montreal (sub-advisor)	Luke Seabrook Jeff Poulsen
BMO LifeStage Plus 2030 Fund	Jones Heward	Michael Stanley
	Bank of Montreal (sub-advisor)	Luke Seabrook Jeff Poulsen
BMO FundSelect Security Portfolio	Jones Heward	Michael Stanley
BMO FundSelect Balanced Portfolio	Jones Heward	Michael Stanley
BMO FundSelect Growth Portfolio	Jones Heward	Michael Stanley
BMO FundSelect Aggressive Growth Portfolio	Jones Heward	Michael Stanley

The table below contains descriptions of the individuals principally responsible for managing the investments of the funds and their relevant experience:

Name and Title	Length of Service with Portfolio Manager or Sub-Advisor	Other Business Experience in the Last 5 Years
Peter J. Arts Principal and Head of Short Duration Fixed Income Harris	since 1994	
Tony Beaulac Vice President State Street	since 2000	
Matthew F. Bender Principal and Portfolio Manager Harris	since 2005	
Matthew Benkendorf Portfolio Manager, European Equity Strategy Vontobel	since 1999	
J. William Charlton Director and Portfolio Manager Lazard	since 2002	
James Chong Director Martin Currie	since 2006	Vice President of equities, Lombard Odier Darier Hentsch (prior to 2006).

Name and Title	Length of Service with Portfolio Manager or Sub-Advisor	Other Business Experience in the Last 5 Years
Tony Cousins Director, Portfolio Management Pyrford	since 1989	
Curt Custard Head of Global Investment Solutions UBS	since 2008	Global Head of Multi-Asset Solutions, Schoders Investment Management Ltd. (since 2004).
Diego d'Argenio Senior Portfolio Manager SAM	since 2005	
Stephen Docherty Head of Global Equities Aberdeen	since 1994	
James Donald Portfolio Manager / Analyst Lazard	since 1996	
Kai Fachinger Portfolio Manager SAM	since 2007	Financial Engineer, Allianz Global Investors (prior to 2007).
Joe Gatz Vice President and Portfolio Manager Loomis	since 1999	
Jai Jacob Director and Portfolio Manager / Analyst Lazard	since 1998	
Rajiv Jain Managing Director, Senior Vice President and Senior Portfolio Manager Vontobel	since 1994	
T. Andrew Janes Partner and Senior Portfolio Manager Harris	since 1999	
Dieter Küffer Senior Portfolio Manager SAM	since 2001	
Thiemo Lang Senior Portfolio Manager SAM	since 2007	Senior Portfolio Manager, Lombard Odier Darier Hentsch et Cie. (2005-2007).
Isobel Lee Head of Global Fixed Income Insight	since 1997	
Gareth Maher Senior Portfolio Manager KBC	since 2000	
Andrew Maple-Brown Co-Portfolio Manager, MFG Infrastructure Securities Macquarie	since 2001	

Name and Title	Length of Service with Portfolio Manager or Sub-Advisor	Other Business Experience in the Last 5 Years
Lesley Marks Vice President and Portfolio Manager Jones Heward	since 1999	
Daniel McDonagh Portfolio Manager Pyrford	since 1997	
Mark McMahon Senior Vice President and Director of Fixed Income Jones Heward	since 1999	
Curtis A. Mewbourne Managing Director and Generalist Portfolio Manager PIMCO	since 1999	
John Millar Director Martin Currie	since 2000	
Kevin O'Hare Portfolio Manager / Analyst Lazard	since 2001	
Andrew Osterback Portfolio Manager Jones Heward	since 2005	
Jeff Poulsen Managing Director, Financial Products Bank of Montreal	since 2006	Executive Director, Equity Structured Products, CIBC World Markets (prior to 2006).
Eulogio (Joe) Ramos Director & Portfolio Manager Lazard	since 2006	Chief Investment Officer, Ambac Financial Group (prior to 2006).
Todd C. Sanders Principal, Portfolio Manager and Managing Director – Equities Harris	since 2006	Portfolio Manager, Principal Financial Group (1998-2006).
Luke Seabrook Executive Managing Director, Financial Products Bank of Montreal	since 2004	
Mark Serdan Vice President, Portfolio Manager Jones Heward	since 2009	Director, UBS Global Asset Management Inc. (prior to 2009).
Daniel L. Sido Senior Partner and Managing Director – Equities Harris	since 1994	
Paul Simons Head of the Asia-Pacific Team Pyrford	since 1996	

Name and Title	Length of Service with Portfolio Manager or Sub-Advisor	Other Business Experience in the Last 5 Years
David Sowerby Portfolio Manager Loomis	since 1998	
Michael Stanley President and Co-Chief Investment Officer Jones Heward	since 1996	
Bruce Stout Senior Investment Manager Aberdeen	since 1987	
Keith Taylor Portfolio Manager Jones Heward	since 2008	Portfolio Manager, GGOF Investment Management (2001-2008).
Robert Taylor Portfolio Manager Jones Heward	since 2002	
Dan Thelen Vice President and Portfolio Manager Loomis	since 1996	
Dale Thomas Head of Currency Management Insight	since 1995	
J. Richard Tutino, Jr. Portfolio Manager / Analyst Lazard	since 1997	
Sadhana Valia Head of High Yield Team and Senior Portfolio Manager HIM Money	since 1998	
John Young Vice President, Portfolio Manager Jones Heward	since 2009	Executive Director, UBS Global Asset Management (January 2006 – March 2009); Managing Director, Head of Equity Research, TD Securities Inc. (August 1998 – May 2005).

Brokerage Arrangements

The funds have no arrangement with any dealer or broker regarding fund transactions, and we have no formula for allocating the funds' brokerage business. We and the portfolio managers allocate brokerage business based on quality of service and the terms for specific transactions.

From time to time, we or the portfolio managers may engage BMO Nesbitt Burns Inc. (an indirect, majority-owned subsidiary of Bank of Montreal) and Bank of Montreal, to execute transactions. However, all transactions will be on competitive terms and conditions, including brokerage fees.

Since the date of the last annual information form, the following companies have provided certain investment decision-making services in the nature of research analysis and reports

concerning securities and portfolio strategies and statistical and other similar services to the Manager or a person appointed by the Manager in return for the allocation of brokerage transactions: ABN Amro, Bank of America/Merrill Lynch, Bank of China, Barclays Capital, BNP Paribas, Bank of New York, Capital Institutional Services, CICC, Citigroup Inc., CLSA, Commission Direct, Credit Suisse, Daiwa Securities, Deemer – Market Strategies & Insights, Deutsche Bank, Dresdner Kleinwort, Fox Pitt Kelton, Gateway Trading, Goldman Sachs, Groppe, Long & Littell, H.C. Wainwright & Co. Economics Inc., HSBC Securities Inc., Instinet LLC, Investment Technology Group, J.P. Morgan, Jefferies, KBC, Knight Equity Markets, MacQuarie Equities, Mitsubishi UFJ Securities, Mizuho Securities, Morgan Stanley, National Bank Financial, Nomura, Paradigm Capital, Scotia McLeod, Sinopac, Societe Generale, Tachibana Securities Ltd., The Leuthold Group, UBS, Weeden & Co. and William O’Neil & Co.

Fund Governance

General oversight

As stated above, the Trustee has the exclusive authority over the assets and affairs of the BMO Trust Funds and is ultimately responsible for the BMO Trust Funds. The Board of Directors of BMO Global Tax Advantage Funds Inc. is responsible for the administration and operation of the BMO Global Tax Advantage Funds. Both the Trustee and the Board of Directors delegate the day-to-day administration and operation of the funds to the Manager.

The Board of Directors meets quarterly to receive the report of the Manager and to discuss and review the business and operations of the BMO Global Tax Advantage Funds. The Board of Directors also has an Audit Committee. The Audit Committee generally meets quarterly to discuss financial matters applicable to the BMO Global Tax Advantage Funds, investment performance and compliance. We have an Investment Management Committee that meets monthly to examine and review investment performance, compliance, industry trends, ideas, opportunities and related matters. This committee reports performance and significant issues to the Trustee and the Board of Directors.

We have hired certain portfolio managers to provide investment advice and portfolio management for the funds. Their activities are carefully and regularly monitored by the Manager’s Investment Management Committee to help ensure observance of investment guidelines, conduct and financial performance. The portfolio managers may also report to the Trustee or the Board of Directors, as the case may be, from time to time.

We have established appropriate policies, procedures, practices and guidelines to ensure the proper management of the funds, including the policies and procedures relating to conflicts of interest as required by NI 81-107. Included among these policies is a personal trading policy for employees of the Manager. The personal trading policy is designed to prevent potential, perceived or actual conflicts between the interests of the Manager and its employees, and the interests of the funds. Under the policy, certain senior personnel of the Manager are required to obtain prior approval before placing any trades in securities for their personal accounts in order to ensure that the trades do not conflict with the best interests of the funds and have not been made available to the employee because of his or her position, knowledge of or relationship with the funds.

We are the principal distributor of securities of the funds. There are branch compliance officers overseeing the sale and distribution of the funds, a provincial/divisional compliance officer ensuring that branch compliance officers are carrying out their compliance responsibilities, and a BMO Mutual Funds compliance department overseeing trading surveillance, regulatory changes, training courses and materials and transactions involving actual or potential conflicts of interest.

Independent Review Committee

In accordance with NI 81-107, the Manager appointed an IRC for the BMO Mutual Funds. The mandate of the IRC is to:

- (a) review the written policies and procedures established by the Manager and referred to the IRC on conflict of interest matters;
- (b) review conflict of interest matters referred to the IRC by the Manager and provide the Manager with an approval or a recommendation (an IRC decision) depending on the nature of the conflict of interest matter;
- (c) perform any other function required of an independent review committee under applicable Canadian securities legislation; and
- (d) perform any other function, as may be agreed to in writing by the IRC and the Manager, from time to time.

At least annually, the IRC will also review and assess the adequacy and effectiveness of the Manager's written policies and procedures relating to conflict of interest matters in respect of the funds, in addition to any standing instructions the IRC has provided to the Manager to enable the Manager to act in a particular conflict of interest matter on a continuing basis. This review will include an assessment of the Manager's and the funds' compliance with the related policies and procedures and the conditions imposed by the IRC in the applicable standing instruction.

On an annual basis, the IRC will also conduct a self-assessment of the IRC's independence, compensation and effectiveness. The IRC will provide the Manager with a report of the results of such self-assessment.

In accordance with NI 81-107, for each financial year of the funds, the IRC will prepare a report to securityholders that describes the IRC and its activities for the financial year. Securityholders can get a copy of this report, at no cost, by calling 1-800-665-7700, by writing to us at BMO Investments Inc., 77 King Street West, 42nd Floor, Toronto, Ontario, M5K 1J5 or by visiting our website at www.bmo.com/mutualfunds or SEDAR at www.sedar.com.

Risk management

Risk management is dealt with on a number of levels. The agreements between the Manager and the portfolio managers set out the objectives and strategies of a fund, the investment restrictions and policies prescribed by the Canadian securities regulators and any additional guidelines and criteria considered by the Manager to be appropriate. Various measures to assess risk are used, including mark to market security valuation, fair value accounting, effective exposure reporting,

and monthly reconciliations of security and cash positions. Compliance monitoring of the funds' portfolios is ongoing. The funds are priced daily, which ensures that the valuation accurately reflects market movements.

Derivatives trading

Derivatives are used by certain of the funds as disclosed in the simplified prospectus. They are used in order to effect a strategy (for example, they may be used for hedging purposes or to get exposure to the underlying market, security or fund).

The Manager allows for the use of derivatives under certain conditions and limitations. We have written guidelines that set out the objectives and goals for derivatives trading which are established and reviewed annually by the board of directors of the Manager. The Manager also has written policies and procedures in place on the use of, and to supervise the portfolio managers in the use of, derivatives as investments within the funds. These policies and procedures set out specific procedures for the authorization, documentation, reporting, monitoring and review of derivative strategies and positions. These policies and procedures are reviewed as required, with a minimum annual review.

The Manager expects to have a Derivatives Review Committee ("DRC") that reports quarterly, and more frequently if required, to the Board of Directors of the Manager. The DRC is expected to be comprised of the Chief Investment Officer of the Manager, the Chief Compliance Officer of the Manager and other senior members of the Manager's research team. Through the DRC, the Manager will monitor the trading, holdings and positions of the derivatives portfolio, in conjunction with the investment policies of the funds and is responsible for applying and enforcing controls.

The derivative contracts entered into by the portfolio managers on behalf of the funds must be in accordance with the investment objectives and strategies of each of the funds. The portfolio managers are also required to adhere to applicable securities legislation and regulation or regulatory orders, including NI 81-102. The Manager sets and reviews the investment policies of the funds, which also allow trading in derivatives.

The Manager requires that the portfolio managers use risk management processes to monitor and measure the risks of all portfolio holdings with the funds, including the derivatives positions. The portfolio managers will use risk measurement procedures or simulations to test the derivatives holdings of the funds under stress, where applicable.

When using derivatives, the Manager uses various measures to assess risk, including mark to market security valuation, fair value accounting, monthly reconciliations of securities and cash positions, and in particular for BMO Global High Yield Bond Fund, monthly reconciliations of net exposures under derivatives to segregated, liquid assets or offsetting rights or obligations. Compliance monitoring of BMO Global High Yield Bond Fund's investment portfolio is ongoing. BMO Global High Yield Bond Fund is priced daily, which ensures that performance accurately reflects market movements.

The effective exposure of derivatives in a fund is monitored daily by the Manager as part of the compliance monitoring and daily pricing of a fund. Contracts are held by an independent third

party and derivative trading also occurs with a third party organization (mutually agreed upon by the Manager and the portfolio manager). We have agreements with these third party providers. Portfolio managers are required to regularly reconcile positions with the Manager and the Custodian. Portfolio managers must also certify compliance with the rules contained in applicable securities legislation on a quarterly basis.

Securities lending, repurchase and reverse repurchase transactions

The Manager has entered into a written securities lending, repurchase or reverse repurchase transaction agreement (a “Securities Lending Agreement”) on behalf of the funds with the Custodian, as agent for the funds, to administer any securities lending, repurchase and reverse repurchase transactions for the funds.

The Securities Lending Agreement complies with the applicable provisions of NI 81-102. The Manager manages the risks associated with securities lending, repurchase and reverse repurchase transactions (which are described under “*General investment risks*” in the simplified prospectus) by requiring the Custodian to:

- enter into securities lending, repurchase or reverse repurchase transactions with reputable and well-established Canadian and foreign brokers, dealers and institutions (“counterparties”);
- maintain internal controls, procedures and records including a list of approved counterparties based on generally accepted creditworthiness standards, transaction and credit limits for each counterparty and collateral diversification standards;
- establish daily the market value of both the securities loaned by a fund under a securities lending transaction or sold by a fund under a repurchase transaction and the cash or collateral held by the fund. If on any day the market value of the cash or collateral is less than 102% of the market value of the borrowed or sold securities, the Custodian will request that the counterparty provide additional cash or collateral to the fund to make up the shortfall; and
- ensure that the collateral to be delivered to the fund is one or more of cash, qualified securities or securities immediately convertible into, or exchangeable for, securities of the same issuer, class or type, and same term, if applicable, as the securities being loaned by the fund.

The transaction may be terminated by the fund at any time and the loaned securities recalled within the normal and customary settlement period for such transactions.

The Manager will review its written policies and procedures at least annually to ensure that the risks associated with securities lending, repurchase and reverse repurchase transactions are being properly managed. The funds’ securities lending agent (the Custodian) will use risk measurement procedures or simulations to test each portfolio under stress, where applicable.

Transactions with related or connected persons or companies

The Manager is a member of a group of related companies known as the “BMO Financial Group”. Applicable securities legislation contains restrictions on the circumstances in which the funds, or the Manager on behalf of the funds, may enter into transactions or arrangements with or involving other members of the BMO Financial Group.

From time to time the Manager may, on behalf of the funds, enter into transactions or arrangements with or involving other members of the BMO Financial Group, or certain other persons or companies that are related or connected to the Manager or the funds. These may include transactions or arrangements with or involving Bank of Montreal, BMO Nesbitt Burns Inc., BMO Harris Investment Management Inc., HIM Money, Inc., Jones Heward Investment Counsel Inc., BMO InvestorLine Inc., Pyrford International Limited, Harris Investment Management, Inc., or other related mutual funds, and may involve the purchase or sale of portfolio securities through or from a member of the BMO Financial Group, the purchase or sale of securities issued or guaranteed by a member of the BMO Financial Group, a fund entering into forward contracts, options on forwards or swaps with a member of the BMO Financial Group acting as counterparty, the purchase or redemption of securities of other mutual funds managed by us or by another member of the BMO Financial Group (including exchange traded funds) or the provision of services to the Manager. However, these transactions and arrangements will only be entered into where they are permitted under applicable securities legislation or by securities regulatory authorities having jurisdiction and, if applicable, approved by the IRC and where they are, in the opinion of the Manager, in the best interests of the funds.

Proxy voting policies and procedures

The Manager has delegated the voting of proxies of each fund’s portfolio securities to that fund’s portfolio manager as part of the portfolio manager’s management of the fund’s portfolio, subject to the Manager’s continuing oversight. A portfolio manager voting proxies on behalf of a fund must do so in a manner consistent with the best interests of the fund and its securityholders.

As part of its continuing oversight, the Manager has established policies and procedures to be followed by each fund’s portfolio manager, in conjunction with the portfolio manager’s own policies and procedures, in determining how to vote on any matter for which the funds receive proxy materials for a meeting of securityholders of an issuer. The policies and procedures established by the Manager (the “Proxy Policies”) include:

- (a) a standing policy for dealing with routine matters on which a fund may vote. In particular, the Proxy Policies apply general guidelines to a number of routine matters. These guidelines vary, depending on the specific matter involved. Routine matters include: election of directors; appointment of auditors; changes in capital structure; and an increase in authorized stock. While votes will be made on a case-by-case basis, the funds will typically vote in favour of routine matters unless there are specific circumstances for voting against, as noted below;
- (b) the circumstances under which a fund will deviate from the standing policy for routine matters. The Proxy Policies provide that a fund’s portfolio manager may

depart from the general guidelines with respect to routine matters, in order to avoid voting decisions that may be contrary to the best interests of the fund and the fund's securityholders. For example, the Proxy Policies provide that funds will typically support management's recommendations regarding the appointment of an auditor, but may vote against such a recommendation if the fees for services are excessive or if there are other reasons to question the independence or quality of the company's auditors;

- (c) the policies under which, and the procedures by which, a fund will determine how to vote or refrain from voting on non-routine matters. These policies vary depending on the specific matter involved. Non-routine matters include: corporate restructurings; mergers and acquisitions; proposals affecting shareholder rights; corporate governance; executive compensation; and social and environmental issues. For example, with respect to shareholders rights, the Proxy Policies provide that the funds will typically vote in favour of proposals that give shareholders a greater voice in the affairs of the company and oppose any measure that seeks to limit those rights; and
- (d) procedures to ensure that portfolio securities held by a fund are voted in accordance with the instructions of the Manager. This includes the requirement of each portfolio manager to provide to the Manager on a quarterly basis a certificate confirming that it has voted all securities held by the funds it manages in accordance with the Manager's policies and procedures.

A conflict of interest may exist if a portfolio manager, its personnel or another related entity has a business relationship with (or is actively soliciting business from) either the company soliciting the proxy or a third party that has a material interest in the outcome of a proxy vote or that is actively lobbying for a particular outcome of a proxy vote. Conflicts of interest also may arise if an individual employed by the portfolio manager that is involved in the proxy vote decision has a direct or indirect personal relationship or other interest in either the company soliciting the proxy or in a third party that has a material interest in the outcome of a proxy vote, or that is lobbying for a particular outcome of a proxy vote.

Each fund's portfolio manager has procedures in place to identify potential conflicts of interest. When a fund's portfolio manager becomes aware of any vote that presents a conflict, the portfolio manager must vote such proxy question in a manner consistent with, and uninfluenced by considerations other than, the best interest of the fund and its securityholders.

The policies and procedures that the funds follow when voting proxies relating to portfolio securities are available on request, at no cost, by calling 1-800-665-7700 or by writing to the Manager, 77 King Street West, Suite 4200, Toronto, Ontario M5K 1J5.

Each fund's proxy voting record for the most recent period ended June 30 of each year is available free of charge to any securityholder of the fund upon request at any time after August 31 of the relevant year by calling 1-800-665-7700. The proxy voting record is also available on the funds' website at www.bmo.com/mutualfunds.

Policies and procedures on short-term trading

We have policies and procedures to detect and deter short-term or excessive trading that include the ability to refuse your present or future order(s) to buy or switch securities and charging a short-term trading fee.

We monitor for potential timing abuses both in branch offices and at our head office. We use an electronic trade surveillance system to review and flag trades for potential problems and we also review transaction records daily to detect short-term or excessive trading. Flagged trades are reviewed by compliance officers and warnings, verbal or written, may be sent. If, in our sole discretion, we determine that you are engaging in short-term trading, in addition to taking other available remedies, the relevant fund may reject your purchase or switch order(s) or may charge a short-term trading fee to be paid directly to the fund out of the redemption proceeds, reducing the amount otherwise payable to you on the redemption or switch. We have the option to waive this penalty at any time. If further short-term trading occurs, any further transactions, other than redemptions, may be refused.

The restrictions imposed on short-term trading, including the short-term trading fees, will generally not apply in connection with redemptions or switches: from money market funds and similar funds; initiated by us; under special circumstances, as determined by us in our sole discretion; or made under optional plans including rebalancing in connection with the BMO MatchMaker Strategic Portfolios and BMO Intuition RESP Strategic Portfolios and Systematic Withdrawal Plans.

Principal Holders of Securities

The funds

We own 100% of the Class A and Class B shares of BMO Global Tax Advantage Funds Inc.

As of April 1, 2010, the directors and officers of both BMO Global Tax Advantage Funds Inc. and the Trustee, as well as the members of the IRC for the funds, in the aggregate, owned less than 1% of each series of securities of each fund, directly or indirectly. As of April 1, 2010, the following persons owned of record, or are known by the mutual fund or the Manager to own beneficially, directly or indirectly, more than 10% of the outstanding securities of the following series of the funds:

Name	Fund	Type of ownership	Number of securities	% of series of securities outstanding
Manager	BMO SelectClass Security Portfolio	Of record and beneficial	100 series I	100.000%
Manager	BMO International Index Fund	Of record and beneficial	100 series I	100.000%
Manager	BMO U.S. Dollar Money Market Fund	Of record and beneficial	1,017 series I	100.000%
Manager	BMO Sustainable Climate Class	Of record and beneficial	200,000 series A	45.144%

Name	Fund	Type of ownership	Number of securities	% of series of securities outstanding
Manager	BMO Global Dividend Class	Of record and beneficial	583,390 series A	30.172%
Manager	BMO Global Infrastructure Fund	Of record and beneficial	406,569 series A	17.894%
Manager	BMO Global Energy Class	Of record and beneficial	100,293 series A	11.918%
Manager	BMO Sustainable Opportunities Class	Of record and beneficial	200,150 series A	70.300%
Manager	BMO Global Infrastructure Fund	Of record and beneficial	1,071 series F	20.468%
Manager	BMO World Bond Fund	Of record and beneficial	101 series F	26.483%
Bank of Montreal	BMO T-Bill Fund	Of record and beneficial	14,633,226 series I	80.104%
Bank of Montreal	BMO International Value Class	Of record and beneficial	3,172,681 series I	62.334%
Bank of Montreal	BMO Dividend Fund	Of record and beneficial	12,738,624 series I	49.712%
Bank of Montreal	BMO U.S. Equity Fund	Of record and beneficial	3,833,812 series I	23.693%
Bank of Montreal	BMO Bond Fund	Of record and beneficial	5,955,831 series I	19.802%
BMO Life Assurance Company	BMO Emerging Markets Fund	Of record and beneficial	22,590 series F	25.189%
BMO Bond Fund	BMO U.S. High Yield Bond Fund	Of record and beneficial	12,481,522 series I	84.849%
BMO Diversified Income Fund	BMO Global Infrastructure Fund	Of record and beneficial	4,877,135 series I	99.998%
BMO Diversified Income Fund	BMO Global High Yield Bond Fund	Of record and beneficial	5,489,052 series I	40.893%
BMO SelectClass Security Portfolio	BMO Mortgage and Short-Term Income Fund	Of record and beneficial	5,223,874 series I	67.418%
BMO SelectClass Security Portfolio	BMO World Bond Fund	Of record and beneficial	4,992,848 series I	56.994%
BMO SelectClass Security Portfolio	BMO European Fund	Of record and beneficial	1,554,198 series I	35.173%
BMO SelectClass Security Portfolio	BMO Bond Fund	Of record and beneficial	12,065,967 series I	40.117%
BMO SelectClass Security Portfolio	BMO Global High Yield Bond Fund	Of record and beneficial	4,059,805 series I	30.245%
BMO SelectClass Security Portfolio	BMO Equity Fund	Of record and beneficial	2,540,995 series I	25.632%
BMO SelectClass Security Portfolio	BMO U.S. Equity Fund	Of record and beneficial	2,978,582 series I	18.408%
BMO SelectClass Security Portfolio	BMO World Bond Fund	Of record and beneficial	1,012,829 series I	11.561%
BMO SelectClass Balanced Portfolio	BMO Emerging Markets Fund	Of record and beneficial	1,025,531 series I	56.300%

Name	Fund	Type of ownership	Number of securities	% of series of securities outstanding
BMO SelectClass Balanced Portfolio	BMO European Fund	Of record and beneficial	1,700,142 series I	38.476%
BMO SelectClass Balanced Portfolio	BMO Equity Fund	Of record and beneficial	3,646,902 series I	36.788%
BMO SelectClass Balanced Portfolio	BMO Mortgage and Short-Term Income Fund	Of record and beneficial	2,361,847 series I	30.481%
BMO SelectClass Balanced Portfolio	BMO U.S. Equity Fund	Of record and beneficial	3,372,616 series I	20.843%
BMO SelectClass Balanced Portfolio	BMO Global High Yield Bond Fund	Of record and beneficial	2,761,121 series I	20.570%
BMO SelectClass Balanced Portfolio	BMO Bond Fund	Of record and beneficial	5,271,605 series I	17.527%
BMO SelectClass Balanced Portfolio	BMO World Bond Fund	Of record and beneficial	1,130,312 series I	12.903%
BMO SelectClass Growth Portfolio	BMO Special Equity Fund	Of record and beneficial	458,055 series I	84.439%
BMO SelectClass Growth Portfolio	BMO Emerging Markets Fund	Of record and beneficial	509,397 series I	27.965%
BMO SelectClass Growth Portfolio	BMO European Fund	Of record and beneficial	686,943 series I	15.546%
BMO SelectClass Aggressive Growth Fund	BMO Special Equity Fund	Of record and beneficial	79,962 series I	14.740%
BMO LifeStage Plus 2017 Fund	BMO Monthly Income Fund	Of record and beneficial	11,105,221 series I	58.677%
BMO LifeStage Plus 2017 Fund	BMO Dividend Fund	Of record and beneficial	5,444,806 series I	21.248%
BMO LifeStage Plus 2022 Fund	BMO Monthly Income Fund	Of record and beneficial	2,086,521 series I	11.025%
BMO LifeStage Plus 2025 Fund	BMO Monthly Income Fund	Of record and beneficial	5,352,005 series I	28.279%
BMO LifeStage Plus 2025 Fund	BMO Dividend Fund	Of record and beneficial	2,638,772 series I	10.298%
BMO LifeStage Plus 2030 Fund	BMO Dividend Fund	Of record and beneficial	2,596,601 series I	10.133%
BMO LifeStage Plus 2030 Fund	BMO International Value Class	Of record and beneficial	1,242,619 series I	24.414%
BMO FundSelect Security Portfolio	BMO T-Bill Fund	Of record and beneficial	3,633,542 series I	19.890%
BMO FundSelect Security Portfolio	BMO Dividend Class	Of record and beneficial	626,047 series I	11.850%
BMO FundSelect Security Portfolio	BMO Global Equity Class	Of record and beneficial	356,977 series I	11.337%
BMO FundSelect Balanced Portfolio	BMO Dividend Class	Of record and beneficial	2,420,449 series I	45.815%
BMO FundSelect Balanced Portfolio	BMO Global Equity Class	Of record and beneficial	1,379,505 series I	43.813%

Name	Fund	Type of ownership	Number of securities	% of series of securities outstanding
BMO FundSelect Balanced Portfolio	BMO World Bond Fund	Of record and beneficial	1,251,253 series I	14.283%
BMO FundSelect Growth Portfolio	BMO Resource Fund	Of record and beneficial	600,326 series I	69.133%
BMO FundSelect Growth Portfolio	BMO Global Equity Class	Of record and beneficial	1,090,456 series I	34.633%
BMO FundSelect Growth Portfolio	BMO Dividend Class	Of record and beneficial	1,814,243 series I	34.340%
BMO FundSelect Growth Portfolio	BMO Equity Fund	Of record and beneficial	1,404,450 series I	14.167%
BMO FundSelect Aggressive Growth Portfolio	BMO Resource Fund	Of record and beneficial	185,124 series I	21.319%
BMO FundSelect Aggressive Growth Portfolio	BMO Global Equity Class	Of record and beneficial	321,612 series I	10.214%
Individual Investor A	BMO Premium Money Market Fund	Of record and beneficial	10,193,265 series I	99.990%
Individual Investor B	BMO Equity Index Fund	Of record and beneficial	600,757 series I	99.983%
Individual Investor C	BMO Asset Allocation Fund	Of record and beneficial	506,170 series I	99.976%
Individual Investor D	BMO U.S. Growth Fund	Of record and beneficial	259,668 series I	99.962%
Individual Investor E	BMO T-Bill Fund	Of record and beneficial	482,313 series F	99.791%
Individual Investor F	BMO Monthly Income Fund	Of record and beneficial	13,020 series F	75.090%
Individual Investor G	BMO World Bond Fund	Of record and beneficial	281 series F	73.517%
Individual Investor H	BMO U.S. High Yield Bond Fund	Of record and beneficial	191,674 series F	71.986%
Individual Investor I	BMO Global Infrastructure Fund	Of record and beneficial	2,452 series F	46.860%
Individual Investor J	BMO U.S. Equity Fund	Of record and beneficial	6,554 series F	45.342%
Individual Investor K	BMO Money Market Fund	Of record and beneficial	425,114 series F	35.172%
Individual Investor L	BMO U.S. Dollar Monthly Income Fund	Of record and beneficial	15,619 series F	34.243%
Individual Investor M	BMO Equity Fund	Of record and beneficial	3,433 series F	33.347%
Individual Investor N	BMO Equity Fund	Of record and beneficial	2,740 series F	26.615%
Individual Investor O	BMO Dividend Fund	Of record and beneficial	95,688 series F	26.285%
Individual Investor P	BMO Equity Fund	Of record and beneficial	1,893,266 series I	19.098%
Individual Investor Q	BMO Special Equity Fund	Of record and beneficial	3,204 series F	18.574%
Individual Investor R	BMO Special Equity Fund	Of record and beneficial	3,142 series F	18.218%
Individual Investor S	BMO U.S. Equity Fund	Of record and beneficial	2,321 series F	16.057%
Individual Investor T	BMO Equity Fund	Of record and beneficial	1,579 series F	15.344%

Name	Fund	Type of ownership	Number of securities	% of series of securities outstanding
Individual Investor U	BMO Equity Fund	Of record and beneficial	1,542 series F	14.980%
Individual Investor V	BMO Resource Fund	Of record and beneficial	7,321 series F	14.771%
Individual Investor W	BMO U.S. High Yield Bond Fund	Of record and beneficial	2,059,613 series I	14.001%
Individual Investor X	BMO Bond Fund	Of record and beneficial	15,736 series F	13.282%
Individual Investor Y	BMO Bond Fund	Of record and beneficial	15,736 series F	13.282%
Individual Investor Z	BMO U.S. Dollar Monthly Income Fund	Of record and beneficial	6,023 series F	13.205%
Individual Investor AA	BMO U.S. Dollar Monthly Income Fund	Of record and beneficial	5,732 series F	12.566%
Individual Investor BB	BMO U.S. Equity Fund	Of record and beneficial	1,788 series F	12.371%
Individual Investor CC	BMO U.S. Equity Fund	Of record and beneficial	1,770 series F	12.246%
Individual Investor DD	BMO Global Infrastructure Fund	Of record and beneficial	603 series F	11.528%
Individual Investor EE	BMO Special Equity Fund	Of record and beneficial	1,792 series F	10.387%
Individual Investor FF	BMO Global Infrastructure Fund	Of record and beneficial	525 series F	10.033%
Individual Investor GG	BMO SelectClass Aggressive Growth Portfolio	Of record and beneficial	43,916 series T6	65.477%
Individual Investor HH	BMO SelectClass Aggressive Growth Portfolio	Of record and beneficial	7,177 series T6	10.701%
Individual Investor II	BMO SelectClass Growth Portfolio	Of record and beneficial	16,652 series T6	10.299%
Individual Investor JJ	BMO SelectClass Growth Portfolio	Of record and beneficial	16,303 series T6	10.084%

We will not redeem any of the securities we own in any fund if it would bring the net assets of the fund below \$1 million, with the exception of any redemption of securities that may occur in the context of a fund merger, termination or reorganization.

The Manager

The Manager is an indirect wholly-owned subsidiary of Bank of Montreal. To the knowledge of Bank of Montreal, no person owns 10% or more of the common shares of Bank of Montreal, directly or indirectly. The directors and senior officers of Bank of Montreal, in aggregate, own less than 1% of Bank of Montreal's outstanding common shares.

The IRC

As of April 1, 2010, the members of the IRC, in aggregate, owned less than 1% of Bank of Montreal's outstanding common shares. The members of the IRC, in aggregate, do not own any

voting or equity securities of any other person or company that provides services to the funds or the Manager.

Fees and Expenses

Management fees

In return for our services, each series of each fund (except for series I) pays us a management fee. Management fees are subject to sales tax. The fee is calculated daily and payable monthly. The maximum management fee paid is disclosed in the simplified prospectus. Series I securities of a fund do not pay us a management fee but a separate series I fee is negotiated and paid by each series I investor.

We are responsible for paying:

- all expenses incurred for advice and recommendations about investment policies;
- fees charged by portfolio managers, other advisers or sub-distributors;
- fees and expenses for management services for the day-to-day operations of each fund; and
- advertising and promotional expenses.

We may increase management fees for the series offered under this document without the approval of securityholders, as long as we give securityholders 60 days' notice. We may waive all or a portion of any management fees from time to time without notice.

To encourage large investments in the funds or to accommodate special situations, we may reduce the management fees we charge. The reduction is based on a number of factors, including the type of investor, the number and value of securities held by an investor and the relationship between the investor and the Manager.

If your investments qualify, we will calculate the reduction in the management fees according to a schedule that we may change at our discretion. If we reduce our usual management fee for a BMO Trust Fund, the fund will give you the reduction in the form of a special distribution, which is called a management fee distribution. If we reduce our usual management fee for a BMO Global Tax Advantage Fund, we may rebate a portion of the management fee directly to you.

We calculate management fee distributions or rebates on each Valuation Day. They are distributed or paid regularly to eligible investors. We will reinvest the distribution or rebate in additional securities of the fund.

For the BMO Trust Funds, management fee distributions are made first out of net income and net realized capital gains and then out of capital. Generally, investors in the BMO Global Tax Advantage Funds are required to include any management fee rebates received from the Manager in their income. See "*Canadian Federal Income Tax Considerations*" below for information on the tax consequences of management fee distributions and management fee rebates.

Administration fee

We pay certain operating expenses of the funds. These expenses include audit and legal fees and expenses; custodian and transfer agency fees; costs attributable to the issue, redemption and switching 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; and filing fees, including those incurred by us. In return, each fund pays us a fixed administration fee, which may vary by fund. The administration fee paid by each fund is a fixed annual percentage of the average net assets of each fund and is disclosed in the simplified prospectus.

In addition to the administration fee, each fund also pays certain operating expenses directly (“Fund Expenses”), including interest or other borrowing expenses; fees and expenses of members of the IRC incurred in connection with their duties as members of the IRC which may include annual fees, meeting fees, reimbursement for expenses and any other expenses related to the operation of the IRC; 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. Each fund allocates Fund Expenses proportionately among its series. Fund Expenses that are specific to a series are allocated to that series. Administration fees are subject to sales tax.

For series I securities of a fund, separate administration fees and Fund Expense arrangements are negotiated with each series I investor.

Harmonized Sales Tax

Certain fees and expenses paid by the funds are subject to sales tax, such as the goods and services tax (GST). Currently, the funds pay GST on management fees, administrative fees and most operating expenses. Beginning on July 1, 2010, GST will be replaced by the harmonized sales tax (HST) in certain provinces, which is expected to be imposed at higher rates than the current GST. Since the applicable HST will be paid by the funds, it may increase the overall expenses incurred by the funds.

Canadian Federal Income Tax Considerations

In the opinion of Borden Ladner Gervais LLP, legal counsel to the funds, the following is a summary as at the date hereof of the principal Canadian federal income tax considerations generally applicable to the funds and individuals (other than trusts) who are prospective purchasers of securities who, at all relevant times, are resident in Canada, deal at arm’s length with the funds within the meaning of the Tax Act, and will hold their securities as capital property.

THIS SUMMARY IS OF A GENERAL NATURE ONLY AND IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSTRUED TO BE, LEGAL OR TAX ADVICE TO ANY PROSPECTIVE PURCHASER OF THE SECURITIES. ACCORDINGLY, PROSPECTIVE

PURCHASERS SHOULD CONSULT THEIR OWN TAX ADVISERS WITH RESPECT TO THEIR PARTICULAR CIRCUMSTANCES.

This summary is based on the current provisions of the Tax Act in force on the date hereof, the regulations enacted pursuant thereto (the “Regulations”), all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) (“Minister”) prior to the date hereof and legal counsel’s understanding of the current published administrative practices and assessing policies of the Canada Revenue Agency. This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, government or judicial decision or action or changes in the administrative practices of the Canada Revenue Agency, nor does it take into account or consider any provincial, territorial or foreign income tax considerations.

This summary assumes that each of the BMO Trust Funds will at all material times qualify as a mutual fund trust under the Tax Act and that BMO Global Tax Advantage Funds Inc. will at all times qualify as a mutual fund corporation under the Tax Act.

Taxation of the Funds

Each BMO Trust Fund and BMO Global Tax Advantage Fund Inc. is required to calculate its net income, including net taxable capital gains, in Canadian dollars, for each taxation year according to the rules in the Tax Act. A fund is generally required to include in the calculation of its income, interest as it accrues, dividends when they are received and capital gains and losses when they are realized. Trust income that is paid or payable to a fund during the trust’s taxation year is generally included in the calculation of the fund’s income for the taxation year of the fund in which the trust’s taxation year ends. Each year a fund is required to include in the calculation of its income, an amount as notional interest accrued on strip bonds, zero-coupon bonds and certain other prescribed debt obligations held by the fund even though the fund is not entitled to receive interest on the bond. Foreign source income received by a fund (whether directly or indirectly from an underlying trust) will generally be net of any taxes withheld in the foreign jurisdiction. The foreign taxes so withheld will be included in the calculation of the fund’s income. A fund may be deemed to earn income on investments in some types of foreign entities. Generally, gains and losses from cash settled options, futures, forward contracts and other derivatives are treated as income rather than capital gains unless the derivative was used by a fund as a hedge to limit its gain or loss on a specific capital asset or group of capital assets. Gains from the disposition of precious metals are also taxed as income rather than capital gains.

Beginning with the 2011 taxation year, most publicly-traded, Canadian resident trusts and partnerships (including income trusts, but not including certain REITs) (“SIFT Entities”) will become subject to tax on their non-portfolio earnings. A fund that invests in SIFT Entities will be taxed on distributions and allocations of these non-portfolio earnings in the same manner as if it received a taxable dividend from a taxable Canadian corporation. This tax regime is currently applicable to a SIFT Entity that, after October 31, 2006, was created, commenced public trading, first acquired a non-portfolio property or that exceeded certain growth guidelines.

A fund may receive capital gains distributions or capital gains dividends from an underlying fund, which will be treated as capital gains realized by the fund. A fund that invests in foreign

denominated securities must calculate its adjusted cost base and proceeds of disposition in Canadian dollars based on the conversion rate on the date the securities were purchased and sold, as applicable. As a result, a fund may realize capital gains and losses due to changes in the value of foreign currency relative to the Canadian dollar. Capital gains realized during a taxation year are reduced by capital losses realized during the year. In certain circumstances, a capital loss realized by a fund may be denied or suspended and, therefore, may not be available to offset capital gains. For example, a capital loss realized by a fund will be suspended if, during the period that begins 30 days before and ends 30 days after the date on which the capital loss was realized, the fund (or a person affiliated with the fund for the purposes of the Tax Act) acquires a property that is, or is identical to, the particular property on which the loss was realized.

The character for tax purposes of any amounts received by a BMO LifeStage Plus Fund from Bank of Montreal pursuant to the Sub Advisory Agreement in order to cover a shortfall is uncertain.

Taxation of the BMO Trust Funds

Each BMO Trust Fund will be subject to tax under Part I of the Tax Act on its net income, including net taxable capital gains, as calculated for tax purposes for a taxation year to the extent that it is not paid or payable to its investors by the end of the calendar year in which the taxation year ends (after taking into account loss carryforwards and the capital gains refund, if any). The Manager has advised counsel that each BMO Trust Fund will distribute to unitholders in each calendar year enough of its net income and net realized capital gains so that the fund will not be liable for tax under Part I of the Tax Act for any taxation year.

In calculating a fund's income, all of the fund's deductible expenses, including expenses common to all series of units of the fund and expenses specific to a particular series of units of the fund, will be taken into account for the fund as a whole.

Taxation of BMO Global Tax Advantage Funds Inc.

BMO Global Tax Advantage Fund Inc. is liable for tax on its net income, excluding taxable dividends from Canadian corporations but including net taxable capital gains, at full corporate rates without any general rate reduction. BMO Global Tax Advantage Funds Inc. must calculate its net income as a single entity even though the assets and liabilities attributable to each BMO Global Tax Advantage Fund are tracked separately. Therefore, deductible expenses and net losses attributable to a particular BMO Global Tax Advantage Fund may be applied to reduce the income or realized capital gains of another BMO Global Tax Advantage Funds. BMO Global Tax Advantage Fund Inc. may realize capital gains or losses when reallocating portfolio assets between two funds as a result of a shareholder converting shares of one class to another. BMO Global Tax Advantage Funds Inc. will allocate its net income or loss, net realized capital gains or loss, and any tax liability among the BMO Global Tax Advantage Funds on a discretionary basis.

Taxes payable by BMO Global Tax Advantage Funds Inc. on net realized capital gains are refundable on a formula basis when its shares are redeemed or when BMO Global Tax Advantage Funds Inc. pays capital gains dividends out of its capital gains dividend account, which is generally made up of undistributed net realized capital gains. Taxable dividends

received by BMO Global Tax Advantage Funds Inc. from taxable Canadian corporations will generally be subject to a 33 1/3% tax under Part IV of the Tax Act, which is refundable at a rate of \$1 for every \$3 of taxable dividends paid by BMO Global Tax Advantage Funds Inc. to its shareholders.

Taxation of Unitholders in the BMO Trust Funds

Generally, a unitholder will be required to include in computing his or her income the amount (computed in Canadian dollars) of the net income and the taxable portion of the net realized capital gains that is paid or payable to him or her by a fund in the year (including by way of management fee distributions) whether or not such amount has been reinvested in additional units. A Unitholder may be taxed on undistributed income, realized capital gains, and accrued but unrealised capital gains that are in a fund at the time the units are purchased.

To the extent that distributions to a unitholder by a fund in any year exceed that unitholder's share of the net income and net realized capital gains of that fund for that year, the excess will be a return of capital and will not be taxable to the unitholder but will reduce the adjusted cost base of the unitholder's units. To the extent that the adjusted cost base of a unitholder's units is reduced to less than zero, the unitholder will be deemed to realize a capital gain and subsequently the adjusted cost base will be increased to nil.

Provided the appropriate designations are made by a BMO Trust Fund, the amount, if any, of net realized taxable capital gains and taxable dividends from taxable Canadian corporations of the fund that is paid or payable to unitholders (including such amounts reinvested in additional units) will, effectively, retain its character for tax purposes and be treated as taxable capital gains and taxable dividends of the unitholders. Amounts that retain their character as taxable dividends on shares of taxable Canadian corporations will be eligible for the gross-up and dividend credit rules under the Tax Act. An enhanced gross-up and dividend tax credit is available for eligible dividends from Canadian corporations. Similarly, a fund may make a designation of its foreign source income so that unitholders are able to claim a foreign tax credit for foreign taxes allocated to them by a fund.

Upon the disposition or deemed disposition of a unit by a unitholder, whether by redemption, sale, transfer or otherwise, the unitholder will realize a capital gain (or a capital loss) to the extent that the proceeds of disposition of the unit, net of any expenses of disposition, exceed (or are exceeded by) the unitholder's adjusted cost base of the unit as determined for the purposes of the Tax Act. In particular, a disposition of a unit will occur if it is switched for units of another BMO Trust Fund or shares of a BMO Global Tax Advantage Fund. The redesignation of a unit of one series of a BMO Trust Fund for units of another series of the same BMO Trust Fund should not be recognized as a disposition and the cost of the new units should be equal to the adjusted cost base of the units redesignated. The redemption of units of a BMO LifeStage Plus Fund on the Target End Date will be a disposition of those units unless the fund is merged into another mutual fund trust on a tax-deferred basis.

One-half of any capital gain realized by a unitholder will generally be included in the unitholder's income as a taxable capital gain and one-half of any capital loss realized by a

unitholder may generally be deducted from taxable capital gains in accordance with the provisions of the Tax Act.

Individuals may be subject to alternative minimum tax under the Tax Act in respect of dividends and realized capital gains.

Taxation of Shareholders in BMO Global Tax Advantage Funds Inc.

A shareholder, generally, will be required to include in computing his or her income, any dividends received from BMO Global Tax Advantage Funds Inc. whether or not the dividend is automatically reinvested in additional shares. Return of capital distributions are not included in income but reduce the adjusted cost base of the shareholder's shares.

To the extent that a dividend constitutes a capital gains dividend under the Tax Act, the dividend will be deemed to be a capital gain of the shareholder, subject to the general rules relating to the taxation of capital gains. BMO Global Tax Advantage Funds Inc. may pay capital gains dividends to shareholders of any particular class so that it can receive a refund of tax payable on its capital gains whether or not such tax relates to the investment portfolio of that particular class.

To the extent that any dividends paid to a shareholder do not constitute capital gains dividends, they will constitute ordinary taxable dividends. Ordinary taxable dividends received by a shareholder will be included in computing the individual's income for purposes of the Tax Act and will be subject to the gross up and dividend tax credit rules applicable to taxable dividends paid by taxable Canadian corporations. An enhanced gross-up and dividend tax credit is available for eligible dividends paid by BMO Global Tax Advantage Funds Inc.

Generally, shareholders are required to include management fee rebates received from the Manager in their income. However, in certain circumstances, a shareholder may be able to instead elect to have the amount of the rebate reduce the cost of the related shares.

Upon the disposition or deemed disposition by a shareholder of a share, whether by redemption, sale, transfer or otherwise, a capital gain (or capital loss) will be realized to the extent that the proceeds of disposition, less any costs of disposition, are greater (or less) than the adjusted cost base to the shareholder of the share. In particular, a disposition of a share will occur if it is switched for a unit of a BMO Trust Fund.

If a shareholder converts shares of one class or series into shares of another class or series, the shareholder will not be considered to have disposed of the shares so converted for the purposes of the Tax Act. The cost to the shareholder of the shares received on the conversion will be deemed to be the adjusted cost base to the shareholder of the shares that were converted.

One-half of any capital gain realized by a shareholder will generally be included in the shareholder's income as a taxable capital gain and one-half of any capital loss realized by a shareholder may generally be deducted from taxable capital gains in accordance with the provisions of the Tax Act.

Individuals may be subject to alternative minimum tax under the Tax Act in respect of dividends and realized capital gains.

Interest of Management

We are entitled to receive management fees from the funds. (See “*Management Agreement*” for more details.) The fees received by us as management fees are disclosed in the audited financial statements of the funds.

Jones Heward, Harris, HIM Money and Pyrford are related to us and, as portfolio managers for certain BMO Mutual Funds, are entitled to receive fees from the Manager for investment advisory and portfolio management services.

The funds pay standard brokerage commissions at market rates to BMO Nesbitt Burns Inc. for trades executed by BMO Nesbitt Burns Inc.

Bank of Montreal, BMO Nesbitt Burns Inc. and BMO InvestorLine Inc. may buy or sell debt securities to or from the funds subject to certain conditions set out in NI 81-102, NI 81-107 and the requirements of the Canadian securities regulators. See “*Investment Restrictions and Practices*” for further information.

BMO Mortgage and Short-Term Income Fund may enter into deposit and similar banking transactions with Bank of Montreal and may borrow funds from Bank of Montreal for temporary purposes. The Manager, on behalf of BMO Mortgage and Short-Term Income Fund, BMO Short-Term Income Class and BMO Diversified Income Fund, has obtained exemptive relief to continue to sell mortgages and other investments to, and buy mortgages and other investments from, Bank of Montreal. Bank of Montreal is entitled to receive fees from the Manager under the Mortgage Servicing Agreement. The prices of mortgages and other investments sold to or bought from Bank of Montreal will continue to be valued according to the guidelines set out under “*Buying Mortgages*”, except that mortgages sold by the fund to Bank of Montreal for liquidity purposes will be sold to Bank of Montreal for at least 95% of their value. (See “*Buying Mortgages*” and “*Liquidity*” under “*Investment Restrictions and Practices*”, and “*Valuation of assets of the BMO Mortgage and Short-Term Income Fund*”, for more details.)

Amendments to the Constatting Documents

We may make certain amendments to the constating documents (i.e. the Declarations of Trust and the articles of BMO Global Tax Advantage Funds Inc.) of each fund, as permitted by applicable legislation. You will be entitled to vote on certain material changes to a fund’s constating documents. Please see “*Meetings of securityholders*” for more details.

Changes requiring written notice to unitholders

In respect of any BMO Trust Fund and subject to any longer notice requirements imposed under applicable securities legislation, the Trustee is permitted to amend the Declarations of Trust by giving not less than 30 days’ notice to unitholders of the fund affected by the proposed amendment in circumstances where:

- (a) applicable securities legislation requires that written notice be given to unitholders before the change takes effect; or

- (b) the change would not be prohibited by applicable securities legislation and the Trustee reasonably believes that the proposed amendment has the potential to materially adversely impact the financial interests or rights of the unitholders, so that it is equitable to give unitholders advance notice of the proposed change.

Changes not requiring written notice to unitholders

In respect of any BMO Trust Fund, the Trustee is permitted to amend the Declarations of Trust, without the approval of or prior notice to the unitholders of such fund, if the Trustee reasonably believes that the proposed amendment does not have the potential to materially adversely impact the financial interests or rights of unitholders of the fund or that the proposed amendment is necessary to:

- (a) ensure compliance with applicable laws, regulations or policies of any governmental authority having jurisdiction over the fund or the distribution of its units;
- (b) remove any conflicts or other inconsistencies that may exist between any of the terms of the Declarations of Trust and any provisions of any applicable laws, regulations or policies affecting the fund, the Trustee or its agents;
- (c) make any change or correction in the Declarations of Trust that is a typographical correction or is required to cure or correct any ambiguity or defective or inconsistent provision, clerical omission or error contained therein;
- (d) facilitate the administration of the fund as a mutual fund trust or make amendments or adjustments in response to any existing or proposed amendments to the Tax Act or its administration which might otherwise adversely affect the tax status of the fund or its unitholders; or
- (e) for the purpose of protecting the unitholders of the fund.

Material Contracts

The material contracts relating to, or executed by each fund, are

- Declarations of Trust (BMO Trust Funds), as amended;
- Articles of incorporation (BMO Global Tax Advantage Funds Inc.), as amended;
- Master Management Agreement, as amended;
- Custodial agreements, as amended;
- Investment management agreements between BMO Investments Inc. and each of the portfolio managers, as amended; and
- Sub-advisory agreement between Bank of Montreal, Jones Heward Investment Counsel Inc., BMO Investments Inc. and the BMO LifeStage Plus Funds, as amended.

You may inspect copies of these contracts during normal business hours at our head office. To receive copies of the Declarations of Trust or the articles of BMO Global Tax Advantage Funds Inc., send us a written request.

AUDITORS' CONSENT

We have read the simplified prospectus and related annual information form of the Funds dated April 21, 2010 relating to the issue and sale of mutual fund securities of the Funds. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use, through incorporation by reference in the above-mentioned simplified prospectus of our report to the securityholders of the Funds on the following financial statements, except for BMO Canadian Tactical ETF Class and BMO Global Tactical ETF Class:

- Statements of net assets as at September 30, 2009 and 2008, as applicable and indicated in Note 1 of the financial statements;
- Statements of investment portfolio as at September 30, 2009;
- Statements of operations and changes in net assets for the years or periods ended September 30, 2009 and 2008, as applicable and indicated in Note 1 of the financial statements.

Our report is dated December 11, 2009.

We also consent to the use, through incorporation by reference in the above-mentioned simplified prospectus, of our report to the directors of BMO Global Tax Advantage Funds Inc., on the statement of net assets of BMO Canadian Tactical ETF Class and BMO Global Tactical ETF Class as at April 19, 2010.

Our report is dated April 21, 2010.

(Signed) "PricewaterhouseCoopers LLP"

Chartered Accountants, Licensed Public Accountants
Toronto, Ontario
April 21, 2010

Certificate of the Trust Funds and the Manager and Promoter of the Trust Funds

BMO Canadian Money Market Fund	BMO U.S. Equity Index Fund
BMO Money Market Fund	BMO U.S. Growth Fund
BMO Premium Money Market Fund	BMO Emerging Markets Fund
BMO T-Bill Fund	BMO Global Science & Technology Fund
BMO Bond Fund	BMO Precious Metals Fund
BMO Diversified Income Fund	BMO Resource Fund
BMO Global High Yield Bond Fund	BMO Special Equity Fund
BMO Global Monthly Income Fund	BMO U.S. Special Equity Fund
BMO Monthly Income Fund	BMO U.S. Dollar Equity Index Fund
BMO Mortgage and Short-Term Income Fund	BMO U.S. Dollar Money Market Fund
BMO U.S. High Yield Bond Fund	BMO U.S. Dollar Monthly Income Fund
BMO World Bond Fund	BMO LifeStage Plus 2015 Fund
BMO Asset Allocation Fund	BMO LifeStage Plus 2017 Fund
BMO Dividend Fund	BMO LifeStage Plus 2020 Fund
BMO Equity Fund	BMO LifeStage Plus 2022 Fund
BMO Equity Index Fund	BMO LifeStage Plus 2025 Fund
BMO European Fund	BMO LifeStage Plus 2026 Fund
BMO Global Infrastructure Fund	BMO LifeStage Plus 2030 Fund
BMO International Index Fund	BMO FundSelect™ Security Portfolio
BMO Japanese Fund	BMO FundSelect™ Balanced Portfolio
BMO North American Dividend Fund	BMO FundSelect™ Growth Portfolio
BMO U.S. Equity Fund	BMO FundSelect™ Aggressive Growth Portfolio

(collectively, the “Trust Funds”)

This annual information form, together with the simplified prospectus required to be sent or delivered to a purchaser during the currency of this annual information form and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Prince Edward Island, Nova Scotia, New Brunswick, Newfoundland and Labrador, Northwest Territories, Yukon Territory and Nunavut and do not contain any misrepresentations.

DATED: April 21, 2010

Signed “Edgar N. Legzdins”

EDGAR N. LEGZDINS
Chief Executive Officer
BMO Investments Inc.

Signed “Christina Chen”

CHRISTINA CHEN
Chief Financial Officer
BMO Investments Inc.

**ON BEHALF OF THE DIRECTORS
OF BMO INVESTMENTS INC.,
the Trustee, Manager and Promoter**

Signed “Hugh M.S. McKee”

HUGH M. S. MCKEE
Director

Signed “Ross F. Kappele”

ROSS F. KAPPELE
Director

Certificate of BMO Global Tax Advantage Funds Inc.

BMO Canadian Equity Class
BMO Canadian Tactical ETF Class
BMO Dividend Class
BMO Global Dividend Class
BMO Global Energy Class
BMO Global Equity Class
BMO Global Tactical ETF Class
BMO Greater China Class
BMO International Value Class
BMO Short-Term Income Class
BMO Sustainable Climate Class
BMO Sustainable Opportunities Class
BMO SelectClass Security Portfolio
BMO SelectClass Balanced Portfolio
BMO SelectClass Growth Portfolio
BMO SelectClass Aggressive Growth Portfolio

This annual information form, together with the simplified prospectus required to be sent or delivered to a purchaser during the currency of this annual information form and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Prince Edward Island, Nova Scotia, New Brunswick, Newfoundland and Labrador, Northwest Territories, Yukon Territory and Nunavut and do not contain any misrepresentations.

DATED: April 21, 2010

Signed “Edgar N. Legzdins”

EDGAR N. LEGZDINS
Chief Executive Officer
BMO Global Tax Advantage Funds Inc.

Signed “Robert J. Schauer”

ROBERT J. SCHAUER
Chief Financial Officer
BMO Global Tax Advantage Funds Inc.

ON BEHALF OF THE BOARD OF DIRECTORS OF BMO GLOBAL TAX ADVANTAGE FUNDS INC.

Signed “Hugh M.S. McKee”

HUGH M. S. MCKEE
Director

Signed “Ross F. Kappelé”

ROSS F. KAPPELE
Director

Certificate of the Manager and the Promoter of the BMO Global Tax Advantage Funds

BMO Canadian Equity Class
BMO Canadian Tactical ETF Class
BMO Dividend Class
BMO Global Dividend Class
BMO Global Energy Class
BMO Global Equity Class
BMO Global Tactical ETF Class
BMO Greater China Class
BMO International Value Class
BMO Short-Term Income Class
BMO Sustainable Climate Class
BMO Sustainable Opportunities Class
BMO SelectClass Security Portfolio
BMO SelectClass Balanced Portfolio
BMO SelectClass Growth Portfolio
BMO SelectClass Aggressive Growth Portfolio

(collectively, the “BMO Global Tax Advantage Funds”)

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DATED: April 21, 2010

Signed “Edgar N. Legzdins”

EDGAR N. LEGZDINS
Chief Executive Officer
BMO Investments Inc.

Signed “Christina Chen”

CHRISTINA CHEN
Chief Financial Officer
BMO Investments Inc.

**ON BEHALF OF THE DIRECTORS
OF BMO INVESTMENTS INC.,
the Manager and Promoter**

Signed “Hugh M.S. McKee”

HUGH M. S. MCKEE
Director

Signed “Ross F. Kappele”

ROSS F. KAPPELE
Director

Certificate of the Principal Distributor of the Funds

BMO Canadian Money Market Fund	BMO U.S. Dollar Equity Index Fund
BMO Money Market Fund	BMO U.S. Dollar Money Market Fund
BMO Premium Money Market Fund	BMO U.S. Dollar Monthly Income Fund
BMO T-Bill Fund	BMO Canadian Equity Class
BMO Bond Fund	BMO Canadian Tactical ETF Class
BMO Diversified Income Fund	BMO Dividend Class
BMO Global High Yield Bond Fund	BMO Global Dividend Class
BMO Global Monthly Income Fund	BMO Global Energy Class
BMO Monthly Income Fund	BMO Global Equity Class
BMO Mortgage and Short-Term Income Fund	BMO Global Tactical ETF Class
BMO U.S. High Yield Bond Fund	BMO Greater China Class
BMO World Bond Fund	BMO International Value Class
BMO Asset Allocation Fund	BMO Short-Term Income Class
BMO Dividend Fund	BMO Sustainable Climate Class
BMO Equity Fund	BMO Sustainable Opportunities Class
BMO Equity Index Fund	BMO SelectClass Security Portfolio
BMO European Fund	BMO SelectClass Balanced Portfolio
BMO Global Infrastructure Fund	BMO SelectClass Growth Portfolio
BMO International Index Fund	BMO SelectClass Aggressive Growth Portfolio
BMO Japanese Fund	BMO LifeStage Plus 2015 Fund
BMO North American Dividend Fund	BMO LifeStage Plus 2017 Fund
BMO U.S. Equity Fund	BMO LifeStage Plus 2020 Fund
BMO U.S. Equity Index Fund	BMO LifeStage Plus 2022 Fund
BMO U.S. Growth Fund	BMO LifeStage Plus 2025 Fund
BMO Emerging Markets Fund	BMO LifeStage Plus 2026 Fund
BMO Global Science & Technology Fund	BMO LifeStage Plus 2030 Fund
BMO Precious Metals Fund	BMO FundSelect™ Security Portfolio
BMO Resource Fund	BMO FundSelect™ Balanced Portfolio
BMO Special Equity Fund	BMO FundSelect™ Growth Portfolio
BMO U.S. Special Equity Fund	BMO FundSelect™ Aggressive Growth Portfolio

(collectively, the “Funds”)

To the best of our knowledge, information and belief, this annual information form, together with the simplified prospectus required to be sent or delivered to a purchaser during the currency of this annual information form and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Prince Edward Island, Nova Scotia, New Brunswick, Newfoundland and Labrador, Northwest Territories, Yukon Territory and Nunavut and do not contain any misrepresentations.

DATED: April 21, 2010

PRINCIPAL DISTRIBUTOR
BMO INVESTMENTS INC.

Signed “Edgar N. Legzdins”

EDGAR N. LEGZDINS
Chief Executive Officer

BMO Mutual Funds

Offering series A, I, T6 and/or F securities, as noted.

BMO Security Funds

BMO Canadian Money Market Fund (series A and I)
(formerly BMO AIR MILES^{®†} Money Market Fund)
BMO Money Market Fund (series A and I)
BMO Premium Money Market Fund (series A and I)
BMO T-Bill Fund (series A, I and BMO Guardian T-Bill Fund Series F)

BMO Income Funds

BMO Bond Fund (series A, I and BMO Guardian Bond Fund Series F)
BMO Diversified Income Fund (series A and I)
BMO Global High Yield Bond Fund (series A and I)
BMO Global Monthly Income Fund (series A and I)
BMO Monthly Income Fund (series A, I and BMO Guardian Monthly Income Fund Series F)
BMO Mortgage and Short-Term Income Fund (series A and I)
BMO U.S. High Yield Bond Fund (series A, I and BMO Guardian U.S. High Yield Bond Fund Series F)
BMO World Bond Fund (series A, I and BMO Guardian World Bond Fund Series F)

BMO Growth Funds

BMO Asset Allocation Fund (series A and I)
BMO Dividend Fund (series A, I and BMO Guardian Dividend Fund Series F)
BMO Equity Fund (series A, I and BMO Guardian Equity Fund Series F)
BMO Equity Index Fund (series A and I)
BMO European Fund (series A, I and BMO Guardian European Fund Series F)
BMO Global Infrastructure Fund (series A and I) (formerly BMO Income Trust Fund)
BMO International Index Fund (series A and I)
BMO Japanese Fund (series A and I)
BMO North American Dividend Fund (series A and I)
BMO U.S. Equity Fund (series A, I and BMO Guardian U.S. Equity Fund Series F)
BMO U.S. Equity Index Fund (series A and I)
BMO U.S. Growth Fund (series A and I)

BMO Aggressive Growth Funds

BMO Emerging Markets Fund (series A, I and BMO Guardian Emerging Markets Fund Series F)
BMO Global Science & Technology Fund (series A and I)
BMO Precious Metals Fund (series A and I)

BMO Resource Fund (series A and I)
BMO Special Equity Fund (series A and I)
BMO U.S. Special Equity Fund (series A and I)

BMO U.S. Dollar Funds

BMO U.S. Dollar Equity Index Fund (series A and I)
BMO U.S. Dollar Money Market Fund (series A and I)
BMO U.S. Dollar Monthly Income Fund (series A and I)

BMO Global Tax Advantage Funds±

BMO Canadian Equity Class (series A and I)
BMO Canadian Tactical ETF Class (series A)
BMO Dividend Class (series A and I)
BMO Global Dividend Class (series A and I)
BMO Global Energy Class (series A and I)
BMO Global Equity Class (series A and I)
BMO Global Tactical ETF Class (series A)
BMO Greater China Class (series A and I)
BMO International Value Class (series A and I)
BMO Short-Term Income Class (series A and I)
BMO Sustainable Climate Class (series A and I)
BMO Sustainable Opportunities Class (series A and I)
BMO SelectClass Security Portfolio (series A, I and T6)
BMO SelectClass Balanced Portfolio (series A, I and T6)
BMO SelectClass Growth Portfolio (series A, I and T6)
BMO SelectClass Aggressive Growth Portfolio (series A, I and T6)

± All funds within this category are part of BMO Global Tax Advantage Funds Inc., a mutual fund corporation

BMO LifeStage Plus Funds

BMO LifeStage Plus 2015 Fund (series A)
BMO LifeStage Plus 2017 Fund (series A)
BMO LifeStage Plus 2020 Fund (series A)
BMO LifeStage Plus 2022 Fund (series A)
BMO LifeStage Plus 2025 Fund (series A)
BMO LifeStage Plus 2026 Fund (series A)
BMO LifeStage Plus 2030 Fund (series A)

BMO FundSelect[™] Portfolios

BMO FundSelect[™] Security Portfolio (series A and I)
BMO FundSelect[™] Balanced Portfolio (series A and I)
BMO FundSelect[™] Growth Portfolio (series A and I)
BMO FundSelect[™] Aggressive Growth Portfolio (series A and I)

The funds' management reports of fund performance and financial statements contain more information about the funds. You can obtain a copy of these documents and other information about the funds, such as information circulars and material contracts, at no cost by:

- calling us toll-free at 1-800-665-7700

- visiting BMO Investments Inc.'s website at <http://www.bmo.com/mutualfunds> (in English), <http://www.bmo.com/fonds> (en français) or www.sedar.com
- contacting your broker or dealer

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