

BMO Fixed Cash Flow Plus Deposit Program Fixed Cash Flow Deposits

Master Information Statement

February 1, 2022

No securities regulatory authority has expressed an opinion on the Deposits offered under this Master Information Statement and it is an offence to claim otherwise. This Master Information Statement should be read in conjunction with the Series Supplement providing specific details about the BMO Fixed Cash Flow Plus Deposit Program.

Fixed Cash Flow Deposits are eligible for Canada Deposit Insurance Corporation (CDIC) deposit insurance coverage if they are payable in Canada and the total deposits you hold do not exceed \$100,000 per institution per insurance category.

TABLE OF CONTENTS

A. GENERAL DISCLOSURE	3
Introduction	3
The Fixed Cash Flow Deposit Program	4
What is a Fixed Cash Flow Deposit?	4
Should I invest in Fixed Cash Flow Deposits?	5
What are the risks of investing in Fixed Cash Flow Deposits?	5
How do I purchase Fixed Cash Flow Deposits?	7
B. DESCRIPTION OF THE FIXED CASH FLOW DEPOSIT PROGRAM	7
Introduction	7
How the Fixed Cash Flow Deposits Work	8
Composition of the FCFP Portfolio	8
Fixed Cash Flow Deposits	8
Investment phases of the Fixed Cash Flow Deposits	9
Fees and expenses	10
Currency	10
No Certificate	11
Valuation of Fixed Cash Flow Deposits	11
Transferring your Fixed Cash Flow Deposits	11
Selling your Fixed Cash Flow Deposits early	11
Where can I find out more about Fixed Cash Flow Deposits?	13
Special circumstances	13
Extraordinary events	14
C. THE UNDERLYING FUNDS	14
D. CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS	15
Capital distributions	16
Payment at Maturity or Early Payment Date	16
Disposition of Fixed Cash Flow Deposits	16
Eligibility for investment	16
E. YOUR LEGAL RIGHTS	17
F. GENERAL MATTERS RELATING TO FIXED CASH FLOW DEPOSITS	17
Amendments and other actions	17
Calculations and decisions	17
Restrictions on sales of Fixed Cash Flow Deposits	17
Trademarks	17
Registered and non-registered accounts	17
G. GLOSSARY OF TERMS	18

BMO FIXED CASH FLOW PLUS DEPOSIT PROGRAM CURRENT PAY DEPOSITS

A. GENERAL DISCLOSURE

Introduction

We have prepared this Master Information Statement to help you decide whether to invest in the BMO Fixed Cash Flow Plus Deposit (also referred to as “Fixed Cash Flow Deposits”) issued under the BMO Fixed Cash Flow Deposit Program (the “**Fixed Cash Flow Deposit Program**”). This Master Information Statement was prepared specifically to describe the main features of the **Fixed Cash Flow Deposits** and explains your rights if you invest in them.

We offer Fixed Cash Flow Deposits in different series with a variety of issue dates, maturity dates and payment schedules. Each series of the Fixed Cash Flow Deposits provides exposure to the performance of a portfolio of mutual funds referred to as the “**FCFP Portfolio**”.

The specific terms for any series of the Fixed Cash Flow Deposits can be found in a “Series Supplement”, which will include such details as the issue date, maturity date, underlying mutual funds referenced in the FCFP Portfolio, payment schedule and applicable fees and expenses for that version and series of Fixed Cash Flow Deposits. You may obtain a Series Supplement for any current offering of Fixed Cash Flow Deposits from any BMO Bank of Montreal branch during normal business hours or on our public website at www.bmo.com/fixedcashflow.

The Master Information Statement and the relevant Series Supplement contain all the information you should know about a series of Fixed Cash Flow Deposits. You should read both this Master Information Statement and the Series Supplement for the series you are interested in purchasing. If a Series Supplement describes the terms of the series of Fixed Cash Flow Deposits differently from this Master Information Statement, the Series Supplement is considered to be correct.

To make this Master Information Statement easier to read, we use “**we**”, “**our**” and “**us**” to refer to Bank of Montreal or any of its affiliates, and “**you**” and “**your**” to refer to the reader of this document as a potential or actual investor in Fixed Cash Flow Deposits. Underlined terms are described in more detail in the Glossary at the end of this document.

A “**business day**” is any day on which BMO Bank of Montreal branches are open for business in Toronto, except Saturdays, Sundays, and holidays in the Province of Ontario.

The amount you initially invest in Fixed Cash Flow Deposits is the “**Deposit Amount**”, and a note representing a \$100 Deposit Amount is a “**Deposit**”. The “**Deposit Value**” is the value of a Deposit calculated as set out later in this document, and your “**Account Value**” is the aggregate Deposit Values of all Deposits that you hold in your account at a particular time. On any date, the “**Remaining Deposit Balance**” of a Fixed Cash Flow Deposit is the principal amount you invested in the Fixed Cash Flow Deposit less any repayments of principal made on or before that date.

All dollar amounts in this Master Information Statement are in Canadian dollars.

This Master Information Statement has seven parts.

- **Part A** gives you general information about Fixed Cash Flow Deposits, including information about how to determine if Fixed Cash Flow Deposits are appropriate investments for you, the risks of investing in Fixed Cash Flow Deposits and how to buy Fixed Cash Flow Deposits.
- **Part B** describes in detail how Fixed Cash Flow Deposits work, including what payments will be made on Fixed Cash Flow Deposits, how any returns are calculated and what fees we charge on your investment. It also describes how you may be able to sell your Fixed Cash Flow Deposits before they mature and certain special circumstances that may affect the variable return, if any, you receive at maturity.
- **Part C** gives you information about the underlying mutual funds in the FCFP Portfolio that determine the amount of any variable return you may earn on your Fixed Cash Flow Deposits.
- **Part D** describes certain Canadian federal income tax considerations that an investor in Fixed Cash Flow Deposits should take into account in deciding whether to invest in Fixed Cash Flow Deposits.
- **Part E** describes your legal rights as an investor in Fixed Cash Flow Deposits.
- **Part F** gives important additional information about Fixed Cash Flow Deposits that is not contained in any other part of this document.
- **Part G** is a glossary of some of the important terms we use in this document.

BMO FIXED CASH FLOW PLUS DEPOSIT PROGRAM CURRENT PAY DEPOSITS

The Fixed Cash Flow Deposit Program

The Fixed Cash Flow Deposit Program offers a comprehensive and integrated way to address the evolving challenges and objectives of investors who are approaching or entering their retirement years. Fixed Cash Flow Deposits may be suitable for investors who desire long-term predictable cash flow during their retirement years.

Fixed Cash Flow Deposits provide exposure to equity and fixed income mutual funds managed by BMO Investments Inc. (the “**manager**”). We refer to these mutual funds as the “**underlying funds**”, and we refer to your notional investment in the underlying funds as the “**FCFP Portfolio**”. The underlying funds and the composition of the FCFP Portfolio is described in the Series Supplement for each series of the Fixed Cash Flow Deposits. The FCFP Portfolio will be systematically rebalanced to become more conservative over time. When the Fixed Cash Flow Deposits mature, you will be entitled to receive a variable return, if any, based on any appreciation in the value of the FCFP Portfolio.

The Fixed Cash Flow Deposits are long-term deposits that provide investors with a steady, predictable, and reliable stream of payments for most of their term to meet ongoing spending needs. Payments made to you before the maturity date are a return to you of a portion of the principal amount you invested in the Fixed Cash Flow Deposits. You will not pay any income tax on these payments when you receive them, and you will generally not have to pay any income tax on your Fixed Cash Flow Deposits until they mature, or you sell them. We refer to the repayments of principal made on your Fixed Cash Flow Deposits before their maturity date as “**capital distributions**”. The tax consequences of investing in Fixed Cash Flow Deposits are set out in detail in Part D under the heading “Certain Canadian Federal Income Tax Considerations”.

You can find detailed information about the Fixed Cash Flow Deposit Program and Fixed Cash Flow Deposits in Part B under the heading “How the Fixed Cash Flow Deposits Work”.

What is a Fixed Cash Flow Deposit?

A Fixed Cash Flow Deposit is a long-term deposit liability of Bank of Montreal. It is an unsecured and unsubordinated debt obligation owed to its holder by Bank of Montreal with the following features:

- Fixed Cash Flow Deposits rank equally with our other deposit liabilities. That means we must repay amounts owing on Fixed Cash Flow Deposits on an equal basis with our other deposit liabilities without giving preference to one or the other.
- A Fixed Cash Flow Deposit is eligible to be insured by the Canada Deposit Insurance Corporation if it is payable in Canada and the total deposits you hold do not exceed \$100,000 per institution per insurance category.
- The variable return, if any, that you receive on your Fixed Cash Flow Deposits at maturity is based on the performance of the underlying funds in the FCFP Portfolio. It is not based on a fixed, floating, or other specified interest rate that can be determined before the final valuation date. While you will receive the full principal amount you invest in a Fixed Cash Flow Deposit if you hold it until maturity, it is possible that you will not receive any return on the amount you deposit with us.
- A Fixed Cash Flow Deposit is not designed to be repaid in full on demand at any time. Other than the regularly scheduled capital distributions that we make to you, you will not be able to withdraw any amount invested in a Fixed Cash Flow Deposit until it matures. However, you may be able to sell your Fixed Cash Flow Deposits prior to maturity to BMO Capital Markets, as described in Part B under the heading “Selling your Fixed Cash Flow Deposits early”.

On the date of this Master Information Statement, amounts deposited with Bank of Montreal that mature more than one year after they were issued had received the following credit ratings:

Ratings Agency	Credit Rating
DBRS Limited	AA
Standard & Poor's Financial Services	A+
Moody's Investors Service, Inc.	Aa2

The credit ratings above are evaluations by the ratings agencies of our ability to repay our long-term deposit liabilities when they become payable. These credit ratings indicate that the ratings agencies consider that we generally have a strong ability to repay these deposit liabilities. You should be aware, however, that no ratings agency has specifically rated the Fixed Cash Flow Deposit Program, or any Fixed Cash Flow Deposits offered under this Master Information Statement. Even if the Fixed Cash Flow Deposits were rated, there is no guarantee that they

BMO FIXED CASH FLOW PLUS DEPOSIT PROGRAM CURRENT PAY DEPOSITS

would receive the same ratings as our other deposit liabilities. Just because a ratings agency provides a credit rating for our deposit liabilities does not mean that the ratings agency is recommending that you buy, sell, or hold these deposit liabilities. A ratings agency may change or withdraw its credit rating at any time.

Should I invest in Fixed Cash Flow Deposits?

This section will help you to decide whether an investment in Fixed Cash Flow Deposits is right for you. You should invest in Fixed Cash Flow Deposits only after carefully considering the following questions with a BMO investment professional at any BMO Bank of Montreal branch:

- What are your investment goals?
- Will Fixed Cash Flow Deposits help you to achieve those goals?
- What investments do you already hold?
- How long are you prepared to invest?
- What risks are you prepared to accept?

Fixed Cash Flow Deposits may be the right investment for you if:

- you are preparing for or entering your retirement years
- you are prepared to invest for the long-term and are prepared to wait until your Fixed Cash Flow Deposits mature to receive any amounts other than regular capital distributions payable before maturity
- you are willing to accept greater equity exposure in the early years of the Fixed Cash Flow Deposit and reduce equity exposure in a disciplined and systematic manner over the long-term
- you want to receive regular and predictable capital distributions during most of the term of your Fixed Cash Flow Deposits without paying income tax on these distributions when you receive them
- you want to ensure that you receive at least the amount you invested in Fixed Cash Flow Deposits if you hold them until the maturity date
- you are prepared to receive a variable return that (i) is based on the performance of the underlying funds in the FCFP Portfolio, (ii) will be uncertain until the Fixed Cash Flow Deposits mature, (iii) will not be paid until the maturity date, and (iv) may be zero

- you are prepared to assume the risks described under the heading “What are the risks of investing in Fixed Cash Flow Deposits?”

What are the risks of investing in Fixed Cash Flow Deposits?

You should carefully consider the following risks of holding Fixed Cash Flow Deposits before deciding to invest in them.

Risks of Fixed Cash Flow Deposits

Suitability – Fixed Cash Flow Deposits may not be an appropriate investment for you. You should invest in Fixed Cash Flow Deposits only after carefully considering your investment goals, how long you want to invest and what risks you are prepared to accept. You should then discuss these factors with a BMO investment professional at any BMO Bank of Montreal branch to determine whether Fixed Cash Flow Deposits are the right investment for you. Considerations you should take into account in deciding whether to invest in the Fixed Cash Flow Deposits are set out above under the heading “Should I invest in Fixed Cash Flow Deposits?”.

Fixed Cash Flow Deposits differ from conventional fixed income investments – Fixed Cash Flow Deposits do not provide you with a return or income stream that is based on a fixed, floating, or other specified rate of interest that can be determined before the final valuation date during the term. Any return at maturity will be based on the performance of the underlying funds in the FCFP Portfolio and could be zero. An investment in Fixed Cash Flow Deposits is not suitable for you if you require or expect a guaranteed return on your investment and are not prepared to assume the risks associated with a long-term investment whose return at maturity is uncertain and may be zero.

Selling your Fixed Cash Flow Deposits Early – There is currently no market for investors to sell Fixed Cash Flow Deposits and we do not intend to have them listed on any exchange. BMO Capital Markets, one of our [affiliates](#), will use reasonable efforts under normal market conditions to create a secondary market where investors can sell Fixed Cash Flow Deposits before they mature.

Several factors will affect the price at which Fixed Cash Flow Deposits could be bought or sold in that market. These factors are described in Part B under the heading “Selling your Fixed Cash Flow Deposits early”. If you sell your Fixed Cash Flow Deposits before maturity, you will receive the current market value. The current market value may be more or less than the Remaining Deposit

BMO FIXED CASH FLOW PLUS DEPOSIT PROGRAM CURRENT PAY DEPOSITS

Balance of your Fixed Cash Flow Deposits, even if the FCFP Portfolio has performed well.

Effect of capital distributions and fees on the FCFP Portfolio – Capital distributions will reduce the value of the FCFP Portfolio resulting in the Fixed Cash Flow Deposits having less exposure to the underlying funds. Aggregate fees paid under the Fixed Cash Flow Deposit Program will reduce and may eliminate any variable return you would otherwise have received when your Fixed Cash Flow Deposits mature. During the term of your Fixed Cash Flow Deposits, you will receive no payments (including interest payments) other than the capital distributions described in this Master Information Statement and the relevant Series Supplement.

Credit rating – The Fixed Cash Flow Deposits or the Fixed Cash Flow Deposit Program will not be rated by any ratings agency. Even if they were rated, there is no guarantee that they would receive the same ratings as our other deposit liabilities.

Limited deposit insurance – Fixed Cash Flow Deposits are insured by the Canada Deposit Insurance Corporation only if they are payable in Canada and the total deposits you hold do not exceed \$100,000 per institution per insurance category. That means that if we experience financial difficulties in paying amounts we owe, you will be able to look to Canada Deposit Insurance Corporation for payment of amounts owing on your Fixed Cash Flow Deposits only within the limits set out above. Fixed Cash Flow Deposits are not insured or guaranteed by any other organization, and you will not be able to look to any other person or organization for payment of amounts owing on them.

Special circumstances – If certain events occur beyond our control, we may eliminate exposure to an underlying fund (or funds) in the FCFP Portfolio or, in extreme cases, cancel and repay your Fixed Cash Flow Deposits prior to maturity. In that case, you will not receive the return that you might otherwise have received if that exposure had continued until maturity. These events are described in Part B under the heading “Special Circumstances”.

Valuation of the Fixed Cash Flow Deposits – The value of Fixed Cash Flow Deposits is based on the value of the underlying funds. To value the Fixed Cash Flow Deposits, we, or someone appointed by us to value the Fixed Cash Flow Deposits, will rely on information reported by the administrators of the underlying funds and will assume that they have valued their assets fairly. This value will usually not be audited. There may not be readily available market prices or quotations for interests in the

underlying funds, and we may not be able to obtain information about an underlying fund’s investments in order to verify its fair value.

No ownership rights in underlying funds – Owning Fixed Cash Flow Deposits does not give you any rights in the underlying funds, any units of the underlying funds or any investments that they make. An owner of Fixed Cash Flow Deposits will not have the rights of a unitholder of an underlying fund or an owner of any of an underlying fund’s investments, including any right to receive distributions or dividends or to vote at or attend meetings of unitholders or owners of the underlying fund’s investments. Investing in Fixed Cash Flow Deposits is not the same as investing directly in the underlying funds. Investing in Fixed Cash Flow Deposits allows you to participate in any increase in value of the underlying funds, net of fees charged under the Fixed Cash Flow Deposits, while ensuring that you receive at least the amount you invested over the term of the Fixed Cash Flow Deposits.

Risks relating to Bank of Montreal

Conflicts of interest – Bank of Montreal and/or the manager or portfolio advisor of an underlying fund (or any of their affiliates) may carry on business activities that compete with the business of one or more of the underlying funds or with Fixed Cash Flow Deposits. The investment goals and policies of other entities and activities that the manager or portfolio advisor is involved with may not match the investment goals and strategies of the underlying funds. In addition, the manager or portfolio advisor of one or more of the underlying funds may be one of our affiliates and we could influence its activities. Because of these factors, the manager or portfolio advisor and companies related to them may have conflicts of interest in dividing their time and activities between the underlying funds and other entities and activities.

As part of our normal business operations, we and our affiliates may have investments linked to an underlying fund or may carry on business dealings with an underlying fund, with the manager or portfolio advisor of an underlying fund or with a company that has issued a security in which an underlying fund invests. These activities could include hedging arrangements to reduce our exposure to our obligations under the Fixed Cash Flow Deposits. We will take part in these activities according to normal market practices. These practices may include the payment of fees to us or to other parties. We may not take into account the effect these activities may have on any return on Fixed Cash Flow Deposits.

BMO FIXED CASH FLOW PLUS DEPOSIT PROGRAM CURRENT PAY DEPOSITS

We, or someone appointed by us, are responsible for valuing the Fixed Cash Flow Deposits and for making certain important decisions about the Fixed Cash Flow Deposit Program. We will not hire an independent person to make or to confirm these calculations and decisions.

Credit risk – The likelihood that holders of Fixed Cash Flow Deposits will receive the payments owing to them depends on our financial health and creditworthiness.

Risks of the underlying funds

Risks of exposure to the performance of the underlying funds – The amount of the variable return, if any, payable on the Fixed Cash Flow Deposits at maturity is based on the performance of the underlying funds. That means that some risks of investing directly in the underlying funds also apply to an investment in Fixed Cash Flow Deposits. You should review each underlying fund's simplified prospectus and annual information form, including any amendments to those documents, for a complete description of the risks that apply to each underlying fund. These documents are publicly filed at www.sedar.com and can also be found at www.bmo.com/mutual-funds.

Value of underlying funds – The trading prices of the investments of each underlying fund determines its value, which, in turn, indirectly determines the value of your Fixed Cash Flow Deposits. You should be aware that it is impossible to know whether the value of an underlying fund's investments will rise or fall. The trading prices of an underlying fund's investments are affected by complex and related political, economic, financial, and other factors that affect the financial markets in general or the markets on which the underlying fund's investments trade. You should become familiar with the basic features of each underlying fund, including how the value of its units is calculated, by referring to the underlying fund's simplified prospectus and other information that it files publicly. This information is available at www.sedar.com and at www.bmo.com/mutual-funds.

Management of the underlying funds – The manager of an underlying fund and any portfolio advisor it appoints have complete discretion and authority to manage and control what the underlying fund invests in. Their decisions will affect the overall performance of that underlying fund. There is no guarantee that an underlying fund will meet its investment objectives, that its investment strategies will be successful, or that it can avoid losses or produce a positive return. The past

performance of an underlying fund has no effect on, and does not indicate, its future performance.

Legal risks

Changes in laws, regulations or administrative practices – Changes to laws and regulations or the administrative practices of government agencies (including with respect to taxation) could impact you, including changes, if any, as a result of a current review by the Canada Revenue Agency (the "CRA") of its administrative practice in relation to the relevance of a secondary market for debt obligations such as the Fixed Cash Flow Deposits in determining whether there is a deemed annual accrual of interest on such debt obligations.

How do I purchase Fixed Cash Flow Deposits?

The minimum purchase for any series of Fixed Cash Flow Deposits is \$5,000. The most recent series of Fixed Cash Flow Deposits offered for sale may be purchased at any BMO Bank of Montreal branch until 4:00 p.m. (Toronto time) during the selling period set out in the Series Supplement for that series.

We may accept orders to buy Fixed Cash Flow Deposits in whole or in part. We also have the right to stop taking orders at any time without notice and may decide not to issue any series of Fixed Cash Flow Deposits. If you have given us an order to purchase Fixed Cash Flow Deposits or you have purchased Fixed Cash Flow Deposits, we will keep your funds in a non-interest bearing account until we issue the Fixed Cash Flow Deposits. You may be able to cancel your order or purchase if you do so shortly after placing or making it. This right is described in Part E, "Your Legal Rights".

B. DESCRIPTION OF THE FIXED CASH FLOW DEPOSIT PROGRAM

Introduction

The Fixed Cash Flow Deposit Program offers a comprehensive and integrated way to address the evolving challenges and objectives of investors who are approaching or entering their retirement years.

Fixed Cash Flow Deposits may be suitable for investors who desire long-term predictable cash flow during their retirement years. They provide investors with a steady, predictable, and reliable stream of payments during the distribution phase (as defined in the Series Supplement and as described below) of the term of the Fixed Cash Flow Deposits to meet ongoing spending needs. We refer

BMO FIXED CASH FLOW PLUS DEPOSIT PROGRAM CURRENT PAY DEPOSITS

to these payments, which are a return to you of a portion of the principal amount you invested in Fixed Cash Flow Deposits, as “capital distributions”.

Fixed Cash Flow Deposits also provide exposure to the performance of a combination of equity and fixed income mutual funds referred to as the “underlying funds”. The blend of underlying funds will be systematically rebalanced to become more conservative over time. When the Fixed Cash Flow Deposits mature, you will be entitled to receive a variable return, if any, based on any appreciation in the FCFP Portfolio over the term.

The following sections describe how Fixed Cash Flow Deposits obtain exposure to the underlying funds, how the allocation of underlying funds is rebalanced over time, how capital distributions are determined and when they are made to you.

How the Fixed Cash Flow Deposits Work

The FCFP Portfolio

The amount you invest in Fixed Cash Flow Deposits is notionally invested in a portfolio of underlying funds. We refer to this portfolio as the “**FCFP Portfolio**”. The FCFP Portfolio contains notional units (referred to as “**portfolio units**”) of the underlying funds, and the performance of the Fixed Cash Flow Deposits is based on the performance of those portfolio units from the day the Fixed Cash Flow Deposits are issued until the third business day before they mature (referred to as the “**final valuation date**”). We use the term “**notional**” because although your return is based on the performance of the underlying funds, you will not have any rights of ownership in the units of the underlying funds.

The performance of the portfolio units is calculated as if:

- the management expenses charged on the actual units of the underlying funds are not charged on the portfolio units so that there is no duplication of management fees under the Fixed Cash Flow Deposits.
- any distributions on the actual units are credited to the FCFP Portfolio and notionally reinvested in more portfolio units of the relevant underlying fund for the FCFP Portfolio.

The underlying funds for a series of Fixed Cash Flow Deposits are described in the Series Supplement for that series. Part C under the heading “The Underlying Funds” describes what information the Series Supplement contains about the underlying funds.

Composition of the FCFP Portfolio

The FCFP Portfolio is divided into two components: an “**equity component**” and a “**fixed income component**”. Each component of the FCFP Portfolio will be made up of notional units of the underlying funds. When a series of Fixed Cash Flow Deposits is issued, proceeds will initially be allocated to portfolio units of the underlying funds in the equity component and fixed income component in the proportions set out under “**Initial Weighting**” in the relevant Series Supplement describing the specific series of Fixed Cash Flow Deposits.

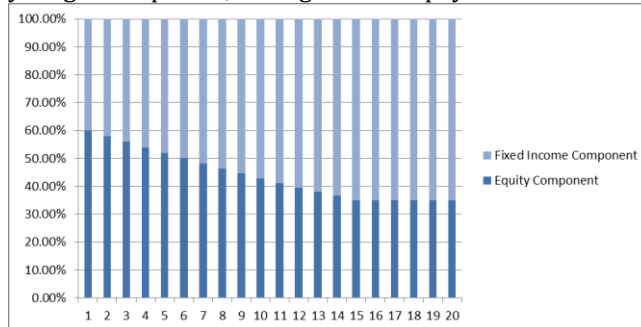
Rebalancing the FCFP Portfolio

The exposure of the FCFP Portfolio to the underlying funds will be allowed to fluctuate with market conditions. Over the distribution phase, we will “rebalance” the FCFP Portfolio to a more conservative position by systematically reducing the exposure to the equity component and increasing the exposure to the fixed income component. Without requiring you to take any action, the FCFP Portfolio will be systematically rebalanced from the “**Initial Weighting**” to the “**Final Weighting**” over time in the manner described in the relevant Series Supplement. After the distribution phase, the FCFP Portfolio will be rebalanced to the Final Weighting on or about the anniversary of the Issue Date in each year of the remaining term of the Fixed Cash Flow Deposits. Details of the target exposure to each underlying fund in the FCFP Portfolio for your series of Fixed Cash Flow Deposits will be available at www.bmo.com/fixedcashflow.

The graphs shown below illustrate the concept of rebalancing the FCFP Portfolio. These graphs are only an example of rebalancing during the term of the Fixed Cash Flow Deposits.

Fixed Cash Flow Deposits

Fixed Cash Flow Deposits have a total 20-year term made up of the initial 15-year distribution phase, during which regular capital distributions are made, followed by a 5-year growth period, during which no payments are made.



BMO FIXED CASH FLOW PLUS DEPOSIT PROGRAM

CURRENT PAY DEPOSITS

For the Fixed Cash Flow Deposits, initially 60% of the FCFP Portfolio is allocated to the equity component and 40% is allocated to the fixed income component. At the end of the period specified in the Series Supplement (15 years in this example), 35% of the FCFP Portfolio is allocated to the equity component and 65% is allocated to the fixed income component. For the remaining term of the Fixed Cash Flow Deposits, the FCFP Portfolio will be allocated in accordance with the Final Weighting with 35% allocated to the equity component and 65% allocated to the fixed income component at the beginning of each year of the remaining term.

The “**Initial Weighting**” and “**Final Weighting**”, as well as the rebalancing schedule for a series of Fixed Cash Flow Deposits, will be set out in the relevant Series Supplement, and may differ from what is shown above.

The different investment phases of the Fixed Cash Flow Deposits are described below.

Investment phases of the Fixed Cash Flow Deposits

Distribution phase

The distribution phase begins on the date on which we make the first capital distribution on your Fixed Cash Flow Deposits to you. This date is referred to as the “**first payment date**”. The distribution phase continues for the period specified in the Series Supplement. During the distribution phase we will make regular capital distributions to you. The Series Supplement for each Fixed Cash Flow Deposit will set out the amount, frequency, and payment dates of these capital distributions to you. Each capital distribution will be made to you in the manner described in the Series Supplement.

Payments during the distribution phase

We will make regular capital distributions to you during the distribution phase, beginning on the first payment date and continuing for the duration of the distribution phase specified in the Series Supplement.

These capital distributions are a return to you of a portion of the principal amount you invested in Fixed Cash Flow Deposits. As your principal amount invested is reduced, so is the adjusted cost base of your investment (see the example below). As a result, you will generally not have to pay any income tax until your Fixed Cash Flow Deposits mature or you sell them. The tax consequences of owning or selling Fixed Cash Flow Deposits are set out in detail in Part D under the heading

“**Certain Canadian Federal Income Tax Considerations**”. Any of the principal amount not paid to you during the term of the Fixed Cash Flow Deposits will be repaid to you when the Fixed Cash Flow Deposits mature. We refer to this amount as the “**Remaining Deposit Balance**”.

Please refer to the Series Supplement for the series of the Fixed Cash Flow Deposit you are investing in for important information about how capital distributions can be made to you.

Growth Phase

The growth phase begins on the first date after we make the final capital distribution on your Fixed Cash Flow Deposits to you.

During the growth phase, there will be no payments made to you. The purpose of the growth phase is to give your investment a chance to grow without any immediate tax consequences to you.

The Remaining Deposit Balance will be repaid to you when your Fixed Cash Flow Deposit matures, 5 years after the final capital distribution.

BMO FIXED CASH FLOW PLUS DEPOSIT PROGRAM

CURRENT PAY DEPOSITS

Effect of capital distributions on the FCFP Portfolio and the Remaining Balance

Regular capital distributions made to you will reduce the value of the FCFP Portfolio resulting in the Fixed Cash Flow Deposits having less exposure to the underlying funds. Before the maturity of your Fixed Cash Flow Deposits, you will receive no payments (including interest payments) other than capital distributions.

The following example illustrates the effect of capital distributions on the Remaining Deposit Balance and the adjusted cost base of your Fixed Cash Flow Deposits:

Example: Capital Distributions

This example assumes that capital distributions are 5.0% per year and that three years of the distribution phase of your Fixed Cash Flow Deposits have passed. By this time, you would have received capital distributions totalling \$15.00 per Fixed Cash Flow Deposit as shown below.

Deposit Amount:	\$100.00
Aggregate Yearly Capital Distributions	
Year 1:	\$5.00
Year 2:	\$5.00
Year 3:	\$5.00
Remaining Deposit Balance:	\$85.00
Adjusted Cost Base:	\$85.00

Each capital distribution is a repayment of a portion of your principal investment in your Fixed Cash Flow Deposits and, as such, is not taxable.

The Remaining Deposit Balance that will be repaid to you when a Fixed Cash Flow Deposit matures will decrease by an amount equal to the capital distributions you have received, and so will the adjusted cost base of your investment in the Fixed Cash Flow Deposit. You may realize a capital loss if you dispose of your Fixed Cash Flow Deposits before maturity to the extent that the price for which the Fixed Cash Flow Deposits were disposed of is less than the adjusted cost base. See Part D "Certain Canadian Federal Income Tax Considerations".

Capital distributions may vary with each series of Fixed Cash Flow Deposits and could be more or less than the 5.0% assumed for purposes of this example. Please refer to the relevant Series Supplement for details on the capital distributions for your Fixed Cash Flow Deposits.

Payments at Maturity

When your Fixed Cash Flow Deposits mature, you will receive an amount equal to the principal amount you

invested (\$100 per Fixed Cash Flow Deposit) minus any capital distributions you received during the distribution phase. This is the Remaining Deposit Balance on the maturity date.

At maturity, you may also receive a variable return based on the performance of the FCFP Portfolio. This return will be equal to the amount, if any, by which the Deposit Value on the third business day before the Fixed Cash Flow Deposit matures exceeds the Remaining Deposit Balance when the Fixed Cash Flow Deposit matures. If the Deposit Value on the final valuation date does not exceed the Remaining Deposit Balance, then you will not receive any variable return on your Fixed Cash Flow Deposits at maturity. The calculation of the Deposit Value is described below under the heading "Valuation of Fixed Cash Flow Deposits".

On the maturity date the Remaining Deposit Balance and any variable return to which you are entitled will be paid or invested in the manner described in the relevant Series Supplement.

Fees and expenses

We will charge you an "**Annual Fixed Cash Flow Deposit Fee**" under the Fixed Cash Flow Deposit Program. The Annual Fixed Cash Flow Deposit Fee applicable to each series of Fixed Cash Flow Deposits is set out in the relevant Series Supplement. The Annual Fixed Cash Flow Deposit Fee is the only fee or expense that will be deducted from the FCFP Portfolio.

We will calculate and accrue Annual Fixed Cash Flow Deposit Fees daily and will receive them monthly. These fees will reduce the value of the FCFP Portfolio and will therefore affect the return, if any, paid to you when the Fixed Cash Flow Deposits mature.

Since we will deduct the Annual Fixed Cash Flow Deposit Fee from the value of the FCFP Portfolio, the FCFP Portfolio must generate a return that exceeds the Annual Fixed Cash Flow Deposit Fee for the series of Fixed Cash Flow Deposit in which you have invested in order for you to receive a return when the Fixed Cash Flow Deposits mature.

Currency

The Fixed Cash Flow Deposits are Canadian dollar deposit liabilities, and we will pay all amounts on the Fixed Cash Flow Deposits in Canadian dollars.

BMO FIXED CASH FLOW PLUS DEPOSIT PROGRAM CURRENT PAY DEPOSITS

No Certificate

You will not receive a certificate or other document representing your ownership of Fixed Cash Flow Deposits. Instead, we will maintain records showing the holders of Fixed Cash Flow Deposits. Capital distributions will be made by us to holders shown on our records in proportion to the number of Fixed Cash Flow Deposits they own and in accordance with their payment instructions.

Valuation of Fixed Cash Flow Deposits

Calculating Deposit Value

On any day, the value of a Fixed Cash Flow Deposit (referred to as the “**Deposit Value**”) will be the value of the FCFP Portfolio for the relevant series of Fixed Cash Flow Deposits divided by the number of outstanding Fixed Cash Flow Deposits for that series. The Deposit Value estimates how much your Fixed Cash Flow Deposits would be worth if they matured on that day and reflects the performance of the FCFP Portfolio at that time. The Deposit Value is not a forecast of the future value of your Fixed Cash Flow Deposits and may accurately reflect the amount you would receive if the Fixed Cash Flow Deposits were redeemed on that day. The value of the FCFP Portfolio on any day is the value of the units of the underlying funds comprising the FCFP Portfolio on that day less the Annual Fixed Cash Flow Deposit Fee for that series that is owed on that day but has not been paid yet. The value of the FCFP Portfolio could be less than the Remaining Deposit Balance of your Fixed Cash Flow Deposits at any time. However, the Deposit Value of your Fixed Cash Flow Deposits will never be less than the Remaining Deposit Balance at maturity.

While investors will be entitled to receive the Deposit Values of their Fixed Cash Flow Deposits when they mature, the price at which an investor will be able to sell their Fixed Cash Flow Deposits before maturity will depend on a number of factors described under the heading “Selling your Fixed Cash Flow Deposits early” below and may differ from the Deposit Value.

Temporary suspension of the calculation of Deposit Value

We may not be able to determine a Deposit Value for the Fixed Cash Flow Deposits if calculation becomes impossible, impractical, or prejudicial to investors. This might happen if, for example, we were unable to get the net asset value for units of an underlying fund or a significant part of an underlying fund’s investments could not be sold or valued. There could also be other

circumstances beyond our control where we may need to suspend the calculation of the Deposit Value.

If we suspend the calculation of the Deposit Value, we may not be able to determine a fair and accurate price for the Fixed Cash Flow Deposits. In those circumstances, it may be necessary for BMO Capital Markets to suspend any market for Fixed Cash Flow Deposits that allows investors to sell their Fixed Cash Flow Deposits before maturity.

If the calculation of the Deposit Value is suspended for too long, this could also result in an extraordinary event, as described under the heading “Special circumstances – Extraordinary Events”. If an extraordinary event occurs, the Deposit Value will not be calculated as described above but will be determined as set out in that section.

Transferring your Fixed Cash Flow Deposits

Your Fixed Cash Flow Deposits must be held in an account with BMO Personal and Business Banking. You may transfer your Fixed Cash Flow Deposits to a client of BMO Personal and Business Banking. However, you may not transfer your Fixed Cash Flow Deposits to any other person or to an account with any other financial institution or any investment dealer except BMO Capital Markets on a sale in the secondary market as described under the heading “Selling your Fixed Cash Flow Deposits early”. On your death during the term of your Fixed Cash Flow Deposits, the Remaining Deposit Balance of each Fixed Cash Flow Deposit will be transferred in accordance with the instructions of your legal representative.

Selling your Fixed Cash Flow Deposits early

BMO Capital Markets, one of our affiliates, will use reasonable efforts under normal market conditions to create a daily market where investors can sell Fixed Cash Flow Deposits to BMO Capital Markets before maturity. This daily market is referred to as a “**secondary market**”. You will not be able to sell, transfer or redeem a Fixed Cash Flow Deposit before it matures other than through the secondary market or as described under the heading “Transferring your Fixed Cash Flow Deposits”. Fixed Cash Flow Deposits will not be listed on any stock exchange.

However, BMO Capital Markets is not required to create or arrange for a secondary market for Fixed Cash Flow Deposits and any such secondary market could be suspended at any time by BMO Capital Markets without notifying the holders of the Fixed Cash Flow Deposits. The secondary market would usually be suspended if

BMO FIXED CASH FLOW PLUS DEPOSIT PROGRAM CURRENT PAY DEPOSITS

financial markets were disrupted. We cannot guarantee that a secondary market will exist.

We do not have the right to redeem the Fixed Cash Flow Deposits before maturity and you do not have the right to require us to redeem (that is, repay and cancel) them before maturity.

BMO FIXED CASH FLOW PLUS DEPOSIT PROGRAM CURRENT PAY DEPOSITS

How do I sell my Fixed Cash Flow Deposit in the secondary market?

If you want to sell a Fixed Cash Flow Deposit in the secondary market (if available) please contact a BMO investment professional at any BMO Bank of Montreal branch during normal business hours.

If you arrange to sell Fixed Cash Flow Deposits on or before 4:00 p.m. (Toronto time) on any business day, the proceeds of your sale will be the current market value at the end of that business day. If you arrange to sell Fixed Cash Flow Deposits after 4:00 p.m. (Toronto time) on any business day, the price you will receive will be the current market value at the end of the next business day. The proceeds of any sale of Fixed Cash Flow Deposits will be payable to you no later than three business days after the business day on which you sell them.

Each day, we will publish the current market value of the Fixed Cash Flow Deposits at the end of the previous business day on our public website at www.bmo.com/fixedcashflow. This price will also be available from any BMO Bank of Montreal branch during normal business hours.

Fixed Cash Flow Deposits are intended to be held until they mature with the Remaining Deposit Balance repayable at that time. If you sell Fixed Cash Flow Deposits before they mature, you may receive a price that is more or less than the Remaining Deposit Balance at that time, even if the FCFP Portfolio has performed well. As a result, you could suffer a loss on the sale.

What price will I get if I sell my Fixed Cash Flow Deposit in the secondary market?

The price you receive when you sell a Fixed Cash Flow Deposit before maturity will depend on the following factors:

- the Deposit Value and how much it has risen or fallen since that series of Fixed Cash Flow Deposits was issued
- the number and amount of capital distributions made on your Fixed Cash Flow Deposits before the sale date
- the allocations to the equity component and the fixed income component of the FCFP Portfolio
- how much the investments of the underlying funds have changed
- interest and foreign exchange rates

- the time remaining until the Fixed Cash Flow Deposits mature
- other related factors

The relationship among these factors is complex and may be influenced by political, economic, and other factors. The price for a Fixed Cash Flow Deposit may differ from the Deposit Value. The price that BMO Capital Markets will pay for Fixed Cash Flow Deposits sold in the secondary market before maturity will be determined by BMO Capital Markets acting in its sole discretion based on the factors described above. The price that BMO Capital Markets determines may be more than the Remaining Deposit Balance of your Fixed Cash Flow Deposits. However, you may receive less than the Remaining Deposit Balance of your Fixed Cash Flow Deposits, even if the performance of the FCFP Portfolio has been positive.

Before you decide to sell Fixed Cash Flow Deposits on the secondary market (if available), you should consult an investment professional at any BMO Bank of Montreal branch about whether it would be better to sell your Fixed Cash Flow Deposits early or hold them until they mature.

Where can I find out more about Fixed Cash Flow Deposits?

You may request information about the Fixed Cash Flow Deposits or another copy of this Master Information Statement by contacting the BMO Investment Centre at 1-800-665-7700 or from any BMO Bank of Montreal branch during normal business hours. A copy of this Master Information Statement is also available at www.bmo.com/fixedcashflow.

During the term of the Fixed Cash Flow Deposits, their value and the method for determining the variable return is available from the BMO Investment Centre at the above number, at any BMO Bank of Montreal branch during normal business hours or by visiting www.bmo.com/fixedcashflow.

Special circumstances

If certain unusual events occur, it may be necessary for us to substitute exposure to an underlying fund (or funds) in the FCFP Portfolio for exposure to one or more other mutual funds, exchange traded funds or assets or, in extreme cases that cannot be cured by substitution, to cancel and repay your Fixed Cash Flow Deposits prior to maturity. We refer to these types of events as “**extraordinary events**”.

BMO FIXED CASH FLOW PLUS DEPOSIT PROGRAM

CURRENT PAY DEPOSITS

Extraordinary events

“**Extraordinary events**” are events that may happen to Fixed Cash Flow Deposits or an underlying fund, its manager, its units or unitholders, or to us. Examples include:

- an underlying fund ceases to exist
- the manager of an underlying fund ceases to manage that fund
- the investment objectives, strategies or policies of an underlying fund change
- no value is available for units of an underlying fund, or its units cannot be purchased or redeemed or are redeemed without the unitholders’ consent
- changes in Canadian tax or other laws limit the activities of an underlying fund or its manager or unitholders
- changes in Canadian tax or other laws adversely affect a holder of Fixed Cash Flow Deposits or us

This list is not complete. Other events may also be extraordinary events. We will determine whether an extraordinary event has occurred in our sole discretion.

Substitution to cure an extraordinary event

Where an underlying fund is affected by an event that would otherwise be an extraordinary event, we will use our reasonable efforts to replace that underlying fund with one or more other mutual funds, exchange traded funds or other asset(s) managed or sponsored by one of our affiliates. We refer to such a replacement as a “**substitution**”.

A substitution will only take place if we determine that the substitution will eliminate the extraordinary event.

Only we can make the decision to carry out a substitution to avoid an extraordinary event. If we decide to proceed with the substitution, we will use reasonable efforts to notify holders of Fixed Cash Flow Deposits of our decision within 10 business days of the day on which the substitution takes place.

After a substitution takes place, any references in this Master Information Statement and any Series Supplement to the affected underlying fund(s) will be considered to be references to the mutual fund(s), exchange traded fund(s) or other asset(s) that replaced it or them. Any person performing calculations for the Fixed Cash Flow Deposits will be entitled to make any

adjustments that person considers necessary or appropriate to give effect to the substitution.

Consequences of an extraordinary event

If an extraordinary event occurs that cannot be cured by a substitution:

- we will notify you immediately of our intention to cancel and repay your Fixed Cash Flow Deposits and the date that we will determine the value of your Fixed Cash Flow Deposits (the “**Early Valuation Date**”)
- we will pay to you the actualized value of your Fixed Cash Flow Deposits no later than 45 days after the Early Valuation Date
- the actualized value of the Fixed Cash Flow Deposits may exceed, but will never be less than, the Remaining Deposit Balance of your Fixed Cash Flow Deposits on the Early Valuation Date
- we will make no further capital distributions to you on your Fixed Cash Flow Deposits and you will no longer have any exposure to the performance of the FCFP Portfolio after the Early Valuation Date
- upon payment of the actualized value of the Fixed Cash Flow Deposits, your Fixed Cash Flow Deposits will be cancelled and we will no longer have any further obligation to you under the Fixed Cash Flow Deposits.

C. THE UNDERLYING FUNDS

Each Fixed Cash Flow Deposit will provide exposure to the performance of the underlying funds listed in the relevant Series Supplement. The Series Supplement contains limited information about each underlying fund, including:

- its investment objectives
- whether it will be included in the equity component or the fixed income component of the FCFP Portfolio and
- the target weight of each underlying fund in the FCFP Portfolio on the issue date and the maturity date of the Fixed Cash Flow Deposit

Any information about the underlying funds set out in the Series Supplement is subject to disclosure filed publicly by each underlying fund and could change. For further information about an underlying fund, including further

BMO FIXED CASH FLOW PLUS DEPOSIT PROGRAM CURRENT PAY DEPOSITS

details of its investment objectives and strategies, please refer to the most recent simplified prospectus and annual information form of that underlying fund, and any amendments to those documents, filed at www.sedar.com. Information about the performance and holdings of an underlying fund is also available at www.bmo.com/mutualfunds.

D. CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Torys LLP, our counsel, the following is, as of the date hereof, a general summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Fixed Cash Flow Deposits by an investor ("**Initial Holder**") who purchases Fixed Cash Flow Deposits only at the time of their issuance. This summary is applicable only to an Initial Holder who is an individual (other than a trust) and, for the purposes of the Income Tax Act (Canada) (the "**Act**"), is, or is deemed to be, a resident of Canada, deals at arm's length with and is not affiliated with us and holds Fixed Cash Flow Deposits as capital property.

The Fixed Cash Flow Deposits will generally be considered to be capital property to an Initial Holder unless: (i) the Initial Holder holds the Fixed Cash Flow Deposits in the course of carrying on or otherwise as part of a business of trading or dealing in or buying and selling securities; or (ii) the Initial Holder acquired the Fixed Cash Flow Deposits as an adventure in the nature of trade. Certain Initial Holders resident in Canada whose Fixed Cash Flow Deposits might not otherwise be considered to be capital property or who desire certainty with respect to the treatment of the Fixed Cash Flow Deposits as capital property may be entitled to make an irrevocable election to have the Fixed Cash Flow Deposits and all of the Initial Holder's other "Canadian securities" deemed to be capital property pursuant to subsection 39(4) of the Act.

This summary is based on the current provisions of the Act and the regulations thereunder (the "Regulations") as in force on the date of this Master Information Statement, counsel's understanding of the current administrative and assessing practices of the CRA and all specific proposals to amend the Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof. No assurance can be given that any proposals to amend the Act or the Regulations will be enacted as proposed or at all. This summary does not otherwise take into account or anticipate any changes in law or the CRA's administrative or assessing practices, whether by legislative, governmental or judicial action. This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Fixed Cash Flow Deposits and does not take into account provincial, territorial or foreign income tax legislation or considerations.

BMO FIXED CASH FLOW PLUS DEPOSIT PROGRAM CURRENT PAY DEPOSITS

This summary is of a general nature only and is not intended to be, nor should it be relied upon or construed as legal or tax advice to any investor. Investors should consult their own tax advisors for advice with respect to the income tax consequences of an investment in Fixed Cash Flow Deposits, based on their circumstances.

Capital distributions

Any capital distributions received in respect of the Fixed Cash Flow Deposits will reduce the principal amount of the Fixed Cash Flow Deposits and the Initial Holder's adjusted cost base of the Fixed Cash Flow Deposits but will not be included in the Initial Holder's income when received.

Payment at Maturity or Early Payment Date

A Fixed Cash Flow Deposit is a **"prescribed debt obligation"** within the meaning of the Act. The rules in the Regulations applicable to a prescribed debt obligation (the **"prescribed debt obligation rules"**) generally require a taxpayer to accrue the amount of any interest, bonus or premium receivable in respect of the obligation over the term of the obligation, based on the maximum amount of interest, bonus or premium receivable on the obligation. Based in part on counsel's understanding of the CRA's administrative practice with regard to "prescribed debt obligations", there should be no deemed accrual of the Deposit Value of the Fixed Cash Flow Deposit in excess of its Remaining Deposit Balance (this excess, if any, being referred to as the **"variable return"**) under the prescribed debt obligation rules prior to the final valuation date, provided that we have not given notice of the payment of the actualized value of your Fixed Cash Flow Deposits following an extraordinary event. However, counsel understands that the CRA is currently reviewing its administrative practice in relation to the relevance of a secondary market for debt obligations such as the Fixed Cash Flow Deposits in determining whether there is a deemed accrual of interest on such debt obligations. See "What are the risks of investing in Fixed Cash Flow Deposits? – Legal Risks".

Upon a disposition of a Fixed Cash Flow Deposit at maturity, an Initial Holder will be required to include in income for the taxation year in which the disposition occurs, the amount, if any, of the variable return, except to the extent otherwise included in income for the taxation year or a preceding taxation year. We will file an information return with the CRA in respect of any such amount as and when required by law and will provide the Initial Holder with a copy of such return.

If an extraordinary event occurs and we have given notice of the payment of the actualized value of the Fixed Cash Flow Deposits, the amount, if any, by which that actualized value exceeds the Remaining Deposit Balance of an Initial Holder's Fixed Cash Flow Deposits on the Early Valuation Date will generally be required to be included in the Initial Holder's income in the taxation year that includes the date such amount was determined, except to the extent that the amount was otherwise included in income for the taxation year or a preceding taxation year. We will file an information return with the CRA in respect of any such amount as and when required by law and will provide the Initial Holder with a copy of such return.

Disposition of Fixed Cash Flow Deposits

On a transfer or assignment by an Initial Holder of a Fixed Cash Flow Deposit, the Initial Holder will be required to include in income as accrued interest the amount, if any, by which the price for which the Fixed Cash Flow Deposit was assigned or transferred exceeds the Remaining Deposit Balance. An Initial Holder may realize a capital loss on such transfer or assignment to the extent that the price for which the Fixed Cash Flow Deposit was assigned or transferred is less than the Remaining Deposit Balance.

One-half of a capital loss (an **"allowable capital loss"**) realized by an Initial Holder is deductible against one-half of any capital gain (a **"taxable capital gain"**) realized by an Initial Holder in the taxation year. Allowable capital losses in excess of taxable capital gains may be carried back and deducted against net taxable capital gains realized in the three preceding taxation years or carried forward and deducted against net taxable capital gains realized in subsequent years, subject to the detailed rules in the Act.

Eligibility for investment

In the opinion of Torys LLP, our counsel, the Fixed Cash Flow Deposits offered under this Master Information Statement will, at the date of issue, be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, tax-free savings accounts, registered disability savings plans and deferred profit sharing plans (other than a trust governed by a deferred profit sharing plan to which contributions are made by us or by an employer with which we do not deal at arm's length within the meaning of the Act).

BMO FIXED CASH FLOW PLUS DEPOSIT PROGRAM CURRENT PAY DEPOSITS

E. YOUR LEGAL RIGHTS

You are entitled to cancel an order to buy Fixed Cash Flow Deposits or a purchase of Fixed Cash Flow Deposits already issued to you if you do so, in either case, no more than 48 hours after you enter into an agreement to buy Fixed Cash Flow Deposits or, if later, 48 hours after you receive, or are considered to have received, this Master Information Statement and the Series Supplement for the series you ordered or purchased. You are considered to have received a document:

- when we or one of our representatives gives it to you or your representative in person, or you or your representative receives it by some other means
- at the time we send it, if we send it to you or your representative by email, fax, or other electronic means
- five days after we mail it, if we send it to you or your representative by mail

The 48-hour period does not begin until you receive or are considered to have received both documents. When you cancel an order or purchase of Fixed Cash Flow Deposits in this way, you will receive the full amount you paid for the Fixed Cash Flow Deposits. This cancellation right is not available for Fixed Cash Flow Deposits bought in the secondary market.

F. GENERAL MATTERS RELATING TO FIXED CASH FLOW DEPOSITS

Notices to investors

Any notices about Fixed Cash Flow Deposits may be given by publishing once in a French language Canadian newspaper and once in the national edition of an English language Canadian newspaper or communicated to you by mail, electronic and/or any other means. Notices given in this way will be considered valid for purposes of communicating with holders of Fixed Cash Flow Deposits. We will give notice in this way of any material change or material fact relating to Fixed Cash Flow Deposits, including Fixed Cash Flow Deposits no longer having exposure to the performance of any underlying fund.

Amendments and other actions

We may amend the terms of a series of Fixed Cash Flow Deposits without the consent of investors if, in our reasonable opinion, the amendment would not materially and adversely affect the interests of holders of

that series of Fixed Cash Flow Deposits. In all other cases, amendments of the terms of a series of Fixed Cash Flow Deposits must be approved at a meeting of holders of Fixed Cash Flow Deposits where holders of at least two-thirds of the principal amount of that series of Fixed Cash Flow Deposits represented at the meeting vote in favour of the amendments. Each investor is entitled to one vote per Fixed Cash Flow Deposit held by them for the purpose of voting at meetings held to consider a resolution. The Fixed Cash Flow Deposits do not carry the right to vote in any other circumstances.

If we would like you to take any action relating to your Fixed Cash Flow Deposits, we will take the necessary steps to give you notice of that action.

Calculations and decisions

All calculations and decisions made by us or a person appointed by us to make calculations and decisions under the Fixed Cash Flow Deposit Program or in connection with Fixed Cash Flow Deposits will be final and binding on us and on investors, unless an obvious error has been made.

Restrictions on sales of Fixed Cash Flow Deposits

Neither this Master Information Statement nor any Series Supplement may be used to offer Fixed Cash Flow Deposits to, or solicit orders for Fixed Cash Flow Deposits from, anyone in a jurisdiction where that offer or solicitation is not authorized or any person to whom it is unlawful to make such an offer or solicitation.

Trademarks

“BMO (M-bar roundel symbol)” and “BMO Capital Markets” are registered trademarks of Bank of Montreal.

Registered and non-registered accounts

Investments in Fixed Cash Flow Deposits can be held in a non-registered account or a registered retirement income fund (RRIF).

Monthly capital distributions paid on a Fixed Cash Flow Deposit held in a non-registered account will, based on your instructions at the time of purchase, either be deposited in a bank account you designate or paid to you by cheque. Monthly capital distributions paid on Fixed Cash Flow Deposits held in a RRIF will be invested in the BMO Money Market Fund or any other money market mutual fund managed by us or one of our affiliates. Unless you specify otherwise, capital distributions will

BMO FIXED CASH FLOW PLUS DEPOSIT PROGRAM CURRENT PAY DEPOSITS

automatically be invested in the BMO Money Market Fund.

G. GLOSSARY OF TERMS

actualized value. The actualized value of a Fixed Cash Flow Deposit is determined on an Early Valuation Date if an extraordinary event occurs that cannot be cured by a substitution of any underlying fund (or funds) in the FCFP Portfolio for exposure to one or more other mutual funds, exchange traded funds or other assets. The actualized value may be more than the Remaining Deposit Balance but will never be less.

adjusted cost base. The adjusted cost base of a Fixed Cash Flow Deposit is the amount you paid for it, including certain fees, commissions or other costs of purchasing it, less any repayments of principal you receive. The full amount of capital distributions paid to you on the Fixed Cash Flow Deposits before they mature will all be repayments of principal.

affiliate. An affiliate of a company is any other company that controls or is controlled by the first company or is controlled by the same person as the first company.

audit. An audit is a review and assessment of a company's financial records, controls, policies and procedures that is carried out by a qualified independent professional auditing firm. Its purpose is to ensure that the company's financial records fairly reflect the company's financial position, that its controls are adequate, that the company has complied with its policies and procedures and to recommend any changes to the company's controls, policies or procedures that it considers to be necessary.

BMO Capital Markets. The term BMO Capital Markets refers to BMO Nesbitt Burns Inc.

notional, notionally. If an investment is described as notional, this means that no actual investment was made. Instead, we keep records that accurately track the returns, distributions, and increases and decreases in the value of the investment as if an investment was made. Similarly, if an investment is described as having been notionally bought or sold, no actual purchase or sale has taken place. Instead, we reflect the financial effects of the notional purchase or sale (as well as the financial effect of holding the investment, if purchased) in our records as if the purchase or sale had really taken place.

unsecured. Fixed Cash Flow Deposits are unsecured, which means that there are no specific assets held as

collateral to support our obligation to pay what we owe on the Fixed Cash Flow Deposits.

unsubordinated. Fixed Cash Flow Deposits are unsubordinated. This means that we have no other debts that rank above Fixed Cash Flow Deposits. So, if we can't pay our debts when they are due, any of our assets available for repaying unsecured debt will not be used to repay any other debt issued by us before repaying Fixed Cash Flow Deposits.

