

# Simplified Prospectus

April 15, 2011

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BMO Balanced ETF Portfolio Class (formerly, BMO Balanced ETF Portfolio) (series A)  
BMO Growth ETF Portfolio Class (formerly, BMO Growth ETF Portfolio) (series A)  
BMO Aggressive Growth ETF Portfolio Class (formerly, BMO Aggressive Growth ETF Portfolio) (series A)

## **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)  
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BMO LifeStage Plus 2025 Fund (series A)  
BMO LifeStage Plus 2026 Fund (series A)  
BMO LifeStage Plus 2030 Fund (series A)

## **BMO FundSelect<sup>®</sup> Portfolios**

BMO FundSelect<sup>®</sup> Security Portfolio (series A and I)  
BMO FundSelect<sup>®</sup> Balanced Portfolio (series A and I)  
BMO FundSelect<sup>®</sup> Growth Portfolio (series A and I)  
BMO FundSelect<sup>®</sup> Aggressive Growth Portfolio (series A and I)

The BMO Mutual Funds in this simplified prospectus are offered by BMO Investments Inc.

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

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 simplified prospectus 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.**

<sup>±</sup> Each fund within this category is a class of BMO Global Tax Advantage Funds Inc., a mutual fund corporation.



In this document, “we”, “us” and “our” refer to BMO Investments Inc. We refer to all of the mutual funds we offer as “BMO Mutual Funds” and the mutual funds described in this document as the “funds”. Not all BMO Mutual Funds are offered through this simplified prospectus and certain BMO Mutual Funds offer different series through separate prospectuses. When you invest in a BMO Mutual Fund that is a part of BMO Global Tax Advantage Funds Inc., you buy shares of a class of BMO Global Tax Advantage Funds Inc., which is a corporation,

and you become a “shareholder”. We refer to these funds as “BMO Global Tax Advantage Funds”. When you invest in any of the other funds listed on the front cover, you buy units of a trust and become a “unitholder”. We refer to these funds as “BMO Trust Funds”. We refer to shares and units collectively as “securities” and holders of shares or units as “securityholders”. If the name of a series includes the words “Series F”, we refer to that series as “series F”.

This simplified prospectus contains selected important information to help you make an informed investment decision and understand your rights as an investor.

It’s divided into two parts. Pages 7 to 141 contain specific information about each fund and pages 142 to 167 contain general information about the funds.

You’ll find more information about each fund in the following documents:

- the annual information form
- the most recently filed Fund Facts (once available)
- the most recently filed annual financial statements
- any interim financial statements filed after those financial statements
- the most recently filed annual management report of fund performance
- any interim management report of fund performance filed after that annual management report of fund performance.

These documents are incorporated by reference into this simplified prospectus. That means they legally form part of this simplified prospectus just as if they were printed in it.

If you would like a copy of these documents, call us at 1-800-665-7700, or ask your dealer. There’s no charge for these documents. You’ll also find copies of them, and other information about the funds, on the internet at **[www.sedar.com](http://www.sedar.com)**.

For more information about BMO Mutual Funds, visit our website:

In English: **[www.bmo.com/mutualfunds](http://www.bmo.com/mutualfunds)**

En français: **[www.bmo.com/fonds](http://www.bmo.com/fonds)**

## 2 Specific information about each of the mutual funds described in this document

### A guide to using the fund descriptions

You'll find all the key information about each fund in one place—the fund descriptions. They begin on page 7. Each fund description is organized into sections to make it easier for you to compare funds. Below is a short guide to what you'll find in each section of the fund descriptions:

#### 1 Fund details

The *Fund details* section provides an overview of some basic information about the fund, like what kind of fund it is, when it was started and what type of securities it offers.

A mutual fund can be set up as a mutual fund trust or as a mutual fund corporation. We have both kinds of mutual funds. BMO Global Tax Advantage Funds are corporate classes of BMO Global Tax Advantage Funds Inc., which is a mutual fund corporation. When you invest in BMO Global Tax Advantage Funds, you buy shares of a class of BMO Global Tax Advantage Funds Inc. BMO Trust Funds are organized as trusts. When you invest in any of these funds, you buy units of a trust. Some of the funds offer more than one series of securities. Each series is intended for a different kind of investor and may have a different management fee.

The *Fund details* section also tells you if the fund is an eligible investment for registered plans like Registered Retirement Savings Plans (“RRSP”), Registered Retirement Income Funds (“RRIF”), Registered Education Savings Plans (“RESP”), Deferred Profit Sharing Plans (“DPSP”), Registered Disability Savings Plans (“RDSP”) and Tax-Free Savings Accounts (“TFSA”). You should consult your own tax advisor for advice on whether or not an investment in a fund would be a prohibited investment for your registered plan.

This section also shows the maximum management fee that we may charge for the series of securities of the funds offered through this simplified prospectus. For each series, we may, from time to time at our discretion, waive a portion or the entire amount of the management fee chargeable at any given time.

In addition, this section includes information on the administration fee and the name of the portfolio manager—the company that makes the day-to-day decisions about fund investments.

#### 2 What does the fund invest in?

This section tells you the *Investment objectives* and *Investment strategies* of the fund.

##### Investment objectives

These are the goals of the fund. You'll find details about the kinds of securities the fund invests in, as well as any special focus, like concentrating on a particular country or industry.

##### Investment strategies

This tells you how the portfolio manager tries to achieve the fund's objectives. Each of the funds follows the standard investment restrictions and practices established by Canadian securities legislation, unless Canadian securities regulators have given the fund approval to vary from these restrictions. If we and/or the fund have obtained such an approval, we may discuss it here or under *Additional information* and we discuss it in the annual information form.

The Independent Review Committee (the “IRC”) of the funds has, as permitted by Canadian securities legislation, provided us with approval to enable the funds to engage in certain transactions with, and purchase securities of, certain related parties. Additional information is available in the funds' annual information form and under *Additional information* on page 167.

Each fund may hold cash as a defensive strategy or while waiting to invest in other securities. A fund may also buy short-term fixed income securities and money market instruments.

A fund may purchase securities of other mutual funds (or obtain exposure to other mutual funds by entering into derivative transactions), including mutual funds or exchange traded funds that are managed by us or our affiliates or associates.

In some cases, the investment strategies section of a fund may indicate that the fund has percentage or other restrictions on its investment in certain types of securities. In these cases, if the restriction is adhered to at the time of investment and then later the market value of the investment, the rating of the investment, or the value of the fund, changes in a manner that causes the restriction to be exceeded, it is not a violation of the restriction.

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BMO BOND FUND

## BMO Bond Fund

**1**

Fund details	
Type of fund	Canadian bond
Date started	Series A: May 2, 1988 Series I: March 5, 2008 Series F: October 20, 2008
Securities offered	Units of a mutual fund trust
Eligible for registered plans	Yes
Management fee	Series A: 1.30% Series I: N/A. A series I fee is negotiated and paid by each series I investor Series F: 0.75%
Administration fee	0.15% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
Portfolio manager	BMO Asset Management Inc. (formerly James Headland Investment Counsel Inc.), Toronto, Ontario (portfolio manager since May 1996)

**2**

**What does the fund invest in?**

**Investment objectives**

This fund's objectives are:

- to provide a high level of interest income
- to provide some opportunity for growth in the value of your investment.

As part of its investment objectives, the fund invests primarily in high quality fixed income securities that are issued by governments and corporations in Canada and that mature in more than one year.

The fundamental investment objectives may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

**Investment strategies**

These are the strategies the portfolio manager uses to try to achieve the fund's objectives:

- examines economic indicators like growth, inflation and monetary policy to provide a framework for selecting appropriate securities
- chooses a variety of investment terms based on the interest rate outlook
- changes the average term to maturity of the investments in the portfolio based on the outlook for interest rates
- analyzes credit ratings of various issuers to determine the best potential investments for the portfolio
- allocates investments among government and corporate securities to diversify the fund's holdings
- invests primarily in securities rated BBB or higher at the time of investment by Standard & Poor's Rating Service or the equivalent rating as defined by other recognized rating agencies. BBB-rated securities may not exceed 10% of the value of the fund's assets
- may invest up to 10% of the fund's assets in non-investment grade fixed income securities
- will not invest more than 50% of the fund's assets in corporate fixed income securities
- may invest up to 30% of the purchase cost of the fund's assets in foreign securities
- the fund may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

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BMO BOND FUND

The fund may hold no more than 10% of the market value of its net assets in securities of other mutual funds managed by us or other mutual fund managers including our affiliates.

**3**

**What are the risks of investing in the fund?**

These strategies may involve the following risks, which we explain starting on page 143:

- interest rate risk
- credit risk
- foreign investment risk
- currency risk
- securities lending, repurchase and reverse repurchase transactions risk
- fund of funds risk
- derivative risk
- large transaction risk
- series risk.

As of March 21, 2011, BMO SelectClass® Security Portfolio held 20.75% of the securities of the fund.

**4**

**Who should invest in this fund?**

Consider this fund if:

- you are looking for a core Canadian fixed income fund for your portfolio
- you want the potential for higher income from longer term bonds, which form part of the fund's portfolio
- you are comfortable with low investment risk (i.e. you are willing to accept some fluctuations in the market value of your investment over the short term).

**5**

Please see "Fund risk classification" on page 4 for a description of how we determined the classification of this fund's risk level.

**Distribution policy**

The fund distributes income monthly and any capital gains in December. Distributions are automatically reinvested in additional units of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

**Fund expenses indirectly borne by investors**

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we're required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000 payable over)	One Year	Three Years	Five Years	Ten Years
Series A	\$ 15.79	49.76	87.22	198.54
Series F	\$ 9.84	31.02	54.37	123.77

**6**

**7**

## How the funds use derivatives

A derivative is an investment whose value is based on the value of another investment—called the underlying investment. There are many different kinds of derivatives, but they usually take the form of a contract to buy or sell a stock, currency, commodity, market index or a mutual fund.

The most common kinds of derivatives are:

- a futures or forward contract, which is an agreement to buy or sell the underlying investment at an agreed price at a future date; and
- an option contract, which gives the buyer the right, but not the obligation, to buy or sell the underlying investment at an agreed price within a certain period of time.

A mutual fund can only use derivatives as permitted by the Canadian securities regulators, and only if their use is consistent with the fund's investment objectives.

Mutual funds can use derivatives for purposes other than hedging only if the fund has enough cash or securities to cover its positions.

## Currency hedging strategies

Many funds buy securities denominated in foreign currencies. The value of these securities will vary with changes in the value of the Canadian dollar. To protect against variations in exchange rates, these funds may buy or sell forward currency contracts or currency futures contracts.

Each fund that engages in currency hedging will exchange currency on a spot basis at prevailing rates or through forward contracts of one year or less. We enter into currency hedging contracts only up to the market value of the assets a fund holds in that currency. We may adjust the contracts from time to time.

## Securities lending, repurchase and reverse repurchase transactions

All of the funds may engage in securities lending, repurchase and reverse repurchase transactions as described under *General investment risks*.



### 3 What are the risks of investing in the fund?

When you're deciding which funds to invest in, risk is one of the things you should think about. This section tells you the specific risks of investing in the fund. You'll find a description of each risk under *General investment risks*.

### 4 Who should invest in this fund?

This section tells you the kind of investor the fund may be suitable for and how the fund could fit into your portfolio. When you're choosing a fund to invest in, you need to ask yourself what you're expecting from your investments, how long you're planning to put your money away, and how much risk you're willing to accept. You should also think about how the fund will work with your other investments. For example, an aggressive growth fund, like BMO Global Energy Class, may be too risky if it's your only investment, but a small amount might be a good way to boost the growth potential of your portfolio without adding too much overall risk.

### 5 Fund risk classification

We assign an investment risk rating to each fund to provide you with further information to help you determine whether the fund is appropriate for you. Each fund is assigned an investment risk rating in one of the following categories: low, low-to-medium, medium, medium-to-high, or high risk. The investment risk rating for each fund is reviewed at least annually as well as if there is a material change in a fund's investment objective or investment strategy.

The methodology we use to determine the risk rating of each fund is based on the methodology recommended by the Fund Risk Classification Task Force of The Investment Funds Institute of Canada (IFIC). The IFIC Task Force concluded that the most comprehensive, easily understood form of risk in this context is historical volatility risk as measured by the standard deviation of fund performance. However, the IFIC Task Force recognizes that other types of risk, both measurable and non-measurable, may exist and reminds investors that historical performance may not be indicative of future returns and a fund's historical volatility may not be indicative of future volatility. In addition to using the methodology recommended by the IFIC Task Force, we may take into account other qualitative factors in making our final determination of each fund's risk rating.

Details about the method that we use to determine the investment risk level of each fund are available on request, at no cost to you, by calling us at 1-800-665-7700, by writing to us at 77 King Street West,

Suite 4200, Toronto, Ontario or by emailing us at [mutualfunds@bmo.com](mailto:mutualfunds@bmo.com).

### 6 Distribution policy

This section tells you how often you'll receive payments of income, capital gains and returns of capital (if any) from the fund or, in the case of the BMO Global Tax Advantage Funds, ordinary dividends, capital gains dividends and returns of capital (if any). Distributions from BMO Security Funds, BMO U.S. Dollar Money Market Fund, BMO LifeStage Plus Funds and all funds held in BMO registered plans are always reinvested in additional securities of the same series of the fund. Distributions of all other funds are reinvested in additional securities of the same series of the fund, unless you tell us in writing that you prefer cash. Given the nature of series T6 securities, we recommend that you request cash distributions. You'll find more information about distributions and dividends under *Income tax considerations for investors*.

### 7 Fund expenses indirectly borne by investors

This is a hypothetical example to help you compare the indirect cost of investing in the fund with the indirect cost of investing in other mutual funds. These costs are paid out of a fund's assets. While you don't pay them directly, they have the effect of lowering the fund's returns. The information in the chart is for the series of the fund that are charged management fees, have been issued to investors and have completed a financial year. See *Fees and expenses* for more information about the cost of investing in the funds.

The example shows the expenses you would pay if:

- you invested \$1,000 in the fund for the time periods shown
- the fund earned 5% each year (the fund's actual performance will likely be different) and
- the fund's management expense ratio was the same in all periods as it was in its last financial year.

### A word about special terms

While we've made the fund descriptions easy to understand, you'll come across a few investment terms. Here's what they mean.

**Capital gain:** Generally, the amount an investment has risen in value since you bought it. It's called a realized capital gain when you sell the investment for more than you paid.

**Capitalization:** Market capitalization is the value of a company, generally measured by multiplying the price of its common equity shares by the number of shares outstanding.

**Derivatives:** Specialized investments like forward contracts, futures, options and swaps whose value is based on the value of another investment called an underlying investment. See page 144 for more information.

**Fixed Income Component:** The component of a BMO LifeStage Plus Fund's portfolio that is invested in fixed income securities issued by Canadian federal or provincial governments and corporations and cash equivalents.

**Fixed income securities:** Investments that pay a fixed rate of interest. They're usually corporate and government bonds.

**Guaranteed Maturity Amount:** If units of a BMO LifeStage Plus Fund are held to the Target End Date, the greater of the following two values: (i) \$10.00 (the net asset value per unit on the start date of the fund) or (ii) the highest net asset value per unit of the fund during the period from the start date of the fund up to and including the Target End Date.

**Hedging:** A transaction intended to offset risk.

**Liquidity:** How easy it is for a fund to buy and sell a security, like a stock or a bond. The easier it is, the more liquid the investment.

**Maturity:** The day on which investments like bonds or derivative contracts come due for payment.

**Mutual Fund Component:** The component of a BMO LifeStage Plus Fund's portfolio that is invested in securities of other mutual funds and cash equivalents.

**Net income:** The money earned after deducting all expenses.

**Return of capital:** A mutual fund trust that distributes more than its net income and net realized capital gains earned in any year is said to pay a return of capital ("ROC"). Alternatively, a mutual fund may choose to make distributions that are ROC. A mutual fund corporation generally can choose to make distributions that are ROC, provided that there is capital attributable to the particular series of shares. A ROC is not included in the income of the recipient securityholders, but instead reduces the adjusted cost base ("ACB") of the units or shares on which it was paid. When the securities are eventually disposed of, the resulting capital gains may be large. A ROC distribution should not be confused with "yield" or "income". You should not draw any conclusion about the fund's investment performance from the amount of this distribution.

**Target End Date:** The scheduled termination date for a BMO LifeStage Plus Fund or the date that the fund combines with one of our money market funds.

**Yield:** The annual income from an investment expressed as a percentage of the investment's current value. For example, a money market instrument that pays \$30 in interest with a current value of \$1,000 has a yield of 3%.





# BMO Security Funds

**BMO Canadian Money Market Fund**

**BMO Money Market Fund**

**BMO Premium Money Market Fund**

**BMO T-Bill Fund**

BMO Security Funds are designed for investors who want minimal risk along with interest income. These funds hold safer types of investments, like government treasury bills, money market instruments and high quality corporate and government debt securities. Please read the fund descriptions about each fund for key information about the specific characteristics of each fund.

## **How much is right for you?**

At BMO Mutual Funds, we recommend that you diversify your investments. That means building your portfolio with a variety of funds from different categories, like BMO Security Funds, BMO Income Funds, BMO Growth Funds, BMO Aggressive Growth Funds, BMO U.S. Dollar Funds, BMO Global Tax Advantage Funds, BMO LifeStage Plus Funds, BMO SelectClass® Portfolios and BMO FundSelect® Portfolios.

BMO Security Funds may be a good choice for the cash component of your portfolio. They may also be right for you if you're looking for a low-risk investment or you need ready access to your money. But before you can choose the right mix of funds, you need to ask yourself what you're expecting from your investments, how long you're planning to put your money away, and how much risk you're willing to accept.

If you're a safety-conscious investor, you might hold more of your portfolio in BMO Security Funds.

If you're looking for more income and some growth, you might want to invest a smaller amount in BMO Security Funds—just enough to give your portfolio some stability and liquidity.

# BMO Canadian Money Market Fund

## Fund details

<b>Type of fund</b>	Canadian money market
<b>Date started</b>	Series A: November 20, 2000 Series I: October 20, 2008
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 1.00% Series I: N/A. A series I fee is negotiated and paid by each series I investor
<b>Administration fee</b>	0.15% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	BMO Asset Management Inc. (formerly Jones Heward Investment Counsel Inc.), Toronto, Ontario  (portfolio manager since November 2000)

## What does the fund invest in?

### Investment objectives

This fund's objectives are:

- to preserve the value of your investment
- to provide a high level of liquidity and interest income.

As part of its investment objectives, the fund invests primarily in high quality money market instruments issued by governments and corporations in Canada, like treasury bills, bankers' acceptances, and commercial paper.

The fundamental investment objectives may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objectives:

- invests only in securities rated R-1 or higher by DBRS or the equivalent rating as defined by other recognized rating agencies

- maintains a unit price of \$1.00 by crediting income daily and distributing it monthly
- may use derivatives to protect against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund. The fund will only use derivatives as permitted by Canadian securities regulators.

## What are the risks of investing in the fund?

These strategies may involve the following risks:

- the yield of the fund varies with short-term interest rates
- the unit price of the fund may rise or fall, although we try to keep it fixed at \$1.00.

The investment strategies may also involve the following risks, which we explain starting on page 143:

- interest rate risk
- credit risk
- currency risk
- securities lending, repurchase and reverse repurchase transactions risk
- derivative risk
- large transaction risk
- series risk.

## Who should invest in this fund?

Consider this fund if:

- you want a more secure investment with low investment risk
- you are looking for a short-term investment.

Please see "Fund risk classification" on page 4 for a description of how we determined the classification of this fund's risk level.

## Distribution policy

Income is credited daily and distributed monthly. Any capital gains are distributed in December. Distributions are automatically reinvested in additional units of the fund. Please see page 164 for more information.

## Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we're required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 7.38	23.27	40.78	92.82

# BMO Money Market Fund

## Fund details

<b>Type of fund</b>	Canadian money market
<b>Date started</b>	Series A: May 2, 1988 Series I: May 10, 2010
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 1.00% Series I: N/A. A series I fee is negotiated and paid by each series I investor
<b>Administration fee</b>	0.12% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	BMO Asset Management Inc. (formerly Jones Heward Investment Counsel Inc.), Toronto, Ontario  (portfolio manager since May 1989)

## What does the fund invest in?

### Investment objectives

This fund's objectives are:

- to preserve the value of your investment
- to provide a high level of liquidity and interest income.

As part of its investment objectives, the fund invests primarily in high quality money market instruments issued by governments and corporations in Canada, like treasury bills, bankers' acceptances, and commercial paper.

The fundamental investment objectives may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objectives:

- invests only in securities rated R-1 or higher by DBRS or the equivalent rating as defined by other recognized rating agencies

- maintains a unit price of \$1.00 by crediting income daily and distributing it monthly
- may use derivatives to protect against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund. The fund will only use derivatives as permitted by Canadian securities regulators.

## What are the risks of investing in the fund?

These strategies may involve the following risks:

- the yield of the fund varies with short-term interest rates
- the unit price of the fund may rise or fall, although we try to keep it fixed at \$1.00.

The investment strategies may also involve the following risks, which we explain starting on page 143:

- interest rate risk
- credit risk
- currency risk
- securities lending, repurchase and reverse repurchase transactions risk
- derivative risk
- large transaction risk
- series risk.

## Who should invest in this fund?

Consider this fund if:

- you want a more secure investment with low investment risk
- you are looking for a short-term investment.

Please see "Fund risk classification" on page 4 for a description of how we determined the classification of this fund's risk level.

## Distribution policy

Income is credited daily and distributed monthly. Any capital gains are distributed in December. Distributions are automatically reinvested in additional units of the fund. Please see page 164 for more information.

## Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we're required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 6.87	21.65	37.95	86.38

# BMO Premium Money Market Fund

## Fund details

<b>Type of fund</b>	Canadian money market
<b>Date started</b>	Series A: November 5, 1997 Series I: July 17, 2009
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 0.35% Series I: N/A. A series I fee is negotiated and paid by each series I investor
<b>Administration fee</b>	0.05% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	BMO Asset Management Inc. (formerly Jones Heward Investment Counsel Inc.), Toronto, Ontario  (portfolio manager since November 1997)

## What does the fund invest in?

### Investment objectives

This fund's objectives are:

- to preserve the value of your investment
- to provide a high level of liquidity and interest income.

As part of its investment objectives, the fund invests primarily in high quality money market instruments issued by governments and corporations in Canada, like treasury bills, bankers' acceptances, and commercial paper.

The fundamental investment objectives may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objectives:

- invests only in securities rated R-1 or higher by DBRS or the equivalent rating as defined by other recognized rating agencies

- maintains a unit price of \$1.00 by crediting income daily and distributing it monthly
- may use derivatives to protect against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund. The fund will only use derivatives as permitted by Canadian securities regulators.

## What are the risks of investing in the fund?

These strategies may involve the following risks:

- the yield of the fund varies with short-term interest rates
- the unit price of the fund may rise or fall, although we try to keep it fixed at \$1.00.

The investment strategies may also involve the following risks, which we explain starting on page 143:

- interest rate risk
- credit risk
- currency risk
- securities lending, repurchase and reverse repurchase transactions risk
- derivative risk
- large transaction risk
- series risk.

## Who should invest in this fund?

Consider this fund if:

- you have at least \$150,000 to invest in the fund
- you want a more secure investment with low investment risk
- you are looking for a short-term investment.

Please see "Fund risk classification" on page 4 for a description of how we determined the classification of this fund's risk level.

## Distribution policy

Income is credited daily and distributed monthly. Any capital gains are distributed in December. Distributions are automatically reinvested in additional units of the fund. Please see page 164 for more information.

## Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we're required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 3.49	10.99	19.26	43.83

# BMO T-Bill Fund

## Fund details

<b>Type of fund</b>	Canadian money market
<b>Date started</b>	Series A: August 3, 1993 Series I: May 9, 2008 Series F: October 20, 2008
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 1.00% Series I: N/A. A series I fee is negotiated and paid by each series I investor Series F: 0.75%
<b>Administration fee</b>	0.15% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	BMO Asset Management Inc. (formerly Jones Heward Investment Counsel Inc.), Toronto, Ontario  (portfolio manager since August 1993)

## What does the fund invest in?

### Investment objectives

This fund's objectives are:

- to preserve the value of your investment
- to provide a high level of liquidity and interest income.

As part of its investment objectives, the fund invests in Canadian federal and provincial government treasury bills.

The fundamental investment objectives may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objectives:

- invests in Canadian federal and provincial government treasury bills and in other high-quality money market instruments that are guaranteed by the federal and provincial governments

- keeps the portfolio's weighted average term to maturity at 90 days or less
- maintains a unit price of \$1.00 by crediting income daily and distributing it monthly
- may use derivatives to protect against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund. The fund will only use derivatives as permitted by Canadian securities regulators.

## What are the risks of investing in the fund?

These strategies may involve the following risks:

- the yield of the fund varies with short-term interest rates
- the unit price of the fund may rise or fall, although we try to keep it fixed at \$1.00.

The investment strategies may also involve the following risks, which we explain starting on page 143:

- interest rate risk
- credit risk
- securities lending, repurchase and reverse repurchase transactions risk
- derivative risk
- large transaction risk
- series risk.

## Who should invest in this fund?

Consider this fund if:

- you want a more secure investment with low investment risk
- you are looking for a short-term investment.

Please see "Fund risk classification" on page 4 for a description of how we determined the classification of this fund's risk level.

## Distribution policy

Income is credited daily and distributed monthly. Any capital gains are distributed in December. Distributions are automatically reinvested in additional units of the fund. Please see page 164 for more information.

## Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we're required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 4.10	12.93	22.66	51.57
Series F	\$ 2.97	9.37	16.42	37.39





# BMO Income Funds

## **BMO Bond Fund**

## **BMO Diversified Income Portfolio (formerly BMO Diversified Income Fund)**

## **BMO Global Monthly Income Fund**

## **BMO Global Strategic Bond Fund (formerly BMO Global High Yield Bond Fund)**

## **BMO Monthly Income Fund**

## **BMO Mortgage and Short-Term Income Fund**

## **BMO U.S. High Yield Bond Fund**

## **BMO World Bond Fund**

BMO Income Funds are designed for investors whose main priority is earning income. These funds try to provide steady income by buying investments such as bonds and other fixed income securities. They also have some potential to increase in value. Please read the fund descriptions for each fund for key information about the specific characteristics of each fund.

### **How much is right for you?**

At BMO Mutual Funds, we recommend that you diversify your investments. That means building your portfolio with a variety of funds from different categories, like BMO Security Funds, BMO Income Funds, BMO Growth Funds, BMO Aggressive Growth Funds, BMO U.S. Dollar Funds, BMO Global Tax Advantage Funds, BMO LifeStage Plus Funds, BMO SelectClass® Portfolios and BMO FundSelect® Portfolios.

BMO Income Funds are generally a good choice for the fixed income portion of your portfolio. But before you can choose the right mix of funds, you need to ask yourself what you're expecting from your investments, how long you're planning to put your money away, and how much risk you're willing to accept.

If you want some additional potential for growth along with income, and you're willing to accept higher risk, you could add more BMO Growth Funds, BMO Aggressive Growth Funds or other equity investments to your portfolio.

# BMO Bond Fund

## Fund details

<b>Type of fund</b>	Canadian bond
<b>Date started</b>	Series A: May 2, 1988 Series I: March 5, 2008 Series F: October 20, 2008
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 1.30% Series I: N/A. A series I fee is negotiated and paid by each series I investor Series F: 0.75%
<b>Administration fee</b>	0.15% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	BMO Asset Management Inc. (formerly Jones Heward Investment Counsel Inc.), Toronto, Ontario  (portfolio manager since May 1996)

## What does the fund invest in?

### Investment objectives

This fund's objectives are:

- to provide a high level of interest income
- to provide some opportunity for growth in the value of your investment.

As part of its investment objectives, the fund invests primarily in high quality fixed income securities that are issued by governments and corporations in Canada and that mature in more than one year.

The fundamental investment objectives may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objectives:

- examines economic indicators like growth, inflation and monetary policy to provide a framework for selecting appropriate securities
- chooses a variety of investment terms based on the interest rate outlook
- changes the average term to maturity of the investments in the portfolio based on the outlook for interest rates
- analyzes credit ratings of various issuers to determine the best potential investments for the portfolio
- allocates investments among government and corporate securities to diversify the fund's holdings
- invests primarily in securities rated BBB or higher at the time of investment by Standard & Poor's Rating Service or the equivalent rating as defined by other recognized rating agencies. BBB-rated securities may not exceed 10% of the value of the fund's assets
- may invest up to 10% of the fund's assets in non-investment grade fixed income securities
- will not invest more than 50% of the fund's assets in corporate fixed income securities
- may invest up to 30% of the purchase cost of the fund's assets in foreign securities
- the fund may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

The fund may hold no more than 10% of the market value of its net assets in securities of other mutual funds managed by us or other mutual fund managers including our affiliates.

### What are the risks of investing in the fund?

These strategies may involve the following risks, which we explain starting on page 143:

- interest rate risk
- credit risk
- foreign investment risk
- currency risk
- securities lending, repurchase and reverse repurchase transactions risk
- fund of funds risk
- derivative risk
- large transaction risk
- series risk.

As at March 21, 2011, BMO SelectClass® Security Portfolio held 20.75% of the securities of the fund.

### Who should invest in this fund?

Consider this fund if:

- you are looking for a core Canadian fixed income fund for your portfolio
- you want the potential for higher income from longer term bonds, which form part of the fund's portfolio
- you are comfortable with low investment risk (i.e. you are willing to accept some fluctuations in the market value of your investment over the short term).

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund's risk level.

### Distribution policy

The fund distributes income monthly and any capital gains in December. Distributions are automatically reinvested in additional units of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we're required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 15.79	49.76	87.22	198.54
Series F	\$ 9.84	31.02	54.37	123.77

## BMO Diversified Income Portfolio (formerly BMO Diversified Income Fund)

### Fund details

<b>Type of fund</b>	Global balanced
<b>Date started</b>	Series A: June 1, 2006 Series I: May 10, 2010
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 1.75% Series I: N/A. A series I fee is negotiated and paid by each series I investor
<b>Administration fee</b>	0.25% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	BMO Asset Management Inc. (formerly Jones Heward Investment Counsel Inc.), Toronto, Ontario  (portfolio manager since June 2006)

### What does the fund invest in?

#### Investment objectives

This fund's objective is to provide a fixed monthly distribution by investing primarily in Canadian and foreign fixed income and equity securities, income trust securities, as well as mutual fund securities.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

#### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- invests directly in Canadian equity securities and fixed income securities issued by the federal government, provincial governments, government agencies and corporations
- may invest up to 100% of the fund's assets in securities of other mutual funds, which may include mutual funds that are managed by us or our affiliates
- the fund's underlying mutual funds selected by the portfolio manager will invest primarily in global equity securities and fixed income securities of issuers around the world, including those with a credit rating below BBB
- allocates assets among the underlying mutual funds based on each mutual fund's investment objectives and strategies, among other factors. The mutual funds as well as the percentage holding in each fund, will be changed from time to time
- the fund may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

The fund has obtained exemptive relief from Canadian securities regulators to enable the fund to purchase mortgages from, or sell mortgages to, certain related parties, including Bank of Montreal, in accordance with certain conditions imposed by the regulators. Additional information is disclosed in the annual information form.

### What are the risks of investing in the fund?

These strategies may involve the following risks, which we explain starting on page 143:

- interest rate risk
- equity risk
- credit risk
- derivative risk
- foreign investment risk
- securities lending, repurchase and reverse repurchase transactions risk
- currency risk
- capital depletion risk
- fund of funds risk
- large transaction risk
- series risk.

### Who should invest in this fund?

Consider this fund if:

- you want regular monthly cash flow with the potential for capital gains
- you are comfortable with low to medium investment risk (i.e. you are willing to accept some fluctuations in the market value of your investment)
- you plan to hold this investment for the medium to long term.

This fund is more suitable for non-registered accounts because it's designed to pay out regular monthly income. Distributions paid on funds you hold in a BMO registered plan must be reinvested in the fund.

Please see "Fund risk classification" on page 4 for a description of how we determined the classification of this fund's risk level.

### Distribution policy

The fund distributes a fixed amount per unit every month. The amount of the monthly distribution is set at the beginning of each calendar year based on the market outlook. The amount of the monthly distribution may be adjusted without notice throughout the year as market conditions change. If the fund doesn't earn enough income and capital gains to meet the distribution, it will return capital to make up the difference. A return of capital will reduce the adjusted cost base of your units. Any additional distributions required to pay out net income and net realized capital gains in excess of the aggregate fixed amount paid during the year may be made at our discretion at various times throughout the year. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we're required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over		One Year	Three Years	Five Years	Ten Years
Series A	\$	22.04	69.47	121.77	277.19

# BMO Global Monthly Income Fund

## Fund details

<b>Type of fund</b>	Global balanced
<b>Date started</b>	Series A: October 12, 2004 Series I: October 20, 2008
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 2.00% Series I: N/A. A series I fee is negotiated and paid by each series I investor
<b>Administration fee</b>	0.23% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	UBS Global Asset Management (Canada) Co., Toronto, Ontario  (portfolio manager since October 2004)

## What does the fund invest in?

### Investment objectives

This fund's objective is to provide a fixed monthly distribution by investing primarily in foreign equities and foreign fixed income securities.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- may invest up to 100% of the purchase cost of the fund's assets in securities of other mutual funds, which may include mutual funds that are managed by us or our affiliates. The underlying mutual funds selected by the portfolio manager will invest primarily in foreign equities, foreign fixed income securities or both, and will be selected on the basis that they help the portfolio to achieve the same strategies that it uses when investing directly in those securities
- active asset allocation across up to seven asset classes of global stocks and bonds
- active security selection based on comparing the intrinsic fair value of a security to its market price to determine whether a security is over-valued or under-valued, used across all markets worldwide
- may actively manage currency exposure
- the fund or underlying fund may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the fund or underlying fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund or underlying fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the fund or underlying fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.



### What are the risks of investing in the fund?

These strategies may involve the following risks, which we explain starting on page 143:

- interest rate risk
- equity risk
- credit risk
- foreign investment risk
- currency risk
- securities lending, repurchase and reverse repurchase transactions risk
- derivative risk
- capital depletion risk
- liquidity risk
- fund of funds risk
- large transaction risk
- series risk.

### Who should invest in this fund?

Consider this fund if:

- you want regular monthly cash flow from your global investments with the potential for capital gains
- you are comfortable with medium investment risk (i.e. you are willing to accept fluctuations in the market value of your investment)
- you plan to hold this investment for the medium to long term.

This fund is more suitable for non-registered accounts because it's designed to pay out regular monthly income. Distributions paid on funds you hold in a BMO registered plan must be reinvested in the fund.

Please see "Fund risk classification" on page 4 for a description of how we determined the classification of this fund's risk level.

### Distribution policy

The fund distributes a fixed amount per unit every month. The amount of the monthly distribution is set at the beginning of each calendar year based on the market outlook. The amount of the monthly distribution may be adjusted without notice throughout the year as market conditions change. If the fund doesn't earn enough income and capital gains to meet the distribution, it will return capital to make up the difference. A return of capital will reduce the adjusted cost base of your units. Any additional distributions required to pay out net income and net realized capital gains in excess of the aggregate fixed amount paid during the year may be made at our discretion at various times determined by us throughout the year. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we're required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 24.91	78.52	137.63	313.28

## BMO Global Strategic Bond Fund (formerly BMO Global High Yield Bond Fund)

### Fund details

<b>Type of fund</b>	Global bond
<b>Date started</b>	Series A: November 27, 2000 Series I: May 9, 2008
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 1.75% Series I: N/A. A series I fee is negotiated and paid by each series I investor
<b>Administration fee</b>	0.28% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	PIMCO Canada Corp., Toronto, Ontario  (portfolio manager since May 2006)

### What does the fund invest in?

#### Investment objectives

This fund's objective is 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.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

#### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- invests primarily in a diversified pool of fixed income securities, such as bonds and debentures issued by governments and corporations or obtains exposure to such securities
- seeks the best potential investments for the portfolio by analyzing the credit ratings of various issuers and using quantitative and other research
- invests primarily in global fixed income securities, including investment grade securities with a credit rating of BBB or higher, high yield securities with a credit rating below BBB and emerging market debt

- may hold a portion of its assets in cash or short-term money market instruments and/or high quality fixed income securities while seeking investment opportunities or for defensive purposes to reflect economic and market conditions
- the fund may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

The fund has obtained approval from Canadian securities regulators to invest up to 20% of its 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 or the equivalent rating as defined by other recognized rating agencies, and up to 35% of its 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 rating as defined by other recognized rating agencies.

The fund has obtained approval from Canadian securities regulators:

- to enter into interest rate swaps and credit default swaps with a remaining term to maturity of greater than 3 years
- to the extent required, to cover specified derivative positions with:
- any bonds, debentures, notes or other evidences of indebtedness that are liquid, have a remaining term to maturity of 365 days or less and have an

“approved credit rating” as defined in National Instrument 81-102; or

- certain floating rate evidences of indebtedness which are a “conventional floating rate debt instrument” as defined in National Instrument 81-102 with principal amounts that have a market value of approximately par at the time of each change in the rate to be paid (“FRNs”) if certain conditions as to the issuing body, reset periods and credit rating are met
- to use as cover, in addition to the usual 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, or when the fund has an interest rate swap position and during the periods when the fund is entitled to receive payments under the swap, a right or obligation to sell an equivalent quantity of the underlying interest of the standardized future, forward or swap.

For more information on these exemptions, see the fund’s annual information form.

The portfolio manager may frequently buy and sell investments for the fund. This can increase trading costs, which may lower the fund’s returns. It also increases the chance that you may receive a distribution in the year. If you hold the fund in a non-registered account, distributions are generally taxable.

The fund may hold no more than 10% of the market value of its net assets in securities of other mutual funds managed by us or other mutual fund managers.

### What are the risks of investing in the fund?

These strategies may involve the following risks, which we explain starting on page 143:

- interest rate risk
- foreign investment risk
- currency risk
- credit risk
- derivative risk
- securities lending, repurchase and reverse repurchase transactions risk
- liquidity risk
- capital depletion risk
- fund of funds risk
- large transaction risk
- series risk.

As at March 21, 2011, BMO SelectClass® Security Portfolio, BMO SelectClass® Balanced Portfolio and BMO Diversified Income Portfolio held 22.00%, 13.01% and 12.45%, respectively of the securities of the fund.

### Who should invest in this fund?

Consider this fund if:

- you want regular monthly cash flow with the potential for capital gains primarily through investments in non-investment grade bonds from around the world
- you are comfortable with low to medium investment risk (i.e. you are willing to accept some fluctuations in the market value of your investment)
- you plan to hold this investment for the medium to long term.

This fund is more suitable for non-registered accounts because it’s designed to pay out regular monthly income. Distributions paid on funds you hold in a BMO registered plan must be reinvested in the fund.

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund distributes a fixed amount per unit every month. The amount of the monthly distribution is set at the beginning of each calendar year based on the market outlook. The amount of the monthly distribution may be adjusted without notice throughout the year as market conditions change. If the fund doesn’t earn enough income and capital gains to meet the distribution, it will return capital to make up the difference. A return of capital will reduce the adjusted cost base of your units. Any additional distributions required to pay out net income and net realized capital gains in excess of the aggregate fixed amount paid during the year may be made at our discretion at various times throughout the year. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 22.04	69.47	121.77	277.19

# BMO Monthly Income Fund

## Fund details

<b>Type of fund</b>	Canadian balanced
<b>Date started</b>	Series A: March 22, 1999 Series I: March 5, 2008 Series F: October 20, 2008
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 1.30% Series I: N/A. A series I fee is negotiated and paid by each series I investor Series F: 0.85%
<b>Administration fee</b>	0.12% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	BMO Asset Management Inc. (formerly Jones Heward Investment Counsel Inc.), Toronto, Ontario  (portfolio manager since March 1999)

## What does the fund invest in?

### Investment objectives

This fund's objectives are:

- to provide a fixed monthly distribution
- to preserve the value of your investment.

As part of its investment objectives, the fund invests primarily in:

- Canadian fixed income securities with higher-than-average yields, issued by the federal government, provincial governments, government agencies and corporations
- preferred and common shares
- real estate investment trusts ("REITs")
- royalty trusts and other high-yielding investments.

To enhance the yield, the fund may also invest in Canadian or foreign:

- lower-rated or unrated securities
- derivative instruments like options, futures and forward contracts.

The fundamental investment objectives may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objectives:

- invests in both equities and fixed income securities
- invests primarily in securities rated BBB or higher at the time of investment by Standard and Poor's Rating Service or the equivalent rating as defined by other recognized rating agencies. BBB-rated securities may not exceed 10% of the value of that portion of the fund's assets which is invested in bonds
- may invest up to 30% of the purchase cost of the fund's assets in foreign securities
- the fund may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

When choosing fixed income securities, the portfolio manager:

- examines economic indicators like growth, inflation and monetary policy to provide a framework for selecting appropriate securities
- selects the term of the securities based on the outlook for interest rates
- analyzes credit ratings of various issuers to determine the best potential investments for the portfolio
- invests in government and corporate securities to diversify the fund's holdings.

When choosing equities, the portfolio manager:

- examines the financial statistics of each company it's considering to determine if the equity securities are attractively priced
- reviews company operations and research and development to assess the company's potential for growth
- continuously monitors the companies in which the fund invests for changes that may affect their profitability.

The fund may hold no more than 10% of the market value of its net assets in securities of other mutual funds managed by us or other mutual fund managers.

### What are the risks of investing in the fund?

These strategies may involve the following risks, which we explain starting on page 143:

- interest rate risk
- equity risk
- credit risk
- derivative risk
- foreign investment risk
- securities lending, repurchase and reverse repurchase transaction risk
- capital depletion risk
- fund of funds risk
- currency risk
- large transaction risk
- series risk.

### Who should invest in this fund?

Consider this fund if:

- you want regular monthly cash flow with the potential for capital gains
- you are comfortable with low investment risk (i.e. you are willing to accept some fluctuations in the market value of your investment over the short term)
- you plan to hold this investment for the medium to long term.

This fund is more suitable for non-registered accounts because it's designed to pay out regular monthly income. Distributions paid on funds you hold in a BMO registered plan must be reinvested in the fund.

Please see "Fund risk classification" on page 4 for a description of how we determined the classification of this fund's risk level.

### Distribution policy

The fund distributes a fixed amount per unit every month. The amount of the monthly distribution is set at the beginning of each calendar year based on the market outlook. The amount of the monthly distribution may be adjusted without notice throughout the year as market conditions change. If the fund doesn't earn enough income and capital gains to meet the distribution, it will return capital to make up the difference. A return of capital will reduce the adjusted cost base of your units. Any additional distributions required to pay out net income and net realized capital gains in excess of the aggregate fixed amount paid during the year may be made at our discretion at various times throughout the year. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we're required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over		One Year	Three Years	Five Years	Ten Years
Series A	\$	15.48	48.79	85.52	194.67
Series F	\$	10.66	33.61	58.90	134.08



# BMO Mortgage and Short-Term Income Fund

## Fund details

<b>Type of fund</b>	Canadian short-term bond and mortgage
<b>Date started</b>	Series A: July 16, 1974 Series I: March 5, 2008
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 1.25% Series I: N/A. A series I fee is negotiated and paid by each series I investor
<b>Administration fee</b>	0.17% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	BMO Asset Management Inc. (formerly Jones Heward Investment Counsel Inc.), Toronto, Ontario  (portfolio manager since January 1991)

## What does the fund invest in?

### Investment objectives

This fund's objective is to provide a level of income consistent with investments in short-term fixed-income securities.

The fund invests primarily in short-term, high quality, fixed income securities issued by or guaranteed by Canadian federal, provincial or municipal governments or issued by corporations. It may also invest in:

- mortgages insured or guaranteed by Canadian federal or provincial governments
- conventional first mortgages on Canadian real estate, either directly or indirectly through pooled mortgage investments, such as mortgage-backed securities.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- examines economic indicators like growth, inflation and monetary policy to provide a framework for selecting appropriate securities
- analyzes credit ratings of various issuers to determine the best potential investments for the portfolio
- allocates investments among government and corporate securities to diversify the fund's holdings
- expects to invest a minimum of 30% of the fund's assets directly or indirectly in mortgages and other pooled mortgage investments, such as mortgage-backed securities, bonds secured by mortgages and similar securities and other mortgage-related debt securities
- may invest up to 30% of the purchase cost of the fund's assets in foreign securities
- will only invest in securities rated BBB or higher at the time of investment by Standard & Poor's Rating Service or the equivalent rating as defined by other recognized rating agencies
- up to 10% of the value of that portion of the fund's assets which is invested in fixed income securities may be invested in BBB-rated securities.
- the fund may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

The fund has adopted additional restrictions consistent with its investment policies and with securities regulation. We may revise these restrictions without unitholders' approval. Additional information is disclosed in the annual information form.



The fund has obtained exemptive relief from Canadian securities regulators to enable the fund to purchase mortgages from, or sell mortgages to, certain related parties, including Bank of Montreal, in accordance with certain conditions imposed by the regulators. Additional information is disclosed in the annual information form.

### What are the risks of investing in the fund?

These strategies may involve the following risks, which we explain starting on page 143:

- interest rate risk
- credit risk
- securities lending, repurchase and reverse repurchase transactions risk
- derivative risk
- foreign investment risk
- currency risk
- large transaction risk
- series risk.

As at March 21, 2011, BMO SelectClass® Security Portfolio held 21.53% of the securities of the fund.

### Who should invest in this fund?

Consider this fund if:

- you want regular income
- you are looking for a conservative fund for your portfolio
- you are comfortable with low investment risk (i.e. you are willing to accept some fluctuations in the market value of your investment over the short term).

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund distributes income monthly and any capital gains in December. Distributions are automatically reinvested in additional units of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 15.27	48.15	84.39	192.10

# BMO U.S. High Yield Bond Fund

## Fund details

<b>Type of fund</b>	U.S. high yield bond
<b>Date started</b>	Series A: May 9, 2008 Series I: May 9, 2008 Series F: February 4, 2009
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes (U.S. currency feature is available for self-directed registered plans only)
<b>Management fee</b>	Series A: 1.75% Series I: N/A. A series I fee is negotiated and paid by each series I investor Series F: 1.00%
<b>Administration fee</b>	0.28% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	HIM Money, Inc., Toronto, Ontario  (portfolio manager since May 2008)

## What does the fund invest in?

### Investment objectives

This fund's objective is to provide a high level of total return through a combination of income and capital appreciation by investing primarily in fixed income securities issued by United States corporations.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

### Investment strategies

These are the strategies that the portfolio manager uses to try to achieve the fund's objective:

- invests primarily in a diversified pool of fixed income securities, such as bonds and debentures issued by corporations or obtains exposure to such securities
- invests primarily in high yield securities with a credit rating below BBB
- invests in fixed income securities issued by the U.S./Canadian government or gains exposure to such securities
- seeks the best potential investments for the portfolio by analyzing the credit ratings of various issuers and using bottom up quantitative and fundamental analysis
- may hold a portion of its assets in cash or short-term money market instruments and/or high quality fixed income securities while seeking investment opportunities or to reflect economic and market conditions
- the fund may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - to hedge against or gain exposure to credit risk without buying underlying securities directly
  - gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

The fund may hold no more than 10% of the market value of its net assets in securities of other mutual funds managed by us or by other mutual fund managers including our affiliates.

### What are the risks of investing in the fund?

The investment strategies may involve the following risks, which we explain starting on page 143:

- interest rate risk
- foreign investment risk
- capital depletion risk
- currency risk
- credit risk
- derivative risk
- securities lending, repurchase and reverse repurchase transactions risk
- fund of funds risk
- liquidity risk
- large transaction risk
- series risk.

As at March 21, 2011, BMO Bond Fund held 77.47% and a securityholder held 16.10%, respectively, of the securities of the fund.

### Who should invest in this fund?

Consider this fund if:

- you are looking for income and the potential for capital gains primarily through investments in non-investment grade bonds of U.S. issuers
- you are comfortable with low to medium investment risk (i.e. you are willing to accept some fluctuations in the market value of your investment)
- you plan to hold this investment for the medium to long term.

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund distributes a fixed amount per unit every month. The amount of the monthly distribution is set at the beginning of each calendar year based on the market outlook. The amount of the monthly distribution may be adjusted without notice throughout the year as market conditions change. If the fund doesn’t earn enough income and capital gains to meet the distribution, it will return capital to make up the difference. A return of capital will reduce the adjusted cost base of your units. Any additional distributions required to pay out net income and net realized capital gains in excess of the aggregate fixed amount paid during the year may be made at our discretion at various times throughout the year. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 21.83	68.83	120.64	274.61
Series F	\$ 13.84	43.62	76.46	174.05

# BMO World Bond Fund

## Fund details

<b>Type of fund</b>	Foreign bond
<b>Date started</b>	Series A: August 3, 1993 Series I: May 9, 2008 Series F: October 20, 2008
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 1.75% Series I: N/A. A series I fee is negotiated and paid by each series I investor Series F: 1.00%
<b>Administration fee</b>	0.30% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	Insight Investment Management (Global) Limited, London, United Kingdom  (portfolio manager since November 2001)

## What does the fund invest in?

### Investment objectives

This fund's objectives are:

- to provide a high level of interest income
- to provide some opportunity for growth in the value of your investment.

As part of its investment objectives, the fund invests primarily in bonds and debentures that mature in more than one year and are issued by:

- governments and corporations around the world
- supranational agencies like the World Bank.

The fundamental investment objectives may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objectives:

- assesses the outlook for various countries and currencies using variables like expected growth, inflation and real return
- diversifies the fund's assets among government and corporate securities in many different countries and industries to help reduce risk
- analyzes the interest rates offered by various issuers to determine the best potential investments for the portfolio
- changes the average term to maturity of the investments in the portfolio based on the outlook for interest rates
- invests primarily in securities rated BBB or higher at the time of investment by Standard and Poor's Rating Services or the equivalent rating, as defined by other recognized rating agencies and up to 10% of the fund's assets may be invested in non-investment grade bonds
- the fund may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - to hedge against or gain exposure to credit risk without buying underlying securities directly
  - gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

The fund has obtained approval from Canadian securities regulators to invest up to 20% of its 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 or the equivalent rating as defined by other recognized rating agencies, and up to 35% of its 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 rating as defined by other recognized rating agencies.

The portfolio manager may frequently buy and sell investments for the fund. This can increase trading costs, which may lower the fund's returns. It also increases the chance that you may receive a distribution in the year. If you hold the fund in a non-registered account, distributions are generally taxable.

The fund may hold no more than 10% of the market value of its net assets in securities of other mutual funds managed by us or other mutual fund managers including our affiliates.

### What are the risks of investing in the fund?

These strategies may involve the following risks, which we explain starting on page 143:

- interest rate risk
- foreign investment risk
- currency risk
- credit risk
- securities lending, repurchase and reverse repurchase transactions risk
- fund of funds risk
- derivative risk
- large transaction risk
- series risk.

As at March 21, 2011, BMO SelectClass® Security Portfolio held 33.38% of the securities of the fund.

### Who should invest in this fund?

Consider this fund if:

- you are looking to diversify your portfolio geographically with a core world bond fund
- you want high potential for interest income and some potential for capital gains
- you are comfortable with low to medium investment risk (i.e. you are willing to accept some fluctuations in the market value of your investment).

Please see "Fund risk classification" on page 4 for a description of how we determined the classification of this fund's risk level.

### Distribution policy

The fund distributes any income and capital gains in December. Distributions are automatically reinvested in additional units of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we're required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 22.04	69.47	121.77	277.19
Series F	\$ 13.84	43.62	74.46	174.05





## BMO Growth Funds

**BMO Asset Allocation Fund**

**BMO Canadian Equity ETF Fund**

**BMO Dividend Fund**

**BMO Equity Fund**

**BMO European Fund**

**BMO Global Infrastructure Fund**

**BMO International Equity ETF Fund**

**BMO Japanese Fund**

**BMO North American Dividend Fund**

**BMO U.S. Equity ETF Fund**

**BMO U.S. Equity Fund**

**BMO U.S. Growth Fund**

If you want your money to grow over a long period, consider BMO Growth Funds. Their objective is to grow your investment by seeking to buy securities of large, well-established companies or well-managed smaller companies. BMO Growth Funds often have higher returns than BMO Income Funds or BMO Security Funds—but they also have higher risk. Please read the fund descriptions for each fund for key information about the specific characteristics of each fund.

Keep in mind that not all BMO Growth Funds have the same growth potential or level of risk. For example, BMO Asset Allocation Fund, which invests in equity and fixed income securities, is lower on the risk scale.

BMO Equity Fund, which invests in a broad range of large, well-established companies, has medium risk. Funds that concentrate their investments in a geographic region, like Japan, have higher risk.

### How much is right for you?

At BMO Mutual Funds, we recommend that you diversify your investments. That means building your portfolio with a variety of funds from different categories, like BMO Security Funds, BMO Income Funds, BMO Growth Funds, BMO Aggressive Growth Funds, BMO U.S. Dollar Funds, BMO Global Tax Advantage Funds, BMO LifeStage Plus Funds, BMO SelectClass® Portfolios and BMO FundSelect® Portfolios.

BMO Growth Funds are generally a good choice for the stock or equity portion of your portfolio. But before you can choose the right mix of funds, you need to ask yourself what you're expecting from your investments, how long you're planning to put your money away, and how much risk you're willing to accept.

If you want some additional potential for growth but you're not willing to take on a lot of risk, you could hold some BMO Growth Funds in a more diversified portfolio.

If you're looking for growth and you're willing to accept higher risk, you might want to invest a large part of your portfolio in BMO Growth Funds.

# BMO Asset Allocation Fund

## Fund details

<b>Type of fund</b>	Canadian asset allocation
<b>Date started</b>	Series A: May 2, 1988 Series I: March 5, 2008
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 1.75% Series I: N/A. A series I fee is negotiated and paid by each series I investor
<b>Administration fee</b>	0.17% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	BMO Asset Management Inc. (formerly Jones Heward Investment Counsel Inc.), Toronto, Ontario  (portfolio manager since May 1994)

## What does the fund invest in?

### Investment objectives

This fund's objective is to provide a balance between income and growth in the value of your investment over the long term.

As part of its investment objective, the fund invests primarily in Canadian equities and fixed income securities. The portfolio manager may change the mix of assets according to its outlook for each asset class.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- invests in equities, including income trusts, and in fixed income securities
- invests between 30%-70% of the fund's assets in equities, between 30%-70% of the fund's assets in bonds and no more than 30% of the fund's assets in money market securities
- may invest up to 30% of the fund's assets in securities of exchange traded funds and other mutual funds, which may include funds that are managed by us or one of our affiliates or associates
- may invest up to 30% of the purchase cost of the fund's assets in foreign securities
- may invest up to 10% of the fund's assets in permitted mortgages
- the fund may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

When choosing fixed income securities, the portfolio manager:

- examines economic indicators like growth, inflation and monetary policy to provide a framework for selecting appropriate securities
- selects a variety of investment terms based on the interest rate outlook
- analyzes credit ratings of various issuers to determine the best potential investments for the portfolio
- invests in government and corporate securities to diversify the fund's holdings.

When choosing equities, the portfolio manager:

- examines the financial statistics of each company being considered to determine if the equity securities are attractively priced
- reviews company operations and research and development to assess the company's potential for growth
- continually monitors the companies in which the fund invests for changes that may affect their profitability.

### What are the risks of investing in the fund?

These strategies may involve the following risks, which we explain starting on page 143:

- interest rate risk
- equity risk
- credit risk
- foreign investment risk
- fund of funds risk
- indexing risk
- currency risk
- securities lending, repurchase and reverse repurchase transactions risk
- derivative risk
- large transaction risk
- series risk.

### Who should invest in this fund?

Consider this fund if:

- you want a mix of equities and fixed income securities in a single fund
- you are comfortable with low to medium investment risk (i.e. you are willing to accept some fluctuations in the market value of your investment).

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund's risk level.

### Distribution policy

The fund distributes any income and capital gains in December. Distributions are automatically reinvested in additional units of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we're required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 20.91	65.92	115.55	263.00

# BMO Canadian Equity ETF Fund

## Fund details

<b>Type of fund</b>	Canadian equity
<b>Date started</b>	Series A: May 2, 1988 Series I: July 17, 2009
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 0.85% Series I: N/A. A series I fee is negotiated and paid by each series I investor
<b>Administration fee</b>	0.10% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	BMO Asset Management Inc. (formerly Jones Heward Investment Counsel Inc.), Toronto, Ontario  (portfolio manager since May 1994)

## What does the fund invest in?

### Investment objectives

The fund's objective is to provide a return that is similar to the return of one or more exchange-traded funds that invest primarily in Canadian equities. The fund may invest all or a portion of its assets in one or more exchange-traded funds, invest directly in the underlying securities held by the exchange-traded funds and/or use derivatives to provide the fund with a return determined by reference to the exchange-traded funds.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- invests up to 100% of the fund's assets in securities of BMO Dow Jones Canada Titans 60 Index ETF
- BMO Dow Jones Canada Titans 60 Index ETF seeks to replicate, to the extent possible, the performance of the Dow Jones Canada Titans 60 Index, net of expenses. The Dow Jones Canada Titans 60 Index includes the 60 top-ranked Canadian stocks in terms of size and liquidity which are chosen from a selection list. The investment strategy of the exchange-traded fund is to invest in and hold, the constituent securities of the index in the same proportion as they are reflected in the index or, securities intended to replicate the performance of the index. A sampling methodology may also be used in selecting investments. As an alternative to or in conjunction with investing in and holding the constituent securities, the exchange-traded fund may invest in or use certain other securities to obtain exposure to the performance of the index
- to the extent that the fund does not invest 100% of its assets in securities of the exchange-traded fund, may invest in securities that make up the Dow Jones Canada Titans 60 Index in substantially the same proportion as the exchange-traded fund
- allocates assets among the exchange-traded fund and/or securities based on a determination of the most effective manner to achieve the fund's objectives, taking into account liquidity requirements, while attempting to minimize transaction costs and fees. The underlying exchange-traded fund, as well as the percentage holding in the underlying exchange-traded fund and the allocation between the underlying fund and securities, may be changed without notice from time to time
- as an alternative to or in conjunction with investing directly in the exchange-traded fund and/or securities, may use derivatives like options, futures, forward contracts and swaps to gain market exposure to the return of the exchange-traded fund or a portion thereof. The fund will only use derivatives as permitted by Canadian securities regulators
- may invest directly in cash or cash equivalents to meet any cash cover requirements or fund redemption requests.

The portfolio manager may frequently buy and sell investments for the fund. This can increase trading costs, which may lower the fund's returns. It also increases the chance that you may receive a distribution in the year. If you hold the fund in a non-registered account, distributions are generally taxable.

### What are the risks of investing in the fund?

These strategies may involve the following risks, which we explain starting on page 143:

- equity risk
- derivative risk
- fund of funds risk
- indexing risk
- securities lending, repurchase and reverse repurchase transactions risk
- large transaction risk
- series risk.

### Who should invest in this fund?

Consider this fund if:

- you prefer a fund that seeks to track the performance of a Canadian equities market index
- you are looking for a core Canadian equity fund
- you are comfortable with medium investment risk (i.e. you are willing to accept fluctuations in the market value of your investment).

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund distributes any income and capital gains in December. Distributions are automatically reinvested in additional units of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 10.35	32.64	57.20	130.21

# BMO Dividend Fund

## Fund details

<b>Type of fund</b>	Canadian dividend
<b>Date started</b>	Series A: October 3, 1994 Series I: March 5, 2008 Series F: October 20, 2008
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 1.50% Series I: N/A. A series I fee is negotiated and paid by each series I investor Series F: 0.90%
<b>Administration fee</b>	0.13% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	BMO Asset Management Inc. (formerly Jones Heward Investment Counsel Inc.), Toronto, Ontario  (portfolio manager since October 1994)

## What does the fund invest in?

### Investment objectives

This fund's objective is to provide a high after-tax return, which includes dividend income and capital gains from growth in the value of your investment.

As part of its investment objective, the fund invests primarily in dividend-yielding common and preferred shares of established Canadian companies.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- invests in equities, including up to 10% of the fund's assets in income trusts, and in fixed income securities
- may invest up to 30% of the purchase cost of the fund's assets in foreign securities
- examines the financial statistics of each company it's considering to determine if the equity securities are attractively priced
- reviews company operations and research and development to assess each company's potential for growth
- continuously monitors the companies in which the fund invests for changes that may affect their profitability
- the fund may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

### What are the risks of investing in the fund?

These strategies may involve the following risks, which we explain starting on page 143:

- interest rate risk
- equity risk
- credit risk
- foreign investment risk
- currency risk
- securities lending, repurchase and reverse repurchase transactions risk
- derivative risk
- large transaction risk
- series risk.



### Who should invest in this fund?

Consider this fund if:

- you are seeking to maximize your after-tax income in your non-registered account
- you want a dividend fund that focuses on established Canadian companies
- you are comfortable with low to medium investment risk (i.e. you are willing to accept some fluctuations in the market value of your investment).

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund distributes any income quarterly and capital gains in December. Distributions are automatically reinvested in additional units of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 17.73	55.90	97.98	223.04
Series F	\$ 11.28	35.54	62.30	141.82

# BMO Equity Fund

## Fund details

<b>Type of fund</b>	Canadian equity
<b>Date started</b>	Series A: August 3, 1993 Series I: March 5, 2008 Series F: October 20, 2008
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 2.00% Series I: N/A. A series I fee is negotiated and paid by each series I investor Series F: 1.00%
<b>Administration fee</b>	0.16% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	BMO Asset Management Inc. (formerly Jones Heward Investment Counsel Inc.), Toronto, Ontario  (portfolio manager since August 1993)

## What does the fund invest in?

### Investment objectives

This fund's objective is to increase the value of your investment over the long term by investing in equities of well-established Canadian companies.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

## Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- invests in equities, including income trusts
- examines the financial statistics of each entity it's considering to determine if the equity securities are attractively priced
- reviews operations and research and development to assess each company's potential for growth
- continually monitors the entities in which the fund invests for changes that may affect their profitability
- may invest up to 30% of the purchase cost of the fund's assets in foreign securities
- the fund may use derivatives such as options, futures, forward contracts and swaps to:
  - reduce the impact of currency fluctuations on the fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

The portfolio manager may frequently buy and sell investments for the fund. This can increase trading costs, which may lower the fund's returns. It also increases the chance that you may receive a distribution in the year. If you hold the fund in a non-registered account, distributions are generally taxable.

## What are the risks of investing in the fund?

These strategies may involve the following risks, which we explain starting on page 143:

- equity risk
- foreign investment risk
- currency risk
- liquidity risk
- securities lending, repurchase and reverse repurchase transactions risk
- derivative risk
- large transaction risk
- series risk.

### Who should invest in this fund?

Consider this fund if:

- you are looking for a core Canadian equity fund for your portfolio
- you are comfortable with medium investment risk (i.e. you are willing to accept fluctuations in the market value of your investment).

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund distributes any income and capital gains in December. Distributions are automatically reinvested in additional units of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over		One Year	Three Years	Five Years	Ten Years
Series A	\$	23.47	74.00	129.70	295.23
Series F	\$	12.71	40.07	70.23	159.87

# BMO European Fund

## Fund details

<b>Type of fund</b>	European equity
<b>Date started</b>	Series A: October 3, 1994 Series I: October 20, 2008 Series F: October 20, 2008
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 2.00% Series F: 1.00% Series I: N/A. A series I fee is negotiated and paid by each series I investor
<b>Administration fee</b>	0.28% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	Vontobel Asset Management, Inc. *, New York, New York  (portfolio manager since November 2009)  * Vontobel Asset Management, Inc. is a sub-advisor to BMO Asset Management Inc. Please see "Portfolio managers" beginning on page 150 for more details.

## What does the fund invest in?

### Investment objectives

This fund's objective is to increase the value of your investment over the long term by investing in companies in Western Europe and the United Kingdom.

As part of the investment objective, this fund invests primarily in companies that are listed on recognized exchanges and that will likely benefit from merger activity and reduced trade barriers as European markets and economies restructure. It may also invest in fixed income securities issued by governments in Western Europe and the United Kingdom.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- examines the financial information of individual companies to identify sound potential investments
- creates financial forecasts on each potential company and its industry before considering it as an investment
- employs a fundamental bottom-up investment approach that emphasizes growth and stability of earnings while adhering to a strict valuation discipline
- seeks to identify and invest in attractively priced, high quality companies that show superior long-term economic characteristics
- the fund may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

The portfolio manager may frequently buy and sell investments for the fund. This can increase trading costs, which may lower the fund's returns. It also increases the chance that you may receive a distribution in the year. If you hold the fund in a non-registered account, distributions are generally taxable.

### What are the risks of investing in the fund?

These strategies may involve the following risks, which we explain starting on page 143:

- equity risk
- foreign investment risk
- currency risk
- interest rate risk
- credit risk
- derivative risk
- securities lending, repurchase and reverse repurchase transactions risk
- large transaction risk
- series risk.

As at March 21, 2011, BMO SelectClass® Security Portfolio, BMO SelectClass® Balanced Portfolio and BMO SelectClass® Growth Portfolio held 28.29%, 26.89% and 11.37%, respectively, of the securities of the fund.

### Who should invest in this fund?

Consider this fund if:

- you want greater exposure to the growth potential of securities of established companies in Western Europe and the United Kingdom

- you are comfortable with medium investment risk (i.e. you are willing to accept fluctuations in the market value of your investment).

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund distributes any income and capital gains in December. Distributions are automatically reinvested in additional units of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 24.81	78.20	137.06	311.99
Series F	\$ 13.94	43.95	77.03	175.34

# BMO Global Infrastructure Fund

## Fund details

<b>Type of fund</b>	Global infrastructure
<b>Date started</b>	Series A: June 1, 2006 Series I: October 20, 2008
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 2.00% Series I: N/A. A series I fee is negotiated and paid by each series I investor
<b>Administration fee</b>	0.35% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	Macquarie Capital Investment Management LLC, New York, New York  (portfolio manager since July 2009)

## What does the fund invest in?

### Investment objectives

This fund's objective is to achieve a high level of total return, including dividend income and capital gains, by investing primarily in companies that operate in, or are expected to benefit from, infrastructure related businesses from around the world. The fund may also invest in fixed income securities of such companies.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

### Investment strategies

These are the strategies that the portfolio manager uses to try to achieve the fund's objective:

- invests primarily in equity securities of listed infrastructure companies
- invests in corporate debt (including convertible debentures), and exchange listed infrastructure funds

- may also invest in debt issued by infrastructure related businesses
- seeks to make investments in securities that are expected to generate stable and long-term cash flows
- diversifies the fund's assets by industry and country to help reduce risk
- infrastructure assets are broadly defined as the basic facilities, services, and installations needed for the functioning of a community or society and may include but are not limited to the following areas: transportation (toll roads, airports, seaports and rail), energy (gas and electricity transmission, distribution and generation), water (pipelines and treatment plants), telecommunications (broadcast, satellite and cable), social (hospitals, schools and prisons), engineering services, mining, shipping, alternative energy, construction and concrete
- the fund may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

The portfolio manager may frequently buy and sell investments for the fund. This can increase trading costs, which may lower the fund's returns. It also increases the chance that you may receive a distribution in the year. If you hold the fund in a non-registered account, distributions are generally taxable.

The fund may hold no more than 10% of the market value of its net assets in securities of other mutual funds managed by us or other mutual fund managers including our affiliates.



### What are the risks of investing in the fund?

These strategies may involve the following risks, which we explain starting on page 143:

- interest rate risk
- equity risk
- derivative risk
- securities lending, repurchase and reverse repurchase transactions risk
- foreign investment risk
- currency risk
- large transaction risk
- series risk
- credit risk.

As at March 21, 2011, BMO Diversified Income Portfolio held 85.56% of the securities of the fund.

### Who should invest in this fund?

Consider this fund if:

- you are seeking long-term capital growth and current income from your investment
- you want to diversify your portfolio globally
- you are comfortable with medium investment risk (i.e. you are willing to accept fluctuations in the market value of your investment)
- you plan to hold this investment for the medium to long term.

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund distributes any income quarterly and capital gains in December. Distributions are automatically reinvested in additional units of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 25.63	80.78	141.59	322.31

**INVESTMENTS IN THE BMO GLOBAL INFRASTRUCTURE FUND ARE NOT DEPOSITS WITH OR OTHER LIABILITIES OF MACQUARIE BANK LIMITED ABN 46 008 583 542 (“MBL”) NOR ANY MACQUARIE GROUP COMPANY AND ARE SUBJECT TO INVESTMENT RISK, INCLUDING POSSIBLE DELAYS IN REPAYMENT AND LOSS OF INCOME AND PRINCIPAL INVESTED. NEITHER MBL NOR ANY OTHER MEMBER COMPANY OF THE MACQUARIE GROUP GUARANTEES THE PERFORMANCE OF THE BMO GLOBAL INFRASTRUCTURE FUND, OR THE REPAYMENT OF CAPITAL FROM THE BMO GLOBAL INFRASTRUCTURE FUND, OR ANY PARTICULAR RATE OF RETURN.**

# BMO International Equity ETF Fund

## Fund details

<b>Type of fund</b>	International equity
<b>Date started</b>	Series A: March 22, 1999 Series I: March 5, 2008
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 0.85% Series I: N/A. A series I fee is negotiated and paid by each series I investor
<b>Administration fee</b>	0.19% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	BMO Asset Management Inc. Toronto, Ontario  (portfolio manager since September 2010)

## What does the fund invest in?

### Investment objectives

The fund's objective is to provide a return that is similar to the return of one or more exchange-traded funds that invest primarily in international equities. The fund may invest all or a portion of its assets in one or more exchange-traded funds, invest directly in the underlying securities held by the exchange-traded funds and/or use derivatives to provide the fund with a return determined by reference to the exchange-traded funds.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- invests up to 100% of the fund's assets in securities of BMO International Equity Hedged to CAD Index ETF

- BMO International Equity Hedged to CAD Index ETF seeks to replicate, to the extent possible, the performance of Dow Jones Developed Markets ex-North America Index (CAD hedged), net of expenses. The Dow Jones Developed Markets ex-North America Index (CAD hedged) is a float-adjusted market capitalization weighted index that reflects 95% of the shares of securities available to investors in the marketplace. The investment strategy of the exchange-traded fund is to invest in and hold the constituent securities of the index in the same proportion as they are reflected in the index or securities intended to replicate the performance of the index. A sampling methodology may also be used in selecting investments. As an alternative to or in conjunction with investing in and holding the constituent securities, the exchange-traded fund may invest in or use certain other securities to obtain exposure to the performance of the index
- to the extent that the fund does not invest 100% of its assets in securities of the exchange-traded fund, may invest in securities that make up the Dow Jones Developed Markets ex-North America Index (CAD hedged) in substantially the same proportion as the exchange-traded fund
- allocates assets among the exchange-traded fund and/or securities based on a determination of the most effective manner to achieve the fund's objectives, taking into account liquidity requirements, while attempting to minimize transaction costs and fees. The underlying exchange-traded fund, as well as the percentage holding in the underlying exchange-traded fund and the allocation between the underlying fund and securities, may be changed without notice from time to time
- may use derivatives such as futures and forward contracts to manage exposure to foreign currencies in order to seek to reduce the risk of exchange rate fluctuations between Canadian and foreign currencies
- as an alternative to or in conjunction with investing directly in the exchange-traded fund and/or securities, may use derivatives like options, futures, forward contracts and swaps to gain market exposure to the return of the exchange-traded fund or a portion thereof. The fund will only use derivatives as permitted by Canadian securities regulators
- may invest directly in cash or cash equivalents to meet any cash cover requirements or fund redemption requests.

### What are the risks of investing in the fund?

These strategies may involve the following risks, which we explain starting on page 143:

- interest rate risk
- equity risk
- credit risk
- foreign investment risk
- fund of funds risk
- currency risk
- derivative risk
- securities lending, repurchase and reverse repurchase transactions risk
- indexing risk
- large transaction risk
- series risk.

### Who should invest in this fund?

Consider this fund if:

- you want greater exposure to the growth potential of international equities
- you prefer a fund that seeks to track the performance of an international equities market index
- you are comfortable with medium investment risk (i.e. you are willing to accept fluctuations in the market value of your investment).

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund distributes any income and capital gains in December. Distributions are automatically reinvested in additional units of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 11.38	35.87	62.87	143.10

# BMO Japanese Fund

## Fund details

<b>Type of fund</b>	Japanese equity
<b>Date started</b>	Series A: October 3, 1994 Series I: October 20, 2008
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 2.00% Series I: N/A. A series I fee is negotiated and paid by each series I investor
<b>Administration fee</b>	0.35% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	Martin Currie Inc., Edinburgh, Scotland  (portfolio manager since March 2004)

## What does the fund invest in?

### Investment objectives

This fund's objective is to increase the value of your investment over the long term by investing primarily in equities of established Japanese companies and in Japanese companies with superior growth potential.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- diversifies the fund's assets by industry to help reduce risk
- the fund may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps

- reduce the impact of currency fluctuations on the fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
- gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

The portfolio manager may frequently buy and sell investments for the fund. This can increase trading costs, which may lower the fund's returns. It also increases the chance that you may receive a distribution in the year. If you hold the fund in a non-registered account, distributions are generally taxable.

## What are the risks of investing in the fund?

These strategies may involve the following risks, which we explain starting on page 143:

- equity risk
- foreign investment risk
- currency risk
- derivative risk
- securities lending, repurchase and reverse repurchase transactions risk
- large transaction risk
- series risk.

## Who should invest in this fund?

Consider this fund if:

- you want to diversify your portfolio with a fund that invests only in Japan
- you are comfortable with medium investment risk (i.e. you are willing to accept fluctuations in the market value of your investment).

Please see "Fund risk classification" on page 4 for a description of how we determined the classification of this fund's risk level.

## Distribution policy

The fund distributes any income and capital gains in December. Distributions are automatically reinvested in additional units of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

## Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we're required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 25.83	81.43	142.73	324.89

# BMO North American Dividend Fund

## Fund details

<b>Type of fund</b>	North American equity
<b>Date started</b>	Series A: October 3, 1994 Series I: May 10, 2010
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 2.00% Series I: N/A. A series I fee is negotiated and paid by each series I investor
<b>Administration fee</b>	0.30% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio managers</b>	BMO Asset Management Inc. (formerly Jones Heward Investment Counsel Inc.), Toronto, Ontario (Canadian portfolio)  Harris Investment Management, Inc., Chicago, Illinois (U.S. portfolio)  (portfolio managers since October 1994)

## What does the fund invest in?

### Investment objectives

This fund's objective is to achieve a high level of total return, including dividend income and capital gains, by investing primarily in dividend-yielding common and preferred shares of North American companies.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

### Investment strategies

These are the strategies the portfolio managers use to try to achieve the fund's objective:

- invest in North American equities, including income trusts
- examine the financial statistics of each company they are considering to determine if the equity securities are attractively priced and the company demonstrates consistent earnings
- monitor the companies in which the fund invests for changes that may affect their profitability
- the fund may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

### What are the risks of investing in the fund?

These strategies may involve the following risks, which we explain starting on page 143:

- equity risk
- currency risk
- securities lending, repurchase and reverse repurchase transactions risk
- derivative risk
- large transaction risk
- interest rate risk
- credit risk
- series risk.

### Who should invest in this fund?

Consider this fund if:

- you are looking for an equity fund that provides exposure to dividend-yielding North American companies
- you are comfortable with medium investment risk (i.e. you are willing to accept fluctuations in the market value of your investment).

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund distributes any income quarterly and capital gains in December. Distributions are automatically reinvested in additional units of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 25.01	78.84	138.20	314.57

## Fund details

<b>Type of fund</b>	U.S. equity
<b>Date started</b>	Series A: January 7, 1997 Series I: October 20, 2008
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 0.85% Series I: N/A. A series I fee is negotiated and paid by each series I investor
<b>Administration fee</b>	0.20% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	BMO Asset Management Inc., Toronto, Ontario  (portfolio manager since September 2010)

## What does the fund invest in?

### Investment objectives

The fund's objective is to provide a return that is similar to the return of one or more exchange-traded funds that invest primarily in U.S. equities. The fund may invest all or a portion of its assets in one or more exchange-traded funds, invest directly in the underlying securities held by the exchange-traded funds and/or use derivatives to provide the fund with a return determined by reference to the exchange-traded funds.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- invests up to 100% of the fund's assets in securities of BMO US Equity Hedged to CAD Index ETF
- BMO US Equity Hedged to CAD Index ETF seeks to replicate, to the extent possible, the performance of Dow Jones U.S. Large-Cap Index (CAD hedged), net of expenses. The Dow Jones U.S. Large-Cap Index (CAD hedged) is a float-adjusted market capitalization weighted index that tracks the securities of the largest and most liquid public companies in the United States. The investment strategy of the exchange-traded fund is to invest in and hold the constituent securities of the index in the same proportion as they are reflected in the index or securities intended to replicate the performance of the index. A sampling methodology may also be used in selecting investments. As an alternative to or in conjunction with investing in and holding the constituent securities, the exchange-traded fund may invest in or use certain other securities to obtain exposure to the performance of the index
- to the extent that the fund does not invest 100% of its assets in securities of the exchange-traded fund, may invest in securities that make up the Dow Jones U.S. Large-Cap Index (CAD hedged) in substantially the same proportion as the exchange-traded fund
- allocates assets among the exchange-traded fund and/or securities based on a determination of the most effective manner to achieve the fund's objectives, taking into account liquidity requirements, while attempting to minimize transaction costs and fees. The underlying exchange-traded fund, as well as the percentage holding in the underlying exchange-traded fund and the allocation between the underlying fund and securities, may be changed without notice from time to time
- may use derivatives such as futures and forward contracts to manage exposure to foreign currencies in order to seek to reduce the risk of exchange rate fluctuations between Canadian and foreign currencies
- as an alternative to or in conjunction with investing directly in the exchange-traded fund and/or securities, may use derivatives like options, futures, forward contracts and swaps to gain market exposure to the return of the exchange-traded fund or a portion thereof. The fund will only use derivatives as permitted by Canadian securities regulators
- may invest directly in cash or cash equivalents to meet any cash cover requirements or fund redemption requests.



### What are the risks of investing in the fund?

These strategies may involve the following risks, which we explain starting on page 143:

- interest rate risk
- credit risk
- equity risk
- derivative risk
- fund of funds risk
- currency risk
- securities lending, repurchase and reverse repurchase transactions risk
- indexing risk
- large transaction risk
- series risk.

### Who should invest in this fund?

Consider this fund if:

- you want greater exposure to the growth potential of U.S. stock markets
- you prefer a fund that seeks to track the performance of a U.S. equities market index
- you are comfortable with medium investment risk (i.e. you are willing to accept fluctuations in the market value of your investment).

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund distributes any income and capital gains in December. Distributions are automatically reinvested in additional units of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 11.48	36.19	63.43	144.39

## Fund details

<b>Type of fund</b>	U.S. equity
<b>Date started</b>	Series A: January 7, 1997 Series I: March 5, 2008 Series F: October 20, 2008
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes (U.S. currency feature is available for self-directed registered plans only)
<b>Management fee</b>	Series A: 2.00% Series I: N/A. A series I fee is negotiated and paid by each series I investor Series F: 1.00%
<b>Administration fee</b>	0.25% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	Harris Investment Management, Inc., Chicago, Illinois  (portfolio manager since January 1997)

## What does the fund invest in?

### Investment objectives

This fund's objective is to increase the value of your investment over the long term by investing in equities of well-established U.S. companies that may be undervalued by the marketplace.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- examines the financial statistics of each potential investment, looking for:
  - an attractive price
  - consistent earnings
  - evidence that the company's management believes in the future of the company. An example of this would be when earnings have been reinvested in the company
- uses the above information to rank potential investments. The highest-ranked securities are included in the portfolio
- diversifies the fund's assets by industry and company to help reduce risk
- the fund may use derivatives such as options, futures, forward contracts and swaps to:
  - reduce the impact of currency fluctuations on the fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

The fund may hold no more than 10% of the market value of its net assets in securities of other mutual funds managed by us or other mutual fund managers including our affiliates.

## What are the risks of investing in the fund?

These strategies may involve the following risks, which we explain starting on page 143:

- equity risk
- currency risk
- securities lending, repurchase and reverse repurchase transactions risk
- fund of funds risk
- derivative risk
- large transaction risk
- series risk.

As at March 21, 2011, BMO SelectClass® Security Portfolio and BMO SelectClass® Balanced Portfolio held 12.25% and 12.11%, respectively, of the securities of the fund.

### Who should invest in this fund?

Consider this fund if:

- you are looking for a core U.S. equity fund for your portfolio
- you are comfortable with medium investment risk (i.e. you are willing to accept fluctuations in the market value of your investment).

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund distributes any income and capital gains in December. Distributions are automatically reinvested in additional units of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over		One Year	Three Years	Five Years	Ten Years
Series A	\$	24.50	77.23	135.36	308.13
Series F	\$	13.63	42.98	75.33	171.47

## Fund details

<b>Type of fund</b>	U.S. equity
<b>Date started</b>	Series A: August 3, 1993 Series I: July 17, 2009
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 2.00% Series I: N/A. A series I fee is negotiated and paid by each series I investor
<b>Administration fee</b>	0.30% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	Harris Investment Management, Inc., Chicago, Illinois  (portfolio manager since August 1993)

### What does the fund invest in?

#### Investment objectives

This fund's objective is to increase the value of your investment over the long term by investing in equities of well-established U.S. companies.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

#### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- examines the financial statistics of each potential investment, looking for:
  - strong price momentum—the price of the security must be rising at an increasing rate
  - sustainable profits
  - a reasonable price
- ranks potential investments by the factors above and by market capitalization. The highest-ranked securities are included in the portfolio
- diversifies the fund's assets by industry and company to help reduce risk
- the fund may use derivatives such as options, futures, forward contracts and swaps to:
  - reduce the impact of currency fluctuations on the fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

The portfolio manager may frequently buy and sell investments for the fund. This can increase trading costs, which may lower the fund's returns. It also increases the chance that you may receive a distribution in the year. If you hold the fund in a non-registered account, distributions are generally taxable.

#### What are the risks of investing in the fund?

These strategies may involve the following risks, which we explain starting on page 143:

- equity risk
- currency risk
- securities lending, repurchase and reverse repurchase transactions risk
- derivative risk
- large transaction risk
- series risk.

### Who should invest in this fund?

Consider this fund if:

- you are looking for a core U.S. equity fund for your portfolio
- you are comfortable with medium investment risk (i.e. you are willing to accept fluctuations in the market value of your investment).

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund distributes any income and capital gains in December. Distributions are automatically reinvested in additional units of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 25.11	79.17	138.76	315.86

## BMO Aggressive Growth Funds

**BMO Emerging Markets Fund**

**BMO Global Science & Technology Fund**

**BMO Precious Metals Fund**

**BMO Resource Fund**

**BMO Special Equity Fund**

**BMO U.S. Special Equity Fund**

Our BMO Aggressive Growth Funds are designed for investors who want the potential for exceptional growth and are prepared to accept fluctuations in price in the short term. These funds invest in the shares of companies that are small, that are in specific industries, or that are in developing countries. Please read the fund descriptions about each fund for key information about the specific characteristics of each fund.

These funds offer the potential for higher returns than our BMO Security, BMO Income and BMO Growth Funds. They also offer the opportunity to participate in the potential growth of new and exciting industries, of small, fast-growing companies and of developing countries. But along with that high growth potential comes higher risk. The value of the shares of these companies can change dramatically in a short time.

### **How much is right for you?**

At BMO Mutual Funds, we recommend that you diversify your investments. That means building your portfolio with a variety of funds from different categories, like BMO Security Funds, BMO Income Funds, BMO Growth Funds, BMO Aggressive Growth Funds, BMO U.S. Dollar Funds, BMO Global Tax Advantage Funds, BMO LifeStage Plus Funds, BMO SelectClass® Portfolios and BMO FundSelect® Portfolios.

It's usually wise to hold only a small amount of BMO Aggressive Growth Funds in your portfolio. But before you can choose the right mix of funds, you need to ask yourself what you're expecting from your investments, how long you're planning to put your money away, and how much risk you're willing to accept.

For example, if you're looking for higher than average growth potential and you're willing to accept higher risk, you could give a growth-oriented portfolio a boost by investing in BMO Aggressive Growth Funds.

# BMO Emerging Markets Fund

## Fund details

<b>Type of fund</b>	Emerging markets equity
<b>Date started</b>	Series A: October 3, 1994 Series I: May 9, 2008 Series F: October 20, 2008
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 2.00% Series I: N/A. A series I fee is negotiated and paid by each series I investor Series F: 1.25%
<b>Administration fee</b>	0.40% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	Lazard Asset Management (Canada) Inc., New York, New York  (portfolio manager since November 2009)

## What does the fund invest in?

### Investment objectives

This fund's objective is to increase the value of your investment over the long term by investing in companies located in countries undergoing rapid industrialization.

As part of this fund's investment objective, it invests primarily in equities of companies in emerging countries like Brazil, Chile, Greece, India, Malaysia, Mexico, Pakistan, South Africa, South Korea, Taiwan and Turkey. It may also invest in fixed income securities.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- assesses the outlook for major regions and currencies using variables like expected growth, inflation, and expected return
- analyzes the liquidity of potential investments in their respective markets, to make sure it can buy and sell the security relatively easily
- examines the financial information of each potential investment to identify growth opportunities and attractive valuations
- follows up with company visits as needed to assess the company's management
- diversifies the fund's assets by industry and country to help reduce risk
- the fund may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

The portfolio manager may frequently buy and sell investments for the fund. This can increase trading costs, which may lower the fund's returns. It also increases the chance that you may receive a distribution in the year. If you hold the fund in a non-registered account, distributions are generally taxable.



### What are the risks of investing in the fund?

Because the fund's investments are concentrated in developing countries, the value of the fund may be more sensitive to stock market, economic and political trends, and currency exchange rates than funds that invest in developed countries.

The investment strategies may also involve the following risks, which we explain starting on page 143:

- equity risk
- foreign investment risk
- currency risk
- interest rate risk
- credit risk
- liquidity risk
- securities lending, repurchase and reverse repurchase transactions risk
- derivative risk
- large transaction risk
- series risk.

As at March 21, 2011, BMO SelectClass® Balanced Portfolio and BMO SelectClass® Growth Portfolio held 21.54% and 11.17%, respectively, of the securities of the fund.

### Who should invest in this fund?

Consider this fund if:

- you want the high growth potential of emerging markets for your portfolio
- you want to diversify your international holdings with investments in countries that aren't included in many core international equity funds
- you are comfortable with medium to high investment risk (i.e. you are willing to accept fluctuations in the market value of your investment).

Please see "Fund risk classification" on page 4 for a description of how we determined the classification of this fund's risk level.

### Distribution policy

The fund distributes any income and capital gains in December. Distributions are automatically reinvested in additional units of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we're required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 26.14	82.40	144.43	328.75
Series F	\$ 18.04	56.87	99.68	226.91

# BMO Global Science & Technology Fund

## Fund details

<b>Type of fund</b>	Science & technology
<b>Date started</b>	Series A: January 7, 1997 Series I: October 20, 2008
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 2.00% Series I: N/A. A series I fee is negotiated and paid by each series I investor
<b>Administration fee</b>	0.35% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	Harris Investment Management, Inc., Chicago, Illinois  (portfolio manager since January 1997)

## What does the fund invest in?

### Investment objectives

This fund's objective is to increase the value of your investment over the long term by investing in science and technology companies around the world.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

## Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- examines the financial statistics of each potential investment, looking for:
  - strong price momentum—the price of the security must be rising at an increasing rate
  - sustainable profits
  - a reasonable price
- generally places equal emphasis on science stocks and technology stocks
- uses the above information to rank potential investments. The highest-ranked securities are included in the portfolio
- diversifies the fund's assets by industry and company to help reduce risk
- the fund may use derivatives such as options, futures, forward contracts and swaps to:
  - reduce the impact of currency fluctuations on the fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

The portfolio manager may frequently buy and sell investments for the fund. This can increase trading costs, which may lower the fund's returns. It also increases the chance that you may receive a distribution in the year. If you hold the fund in a non-registered account, distributions are generally taxable.

## What are the risks of investing in the fund?

Because the fund's investments are concentrated in a few sectors, the value of the fund may vary more than funds that invest in many different industries.

The investment strategies may also involve the following risks, which we explain starting on page 143:

- equity risk
- foreign investment risk
- industry concentration risk
- currency risk
- derivative risk
- securities lending, repurchase and reverse repurchase transactions risk
- large transaction risk
- series risk.

### Who should invest in this fund?

Consider this fund if:

- you are looking for the high growth potential of science and technology stocks for your portfolio
- you want to diversify your portfolio with a sector-specific fund that invests around the world
- you are comfortable with medium to high investment risk (i.e. you are willing to accept fluctuations in the market value of your investment).

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund distributes any income and capital gains in December. Distributions are automatically reinvested in additional units of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 25.63	80.78	141.59	322.31

# BMO Precious Metals Fund

## Fund details

<b>Type of fund</b>	Precious metals
<b>Date started</b>	Series A: January 7, 1997 Series I: January 10, 2011
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 2.00% Series I: N/A. A series I fee is negotiated and paid by each series I investor
<b>Administration fee</b>	0.18% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	BMO Asset Management Inc. (formerly Jones Heward Investment Counsel Inc.), Toronto, Ontario  (portfolio manager since January 1997)

## What does the fund invest in?

### Investment objectives

This fund's objective is to increase the value of your investment over the long term by investing in securities of primarily Canadian companies in the precious metals industry.

As part of its investment objective, this fund invests mainly in Canadian companies that are involved in the exploration, mining, production or distribution of precious metals.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- examines the financial statistics of each company it's considering to determine if the equity securities are attractively priced
- reviews company operations and research and development to assess the company's potential for growth
- continually monitors the companies in which the fund invests for changes that may affect their profitability
- may invest up to 20% of its assets in precious metals, including silver and platinum
- may invest up to 30% of the purchase cost of the fund's assets in foreign securities
- the fund may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

The fund received an exemption from securities regulators to deviate from standard restrictions and practices related to buying and selling commodities to allow the fund to invest up to 20% of its assets in precious metals.

The portfolio manager may frequently buy and sell investments for the fund. This can increase trading costs, which may lower the fund's returns. It also increases the chance that you may receive a distribution in the year. If you hold the fund in a non-registered account, distributions are generally taxable.

### What are the risks of investing in the fund?

The unit price of the fund will be affected by changes in precious metals prices.

These strategies may also involve the following risks, which we explain starting on page 143:

- equity risk
- commodity risk
- liquidity risk
- foreign investment risk
- currency risk
- derivative risk
- interest rate risk
- securities lending, repurchase and reverse repurchase transaction risk
- industry concentration risk
- issuer concentration risk
- large transaction risk
- series risk.

### Who should invest in this fund?

Consider this fund if:

- you want specific exposure to the growth potential of precious metals
- you are comfortable with high investment risk (i.e. you are willing to accept significant fluctuations in the market value of your investment).

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund distributes any income and capital gains in December. Distributions are automatically reinvested in additional units of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 23.78	74.97	131.40	299.10

# BMO Resource Fund

## Fund details

<b>Type of fund</b>	Natural resources
<b>Date started</b>	Series A: August 3, 1993 Series I: March 5, 2008
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 2.00% Series I: N/A. A series I fee is negotiated and paid by each series I investor
<b>Administration fee</b>	0.15% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	BMO Asset Management Inc. (formerly Jones Heward Investment Counsel Inc.), Toronto, Ontario  (portfolio manager since August 1993)

## What does the fund invest in?

### Investment objectives

This fund's objective is to increase the value of your investment over the long term by investing in Canadian natural resource companies.

As part of its investment objective, this fund invests primarily in companies that are listed on Canadian stock exchanges and that operate in the precious metals, base metals, oil and gas, or forest products industries. It may also buy precious metals directly.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- examines the financial statistics of each company it's considering to determine if the equity securities are attractively priced
- reviews company operations and research and development to assess the company's potential for growth
- continually monitors the companies in which the fund invests for changes that may affect their profitability
- may invest up to 10% of its assets in commodities such as minerals and precious and other metals
- may invest up to 30% of the purchase cost of the fund's assets in foreign securities
- the fund may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

The fund received an exemption from securities regulators to deviate from standard restrictions and practices related to buying and selling commodities to allow the fund to invest up to 10% of its assets directly in commodities.

The portfolio manager may frequently buy and sell investments for the fund. This can increase trading costs, which may lower the fund's returns. It also increases the chance that you may receive a distribution in the year. If you hold the fund in a non-registered account, distributions are generally taxable.

The fund may hold no more than 10% of the market value of its net assets in securities of other mutual funds managed by us or other mutual fund managers including our affiliates.

### What are the risks of investing in the fund?

The unit price of the fund will be affected by changes in the prices of natural resources commodities and precious metals.

The investment strategies may also involve the following risks, which we explain starting on page 143:

- equity risk
- commodity risk
- liquidity risk
- foreign investment risk
- currency risk
- derivative risk
- interest rate risk
- securities lending, repurchase and reverse repurchase transactions risk
- industry concentration risk
- large transaction risk
- series risk.

### Who should invest in this fund?

Consider this fund if:

- you want specific exposure to the growth potential of resource securities
- you are comfortable with high investment risk (i.e. you are willing to accept significant fluctuations in the market value of your investment).

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund distributes any income and capital gains in December. Distributions are automatically reinvested in additional units of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 23.37	73.67	129.13	293.95



# BMO Special Equity Fund

## Fund details

<b>Type of fund</b>	Canadian small and mid-capitalization
<b>Date started</b>	Series A: August 3, 1993 Series I: March 5, 2008
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 2.00% Series I: N/A. A series I fee is negotiated and paid by each series I investor
<b>Administration fee</b>	0.27% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	BMO Asset Management Inc. (formerly Jones Heward Investment Counsel Inc.), Toronto, Ontario  (portfolio manager since August 1993)

## What does the fund invest in?

### Investment objectives

This fund's objective is to provide above-average growth in the value of your investment over the long term by investing in small and mid-sized Canadian companies.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- invests in equities, including income trusts
- examines the financial statistics of each company it's considering to determine if the equity securities are attractively priced
- may emphasize specific industry sectors with high potential return or companies that may benefit from trends like an aging population
- reviews company operations and research and development to assess the company's potential for growth
- continually monitors the companies in which the fund invests for changes that may affect their profitability
- may invest up to 30% of the purchase cost of the fund's assets in foreign securities
- the fund may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

The portfolio manager may frequently buy and sell investments for the fund. This can increase trading costs, which may lower the fund's returns. It also increases the chance that you may receive a distribution in the year. If you hold the fund in a non-registered account, distributions are generally taxable.

### What are the risks of investing in the fund?

These strategies may involve the following risks, which we explain starting on page 143:

- equity risk
- liquidity risk
- foreign investment risk
- currency risk
- securities lending, repurchase and reverse repurchase transactions risk
- interest rate risk
- commodity risk
- derivative risk
- large transaction risk
- series risk.

### Who should invest in this fund?

Consider this fund if:

- you are looking for a fund that invests in smaller Canadian companies with high growth potential
- you are comfortable with medium to high investment risk (i.e. you are willing to accept fluctuations in the market value of your investment).

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund distributes any income and capital gains in December. Distributions are automatically reinvested in additional units of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over		One Year	Three Years	Five Years	Ten Years
Series A	\$	24.70	77.87	136.50	310.71

# BMO U.S. Special Equity Fund

## Fund details

<b>Type of fund</b>	U.S. small and mid-capitalization equity
<b>Date started</b>	Series A: January 7, 1997 Series I: October 20, 2008
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 2.00% Series I: N/A. A series I fee is negotiated and paid by each series I investor
<b>Administration fee</b>	0.30% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	Loomis, Sayles & Company, L.P., Boston, Massachusetts  (portfolio manager since June 4, 2010)

## What does the fund invest in?

### Investment objectives

This fund's objective is to provide above-average increases in the value of your investment over the long term by investing in smaller and mid-sized U.S. companies.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- seeks attractively valued, small- and mid-sized companies with prospects for above-average capital appreciation
- invests using a bottom-up process that focuses on the fundamentals of each individual company
- seeks to aggressively identify and capitalize on catalysts the portfolio manager believes can drive stocks to achieve their intrinsic value
- diversifies the fund's assets by industry and company to help reduce risk
- the fund may use derivatives such as options, futures, forward contracts and swaps to:
  - reduce the impact of currency fluctuations on the fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

The portfolio manager may frequently buy and sell investments for the fund. This can increase trading costs, which may lower the fund's returns. It also increases the chance that you may receive a distribution in the year. If you hold the fund in a non-registered account, distributions are generally taxable.

### What are the risks of investing in the fund?

These strategies may involve the following risks, which we explain starting on page 143:

- equity risk
- currency risk
- liquidity risk
- securities lending, repurchase and reverse repurchase transactions risk
- derivative risk
- large transaction risk
- series risk.

### Who should invest in this fund?

Consider this fund if:

- you are looking for a fund that invests in smaller U.S. companies with high growth potential
- you are comfortable with medium to high investment risk (i.e. you are willing to accept fluctuations in the market value of your investment).

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund distributes any income and capital gains in December. Distributions are automatically reinvested in additional units of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 25.11	79.17	138.76	315.86



## BMO U.S. Dollar Funds

**BMO U.S. Dollar Equity Index Fund**

**BMO U.S. Dollar Money Market Fund**

**BMO U.S. Dollar Monthly Income Fund**

Our BMO U.S. Dollar Funds allow you to invest in a family of U.S. dollar mutual funds using your American money. All of these funds are denominated in U.S. dollars and invest in U.S. securities. Please read the fund descriptions for each fund for key information about the specific characteristics of each fund.

The BMO U.S. Dollar Funds offer the potential to earn higher returns than a traditional U.S. dollar savings account. The funds cover several asset classes, so you can create a diversified portfolio of investments in U.S. dollars.

### **How much is right for you?**

At BMO Mutual Funds, we recommend that you diversify your investments. That means building your portfolio with a variety of funds from different categories, like BMO Security Funds, BMO Income Funds, BMO Growth Funds, BMO Aggressive Growth Funds, BMO U.S. Dollar Funds, BMO Global Tax Advantage Funds, BMO LifeStage Plus Funds, BMO SelectClass® Portfolios and BMO FundSelect® Portfolios.

# BMO U.S. Dollar Equity Index Fund

## Fund details

<b>Type of fund</b>	U.S. equity
<b>Date started</b>	Series A: October 1, 1998 Series I: October 20, 2008
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Only eligible for self-directed registered plans
<b>Management fee</b>	Series A: 0.85% Series I: N/A. A series I fee is negotiated and paid by each series I investor
<b>Administration fee</b>	0.20% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	Harris Investment Management, Inc., Chicago, Illinois  (portfolio manager since October 1998)

## What does the fund invest in?

### Investment objectives

This fund's objective is to track the performance of the Standard & Poor's 500 Total Return Index ("S&P 500 Index").

As part of this fund's investment objective, it invests primarily in:

- U.S. treasury bills and other high quality U.S. money market instruments
- options, futures and forward contracts that are based on the S&P 500 Index.

It may also invest in:

- securities that are included in the S&P 500 Index
- Standard & Poor's depository receipts and other instruments that approximate the return of the S&P 500 Index.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

## Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- keeps most of the fund's assets in money market instruments, including commercial paper. This allows the fund to cover its commitments in the options, forward, futures contracts and swaps
- may invest up to 45% of the fund's assets in securities of mutual funds (including exchange traded funds), which may include funds that are managed by us or one of our affiliates or associates

Securities regulators allow index mutual funds to exceed the normal investment concentration limits if required to track the relevant index. In accordance with the regulatory requirements, the fund may track the index in this manner.

In addition to direct investments, the fund obtains its exposure to the U.S. equities market through investments in derivatives.

## What are the risks of investing in the fund?

These strategies may involve the following risks, which we explain starting on page 143:

- equity risk
- derivative risk
- securities lending, repurchase and reverse repurchase transactions risk
- fund of funds risk
- interest rate risk
- indexing risk
- currency risk
- credit risk
- large transaction risk
- series risk.

## Who should invest in this fund?

Consider this fund if:

- you are looking for a U.S. dollar equity fund that focuses on established companies
- you prefer a fund that seeks to track the performance of the S&P 500 Index
- you are comfortable with medium investment risk (i.e. you are willing to accept fluctuations in the market value of your investment).

Please see "Fund risk classification" on page 4 for a description of how we determined the classification of this fund's risk level.



### Distribution policy

The fund distributes any income and capital gains in December. Distributions are automatically reinvested in additional units of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we're required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over		One Year	Three Years	Five Years	Ten Years
Series A	US\$	11.58	36.51	64.00	145.68

# BMO U.S. Dollar Money Market Fund

## Fund details

<b>Type of fund</b>	Foreign money market
<b>Date started</b>	Series A: October 1, 1998 Series I: March 5, 2008
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Only eligible for self-directed registered plans
<b>Management fee</b>	Series A: 1.00% Series I: N/A. A series I fee is negotiated and paid by each series I investor
<b>Administration fee</b>	0.15% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	Harris Investment Management, Inc., Chicago, Illinois  (portfolio manager since October 1998)

## What does the fund invest in?

### Investment objectives

This fund's objective is to provide a high level of U.S. dollar interest income and liquidity, while preserving the value of your investment.

As part of its investment objective, this fund invests primarily in a variety of U.S. government and corporate money market instruments.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- buys investments, including commercial paper, that are rated A or higher (or equivalent) by one or more recognized North American rating agencies, or that the portfolio manager determines to be of comparable quality
- maintains a unit price of US\$1.00 by crediting income daily and distributing it monthly
- the fund may use derivatives such as options, futures, forward contracts and swaps to protect the

fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps. The fund will only use derivatives as permitted by Canadian securities regulators.

## What are the risks of investing in the fund?

These strategies may involve the following risks:

- the yield of the fund varies with short-term interest rates
- the unit price of the fund may rise or fall, although we try to keep it fixed at US \$1.00.

The investment strategies may also involve the following risks, which we explain starting on page 143:

- interest rate risk
- derivative risk
- securities lending, repurchase and reverse repurchase transactions risk
- credit risk
- currency risk
- large transaction risk
- series risk.

As at March 21, 2011, a securityholder held 11.45% of the securities of the fund.

## Who should invest in this fund?

Consider this fund if:

- you want a secure U.S. dollar investment with low investment risk
- you are looking for higher yields than a U.S. dollar bank account may offer
- you want a short-term investment.

Please see "Fund risk classification" on page 4 for a description of how we determined the classification of this fund's risk level.

## Distribution policy

Income is credited daily and distributed monthly. Any capital gains are distributed in December and outstanding units are consolidated to maintain a NAV of U.S. \$1.00. Distributions are automatically reinvested in additional units of the fund. Please see page 164 for more information.

## Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we're required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	US\$ 0.82	2.59	4.53	10.31

## Fund details

<b>Type of fund</b>	U.S. balanced
<b>Date started</b>	Series A: October 12, 2004 Series I: October 20, 2008
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Only eligible for self-directed registered plans
<b>Management fee</b>	Series A: 1.85% Series I: N/A. A series I fee is negotiated and paid by each series I investor
<b>Administration fee</b>	0.20% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio managers</b>	BMO Asset Management Inc. (formerly Jones Heward Investment Counsel Inc.), Toronto, Ontario (U.S. equities)  Lazard Asset Management (Canada) Inc., New York, New York (U.S. equities and U.S. fixed income)  (portfolio managers since November 2009)

## What does the fund invest in?

### Investment objectives

This fund's objective is to provide a fixed monthly distribution by investing primarily in U.S. equities and U.S. fixed income securities.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

### Investment strategies

These are the strategies the portfolio managers use to try to achieve the fund's objective:

- invest in high yield bonds and debentures rated BB or lower and issued by U.S. governments and corporations, U.S. dollar-denominated Canadian corporate bonds and convertible debentures
- invest in equity securities through a bottom-up selection process
- invest in high quality preferred shares and equity units of U.S. companies and U.S. real estate investment trusts ("REITs"), as well as Canadian REITs and property companies denominated in U.S. dollars or holding U.S. property
- invest in mortgage-backed securities and government agency issued bonds and debentures
- may also opportunistically invest in asset classes outside of the U.S.
- the fund may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - to hedge against or gain exposure to credit risk without buying underlying securities directly
  - gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

The portfolio managers may frequently buy and sell investments for the fund. This can increase trading costs, which may lower the fund's returns. It also increases the chance that you may receive a distribution in the year. If you hold the fund in a non-registered account, distributions are generally taxable.

### What are the risks of investing in the fund?

These strategies may involve the following risks, which we explain starting on page 143:

- interest rate risk
- equity risk
- credit risk
- currency risk
- securities lending, repurchase and reverse repurchase transactions risk
- derivative risk
- capital depletion risk
- large transaction risk
- series risk.

### Who should invest in this fund?

Consider this fund if:

- you want regular monthly cash flow in U.S. dollars
- you are comfortable with medium investment risk (i.e. you are willing to accept fluctuations in the market value of your investment)
- you plan to hold this investment for the medium to long term.

This fund is more suitable for non-registered accounts because it's designed to pay out regular monthly income. Distributions paid on funds you hold in a BMO registered plan must be reinvested in the fund.

Please see "Fund risk classification" on page 4 for a description of how we determined the classification of this fund's risk level.

### Distribution policy

The fund distributes a fixed amount per unit every month. The amount of the monthly distribution is set at the beginning of each calendar year based on the market outlook. The amount of the monthly distribution may be adjusted without notice throughout the year as market conditions change. If the fund doesn't earn enough income and capital gains to meet the distribution, it will return capital to make up the difference. A return of capital will reduce the adjusted cost base of your units. Any additional distributions required to pay out net income and net realized capital gains in excess of the aggregate fixed amount paid during the year may be made at our discretion at various times determined by us throughout the year. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we're required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	US\$ 22.45	70.77	124.04	282.34

## 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**  
**BMO Security ETF Portfolio Class (formerly BMO Security ETF Portfolio)**  
**BMO Balanced ETF Portfolio Class (formerly BMO Balanced ETF Portfolio)**  
**BMO Growth ETF Portfolio Class (formerly BMO Growth ETF Portfolio)**  
**BMO Aggressive Growth ETF Portfolio Class (formerly BMO Aggressive Growth ETF Portfolio)**

BMO Global Tax Advantage Funds let you rebalance your portfolio without realizing capital gains—something you should think about if you're investing outside of an RRSP or other registered plan.

Here's how it works. Each BMO Global Tax Advantage Fund is a share class of BMO Global Tax Advantage Funds Inc., a Canadian corporation. This share structure allows you to switch between BMO Global Tax Advantage Funds without realizing capital gains. You only trigger capital gains—and pay taxes on them—when you redeem your shares for cash or switch them to a mutual fund other than a BMO Global Tax Advantage Fund.

You can hold BMO Global Tax Advantage Funds in the same account as your other BMO Mutual Funds, but remember, the tax deferral benefits only apply to switches between funds that are part of BMO Global Tax Advantage Funds Inc. Please read the fund descriptions for each fund for key information about the specific characteristics of each fund.

### How much is right for you?

At BMO Mutual Funds, we recommend that you diversify your investments. That means building your portfolio with a variety of funds from different categories, like BMO Security Funds, BMO Income Funds, BMO Growth Funds, BMO Aggressive Growth Funds, BMO U.S. Dollar Funds, BMO Global Tax Advantage Funds, BMO LifeStage Plus Funds, BMO SelectClass® Portfolios and BMO FundSelect® Portfolios.

# BMO Canadian Equity Class

## Fund details

<b>Type of fund</b>	Canadian equity
<b>Date started</b>	Series A: October 1, 2004 Series I: May 9, 2008
<b>Securities offered</b>	Shares of a mutual fund corporation
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 2.00% Series I: N/A. A series I fee is negotiated and paid by each series I investor
<b>Administration fee</b>	0.27% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	BMO Asset Management Inc. (formerly Jones Heward Investment Counsel Inc.), Toronto, Ontario  (portfolio manager since October 2004)

## What does the fund invest in?

### Investment objectives

This fund's objective is to increase the value of your investment over the long term by investing primarily in equities of well established Canadian companies.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of shareholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- invests in equities, including income trusts
- examines the financial statistics of each company it's considering to determine if the equity securities are attractively priced
- reviews company operations and research and development to assess the company's potential for growth
- continuously monitors the companies in which the fund invests for changes that may affect their profitability
- may invest up to 30% of the purchase cost of the fund's assets in foreign securities
- may use derivatives such as options, futures, forward contracts and swaps to:
  - reduce the impact of currency fluctuations on the fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

The portfolio manager may frequently buy and sell investments for the fund. This can increase trading costs, which may lower the fund's returns. It also increases the chance that you may receive a dividend in the year. If you hold the fund in a non-registered account, dividends are generally taxable.

### What are the risks of investing in the fund?

The investment strategies may involve the following risks, which we explain starting on page 143:

- equity risk
- foreign investment risk
- currency risk
- securities lending, repurchase and reverse repurchase transactions risk
- derivative risk
- large transaction risk
- class risk
- series risk.

### Who should invest in this fund?

Consider this fund if:

- you want the flexibility to switch to another class of BMO Global Tax Advantage Funds Inc. without realizing capital gains
- you are looking for a core Canadian equity fund for your portfolio
- you are comfortable with medium investment risk (i.e. you are willing to accept fluctuations in the market value of your investment).

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund pays any ordinary dividends and capital gains dividends in September. Distributions are automatically reinvested in additional shares of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 24.60	77.55	135.93	309.42



# BMO Canadian Tactical ETF Class

## Fund details

<b>Type of fund</b>	Canadian asset allocation
<b>Date started</b>	Series A: April 26, 2010
<b>Securities offered</b>	Shares of a mutual fund corporation
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 1.35%
<b>Administration fee</b>	0.15%
<b>Portfolio manager</b>	BMO Asset Management Inc. (formerly Jones Heward Investment Counsel Inc.), Toronto, Ontario  (portfolio manager since April 2010)

## What does the fund invest in?

### Investment objectives

This fund's investment objective is to increase the value of your investment over the long term by investing primarily in exchange traded funds that invest in Canadian equity and fixed income securities. The fund may also invest in other mutual funds or invest directly in fixed income securities and cash or cash equivalents. The portfolio manager may change the fund's asset mix according to its outlook for each asset class.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of shareholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- may invest up to 100% of the fund's assets in securities of exchange traded funds and other mutual funds, which may include funds that are managed by us or one of our affiliates or associates
- may invest between 30-70% of the fund's assets in exchange traded funds or other mutual funds that invest in equities and 30-70% of the fund's assets in exchange traded funds or other mutual funds that invest in fixed income securities
- the fund will invest a majority of its assets in exchange traded funds
- may invest up to 30% of the fund's assets in securities of exchange traded funds or other mutual funds that invest in foreign securities
- the fund or its underlying funds may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the fund or underlying fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund or underlying fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the fund or underlying fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

In allocating the portfolio, the portfolio manager may engage in tactical deviations from its target asset mix in order to capitalize on investment opportunities. In doing so, the portfolio manager considers the average market valuations across geographies, sectors and asset classes, relative economic conditions that may impact an investment and any perceived downside risks.

The fund or the underlying funds may enter into securities lending, repurchase and reverse repurchase transactions.

### What are the risks of investing in the fund?

The investment strategies may involve the following risks which we explain starting on page 143:

- class risk
- interest rate risk
- equity risk
- credit risk
- currency risk
- derivative risk
- liquidity risk
- foreign investment risk
- large transaction risk
- fund of funds risk
- indexing risk
- series risk
- securities lending, repurchase and reverse repurchase transactions risk.

### Who should invest in this fund?

Consider this fund if:

- you want the flexibility to switch to another class of BMO Global Tax Advantage Funds Inc. without realizing capital gains
- you want a mix of equity and fixed income investments in a single fund
- you are comfortable with medium investment risk (i.e. you are willing to accept fluctuations in the value of your investment).

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund pays ordinary dividends and capital gains dividends in September. Distributions are automatically reinvested in additional securities of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 16.81	52.99	92.89	211.43

# BMO Dividend Class

## Fund details

<b>Type of fund</b>	Canadian dividend
<b>Date started</b>	Series A: October 12, 2004 Series I: January 28, 2008
<b>Securities offered</b>	Shares of a mutual fund corporation
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 1.50% Series I: N/A. A series I fee is negotiated and paid by each series I investor
<b>Administration fee</b>	0.22% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	BMO Asset Management Inc. (formerly Jones Heward Investment Counsel Inc.), Toronto, Ontario  (portfolio manager since October 2004)

## What does the fund invest in?

### Investment objectives

This fund's objective is to achieve a high level of total return, including dividend income and capital gains from the value of your investment by investing primarily in dividend yielding common and preferred shares of Canadian companies.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of shareholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- invests primarily in dividend yielding common and preferred shares of established Canadian companies. It may also invest in fixed income securities and income trust units
- examines the financial statistics of each company it's considering to determine if the equity securities are attractively priced
- reviews company operations and research and development to assess the company's potential for growth
- continually monitors the companies in which the fund invests for changes that may affect their profitability
- may invest up to 30% of the purchase cost of the fund's assets in foreign securities
- may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

The fund may hold no more than 10% of the market value of its net assets in securities of other mutual funds managed by us or other mutual fund managers including our affiliates.

### What are the risks of investing in the fund?

These strategies may involve the following risks, which we explain starting on page 143:

- equity risk
- interest rate risk
- credit risk
- foreign investment risk
- currency risk
- securities lending, repurchase and reverse repurchase transactions risk
- fund of funds risk
- derivative risk
- class risk
- large transaction risk
- series risk.

As at March 21, 2011, BMO FundSelect® Balanced Portfolio held 11.95% of the securities of the fund.

### Who should invest in this fund?

Consider this fund if:

- you want the flexibility to switch to another class of BMO Global Tax Advantage Funds Inc. without realizing capital gains
- you are seeking tax-efficient income in your non-registered account
- you want a Canadian equity fund that focuses on established companies
- you are comfortable with low to medium investment risk (i.e. you are willing to accept some fluctuations in the market value of your investment).

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund pays any ordinary dividends and capital gains dividends in September. Distributions are automatically reinvested in additional shares of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 19.07	60.10	105.35	239.80

# BMO Global Dividend Class

## Fund details

<b>Type of fund</b>	Global equity
<b>Date started</b>	Series A: November 27, 2000 Series I: May 10, 2010
<b>Securities offered</b>	Shares of a mutual fund corporation
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 2.00% Series I: N/A. A series I fee is negotiated and paid by each series I investor
<b>Administration fee</b>	0.35% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	Kleinwort Benson Investors Dublin Ltd., (formerly KBC Asset Management International Limited) Dublin, Ireland  (portfolio manager since April 2007)

## What does the fund invest in?

### Investment objectives

This fund's objective is to achieve a high level of total return from the value of your investment, including dividend income and capital gains, by investing primarily in dividend yielding common and preferred shares of companies from around the world.

As part of its investment objectives, the fund invests primarily in equities of companies that trade on recognized stock exchanges in countries around the world.

The fundamental investment objectives may only be changed with the approval of a majority of the votes cast at a meeting of shareholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- invests primarily in dividend yielding common and preferred shares
- applies quantitative screens to find stocks with above average dividend yields relative to their regional sector
- applies fundamental and quantitative analysis to eliminate companies that do not intentionally pay out high dividends and attempts to identify and score high quality companies that generate a high level of cash flow and have a sustainable dividend policy
- uses a proprietary optimization process to apply an asset allocation overlay aimed to select the highest scored securities while maintaining a sector and regional neutrality at the total fund level
- diversifies the fund's assets by sector and region to help reduce risk
- may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

The portfolio manager may frequently buy and sell investments for the fund. This can increase trading costs, which may lower the fund's returns. It also increases the chance that you may receive a dividend in the year. If you hold the fund in a non-registered account, dividends are generally taxable.

### What are the risks of investing in the fund?

These strategies may involve the following risks, which we explain starting on page 143:

- interest rate risk
- equity risk
- foreign investment risk
- large transaction risk
- credit risk
- currency risk
- derivative risk
- class risk
- securities lending, repurchase and reverse repurchase transactions risk
- series risk.

As at March 21, 2011, we held 17.58% of the securities of the fund.

### Who should invest in this fund?

Consider this fund if:

- you want the flexibility to switch to another class of BMO Global Tax Advantage Funds Inc. without realizing capital gains
- you are looking for an equity fund that provides exposure to dividend yielding companies from around the world
- you are comfortable with low to medium investment risk (i.e. you are willing to accept some fluctuations in the market value of your investment).

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund pays any ordinary dividends and capital gains dividends in September. Distributions are automatically reinvested in additional shares of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 25.83	81.43	142.73	324.89

# BMO Global Energy Class

## Fund details

<b>Type of fund</b>	Natural resources equity
<b>Date started</b>	Series A: October 31, 2008 Series I: October 31, 2008
<b>Securities offered</b>	Shares of a mutual fund corporation
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 2.00% Series I: N/A. A series I fee is negotiated and paid by each series I investor
<b>Administration fee</b>	0.35% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	BMO Asset Management Inc. (formerly Jones Heward Investment Counsel Inc.), Toronto, Ontario  (portfolio manager since October 2008)

## What does the fund invest in?

### Investment objectives

This fund's objective is to increase the value of your investment over the long term by investing primarily in equity and fixed income securities of companies involved in energy, alternative energy or related industries around the world.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of shareholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- invests primarily in equity securities of companies involved in energy, alternative energy or related industries around the world, including companies involved in the exploration, development, production and distribution of commodities such as fossil fuels, coal, uranium, wind power and water
- examines the financial statistics of each company being considered to determine whether the equity securities are attractively priced
- reviews company operations and research and development practices to assess the company's potential for growth
- continually monitors the companies in which the fund invests for changes that may affect their profitability
- may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

The fund intends to apply for an exemption from securities regulators to deviate from standard restrictions and practices related to buying and selling commodities. Specifically, the fund will seek approval to invest up to 10% of its assets directly in commodities.

The portfolio manager may frequently buy and sell investments for the fund. This can increase trading costs, which may lower the fund's returns. It also increases the chance that you may receive a dividend in the year. If you hold the fund in a non-registered account, dividends are generally taxable.

The fund may hold no more than 10% of the market value of its net assets in securities of other mutual funds managed by us or other mutual fund managers including our affiliates.



### What are the risks of investing in the fund?

The investment strategies may involve the following risks, which we explain starting on page 143:

- equity risk
- liquidity risk
- commodity risk
- foreign investment risk
- fund of funds risk
- currency risk
- credit risk
- interest rate risk
- securities lending, repurchase and reverse repurchase transactions risk
- derivative risk
- industry concentration risk
- large transaction risk
- series risk
- class risk.

### Who should invest in this fund?

Consider this fund if:

- you want the flexibility to switch to another class of BMO Global Tax Advantage Funds Inc. without realizing capital gains
- you are looking for an equity fund that provides exposure to energy and energy related companies from around the world
- you are comfortable with medium to high investment risk (i.e. you are willing to accept fluctuations in the market value of your investment).

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund pays ordinary dividends and capital gains dividends in September. Distributions are automatically reinvested in additional securities of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 26.24	82.72	144.99	330.04

# BMO Global Equity Class

## Fund details

<b>Type of fund</b>	Global equity
<b>Date started</b>	Series A: November 27, 2000 Series I: January 28, 2008
<b>Securities offered</b>	Shares of a mutual fund corporation
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 2.00% Series I: N/A. A series I fee is negotiated and paid by each series I investor
<b>Administration fee</b>	0.35% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	Aberdeen Asset Management Inc., Edinburgh, Scotland  (portfolio manager since January 2010)

## What does the fund invest in?

### Investment objectives

This fund's objectives are to provide long-term growth of capital through investment in a portfolio of equity securities of publicly traded companies from around the world with significant growth potential.

As part of its investment objectives, the fund invests primarily in equities of companies that trade on recognized exchanges in countries around the world.

The fundamental investment objectives may only be changed with the approval of a majority of the votes cast at a meeting of shareholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objectives:

- develops investment themes by researching and assessing the external environment, product strategy and development, and management strategy for each company it's considering
- emphasizes new or growing companies, and sectors and companies undergoing change
- focuses on companies with increasing sales and profitability
- analyzes earnings forecasts, sales and revenue growth, as well as cash flow to identify attractively priced companies
- diversifies the fund's assets by industry and country to help reduce risk
- may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

The portfolio manager may frequently buy and sell investments for the fund. This can increase trading costs, which may lower the fund's returns. It also increases the chance that you may receive a dividend in the year. If you hold the fund in a non-registered account, dividends are generally taxable.

The fund will hold no more than 10% of the market value of its net assets in securities of other mutual funds managed by us or other mutual fund managers including our affiliates.

### What are the risks of investing in the fund?

These strategies may involve the following risks, which we explain starting on page 143:

- equity risk
- foreign investment risk
- large transaction risk
- currency risk
- derivative risk
- interest rate risk
- fund of funds risk
- class risk
- securities lending, repurchase and reverse repurchase transactions risk
- series risk.

### Who should invest in this fund?

Consider this fund if:

- you want the flexibility to switch to another class of BMO Global Tax Advantage Funds Inc. without realizing capital gains
- you want to diversify your equity portfolio globally
- you are comfortable with medium investment risk (i.e. you are willing to accept fluctuations in the market value of your investment).

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund pays any ordinary dividends and capital gains dividends in September. Distributions are automatically reinvested in additional shares of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 25.63	80.78	141.59	322.31

# BMO Global Tactical ETF Class

## Fund details

<b>Type of fund</b>	Global neutral balanced
<b>Date started</b>	Series A: April 26, 2010
<b>Securities offered</b>	Shares of a mutual fund corporation
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 1.45%
<b>Administration fee</b>	0.15%
<b>Portfolio manager</b>	Pyrford International Limited*, London, England  (portfolio manager since April 2010)  * Pyrford International Limited is a sub- advisor to BMO Asset Management Inc.

## What does the fund invest in?

### Investment objectives

This fund's investment objective is to increase the value of your investment over the long term by investing primarily in exchange traded funds that invest in global equity and fixed income securities. The fund may also invest in other mutual funds or invest directly in global fixed income securities and cash or cash equivalents. The portfolio manager may change the fund's asset mix according to its outlook for each asset class.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of shareholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- may invest up to 100% of the fund's assets in securities of exchange traded funds and other mutual funds, which may include funds that are managed by us or one of our affiliates or associates
- may invest between 30-70% of the fund's assets in exchange traded funds and other mutual funds that invest in equities and 30-70% of the fund's assets in exchange traded funds and other mutual funds that invest in fixed income securities
- the fund will invest a majority of its assets in exchange traded funds
- the fund or its underlying funds may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the fund or underlying fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund or underlying fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the fund or underlying fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

In allocating the portfolio, the portfolio manager may engage in tactical deviations from its target asset mix in order to capitalize on investment opportunities. In doing so, the portfolio manager considers the average market valuations across geographies, sectors and asset classes, relative economic conditions that may impact an investment and any perceived downside risks.

The fund or the underlying funds may enter into securities lending, repurchase and reverse repurchase transactions.

### What are the risks of investing in the fund?

The investment strategies may involve the following risks which we explain starting on page 143:

- class risk
- interest rate risk
- equity risk
- credit risk
- currency risk
- derivative risk
- liquidity risk
- foreign investment risk
- large transaction risk
- fund of funds risk
- indexing risk
- series risk
- securities lending, repurchase and reverse repurchase transactions risk.

### Who should invest in this fund?

Consider this fund if:

- you want the flexibility to switch to another class of BMO Global Tax Advantage Funds Inc. without realizing capital gains
- you want a mix of global equity and fixed income investments in a single fund
- you are comfortable with medium investment risk (i.e. you are willing to accept fluctuations in the value of your investment).

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund pays ordinary dividends and capital gains dividends in September. Distributions are automatically reinvested in additional securities of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 17.73	55.90	97.98	223.04

# BMO Greater China Class

## Fund details

<b>Type of fund</b>	Chinese equity
<b>Date started</b>	Series A: October 12, 2004 Series I: January 28, 2008
<b>Securities offered</b>	Shares of a mutual fund corporation
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 2.25% Series I: N/A. A series I fee is negotiated and paid by each series I investor
<b>Administration fee</b>	0.35% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	Martin Currie Inc., Edinburgh, Scotland  (portfolio manager since October 2004)

## What does the fund invest in?

### Investment objectives

This fund's objective is to achieve long-term capital growth by investing primarily in equity securities of companies in Greater China, which includes the People's Republic of China, Hong Kong SAR and Taiwan, as well as in equity securities of companies that benefit from exposure to Greater China.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of shareholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- invests primarily in equity securities listed on stock exchanges in the People's Republic of China, Hong Kong SAR, or Taiwan and also in securities listed on stock exchanges outside of China that benefit from exposure to Greater China
- may also invest in convertible securities and other equity related securities and in fixed income securities
- seeks to invest in companies that grow faster than market expectations, recover more rapidly, have undiscovered value that is about to be realized, or benefit from economic or regulatory changes in a way not yet anticipated by other investors
- may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

The portfolio manager may frequently buy and sell investments for the fund. This can increase trading costs, which may lower the fund's returns. It also increases the chance that you may receive a dividend in the year. If you hold the fund in a non-registered account, dividends are generally taxable.

### What are the risks of investing in the fund?

The investment strategies may involve the following risks, which we explain starting on page 143:

- interest rate risk
- equity risk
- credit risk
- foreign investment risk
- currency risk
- securities lending, repurchase and reverse repurchase transactions risk
- derivative risk
- large transaction risk
- liquidity risk
- class risk
- series risk.

### Who should invest in this fund?

Consider this fund if:

- you want the flexibility to switch to another class of BMO Global Tax Advantage Funds Inc. without realizing capital gains
- you are looking for the high growth potential of Chinese equities for your portfolio
- you want to diversify your international holdings with investments in Greater China
- you are comfortable with high investment risk (i.e. you are willing to accept significant fluctuations in the market value of your investment).

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund pays any ordinary dividends and capital gains dividends in September. Distributions are automatically reinvested in additional shares of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 28.39	89.51	156.89	357.12



# BMO International Value Class

## Fund details

<b>Type of fund</b>	International equity
<b>Date started</b>	Series A: October 31, 2008 Series I: July 31, 2009
<b>Securities offered</b>	Shares of a mutual fund corporation
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 2.00% Series I: N/A. A series I fee is negotiated and paid by each series I investor
<b>Administration fee</b>	0.35% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	Pyrford International Limited, London, England  (portfolio manager since October 2008)

## What does the fund invest in?

### Investment objectives

This fund's objective is to increase the value of your investment over the long term by investing primarily in equity securities of established companies located outside of Canada and the United States.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of shareholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- invests in equities of established companies trading at a discount to their long-term value, which trade on recognized exchanges in countries around the world. These countries may include Australia, Finland, France, Germany, Hong Kong, Italy, Japan, the Netherlands, New Zealand, Singapore, Spain, Sweden, Switzerland, and the United Kingdom, among others
- employs a value-driven, absolute return approach. At the stock level, the portfolio manager identifies companies that it believes are fairly valued or undervalued in relation to their potential long-term earnings growth. At the country level, the portfolio manager seeks to overweight holdings in countries that are expected to provide good value relative to their long-term prospects and underweight or avoid holdings in countries that are not
- may invest in bonds issued by governments or supranational organizations such as the World Bank
- may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

### What are the risks of investing in the fund?

The investment strategies may involve the following risks, which we explain starting on page 143:

- equity risk
- liquidity risk
- credit risk
- foreign investment risk
- currency risk
- securities lending, repurchase and reverse repurchase transactions risk
- derivative risk
- interest rate risk
- large transaction risk
- series risk
- class risk.

As at March 21, 2011, Bank of Montreal and BMO LifeStage Plus 2030 Fund held 26.99% and 13.34%, respectively, of the securities of the fund.

### Who should invest in this fund?

Consider this fund if:

- you want the flexibility to switch to another class of BMO Global Tax Advantage Funds Inc. without realizing capital gains
- you want to diversify your portfolio internationally, outside Canada and the U.S. and invest in a fund that uses a value investment style
- you are comfortable with medium investment risk (i.e. you are willing to accept fluctuations in the market value of your investment).

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund pays ordinary dividends and capital gains dividends in September. Distributions are automatically reinvested in additional securities of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Short-term trading

Please refer to pages 155 and 162 for a discussion of the penalties that may apply to investors who engage in short-term trading in securities of this fund.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 25.63	80.78	141.59	322.31

# BMO Short-Term Income Class

## Fund details

<b>Type of fund</b>	Canadian short-term bond and mortgage
<b>Date started</b>	Series A: November 27, 2000 Series I: October 20, 2008
<b>Securities offered</b>	Shares of a mutual fund corporation
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 1.50% Series I: N/A. A series I fee is negotiated and paid by each series I investor
<b>Administration fee</b>	0.20% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	BMO Asset Management Inc. (formerly Jones Heward Investment Counsel Inc.), Toronto, Ontario  (portfolio manager since November 2000)

## What does the fund invest in?

### Investment objectives

This fund's objectives are:

- to provide the opportunity to invest in a fixed income fund for the short term, as an alternative or in addition to the equity funds included in the BMO Global Tax Advantage Funds
- to provide current income while preserving capital and maintaining liquidity.

As part of its investment objectives, the fund invests primarily in high quality securities like Canadian treasury bills, other Canadian short-term fixed income securities and highly rated commercial paper with terms to maturity of less than three years.

The fundamental investment objectives may only be changed with the approval of a majority of the votes cast at a meeting of shareholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objectives:

- examines economic indicators like growth, inflation and monetary policy to provide a framework for selecting securities
- chooses a variety of investment terms based on the interest rate outlook and term constraint
- analyzes credit ratings of various issuers to determine the best potential investments for the portfolio
- allocates investments among government and corporate securities to diversify the fund's holdings
- may invest up to 30% of the purchase cost of the fund's assets in foreign securities
- will only invest in securities rated BBB or higher at the time of investment by Standard & Poor's Rating Service or the equivalent rating as defined by other recognized rating agencies. BBB-rated securities may not exceed 10% of the value of that portion of the fund's assets which is invested in fixed income securities
- the fund may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

The fund has obtained exemptive relief from Canadian securities regulators to enable the fund to purchase mortgages from, or sell mortgages to, certain related parties, including Bank of Montreal, in accordance with certain conditions imposed by the regulators. Additional information is disclosed in the annual information form.

### What are the risks of investing in the fund?

These strategies may involve the following risks, which we explain starting on page 143:

- interest rate risk
- credit risk
- currency risk
- derivative risk
- foreign investment risk
- class risk
- securities lending, repurchase and reverse repurchase transactions risk
- large transaction risk
- series risk.

### Who should invest in this fund?

Consider this fund if:

- you want the flexibility to switch to another class of BMO Global Tax Advantage Funds Inc. without realizing capital gains
- you want to invest in a fixed income fund for the short term as an alternative or in addition to equity funds included in the BMO Global Tax Advantage Funds
- you are comfortable with low investment risk (i.e. you are willing to accept some fluctuations in the market value of your investment over the short term).

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund pays any ordinary dividends and capital gains dividends in September. Distributions are reinvested in additional shares of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 14.86	46.85	82.12	186.94

# BMO Sustainable Climate Class

## Fund details

<b>Type of fund</b>	Global equity
<b>Date started</b>	Series A: October 31, 2008 Series I: November 26, 2010
<b>Securities offered</b>	Shares of a mutual fund corporation
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 2.00% Series I: N/A. A series I fee is negotiated and paid by each series I investor
<b>Administration fee</b>	0.35% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	RCM Capital Management LLC, San Francisco, California (portfolio manager since June 2010)

## What does the fund invest in?

### Investment objectives

This fund's objective is to increase the value of your investment over the long term by investing primarily in equity securities of companies around the world that offer technologies, products or services that are expected to reduce or delay climate change, or somehow help to alleviate the consequences of global warming.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of shareholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- invests in companies that attach increased importance to sustainability, by striving to maximize profits, while at the same time considering ecological and social objectives
- examines primarily the following areas when assessing a company's commitment to sustainability: corporate strategy; innovation; corporate governance; and consideration of the interests of shareholders, employees and other stakeholders
- initially performs a macroeconomic analysis to identify trends that have a significant influence on the climate segment and then considers the addition of companies with business practices that demonstrate a clear correlation to the fund's objective and that stand to benefit most from the trends and developments identified in the initial analysis
- examines the financial statistics of each company to determine whether its securities are attractively priced
- reviews company operations and research and development practices to assess the company's potential for growth
- continually monitors the companies in which the fund invests for changes that may affect their profitability or appropriateness for the fund
- the fund may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

The portfolio manager may frequently buy and sell investments for the fund. This can increase trading costs, which may lower the fund's returns. It also increases the chance that you may receive a dividend in the year. If you hold the fund in a non-registered account, dividends are generally taxable.

### What are the risks of investing in the fund?

The investment strategies may involve the following risks, which we explain starting on page 143:

- equity risk
- liquidity risk
- foreign investment risk
- currency risk
- securities lending, repurchase and reverse repurchase transactions risk
- derivative risk
- industry concentration risk
- large transaction risk
- series risk
- class risk.

As at March 21, 2011, we held 38.85% of the securities of the fund.

### Who should invest in this fund?

Consider this fund if:

- you want the flexibility to switch to another class of BMO Global Tax Advantage Funds Inc. without realizing capital gains
- you are looking for a global equity fund that provides exposure to companies with strong business fundamentals and that are committed to pre-determined climate change and sustainability standards
- you are comfortable with medium investment risk (i.e. you are willing to accept fluctuations in the market value of your investment).

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund pays ordinary dividends and capital gains dividends in September. Distributions are automatically reinvested in additional securities of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 26.34	83.04	145.56	331.33

## BMO Sustainable Opportunities Class

### Fund details

<b>Type of fund</b>	Global equity
<b>Date started</b>	Series A: October 31, 2008 Series I: November 26, 2010
<b>Securities offered</b>	Shares of a mutual fund corporation
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 2.00% Series I: N/A. A series I fee is negotiated and paid by each series I investor
<b>Administration fee</b>	0.35% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	RCM Capital Management LLC, San Francisco, California (portfolio manager since June 2010)

### What does the fund invest in?

#### Investment objectives

This fund's objective is to increase the value of your investment over the long term by investing primarily in equity securities of a globally diversified portfolio of companies that are leaders in the field of sustainability.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of shareholders called for that purpose.

#### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- invests in companies that have a focus on sustainability as well as displaying what the portfolio manager believes is an attractive price/value disparity
- invests in companies within any one of the following areas offering sustainable development: new energy sources, water, materials, healthy living, and climate change
- examines the financial statistics of each company to determine whether its securities are attractively priced
- reviews company operations and research and development practices to assess the company's potential for growth
- continually monitors the companies for changes that may affect their profitability
- the fund may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

The portfolio manager may frequently buy and sell investments for the fund. This can increase trading costs, which may lower the fund's returns. It also increases the chance that you may receive a distribution in the year. If you hold the fund in a non-registered account, distributions are generally taxable.



### What are the risks of investing in the fund?

The investment strategies may involve the following risks, which we explain starting on page 143:

- equity risk
- liquidity risk
- foreign investment risk
- currency risk
- securities lending, repurchase and reverse repurchase transactions risk
- derivative risk
- industry concentration risk
- large transaction risk
- series risk
- class risk.

As at March 21, 2011, we held 62.55% of the securities of the fund.

### Who should invest in this fund?

Consider this fund if:

- you want the flexibility to switch to another class of BMO Global Tax Advantage Funds Inc. without realizing capital gains
- you are looking for a global equity fund that provides exposure to companies displaying sustainable development business practices
- you are comfortable with medium investment risk (i.e. you are willing to accept fluctuations in the market value of your investment).

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund pays ordinary dividends and capital gains dividends in September. Distributions are automatically reinvested in additional securities of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 26.45	83.37	146.13	332.62

# BMO SelectClass® Security Portfolio

## Fund details

<b>Type of fund</b>	Global fixed income balanced
<b>Date started</b>	Series A: October 31, 2008 Series I: May 10, 2010 Series T6: October 31, 2008
<b>Securities offered</b>	Shares of a mutual fund corporation
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 1.85% Series I: N/A. A series I fee is negotiated and paid by each series I investor Series T6: 1.85%  There will be no duplication of management fees between the fund and the underlying mutual funds
<b>Administration fee</b>	0.25% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	BMO Asset Management Inc. (formerly Jones Heward Investment Counsel Inc.), Toronto, Ontario  (portfolio manager since October 2008)

## What does the fund invest in?

### Investment objectives

This fund's objective is to preserve the value of your investment by investing primarily in mutual funds that invest in lower risk asset classes like cash or cash equivalents and fixed income securities with only limited exposure to mutual funds invested in equity securities. The fund may also invest directly in fixed income securities and cash or cash equivalents.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of shareholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- employs a strategic asset allocation strategy
- may invest up to 100% of the fund's assets in securities of other mutual funds, which may include mutual funds that are managed by us or one of our affiliates
- allocates assets among the underlying mutual funds based on each underlying mutual fund's investment objectives and strategies, among other factors. The underlying mutual funds, as well as the percentage holding in each underlying fund, may be changed without notice from time to time
- the fund's underlying mutual funds may temporarily depart from their investment objectives by holding a portion of their assets in cash or short-term money market instruments and/or high quality fixed income securities while seeking investment opportunities or for defensive purposes to reflect economic and market conditions
- the fund's underlying mutual funds may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the underlying fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the underlying fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the underlying fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.
- may invest directly in fixed income securities and cash or cash equivalents.

The fund's underlying mutual funds may have high portfolio turnover rates. The higher the portfolio turnover rate, the greater the possibility of shareholders of the fund receiving a dividend in the year as a result of frequent purchases and sales of portfolio securities by the underlying mutual funds.

The fund's underlying mutual funds may enter into securities lending, repurchase and reverse repurchase transactions.

### What are the risks of investing in the fund?

The investment strategies may involve the following risks, which we explain starting on page 143:

- class risk
- interest rate risk
- equity risk
- credit risk
- derivative risk
- liquidity risk
- foreign investment risk
- securities lending, repurchase and reverse repurchase transactions risk
- currency risk
- fund of funds risk
- capital depletion risk (for series T6 investors only)
- series risk.

### Who should invest in this fund?

Consider this fund if:

- you want the flexibility to switch to another class of BMO Global Tax Advantage Funds Inc. without realizing capital gains
- you want a conservative investment with the potential for some capital appreciation
- you are comfortable with low investment risk (i.e. you are willing to accept some fluctuations in the market value of your investment over the short term)

Series T6 securities are suitable for investors holding securities outside a registered plan and wishing to receive monthly distributions.

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund pays ordinary dividends and capital gains dividends in September. Distributions are automatically reinvested in additional securities of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

For series T6 securities, the fund will make monthly distributions of an amount comprised of ROC based on 6% of the net asset value per security of the series as determined on December 31 of the prior year.

Returns of capital do not necessarily reflect the fund’s investment performance and should not be confused with “yield” or “income”. You should not draw any conclusions about the fund’s investment performance from the amount of this distribution.

Returns of capital will reduce the amount of your original investment and may result in the return to you of the entire amount of your original investment. A return of capital made to you is not immediately taxable in your hands but will reduce the adjusted cost base of the related securities. You should consult your tax advisor regarding the tax implications of receiving returns of capital on the series T6 securities.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 24.40	76.91	134.80	306.84
Series T6	\$ 24.40	76.91	134.80	306.84

# BMO SelectClass® Balanced Portfolio

## Fund details

<b>Type of fund</b>	Global neutral balanced
<b>Date started</b>	Series A: October 31, 2008 Series I: May 10, 2010 Series T6: October 31, 2008
<b>Securities offered</b>	Shares of a mutual fund corporation
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 2.00% Series I: N/A. A series I fee is negotiated and paid by each series I investor Series T6: 2.00%  There will be no duplication of management fees between the fund and the underlying mutual funds
<b>Administration fee</b>	0.25% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	BMO Asset Management Inc. (formerly Jones Heward Investment Counsel Inc.), Toronto, Ontario  (portfolio manager since October 2008)

## What does the fund invest in?

### Investment objectives

This fund's objective is to provide a balanced portfolio by investing primarily in a mix of mutual funds that invest in fixed income and equity securities. The fund may also invest directly in fixed income securities and cash or cash equivalents.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of shareholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- employs a strategic asset allocation strategy
- may invest up to 100% of the fund's assets in securities of other mutual funds, which may include mutual funds that are managed by us or one of our affiliates
- allocates assets among the underlying mutual funds based on each underlying mutual fund's investment objectives and strategies, among other factors. The underlying mutual funds, as well as the percentage holding in each underlying fund, may be changed without notice from time to time
- the fund's underlying mutual funds may temporarily depart from their investment objectives by holding a portion of their assets in cash or short-term money market instruments and/or high quality fixed income securities while seeking investment opportunities or for defensive purposes to reflect economic and market conditions
- the fund's underlying mutual funds may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the underlying fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the underlying fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the underlying fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.
- may invest directly in fixed income securities and cash or cash equivalents.

The fund's underlying mutual funds may have high portfolio turnover rates. The higher the portfolio turnover rate, the greater the possibility of shareholders of the fund receiving a dividend in the year as a result of frequent purchases and sales of portfolio securities by the underlying mutual funds.

The fund's underlying mutual funds may enter into securities lending, repurchase and reverse repurchase transactions.

### What are the risks of investing in the fund?

The investment strategies may involve the following risks, which we explain starting on page 143:

- class risk
- interest rate risk
- equity risk
- credit risk
- derivative risk
- liquidity risk
- foreign investment risk
- securities lending, repurchase and reverse repurchase transactions risk
- currency risk
- fund of funds risk
- capital depletion risk (for series T6 investors only)
- series risk.

### Who should invest in this fund?

Consider this fund if:

- you want the flexibility to switch to another class of BMO Global Tax Advantage Funds Inc. without realizing capital gains
- you want a balanced investment in fixed income and equity mutual funds that provide the potential for some capital appreciation
- you are comfortable with low to medium investment risk (i.e. you are willing to accept some fluctuations in the market value of your investment)

Series T6 securities are suitable for investors holding securities outside a registered plan and wishing to receive monthly distributions.

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund pays ordinary dividends and capital gains dividends in September. Distributions are automatically reinvested in additional securities of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

For series T6 securities, the fund will make monthly distributions of an amount comprised of ROC based on 6% of the net asset value per security of the series as determined on December 31 of the prior year.

Returns of capital do not necessarily reflect the fund’s investment performance and should not be confused with “yield” or “income”. You should not draw any conclusions about the fund’s investment performance from the amount of this distribution.

Returns of capital will reduce the amount of your original investment and may result in the return to you of the entire amount of your original investment. A return of capital made to you is not immediately taxable in your hands but will reduce the adjusted cost base of the related securities. You should consult your tax advisor regarding the tax implications of receiving returns of capital on the series T6 securities.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 25.93	81.75	143.29	326.18
Series T6	\$ 26.04	82.08	143.86	327.47

# BMO SelectClass® Growth Portfolio

## Fund details

<b>Type of fund</b>	Global equity balanced
<b>Date started</b>	Series A: October 31, 2008 Series I: May 10, 2010 Series T6: October 31, 2008
<b>Securities offered</b>	Shares of a mutual fund corporation
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 2.10% Series I: N/A. A series I fee is negotiated and paid by each series I investor Series T6: 2.10%  There will be no duplication of management fees between the fund and the underlying mutual funds
<b>Administration fee</b>	0.25% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	BMO Asset Management Inc. (formerly Jones Heward Investment Counsel Inc.), Toronto, Ontario  (portfolio manager since October 2008)

## What does the fund invest in?

### Investment objectives

This fund's objective is to provide long-term growth by investing primarily in mutual funds that invest in equity securities and, to a lesser extent, fixed income securities. The fund may also invest directly in fixed income securities and cash or cash equivalents.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of shareholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- employs a strategic asset allocation strategy
- may invest up to 100% of the fund's assets in securities of other mutual funds, which may include mutual funds that are managed by us or one of our affiliates
- allocates assets among the underlying mutual funds based on each underlying mutual fund's investment objectives and strategies, among other factors. The underlying mutual funds, as well as the percentage holding in each underlying fund, may be changed without notice from time to time
- the fund's underlying mutual funds may temporarily depart from their investment objectives by holding a portion of their assets in cash or short-term money market instruments and/or high quality fixed income securities while seeking investment opportunities or for defensive purposes to reflect economic and market conditions
- the fund's underlying mutual funds may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the underlying fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the underlying fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the underlying fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.
- may invest directly in fixed income securities and cash or cash equivalents.

The fund's underlying mutual funds may have high portfolio turnover rates. The higher the portfolio turnover rate, the greater the possibility of shareholders of the fund receiving a dividend in the year as a result of frequent purchases and sales of portfolio securities by the underlying mutual funds.

The fund's underlying mutual funds may enter into securities lending, repurchase and reverse repurchase transactions.



### What are the risks of investing in the fund?

The investment strategies may involve the following risks, which we explain starting on page 143:

- class risk
- interest rate risk
- equity risk
- credit risk
- derivative risk
- liquidity risk
- foreign investment risk
- securities lending, repurchase and reverse repurchase transactions risk
- currency risk
- fund of funds risk
- capital depletion risk (for series T6 investors only)
- series risk.

### Who should invest in this fund?

Consider this fund if:

- you want the flexibility to switch to another class of BMO Global Tax Advantage Funds Inc. without realizing capital gains
- you want a fund with a growth-oriented investment style and the potential for long-term growth
- you are comfortable with low to medium investment risk (i.e. you are willing to accept some fluctuations in the market value of your investment)

Series T6 securities are suitable for investors holding securities outside a registered plan and wishing to receive monthly distributions.

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund pays ordinary dividends and capital gains dividends in September. Distributions are automatically reinvested in additional securities of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

For series T6 securities, the fund will make monthly distributions of an amount comprised of ROC based on 6% of the net asset value per security of the series as determined on December 31 of the prior year.

Returns of capital do not necessarily reflect the fund’s investment performance and should not be confused with “yield” or “income”. You should not draw any conclusions about the fund’s investment performance from the amount of this distribution.

Returns of capital will reduce the amount of your original investment and may result in the return to you of the entire amount of your original investment. A return of capital made to you is not immediately taxable in your hands but will reduce the adjusted cost base of the related securities. You should consult your tax advisor regarding the tax implications of receiving returns of capital on the series T6 securities.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 27.06	85.31	149.52	340.36
Series T6	\$ 27.16	85.63	150.09	341.65



# BMO SelectClass® Aggressive Growth Portfolio

## Fund details

<b>Type of fund</b>	Global equity
<b>Date started</b>	Series A: October 31, 2008 Series I: May 10, 2010 Series T6: October 31, 2008
<b>Securities offered</b>	Shares of a mutual fund corporation
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 2.20% Series I: N/A. A series I fee is negotiated and paid by each series I investor Series T6: 2.20%  There will be no duplication of management fees between the fund and the underlying mutual funds
<b>Administration fee</b>	0.25% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	BMO Asset Management Inc. (formerly Jones Heward Investment Counsel Inc.), Toronto, Ontario  (portfolio manager since October 2008)

## What does the fund invest in?

### Investment objectives

This fund's objective is to provide long-term growth by investing primarily in mutual funds that invest in equity securities. The fund may also invest directly in fixed income securities and cash or cash equivalents.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of shareholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- employs a strategies asset allocation strategy
- may invest up to 100% of the fund's assets in securities of other mutual funds, which may include mutual funds that are managed by us or one of our affiliates
- allocates assets among the underlying mutual funds based on each underlying mutual fund's investment objectives and strategies, among other factors. The underlying mutual funds, as well as the percentage holding in each underlying fund, may be changed without notice from time to time
- the fund's underlying mutual funds may temporarily depart from their investment objectives by holding a portion of their assets in cash or short-term money market instruments and/or high quality fixed income securities while seeking investment opportunities or for defensive purposes to reflect economic and market conditions
- the fund's underlying mutual funds may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the underlying fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the underlying fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the underlying fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.
- may invest directly in fixed income securities and cash or cash equivalents.

The fund's underlying mutual funds may have high portfolio turnover rates. The higher the portfolio turnover rate, the greater the possibility of shareholders of the fund receiving a dividend in the year as a result of frequent purchases and sales of portfolio securities by the underlying mutual funds.

The fund's underlying mutual funds may enter into securities lending, repurchase and reverse repurchase transactions.

### What are the risks of investing in the fund?

The investment strategies may involve the following risks, which we explain starting on page 143:

- class risk
- interest rate risk
- equity risk
- credit risk
- derivative risk
- liquidity risk
- foreign investment risk
- securities lending, repurchase and reverse repurchase transactions risk
- currency risk
- fund of funds risk
- capital depletion risk (for series T6 investors only)
- series risk.

### Who should invest in this fund?

Consider this fund if:

- you want the flexibility to switch to another class of BMO Global Tax Advantage Funds Inc. without realizing capital gains
- you are seeking aggressive growth through investments in growth-oriented equity mutual funds that provide the potential for capital appreciation
- you are comfortable with medium investment risk (i.e. you are willing to accept fluctuations in the market value of your investment)

Series T6 securities are suitable for investors holding securities outside a registered plan and wishing to receive monthly distributions.

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund pays ordinary dividends and capital gains dividends in September. Distributions are automatically reinvested in additional securities of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

For series T6 securities, the fund will make monthly distributions of an amount comprised of ROC based on 6% of the net asset value per security of the series as determined on December 31 of the prior year.

Returns of capital do not necessarily reflect the fund’s investment performance and should not be confused with “yield” or “income”. You should not draw any conclusions about the fund’s investment performance from the amount of this distribution.

Returns of capital will reduce the amount of your original investment and may result in the return to you of the entire amount of your original investment. A return of capital made to you is not immediately taxable in your hands but will reduce the adjusted cost base of the related securities. You should consult your tax advisor regarding the tax implications of receiving returns of capital on the series T6 securities.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 28.09	88.54	155.19	353.25
Series T6	\$ 28.09	88.54	155.19	353.25

## BMO Security ETF Portfolio Class (formerly BMO Security ETF Portfolio)

### Fund details

<b>Type of fund</b>	Global fixed income balanced
<b>Date started</b>	Series A: June 10, 2010
<b>Securities offered</b>	Shares of a mutual fund corporation
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 1.35% There will be no duplication of management fees between the fund and the underlying funds.
<b>Administration fee</b>	0.15%
<b>Portfolio manager</b>	BMO Asset Management Inc., Toronto, Ontario (portfolio manager since April 2010)

### What does the fund invest in?

#### Investment objectives

This fund's objective is to preserve the value of your investment by investing primarily in exchange traded funds that invest in fixed income securities with only limited exposure to exchange traded funds that invest in equity securities. The fund may also invest in other mutual funds or invest directly in fixed income securities and cash or cash equivalents.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of shareholders called for that purpose.

#### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- employs a strategic asset allocation strategy

- may invest up to 100% of the fund's assets in securities of exchange traded funds and other mutual funds, including funds that are managed by us or one of our affiliates or associates
  - the fund will invest a majority of its assets in exchange traded funds
  - allocates assets among the underlying exchange traded funds and other mutual funds based on each underlying fund's investment objectives and strategies, among other factors. The underlying funds, as well as the percentage holding in each underlying fund, may be changed without notice from time to time
  - the underlying funds may temporarily depart from their investment objectives by holding a portion of their assets in cash or short-term money market instruments and/or high quality fixed income securities while seeking investment opportunities or for defensive purposes to reflect economic and market conditions
  - the fund or its underlying funds may use derivatives such as options, futures, forward contracts and swaps to:
    - protect the fund or underlying fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund or underlying fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
    - reduce the impact of currency fluctuations on the fund or underlying fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
    - gain exposure to securities without buying the securities directly.
- The fund will only use derivatives as permitted by Canadian securities regulators.
- may invest directly in fixed income securities and cash or cash equivalents.
- The fund or the underlying funds may enter into securities lending, repurchase and reverse repurchase transactions.

### What are the risks of investing in the fund?

The investment strategies may involve the following risks, which we explain starting on page 143:

- class risk
- interest rate risk
- equity risk
- credit risk
- currency risk
- derivative risk
- liquidity risk
- foreign investment risk
- large transaction risk
- fund of funds risk
- indexing risk
- series risk
- securities lending, repurchase and reverse repurchase transactions risk.

### Who should invest in this fund?

Consider this fund if:

- you want the flexibility to switch to another class of BMO Global Tax Advantage Funds Inc. without realizing capital gains
- you want a conservative investment with the potential for some capital appreciation
- you are comfortable with low investment risk (i.e. you are willing to accept some fluctuations in the market value of your investment over the short-term).

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund pays ordinary dividends and capital gains dividends in September. Distributions are automatically reinvested in additional securities of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 16.91	53.32	93.45	212.72

## BMO Balanced ETF Portfolio Class (formerly BMO Balanced ETF Portfolio)

### Fund details

<b>Type of fund</b>	Global neutral balanced
<b>Date started</b>	Series A: June 10, 2010
<b>Securities offered</b>	Shares of a mutual fund corporation
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 1.40% There will be no duplication of management fees between the fund and the underlying funds.
<b>Administration fee</b>	0.15%
<b>Portfolio manager</b>	BMO Asset Management Inc., Toronto, Ontario  (portfolio manager since April 2010)

### What does the fund invest in?

#### Investment objectives

This fund's objective is to provide a balanced portfolio by investing primarily in exchange traded funds that invest in fixed income and equity securities. The fund may also invest in other mutual funds or invest directly in fixed income securities and cash or cash equivalents.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of shareholders called for that purpose.

#### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- employs a strategic asset allocation strategy

- may invest up to 100% of the fund's assets in securities of exchange traded funds and other mutual funds, including funds that are managed by us or one of our affiliates or associates
- the fund will invest a majority of its assets in exchange traded funds
- allocates assets among the underlying exchange traded funds and other mutual funds based on each underlying fund's investment objectives and strategies, among other factors. The underlying funds, as well as the percentage holding in each underlying fund, may be changed without notice from time to time
- the underlying funds may temporarily depart from their investment objectives by holding a portion of their assets in cash or short-term money market instruments and/or high quality fixed income securities while seeking investment opportunities or for defensive purposes to reflect economic and market conditions
- the fund or its underlying funds may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the fund or underlying fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund or underlying fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the fund or underlying fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

- may invest directly in fixed income securities and cash or cash equivalents.

The fund or the underlying funds may enter into securities lending, repurchase and reverse repurchase transactions.

### What are the risks of investing in the fund?

The investment strategies may involve the following risks, which we explain starting on page 143:

- class risk
- interest rate risk
- equity risk
- credit risk
- currency risk
- derivative risk
- liquidity risk
- foreign investment risk
- large transaction risk
- fund of funds risk
- indexing risk
- series risk
- securities lending, repurchase and reverse repurchase transactions risk.

### Who should invest in this fund?

Consider this fund if:

- you want the flexibility to switch to another class of BMO Global Tax Advantage Funds Inc. without realizing capital gains
- you want a balanced investment in fixed income and equity exchange traded funds and mutual funds that provide the potential for some capital appreciation
- you are comfortable with low to medium investment risk (i.e. you are willing to accept some fluctuations in the market value of your investment).

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund pays ordinary dividends and capital gains dividends in September. Distributions are automatically reinvested in additional securities of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 17.53	55.26	96.85	220.46



## BMO Growth ETF Portfolio Class (formerly BMO Growth ETF Portfolio)

### Fund details

<b>Type of fund</b>	Global equity balanced
<b>Date started</b>	Series A: June 10, 2010
<b>Securities offered</b>	Shares of a mutual fund corporation
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 1.45% There will be no duplication of management fees between the fund and the underlying funds.
<b>Administration fee</b>	0.15%
<b>Portfolio manager</b>	BMO Asset Management Inc., Toronto, Ontario  (portfolio manager since April 2010)

### What does the fund invest in?

#### Investment objectives

This fund's objective is to provide long-term growth by investing primarily in exchange traded funds that invest in equity securities and, to a lesser extent, fixed income securities. The fund may also invest in other mutual funds or invest directly in fixed income securities and cash or cash equivalents.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of shareholders called for that purpose.

#### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- employs a strategic asset allocation strategy

- may invest up to 100% of the fund's assets in securities of exchange traded funds and other mutual funds, including funds that are managed by us or one of our affiliates or associates
- the fund will invest a majority of its assets in exchange traded funds
- allocates assets among the underlying exchange traded funds and other mutual funds, based on each underlying fund's investment objectives and strategies, among other factors. The underlying funds, as well as the percentage holding in each underlying fund, may be changed without notice from time to time
- the underlying funds may temporarily depart from their investment objectives by holding a portion of their assets in cash or short-term money market instruments and/or high quality fixed income securities while seeking investment opportunities or for defensive purposes to reflect economic and market conditions
- the fund or its underlying funds may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the fund or underlying fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund or underlying fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the fund or underlying fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

- may invest directly in fixed income securities and cash or cash equivalents.

The fund or the underlying funds may enter into securities lending, repurchase and reverse repurchase transactions.



### What are the risks of investing in the fund?

The investment strategies may involve the following risks, which we explain starting on page 143:

- class risk
- interest rate risk
- equity risk
- credit risk
- currency risk
- derivative risk
- liquidity risk
- foreign investment risk
- large transaction risk
- fund of funds risk
- indexing risk
- series risk
- securities lending, repurchase and reverse repurchase transactions risk.

### Who should invest in this fund?

Consider this fund if:

- you want the flexibility to switch to another class of BMO Global Tax Advantage Funds Inc. without realizing capital gains
- you want a fund with a growth-oriented investment style and the potential for long-term growth.
- you are comfortable with low to medium investment risk (i.e. you are willing to accept some fluctuations in the market value of your investment).

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund pays ordinary dividends and capital gains dividends in September. Distributions are automatically reinvested in additional securities of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 18.04	56.87	99.68	226.91

## BMO Aggressive Growth ETF Portfolio Class (formerly BMO Aggressive Growth Portfolio)

### Fund details

<b>Type of fund</b>	Global equity
<b>Date started</b>	Series A: June 10, 2010
<b>Securities offered</b>	Shares of a mutual fund corporation
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 1.50% There will be no duplication of management fees between the fund and the underlying funds.
<b>Administration fee</b>	0.15%
<b>Portfolio manager</b>	BMO Asset Management Inc., Toronto, Ontario  (portfolio manager since April 2010)

### What does the fund invest in?

#### Investment objectives

This fund's objective is to provide long-term growth by investing primarily in exchange traded funds that invest in equity securities. The fund may also invest in other mutual funds or invest directly in fixed income securities and cash or cash equivalents.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of shareholders called for that purpose.

#### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- employs a strategic asset allocation strategy

- may invest up to 100% of the fund's assets in securities of exchange traded funds and other mutual funds, including funds that are managed by us or one of our affiliates or associates
- the fund will invest a majority of its assets in exchange traded funds
- allocates assets among the underlying exchange traded funds and other mutual funds, based on each underlying fund's investment objectives and strategies, among other factors. The underlying funds, as well as the percentage holding in each underlying fund, may be changed without notice from time to time
- the underlying funds may temporarily depart from their investment objectives by holding a portion of their assets in cash or short-term money market instruments and/or high quality fixed income securities while seeking investment opportunities or for defensive purposes to reflect economic and market conditions.
- the fund or its underlying funds may use derivatives such as options, futures, forward contracts and swaps to:

- protect the fund or underlying fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the fund or underlying fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
- reduce the impact of currency fluctuations on the fund or underlying fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
- gain exposure to securities without buying the securities directly.

The fund will only use derivatives as permitted by Canadian securities regulators.

- may invest directly in fixed income securities and cash or cash equivalents.

The fund or the underlying funds may enter into securities lending, repurchase and reverse repurchase transactions.

### What are the risks of investing in the fund?

The investment strategies may involve the following risks, which we explain starting on page 143:

- class risk
- interest rate risk
- equity risk
- credit risk
- currency risk
- derivative risk
- liquidity risk
- foreign investment risk
- large transaction risk
- fund of funds risk
- indexing risk
- series risk
- securities lending, repurchase and reverse repurchase transactions risk.

### Who should invest in this fund?

Consider this fund if:

- you want the flexibility to switch to another class of BMO Global Tax Advantage Funds Inc. without realizing capital gains
- you are seeking aggressive growth through investments in growth oriented equity exchange traded funds and mutual funds that provide the potential for capital appreciation.
- you are comfortable with medium investment risk (i.e. you are willing to accept fluctuations in the market value of your investment).

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund pays ordinary dividends and capital gains dividends in September. Distributions are automatically reinvested in additional securities of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 18.45	58.16	101.95	232.06



## BMO LifeStage Plus Funds

**BMO LifeStage Plus 2015 Fund**

**BMO LifeStage Plus 2017 Fund**

**BMO LifeStage Plus 2020 Fund**

**BMO LifeStage Plus 2022 Fund**

**BMO LifeStage Plus 2025 Fund**

**BMO LifeStage Plus 2026 Fund**

**BMO LifeStage Plus 2030 Fund**

Each BMO LifeStage Plus Fund has a specific Target End Date. Simply choose the fund that's right for you and the portfolio automatically adjusts over the life of the fund.

On the Target End Date, each BMO LifeStage Plus Fund will pay to investors an amount per unit equal to the greater of \$10.00 per unit or the highest net asset value per unit during the term of the fund. We refer to this amount as the Guaranteed Maturity Amount. If, on the Target End Date of a fund the net asset value per unit does not equal the Guaranteed Maturity Amount, Bank of Montreal, as sub-advisor of the fund, will pay the aggregate shortfall to the fund. Please see *Guaranteed Maturity Amount risk* on page 135. If you redeem your units prior to the Target End Date, you will receive only the net asset value per unit on the date of redemption, which may be less than the then Guaranteed Maturity Amount.

Please read the fund descriptions for each fund for key information about the specific characteristics of each fund.

### **How much is right for you?**

At BMO Mutual Funds, we recommend that you diversify your investments. That means building your portfolio with a variety of funds from different categories, like BMO Security Funds, BMO Income Funds, BMO Growth Funds, BMO Aggressive Growth Funds, BMO Global Tax Advantage Funds, BMO U.S. Dollar Funds, BMO LifeStage Plus Funds, BMO SelectClass® Portfolios and BMO FundSelect® Portfolios.

# BMO LifeStage Plus 2015 Fund\*

## Fund details

<b>Type of fund</b>	2015 target date portfolio
<b>Date started</b>	Series A: June 18, 2007
<b>Target End Date</b>	June 30, 2015
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 1.05% There will be no duplication of management fees between the fund and the funds in the Mutual Fund Component.
<b>Administration fee</b>	0.25%
<b>Portfolio manager</b>	BMO Asset Management Inc. (formerly Jones Heward Investment Counsel Inc.), Toronto, Ontario (portfolio manager since May 2007)
<b>Sub-advisor</b>	Bank of Montreal (sub-advisor since May 2007)

\* As at October 6, 2008, this fund was closed to all new purchases.

## What does the fund invest in?

### Investment objectives

This fund's objective is to provide the opportunity for capital appreciation during the term of the fund by investing in mutual funds, fixed income securities and cash equivalents. The percentage allocated to each of these asset classes from time to time will be determined by the fund's asset allocation strategy.

For those units that are held to the Target End Date of June 30, 2015, the fund intends to pay an amount per unit equal to the greater of the following two values (the "Guaranteed Maturity Amount"): (i) \$10.00 (the

net asset value per unit on the start date of the fund) or (ii) the highest net asset value per unit during the period from the start date of the fund up to and including the Target End Date. If, on the Target End Date, the net asset value per unit does not equal the Guaranteed Maturity Amount, Bank of Montreal, as sub-advisor of the fund, will pay the aggregate shortfall to the fund. See *Guaranteed Maturity Amount risk* on page 145.

Initially, the fund will invest primarily in a portfolio of mutual funds. Over time, the fund will gradually increase the percentage of its assets allocated to fixed income securities and cash equivalents.

Prior to the Target End Date, the portfolio of the fund will be invested only in fixed income securities and cash equivalents. Subject to the approval of the independent review committee of the fund, it is expected that on the Target End Date the fund will be combined with a money market mutual fund managed by us or one of our affiliates. We will send you written notice of this merger at least 60 days prior to the Target End Date.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

### Investment strategies

The portfolio of the fund currently consists entirely of fixed income investments (including provincial and corporate bonds) and cash equivalents, and will continue to do so until the Target End Date. The reallocation to a fixed income portfolio is intended to ensure that the fund has sufficient assets at maturity to pay investors the Guaranteed Maturity Amount.

### What are the risks of investing in the fund?

The investment strategies may involve the following risks which we explain starting on page 143:

- credit risk
- Guaranteed Maturity Amount risk
- interest rate risk
- redemption prior to Target End Date risk
- zero-coupon securities risk.

### Who should invest in this fund?

Consider this fund if:

- you are seeking preservation of capital by staying invested until the fund's Target End Date and the potential for capital appreciation over a set period of time
- you are comfortable with low to medium investment risk (i.e. you are willing to accept some fluctuations in the market value of your investment) if your investment is redeemed prior to the Target End Date.

Please see "Fund risk classification" on page 4 for a description of how we determined the classification of this fund's risk level.

### Distribution policy

The fund distributes any income and capital gains in December. Distributions are automatically reinvested in additional units of the fund. Following each distribution, the number of outstanding units is immediately consolidated so that the number of outstanding units after the distribution is the same as it was before the distribution. Please see page 164 for more information. Non-resident investors may have the number of units reduced due to withholding tax.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we're required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 14.15	44.59	78.16	177.91



# BMO LifeStage Plus 2017 Fund

## Fund details

<b>Type of fund</b>	2017 target date portfolio
<b>Date started</b>	Series A: October 31, 2008
<b>Target End Date</b>	June 30, 2017
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 2.00%  This fee will decline over the term of the fund. Please refer to our website for the management fee paid by the fund at any time. There will be no duplication of management fees between the fund and the funds in the Mutual Fund Component.
<b>Administration fee</b>	0.25%
<b>Portfolio manager</b>	BMO Asset Management Inc. (formerly Jones Heward Investment Counsel Inc.), Toronto, Ontario  (portfolio manager since October 2008)
<b>Sub-advisor</b>	Bank of Montreal  (sub-advisor since October 2008)

## What does the fund invest in?

### Investment objectives

This fund's objective is to provide the opportunity for capital appreciation during the term of the fund by investing in mutual funds, fixed income securities and cash equivalents. The percentage allocated to each of these asset classes from time to time will be determined by the fund's asset allocation strategy.

For those units that are held to the Target End Date of June 30, 2017, the fund intends to pay an amount per unit equal to the greater of the following two values (the "Guaranteed Maturity Amount"): (i) \$10.00 (the net asset value per unit on the start date of the fund) or (ii) the highest net asset value per unit during the period from the start date of the fund up to and including the Target End Date. If, on the Target End Date, the net asset value per unit does not equal the Guaranteed Maturity Amount, Bank of Montreal, as

sub-advisor of the fund, will pay the aggregate shortfall to the fund. See *Guaranteed Maturity Amount risk* on page 145.

Initially, the fund will invest primarily in a portfolio of mutual funds. Over time, the fund will gradually increase the percentage of its assets allocated to fixed income securities and cash equivalents.

Prior to the Target End Date, the portfolio of the fund will be invested only in fixed income securities and cash equivalents. Subject to the approval of the independent review committee of the fund, it is expected that on the Target End Date the fund will be combined with a money market mutual fund managed by our affiliates. We will send you written notice of this merger at least 60 days prior to the Target End Date.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

### Investment strategies

These are the strategies the sub-advisor uses to try to achieve the fund's objective:

- holds a portfolio consisting of a Mutual Fund Component and/or a Fixed Income Component:
  - the Mutual Fund Component invests in securities of other mutual funds, which may include mutual funds that are managed by us or our affiliates, and cash equivalents.
  - the Fixed Income Component invests in fixed income securities issued by Canadian federal or provincial governments and corporations and cash equivalents
- initially, may invest up to 100% of the fund's assets in the Mutual Fund Component
- allocates the Mutual Fund Component between securities of other mutual funds and cash equivalents as determined by the sub-advisor
- uses an asset allocation strategy to determine when to shift the fund's investments from the Mutual Fund Component to the Fixed Income Component based on a number of factors, including the remaining time until the Target End Date, the amount of the fund's portfolio required to cover the Guaranteed Maturity Amount, the state of equity markets and any changes in interest rates. Once the fund has increased the percentage of its assets allocated to the Fixed Income Component, it will not shift its investments back to the Mutual Fund Component.

Please refer to our website [www.bmo.com/mutualfunds](http://www.bmo.com/mutualfunds) for the current asset mix for the fund.

### What are the risks of investing in the fund?

The investment strategies may involve the following risks which we explain starting on page 143:

- credit risk
- currency risk
- derivative risk
- equity risk
- large transaction risk
- foreign investment risk
- fund of funds risk
- Guaranteed Maturity Amount risk
- interest rate risk
- portfolio composition risk
- redemption prior to Target End Date risk
- zero-coupon securities risk
- series risk.

### Who should invest in this fund?

Consider this fund if:

- you are seeking preservation of capital by staying invested until the fund's Target End Date and the potential for capital appreciation over a set period of time
- you are comfortable with low to medium investment risk (i.e. you are willing to accept some fluctuations in the market value of your investment) if your investment is redeemed prior to the Target End Date.

Please see "Fund risk classification" on page 4 for a description of how we determined the classification of this fund's risk level.

### Distribution policy

The fund distributes any income and capital gains in December. Distributions are automatically reinvested in additional units of the fund. Following each distribution, the number of outstanding units is immediately consolidated so that the number of outstanding units after the distribution is the same as it was before the distribution. Please see page 164 for more information. Non-resident investors may have the number of units reduced due to withholding tax.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we're required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 24.60	77.55	135.93	309.42

# BMO LifeStage Plus 2020 Fund\*

## Fund details

<b>Type of fund</b>	2020 target date portfolio
<b>Date started</b>	Series A: June 18, 2007
<b>Target End Date</b>	June 30, 2020
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 1.05% There will be no duplication of management fees between the fund and the funds in the Mutual Fund Component.
<b>Administration fee</b>	0.25%
<b>Portfolio manager</b>	BMO Asset Management Inc. (formerly Jones Heward Investment Counsel Inc.), Toronto, Ontario (portfolio manager since May 2007)
<b>Sub-advisor</b>	Bank of Montreal (sub-advisor since May 2007)

\* As of November 20, 2008, this fund was closed to all new purchases.

## What does the fund invest in?

### Investment objectives

This fund's objective is to provide the opportunity for capital appreciation during the term of the fund by investing in mutual funds, fixed income securities and cash equivalents. The percentage allocated to each of these asset classes from time to time will be determined by the fund's asset allocation strategy.

For those units that are held to the Target End Date of June 30, 2020, the fund intends to pay an amount per unit equal to the greater of the following two values (the "Guaranteed Maturity Amount"): (i) \$10.00 (the net asset value per unit on the start date of the fund)

or (ii) the highest net asset value per unit during the period from the start date of the fund up to and including the Target End Date. If, on the Target End Date, the net asset value per unit does not equal the Guaranteed Maturity Amount, Bank of Montreal, as sub-advisor of the fund, will pay the aggregate shortfall to the fund. See *Guaranteed Maturity Amount risk* on page 145.

Initially, the fund will invest primarily in a portfolio of mutual funds. Over time, the fund will gradually increase the percentage of its assets allocated to fixed income securities and cash equivalents.

Prior to the Target End Date, the portfolio of the fund will be invested only in fixed income securities and cash equivalents. Subject to the approval of the independent review committee of the fund, it is expected that on the Target End Date the fund will be combined with a money market mutual fund managed by us or one of our affiliates. We will send you written notice of this merger at least 60 days prior to the Target End Date.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

### Investment strategies

The portfolio of the fund currently consists entirely of fixed income investments (including provincial and corporate bonds) and cash equivalents, and will continue to do so until the Target End Date. The reallocation to a fixed income portfolio is intended to ensure that the fund has sufficient assets at maturity to pay investors the Guaranteed Maturity Amount.

## What are the risks of investing in the fund?

The investment strategies may involve the following risks, which we explain starting on page 143:

- credit risk
- Guaranteed Maturity Amount risk
- interest rate risk
- redemption prior to Target End Date risk
- zero-coupon securities risk
- series risk.

### Who should invest in this fund?

Consider this fund if:

- you are seeking preservation of capital by staying invested until the fund's Target End Date and the potential for capital appreciation over a set period of time
- you are comfortable with low to medium investment risk (i.e. you are willing to accept some fluctuations in the market value of your investment) if your investment is redeemed prior to the Target End Date.

Please see "Fund risk classification" on page 4 for a description of how we determined the classification of this fund's risk level.

### Distribution policy

The fund distributes any income and capital gains in December. Distributions are automatically reinvested in additional units of the fund. Following each distribution, the number of outstanding units is immediately consolidated so that the number of outstanding units after the distribution is the same as it was before the distribution. Please see page 164 for more information. Non-resident investors may have the number of units reduced due to withholding tax.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we're required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 14.15	44.59	78.16	177.91

# BMO LifeStage Plus 2022 Fund

## Fund details

<b>Type of fund</b>	2022 target date portfolio
<b>Date started</b>	Series A: January 12, 2009
<b>Target End Date</b>	June 30, 2022
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 2.15%  This fee will decline over the term of the fund. Please refer to our website for the management fee paid by the fund at any time. There will be no duplication of management fees between the fund and the funds in the Mutual Fund Component.
<b>Administration fee</b>	0.25%
<b>Portfolio manager</b>	BMO Asset Management Inc. (formerly Jones Heward Investment Counsel Inc.), Toronto, Ontario  (portfolio manager since January 2009)
<b>Sub-advisor</b>	Bank of Montreal  (sub-advisor since January 2009)

## What does the fund invest in?

### Investment objectives

This fund's objective is to provide the opportunity for capital appreciation during the term of the fund by investing in mutual funds, fixed income securities and cash equivalents. The percentage allocated to each of these asset classes from time to time will be determined by the fund's asset allocation strategy.

For those units that are held to the Target End Date of June 30, 2022, the fund intends to pay an amount per unit equal to the greater of the following two values (the "Guaranteed Maturity Amount"): (i) \$10.00 (the net asset value per unit on the start date of the fund) or (ii) the highest net asset value per unit during the period from the start date of the fund up to and including the Target End Date. If, on the Target End Date, the net asset value per unit does not equal the Guaranteed Maturity Amount, Bank of Montreal, as

sub-advisor of the fund, will pay the aggregate shortfall to the fund. See *Guaranteed Maturity Amount risk* on page 145.

Initially, the fund will invest primarily in a portfolio of mutual funds. Over time, the fund will gradually increase the percentage of its assets allocated to fixed income securities and cash equivalents.

Prior to the Target End Date, the portfolio of the fund will be invested only in fixed income securities and cash equivalents. Subject to the approval of the independent review committee of the fund, it is expected that on the Target End Date the fund will be combined with a money market mutual fund managed by us or one of our affiliates. We will send you written notice of this merger at least 60 days prior to the Target End Date.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

### Investment strategies

These are the strategies the sub-advisor uses to try to achieve the fund's objective:

- holds a portfolio consisting of a Mutual Fund Component and/or a Fixed Income Component:
  - the Mutual Fund Component invests in securities of other mutual funds, which may include mutual funds that are managed by us or our affiliates, and cash equivalents
  - the Fixed Income Component invests in fixed income securities issued by Canadian federal or provincial governments and corporations and cash equivalents
- initially, may invest up to 100% of the fund's assets in the Mutual Fund Component
- allocates the Mutual Fund Component between securities of other mutual funds and cash equivalents as determined by the sub-advisor
- uses an asset allocation strategy to determine when to shift the fund's investments from the Mutual Fund Component to the Fixed Income Component based on a number of factors, including the remaining time until the Target End Date, the amount of the fund's portfolio required to cover the Guaranteed Maturity Amount, the state of equity markets and any changes in interest rates. Once the fund has increased the percentage of its assets allocated to the Fixed Income Component, it will not shift its investments back to the Mutual Fund Component.

Please refer to our website [www.bmo.com/mutualfunds](http://www.bmo.com/mutualfunds) for the current asset mix for the fund.

### What are the risks of investing in the fund?

The investment strategies may involve the following risks, which we explain starting on page 143:

- credit risk
- currency risk
- derivative risk
- equity risk
- large transaction risk
- foreign investment risk
- fund of funds risk
- Guaranteed Maturity Amount risk
- interest rate risk
- portfolio composition risk
- redemption prior to Target End Date risk
- zero-coupon securities risk
- series risk.

### Who should invest in this fund?

Consider this fund if:

- you are seeking preservation of capital by staying invested until the fund’s Target End Date and the potential for capital appreciation over a set period of time
- you are comfortable with low to medium investment risk (i.e. you are willing to accept some fluctuations in the market value of your investment) if your investment is redeemed prior to the Target End Date.

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund distributes any income and capital gains in December. Distributions are automatically reinvested in additional units of the fund. Following each distribution, the number of outstanding units is immediately consolidated so that the number of outstanding units after the distribution is the same as it was before the distribution. Please see page 164 for more information. Non-resident investors may have the number of units reduced due to withholding tax.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 26.14	82.40	144.43	328.75



# BMO LifeStage Plus 2025 Fund

## Fund details

<b>Type of fund</b>	2025 target date portfolio
<b>Date started</b>	Series A: June 18, 2007
<b>Target End Date</b>	June 30, 2025
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 2.00%  This fee will decline over the term of the fund. Please refer to our website for the management fee paid by the fund at any time. There will be no duplication of management fees between the fund and the funds in the Mutual Fund Component.
<b>Administration fee</b>	0.25%
<b>Portfolio manager</b>	BMO Asset Management Inc. (formerly Jones Heward Investment Counsel Inc.), Toronto, Ontario  (portfolio manager since May 2007)
<b>Sub-advisor</b>	Bank of Montreal  (sub-advisor since May 2007)

## What does the fund invest in?

### Investment objectives

This fund's objective is to provide the opportunity for capital appreciation during the term of the fund by investing in mutual funds, fixed income securities and cash equivalents. The percentage allocated to each of these asset classes from time to time will be determined by the fund's asset allocation strategy.

For those units that are held to the Target End Date of June 30, 2025, the fund intends to pay an amount per unit equal to the greater of the following two values (the "Guaranteed Maturity Amount"): (i) \$10.00 (the net asset value per unit on the start date of the fund) or (ii) the highest net asset value per unit during the period from the start date of the fund up to and including the Target End Date. If, on the Target End Date, the net asset value per unit does not equal the

Guarantee Maturity Amount, Bank of Montreal, as sub-advisor of the fund, will pay the aggregate shortfall to the fund. See *Guaranteed Maturity Amount risk* on page 145.

Initially, the fund will invest primarily in a portfolio of mutual funds. Over time, the fund will gradually increase the percentage of its assets allocated to fixed income securities and cash equivalents.

Prior to the Target End Date, the portfolio of the fund will be invested only in fixed income securities and cash equivalents. Subject to the approval of the independent review committee of the fund, it is expected that on the Target End Date the fund will be combined with a money market mutual fund managed by us or one of our affiliates. We will send you written notice of this merger at least 60 days prior to the Target End Date.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

### Investment strategies

These are the strategies the sub-advisor uses to try to achieve the fund's objective:

- holds a portfolio consisting of a Mutual Fund Component and/or a Fixed Income Component:
  - the Mutual Fund Component invests in securities of other mutual funds, which may include mutual funds that are managed by us or our affiliates, and cash equivalents
  - the Fixed Income Component invests in fixed income securities issued by Canadian federal or provincial governments and corporations and cash equivalents
- initially, may invest up to 100% of the fund's assets in the Mutual Fund Component
- allocates the Mutual Fund Component between securities of other mutual funds and cash equivalents as determined by the sub-advisor
- uses an asset allocation strategy to determine the balance between the Mutual Fund Component and the Fixed Income Component based on a number of factors, including the remaining time until the Target End Date, the amount of the fund's portfolio required to cover the Guaranteed Maturity Amount, the state of equity markets and any changes in interest rates. Once the fund has increased the percentage of its assets allocated to the Fixed Income Component, it will not shift its investments back to the Mutual Fund Component.

Please refer to our website [www.bmo.com/mutualfunds](http://www.bmo.com/mutualfunds) for the current asset mix for the fund.



### What are the risks of investing in the fund?

The investment strategies may involve the following risks, which we explain starting on page 143:

- credit risk
- currency risk
- derivative risk
- equity risk
- large transaction risk
- foreign investment risk
- fund of funds risk
- Guaranteed Maturity Amount risk
- interest rate risk
- portfolio composition risk
- redemption prior to Target End Date risk
- zero-coupon securities risk
- series risk.

### Who should invest in this fund?

Consider this fund if:

- you are seeking preservation of capital by staying invested until the fund’s Target End Date and the potential for capital appreciation over a set period of time
- you are comfortable with low to medium investment risk (i.e. you are willing to accept some fluctuations in the market value of your investment) if your investment is redeemed prior to the Target End Date.

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund distributes any income and capital gains in December. Distributions are automatically reinvested in additional units of the fund. Following each distribution, the number of outstanding units is immediately consolidated so that the number of outstanding units after the distribution is the same as it was before the distribution. Please see page 164 for more information. Non-resident investors may have the number of units reduced due to withholding tax.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 24.60	77.55	135.93	309.42

# BMO LifeStage Plus 2026 Fund

## Fund details

<b>Type of fund</b>	2026 target date portfolio
<b>Date started</b>	Series A: January 12, 2009
<b>Target End Date</b>	June 30, 2026
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 2.25%  This fee will decline over the term of the fund. Please refer to our website for the management fee paid by the fund at any time. There will be no duplication of management fees between the fund and the funds in the Mutual Fund Component.
<b>Administration fee</b>	0.25%
<b>Portfolio manager</b>	BMO Asset Management Inc. (formerly Jones Heward Investment Counsel Inc.), Toronto, Ontario  (portfolio manager since January 2009)
<b>Sub-advisor</b>	Bank of Montreal  (sub-advisor since January 2009)

## What does the fund invest in?

### Investment objectives

This fund's objective is to provide the opportunity for capital appreciation during the term of the fund by investing in mutual funds, fixed income securities and cash equivalents. The percentage allocated to each of these asset classes from time to time will be determined by the fund's asset allocation strategy.

For those units that are held to the Target End Date of June 30, 2026, the fund intends to pay an amount per unit equal to the greater of the following two values (the "Guaranteed Maturity Amount"): (i) \$10.00 (the net asset value per unit on the start date of the fund) or (ii) the highest net asset value per unit during the period from the start date of the fund up to and including the Target End Date. If, on the Target End Date, the net asset value per unit does not equal the Guaranteed Maturity Amount, Bank of Montreal, as

sub-advisor of the fund, will pay the aggregate shortfall to the fund. See *Guaranteed Maturity Amount risk* on page 145.

Initially, the fund will invest primarily in a portfolio of mutual funds. Over time, the fund will gradually increase the percentage of its assets allocated to fixed income securities and cash equivalents.

Prior to the Target End Date, the portfolio of the fund will be invested only in fixed income securities and cash equivalents. Subject to the approval of the independent review committee of the fund, it is expected that on the Target End Date the fund will be combined with a money market mutual fund managed by us or one of our affiliates. We will send you written notice of this merger at least 60 days prior to the Target End Date.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

### Investment strategies

These are the strategies the sub-advisor uses to try to achieve the fund's objective:

- holds a portfolio consisting of a Mutual Fund Component and/or a Fixed Income Component:
  - the Mutual Fund Component invests in securities of other mutual funds, which may include mutual funds that are managed by us or our affiliates, and cash equivalents
  - the Fixed Income Component invests in fixed income securities issued by Canadian federal or provincial governments and corporations and cash equivalents
- initially, may invest up to 100% of the fund's assets in the Mutual Fund Component
- allocates the Mutual Fund Component between securities of other mutual funds and cash equivalents as determined by the sub-advisor
- uses an asset allocation strategy to determine when to shift the fund's investments from the Mutual Fund Component to the Fixed Income Component based on a number of factors, including the remaining time until the Target End Date, the amount of the fund's portfolio required to cover the Guaranteed Maturity Amount, the state of equity markets and any changes in interest rates. Once the fund has increased the percentage of its assets allocated to the Fixed Income Component, it will not shift its investments back to the Mutual Fund Component.

Please refer to our website [www.bmo.com/mutualfunds](http://www.bmo.com/mutualfunds) for the current asset mix for the fund.

### What are the risks of investing in the fund?

The investment strategies may involve the following risks, which we explain starting on page 143:

- credit risk
- currency risk
- derivative risk
- equity risk
- large transaction risk
- foreign investment risk
- fund of funds risk
- Guaranteed Maturity Amount risk
- interest rate risk
- portfolio composition risk
- redemption prior to Target End Date risk
- zero-coupon securities risk
- series risk.

### Who should invest in this fund?

Consider this fund if:

- you are seeking preservation of capital by staying invested until the fund’s Target End Date and the potential for capital appreciation over a set period of time
- you are comfortable with low to medium investment risk (i.e. you are willing to accept some fluctuations in the market value of your investment) if your investment is redeemed prior to the Target End Date.

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund distributes any income and capital gains in December. Distributions are automatically reinvested in additional units of the fund. Following each distribution, the number of outstanding units is immediately consolidated so that the number of outstanding units after the distribution is the same as it was before the distribution. Please see page 164 for more information. Non-resident investors may have the number of units reduced due to withholding tax.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 27.16	85.63	150.09	341.65

# BMO LifeStage Plus 2030 Fund

## Fund details

<b>Type of fund</b>	2030 target date portfolio
<b>Date started</b>	Series A: June 18, 2007
<b>Target End Date</b>	June 30, 2030
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 2.35%  This fee will decline over the term of the fund. Please refer to our website for the management fee paid by the fund at any time. There will be no duplication of management fees between the fund and the funds in the Mutual Fund Component.
<b>Administration fee</b>	0.25%
<b>Portfolio manager</b>	BMO Asset Management Inc. (formerly Jones Heward Investment Counsel Inc.), Toronto, Ontario  (portfolio manager since May 2007)
<b>Sub-advisor</b>	Bank of Montreal  (sub-advisor since May 2007)

## What does the fund invest in?

### Investment objectives

This fund's objective is to provide the opportunity for capital appreciation during the term of the fund by investing in mutual funds, fixed income securities and cash equivalents. The percentage allocated to each of these asset classes from time to time will be determined by the fund's asset allocation strategy.

For those units that are held to the Target End Date of June 30, 2030, the fund intends to pay an amount per unit equal to the greater of the following two values (the "Guaranteed Maturity Amount"): (i) \$10.00 (the net asset value per unit on the start date of the fund) or (ii) the highest net asset value per unit during the period from the start date of the fund up to and including the Target End Date. If, on the Target End Date, the net asset value per unit does not equal the Guarantee Maturity Amount, Bank of Montreal, as

sub-advisor of the fund, will pay the aggregate shortfall to the fund. See *Guaranteed Maturity Amount risk* on page 145.

Initially, the fund will invest primarily in a portfolio of mutual funds. Over time, the fund will gradually increase the percentage of its assets allocated to fixed income securities and cash equivalents.

Prior to the Target End Date, the portfolio of the fund will be invested only in fixed income securities and cash equivalents. Subject to the approval of the independent review committee of the fund, it is expected that on the Target End Date the fund will be combined with a money market mutual fund managed by us or one of our affiliates. We will send you written notice of this merger at least 60 days prior to the Target End Date.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

### Investment strategies

These are the strategies the sub-advisor uses to try to achieve the fund's objective:

- holds a portfolio consisting of a Mutual Fund Component and/or a Fixed Income Component:
  - the Mutual Fund Component invests in securities of other mutual funds, which may include mutual funds that are managed by us or our affiliates, and cash equivalents
  - the Fixed Income Component invests in fixed income securities issued by Canadian federal or provincial governments and corporations and cash equivalents
- initially, may invest up to 100% of the fund's assets in the Mutual Fund Component
- allocates the Mutual Fund Component between securities of other mutual funds and cash equivalents as determined by the sub-advisor
- uses an asset allocation strategy to determine the balance between the Mutual Fund Component and the Fixed Income Component based on a number of factors, including the remaining time until the Target End Date, the amount of the fund's portfolio required to cover the Guaranteed Maturity Amount, the state of equity markets and any changes in interest rates. Once the fund has increased the percentage of its assets allocated to the Fixed Income Component, it will not shift its investments back to the Mutual Fund Component.

Please refer to our website [www.bmo.com/mutualfunds](http://www.bmo.com/mutualfunds) for the current asset mix for the fund.

### What are the risks of investing in the fund?

The investment strategies may involve the following risks, which we explain starting on page 143:

- credit risk
- currency risk
- derivative risk
- equity risk
- large transaction risk
- foreign investment risk
- fund of funds risk
- Guaranteed Maturity Amount risk
- interest rate risk
- portfolio composition risk
- redemption prior to Target End Date risk
- series risk
- zero-coupon securities risk.

### Who should invest in this fund?

Consider this fund if:

- you are seeking preservation of capital by staying invested until the fund's Target End Date and the potential for capital appreciation over a set period of time
- you are comfortable with low to medium investment risk (i.e. you are willing to accept some fluctuations in the market value of your investment) if your investment is redeemed prior to the Target End Date.

Please see "Fund risk classification" on page 4 for a description of how we determined the classification of this fund's risk level.

### Distribution policy

The fund distributes any income and capital gains in December. Distributions are automatically reinvested in additional units of the fund. Following each distribution, the number of outstanding units is immediately consolidated so that the number of outstanding units after the distribution is the same as it was before the distribution. Please see page 164 for more information. Non-resident investors may have the number of units reduced due to withholding tax.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we're required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 28.19	88.86	155.75	354.54



## BMO FundSelect® Portfolios

**BMO FundSelect® Security Portfolio**

**BMO FundSelect® Balanced Portfolio**

**BMO FundSelect® Growth Portfolio**

**BMO FundSelect® Aggressive Growth Portfolio**

BMO FundSelect® Portfolios are designed as an all-in-one diversified portfolio solution. These Portfolios proactively help to manage your investment risk by maintaining a strategic presence in BMO Mutual Funds, as well as a range of mutual funds from other Canadian fund companies. Each diversified Portfolio will be allocated across cash, fixed income, and equity investments from these mutual fund companies in harmony with your personal investment preference. Your investments can meet your own unique needs by matching your investment risk profile to that of a portfolio. Now that's making sure your eggs aren't all in one basket. Whether it's for smart retirement planning or managing your investment risk, participating in the combined diversification and earnings momentum that these portfolios offer puts you in high-gear for life's challenges.

### **How much is right for you?**

At BMO Mutual Funds, we recommend that you diversify your investments. That means building your portfolio with a variety of funds from different categories, like BMO Security Funds, BMO Income Funds, BMO Growth Funds, BMO Aggressive Growth Funds, BMO Global Tax Advantage Funds, BMO U.S. Dollar Funds, BMO LifeStage Plus Funds, BMO SelectClass® Portfolios and BMO FundSelect® Portfolios.



# BMO FundSelect® Security Portfolio

## Fund details

<b>Type of fund</b>	Canadian balanced—fixed income focus
<b>Date started</b>	Series A: June 18, 2007 Series I: May 10, 2010
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 1.95% Series I: N/A. A series I fee is negotiated and paid by each series I investor  There will be no duplication of management fees between the fund and the underlying mutual funds
<b>Administration fee</b>	0.20% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	BMO Asset Management Inc. (formerly Jones Heward Investment Counsel Inc.), Toronto, Ontario  (portfolio manager since May 2007)

## What does the fund invest in?

### Investment objectives

This fund's objective is to preserve the value of your investment and to provide interest income by investing primarily in mutual funds invested in more secure asset classes like cash or cash equivalents and fixed income investments with only a limited exposure to mutual funds invested in equity securities. The fund may also invest directly in fixed income securities and cash or cash equivalents.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- employs a strategic asset allocation strategy
- may invest up to 100% of the fund's assets in securities of other mutual funds which may include mutual funds that are managed by us or one of our affiliates
- allocates assets among the underlying mutual funds based on each underlying mutual fund's investment objectives and strategies, among other factors. The underlying mutual funds may be changed without notice from time to time as well as the percentage holding in each underlying fund
- the fund's underlying mutual funds may temporarily depart from their investment objectives by holding a portion of their assets in cash or short-term money market instruments and/or high quality fixed income securities while seeking investment opportunities or for defensive purposes to reflect economic and market conditions
- the fund's underlying mutual funds may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the underlying fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the underlying fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the underlying fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - to hedge against or gain exposure to credit risk without buying underlying securities directly
  - gain exposure to securities without buying the securities directly.
- may invest directly in fixed income securities and cash or cash equivalents.

The fund's underlying mutual funds may have high portfolio turnover rates. The higher the portfolio turnover rate, the greater the possibility of unitholders of the fund receiving income or taxable capital gains as a result of frequent purchases and sales of portfolio securities by the underlying mutual funds.

The fund's underlying mutual funds may enter into securities lending, repurchase and reverse repurchase transactions.

### What are the risks of investing in the fund?

The investment strategies may involve the following risks, which we explain starting on page 143:

- interest rate risk
- equity risk
- credit risk
- derivative risk
- liquidity risk
- foreign investment risk
- securities lending, repurchase and reverse repurchase transactions risk
- currency risk
- fund of funds risk
- large transaction risk
- series risk.

### Who should invest in this fund?

Consider this fund if:

- you want a conservative investment with the potential for some capital appreciation
- you are comfortable with low investment risk (i.e. you are willing to accept some fluctuations in the market value of your investment over the short term).

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund distributes any income and capital gains in December. Distributions are automatically reinvested in additional units of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 23.88	75.29	131.97	300.39

# BMO FundSelect® Balanced Portfolio

## Fund details

<b>Type of fund</b>	Global balanced
<b>Date started</b>	Series A: June 18, 2007 Series I: May 10, 2010
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 2.10% Series I: N/A. A series I fee is negotiated and paid by each series I investor  There will be no duplication of management fees between the fund and the underlying mutual funds
<b>Administration fee</b>	0.20% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	BMO Asset Management Inc. (formerly Jones Heward Investment Counsel Inc.), Toronto, Ontario  (portfolio manager since May 2007)

## What does the fund invest in?

### Investment objectives

This fund's objective is to provide you with a balance of income and growth by investing primarily in a mix of mutual funds invested in fixed income and equity securities. The fund may also invest directly in fixed income securities and cash or cash equivalents.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- employs a strategic asset allocation strategy
- may invest up to 100% of the fund's assets in securities of other mutual funds which may include mutual funds that are managed by us or one of our affiliates
- allocates assets among the underlying mutual funds based on each underlying mutual fund's investment objectives and strategies, among other factors. The underlying mutual funds may be changed without notice from time to time as well as the percentage holding in each underlying fund
- the fund's underlying mutual funds may temporarily depart from their investment objectives by holding a portion of their assets in cash or short-term money market instruments and/or high quality fixed income securities while seeking investment opportunities or for defensive purposes to reflect economic and market conditions
- the fund's underlying mutual funds may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the underlying fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the underlying fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the underlying fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - to hedge against or gain exposure to credit risk without buying underlying securities directly
  - gain exposure to securities without buying the securities directly.
- may invest directly in fixed income securities and cash or cash equivalents.

The fund's underlying mutual funds may have high portfolio turnover rates. The higher the portfolio turnover rate, the greater the possibility of unitholders of the fund receiving income or taxable capital gains as a result of frequent purchases and sales of portfolio securities by the underlying mutual funds.

The fund's underlying mutual funds may enter into securities lending, repurchase and reverse repurchase transactions.

### What are the risks of investing in the fund?

The investment strategies may involve the following risks, which we explain starting on page 143:

- interest rate risk
- equity risk
- credit risk
- derivative risk
- liquidity risk
- foreign investment risk
- securities lending, repurchase and reverse repurchase transactions risk
- currency risk
- fund of funds risk
- large transaction risk
- series risk.

### Who should invest in this fund?

Consider this fund if:

- you want a balanced investment with investment in fixed income and equity mutual funds that provide the potential for some capital appreciation
- you are comfortable with low to medium investment risk (i.e. you are willing to accept some fluctuations in the market value of your investment).

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund distributes any income and capital gains in December. Distributions are automatically reinvested in additional units of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 25.32	79.81	139.90	318.44

# BMO FundSelect® Growth Portfolio

## Fund details

<b>Type of fund</b>	Global balanced—equity focus
<b>Date started</b>	Series A: June 18, 2007 Series I: May 10, 2010
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 2.20% Series I: N/A. A series I fee is negotiated and paid by each series I investor  There will be no duplication of management fees between the fund and the underlying mutual funds
<b>Administration fee</b>	0.20% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	BMO Asset Management Inc. (formerly Jones Heward Investment Counsel Inc.), Toronto, Ontario  (portfolio manager since May 2007)

## What does the fund invest in?

### Investment objectives

This fund's objective is to provide you with long-term growth and protection against inflation by investing primarily in mutual funds invested in equity securities and, to a lesser extent, in mutual funds invested in fixed income securities. The fund may also invest directly in fixed income securities and cash or cash equivalents.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- employs a strategic asset allocation strategy
- may invest up to 100% of the fund's assets in securities of other mutual funds which may include mutual funds that are managed by us or our affiliates
- allocates assets among the underlying mutual funds based on each underlying mutual fund's investment objectives and strategies, among other factors. The underlying mutual funds may be changed without notice from time to time as well as the percentage holding in each underlying fund
- the fund's underlying mutual funds may temporarily depart from their investment objectives by holding a portion of their assets in cash or short-term money market instruments and/or high quality fixed income securities while seeking investment opportunities or for defensive purposes to reflect economic and market conditions
- the fund's underlying mutual funds may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the underlying fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the underlying fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the underlying fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - to hedge against or gain exposure to credit risk without buying underlying securities directly
  - gain exposure to securities without buying the securities directly.
- may invest directly in fixed income securities and cash or cash equivalents.

The fund's underlying mutual funds may have high portfolio turnover rates. The higher the portfolio turnover rate, the greater the possibility of unitholders of the fund receiving income or taxable capital gains as a result of frequent purchases and sales of portfolio securities by the underlying mutual funds.

The fund's underlying mutual funds may enter into securities lending, repurchase and reverse repurchase transactions.

### What are the risks of investing in the fund?

The investment strategies may involve the following risks, which we explain starting on page 143:

- interest rate risk
- equity risk
- credit risk
- derivative risk
- liquidity risk
- foreign investment risk
- securities lending, repurchase and reverse repurchase transactions risk
- currency risk
- fund of funds risk
- large transaction risk
- series risk.

### Who should invest in this fund?

Consider this fund if:

- you want a growth-oriented investment with the potential for long-term growth and protection against inflation
- you are comfortable with low to medium investment risk (i.e. you are willing to accept some fluctuations in the market value of your investment).

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund distributes any income and capital gains in December. Distributions are automatically reinvested in additional units of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 26.24	82.72	144.99	330.04

# BMO FundSelect® Aggressive Growth Portfolio

## Fund details

<b>Type of fund</b>	Global equity
<b>Date started</b>	Series A: June 18, 2007 Series I: May 10, 2010
<b>Securities offered</b>	Units of a mutual fund trust
<b>Eligible for registered plans</b>	Yes
<b>Management fee</b>	Series A: 2.35% Series I: N/A. A series I fee is negotiated and paid by each series I investor  There will be no duplication of management fees between the fund and the underlying mutual funds
<b>Administration fee</b>	0.20% (for series I, separate fees and expenses are negotiated and paid by each series I investor)
<b>Portfolio manager</b>	BMO Asset Management Inc. (formerly Jones Heward Investment Counsel Inc.), Toronto, Ontario  (portfolio manager since May 2007)

## What does the fund invest in?

### Investment objectives

This fund's objective is to provide you with exceptional long-term growth by investing primarily in higher risk mutual funds invested in equity securities. The fund may also invest directly in fixed income securities and cash or cash equivalents.

The fundamental investment objective may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

### Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- employs a strategic asset allocation strategy
- may invest up to 100% of the fund's assets in securities of other mutual funds which may include mutual funds that are managed by us or our affiliates
- allocates assets among the underlying mutual funds based on each underlying mutual fund's investment objectives and strategies, among other factors. The underlying mutual funds may be changed without notice from time to time as well as the percentage holding in each underlying fund
- the fund's underlying mutual funds may temporarily depart from their investment objectives by holding a portion of their assets in cash or short-term money market instruments and/or high quality fixed income securities while seeking investment opportunities or for defensive purposes to reflect economic and market conditions
- the fund's underlying mutual funds may use derivatives such as options, futures, forward contracts and swaps to:
  - protect the underlying fund against potential losses from changes in interest rates. For example, the portfolio manager may be concerned about the impact that rising interest rates may have on the underlying fund. The portfolio manager may attempt to reduce the impact of security price fluctuations by using interest rate swaps
  - reduce the impact of currency fluctuations on the underlying fund. For example, the portfolio manager may attempt to reduce the impact of any adverse changes in exchange rates by buying currency futures
  - gain exposure to securities without buying the securities directly.
- may invest directly in fixed income securities and cash or cash equivalents.

The fund's underlying mutual funds may have high portfolio turnover rates. The higher the portfolio turnover rate, the greater the possibility of unitholders of the fund receiving income or taxable capital gains as a result of frequent purchases and sales of portfolio securities by the underlying mutual funds.

The fund's underlying mutual funds may enter into securities lending, repurchase and reverse repurchase transactions.



### What are the risks of investing in the fund?

The investment strategies may involve the following risks, which we explain starting on page 143:

- interest rate risk
- equity risk
- credit risk
- derivative risk
- liquidity risk
- foreign investment risk
- securities lending, repurchase and reverse repurchase transactions risk
- currency risk
- fund of funds risk
- large transaction risk
- series risk.

### Who should invest in this fund?

Consider this fund if:

- you want an aggressive growth investment with investments in growth-oriented equity mutual funds that provide the potential for capital appreciation
- you are comfortable with medium investment risk (i.e. you are willing to accept fluctuations in the market value of your investment).

Please see “Fund risk classification” on page 4 for a description of how we determined the classification of this fund’s risk level.

### Distribution policy

The fund distributes any income and capital gains in December. Distributions are automatically reinvested in additional units of the fund, unless you tell us in writing that you prefer to receive cash distributions. Please see page 164 for more information.

### Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 4 for the assumptions we’re required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 27.98	88.21	154.62	351.96

## 142 What is a mutual fund and what are the risks of investing in a mutual fund?

### What is a mutual fund?

A mutual fund is a pool of investments managed by professional money managers. When you invest in a mutual fund, you're actually pooling your money with other people who have similar investment goals. A portfolio manager invests that money on behalf of the whole group. If the investments make money, everyone shares in the gain. If the investments lose money, the whole group shares in the loss.

Mutual fund companies keep track of each investor's share of the pool by selling mutual funds in units or shares. The more you invest, the more units or shares you own and the bigger your share of the fund's income, gains and losses. As an investor, you also share a portion of the fund's expenses.

Mutual funds come in many varieties that are designed to meet the differing needs of investors. A fund could hold investments like stocks, bonds, cash, derivatives, other mutual funds or some combination of these, depending on its investment objectives.

The value of these investments can go up or down. They're affected by things such as changes in interest rates or exchange rates, economic conditions in Canada or abroad, or news about the companies the fund invests in. When the value of the investments change, it can make the price of the mutual fund securities rise or fall. That's why mutual fund investments can increase or decrease in value after you buy them and why the value of your investment in a mutual fund may be more or less when you redeem it than when you purchased it.

Under exceptional circumstances, a mutual fund may not allow you to redeem your securities. See *When you may not be allowed to redeem your securities* on page 158 for more information.

### How mutual funds are structured

A mutual fund can be set up as a mutual fund trust or as a mutual fund corporation. Both allow you to pool your money with other investors, but there are some differences. When you invest in a mutual fund trust, you buy units of the trust. When you invest in a mutual fund corporation, you buy shares of the corporation. A mutual fund corporation can issue several classes of shares. Simply put, each share class works like a separate mutual fund with its own investment objectives.

The main difference between an investment in a mutual fund trust and an investment in a mutual fund corporation is in how your investment is taxed, which may be important if you're investing outside of a registered plan. You can switch between classes of a mutual fund corporation without paying taxes on capital gains at the time of the switch. You cannot switch between mutual fund trusts on a tax-deferred basis. A mutual fund corporation distributes its earnings by declaring ordinary dividends or capital gains dividends. A mutual fund trust distributes all of its income and sufficient net realized capital gains so that the fund will not be subject to tax. For tax purposes, these distributions to unitholders generally retain the same character as the income that is received by the trust.

Units of a mutual fund trust and classes of a mutual fund corporation may be issued in different series. Each series is intended for different kinds of investors and has different fees and expenses.

### What are the risks of investing in a mutual fund?

Risk varies from one fund to another. You can measure risk by how often the fund's value changes and how big the changes tend to be. This is called volatility. The bigger and more often the changes in value, the more volatile the fund.

Every fund has a different degree of volatility, which depends largely on the securities in which the fund invests. For example, if a fund only has exposure to interest-paying money market instruments offered by the Canadian government, it will be subject to very little volatility. That's because the government guarantees payment of a certain interest rate and there's little chance it will fail to keep its promise. On the other hand, some funds may have heavy exposure to technology stocks. Technology stocks can have frequent, large changes in value as a company's products go in and out of favour, so funds that have heavy exposure to technology stocks can be quite volatile.

A general rule in investing is that the higher the risk, the higher the potential for gains (and losses), and the lower the risk, the lower the potential for gains (and losses). The key to reducing the overall volatility of your portfolio is to hold a wide variety of investments.

When you're deciding which funds to invest in, you need to ask yourself how comfortable you'll be with their volatility. Here are some important points that can help you decide:

- *the length of time you're prepared to invest.* The more time you have until you need to cash in your investments, the more you should be thinking about investing in funds that have exposure to stock investments, also known as equities. These can be volatile in the short term, but over the long term, they've tended to provide higher returns than other kinds of investments
- *your investment goals.* Your goals are unique and will influence the amount of risk you'll want to think about taking. If you can reach your goal only by earning higher returns on your investments, you may want to think about taking on more risk by making more volatile funds a larger part of your portfolio
- *your portfolio as a whole.* A fund that may seem too risky on its own may be suitable as a small percentage of your portfolio. Why? Diversification. When you hold a variety of interest-paying funds and equity funds in your portfolio, you increase the potential for higher returns. At the same time, a good mix of investments tends to reduce wide swings in the value of your portfolio. That's because the various kinds of investments the funds hold tend to react differently to market and economic changes.

### Mutual fund investments aren't guaranteed

Unlike bank accounts or GICs, BMO Mutual Funds aren't covered by the Canada Deposit Insurance Corporation or the Régie de l'assurance-dépôts du Québec and, except for BMO LifeStage Plus Funds (which are dealt with below), aren't guaranteed by Bank of Montreal or by anyone else. The value of each fund will vary with changes in the value of the fund's investments. In the case of BMO LifeStage Plus Funds, Bank of Montreal has agreed that on the Target End Date of these funds, it will pay to each fund any shortfall between the net asset value per unit and the Guaranteed Maturity Amount. See *Guaranteed Maturity Amount risk* on page 145.

Under exceptional circumstances, a fund may suspend redemptions. See *Redeeming funds* on page 158.

### General investment risks

The volatility of a fund depends on the kinds of investments it makes. Here are some of the common risk factors that cause the value of funds to change. Not all risks apply to all funds.

#### Capital depletion risk

Series T6 securities make monthly distributions of an amount comprised of return of capital ("ROC") based on 6% of the net asset value per security of the fund as determined on December 31 of the prior year. As well, certain other series of the funds may make distributions comprised, in whole or in part, of ROC. A ROC reduces the amount of your original investment and may result in the return to you of the entire amount of your original investment. This distribution should not be confused with "yield" or "income". Returns of capital that are not reinvested will reduce the net asset value of the fund, which could reduce the fund's ability to generate future income. You should not draw any conclusions about the fund's investment performance from the amount of this distribution. Returns of capital can only be made by a series of the BMO Global Tax Advantage Funds to the extent that there is a positive balance in the capital account for the relevant series. To the extent that the balance in the capital account becomes, or is at risk of becoming, zero, monthly distributions may be reduced or discontinued without prior notice. See page 5 for additional information about ROC.

#### Class risk

Each of the BMO Global Tax Advantage Funds is a class of shares of BMO Global Tax Advantage Funds Inc. Each class has its own fees and expenses, which are tracked separately, but if a class can't meet its financial obligations, the other classes are responsible for making up the difference. This is because the corporation as a whole is legally responsible for the financial obligations of all of the classes.

#### Commodity risk

If a fund has direct exposure to commodities or to a company whose business is dependent on commodities such as oil or gold, the value of the fund's portfolio may be affected by movements in the price of commodities. If commodities prices decline, a negative impact can be expected on the earnings of companies whose businesses are dependent on commodities and the performance of funds that invest in such companies.

### Credit risk

Credit risk is the risk that the company, government or other entity (including a special purpose vehicle) that issued a bond or other fixed income security (including asset backed and mortgage backed securities) can't pay interest or repay principal when it's due. This risk is lowest among issuers that have a high credit rating from a credit rating agency. It's highest among issuers that have a low credit rating or no credit rating. Investments with a lower credit rating usually offer a better return than higher-grade investments, but have the potential for substantial loss as well as gain, as will the funds that buy them.

High-yielding, higher risk income securities in which some of the funds may invest are subject to greater risk of loss of principal and income than higher-rated fixed income securities, and are considered to be less certain with respect to the issuer's capacity to pay interest and repay principal.

A specialized credit rating agency, such as Standard & Poor's or DBRS, may reduce the credit rating of an issuer's debt securities. Unexpected downgrades in credit rating typically decrease the value of such securities.

### Currency risk

Funds that invest in foreign securities buy them using foreign currency. For example, funds use U.S. dollars to buy U.S. stocks or bonds. Because currencies change in value against each other, it's possible that an unfavourable move in the exchange rate may reduce, or even eliminate, any increase in the value of that investment. The opposite can also be true—the fund can benefit from changes in exchange rates.

### Derivative risk

While derivatives can be useful for hedging against losses or as a substitute for the underlying assets, they involve a number of risks:

- the hedging strategy used by a fund may not be effective
- there's no guarantee that a market will exist when a fund wants to meet the terms of the derivative contract. This could prevent the fund from making a profit or limiting its losses
- the other party to a derivative contract may not be able to meet its obligations
- stock exchanges may set daily trading limits on futures contracts. This could prevent a fund from closing a contract
- the price of stock index options may be distorted if trading in some or all of the stocks that make up the index is interrupted. If a fund could not close out its position in these options because of interruptions or imposed restrictions, it may experience losses
- the price of a derivative may not accurately reflect the value of the underlying security or index
- an acceptable counterparty may not be willing to enter into contracts that allow the fund to link its performance to the underlying security
- if a fund is required to give a security interest in order to enter into a derivative, there is a risk that the other party may try to enforce the security interest against the fund's assets
- the cost of the derivative contracts may increase.

### Equity risk

Businesses issue equity securities, such as shares or units, to help pay for their operations and finance future growth. Funds that buy equities become part owners of the company issuing the securities. Changes in the value of the businesses change the value of the fund. The price of a security is influenced by the outlook for the particular business, by the market activity and by the larger economic picture, both at home and abroad. When the economy is expanding, the outlook for many businesses may also be good and the value of their securities may rise. The opposite is also true.

Funds that invest in trust units, such as oil and gas royalty trusts, real estate investment trusts, limited partnerships and income trusts, will have varying degrees of risk depending on the sector and the underlying asset or business and may therefore be susceptible to risks associated with the industry in which the underlying business operates, to changes in business cycles, commodity prices, and to interest rate fluctuations and other economic factors.

Proposed amendments to the *Income Tax Act* (Canada), if enacted as proposed, would apply in respect of direct and indirect investments made by Canadian residents in certain non-resident trusts (the "NRT Rules"). The final form of the proposed NRT Rules is not known. It is not expected that the NRT Rules will apply in respect of investments made directly or indirectly by the funds in non-resident trusts, including exchange-traded funds, mutual funds and real estate investment trusts; however, no assurances can be given in this regard.

### Foreign investment risk

When a fund invests in foreign securities, its value is affected by financial markets and general economic trends in the countries where the securities are issued. While the U.S. market has standards that are similar to those in Canada, other foreign markets may not. For example, some foreign markets may not be as strictly regulated as Canadian and U.S. markets. Their laws might make it difficult to protect investor rights. The political climate might be less stable and social, religious and regional tensions may exist. Business disclosure and accounting standards may be less stringent than in Canada and the U.S., making it difficult to obtain complete information about a potential investment. Securities markets may be smaller than in more developed countries, making it more difficult to sell securities in order to take profits or avoid losses. As a result, the value of foreign securities, and the value of funds that hold them, may rise or fall more rapidly and to a greater degree than Canadian and U.S. investments. In general, securities issued in more developed markets, like Western Europe, have lower foreign investment risk. Securities issued in emerging or developing markets, like Southeast Asia, Latin America or India, have higher foreign investment risk. Funds that concentrate their investments in a single country or region of the world tend to be riskier than funds with greater geographic diversification because prices of securities in the same markets tend to move up and down together.

### Fund of funds risk

Certain funds invest directly in, or obtain exposure to, other investment funds as part of their investment strategy. Therefore, these funds will be subject to the risks of the underlying funds. Also, if an underlying fund suspends redemptions, the fund that invests in the underlying fund will be unable to value part of its portfolio and may be unable to redeem securities.

### Guaranteed Maturity Amount risk

Bank of Montreal, as sub-advisor, intends to manage the allocation between the Mutual Fund Component and the Fixed Income Component of each BMO LifeStage Plus Fund so that the fund will have sufficient assets to pay the Guaranteed Maturity Amount to investors on the fund's Target End Date. In addition, if on a fund's Target End Date there is a shortfall between the net asset value per unit and the Guaranteed Maturity Amount, Bank of Montreal has agreed to pay the fund the amount of any such shortfall (the "Shortfall") pursuant to the Sub-Advisory Agreement. This obligation may be terminated by a party if one of the other parties

commits a fraudulent act, fails to discharge its material duties, engages in wilful misconduct or negligence, takes steps to be dissolved, becomes insolvent or bankrupt or is in default of its obligations and does not remedy such breach within 30 days after it receives notice. The requirement to pay the Shortfall to the fund is an obligation of Bank of Montreal. Accordingly, the likelihood that the fund will receive any Shortfall payment that may be owed to the fund will be dependent upon the financial health and creditworthiness of Bank of Montreal. If its obligations have been terminated or Bank of Montreal defaults on its obligations and a BMO LifeStage Plus Fund does not have sufficient assets to pay the Guaranteed Maturity Amount to investors on its Target End Date, investors who remain in the fund until the Target End Date will only receive the net asset value per unit, less any applicable charges.

Receipt by a BMO LifeStage Plus Fund of an amount from Bank of Montreal (under this obligation) may result in taxable distributions to investors with respect to such amount.

### Indexing risk

Certain funds, including index funds and certain exchange traded funds, use a variety of indexing strategies or have exposure to funds that use indexing strategies. Indexing strategies involve tracking the performance of an index by tracking the performance of the investments included in the index. It's unlikely that a fund will be able to track an index perfectly because the fund has its own operating and trading costs, which lower returns. Indices don't have these costs.

Also, a fund may, in basing its investment decisions on an index, have more of its assets invested in one or more issuers than is usually permitted for mutual funds. In these circumstances, the fund may tend to be more volatile and less liquid than more diversified funds as it is affected more by the performance of individual issuers.

Further, concentrating its investments in the securities of a particular index allows a fund to focus on that index's potential, but it also means that the fund may tend to be more volatile than a fund that invests in the securities of a variety of indices because prices of securities on the same index tend to move up and down together. If required by its investment objectives, the fund must continue to invest in the securities of the index, even if the index is performing poorly. That means the fund won't be able to reduce risk by diversifying its investments into securities listed on other indices.



Also, if the stock market upon which the index is based is not open, the fund may be unable to determine its net asset value per security, and so may be unable to satisfy redemption requests.

#### **Industry concentration risk**

Some mutual funds concentrate their investments in a particular industry. This allows them to focus on that industry's potential, but it also means that they tend to be more volatile than funds that invest in many industries. Securities in the same industry tend to be affected in the same way by changes in economic, regulatory, financial and market conditions. Where required to invest in a particular industry by their investment objectives, these funds must continue to invest in that industry, even if the industry is performing poorly. That means the funds won't be able to reduce risk by diversifying their investments into other industries.

#### **Interest rate risk**

The value of funds that invest in fixed income securities can move up or down as interest rates change. Here's why. Fixed income securities—including bonds, mortgages, treasury bills and commercial paper—pay a rate of interest that's fixed when they're issued. Their value tends to move in the opposite direction to interest rate changes. For example, when interest rates rise, the value of an existing bond will fall because the interest rate on that bond is less than the market rate. The opposite is also true. These changes in turn affect the value of any fund investing in fixed income securities.

In the case of money market funds, a fund's yield is affected by short-term interest rates, and will vary.

#### **Issuer concentration risk**

Some mutual funds concentrate their investments in a particular issuer. This allows them to focus on that issuer's potential, but it also means that they tend to be more volatile than more diversified funds. Their liquidity, and therefore their ability to satisfy redemption requests, may be adversely affected. And because these funds invest in fewer issuers, they're affected more by the performance of individual issuers. These funds may be riskier than other funds that hold a greater number of issuers in their portfolios.

#### **Large transaction risk**

A fund may have one or more investors who hold or acquire a significant amount of securities of the fund, including another mutual fund. For example, a financial institution may buy or sell large amounts of the securities of a fund to hedge its obligations

relating to a guaranteed investment product whose performance is linked to the performance of the fund. As well, certain mutual funds, including BMO Mutual Funds, may invest directly in the funds. If one or more of these investors (including these investing funds) decides to redeem its investment in a fund, the fund may have to make large sales of securities to meet these requests. The portfolio manager may have to change the composition of the fund's portfolio significantly or may be forced to sell investments at unfavourable prices, which can negatively impact the fund's returns. Conversely, if one or more of these investors decides to increase its investment in a fund, the fund may have to hold a relatively large position in cash for a period of time while the portfolio manager attempts to find suitable investments. This could negatively impact the fund's return.

#### **Liquidity risk**

Some securities may be difficult to buy or sell because they're not well known or because political or economic events significantly affect them. These include investments in specific sectors, especially commodity sectors, and investments in developing or smaller markets. In addition, smaller companies may be hard to value because they're developing new products or services for which there is not yet a developed market or revenue stream. They may only have a small number of shares in the market, which may make it difficult for a fund to buy or sell shares when it wants to. The value of funds that hold these investments may rise or fall substantially.

#### **Portfolio composition risk**

By using the Fixed Income Component of a BMO LifeStage Plus Fund to seek to cover the Guaranteed Maturity Amount per unit as of the Target End Date, the percentage of the fund's portfolio invested in the Fixed Income Component will increase as the scheduled Target End Date approaches. As well, if there is a significant decline in interest rates and/or if there is a significant decline in equity markets, the allocation of the fund's assets may change from the Mutual Fund Component to the Fixed Income Component at an earlier date, thereby reducing the exposure of the fund to returns on the Mutual Fund Component. As a result, the potential for equity investment return of the fund may be reduced or eliminated.

#### **Redemption prior to Target End Date risk**

The BMO LifeStage Plus Funds are designed for investors with long-term investment horizons who are prepared to hold the units of the fund to the Target End Date. They are not designed as a short-term investment. The Guaranteed Maturity Amount is

only available if you hold your units until the Target End Date. If you redeem before the Target End Date, you will receive only the current net asset value per unit for your redeemed units, which may be less than the Guaranteed Maturity Amount.

### **Securities lending, repurchase and reverse repurchase transactions risk**

The funds may engage in securities lending, repurchase and reverse repurchase transactions. Securities lending is an agreement whereby a fund lends securities through an authorized agent in exchange for a fee and a form of acceptable collateral. Under a repurchase transaction, a fund agrees to sell securities for cash while, at the same time, assuming an obligation to repurchase the same securities for cash (usually at a lower price) at a later date. A reverse repurchase transaction is a transaction pursuant to which a fund buys securities for cash while, at the same time, agreeing to resell the same securities for cash (usually at a higher price) at a later date.

The risks associated with securities lending, repurchase or reverse repurchase transactions arise when a counterparty defaults under the agreement evidencing the transaction and the fund is forced to make a claim in order to recover its investment. In a securities lending or a repurchase transaction, a fund could incur a loss if the value of the securities loaned or sold has increased in value relative to the value of the collateral held by the fund. In the case of a reverse repurchase transaction, a fund could incur a loss if the value of the securities purchased by the fund

decreases in value relative to the value of the collateral held by the fund.

To limit these risks:

- the collateral held by the fund must equal at least 102% of the market value of the security sold, loaned or cash paid (the collateral is adjusted on each business day to ensure that this value is maintained)
- repurchase transactions and securities lending agreements are limited to 50% of a fund's assets. Collateral held for loaned securities and cash paid for received securities are not included when making this calculation
- we only enter into such transactions with parties who appear to have the resources and the financial strength to fulfill the terms of the agreements.

### **Series risk**

Some of the funds issue more than one series of securities. Each series has its own fees and expenses, which are tracked separately; however, if a series can't meet its financial obligations, the other series are responsible for making up the difference. This is because the fund as a whole is legally responsible for the financial obligations of all of the series.

### **Zero-Coupon Securities risk**

Certain funds may invest in zero-coupon securities. Zero-coupon securities tend to be more highly sensitive to interest rate fluctuations than securities with similar terms to maturity that pay a coupon.



## 148 Organization and management of the BMO Mutual Funds

<b>Manager</b>	<p>The manager is responsible for the day-to-day management of the business and operations of the funds. BMO Investments Inc., an indirect wholly-owned subsidiary of Bank of Montreal, is the manager of the BMO Mutual Funds.</p>	<p><b>BMO Investments Inc.</b> 77 King Street West, Suite 4200 Toronto, Ontario M5K 1J5</p> <p><b>BMO Investissements Inc.</b> 129, rue St. Jacques, 12<sup>e</sup> étage Montréal, Québec H2Y 1L6</p> <p><b>1-800-665-7700</b></p>
<b>Trustee</b>	<p>All of the funds, except the BMO Global Tax Advantage Funds, are organized as trusts. The trustee holds title to the securities owned by the BMO Trust Funds on behalf of unitholders, has exclusive authority over their assets and affairs and has a fiduciary responsibility to act in the best interest of the unitholders.</p> <p>The BMO Global Tax Advantage Funds are organized as classes of BMO Global Tax Advantage Funds Inc., which has a board of directors. The BMO Global Tax Advantage Funds do not have a trustee.</p>	<p><b>BMO Investments Inc.</b> Toronto, Ontario</p>
<b>Principal distributor</b>	<p>The principal distributor markets and distributes BMO Mutual Funds directly through Bank of Montreal branches and through registered dealers and brokers.</p>	<p><b>BMO Investments Inc.</b> Toronto, Ontario</p>
<b>Custodian</b>	<p>The custodian holds the funds' cash and securities on behalf of the funds. The custodian is independent of BMO Investments Inc.</p>	<p><b>CIBC Mellon Trust Company</b> Toronto, Ontario</p>
<b>Registrar</b>	<p>The registrar keeps a register of the owners of securities for each fund, processes orders, and issues account statements to securityholders. The registrar may arrange for third parties to provide such registry services to the funds. Bank of Montreal Investment Services is a department of Bank of Montreal.</p>	<p><b>Bank of Montreal Investment Services</b> Montréal, Québec</p>
<b>Auditors</b>	<p>The auditors audit the funds' annual financial statements to ensure that these statements fairly present the financial position and results of operations of each of the funds in accordance with Canadian generally accepted accounting principles. The auditors are independent of BMO Investments Inc. and the funds. Although you will not approve any change of the auditors, you will receive written notice of any such proposed change at least 60 days prior to its effective date.</p>	<p><b>PricewaterhouseCoopers LLP, Chartered Accountants</b> Toronto, Ontario</p>

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## Organization and management of the BMO Mutual Funds (continued)

### Independent Review Committee

The funds are required to have an IRC in accordance with National Instrument 81-107 *Independent Review Committee for Investment Funds* (“NI 81-107”). The mandate of the IRC is to review conflict of interest matters identified and referred to the IRC by the manager and to give an approval or a 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, a primary focus of the IRC is to determine if the manager’s proposed action achieves a fair and reasonable result for the funds.

The IRC is currently composed of three members and each member is independent of the funds, the manager and other companies related to the manager. The IRC will prepare, for each financial year of the funds, 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 BMO Investments Inc. at 77 King Street West, 42nd Floor, Toronto, Ontario, M5K 1J5 or by visiting our website at [www.bmo.com/mutualfunds](http://www.bmo.com/mutualfunds) or SEDAR at [www.sedar.com](http://www.sedar.com).

Additional information about the IRC, including the names of IRC members, is available in the funds’ annual information form.

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## Portfolio managers

The portfolio managers provide investment advice to the manager on the investment portfolios of the funds. We've hired the following companies to manage the investment portfolios of the funds. See the fund descriptions starting on page 7 for the portfolio managers for each fund.

<b>Aberdeen Asset Management Inc. Edinburgh, Scotland, ("Aberdeen")</b>	<p>Aberdeen is an investment management company formed in 1983. With over \$285.6 billion (CAD) under management as of December 31, 2010, Aberdeen has distinctive currency, fixed income, equity and property processes. Aberdeen's aim is to add value by exploiting market inefficiencies in the areas of relative value, credit, interest rate and currency management.</p>
<b>BMO Asset Management Inc. (formerly Jones Heward Investment Counsel Inc.), Toronto, Ontario ("BMOAM")</b>	<p>BMOAM is a wholly-owned, indirect subsidiary of Bank of Montreal, the parent company of BMO Investments Inc. and had approximately \$40.8 billion (CAD) in assets under management as at December 31, 2010. The BMOAM equity team employs a "bottom-up" investment process using fundamental analysis to identify attractively priced equities. Research responsibilities are divided by sector.</p>
<b>Harris Investment Management, Inc., Chicago, Illinois ("Harris")</b>	<p>Harris had approximately \$14.4 billion (CAD) in assets under management as of December 31, 2010 and began managing money over 100 years ago. Harris is a wholly-owned, indirect subsidiary of Bank of Montreal, the parent company of BMO Investments Inc.</p>
<b>HIM Money, Inc. Toronto, Ontario ("HIM Money")</b>	<p>HIM Money is part of Chicago-based Harris Investment Management, Inc., and operates within the BMO Financial Group. It is a wholly-owned, indirect subsidiary of Bank of Montreal, the parent company of BMO Investments Inc. HIM Money's experienced group of professionals is dedicated to managing high yield bonds, loans and credit default swaps. As of December 31, 2010, assets under management for HIM Money were approximately \$1.7 billion (CAD).</p>
<b>Insight Investment Management (Global) Limited, London, England ("Insight")</b>	<p>Insight is a company incorporated in the United Kingdom and formerly carried on business as Rothschild Asset Management Limited. It became a subsidiary of HBOS plc on January 31, 2003 and changed its name to Insight Investment Management (Global) Limited on April 30, 2003. It is the autonomous asset management business of the HBOS Group. Insight and related companies had more than \$168.3 billion (CAD) in assets under management as of December 31, 2010.</p>
<b>Kleinwort Benson Investors Dublin Ltd. (formerly, KBC Asset Management International Limited), Dublin, Ireland ("KBI")</b>	<p>KBI is a wholly-owned subsidiary of Kleinwort Benson Group. KBI is part of RHJ International, which is a large European financial services group listed on the Euronext Stock Exchange. KBI had approximately \$5.0 billion (CAD) in assets under management as of December 31, 2010.</p>
<b>Lazard Asset Management (Canada) Inc., New York, New York ("Lazard")</b>	<p>Lazard is an affiliate of Lazard Asset Management LLC ("LAM"). LAM is an international asset management firm with company history dating back to 1848. It has 550 employees worldwide, including over 235 investment personnel, with 15 offices spanning the world and a history of investing prudently wherever the firm finds value. As of December 31, 2010, LAM had approximately \$139.7 billion (CAD) in assets under management.</p>

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**Portfolio managers (continued)**


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**Loomis, Sayles & Company, L.P., Boston, Massachusetts (“Loomis”)**

Loomis has been providing investment management services to institutions and high net worth individuals since 1926. The firm offers a diversified series of actively managed domestic and global fixed income and equity products, providing clients with access to traditional and highly specialized asset classes. 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 with \$292 billion (CAD) in assets under management as of December 31, 2010. Loomis had \$151.9 million (CAD) in assets under management as of December 31, 2010.

**Macquarie Capital Investment Management LLC, New York, New York (“Macquarie”)**

Macquarie is a wholly-owned indirect subsidiary of Macquarie Funds Group (“MFG”), an Australian fund manager established in February 1985. Macquarie is a full service fund manager, offering products across the full spectrum of investment styles, pricing structures, risk/return profiles and in all major asset classes for a diverse set of clients. As at December 31, 2010, Macquarie and related companies had approximately \$307.4 billion (CAD) in assets under management.

**Martin Currie Inc., Edinburgh, Scotland (“Martin Currie”)**

Martin Currie is an affiliate of Martin Currie Investment Management Limited, a leading Scottish investment management company. It was originally founded as an accountancy practice in 1881 and has been involved in managing investment portfolios for over 100 years. Since 1958, investment management has been its only area of activity. As of December 31, 2010, Martin Currie managed approximately \$17.6 billion (CAD) in client assets.

**PIMCO Canada Corp., Toronto, Ontario (“PIMCO”)**

PIMCO is a wholly-owned indirect subsidiary of Pacific Investment Management Company LLC (“PIMCO LLC”). PIMCO LLC is a Delaware limited liability company and a majority-owned subsidiary of Allianz Global Investors of America L.P. (“Allianz LP”). Allianz Aktiengesellschaft (“Allianz AG”) is the indirect majority owner of Allianz LP. Allianz AG is a European-based, multinational insurance and financial services holding company. Pacific Life Insurance Company holds an indirect interest in Allianz LP. As of December 31, 2010 PIMCO LLC had \$1.2 trillion (CAD) in assets under management.

**Pyrford International Limited, London, England (“Pyrford”)**

Pyrford is a provider of international asset management services for pension funds, charities, endowments, foundations and high net worth individuals. The company has been operating from its London, UK base since 1987. Pyrford is a wholly-owned, indirect subsidiary of Bank of Montreal, the parent company of BMO Investments Inc. and had \$3.1 billion (CAD) in assets under management as of December 31, 2010.

**RCM Capital Management LLC, San Francisco, California (“RCM”)**

RCM is a globally focused investment management firm that had more than \$150.9 billion (CAD) in assets under management as of December 31, 2010. Operating on four continents, the firm’s range of investment solutions spans the market cap and style spectrum and reaches from regional and global strategies to multi-asset and structured products. RCM is an indirectly wholly owned subsidiary of Allianz Global Investors AG, headquartered in Munich, Germany.

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### Portfolio managers (continued)

<b>UBS Global Asset Management (Canada) Inc., Toronto, Ontario</b>	UBS Global Asset Management was formed in 1998 through the merger of Union Bank of Switzerland and Swiss Bank Corporation. In August 2001 UBS Global Asset Management acquired a large Canadian institutional investment manager and formed UBS Global Asset Management (Canada) Co. The firm employs a bottom up fundamental approach to investment management with a focus on determining intrinsic value. As of December 31, 2010 UBS Global Asset Management had \$596.0 billion (CAD) in assets under management.
<b>Vontobel Asset Management Inc., New York, New York ("Vontobel")</b>	Vontobel was incorporated in May of 1984 and is a wholly-owned subsidiary of Vontobel Holding AG, which is listed on the Swiss Stock Exchange. Vontobel operates as an independent subsidiary and derives 100% of its revenue from investment management services. Vontobel's headquarters are located in New York City. Vontobel's assets under management as of December 31, 2010 were \$11.7 billion (CAD)

It may be difficult to enforce legal rights against Aberdeen, Harris, Insight, KBI, Lazard, Loomis, Macquarie, Martin Currie, Pyrford, RCM and Vontobel because they are resident outside of Canada and their assets are located outside of Canada.

Insight, KBI, Macquarie, Martin Currie and RCM are not registered portfolio managers in Canada and are acting in such capacity pursuant to an exemption from the requirement to be registered. The name and address of the agent for service of process in Ontario for each of them is available from the Ontario Securities Commission.

Vontobel is not registered as a portfolio manager in Canada. It has been appointed as sub-advisor by the portfolio manager, BMOAM, and BMOAM is responsible for the advice given by Vontobel.

The securities of underlying funds held by a fund that we, or one of our affiliates or associates, manage will not be voted on unless, at our discretion, we arrange for securities of the underlying fund to be voted by the securityholders of the fund.

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 fund merger at least 60 days prior to the effective date of the merger.

## Purchases, switches and redemptions

You can buy, switch, or redeem Series A and T6 securities of the funds at no charge:

- in person, at any Bank of Montreal branch
- by telephone, once you've made arrangements for payment:
  - with your Bank of Montreal branch
  - through the BMO Investment Centre, 1-800-665-7700
- through the internet (other than in an RESP, RDSP or TFSA) at [www.bmo.com/mutualfunds](http://www.bmo.com/mutualfunds), once you've made authorization arrangements
- by mail. Your order to buy must be mailed with a certified cheque made out to the fund you're buying. If you are buying units of BMO U.S. Dollar Funds, or units of the BMO U.S. Equity Fund or BMO U.S. High Yield Bond Fund in U.S. currency, the cheque must be drawn on a U.S. dollar bank account
- automatically through a Continuous Savings Plan for purchases, or Systematic Withdrawal Plan for redemptions.

You can also buy, switch, or redeem BMO Mutual Funds through a registered dealer or broker. Please contact your dealer to find out how to place an order. Some dealers or brokers may charge you a fee for their services.

You can buy series F securities only through dealers who have entered into a Series F Agreement with us and only with our prior approval. A dealer's ability to offer series F securities is subject to our terms and conditions.

### How the funds are structured

There are two different types of mutual funds offered through this simplified prospectus:

- mutual fund trusts that issue securities called units
- the BMO Global Tax Advantage Funds, each of which is a class of shares of BMO Global Tax Advantage Funds Inc., a mutual fund corporation that issues securities called shares.

When you invest in a fund that is organized as a trust, you buy units. A mutual fund trust distributes its earnings by allocating its income to unitholders. Income can include interest and other income, dividends and capital gains. In general, income distributed to you from a trust is taxed as if you received it directly.

BMO Global Tax Advantage Funds Inc. is a Canadian corporation. Its capital is divided into series of classes. Each class of shares corresponds to a different pool of investments with different investment objectives. When you invest in a BMO Global Tax Advantage Fund, you buy shares in a series of a class of the corporation. Distributions from a corporation are ordinary dividends, capital gains dividends or returns of capital for income tax purposes.

### About the series of securities

Some of the funds issue more than one series of securities. You'll find the type of securities each fund offers in the *Fund details* section of its fund description. Only series A, series I, series T6 and series F securities are offered through this simplified prospectus. Other series of the funds may be offered through a separate simplified prospectus. Each series is intended for different kinds of investors and has different fees and expenses. See *Fees and expenses* and *Dealer compensation* for details.

- Series A and series T6 securities are available to all investors. You can buy series A and series T6 securities directly from us by mail, by telephone (once you've made arrangements for payment) or through the internet (other than in an RESP or RDSP) at [www.bmo.com/mutualfunds](http://www.bmo.com/mutualfunds) or at any branch of Bank of Montreal in Canada or at the BMO Investment Centre.
- Series F securities are for investors who are enrolled in dealer-sponsored wrap programs or flat fee accounts. Instead of paying a commission on each transaction, these investors pay an annual fee to their dealer based on the value of their assets. Series F securities are also available to other investors for whom we do not incur substantial distribution costs. The management fee is reduced for these investors because our costs are reduced.
- Series I securities are for institutional investors for use within managed asset programs or structured products. A fund does not pay a management fee on series I securities because series I investors negotiate and pay a separate fee directly to us.



If you or your dealer are no longer eligible to hold series F or series I securities (as the case may be), we may change your series F or series I securities (as applicable) into series A securities of the same fund. If we do this, we'll give you 30 days' prior notice. If we redesignate your securities of a fund into securities of another series of the same fund in the circumstances described above, the management fee charged to your new series and the service commissions payable by us to registered dealers and brokers, if any, may be higher than the series that you previously owned. These service commissions are disclosed in the simplified prospectus.

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

### The price of a security

When you buy, switch or redeem securities of a mutual fund, you do so at the net asset value ("NAV") of the security. This is also called the fund's unit or share price. We calculate the price of each security for each series of each fund as at 4:00 p.m. Eastern Time ("ET") on each valuation day. A valuation day is any day that the Toronto Stock Exchange is open for trading or such other time as we may from time to time determine to be a day for valuation for any fund. Prices for some series of securities may be published in major Canadian newspapers the following day and are published on the internet at [www.bmo.com/mutualfunds](http://www.bmo.com/mutualfunds).

For each fund, we calculate the price for each security by:

- adding up the market value of each series' proportionate share of the assets of the fund (its investments and cash)
- subtracting the liabilities of the fund (any money the fund owes) attributed to the series of securities
- dividing by the number of securities of the series held by all investors in the series.

### How to calculate a fund's NAV per security of a series

$$\frac{\text{series' proportionate share of assets} - \text{series' proportionate share of liabilities}}{\text{number of securities of that series}} = \frac{\text{price of a security}}{\text{security}} = \frac{\text{NAV per security}}{\text{security}}$$

### How we process your order

Your order to buy, switch or redeem securities is forwarded to us the same day a Bank of Montreal branch or dealer receives it. If we receive your order by 4 p.m. ET on a valuation day, we'll process it at that day's price per security. If we receive your order after 4 p.m. ET, we'll process it at the next valuation day's price. If the Toronto Stock Exchange closes earlier than 4 p.m. ET on a valuation day, we may impose an earlier deadline. We'll process your order only if it's in good order. The issue and redemption prices for the securities of a fund are based on the mutual fund's net asset value per security next determined after receipt by the mutual fund of your order.

If you're buying securities, you must include payment with your order. If we do not receive payment within three (3) business days of processing your purchase order for any securities, we must redeem your securities on the next business day. If the proceeds from the redemption are greater than the payment you owe, the relevant fund keeps the difference. If the proceeds are less than the payment you owe, we will pay the difference to the relevant fund on your behalf, and collect this amount from your dealer who may collect the amount from you.

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, your payment must be in U.S. dollars. Note that the ability to purchase units of BMO U.S. Equity Fund and 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 and BMO U.S. High Yield Bond Fund in U.S. dollars, the NAV per unit 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 in U.S. dollars and redemption proceeds will be paid in U.S. dollars.



We'll pay to the fund you're buying any interest earned between the time you make payment and the time the purchase is completed. We generally don't issue certificates. We may accept or reject an order to buy within one business day of receiving the order. If we accept your order, your broker, dealer or we will send you confirmation of your order, which is your proof of the transaction. If you sign up for our Continuous Savings Plan or Systematic Withdrawal Plan, you'll only receive confirmation of the first transaction made under the plan. If we reject your order, we'll return any money we've received, without interest.

If you're redeeming securities, we'll transfer or mail the proceeds to you within three (3) business days after we determine the redemption price, provided all necessary documents and/or information have been received. You will receive your redemption proceeds in U.S. dollars when you redeem units of the BMO U.S. Dollar Funds or units of BMO U.S. Equity Fund or BMO U.S. High Yield Bond Fund that were purchased in U.S. dollars. You will receive your redemption proceeds in Canadian dollars when you redeem securities of all other funds.

### **Short-term trading**

We discourage investors from short-term trading. Short-term trading can harm a fund's performance and the value of other investors' holdings in a fund because such trading can increase brokerage and other administrative costs of a fund and interfere with the long-term investment decisions of the portfolio manager. Short-term trading may be particularly problematic when large sums are involved. Short-term trading can include buying and then redeeming or switching securities of a fund within 30 days of buying or switching them into the fund. We have policies and procedures to detect and deter short-term trading that include the ability to refuse your present or future order(s) to buy or switch securities. 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 charge a short-term trading penalty to be paid directly to the fund out of the redemption proceeds, reducing the amount otherwise payable to you on the redemption or switch (see Fees and expenses starting on page 161 for more information). We have the option to waive this penalty at any time.

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 BMO MatchMaker Portfolios and BMO Intuition Investment Service or pursuant to Systematic Withdrawal Plans. The annual information form includes a description of all arrangements, whether formal or informal, with any person or company, to permit short-term trades of securities of the funds.

Despite these restrictions and our procedures to detect and deter short-term trading, we cannot ensure that such trading will be completely eliminated.

## Your guide to buying, switching and redeeming the funds

The following tables show you the minimum amounts for buying, switching and redeeming securities of a fund, and for maintaining an account or an investment in a fund. These amounts depend on the kind of account and fund or series you choose. If the value of your securities falls below the minimum balance, we may buy your securities from you or redeem them for you. If the value of your units of BMO Premium Money Market Fund falls below the minimum balance, we may either switch your units to BMO Money Market Fund or redeem them for you. We may change the minimum amounts at any time without notice. Any minimum amounts for series I securities are determined on a contractual basis.

Buying funds	Minimum amount you can buy		Minimum balance
	Your first purchase	Each additional purchase	
<b>ALL FUNDS</b> except BMO Premium Money Market Fund, the BMO SelectClass® Portfolios, the BMO FundSelect® Portfolios and series I securities			
<b>SINGLE PURCHASE</b>			
<b>Regular account</b> (US\$ for BMO U.S. Dollar Funds)	\$500	\$50	\$500
<b>BMO MatchMaker® account</b>	\$1,000	\$100	\$1,000
<b>BMO Intuition® account</b>	\$1,000	\$100	\$1,000
<b>RRIF account</b>	\$5,000	—	—
<b>CONTINUOUS SAVINGS PLAN</b>			
<b>Regular account</b> (US\$ for BMO U.S. Dollar Funds and U.S. currency version of BMO U.S. Equity Fund and BMO U.S. High Yield Bond Fund)	\$50 a month for 10 months	—	—
<b>BMO MatchMaker account</b>	\$100 a month for 10 months	—	—
<b>BMO Intuition account</b>	\$100 a month for 10 months (for a portfolio) \$50 a month for 10 months (for individual funds)	— —	— —
<b>BMO Premium Money Market Fund</b>			
<b>SINGLE PURCHASE</b>	\$150,000	\$5,000	\$150,000
<b>CONTINUOUS SAVINGS PLAN</b>	\$150,000	\$1,500	\$150,000
<b>BMO SelectClass® Portfolios/BMO FundSelect® Portfolios</b>			
<b>SINGLE PURCHASE</b>	\$1,000	\$100	\$1,000
<b>CONTINUOUS SAVINGS PLAN</b>	\$100 a month for 10 months	—	—

## Switching between funds

### Minimum amount you can switch

### Minimum balance

**ALL FUNDS** except BMO Premium Money Market Fund, the BMO SelectClass® Portfolios, the BMO FundSelect® Portfolios and series I securities

#### SINGLE PURCHASE

<b>Regular account</b> (US\$ for BMO U.S. Dollar Funds and U.S. currency version of BMO U.S. Equity Fund and BMO U.S. High Yield Bond Fund)	\$50	\$500
<b>BMO MatchMaker account</b>	\$1,000	\$1,000
<b>BMO Intuition account</b>	\$1,000	\$1,000
<b>BMO Premium Money Market Fund</b>		
<b>All accounts</b>	\$500	\$150,000
<b>BMO SelectClass® Portfolios/BMO FundSelect® Portfolios</b>		
<b>All accounts</b>	\$1,000	\$1,000
<b>Redeeming funds</b>	<b>Minimum amount you can redeem</b>	<b>Minimum balance</b>

**ALL FUNDS** except BMO Premium Money Market Fund, the BMO SelectClass® Portfolios, the BMO FundSelect® Portfolios and series I securities

#### SINGLE REDEMPTION

<b>All accounts</b> (US\$ for BMO U.S. Dollar Funds and U.S. currency version of BMO U.S. Equity Fund and BMO U.S. High Yield Bond Fund)	\$50	\$500
<b>RRIF, LIF and LRIF accounts</b>	Minimum amount required under the Tax Act	

#### SYSTEMATIC WITHDRAWAL PLAN

<b>All accounts</b> (US\$ for BMO U.S. Dollar Funds and U.S. currency version of BMO U.S. Equity Fund and BMO U.S. High Yield Bond Fund)	\$100 monthly, quarterly or semi-annually	\$10,000
<b>BMO Premium Money Market Fund</b>		
<b>Single redemption</b>	\$5,000	\$150,000
<b>Systematic withdrawal plan</b>	\$1,500 monthly, quarterly or semi-annually	\$150,000
<b>RRIF, LIF and RLIF accounts</b>	Minimum amount required under the Tax Act	
<b>BMO SelectClass® Portfolios/BMO FundSelect® Portfolios</b>		
<b>Single redemption</b>	\$50	\$1,000
<b>Systematic withdrawal plan</b>	\$100 monthly, quarterly or semi-annually	\$25,000
<b>RRIF, LIF and LRIF accounts</b>	Minimum amount required under the Tax Act	

## Switching funds

A switch involves moving money from one BMO Mutual Fund or series to another BMO Mutual Fund or series. We describe the kinds of switches you can make below. When we receive your order to switch, we'll redeem or convert securities of the first BMO

Mutual Fund or series and then use the proceeds to buy securities of the second BMO Mutual Fund or series. You'll find the minimum amounts needed for switches in the table above. For details about how switches are taxed, see *Income tax considerations for investors*.

### BMO Trust Funds

There are two kinds of switches you can make:

- **Switching between BMO Trust Funds** You can switch units of one BMO Trust Fund into units of the same series of another BMO Trust Fund. This is a disposition for income tax purposes. Switching units you hold in a non-registered account, including a BMO MatchMaker account, may result in a capital gain or loss. Capital gains are taxable.
- **Switching between series of the same fund** You can switch your units of one series of a fund into units of another series of the same fund, if you qualify. This is called a redesignation, and is not a disposition for income tax purposes.

There may be fees or charges associated with the purchase, holding or redemption of the other series of units, depending upon the series of units and the arrangements between you and your dealer. Please see *Fees and expenses* starting on page 161 for more information.

### BMO U.S. Dollar Funds and U.S. currency versions of BMO U.S. Equity Fund and BMO U.S. High Yield Bond Fund

Because BMO U.S. Dollar Funds, and units of the BMO U.S. Equity Fund and BMO U.S. High Yield Bond Fund that are purchased in U.S. currency, are denominated in U.S. dollars, you can't switch between these funds and our Canadian dollar funds. You can switch between funds denominated in the same currency only.

### BMO Global Tax Advantage Funds

You can convert your shares of one series of a BMO Global Tax Advantage Fund into shares of another series of the same fund, provided you are qualified for the series you are switching into. This is called a redesignation and is not a disposition for income tax purposes.

You can convert your shares of one series of a BMO Global Tax Advantage Fund into shares of the same or a different series of another BMO Global Tax Advantage Fund, provided you are qualified for the series you are switching into. This is not a disposition for income tax purposes.

You can also switch your shares of a BMO Global Tax Advantage Fund into the same series of units of a BMO Trust Fund. This is a disposition for income tax purposes. Switching securities you hold in a non-registered account, including a BMO MatchMaker account, may result in a capital gain or loss. Capital gains are taxable.

### Redeeming funds

See the table starting on page 156 for the minimum amounts needed for redemptions. If you're redeeming units of BMO Mortgage and Short-Term Income Fund worth more than \$1 million, you must give us 30 days' notice in writing.

For your protection, you must sign your redemption request and your signature must be guaranteed by a bank, trust company, or your dealer.

If we have not received all the necessary documentation and/or information needed to settle your redemption request within ten (10) business days, we are required under securities legislation to purchase the equivalent number of securities you asked to be redeemed as of the close of business on the tenth business day. If the purchase price of the securities is less than the original redemption price, the fund will keep the difference. If the amount of the purchase price exceeds the original redemption price, BMO Investments Inc. (as principal distributor of the fund) will pay the difference to the fund and may seek reimbursement from you or your dealer, together with additional costs. Your dealer may be entitled to recover these amounts from you.

Redeeming securities you hold in a non-registered account, including a BMO MatchMaker account, may result in a capital gain or loss. Capital gains are taxable.

### When you may not be allowed to redeem your securities

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 in 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 for any period during which your right to request a redemption is suspended under the circumstances described above or with the approval of the Canadian securities regulators. A fund may not accept orders for the purchase of securities during any period when the redemption of its securities has been suspended.

## Optional Services

This section tells you about the plans and services that are available to BMO Mutual Fund investors. Call us at 1-800-665-7700 or ask your dealer for full details.

### Continuous Savings Plan

You can make weekly, bi-weekly, semi-monthly, monthly or quarterly investments in the funds using our Continuous Savings Plan. Here's how the plan works:

- you must meet the minimum requirements in the table starting on page 156
- we'll automatically transfer money from your bank account to buy securities of the funds you choose
- if you choose BMO U.S. Dollar Funds, or BMO U.S. Equity Fund or BMO U.S. High Yield Bond Fund to be purchased in U.S. currency, we'll withdraw money from your U.S. dollar bank account at a Canadian financial institution.

#### *Averaging the cost of your investments*

Making regular investments through our Continuous Savings Plan can reduce the cost of investing. Here's how. Let's say you invest \$100 in a fund each month. That money will buy more securities of the fund when prices are low and fewer securities when prices are high. Over time, this can mean a lower average cost per security than if you had made one lump-sum purchase.

The funds have received relief from the requirement to deliver the annual renewal simplified prospectus and any amendments thereto (the "Renewal Prospectus") to participants in a Continuous Savings Plan unless they request it. You may request a copy of the Renewal Prospectus by calling us at 1-800-665-7700. The Renewal Prospectus may also be found on the SEDAR website at [www.sedar.com](http://www.sedar.com) or on our website at [www.bmo.com/mutualfunds](http://www.bmo.com/mutualfunds).

You do not have a statutory right to withdraw from your purchase of mutual funds pursuant to a Continuous Savings Plan, other than in respect of your initial purchase. However, you will continue to have all other statutory rights under securities law, including certain rights if this prospectus or any document incorporated by reference contains a misrepresentation (see page 166 under *What are your legal rights?*), whether or not you request the Renewal Prospectus. You will continue to have the right to terminate your participation in a Continuous Savings Plan at any time, upon providing notice to us at least four (4) days before the next scheduled investment date.

### Systematic Withdrawal Plan

You can withdraw money monthly, quarterly or semi-annually from your funds using our Systematic Withdrawal Plan. Here's how the plan works:

- you must hold your funds in a non-registered account
- you must meet the minimum requirements in the table starting on page 156
- we'll redeem enough securities to withdraw money from your account and make payments to you
- if you hold BMO U.S. Dollar Funds, or BMO U.S. Equity Fund or BMO U.S. High Yield Bond Fund purchased in U.S. currency, we'll deposit the payments directly to your U.S. dollar bank account at a Canadian financial institution.

If you withdraw more than your funds are earning, you'll reduce your original investment and may use it up altogether.

### BMO registered plans

We can set up a RRSP, LRSP, LIRA, RLSP, RRIF, LIF, RLIF, LRIF, PRIF, RESP, TFSA or RDSP for you. See *Fees and expenses* for fees that may apply.

### BMO MatchMaker Investment Service

BMO MatchMaker helps you match your investment goals and risk tolerance to one of our strategic BMO Mutual Fund portfolios or savings portfolios. You pay no fee for this service. Here's how it works:

- Your contributions will be allocated automatically among the investments in the portfolio you've chosen, based on the weighting designated for each investment within that portfolio
- If you choose a strategic portfolio, it will be reviewed during the last month of each calendar quarter (i.e. March, June, September and December). If the percentage weighting of any single mutual fund held in your portfolio varies by more than its set target range, all of the mutual funds in your portfolio will be automatically rebalanced by switching securities among the funds to return them to their target ranges, at or near the end of the quarter. The set target ranges for the portfolios are listed in the table below. Please see *Income tax considerations for investors*.
- We have obtained regulatory relief to permit BMOAM to review the make up of each of the strategic and savings portfolios on a periodic basis. Pursuant to this relief, BMOAM will exercise limited discretionary authority to make changes in your portfolio upon such periodic reviews by changing the percentage weightings of funds (and

GICs in the case of savings portfolios) in, and/or adding and/or removing funds from, each portfolio with a view to optimizing your return while having regard to your tolerance for risk. You should not opt for a BMO MatchMaker portfolio if you are not willing to have BMOAM exercise such limited discretionary authority over your portfolio. There will be no charge for this feature of the BMO MatchMaker service.

### BMO Intuition Investment Service

BMO Intuition, our registered education savings plan product, offers you a choice of several strategic portfolios and a savings portfolio. You pay no fee for this service. Here's how it works:

- Your contributions will be allocated among the investments in the portfolio you've chosen, based on the weighting designated for each investment within that portfolio
- If you choose a strategic portfolio, it will be reviewed during the last month of each calendar quarter (i.e. March, June, September and December). If the percentage weighting of any single mutual fund held in your portfolio varies by more than its set target range, all of the mutual funds in your portfolio will be automatically rebalanced to return them to their target ranges, at or near the end of the quarter. The set target ranges for the portfolios are listed in the table below
- We have obtained regulatory relief to permit BMOAM to review the make up of each of the strategic and savings portfolios on a periodic basis. Pursuant to this relief, BMOAM will exercise limited discretionary authority to make changes in your portfolio upon such periodic reviews by changing the percentage weightings of funds (and GICs in the case of savings portfolios) in, and/or adding and/or removing funds from, each portfolio with a view to optimizing your return while having regard to your tolerance for risk. You should not opt for a BMO Intuition portfolio if you are not willing to have BMOAM exercise such limited discretionary authority over your portfolio. There will be no charge for this feature of the BMO Intuition service.

### Rebalancing targets for BMO MatchMaker Investment Service and BMO Intuition Investment Service

As described above, one of the primary benefits of investing in a strategic portfolio under either BMO MatchMaker Investment Service or BMO Intuition Investment Service is the automatic rebalancing of your portfolio to help ensure that your portfolio continues to provide the best potential returns for your level of risk tolerance. However, your portfolio will only be automatically rebalanced if the percentage weightings of at least one of the mutual funds held in your portfolio varies by more than its set target range. The set target ranges for the mutual funds held in each strategic portfolio are listed in the table below.

BMO MatchMaker Investment Service Strategic Portfolios	Set Target Range for Automatic Rebalancing
BMO MatchMaker Security Portfolio	Plus or minus 2.0%
BMO MatchMaker Balanced Portfolio	Plus or minus 3.0%
BMO MatchMaker Growth Portfolio	Plus or minus 4.0%
BMO MatchMaker Aggressive Growth Portfolio	Plus or minus 4.5%

  

BMO Intuition Investment Service Strategic Portfolios	Set Target Range for Automatic Rebalancing
BMO Intuition RESP Security Portfolio	Plus or minus 2.0%
BMO Intuition RESP Balanced Portfolio	Plus or minus 3.0%
BMO Intuition RESP Growth Portfolio	Plus or minus 4.0%
BMO Intuition RESP Aggressive Growth Portfolio	Plus or minus 4.5%

For more information about our BMO MatchMaker or Intuition investment services, including details on the mutual funds held in the various strategic portfolios, please visit our website at [www.bmo.com/mutualfunds](http://www.bmo.com/mutualfunds), call us at 1-800-665-7700, or visit your nearest Bank of Montreal branch.



The following table shows the fees and expenses payable by the funds and the fees and expenses you may have to pay if you invest in the funds. Fees are paid by the funds before they calculate their price per security. These fees indirectly reduce the value of your investment.

If the basis of the calculation of a fee or expense that is charged to a series of a fund offered through this simplified prospectus (or is charged directly to securityholders by the fund or by us in connection with the holding of securities of the fund) is changed in a way that could result in an increase in charges to the series or to its securityholders or if such a fee or expense is introduced, the approval of securityholders will not be obtained. Instead, securityholders will be sent a written notice of the change at least 60 days prior to the effective date.

If a fund holds securities of an underlying fund, fees and expenses are payable by the underlying fund in addition to the fees and expenses payable by the fund. No management fees or incentive fees are payable by

a fund that, to a reasonable person, would duplicate a fee payable by an underlying fund for the same service. No sales fees or redemption fees are payable by a fund in relation to its purchases or redemptions of an underlying fund that, to a reasonable person, would duplicate a fee payable by an investor in the fund. Further, except in cases where we have obtained exemptive relief, no sales or redemption fees are payable by a fund in relation to its purchases or redemptions of the securities of an underlying fund if we or one of our affiliates or associates manage the underlying fund. See *Additional information* for more details.

Prior to July 1, 2010, the funds paid goods and services tax (“GST”) on management fees, administrative fees and most operating expenses. Beginning on July 1, 2010, GST was replaced by a harmonized sales tax (“HST”) in certain provinces, which is imposed at a higher rate than GST. Since the applicable HST is paid by the funds, it has increased the overall expenses of the funds.

## Fees and expenses payable by the funds

<b>Management fees</b>	<p>Each fund pays us a fee for our management services. The management fee for each series is expressed as a percentage of the daily net asset value of the series and varies by fund and series. The fee is calculated daily and payable monthly. You’ll find the maximum management fee for the series of each fund offered through this simplified prospectus in the <i>Fund details</i> section. For each series, we may, at our discretion, waive a portion or the entire amount of the management fee chargeable at any given time. For series I securities, separate fees are negotiated and paid by each series I investor. Because we pay lower or no distribution, service or trailing fees on series I and series F securities, series I and series F securities have lower fees compared to series A or series T6 securities. Management fees are subject to sales tax.</p> <p>Depending on several factors, we may rebate all or a portion of the management fee for certain investors in a fund. These factors include the value of an investment in the funds and the nature of an investment, such as large investments by institutional investors. See <i>Fees and Expenses</i> in the funds’ annual information form.</p>
<b>Operating expenses</b>	<p>The manager pays 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 change of units/shares, 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; filing fees, including those incurred by the manager. In return, each fund pays a fixed administration fee to the manager. The administration fee may vary by fund. See the <i>Administration fee</i> information in the <i>Fund details</i> table for each fund. For series I securities, separate fee and expense arrangements are negotiated with each series I investor. Administration fees are subject to sales tax.</p>



### Fees and expenses payable by the funds *(continued)*

<b>Operating expenses</b> <i>(continued)</i>	<p>Each fund also pays certain operating expenses directly (“Fund Expenses”), including interest or other borrowing expenses; all reasonable costs and expenses incurred in relation to compliance with NI 81-107, including compensation and expenses payable to IRC members and any independent counsel or other advisors employed by the IRC, the costs of the orientation and continuing education of IRC members and the costs and expenses associated with IRC meetings; 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. Funds that offer more than one series of securities allocate Fund Expenses proportionately among the series. Fund Expenses that are specific to a series are allocated to that series.</p> <p>Each IRC member receives compensation for the duties he or she performs as an IRC member. The annual retainer for each IRC member (other than the Chair) in respect of all of the BMO Mutual Funds is approximately \$41,748; the annual retainer for the Chair is approximately \$70,650. In addition, each IRC member is entitled to the reimbursement of all reasonable expenses in connection with his or her duties as an IRC member.</p> <p>The manager will not reimburse the funds for any costs incurred in relation to compliance with NI 81-107.</p> <p>The administration fee and Fund Expenses are included in the management expense ratio of a fund.</p>
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### Fees and expenses payable directly by you

<b>Sales charges, switch fees and redemption fees</b>	None. You may have to pay sales charges, switch fees and redemption charges if you invest through a registered broker or dealer other than us.
<b>Series I fees</b>	For series I securities, separate fees are negotiated and paid by each series I investor.
<b>Short-term trading fee</b>	<p>Short-term trading by investors may adversely affect all investors in a fund. To discourage short-term trading, a fund may, at our sole discretion, charge a short-term trading penalty of up to 2% of the amount that you redeem or switch if you buy or switch and then redeem or switch securities of the fund within 30 days of purchasing or switching them. This penalty will be paid directly to the fund. While this penalty generally will be paid out of the redemption proceeds of the fund in question, we have the right to redeem such other funds in any of your accounts without further notice to pay this penalty. We may in our sole discretion decide which securities will be redeemed in such manner as we may determine. You will be responsible for any costs and expenses, as well as any tax consequences, resulting from the collection of this penalty. We have the option to waive this penalty at any time. Please see <i>Short-term trading</i> on page 155.</p>
<b>Registered plan fees</b>	<p>An annual administration fee of \$10 (plus applicable taxes) is charged for each Registered Retirement Savings Plan and Registered Education Savings Plan account. This may be different if you invest through a registered dealer or broker other than us.</p> <p>A fee of \$50 (plus applicable taxes) may be applied to a registered plan account if and at such time as you transfer it, in whole or in part, to another institution. This may be different if you invest through a registered dealer or broker other than us.</p>
<b>Other fees and expenses</b>	<p>Continuous Savings Plan—None          Systematic Withdrawal Plan—None          BMO MatchMaker Investment Service—None          BMO Intuition Investment Service—None          Your dealer may charge a fee for similar services</p>

## Impact of sales charges

The series of the funds offered through this simplified prospectus and certain other series of the funds are no load if you buy, redeem or switch securities of such series through BMO Investments Inc., or the BMO Investment Centre. That means you pay no sales or redemption charges on these transactions.

The following table shows the maximum amount of fees that you would have to pay if you made an investment of \$1,000 in series A, series I, series T6 or series F securities of a fund, held that investment for one, three, five or ten years and redeemed immediately before the end of the period.

	At purchase	One Year	Three Years	Five Years	Ten Years
No load option	none	none	none	none	none

## Dealer compensation

We pay sales commissions to some Bank of Montreal employees.

We may also pay an annual service commission to registered dealers and brokers based on the value of the securities of the funds that their clients hold, according to the following tables:

BMO Mutual Fund	Maximum annual service commission series A and T6 (as applicable)
BMO Canadian Money Market Fund	up to 0.20%
BMO Money Market Fund	
BMO Premium Money Market Fund	
BMO Short-Term Income Class	
BMO T-Bill Fund	
BMO U.S. Dollar Money Market Fund	
BMO Bond Fund	up to 0.60%
BMO Monthly Income Fund	
BMO Mortgage and Short-Term Income Fund	
BMO World Bond Fund	
BMO Canadian Equity ETF Fund	up to 0.50%
BMO International Equity ETF Fund	
BMO U.S. Dollar Equity Index Fund	
BMO U.S. Equity ETF Fund	
BMO Global Strategic Bond Fund	up to 0.75%
BMO U.S. High Yield Bond Fund	

Maximum annual service commission series A and T6 (as applicable)

### BMO Mutual Fund

BMO LifeStage Plus 2015 Fund	up to 0.75%
BMO LifeStage Plus 2017 Fund	
BMO LifeStage Plus 2020 Fund	
BMO LifeStage Plus 2022 Fund	
BMO LifeStage Plus 2025 Fund	
BMO LifeStage Plus 2026 Fund	
BMO LifeStage Plus 2030 Fund	

BMO Asset Allocation Fund	up to 1.00%
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BMO Diversified Income Portfolio
BMO Dividend Fund
BMO Emerging Markets Fund
BMO Equity Fund
BMO European Fund
BMO Global Infrastructure Fund
BMO Global Monthly Income Fund
BMO Global Science & Technology Fund
BMO Japanese Fund
BMO North American Dividend Fund
BMO Precious Metals Fund
BMO Resource Fund
BMO Special Equity Fund
BMO U.S. Dollar Monthly Income Fund
BMO U.S. Equity Fund
BMO U.S. Growth Fund
BMO U.S. Special Equity Fund
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 Sustainable Climate Class
BMO Sustainable Opportunities Class
BMO SelectClass® Security Portfolio
BMO SelectClass® Balanced Portfolio
BMO SelectClass® Growth Portfolio
BMO SelectClass® Aggressive Growth Portfolio
BMO FundSelect® Security Portfolio
BMO FundSelect® Balanced Portfolio
BMO FundSelect® Growth Portfolio
BMO FundSelect® Aggressive Growth Portfolio
BMO Security ETF Portfolio Class
BMO Balanced ETF Portfolio Class
BMO Growth ETF Portfolio Class
BMO Aggressive Growth ETF Portfolio Class

### Other sales incentives

We'll pay for a portion of marketing and educational programs; neither the funds nor their securityholders pay for any compensation programs.

### Sales incentive programs

We pay for marketing materials we give to dealers to help support their sales efforts. We may also share with dealers up to 50% of their costs in marketing the funds.

We may pay up to 10% of the costs of some dealers to hold educational seminars or conferences for their representatives to teach them about, among other things, new developments in the mutual fund industry, financial planning or new financial products. The dealer makes all decisions about where and when the conference is held and who can attend.

We may arrange seminars for representatives of the dealers where we inform them about new developments in our mutual funds, our products and services and mutual fund industry matters. We invite dealers to send their representatives to our seminars and we do not decide who attends. The representatives must pay their own travel, accommodation and personal expenses in connection with attending our seminars.

### Equity Interests

Bank of Montreal Holding Inc. owns 100% of the issued shares of BMO Investments Inc. Bank of Montreal Holding Inc. is a wholly-owned subsidiary of Bank of Montreal. BMO Nesbitt Burns Inc. and BMO InvestorLine Inc., both indirect wholly-owned subsidiaries of Bank of Montreal, may sell securities of the funds. Such sales are made on the same basis as those made by other dealers, with no preferential compensation.

## Dealer compensation from management fees

During the manager's financial year ended October 31, 2010, we paid approximately 10.79% of total management fees we received to registered dealers in sales and service commissions for selling BMO Mutual Funds.

## Income tax considerations for investors

This information is a general summary of the current Canadian federal income tax rules under the *Income Tax Act* (Canada) (the "Tax Act"). It assumes that you are a Canadian resident individual (other than a trust) and hold securities of the funds as capital property.

### When you earn income

If you hold units of a BMO Trust Fund, you earn income on your investment when:

- the BMO Trust Fund pays a distribution out of its net income or net realized capital gains; or
- you redeem or switch your units of the BMO Trust Fund and realize a capital gain.

If you hold shares of a BMO Global Tax Advantage Fund, you generally earn income on your investment when:

- BMO Global Tax Advantage Funds Inc. pays an ordinary dividend or a capital gains dividend; or
- you redeem your shares of the BMO Global Tax Advantage Fund and realize a capital gain.

### Adjusted cost base

The cost of your securities for calculating capital gains or losses for income tax purposes is called the adjusted cost base ("ACB"). For most situations, you can use the following formula to calculate the aggregate ACB of your securities of a fund:

*Your initial investment*  
*plus additional investments*  
*plus reinvested distributions (including returns of capital) or dividends*  
*minus returns of capital*  
*minus the ACB of any previous redemptions*

### Funds held in non-registered accounts

#### BMO Trust Funds

#### Distributions

Distributions (which may include management fee distributions) of a fund's income and capital gains are generally taxable, in Canadian dollars, in the year they are paid or payable to you, whether you received them in cash or had them reinvested in additional units. The amount of reinvested distributions is added to the ACB of your units.

Distributions may include capital gains, taxable Canadian dividends, foreign non-business income and other income. These are taxed as if you had received the amounts directly. You may also be eligible for foreign tax credits in respect of foreign taxes paid by a fund. In general, the higher a fund's portfolio turnover rate, the greater the chance the fund may have taxable distributions. Distributions may include a return of capital. A return of capital is not taxable to you, but will reduce the ACB of the related units. If the ACB of your units is reduced to less than zero, you will realize a capital gain, to the extent of the negative amount and your ACB will be increased to zero.

The unit price of a fund may include income and capital gains that the fund has accrued or realized but not yet distributed. If you invest in a fund before a distribution date, you'll have to pay tax on that distribution, even though the fund earned the amount before you owned it. For example, many of the funds make their only, or most significant, distribution of income and capital gains in December. If you invest in a fund late in the year, you may have to pay tax on its earnings for the whole year.

Here are some other things to know that affect distributions from some of the BMO Trust Funds:

- distributions from BMO Security Funds, BMO U.S. Dollar Money Market Fund and the BMO LifeStage Plus Funds are always reinvested in the funds
- the funds generally treat earnings from futures contracts as ordinary income, rather than capital gains
- BMO Precious Metals Fund and BMO Resource Fund treat gains from the sale of precious metals as ordinary income, rather than capital gains
- BMO U.S. Dollar Money Market Fund, BMO U.S. Dollar Monthly Income Fund and BMO U.S. Dollar Equity Index Fund will realize gains and losses because the cost and maturity value or sale price of their U.S. dollar denominated investments must be converted into Canadian dollars for income tax purposes. These gains and losses are treated as capital gains and losses for income tax purposes. BMO U.S. Dollar Money Market Fund consolidates its units after making a capital gains distribution to maintain a NAV of US\$1.00
- the receipt by a BMO LifeStage Plus Fund of an amount from Bank of Montreal pursuant to the Sub-Advisory Agreement in order to cover a Shortfall may result in a taxable distribution to unitholders with respect to such amount

- Your units of the BMO LifeStage Plus Funds will be consolidated immediately after a distribution is reinvested so that the number of units of the fund you hold after the consolidation is the same as before the distribution. This will not result in a disposition of your units. On the consolidation, the aggregate ACB of your units of the fund will not change, but the ACB per unit will increase.

### Redeeming or switching units

If you redeem units or switch between funds, you'll realize a capital gain (or loss). The capital gain (or loss) is the difference between the amount you receive for the redemption or switch and the ACB of the units, less any costs of disposition.

### Redesignation of units

A redesignation of units of one series of a fund for units of another series of the same fund is not a disposition for income tax purposes and will not result in a capital gain or loss. The cost of the units you receive from a redesignation is equal to the ACB of the units that were redesignated.

In general, you must include one-half of capital gains in computing your income for tax purposes. One-half of capital losses may be used to offset taxable capital gains.

We'll provide you with details on the proceeds from a redemption or switch. However, in order to calculate your gain or loss, you need to know the ACB of your units before the disposition.

## BMO Global Tax Advantage Funds

### Dividends

Dividends from BMO Global Tax Advantage Funds Inc. are taxable in the year you received them, whether you received them in cash or had them reinvested in additional shares. Dividends may include ordinary dividends and capital gains dividends.

Ordinary dividends are treated as taxable dividends you received directly and are subject to the gross-up and dividend tax credit rules that apply to taxable dividends paid by mutual fund corporations. An enhanced gross-up and dividend tax credit is available for certain eligible dividends paid by BMO Global Tax Advantage Funds Inc. Capital gains dividends are treated as realized capital gains. In general, you must include one-half of capital gains in your income. A return of capital is not taxable to you, but will reduce the ACB of your shares of the fund. If the ACB of your shares is reduced to less than zero, you will realize a capital gain to the extent of the

negative amount, and your ACB will be increased to zero. Monthly distributions on series T6 shares will be comprised of return of capital. The share price of a BMO Global Tax Advantage Fund may include income and capital gains that the fund has accrued or realized but not yet paid out as a dividend. If you invest in a BMO Global Tax Advantage Fund before a dividend is declared (which is usually at the end of September), you may have to pay tax on that dividend.

Generally, you are required to include in your income any management fee rebates received. However, in some circumstances you may instead elect to reduce the ACB of your shares by the amount of the rebate.

### Converting shares

A conversion from one class or series of shares of BMO Global Tax Advantage Funds Inc. to another class or series of shares of BMO Global Tax Advantage Funds Inc. is not a disposition for income tax purposes. You won't realize a capital gain (or loss) for income tax purposes when you convert your shares. The cost of the shares you receive from a conversion is equal to the ACB of the shares that were converted.

### Redeeming shares

If you redeem shares or switch your shares of a BMO Global Tax Advantage Fund for units of a BMO Trust Fund, you'll realize a capital gain (or loss). The capital gain (or loss) is the difference between the amount you receive for the sale or switch and the ACB of the shares, less any costs of disposition.

In general, you must include one-half of capital gains in computing your income for tax purposes. One-half of capital losses may be used to offset taxable capital gains.

We'll provide you with details on the proceeds from a redemption or switch. However, in order to calculate your gain or loss, you need to know the ACB of your shares before the disposition.

### Tax reporting

Each year, we'll send you a tax slip with detailed information about the taxable dividends and distributions paid to you. You should keep detailed records of the purchase cost, dividends and distributions related to your investments so you can calculate your ACB.

### Funds held in registered plans

If you hold securities in a registered plan, you generally pay no tax on income earned from, or capital gains realized on the disposition of, those securities as long as they remain in the registered plan. However, withdrawals from a registered plan may be subject to tax. You should consult your tax advisor about the special rules that apply to each particular registered plan, including whether or not an investment in a fund would be a prohibited investment for your registered plan.

## What are your legal rights?

Under securities law in some provinces and territories, you have the right to:

- withdraw from your agreement to buy mutual funds within two business days of receiving the simplified prospectus
- cancel your purchase within 48 hours of receiving confirmation of your order, or
- cancel your purchase agreement and get your money back if the simplified prospectus, annual information form or financial statements misrepresent any facts about the fund. You may also be entitled to get your money back or make a claim for damages if you have suffered a loss.

The time limit to exercise these rights depends on the governing legislation in your province or territory.

For more information, refer to the securities legislation of your province or territory or consult your lawyer.



The manager of the funds has received an exemption from Canadian securities regulators to enable the dealer-managed funds, subject to certain conditions imposed by the regulators, to purchase equity securities of a reporting issuer during the period of distribution (the “Distribution”) of the issuer’s securities pursuant to a private placement offering and for the 60-day period following the completion of the Distribution, notwithstanding that the manager or the associates or affiliates thereof act or have acted as underwriter in connection with the Distribution.

The manager has also received an exemption from Canadian securities regulators to enable the funds, subject to certain conditions imposed by the regulators, including the prior approval of the funds’ IRC, to purchase debt securities in the secondary market from or sell debt securities in the secondary market to an associate or affiliate of the manager that is a principal dealer in the Canadian debt securities markets, acting as principal.

Subject to certain conditions imposed by the regulators, including the prior approval of the funds’ IRC, the funds may:

- invest in Bank of Montreal Common Shares;
- invest in Bank of Montreal Preferred Shares;
- invest in equity and/or corporate debt securities of a reporting issuer during the Distribution of the issuer’s securities and for the 60-day period following the completion of the Distribution, notwithstanding that the manager or an associate or affiliate thereof acts or has acted as underwriter in connection with the Distribution.

In addition, the manager has received an exemption from Canadian securities regulators to enable the funds, subject to certain conditions imposed by the regulators, including the prior approval of the funds’ IRC, to invest in Bank of Montreal Debt Securities in the secondary market and to invest in Bank of Montreal Debt Securities, other than asset-backed commercial paper securities, with a term of maturity of 365 days or more in a primary offering. Similarly, the manager has received an exemption from Canadian securities regulators to enable certain funds, subject to certain conditions imposed by the regulators, including the prior approval of the funds’ IRC, to purchase mortgages from and/or sell mortgages to certain associates or affiliates of the manager.

Prior to seeking IRC approval, the manager is required to refer its written policies and procedures relating to the above-mentioned investments for the funds to the IRC for the IRC’s review. The policies and procedures are designed to ensure, among other things, that each such transaction (i) is consistent with, or be necessary to meet, the investment objectives of the funds (ii) is free from any influence by the manager or any associates or affiliates thereof and does not take into account any consideration relevant to the manager or any associates or affiliates thereof (iii) represents the manager’s business judgment uninfluenced by considerations other than the best interests of the funds, and (iv) achieves a fair and reasonable result for the funds. In the event an investment for a fund is not made in accordance with the conditions imposed by the regulators and/or the IRC, the manager is required to notify the IRC and the IRC, as soon as practicable, is required to notify the securities regulators. This information is also included in the annual report to securityholders prepared by the IRC.

We, and all of the BMO Mutual Funds, have also obtained exemptive relief, subject to certain conditions, to permit the BMO Mutual Funds to purchase securities of exchange traded funds managed by us, or one of our affiliates or associates (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.

Additional information about exemptive relief received by the funds, as well as the mandate and responsibilities of the IRC, is disclosed in the funds’ annual information form.

# MUTUAL FUND DEALERS ASSOCIATION OF CANADA

## CLIENT COMPLAINT INFORMATION FORM

Clients of a mutual fund dealer who are not satisfied with a financial product or service have a right to make a complaint and to seek resolution of the problem. MFDA Member dealers have a responsibility to their clients to ensure that all complaints are dealt with fairly and promptly. If you have a complaint, these are some of the steps you can take:

- Contact your mutual fund dealer. Member firms are responsible to you, the investor, for monitoring the actions of their representatives to ensure that they are in compliance with by-laws, rules and policies governing their activities. The firm will investigate any complaint that you initiate and respond back to you with the results of their investigation within the time period expected of a Member acting diligently in the circumstances, in most cases within three months of receipt of the complaint. It is helpful if your complaint is in writing.
- Contact the Mutual Fund Dealers Association of Canada (“MFDA”), which is the self-regulatory organization in Canada to which your mutual fund dealer belongs. The MFDA investigates complaints about mutual fund dealers and their representatives, and takes enforcement action where appropriate. You may make a complaint to the MFDA at any time, whether or not you have complained to your mutual fund dealer. The MFDA can be contacted:
  - By completing the on-line complaint form at [www.mfda.ca](http://www.mfda.ca)
  - By telephone in Toronto at (416) 361-6332, or toll free at 1-888-466-6332
  - By e-mail at [complaints@mfda.ca](mailto:complaints@mfda.ca)
  - In writing by mail to 121 King Street West, Suite 1000, Toronto, ON M5H 3T9 or by fax at (416) 361-9073

### Compensation:

The MFDA does not order compensation or restitution to clients of Members. The MFDA exists to regulate the operations, standards of practice and business conduct of its Members and their representatives with a mandate to enhance investor protection and strengthen public confidence in the Canadian mutual fund industry. If you are seeking compensation, you may consider the following:

- Ombudsman for Banking Services and Investments (“OBSI”): After the dealer’s Compliance Department has responded to your complaint, you may contact OBSI. You may also contact OBSI if the dealer’s Compliance Department has not responded within 90 days of the date you complained. OBSI provides an independent and impartial process for the investigation and resolution of complaints about the provision of financial services to clients. OBSI can make a non-binding recommendation that your firm compensate you (up to \$350,000) if it determines that you have been treated unfairly, taking into account the criteria of good financial services and business practice, relevant codes of practice or conduct, industry regulation and the law. The OBSI process is free of charge and is confidential. OBSI can be contacted:
  - By telephone in Toronto at (416) 287-2877, or toll free at 1-888-451-4519
  - By e-mail at [ombudsman@obsi.ca](mailto:ombudsman@obsi.ca)
- Legal Assistance: You may consider retaining a lawyer to assist with the complaint. You should be aware that there are legal time limits for taking civil action. A lawyer can advise you of your options and recourses. Once the applicable limitation period expires, you may lose rights to pursue some claims.
- Manitoba, New Brunswick and Saskatchewan: Securities regulatory authorities in these provinces have the power to, in appropriate cases, order that a person or company that has contravened securities laws in their province pay compensation to a claimant. The claimant is then able to enforce such an order as if it were a judgment of the superior court in that province. For more information, please visit:
  - Manitoba: [www.msc.gov.mb.ca](http://www.msc.gov.mb.ca)
  - New Brunswick: [www.nbsc-cvmnb.ca](http://www.nbsc-cvmnb.ca)
  - Saskatchewan: [www.sfsc.gov.sk.ca](http://www.sfsc.gov.sk.ca)
- Québec: The Autorité des marchés financiers (“AMF”) pays indemnities to victims of fraud, fraudulent tactics or embezzlement where those responsible are individuals or firms authorized to practice under the legislation governing the provision of financial services in Quebec. It also rules on the eligibility of claims and sets the amount of the indemnities to be paid to victims. Consumers can thus be compensated to a maximum of \$200,000 per claim, through funds accumulated in a financial services compensation fund. For more information, please visit [www.lautorite.qc.ca](http://www.lautorite.qc.ca).



**BMO Mutual Funds are offered by BMO Investments Inc.** Offering series A, I, T6 and/or F securities as noted.

**BMO Security Funds**

BMO Canadian Money Market Fund (series A and I)  
 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 Portfolio (formerly, BMO Diversified Income Fund) (series A and I)  
 BMO Global Monthly Income Fund (series A and I)  
 BMO Global Strategic Bond Fund (formerly, BMO Global High Yield Bond 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 Canadian Equity ETF Fund (formerly, BMO Equity Index 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 European Fund (series A, I and BMO Guardian European Fund Series F)  
 BMO Global Infrastructure Fund (series A and I)

BMO International Equity ETF Fund (formerly, 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 ETF Fund (formerly, BMO U.S. Equity Index 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. 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<sup>±</sup>**

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<sup>®</sup> Security Portfolio (series A, I and T6)  
 BMO SelectClass<sup>®</sup> Balanced Portfolio (series A, I and T6)  
 BMO SelectClass<sup>®</sup> Growth Portfolio (series A, I and T6)  
 BMO SelectClass<sup>®</sup> Aggressive Growth Portfolio (series A, I and T6)  
 BMO Security ETF Portfolio Class (formerly, BMO Security ETF Portfolio) (series A)  
 BMO Balanced ETF Portfolio Class (formerly, BMO Balanced ETF Portfolio) (series A)  
 BMO Growth ETF Portfolio Class (formerly, BMO Growth ETF Portfolio) (series A)  
 BMO Aggressive Growth ETF Portfolio Class (formerly, BMO Aggressive Growth ETF Portfolio) (series A)

**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<sup>®</sup> Portfolios**

BMO FundSelect<sup>®</sup> Security Portfolio (series A and I)  
 BMO FundSelect<sup>®</sup> Balanced Portfolio (series A and I)  
 BMO FundSelect<sup>®</sup> Growth Portfolio (series A and I)  
 BMO FundSelect<sup>®</sup> Aggressive Growth Portfolio (series A and I)

<sup>±</sup> Each fund within this category is a class of BMO Global Tax Advantage Funds Inc., a mutual fund corporation

You'll find more information about each fund in the funds' annual information form, Fund Facts (once available), management reports of fund performance and financial statements. These documents are incorporated by reference into this simplified prospectus, which means that they legally form part of this simplified prospectus just as if they were printed in it.

If you would like a copy of these documents, call us at 1-800-665-7700. There's no charge for these documents. You'll also find copies of them, and other information about the funds, on the Internet at [www.bmo.com/mutualfunds](http://www.bmo.com/mutualfunds) or [www.sedar.com](http://www.sedar.com). BMO Mutual Funds are offered by BMO Investments Inc.

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**How to reach us:**

**BMO Investments Inc., 77 King Street West, Suite 4200, Toronto, Ontario M5K 1J5**  
**BMO Investissements Inc., 129, rue St. Jacques, 12e étage, Montréal, Québec H2Y 1L6**

**1-800-665-7700**

**7 a.m. to 11 p.m. (E.S.T.), Monday through Friday**

**9 a.m. to 5 p.m. (E.S.T.), Saturday**