

BMO Income ETF Portfolio Class (the "Fund")

(formerly "BMO Security ETF Portfolio Class")

For the 12-month period ended September 30, 2014 (the "period")

Manager: BMO Investments Inc. (the "Manager" or "BMOI")

Portfolio manager: BMO Asset Management Inc., Toronto, Ontario (the "portfolio manager")

2014 Annual Management Report of Fund Performance

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the Fund. If the annual financial statements of the Fund do not accompany the mailing of this report, you may obtain a copy of the annual financial statements at your request, and at no cost, by calling 1-800-665-7700, by writing to us at BMO Investments Inc., First Canadian Place, 100 King Street West, 43rd Floor, Toronto, Ontario, M5X 1A1 or by visiting our website at www.bmo.com/mutualfunds or SEDAR at www.sedar.com. You may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record and/or quarterly portfolio disclosure.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The 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 a lesser exposure to exchange traded funds that invest in equity securities.

The portfolio manager employs a strategic asset allocation strategy and may also 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 the Manager or one of its affiliates. Allocation among the underlying exchange traded funds and other mutual funds are based on each underlying fund's investment objective and strategies, among other factors.

Risk

No changes affecting the overall level of risk associated with investing in the Fund were made during the period. The risks of this Fund remain as discussed in the Fund's most recent simplified prospectus or any amendments and fund facts.

Results of Operations

During the period, the Fund's total net asset value decreased from approximately \$1,062 million to approximately \$763 million. Series A shares of the Fund returned 8.10% versus the Fund's blended benchmark – new, 75% FTSE TMX Canada Universe Bond Index, 10% S&P/TSX Composite Total Return Index and 15% MSCI World Index (CS), return of 10.06%. Please see the *Past Performance* section for information on the performance returns of the Fund's other series.

The first quarter of the period saw 2013 end on a definite strong note for equity markets, capping one of the best annual performances of U.S. equities on record, as the S&P 500 Index finished the calendar year up 31.8% (in USD terms). European equities also participated in the year-long rally, ending 2013 higher by 27%, while Canadian equities lagged, rising only 10.6%. Japanese equities rose an astounding 57.8% on the back of aggressive monetary policies introduced by Prime Minister Abe, while emerging market equities posted a 5% loss, continuing the downward trend that began in October 2012. Overall, risk was in favour, and market volatility was low.

Change began within the first quarter of 2014, as the winter months proved to be colder than had been seen in generations, to a degree that gross domestic product ("GDP") growth in the U.S. fell an astounding 2.1% (a seasonally adjusted annualized rate). The cold weather proved a positive to the Canadian GDP, however, as natural gas prices spiked aggressively on heavy North American usage. A sharp decline in Japanese equities in the first quarter of 2014 reversed the gain realized in the previous 3 months, as investors anticipated the potential for a negative impact from an impending April sales tax increase. Europe, Germany and the U.K. led economic expansion, while investor sentiment benefitted from easing credit conditions and increased stability of the banking system. Emerging market equities found their bottom for the period in March, as accelerated outflows drove many emerging market



Mutual Funds

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currencies down, forcing a few countries (Argentina and Turkey, most notably) to actively defend their currency values with aggressive interest rate increases.

As warmer weather prevailed, so too did a very visible acceleration of the U.S. economy, not only a result of a “bounce-back” effect from the first quarters negative GDP growth, but more reassuringly, from continued strong trends in employment growth, housing construction, and overall corporate profitability. Europe, however, saw the beginning of rapid escalation of the Ukraine and Russia’s ongoing turmoil. Accusations of Russia’s covert involvement in direct military action was escalated by the downing of a civilian passenger plane near the Ukrainian border, rapidly bringing broad economic and political sanctions from most of the largest western countries. Emerging market equities continued to recover, as mini-stimulus packages released by the Chinese government alleviated concerns that the government would not be able to deliver its promised 7-7.5% GDP growth for the year.

By the last quarter of the period, Canadian equities had continued to outperform, finishing the period up 19.5%, while the decline of the Canadian dollar versus the U.S. dollar contributed significantly to a return of 28.7% in CAD terms from U.S. equities. Japanese equities continued to recover, as consumer spending turned upward again, following April’s tax increase, and European equities reversed modestly from their summer pullback, allowing both markets to end the period with single-digit gains.

In fixed income markets, all eyes were firmly on the U.S. Federal Reserve Board (the “Fed”), searching desperately for clues as to the pace at which the longstanding quantitative easing program (i.e., monetary policy used by the Fed to increase money supply) would be tapered, and ultimately, when interest rates would begin to rise. 10-year treasuries successfully retested the psychologically important 3% level in December. The Fed’s Chairwoman, Janet Yellen, continued reassurance that multiple measures of economic slack would be the driver, combined with low inflationary pressures from the energy and labour markets to allow the benchmark yield to gradually fall over the period, to a low of 2.33%, before spiking up and easing modestly in September to end the period at 2.50%.

Canada’s yields followed a similar, yet more aggressive downward path resulting from a declining oil price and sluggish job creation, which convinced bond markets that the Bank of Canada was extremely unlikely to raise interest rates before the U.S. Across Canada, wage growth turned sharply negative, as growing supply of U.S. oil and

frustratingly slow industrial export growth limited this important inflation driver. Over the period, the widely-held concern that Canada faced a nation-wide housing bubble was tempered, and comments from the newly appointed Finance Minister, Joe Oliver, gave clear indication he had no intention of altering mortgage rules to reduce liquidity. Similarly, the Bank of Canada’s governor, Stephen Poloz, made no moves to suggest that he would act to support the declining Canadian dollar, a supportive move for the export sector. The 10-year yield finished at 2.15% at the end of the period, and the Canadian dollar just under 6% lower versus the U.S. dollar.

Emerging market bonds saw an end to the massive outflow of institutional capital that began last year, with flows returning to net positive in April of 2014. Sovereign bonds generally outperformed corporates, while investment-grade government issues beat out lower rated countries’ debt offerings. Notable detractors included Argentina, where missed interest payments triggered partial defaults leading to international legal challenges. Additionally, the Ukraine’s government debt fell dramatically, while somewhat unfairly, Russia’s bond market fell only a fraction of Ukraine’s. However, due to Russia’s much larger market capitalization, it had a much larger impact on the overall index. On a regional basis, Latin American issues slightly outperformed emerging Asia debt, while the EMEA (i.e., Europe, Middle East, Africa) sub-index lagged for the period.

The rapid reversal of what the European Central Bank (“ECB”) believed would be an upturn in industrial production, intensified the fears of deflation across Europe. This was reflected in the ECB’s adoption of a negative interest rate applied to member banks’ deposits of excess capital, and the halving of the yield on the 10-year German bund benchmark from 1.88% to 0.89%, by the end of the period. Credit markets remained mostly stable, until the third quarter of the period, when a short-lived sell off of high yield bonds (mostly by retail investors holding exchange traded funds) resulted in a 2% drop in the Merrill Lynch/ Bank of America US High Yield Master II Index, reversed, and then sold off again, leaving the index with an overall gain for the period of 7.2%.

During the period, all the underlying funds held in the portfolio positively contributed to the Fund’s overall performance. Canadian equities led with the highest returns, followed by U.S. equities. Emerging markets, Asia and European equities significantly lagged developed markets, although rose slightly. Among fixed income markets, emerging market bonds led with the highest

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returns, followed by global sovereign bonds, while North American mid-term corporates, Canadian government bonds, preferred shares and short-term bonds returned the lowest performance.

The Manager confirms that the Fund did not borrow money during the period.

For information on the Fund's performance and composition, please refer to the Past Performance section and Summary of Investment Portfolio section of this report.

Recent Developments

As the fourth quarter of 2014 began, an increasingly apparent deceleration of the eurozone's economic growth, combined with unsettling developments with regard to the war against Iraqi militants and a potential global Ebola virus outbreak, has vastly overshadowed any comfort to be seen in the still-robust U.S. economic data or benign monetary policy. October 2014 brought a long awaited pullback in North American equity prices, with a plunging oil price hitting Canadian markets in particular, bringing them within a fraction of a formal market correction (i.e., commonly defined as a 10% drop or greater). Although not quite as pronounced, the global flight to quality pushed the U.S. 10-year treasury yield down to an intraday low of 1.87%, the S&P 500 Index as low as 9.8%. While most market participants would agree that some correction was inevitable, even obvious, what is the more important debate is whether this marks a fundamental turning point in global economic expansion, or if it is merely a pause in a longer-term, slow growth, secular bull market.

Among developed markets, expansion has been primarily driven by both the U.S. and the U.K., with Germany's shouldering of the eurozone's aggregate growth rapidly waning. Emerging markets are slowly improving although general risk aversion seems to be preventing any new inflows of investor capital.

In the portfolio manager's view, the current market pullback is indeed just that, representing a price correction rather than a fundamental shift in the relative expected performance of equities versus fixed income. There are too many positive economic indicators, including continued job creation, cash-rich balance sheets, increased consumer spending, and continued improvements in the housing market to arrive at the conclusion that U.S. economic expansion is in any immediate danger. It is the degree of impact of any ex-North American economies upon overall global demand, plus any potential further shocks from geopolitical uncertainty that is affecting investor sentiment.

Recently, the portfolio manager increased the Fund's exposure to any potential increase in the U.S. dollar among the fixed income portion of the portfolio. Additionally, the Fund has modestly lowered its allocation to European equities, as the ECB continues to drag its feet on implementing any degree of quantitative easing that will be sufficient to reignite economic growth. The Fund remains overweight in U.S. equities relative to Canada, as it has been for the entire period. While this cost the Fund relative performance in the first half of the year, the relative performance of the two markets has reversed once again, with Canada's energy dependent economy more susceptible to the negative impact of what the portfolio manager believes to be a prolonged period of lower oil prices. The Fund has maintained its holdings of U.S. high yield bonds, as the continued stability of predicted defaults remains well below the long-term average, while interest coverage ratios among issuers remain robust. Despite the immediate absence of factors driving any aggressive inflation pressures in the near-term, the Fund remains less sensitive to interest rate increases versus the FTSE TMX Universe Bond Index, favouring an overweight to shorter term fixed income securities.

Fund Name Change

Effective August 11, 2014, the Fund changed its name to BMO Income ETF Portfolio Class.

Future Accounting Standards

Canadian investment entities will be required to prepare their financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board, for fiscal years beginning on or after January 1, 2014. As a result, the Fund will report its financial results for the interim period ending March 31, 2015, prepared on an IFRS basis. It will also provide comparative data on an IFRS basis, including an opening balance sheet as at October 1, 2013, or the date of seeding, for a fund launched during the comparative period ("transition date").

The differences between the Fund's accounting policies under Canadian generally accepted accounting principles and IFRS requirements will result in measurement and recognition differences on transition to IFRS. The net impact of these differences will be recorded in the increase/decrease in net assets attributable to redeemable shareholders.

Significant Accounting Changes Resulting from our Adoption of IFRS

The main accounting changes listed below should not be considered a comprehensive list of impacts of adopting IFRS, but rather the most significant of certain key changes.

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The framework for fair valuation is set out under IFRS 13 Fair Value Measurement (“IFRS 13”), which includes the requirements for the measurement and disclosure of fair value. If an asset or liability measured at fair value has a bid price and an ask price, the standard requires valuation to be based on a price within the bid-ask spread that is most representative of fair value. The standard allows the use of mid-market pricing or other pricing conventions that are used by market participants as a practical means for fair value measurements within a bid-ask spread. Thus this standard will impact the net assets per share for financial statement reporting purposes compared to current standards, and may also result in the elimination of the differences between the net asset per share and net asset value per share (“NAVPS”) at the financial statement reporting date. IFRS 7 Financial Instruments: Disclosure (“IFRS 7”) requires the Fund to identify and disclose financial assets and or financial liabilities that have been, or could in future, be offset. IAS 32 Financial Instruments: Presentation (“IAS 32”) requires that the balance(s) of such offsetting financial assets and or financial liabilities be presented on a net basis provided the Fund has both the intention and ability to settle the transaction on net basis. If it is determined that both conditions are present, the Fund will present the positions on a net basis on the financial statements and disclose the gross positions in the notes; otherwise the positions will be presented on a gross basis on the financial statements. When the Fund has the ability but does not intend to settle the positions on a net basis, they will be presented on a gross basis on the financial statements along with a note disclosing the net impact of the positions held. The Manager is currently reviewing the Fund’s financial assets and liabilities to determine the appropriate presentation and disclosure.

While IFRS does not require interest income to be disclosed for debt instruments measured at fair value through profit or loss, when interest income is disclosed, IFRS requires that the effective interest rate method of calculating accrued interest be used rather than the straight-line amortization method. The Manager has not identified any changes that will impact NAVPU as a result of the transition to IFRS.

Where the Fund holds controlling interest in an investment, it is the Manager’s expectation that the Fund will qualify as an investment entity in accordance with IFRS 10 Consolidated Financial Statements. As such, the Fund will not be required to consolidate its investments, but rather to hold the investments at fair value through profit or loss regardless of whether those investments are controlled. If the Fund fair values the investments it controls, it may be required to

make additional financial statement disclosures on its controlled investments (subsidiaries). Additional disclosures are also required with respect to interest in other entities such as joint arrangements, associates and or structured entities as applicable, in accordance with IFRS 12 Disclosure of Interests in Other Entities (“IFRS 12”). IFRS 12 also requires additional disclosures if the Fund is determined to qualify as an investment entity without having all of the typical characteristics of an investment entity.

The criteria contained within IAS 32 will result in the classification of the shareholders’ equity as a liability within the Fund’s Statement of Net Assets, unless all conditions required for equity classification are met. The Manager has assessed the Fund’s shareholder structure and currently expects that liability treatment will be appropriate for the Fund’s shares. The Manager’s current evaluation may be subject to change due to issuance of new standards or new interpretations of existing standards.

Under IFRS, statement of cash flows is one of the primary financial statements required to be presented. The Fund will therefore be presenting statement of cash flows in its set of financial statements in accordance with the presentation requirements in IAS 7 Statement of Cash Flows.

RELATED PARTY TRANSACTIONS

BMO Investments Inc., an indirect, wholly-owned subsidiary of Bank of Montreal (“BMO”), is the Manager of the Fund. From time to time, the Manager may, on behalf of the Fund, enter into transactions or arrangements with or involving other members of BMO Financial Group, or certain other persons or companies that are related or connected to the Manager (each a “Related Party”). The purpose of this section is to provide a brief description of any transaction involving the Fund and a Related Party.

Portfolio Manager

The Fund’s portfolio manager is BMO Asset Management Inc. (“BMOAM”), an affiliate of the Manager. BMOAM provides portfolio management services to the Fund. BMOAM receives from the Fund a management fee based on assets under management, calculated daily and payable monthly.

Administration Fees and Operating Expenses

The Fund pays a fixed administration fee to the Manager in respect of each series other than Series I. The Manager in return pays the operating expenses of these series of the Fund, other than certain specified expenses that are paid directly by the Fund (“Fund Expenses”). Fund Expenses include interest or other borrowing expenses, costs and expenses related to the operation of the Fund’s Independent

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Review Committee (“IRC”), including fees and expenses of IRC members, taxes 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 (e.g., cost associated with the production of fund facts, filed in compliance with the relevant amendments to NI 81-101). Fund Expenses are allocated proportionately among the relevant series. If the Fund Expenses are specific to a series, the Fund Expenses are allocated to that series. The fixed administration fee is calculated as a fixed annual percentage of the average net asset value of each relevant series of the Fund. Separate fees and expenses are negotiated and paid by each Series I investor. Further details about the fixed administration fee and/or Fund Expenses can be found in the Fund’s most recent simplified prospectus at www.bmo.com/mutualfunds or www.sedar.com.

Buying and Selling Securities

Inter-Fund Trades

During the period, the Manager relied on an approval and standing instruction provided by the Fund’s IRC to enable the Fund to purchase a security of any issuer from, or sell a security of any issuer to, another investment fund or managed account, managed by the same Manager or an affiliate of the Manager (an “Inter-Fund Trade”) (each Inter-Fund Trade, a “Related Party Transaction”).

In accordance with the IRC’s approval and standing instruction, in making a decision to cause the Fund to make a Related Party Transaction, the Manager and portfolio manager of the Fund are required to comply with the Manager’s written policies and procedures governing the Related-Party Transaction and report periodically to the IRC, describing each instance that the Manager and/or portfolio manager relied on the approval and standing instruction and their compliance or noncompliance with the governing policies and procedures. The governing policies and procedures are designed to ensure the Related Party Transaction (i) is made free from any influence of BMO Nesbitt Burns Inc. or an associate or affiliate of BMO Nesbitt Burns Inc. and without taking into account any considerations relevant to BMO Nesbitt Burns Inc. or an associate or affiliate of BMO Nesbitt Burns Inc., (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the Fund, and (iii) achieves a fair and reasonable result for the Fund.

Brokerage Commissions

The Fund pays standard brokerage commissions at market rates to BMO Nesbitt Burns Inc., an affiliate of the Manager, for executing a portion of its trades. The brokerage commissions charged to the Fund (excluding exchange and other fees) during the periods indicated, were as follows:

		Period ended Sep. 30, 2014 \$000	Period ended Sep. 30, 2013 \$000
Total brokerage commissions	\$	326	726
Brokerage commissions paid to BMO Nesbitt Burns Inc.	\$	129	224

Distribution Services

The Manager markets and distributes the Fund through Bank of Montreal branches and/or (depending on the series) through registered dealers and brokers, including BMO InvestorLine Inc. and BMO Nesbitt Burns Inc., both affiliates of the Manager. The Manager pays to these affiliates a service fee called a “trailing commission” based on the average daily value of the units and/or shares that are held in investor accounts. This service fee is paid monthly or quarterly and varies by purchase option and by series.

Management Fees

The Manager is responsible for the day-to-day management of the business and operations of the Fund. The Manager monitors and evaluates the Fund’s performance, pays for the investment advice provided by the Fund’s portfolio manager and provides certain administrative services required by the Fund. As compensation for its services, the Manager is entitled to receive a management fee payable monthly, calculated based on the daily net asset value of each series of the Fund at the maximum annual rate set out in the table below.

	Maximum Annual Management Fee Rate*	As a Percentage of Management Fees	
		Dealer Compensation	General Administration, Investment Advice and Profit
	%	%	%
Series A Shares	1.35	2	98
Advisor Series Shares	1.35	96	4
Series T6 Shares	1.35	100	0
Series F Shares	0.35	0	100
Series I Shares	—	—	—

* For Series I Shares, separate Series I fees are negotiated and paid by each Series I investor. Because the Manager pays no distribution, service or trailing fees on Series I Shares, Series I Shares will have lower Series I fees than the management fees for Series A Shares.

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FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the periods indicated.

The Fund's Net Assets per Share ⁽¹⁾

Series A Shares

		2014	Periods ended Sep. 30			
			2013	2012	2011	2010 ⁽⁶⁾
Net assets, beginning of period	\$	10.82	11.03	10.46	10.28	10.00 [*]
Increase (decrease)						
from operations:						
Total revenue	\$	0.35	0.35	0.40	0.44	0.15
Total expenses ⁽²⁾	\$	-0.16	-0.16	-0.15	-0.17	-0.04
Realized gains (losses)						
for the period	\$	0.21	-0.06	-0.01	0.02	—
Unrealized gains (losses)						
for the period	\$	0.56	-0.29	0.21	-0.28	0.16
Total increase (decrease)						
from operations ⁽³⁾	\$	0.96	-0.16	0.45	0.01	0.27
Distributions:						
From income						
(excluding dividends)	\$	—	—	—	—	—
From dividends	\$	0.10	0.06	—	—	—
From capital gains	\$	—	—	—	—	—
Return of capital	\$	—	—	—	—	—
Total Annual Distributions ⁽⁴⁾	\$	0.10	0.06	—	—	—
Net assets, end of period	\$	11.61	10.82	11.03	10.46	10.28

Advisor Series Shares

		2014	Periods ended Sep. 30			
			2013	2012	2011	2010 ⁽⁵⁾
Net assets, beginning of period	\$	10.67	10.87	10.31	10.14	10.00 [*]
Increase (decrease)						
from operations:						
Total revenue	\$	0.35	0.35	0.39	0.44	0.22
Total expenses ⁽²⁾	\$	-0.16	-0.16	-0.15	-0.17	-0.09
Realized gains (losses)						
for the period	\$	0.21	-0.07	-0.01	0.02	—
Unrealized gains (losses)						
for the period	\$	0.50	-0.29	0.29	-0.25	0.32
Total increase (decrease)						
from operations ⁽³⁾	\$	0.90	-0.17	0.52	0.04	0.45
Distributions:						
From income						
(excluding dividends)	\$	—	—	—	—	—
From dividends	\$	0.06	0.05	—	—	—
From capital gains	\$	—	—	—	—	—
Return of capital	\$	—	—	—	—	—
Total Annual Distributions ⁽⁴⁾	\$	0.06	0.05	—	—	—
Net assets, end of period	\$	11.48	10.67	10.87	10.31	10.14

Series T6 Shares

		2014	Periods ended Sep. 30			
			2013	2012	2011 ⁽⁷⁾	
Net assets, beginning of period	\$	8.85	9.59	9.67	10.00 [*]	
Increase (decrease)						
from operations:						
Total revenue	\$	0.28	0.30	0.35	0.37	
Total expenses ⁽²⁾	\$	-0.13	-0.14	-0.14	-0.13	
Realized gains (losses)						
for the period	\$	0.17	-0.06	0.00	0.00	
Unrealized gains (losses)						
for the period	\$	0.41	-0.24	0.24	-0.36	
Total increase (decrease)						
from operations ⁽³⁾	\$	0.73	-0.14	0.45	-0.12	
Distributions:						
From income						
(excluding dividends)	\$	—	—	—	—	
From dividends	\$	0.05	0.05	—	—	
From capital gains	\$	—	—	—	—	
Return of capital	\$	0.55	0.57	0.59	0.50	
Total Annual Distributions ⁽⁴⁾	\$	0.60	0.62	0.59	0.50	
Net assets, end of period	\$	8.96	8.85	9.59	9.67	

Series F Shares

		2014	Periods ended Sep. 30			
			2013	2012	2011	2010 ⁽⁵⁾
Net assets, beginning of period	\$	11.00	11.09	10.43	10.16	10.00 [*]
Increase (decrease)						
from operations:						
Total revenue	\$	0.36	0.35	0.39	0.46	0.28
Total expenses ⁽²⁾	\$	-0.04	-0.05	-0.06	-0.08	-0.05
Realized gains (losses)						
for the period	\$	0.22	-0.07	0.00	0.00	—
Unrealized gains (losses)						
for the period	\$	0.47	-0.30	0.31	-0.50	0.22
Total increase (decrease)						
from operations ⁽³⁾	\$	1.01	-0.07	0.64	-0.12	0.45
Distributions:						
From income						
(excluding dividends)	\$	—	—	—	—	—
From dividends	\$	0.05	0.05	—	—	—
From capital gains	\$	—	—	—	—	—
Return of capital	\$	—	—	—	—	—
Total Annual Distributions ⁽⁴⁾	\$	0.05	0.05	—	—	—
Net assets, end of period	\$	11.99	11.00	11.09	10.43	10.16

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Series I Shares

		2014	Periods ended Sep. 30			
			2013	2012	2011	2010 ⁽⁵⁾
Net assets, beginning of period	\$	11.28	11.32	10.56	10.21	10.00*
Increase (decrease)						
from operations:						
Total revenue	\$	0.37	0.35	0.39	0.42	0.14
Total expenses ⁽²⁾	\$	0.03	0.03	0.03	0.00	-0.02
Realized gains (losses)						
for the period	\$	0.23	-0.07	-0.01	0.04	—
Unrealized gains (losses)						
for the period	\$	0.50	-0.42	0.35	-0.11	0.09
Total increase (decrease)						
from operations ⁽³⁾	\$	1.13	-0.11	0.76	0.35	0.21
Distributions:						
From income						
(excluding dividends)	\$	—	—	—	—	—
From dividends	\$	0.19	0.07	—	—	—
From capital gains	\$	—	—	—	—	—
Return of capital	\$	—	—	—	—	—
Total Annual Distributions ⁽⁴⁾	\$	0.19	0.07	—	—	—
Net assets, end of period	\$	12.22	11.28	11.32	10.56	10.21

* Initial net assets.

⁽¹⁾ This information is derived from the Fund's audited financial statements. The net assets per share presented in the financial statements differs from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to the Fund's financial statements.

⁽²⁾ Includes commissions and other portfolio transaction costs.

⁽³⁾ Net assets and distributions are based on the actual number of shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of shares outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per share.

⁽⁴⁾ Distributions were either paid in cash or reinvested in additional shares of the Fund, or both.

⁽⁵⁾ The information shown in this column is for the period beginning April 26, 2010 (the series' launch date) and ending September 30, 2010.

⁽⁶⁾ The information shown in this column is for the period beginning July 12, 2010 (the series' launch date) and ending September 30, 2010.

⁽⁷⁾ The information shown in this column is for the period beginning November 26, 2010 (the series' launch date) and ending September 30, 2011.

Ratios and Supplemental Data

Series A Shares

		2014	Periods ended Sep. 30			
			2013	2012	2011	2010 ⁽⁴⁾
Total net asset value (000's) ⁽¹⁾	\$	440,330	700,386	793,464	17,058	2,216
Number of shares						
outstanding (000's) ⁽¹⁾		37,941	64,698	71,839	1,627	215
Management expense ratio ⁽²⁾	%	1.65	1.66	1.65	1.67	1.65
Management expense ratio						
before waivers or absorptions	%	1.65	1.66	1.65	1.68	2.24
Trading expense ratio ⁽³⁾	%	0.04	0.06	0.10	0.28	0.61
Portfolio turnover rate ⁽⁴⁾	%	13.63	47.41	0.31	14.80	—
Net asset value per share	\$	11.61	10.83	11.05	10.48	10.29

Advisor Series Shares

		2014	Periods ended Sep. 30			
			2013	2012	2011	2010 ⁽⁵⁾
Total net asset value (000's) ⁽¹⁾	\$	235,549	272,119	230,429	80,475	9,212
Number of shares						
outstanding (000's) ⁽¹⁾		20,517	25,479	21,168	7,789	908
Management expense ratio ⁽²⁾	%	1.67	1.67	1.65	1.65	1.66
Management expense ratio						
before waivers or absorptions	%	1.67	1.67	1.65	1.65	2.19
Trading expense ratio ⁽³⁾	%	0.04	0.06	0.10	0.28	0.61
Portfolio turnover rate ⁽⁴⁾	%	13.63	47.41	0.31	14.80	—
Net asset value per share	\$	11.48	10.68	10.89	10.33	10.14

Series T6 Shares

		2014	Periods ended Sep. 30			
			2013	2012	2011	2010 ⁽⁷⁾
Total net asset value (000's) ⁽¹⁾	\$	54,012	63,986	61,148	10,268	
Number of shares						
outstanding (000's) ⁽¹⁾		6,027	7,226	6,367	1,060	
Management expense ratio ⁽²⁾	%	1.67	1.67	1.64	1.66	
Management expense ratio						
before waivers or absorptions	%	1.68	1.67	1.64	1.73	
Trading expense ratio ⁽³⁾	%	0.04	0.06	0.10	0.28	
Portfolio turnover rate ⁽⁴⁾	%	13.63	47.41	0.31	14.80	
Net asset value per share	\$	8.96	8.85	9.60	9.69	

Series F Shares

		2014	Periods ended Sep. 30			
			2013	2012	2011	2010 ⁽⁵⁾
Total net asset value (000's) ⁽¹⁾	\$	32,725	25,963	22,906	8,278	252
Number of shares						
outstanding (000's) ⁽¹⁾		2,730	2,358	2,061	792	25
Management expense ratio ⁽²⁾	%	0.56	0.67	0.76	0.80	0.80
Management expense ratio						
before waivers or absorptions	%	0.64	0.75	0.76	0.81	1.30
Trading expense ratio ⁽³⁾	%	0.04	0.06	0.10	0.28	0.61
Portfolio turnover rate ⁽⁴⁾	%	13.63	47.41	0.31	14.80	—
Net asset value per share	\$	11.99	11.01	11.11	10.46	10.17

Series I Shares

		2014	Periods ended Sep. 30			
			2013	2012	2011	2010 ⁽⁵⁾
Total net asset value (000's) ⁽¹⁾	\$	12	12	11	11	10
Number of shares						
outstanding (000's) ⁽¹⁾		1	1	1	1	1
Management expense ratio ⁺	%	—	—	—	—	—
Management expense ratio						
before waivers or absorptions ⁺	%	—	0.28	0.32	0.30	0.22
Trading expense ratio ⁽³⁾	%	0.04	0.06	0.10	0.28	0.61
Portfolio turnover rate ⁽⁴⁾	%	13.63	47.41	0.31	14.80	—
Net asset value per share	\$	12.22	11.29	11.33	10.58	10.22

+ Operating expenses are paid by BMOII and management fees are paid directly to BMOII as negotiated with the investor.

⁽¹⁾ This information is provided as at September 30 of the period shown, as applicable.

⁽²⁾ Management expense ratio is based on total expenses (excluding commissions and other portfolio transactions costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

⁽³⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

⁽⁴⁾ The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund. For the financial period-ended September 30, 2010, no purchases or sales of portfolio securities were made by the Fund. As a result, the portfolio turnover rate for this period was zero.

⁽⁵⁾ The information shown in this column is for the period beginning April 26, 2010 (the series' launch date) and ending September 30, 2010.

⁽⁶⁾ The information shown in this column is for the period beginning July 12, 2010 (the series' launch date) and ending September 30, 2010.

⁽⁷⁾ The information shown in this column is for the period beginning November 26, 2010 (the series' launch date) and ending September 30, 2011.

PAST PERFORMANCE

The Fund's performance information assumes that all distributions made by the Fund in the periods shown were used to purchase additional securities of the Fund and is based on the net asset value of the Fund.

BMO Income ETF Portfolio Class

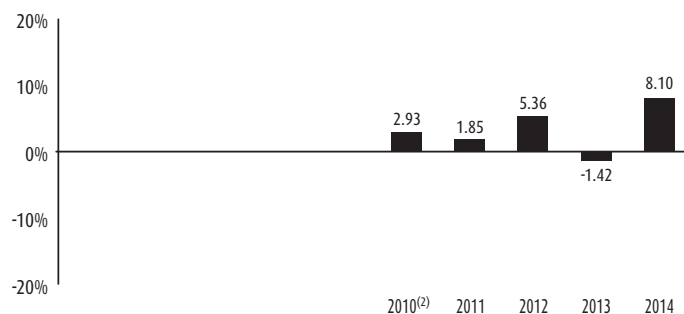
The performance information does not take into account sales, redemption, distribution or other optional charges that, if applicable, would have reduced returns or performance. Please remember that how the Fund has performed in the past does not indicate how it will perform in the future.

The returns of each series may differ from one another for a number of reasons, including if the series was not issued and outstanding for the entire reporting period and because of the different levels of management fees and expenses allocated and payable by each series.

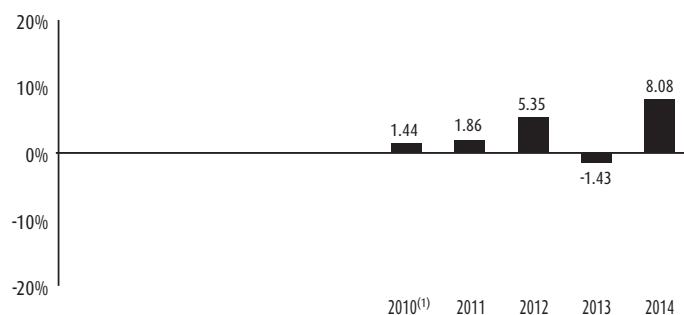
Year-by-Year Returns

The following bar charts show the performance for each series of the Fund for each of the financial years shown. The charts show in percentage terms how an investment made on the first day of each financial year would have increased or decreased by the last day of each financial year.

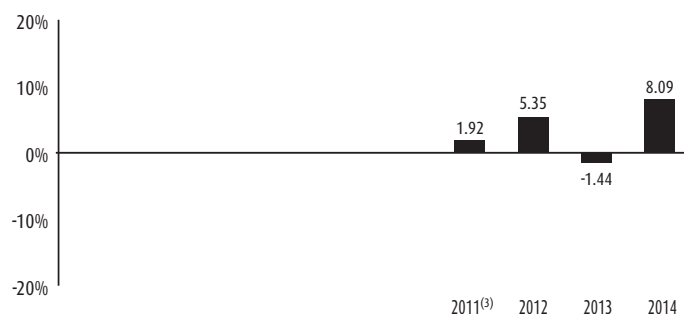
Series A Shares



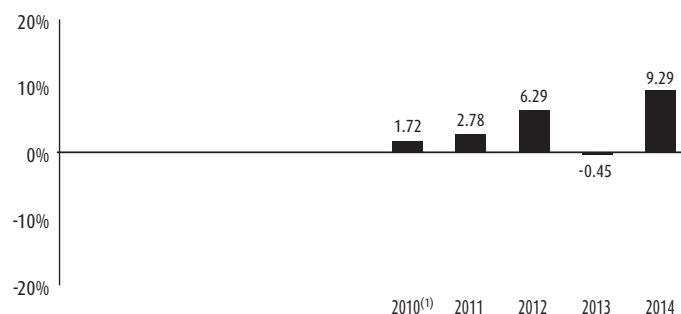
Advisor Series Shares



Series T6 Shares



Series F Shares



Series I Shares



⁽¹⁾ For the period beginning April 26, 2010 to September 30, 2010.

⁽²⁾ For the period beginning July 12, 2010 to September 30, 2010.

⁽³⁾ For the period beginning November 26, 2010 to September 30, 2011.

Annual Compound Returns

This table compares the historical annual compound returns of the Fund with its blended benchmark – new (composed of 75% FTSE TMX Canada Universe Bond Index (formerly known as the DEX Universe Bond Index), 10% S&P/TSX Composite Total Return Index (“S&P/TSX”) and 15% Morgan Stanley Capital International (“MSCI”) World Index (C\$)), in addition to the FTSE TMX Canada Universe Bond Index, a broad-based index.

The S&P/TSX reflects the price movements of selected securities listed on the Toronto Stock Exchange and weighted by market capitalization.

The MSCI World Index (C\$) measures the total return of equity securities available in developed markets globally from 24 countries.

The FTSE TMX Canada Universe Bond Index is a broad measure of the total return of Canadian bonds that mature in more than one year.

BMO Income ETF Portfolio Class

Series A Shares

		1 year	3 years	5 years	10 years	Since Inception ⁽¹⁾
BMO Income ETF Portfolio Class	%	8.10	3.94			3.94
Blended Benchmark – new	%	10.06	6.89			7.22
Blended Benchmark	%	9.76	5.63			6.17
FTSE TMX Canada Universe Bond Index	%	6.34	3.45			4.97

Advisor Series Shares

		1 year	3 years	5 years	10 years	Since Inception ⁽¹⁾
BMO Income ETF Portfolio Class	%	8.08	3.92			3.40
Blended Benchmark – new	%	10.06	6.89			6.93
Blended Benchmark	%	9.76	5.63			6.08
FTSE TMX Canada Universe Bond Index	%	6.34	3.45			5.38

Series T6 Shares

		1 year	3 years	5 years	10 years	Since Inception ⁽¹⁾
BMO Income ETF Portfolio Class	%	8.09	3.92			3.56
Blended Benchmark – new	%	10.06	6.89			6.61
Blended Benchmark	%	9.76	5.63			5.46
FTSE TMX Canada Universe Bond Index	%	6.34	3.45			4.48

Series F Shares

		1 year	3 years	5 years	10 years	Since Inception ⁽¹⁾
BMO Income ETF Portfolio Class	%	9.29	4.97			4.38
Blended Benchmark – new	%	10.06	6.89			6.93
Blended Benchmark	%	9.76	5.63			6.08
FTSE TMX Canada Universe Bond Index	%	6.34	3.45			5.38

Series I Shares

		1 year	3 years	5 years	10 years	Since Inception ⁽¹⁾
BMO Income ETF Portfolio Class	%	9.90	5.67			5.14
Blended Benchmark – new	%	10.06	6.89			6.93
Blended Benchmark	%	9.76	5.63			6.08
FTSE TMX Canada Universe Bond Index	%	6.34	3.45			5.38

⁽¹⁾ Return from April 26, 2010 to September 30, 2014.

⁽²⁾ Return from July 12, 2010 to September 30, 2014.

⁽³⁾ Return from November 26, 2010 to September 30, 2014.

As noted above, the table shows a comparison of the historical annual compound returns of the Fund with the FTSE TMX Canada Universe Bond Index, a broad-based index. The Fund, however, uses a blended benchmark to compare its overall relative performance. The reason for this is that the blended benchmark is a better reflection of the asset mix of the underlying investments within the Fund's portfolio. Accordingly, the blended benchmark is a more accurate and useful comparison.

In 2014, the Manager realigned the Fund's blended benchmark – new, which better reflects its asset mix.

A commentary on the market and/or information regarding the relative performance of the Fund as compared to its benchmark can be found under the Results of Operations section of this report.

SUMMARY OF INVESTMENT PORTFOLIO

As at September 30, 2014

Portfolio Allocation	% of Net Asset Value
Fixed Income Funds	74.2
U.S. Equity Funds	12.3
Canadian Equity Fund	7.3
International Equity Fund	5.0
Cash/Receivables/Payables	1.2
Total Portfolio Allocation	100.0

Holdings**	% of Net Asset Value
Issuer	
BMO Aggregate Bond Index ETF	37.4
BMO Short Corporate Bond Index ETF	10.3
BMO Mid Corporate Bond Index ETF	10.3
BMO S&P 500 Index ETF	7.6
BMO S&P/TSX Capped Composite Index ETF	7.3
BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF	5.2
BMO MSCI EAFE Hedged to CAD Index ETF	5.0
BMO High Yield US Corporate Bond Hedged to CAD Index ETF	4.9
BMO US Dividend Hedged to CAD ETF	4.7
BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF	4.3
BMO Floating Rate High Yield ETF	1.8
Cash/Receivables/Payables	1.2
Total Holdings as a Percentage of Total Net Asset Value	100.0
Total Net Asset Value	\$762,627,913

^{**}Represents entire portfolio.

**The prospectus and other information about the underlying exchange traded funds held in the portfolio are available on the internet at www.sedar.com and, also at www.bmo.com/etfs.*

The summary of investment portfolio may change due to the Fund's ongoing portfolio transactions. Updates are available quarterly.

www.bmo.com/mutualfunds

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