

BMO Monthly Income Fund (the "Fund")

For the period ended March 31, 2013 • Manager: BMO Investments Inc.

Portfolio manager: BMO Asset Management Inc., Toronto, Ontario

Semi-Annual Management Report of Fund Performance

This semi-annual management report of fund performance contains financial highlights but does not contain either semi-annual or annual financial statements of the Fund. If the semi-annual financial statements of the Fund do not accompany the mailing of this report, you may obtain a copy of the semi-annual or annual financial statements at your request, and at no cost, by calling 1-800-665-7700, by writing to us at BMO Investments Inc., 77 King Street West, Suite 4200, Toronto, Ontario, M5K 1J5 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

Results of Operations

Over the six-month period ended March 31, 2013 (the "period"), Series A units of the Fund returned 4.02%. Please see *Past Performance* for information on the performance returns of the Fund's other series.

During the period, despite November 2012 weakness, global equity markets moved higher during the first half of the period punctuated by a year-end rally on expectations that the U.S. would take steps to avert the "fiscal cliff" (i.e., large government spending cuts and tax increases). In Canada, the December rally pulled shares back into positive territory for the quarter, though small capitalization securities softened to accelerate their negative performance for the year. The S&P/TSX Capped Composite Index lagged its global peers but managed to outperform the U.S. Global developed equity markets rallied heavily in the first quarter of 2013, with Japan extending its late 2012 rally to close up by an additional 20%. In Canada, large capitalization shares were modestly positive despite significant weakness in commodity-related sectors. Small capitalization securities, mainly on the Venture exchange, softened to accelerate their negative performance from 2012.

The period saw a resurgence of confidence in the marketplace based on the belief global economies were turning around and were in healthier positions than at the beginning of the period. Equity markets raced higher in Japan and the U.S., with even a handful of European markets were up more than 10%. A rebound in manufacturing was at the heart of the bounce back, but strength in the U.S. housing sector was another important factor. It was believed that a recovery could add several hundred thousand new jobs, and as home values recovered, the wealth effect should give consumers the confidence to start spending. To support this, the portfolio manager saw a drop in the savings rate of consumers and a recovery in stock prices sensitive to consumer spending.

In the fourth quarter of 2012, precious and base metals performance was weak across the board, though gold managed to hold at US\$1,650 and silver at US\$30 prior to a bounce into year end. Crude oil was down mildly, while natural gas fell over 11% on expectations of another mild winter. The Fund's underweight exposure to these sectors contributed positively to performance. During the first quarter of 2013, precious and base metal performance continued to be weak across the board, as some analysts called for a bear market in both gold and silver.

Positions in Consumer Staples and Consumer Discretionary contributed to the majority of performance as these sectors outperformed the broad market and included a significant number of the larger positions of the Fund. Smaller positions in gold-related and large capitalization energy stocks detracted from absolute performance due to weakness in the underlying commodities. One larger gold position in a royalty company was a drag on performance but fared better than its pure-commodity counterparts.

During the period, industry allocation was the primary driver of positive performance. The Fund's defensive nature lends it to have larger weights in less-volatile, higher-yielding sectors such as the Consumer oriented, Financials, and Real Estate. Stock selection within these sectors also contributed positively to performance. Detracting from performance was the Fund's allocation to gold stocks.

The Fund benefited from strong performance in Consumer related sectors. Larger weights in the Fund included Tim Hortons Inc., Alimentation Couche-Tard Inc., Shaw Communications Inc. and Magna International Inc. Natural gas related positions such as Peyto Exploration & Development Corp. also contributed healthily to

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performance as the spot price of natural gas rallied on colder than expected winter weather which dragged through the to the end of the period.

Rising optimism of expanding economic growth gave investors the confidence to put more money to work in short term corporate bonds, though values were now becoming overextended within this sector of the market. The portfolio manager increased the Fund's exposure to Canada bonds over the last few months of the period as an offset to the increased risk on corporate bonds, but they will look to rebuild higher corporate weightings should valuations return to more normal levels.

The Fund distributes a fixed amount per unit each month, consistent with the Fund's stated objective of providing a stable cash flow to its unitholders. A portion of a distribution may consist of a return of capital, this portion may be significant, and will occur when the income earned by the Fund per unit is less than the fixed amount of the distribution. Distributions are expected to continue to include return of capital until there is a general improvement in the economy, an increase in interest rates, or there is a change in the fixed amount to be distributed.

Multi-Series Structure Change

Effective March 11, 2013, in addition to Series A units, which are available to all investors, the Manager began offering Series R units. Series R units are only available for purchase in non-registered accounts and are suitable for investors who are comfortable with their distribution being comprised of up to 100% of return of capital.

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

The portfolio manager sees encouraging signs for the global economy, focusing predominantly on the U.S. The average homeowner has restrained spending for the past five years and is now in a position to breathe a little easier. The debt load has fallen back to levels last seen in the year 2000, and, if that pace holds, the portfolio manager believes we will soon regain the much healthier debt-to-income level of 1990. This will allow for a consumer led recovery, independent of what is happening in Europe and Asia, although signs of recovery are also emanating in the Far East. These events, should they continue, will likely lead to more talk of central banks raising interest rates and may pose a risk for investors of fixed income. Although the shorter term nature of this Fund will not see the worst effects from rising interest rates, any move along those lines will detract from returns in the year ahead.

Multi-Series Structure Change

Effective April 1, 2013, the Manager began offering Series T6 units. Series T6 units are suitable for investors holding units outside of a registered plan and wishing to receive a regular monthly distribution.

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 ("IASB"), for fiscal years beginning on or after January 1, 2014. For reporting periods commencing October 1, 2014, the Fund will adopt IFRS as the basis for preparing its financial statements. 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 (transition date). A summary of the significant standards impacting the Fund under IFRS are outlined below.

Based on the Fund's analysis to date, the more significant accounting changes that will result from its adoption of IFRS will be in the areas of fair valuation, cash flow presentation, consolidation of investments and classification of net assets representing unitholders' equity. The differences described in the sections that follow are based on Canadian generally accepted accounting principles (GAAP) and IFRS that are in effect as of this date. This should not be considered a comprehensive list of the main accounting changes when the Fund adopts IFRS.

The framework for fair valuation is set out under IFRS 13 Fair Value Measurement, 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 unit for financial statement reporting purposes compared to current standards, and may also result in the elimination of the differences between the net asset per unit and net asset value per unit ("NAVPU") at the financial statement reporting date. The Manager has not identified any changes that will impact NAVPU as a result of the transition to IFRS.

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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 fair value its investments regardless of whether those investments are controlled. If the Fund fair values investments that it controls, it may be required to make additional financial statement disclosures on its controlled investments in accordance with IFRS 12 Disclosure of Interests in Other Entities. IFRS 12 also requires additional disclosures if the Fund is determined to qualify as an investment entity while not processing all of the typical characteristics of an investment entity.

In addition to the financial statements currently presented for the Fund, Statement of Cash Flows will now be included in the financial statements in accordance with the requirement of IFRS 1 First-time adoption of International Financial Reporting Standards, and prepared in line with IAS 7 Statement of Cash Flows.

The criteria contained within IAS 32 Financial Instruments: Presentation may require unitholders' equity to be classified as a liability within the Fund's Statement of Net Assets, unless certain conditions are met. The Manager is currently assessing the Fund's unitholder structure to confirm classification.

RELATED PARTY TRANSACTIONS

BMO Investments Inc. ("BMOI"), an indirect, wholly-owned subsidiary of Bank of Montreal, 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 a management fee based on assets under management, calculated daily and payable monthly.

Administration Fees

The Fund pays a fixed administration fee to the Manager. The Manager in return pays the operating expenses 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 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 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 and, for the most part, replaces the previous cost recovery method under which operating expenses were charged or allocated to the Fund. 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

Investments in BMO Common Shares, Related-Party Underwritings and Trades in Debt Securities with a Related Entity, Trading as Principal

During the period, the Manager relied on an approval and standing instruction provided by the Fund's IRC with respect to the following related party transactions:

- (a) investments in common shares of Bank of Montreal ("BMO"), an affiliate of the Manager;
- (b) investments in a class of equity and/or non-government debt securities of an issuer during the period of distribution of those securities to the public and/or the 60-day period following the distribution period where BMO Nesbitt Burns Inc., an affiliate of the Manager, acted as an underwriter in the distribution; and
- (c) trades in debt securities in the secondary market with BMO Nesbitt Burns Inc. who is trading with the Fund as principal (each, a "Related Party Transaction").

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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 non-compliance 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, BMO Nesbitt Burns Inc. or an associate or affiliate of BMO and/or BMO Nesbitt Burns Inc. and without taking into account any considerations relevant to BMO, BMO Nesbitt Burns Inc. or an associate or affiliate of BMO and/or 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 during the period were as follows:

		Period ended Mar. 31, 2013 \$000	Period ended Mar. 31, 2012 \$000
Total brokerage commissions	\$	425	196
Brokerage commissions paid to BMO Nesbitt Burns Inc.	\$	1	5

Distribution Services

The Manager markets and distributes the Fund directly through Bank of Montreal branches and 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 annual service or trailing commissions based on the average daily value of the units that are held in investor accounts.

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 NAV 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 Units	1.30	8	92
Series I Units	—	—	—
Series F Units	0.85	0	100
Series T6 Units	1.30	0	100
Series R Units	1.30	1	99

* For Series I Units, 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 Units, Series I Units will have lower Series I fees than the management fees for Series A Units.

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 Unit ⁽¹⁾

	Period ended Mar. 31		Periods ended Sep. 30			
	2013	2012	2011	2010	2009	2008
Net assets, beginning of period	\$ 7.28	7.57	8.09	8.25	8.59	9.91
Increase (decrease)						
from operations:						
Total revenue	\$ 0.15	0.32	0.35	0.39	0.43	0.46
Total expenses ⁽²⁾	\$ -0.06	-0.12	-0.13	-0.12	-0.12	-0.14
Realized gains (losses)						
for the period	\$ 0.34	0.23	0.05	-0.09	-0.45	0.20
Unrealized gains (losses)						
for the period	\$ -0.15	0.00	-0.09	0.38	0.47	-1.12
Total increase (decrease)						
from operations ⁽³⁾	\$ 0.28	0.43	0.18	0.56	0.33	-0.60
Distributions:						
From income						
(excluding dividends)	\$ 0.03	0.05	0.14	0.17	0.22	0.19
From dividends	\$ 0.07	0.09	0.14	0.14	0.12	0.14
From capital gains	\$ —	—	—	—	—	—
Return of capital	\$ 0.26	0.58	0.44	0.41	0.38	0.39
Total Annual Distributions ⁽⁴⁾	\$ 0.36	0.72	0.72	0.72	0.72	0.72
Net assets, end of period	\$ 7.21	7.28	7.57	8.09	8.25	8.59

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Series I

	Period ended Mar. 31 2013	2012	Periods ended Sep. 30			
			2011	2010	2009	2008 ⁽⁵⁾
Net assets, beginning of period	\$ 8.87	8.93	9.28	9.23	9.38	10.00*
Increase (decrease) from operations:						
Total revenue	\$ 0.19	0.38	0.41	0.44	0.50	0.29
Total expenses ⁽²⁾	\$ 0.00	0.00	—	—	—	—
Realized gains (losses) for the period	\$ 0.43	0.29	0.03	-0.10	-0.42	-0.06
Unrealized gains (losses) for the period	\$ -0.20	-0.03	-0.23	0.53	-0.94	-1.04
Total increase (decrease) from operations ⁽³⁾	\$ 0.42	0.64	0.21	0.87	-0.86	-0.81
Distributions:						
From income (excluding dividends)	\$ 0.11	0.23	0.28	0.30	0.49	0.10
From dividends	\$ 0.07	0.15	0.13	0.14	0.12	0.07
From capital gains	\$ —	—	—	—	—	—
Return of capital	\$ 0.18	0.34	0.31	0.28	0.11	0.19
Total Annual Distributions ⁽⁴⁾	\$ 0.36	0.72	0.72	0.72	0.72	0.36
Net assets, end of period	\$ 8.93	8.87	8.93	9.28	9.23	9.38

Series F

	Period ended Mar. 31 2013	2012	Periods ended Sep. 30		
			2011	2010	2009 ⁽⁶⁾
Net assets, beginning of period	\$ 10.25	10.31	10.72	10.66	10.00*
Increase (decrease) from operations:					
Total revenue	\$ 0.22	0.44	0.47	0.51	0.51
Total expenses ⁽²⁾	\$ -0.06	-0.11	-0.12	-0.11	-0.10
Realized gains (losses) for the period	\$ 0.48	0.38	0.08	-0.10	-0.35
Unrealized gains (losses) for the period	\$ -0.22	-0.07	-0.37	1.35	2.03
Total increase (decrease) from operations ⁽³⁾	\$ 0.42	0.64	0.06	1.65	2.09
Distributions:					
From income (excluding dividends)	\$ 0.07	0.15	0.20	0.24	0.03
From dividends	\$ 0.09	0.16	0.10	0.07	0.03
From capital gains	\$ —	—	—	—	—
Return of capital	\$ 0.20	0.41	0.42	0.41	0.60
Total Annual Distributions ⁽⁴⁾	\$ 0.36	0.72	0.72	0.72	0.66
Net assets, end of period	\$ 10.32	10.25	10.31	10.72	10.66

Series T6

	Mar. 28, 2013 to Mar. 31 2013
Net assets, beginning of period	\$ 10.00*
Increase (decrease) from operations:	
Total revenue	\$ —
Total expenses ⁽²⁾	\$ 0.00
Realized gains (losses) for the period	\$ —
Unrealized gains (losses) for the period	\$ 0.00
Total increase (decrease) from operations ⁽³⁾	\$ 0.00
Distributions:	
From income (excluding dividends)	\$ —
From dividends	\$ —
From capital gains	\$ —
Return of capital	\$ —
Total Annual Distributions ⁽⁴⁾	\$ —
Net assets, end of period	\$ 10.00

Series R

	Mar. 11, 2013 to Mar. 31 2013
Net assets, beginning of period	\$ 7.25*
Increase (decrease) from operations:	
Total revenue	\$ 0.03
Total expenses ⁽²⁾	\$ -0.01
Realized gains (losses) for the period	\$ 0.18
Unrealized gains (losses) for the period	\$ -0.13
Total increase (decrease) from operations ⁽³⁾	\$ 0.07
Distributions:	
From income (excluding dividends)	\$ 0.00
From dividends	\$ 0.01
From capital gains	\$ —
Return of capital	\$ 0.05
Total Annual Distributions ⁽⁴⁾	\$ 0.06
Net assets, end of period	\$ 7.21

* Initial net assets.

⁽¹⁾ This information is derived from the Fund's audited and unaudited financial statements. The net assets per unit 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 units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

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

⁽⁵⁾ The information shown in this column is for the period beginning March 5, 2008 (the series' launch date) and ending September 30, 2008.

⁽⁶⁾ The information shown in this column is for the period beginning November 3, 2008 (the series' launch date) and ending September 30, 2009.

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Ratios and Supplemental Data

Series A

	Period ended		Periods ended Sep. 30			
	Mar. 31 2013	2012	2011	2010	2009	2008
Total net asset value (000's) ⁽¹⁾	\$ 4,057,928	4,572,861	4,808,496	4,899,785	4,878,602	5,264,331
Number of units						
outstanding (000's) ⁽¹⁾	562,520	627,199	634,733	605,339	590,908	612,605
Management expense ratio ⁽²⁾	% 1.58	1.57	1.57	1.51	1.49	1.49
Management expense ratio						
before waivers or absorptions	% 1.58	1.57	1.57	1.51	1.49	1.49
Trading expense ratio ⁽³⁾	% 0.02	0.03	0.02	0.02	0.03	0.04
Portfolio turnover rate ⁽⁴⁾	% 17.34	50.07	39.59	33.70	50.21	49.14
Net asset value per unit	\$ 7.21	7.29	7.58	8.09	8.26	8.59

Series I

	Period ended		Periods ended Sep. 30			
	Mar. 31 2013	2012	2011	2010	2009	2008 ⁽⁵⁾
Total net asset value (000's) ⁽¹⁾	\$ 239,957	232,045	187,456	237,989	107,085	396,736
Number of units						
outstanding (000's) ⁽¹⁾	26,849	26,133	20,971	25,632	11,599	42,276
Management expense ratio ⁺	% —	—	—	—	—	—
Management expense ratio						
before waivers or absorptions ⁺	% 0.02	0.00	—	—	—	—
Trading expense ratio ⁽³⁾	% 0.02	0.03	0.02	0.02	0.03	0.04
Portfolio turnover rate ⁽⁴⁾	% 17.34	50.07	39.59	33.70	50.21	49.14
Net asset value per unit	\$ 8.94	8.88	8.94	9.28	9.23	9.38

Series F

	Period ended		Periods ended Sep. 30			
	Mar. 31 2013	2012	2011	2010	2009 ⁽⁶⁾	
Total net asset value (000's) ⁽¹⁾	\$ 4,919	6,209	3,733	1,095	17	
Number of units						
outstanding (000's) ⁽¹⁾	476	605	361	102	2	
Management expense ratio ⁽²⁾	% 1.07	1.05	1.08	1.04	0.99	
Management expense ratio						
before waivers or absorptions	% 1.07	1.05	1.08	1.04	0.99	
Trading expense ratio ⁽³⁾	% 0.02	0.03	0.02	0.02	0.03	
Portfolio turnover rate ⁽⁴⁾	% 17.34	50.07	39.59	33.70	50.21	
Net asset value per unit	\$ 10.33	10.26	10.33	10.73	10.66	

Series T6

	Mar. 28, 2013 to Mar. 31 2013
Total net asset value (000's) ⁽¹⁾	\$ 10
Number of units	
outstanding (000's) ⁽¹⁾	1
Management expense ratio ⁽²⁾	% 1.60
Management expense ratio	
before waivers or absorptions	% 1.60
Trading expense ratio ⁽³⁾	% 0.02
Portfolio turnover rate ⁽⁴⁾	% 17.34
Net asset value per unit	\$ 10.00

Series R

	Mar. 11, 2013 to Mar. 31 2013
Total net asset value (000's) ⁽¹⁾	\$ 82,550
Number of units	
outstanding (000's) ⁽¹⁾	11,442
Management expense ratio ⁽²⁾	% 1.59
Management expense ratio	
before waivers or absorptions	% 1.61
Trading expense ratio ⁽³⁾	% 0.02
Portfolio turnover rate ⁽⁴⁾	% 17.34
Net asset value per unit	\$ 7.21

+ 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 March 31 or 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.

⁽⁵⁾ The information shown in this column is for the period beginning March 5, 2008 (the series' launch date) and ending September 30, 2008.

⁽⁶⁾ The information shown in this column is for the period beginning November 3, 2008 (the series' launch date) and ending September 30, 2009.

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PAST PERFORMANCE

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

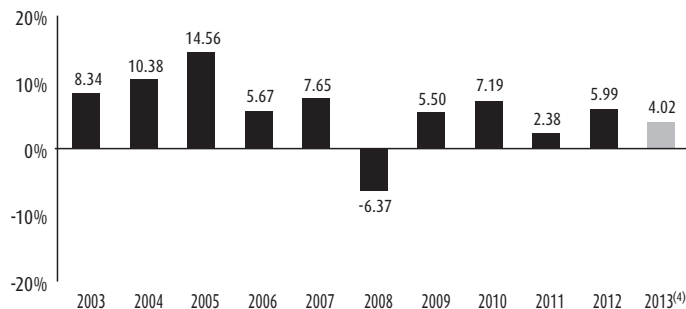
The performance information does not take into account sales, redemption, distribution or other optional charges that, if applicable, would have reduced returns or performance. Please remember that how the Fund has performed in the past does not indicate how it will perform in the future.

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.

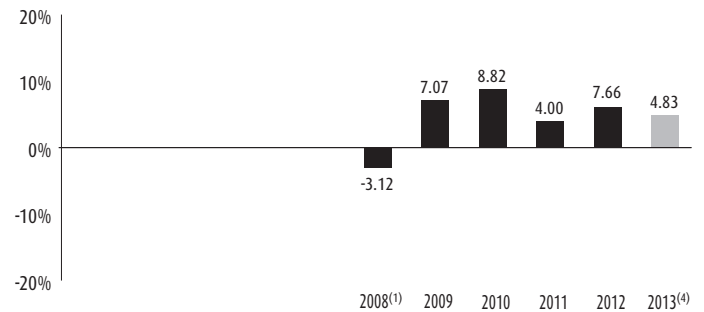
Year-by-Year Returns

The following bar charts show the performance for each series of the Fund for each of the financial years shown and for the six-month period ended March 31, 2013. 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.

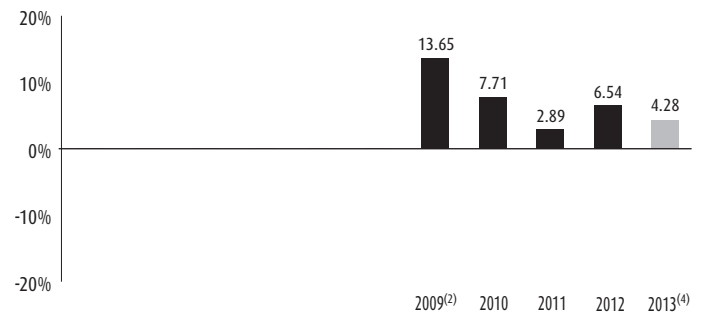
Series A



Series I



Series F



Series R



⁽¹⁾ For the period beginning March 5, 2008 to September 30, 2008.

⁽²⁾ For the period beginning November 3, 2008 to September 30, 2009.

⁽³⁾ For the period beginning March 11, 2013 to March 31, 2013.

⁽⁴⁾ For the six-month period ended March 31, 2013.

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SUMMARY OF INVESTMENT PORTFOLIO

As at March 31, 2013

Portfolio Allocation	% of Net Asset Value
Canadian Equities	52.7
Bonds and Debentures	43.3
High Yield Fixed Income Fund	2.6
Cash/Receivables/Payables	1.3
Money Market Investments	0.1
Total Portfolio Allocation	100.0

Sector Allocation

Corporate Bonds	21.8
Financials	19.3
Provincial Bonds	10.7
Government Bonds	9.7
Energy	8.5
Utilities	6.6
Consumer Staples	5.9
Consumer Discretionary	4.7
Telecommunication Services	4.7
High Yield Fixed Income Fund	2.6
Materials	1.6
Cash/Receivables/Payables	1.3
Industrials	1.0
Municipal Bonds	0.5
Health Care	0.4
Asset-Backed Securities	0.4
Mortgage Backed Securities	0.2
Money Market Investments	0.1
Total Sector Allocation	100.0

Top 25 Holdings	% of Net Asset Value
Issuer	
BMO High Yield US Corporate Bond Hedged to CAD Index ETF*	2.6
Bank of Nova Scotia	2.5
Royal Bank of Canada	2.0
Toronto-Dominion Bank, The,	2.0
Government of Canada, 3.750% Jun 1, 2019	1.9
Province of Ontario, Series HC, Unsecured, 9.500% Jul 13, 2022	1.8
Cash/Receivables/Payables	1.3
BCE Inc.	1.3
Bank of Montreal	1.2
Enbridge Inc.	1.1
Province of British Columbia, Series BCCD-T, Senior, Unsecured, Notes, 9.000% Aug 23, 2024	1.1
Hydro-Quebec, Series HL-2020, Notes, 11.000% Aug 15, 2020	1.1
Canadian Imperial Bank of Commerce	1.1
Fortis Inc.	1.1
Manitoba Telecom Services Inc.	1.1
Alimentation Couche-Tard Inc., Class B	1.1
Metro Inc.	1.1
Bell Aliant Inc.	1.1
RioCan REIT	1.0
Ontario Power Generation Inc., Series FV6, 8.900% Aug 18, 2022	1.0
First Capital Realty Inc.	1.0
Emera Inc.	1.0
Government of Canada, 4.250% Jun 1, 2018	1.0
Shoppers Drug Mart Corporation	1.0
Canadian Utilities Limited, Class A	1.0
Top Holdings as a Percentage of Total Net Asset Value	33.5
Total Net Asset Value	\$4,385,364,295

* The prospectus and other information about the underlying exchange traded fund held in the portfolio is available on the internet at www.sedar.com and, also at www.bmoetf.com.

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

www.bmo.com/mutualfunds

BMO Investments Inc.
77 King Street West, Suite 4200
Toronto, Ontario M5K 1J5

For more information please call 1-800-665-7700



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