

# BMO U.S. Equity Fund (the "Fund")

For the 12-month period ended September 30, 2017 (the "Period")

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

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

Sub-advisor: BMO Asset Management Corp., Chicago, Illinois

## 2017 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 and 1-800-668-7327, 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](http://www.bmo.com/mutualfunds) and [www.bmo.com/gam/ca](http://www.bmo.com/gam/ca) or SEDAR at [www.sedar.com](http://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 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 portfolio manager examines the financial statistics of each potential investment by looking for attractive prices, consistent earnings, and evidence that the company's management believes in the company's future.

#### Risk

No changes affecting the overall level of risk associated with investing in the Fund were made during the Period. The risks of the 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 changed from approximately \$2,501 million to approximately \$2,774 million. Series A units of the Fund returned 14.15% versus the Fund's benchmark, the S&P 500 Total Return Index (C\$), return of 12.81%. Please see the *Past Performance* section for information on the performance returns of the Fund's other series.

During the Period, there were two distinct market environments. Following the unanticipated outcome of the U.S. election, expectations of fiscal spending, deregulation, and tax cuts for individuals and corporations inspired a new sense of optimism among investors. A renewed outlook for future economic growth and inflation led to an increase in U.S. 10-year treasury yields, which subsequently resulted in the outperformance of more attractively valued pro-cyclical stocks. Since the end of the 2016, the market experienced a partial reversal of post-election trends, with high-risk stocks underperforming low-risk stocks in tandem with a flattening of the yield curve. With growth becoming scarce in the market, investors demonstrated a preference for stocks with higher growth rates over company valuations.

Within the Fund's portfolio, stocks with positive investor sentiment outperformed. This was a positive contributor to performance given the portfolio manager's preference for companies with positive or improving investor interest. Additionally, their focus on fundamentals was rewarded as high-quality companies outperformed lower quality counterparts. Sector returns largely reflected these trends. 10 out of 11 sectors finished in positive territory over the Period, with Financials, Information Technology and Industrials leading the way, representative of the reflation and growth trends over the Period. Energy was the only sector that finished with negative performance, as the continuation of oil price volatility pushed Energy stocks lower.

# BMO U.S. Equity Fund

---

The Fund outperformed its benchmark via strong stock selection contributing approximately 400 basis points to excess returns, while sector allocation was a more modest contributor adding 75 basis points to performance. The Fund's underweight position in the Energy sector and overweight position in the Financials sector added to performance, while overweight positions in Utilities and Consumer Staples sectors detracted from performance. Stock selection was particularly strong in the Industrials sector, while stock selection in the Financials sector detracted from performance. Top contributors in the portfolio include Boeing Company in Industrials, Applied Materials, Inc. in Information Technology, and United Rentals, Inc. in Industrials. Top detractors from performance returns include Tyson Foods, Inc. in Consumer Staples, and Bank of America Corporation and JPMorgan Chase & Co. in Financials.

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

Looking ahead, the portfolio manager believes there are several events that should influence equity markets. From a policy standpoint, tax reform and infrastructure spending could support economic growth. This combined with continued corporate earnings growth could lead to positive stock market returns. However, markets could react negatively if fiscal or monetary policy falls short of expectations, including a more aggressive U.S. Federal Reserve Board. Accordingly, the portfolio manager has positioned the portfolio to participate in up markets while managing downside risks.

## 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 and BMO Asset Management Corp., also an affiliate of the Manager, is a sub-advisor to BMOAM. 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 Fee 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 expenses incurred in respect of preparing and distributing fund facts, 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 the Fund's Independent Review Committee ("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. 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](http://www.bmo.com/mutualfunds) and [www.bmo.com/gam/ca](http://www.bmo.com/gam/ca) or [www.sedar.com](http://www.sedar.com).

## 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.

# BMO U.S. Equity Fund

## 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 <sup>*</sup>	As a Percentage of Management Fees	
		Dealer Compensation	General Administration, Investment Advice and Profit
	%	%	%
Series A Units	2.00	50	50
Series A Units (Hedged)	2.00	49	51
Advisor Series Units	2.00	61	39
Advisor Series Units (Hedged)	2.00	37	63
Series F Units	0.50	0	100
Series F Units (Hedged)	0.50	0	100
Series D Units	0.85	29	71
Series I Units	—	—	—
Series N Units	—	—	—

<sup>\*</sup> For Series I Units, separate Series I fees are negotiated and paid by each Series I investor. Since the Manager pays no distribution, service or trailing fees on Series I Units, the combined management and administrative fees for Series I Units will not exceed the management fee charged for Advisor Series or Series A Units.

<sup>\*</sup> Series N investors pay a separate fee directly to their dealer, a portion of which is paid to the Manager. Such portion will not exceed the management fee rate charged for Series F 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<sup>(1)</sup>

#### Series A Units

	2017	Periods ended Sep. 30			
		2016	2015	2014	2013
Net assets, beginning of period	\$ 22.58	24.21	21.75	17.55	14.68
<b>Increase (decrease)</b>					
<b>from operations:</b>					
Total revenue	\$ 0.44	0.51	0.45	0.35	0.21
Total expenses <sup>(2)</sup>	\$ -0.69	-0.66	-0.68	-0.56	-0.42
Realized gains (losses)					
for the period	\$ 3.33	3.04	4.39	1.85	1.49
Unrealized gains (losses)					
for the period	\$ 0.03	-1.87	-0.54	3.45	1.57
<b>Total increase (decrease)</b>					
<b>from operations<sup>(3)</sup></b>	\$ 3.11	1.02	3.62	5.09	2.85
<b>Distributions:</b>					
From income					
(excluding dividends)	\$ —	—	—	—	—
From dividends	\$ —	—	—	—	—
From capital gains	\$ 0.53	2.82	1.26	0.90	—
Return of capital	\$ —	—	—	—	—
<b>Total Annual Distributions<sup>(4)</sup></b>	\$ 0.53	2.82	1.26	0.90	—
<b>Net assets, end of period</b>	\$ 25.22	22.58	24.21	21.75	17.55

#### Series A Units (Hedged)

	2017	Periods ended Sep. 30
		2016 <sup>(1)</sup>
Net assets, beginning of period	\$ 9.97	10.00 <sup>*</sup>
<b>Increase (decrease)</b>		
<b>from operations:</b>		
Total revenue	\$ 0.19	0.09
Total expenses <sup>(2)</sup>	\$ -0.16	-0.09
Realized gains (losses)		
for the period	\$ 1.98	0.19
Unrealized gains (losses)		
for the period	\$ -0.32	0.14
<b>Total increase (decrease)</b>		
<b>from operations<sup>(3)</sup></b>	\$ 1.69	0.33
<b>Distributions:</b>		
From income		
(excluding dividends)	\$ —	—
From dividends	\$ —	—
From capital gains	\$ 0.03	—
Return of capital	\$ —	—
<b>Total Annual Distributions<sup>(4)</sup></b>	\$ 0.03	—
<b>Net assets, end of period</b>	\$ 11.82	9.97

# BMO U.S. Equity Fund

## Advisor Series Units

	2017	Periods ended Sep. 30			
		2016	2015	2014	2013 <sup>(5)</sup>
Net assets, beginning of period	\$ 14.93	15.99	13.88	10.80	10.00*
<b>Increase (decrease)</b>					
<b>from operations:</b>					
Total revenue	\$ 0.30	0.34	0.32	0.23	0.05
Total expenses <sup>(2)</sup>	\$ -0.46	-0.43	-0.45	-0.36	-0.15
Realized gains (losses)					
for the period	\$ 2.29	2.01	2.98	1.20	0.58
Unrealized gains (losses)					
for the period	\$ 0.03	-1.38	-1.21	1.61	-0.45
<b>Total increase (decrease)</b>					
<b>from operations<sup>(3)</sup></b>	\$ 2.16	0.54	1.64	2.68	0.03
<b>Distributions:</b>					
From income					
(excluding dividends)	\$ —	—	—	—	—
From dividends	\$ —	—	—	—	—
From capital gains	\$ 0.34	1.85	0.33	0.13	—
Return of capital	\$ —	—	—	—	—
<b>Total Annual Distributions<sup>(4)</sup></b>	\$ 0.34	1.85	0.33	0.13	—
<b>Net assets, end of period</b>	\$ 16.69	14.93	15.99	13.88	10.80

## Advisor Series Units (Hedged)

	2017	Periods ended Sep. 30	
		2016 <sup>(1)</sup>	2015 <sup>(1)</sup>
Net assets, beginning of period	\$ 9.80	10.00*	
<b>Increase (decrease)</b>			
<b>from operations:</b>			
Total revenue	\$ 0.24	0.10	
Total expenses <sup>(2)</sup>	\$ -0.06	-0.10	
Realized gains (losses)			
for the period	\$ 1.53	0.10	
Unrealized gains (losses)			
for the period	\$ 0.67	-0.16	
<b>Total increase (decrease)</b>			
<b>from operations<sup>(3)</sup></b>	\$ 2.38	-0.06	
<b>Distributions:</b>			
From income			
(excluding dividends)	\$ —	—	
From dividends	\$ —	—	
From capital gains	\$ 0.02	—	
Return of capital	\$ —	—	
<b>Total Annual Distributions<sup>(4)</sup></b>	\$ 0.02	—	
<b>Net assets, end of period</b>	\$ 11.82	9.80	

## Series F Units

	2017	Periods ended Sep. 30			
		2016	2015	2014	2013
Net assets, beginning of period	\$ 21.56	22.77	19.80	15.36	12.71
<b>Increase (decrease)</b>					
<b>from operations:</b>					
Total revenue	\$ 0.42	0.48	0.46	0.32	0.17
Total expenses <sup>(2)</sup>	\$ -0.28	-0.29	-0.29	-0.23	-0.22
Realized gains (losses)					
for the period	\$ 3.15	2.86	4.04	1.75	1.26
Unrealized gains (losses)					
for the period	\$ -0.09	-1.84	-1.83	2.07	1.20
<b>Total increase (decrease)</b>					
<b>from operations<sup>(3)</sup></b>	\$ 3.20	1.21	2.38	3.91	2.41
<b>Distributions:</b>					
From income					
(excluding dividends)	\$ —	—	—	—	—
From dividends	\$ —	—	—	—	—
From capital gains	\$ 0.32	2.68	0.81	0.40	—
Return of capital	\$ —	—	—	—	—
<b>Total Annual Distributions<sup>(4)</sup></b>	\$ 0.32	2.68	0.81	0.40	—
<b>Net assets, end of period</b>	\$ 24.68	21.56	22.77	19.80	15.36

## Series F Units (Hedged)

	2017	Periods ended Sep. 30	
		2016 <sup>(1)</sup>	2015 <sup>(1)</sup>
Net assets, beginning of period	\$ 10.00	10.00*	
<b>Increase (decrease)</b>			
<b>from operations:</b>			
Total revenue	\$ 0.19	0.09	
Total expenses <sup>(2)</sup>	\$ -0.04	-0.04	
Realized gains (losses)			
for the period	\$ 1.68	0.05	
Unrealized gains (losses)			
for the period	\$ 0.30	-0.10	
<b>Total increase (decrease)</b>			
<b>from operations<sup>(3)</sup></b>	\$ 2.13	0.00	
<b>Distributions:</b>			
From income			
(excluding dividends)	\$ —	—	
From dividends	\$ —	—	
From capital gains	\$ 0.00	—	
Return of capital	\$ —	—	
<b>Total Annual Distributions<sup>(4)</sup></b>	\$ 0.00	—	
<b>Net assets, end of period</b>	\$ 12.13	10.00	

# BMO U.S. Equity Fund

## Premium Series Units

	2017	Periods ended Sep. 30	
		2016 <sup>(1)</sup>	2015 <sup>(2)</sup>
Net assets, beginning of period	\$ —	9.97	10.00 <sup>*</sup>
<b>Increase (decrease)</b>			
<b>from operations:</b>			
Total revenue	\$ —	0.04	0.13
Total expenses <sup>(3)</sup>	\$ —	0.00	-0.02
Realized gains (losses)			
for the period	\$ —	0.12	1.20
Unrealized gains (losses)			
for the period	\$ —	0.40	-1.34
<b>Total increase (decrease)</b>			
<b>from operations<sup>(3)</sup></b>	\$ —	0.56	-0.03
<b>Distributions:</b>			
From income			
(excluding dividends)	\$ —	—	—
From dividends	\$ —	—	—
From capital gains	\$ —	—	—
Return of capital	\$ —	—	—
<b>Total Annual Distributions<sup>(4)</sup></b>	\$ —	—	—
<b>Net assets, end of period</b>	\$ —	—	9.97

## Series D Units

	2017	Periods ended Sep. 30		
		2016	2015	2014 <sup>(7)</sup>
Net assets, beginning of period	\$ 12.23	12.93	11.01	10.00 <sup>*</sup>
<b>Increase (decrease)</b>				
<b>from operations:</b>				
Total revenue	\$ 0.24	0.28	0.26	0.09
Total expenses <sup>(3)</sup>	\$ -0.21	-0.20	-0.20	-0.08
Realized gains (losses)				
for the period	\$ 1.76	1.63	2.47	0.46
Unrealized gains (losses)				
for the period	\$ 0.15	-1.00	-1.29	0.66
<b>Total increase (decrease)</b>				
<b>from operations<sup>(3)</sup></b>	\$ 1.94	0.71	1.24	1.13
<b>Distributions:</b>				
From income				
(excluding dividends)	\$ —	—	—	—
From dividends	\$ —	—	—	—
From capital gains	\$ 0.33	1.50	0.18	—
Return of capital	\$ —	—	—	—
<b>Total Annual Distributions<sup>(4)</sup></b>	\$ 0.33	1.50	0.18	—
<b>Net assets, end of period</b>	\$ 13.79	12.23	12.93	11.01

## Series I Units

	2017	Periods ended Sep. 30			
		2016	2015	2014	2013
Net assets, beginning of period	\$ 18.23	20.55	18.13	14.25	11.68
<b>Increase (decrease)</b>					
<b>from operations:</b>					
Total revenue	\$ 0.37	0.43	0.38	0.29	0.17
Total expenses <sup>(3)</sup>	\$ -0.07	-0.08	-0.07	-0.06	-0.02
Realized gains (losses)					
for the period	\$ 2.78	2.53	3.72	1.55	1.29
Unrealized gains (losses)					
for the period	\$ 0.58	-1.76	-0.45	2.65	1.10
<b>Total increase (decrease)</b>					
<b>from operations<sup>(3)</sup></b>	\$ 3.66	1.12	3.58	4.43	2.54
<b>Distributions:</b>					
From income					
(excluding dividends)	\$ —	—	—	—	0.00
From dividends	\$ —	0.61	0.21	0.14	0.05
From capital gains	\$ —	3.16	0.98	0.57	—
Return of capital	\$ —	0.00	0.00	0.00	—
<b>Total Annual Distributions<sup>(4)</sup></b>	\$ —	3.77	1.19	0.71	0.05
<b>Net assets, end of period</b>	\$ 21.33	18.23	20.55	18.13	14.25

## Series N Units

	2017	Periods ended Sep. 30	
		2016	2015 <sup>(9)</sup>
Net assets, beginning of period	\$ 9.65	10.13	10.00 <sup>*</sup>
<b>Increase (decrease)</b>			
<b>from operations:</b>			
Total revenue	\$ 0.20	0.22	0.14
Total expenses <sup>(3)</sup>	\$ -0.06	-0.07	-0.03
Realized gains (losses)			
for the period	\$ 1.48	1.26	0.64
Unrealized gains (losses)			
for the period	\$ 0.08	-0.85	-1.14
<b>Total increase (decrease)</b>			
<b>from operations<sup>(3)</sup></b>	\$ 1.70	0.56	-0.39
<b>Distributions:</b>			
From income			
(excluding dividends)	\$ —	—	—
From dividends	\$ —	—	—
From capital gains	\$ 0.23	1.19	—
Return of capital	\$ —	—	—
<b>Total Annual Distributions<sup>(4)</sup></b>	\$ 0.23	1.19	—
<b>Net assets, end of period</b>	\$ 11.03	9.65	10.13

# BMO U.S. Equity Fund

## Series NBA Units

		Periods ended Sep. 30			
		2017 <sup>(12)</sup>	2016	2015	2014 <sup>(6)</sup>
Net assets, beginning of period	\$	12.17	12.93	11.56	9.73 <sup>*</sup>
<b>Increase (decrease)</b>					
<b>from operations:</b>					
Total revenue	\$	0.00	0.28	0.24	0.15
Total expenses <sup>(2)</sup>	\$	-0.02	-0.26	-0.27	-0.18
Realized gains (losses)					
for the period	\$	0.03	1.62	2.32	0.83
Unrealized gains (losses)					
for the period	\$	0.01	-1.01	-0.28	1.09
<b>Total increase (decrease)</b>					
<b>from operations<sup>(3)</sup></b>	\$	0.02	0.63	2.01	1.89
<b>Distributions:</b>					
From income					
(excluding dividends)	\$	—	—	—	—
From dividends	\$	0.05	—	—	—
From capital gains	\$	0.54	1.50	—	—
Return of capital	\$	0.53	—	—	—
<b>Total Annual Distributions<sup>(4)</sup></b>	\$	1.12	1.50	—	—
<b>Net assets, end of period</b>	\$	—	12.17	12.93	11.56

## Series NBF Units

		Periods ended Sep. 30			
		2017 <sup>(12)</sup>	2016	2015	2014 <sup>(6)</sup>
Net assets, beginning of period	\$	12.21	12.80	11.31	9.44 <sup>*</sup>
<b>Increase (decrease)</b>					
<b>from operations:</b>					
Total revenue	\$	0.00	0.28	0.18	0.14
Total expenses <sup>(2)</sup>	\$	-0.01	-0.07	-0.12	-0.08
Realized gains (losses)					
for the period	\$	0.04	1.60	2.55	0.81
Unrealized gains (losses)					
for the period	\$	0.00	-0.89	0.57	1.07
<b>Total increase (decrease)</b>					
<b>from operations<sup>(3)</sup></b>	\$	0.03	0.92	3.18	1.94
<b>Distributions:</b>					
From income					
(excluding dividends)	\$	—	—	—	—
From dividends	\$	0.63	—	—	—
From capital gains	\$	0.80	1.50	—	—
Return of capital	\$	0.24	—	—	—
<b>Total Annual Distributions<sup>(4)</sup></b>	\$	1.67	1.50	—	—
<b>Net assets, end of period</b>	\$	—	12.21	12.80	11.31

<sup>\*</sup> Initial net assets.

<sup>(1)</sup> This information is derived from the Fund's audited financial statements. The financial information presented for the periods ended September 30, 2017, September 30, 2016, September 30, 2015 and September 30, 2014 is derived from the financial statements determined in accordance with IFRS. Information for periods prior to October 1, 2013 is derived from prior period financial statements prepared in accordance with Canadian GAAP.

<sup>(2)</sup> Includes commissions and other portfolio transaction costs. Prior to October 1, 2013, withholding taxes were not included in expenses as they were included in revenue.

<sup>(3)</sup> 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.

<sup>(4)</sup> Distributions were either paid in cash or reinvested in additional units of the Fund, or both. The allocation of the distributions from each of income, dividends, capital gains and return of capital is based on the Manager's estimate as at September 30 of the period shown, which is the Fund's financial year-end. However, the actual allocation of distributions is determined as at December 15, the Fund's tax year-end. Accordingly, the actual allocation among income, dividends, capital gains and return of capital may differ from these estimates.

<sup>(6)</sup> The information shown in this column is for the period beginning March 28, 2013 (the series' inception date) and ending September 30, 2013.

<sup>(6)</sup> The information shown in this column is for the period beginning December 12, 2013 (the series' inception date) and ending September 30, 2014.

<sup>(7)</sup> The information shown in this column is for the period beginning April 7, 2014 (the series' inception date) and ending September 30, 2014.

<sup>(8)</sup> The information shown in this column is for the period beginning February 18, 2015 (the series' inception date) and ending September 30, 2015.

<sup>(9)</sup> The information shown in this column is for the period beginning April 13, 2015 (the series' inception date) and ending September 30, 2015.

<sup>(10)</sup> As at the close of business on October 30, 2015, the Premium Series was terminated.

<sup>(11)</sup> The information shown in this column is for the period beginning April 19, 2016 (the series' inception date) and ending September 30, 2016.

<sup>(12)</sup> As at the close of business on October 26, 2016, the Series NBA and Series NBF were terminated.

## Ratios and Supplemental Data

### Series A Units

		Periods ended Sep. 30				
		2017	2016	2015	2014	2013
Total net asset value (000's) <sup>(1)</sup>	\$	764,405	703,507	760,268	652,598	526,861
Number of units						
outstanding (000's) <sup>(1)</sup>		30,312	31,157	31,405	30,005	30,017
Management expense ratio <sup>(2)</sup>	%	2.49	2.49	2.49	2.49	2.49
Management expense ratio						
before waivers or absorptions	%	2.49	2.49	2.49	2.49	2.49
Trading expense ratio <sup>(3)</sup>	%	0.07	0.08	0.08	0.07	0.11
Portfolio turnover rate <sup>(4)</sup>	%	77.49	59.06	74.71	57.12	67.94
Net asset value per unit	\$	25.22	22.58	24.21	21.75	17.55

### Series A Units (Hedged)

		Periods ended Sep. 30	
		2017	2016 <sup>(11)</sup>
Total net asset value (000's) <sup>(1)</sup>	\$	6,035	1,040
Number of units			
outstanding (000's) <sup>(1)</sup>		511	104
Management expense ratio <sup>(2)</sup>	%	2.50	2.50
Management expense ratio			
before waivers or absorptions	%	2.55	2.57
Trading expense ratio <sup>(3)</sup>	%	0.07	0.08
Portfolio turnover rate <sup>(4)</sup>	%	77.49	59.06
Net asset value per unit	\$	11.82	9.97

### Advisor Series Units

		Periods ended Sep. 30				
		2017	2016	2015	2014	2013 <sup>(6)</sup>
Total net asset value (000's) <sup>(1)</sup>	\$	14,411	14,104	12,539	2,819	397
Number of units						
outstanding (000's) <sup>(1)</sup>		864	945	784	203	37
Management expense ratio <sup>(2)</sup>	%	2.49	2.48	2.46	2.46	2.55
Management expense ratio						
before waivers or absorptions	%	2.50	2.51	2.50	2.50	3.02
Trading expense ratio <sup>(3)</sup>	%	0.07	0.08	0.08	0.07	0.11
Portfolio turnover rate <sup>(4)</sup>	%	77.49	59.06	74.71	57.12	67.94
Net asset value per unit	\$	16.69	14.93	15.99	13.88	10.80

# BMO U.S. Equity Fund

## Advisor Series Units (Hedged)

	2017	Periods ended Sep. 30	
		2016 <sup>(1)</sup>	2015 <sup>(1)</sup>
Total net asset value (000's) <sup>(1)</sup>	\$ 243	287	
Number of units			
outstanding (000's) <sup>(1)</sup>	21	29	
Management expense ratio <sup>(2)</sup>	% 2.50	2.50	
Management expense ratio			
before waivers or absorptions	% 2.61	2.62	
Trading expense ratio <sup>(3)</sup>	% 0.07	0.08	
Portfolio turnover rate <sup>(4)</sup>	% 77.49	59.06	
Net asset value per unit	\$ 11.82	9.80	

## Series F Units

	2017	Periods ended Sep. 30			
		2016	2015	2014	2013
Total net asset value (000's) <sup>(1)</sup>	\$ 29,027	15,337	7,546	2,251	393
Number of units					
outstanding (000's) <sup>(1)</sup>	1,176	711	331	114	26
Management expense ratio <sup>(2)</sup>	% 0.85	0.94	0.94	0.95	1.43
Management expense ratio					
before waivers or absorptions	% 0.87	0.94	0.94	1.10	1.48
Trading expense ratio <sup>(3)</sup>	% 0.07	0.08	0.08	0.07	0.11
Portfolio turnover rate <sup>(4)</sup>	% 77.49	59.06	74.71	57.12	67.94
Net asset value per unit	\$ 24.68	21.56	22.77	19.80	15.36

## Series F Units (Hedged)

	2017	Periods ended Sep. 30	
		2016 <sup>(1)</sup>	2015 <sup>(1)</sup>
Total net asset value (000's) <sup>(1)</sup>	\$ 585	100	
Number of units			
outstanding (000's) <sup>(1)</sup>	48	10	
Management expense ratio <sup>(2)</sup>	% 0.85	0.95	
Management expense ratio			
before waivers or absorptions	% 0.97	1.11	
Trading expense ratio <sup>(3)</sup>	% 0.07	0.08	
Portfolio turnover rate <sup>(4)</sup>	% 77.49	59.06	
Net asset value per unit	\$ 12.13	10.00	

## Premium Series Units

	2017	Periods ended Sep. 30	
		2016 <sup>(1)</sup>	2015 <sup>(1)</sup>
Total net asset value (000's) <sup>(1)</sup>	\$ —	—	1
Number of units			
outstanding (000's) <sup>(1)</sup>	—	—	0
Management expense ratio <sup>(2)</sup>	% —	—	—
Management expense ratio			
before waivers or absorptions	% —	0.31	0.28
Trading expense ratio <sup>(3)</sup>	% —	0.08	0.08
Portfolio turnover rate <sup>(4)</sup>	% —	59.06	74.71
Net asset value per unit	\$ —	—	9.97

## Series D Units

	2017	Periods ended Sep. 30		
		2016	2015	2014 <sup>(1)</sup>
Total net asset value (000's) <sup>(1)</sup>	\$ 4,850	4,542	4,591	716
Number of units				
outstanding (000's) <sup>(1)</sup>	352	371	355	65
Management expense ratio <sup>(2)</sup>	% 1.22	1.21	1.19	1.25
Management expense ratio				
before waivers or absorptions	% 1.22	1.21	1.19	1.25
Trading expense ratio <sup>(3)</sup>	% 0.07	0.08	0.08	0.07
Portfolio turnover rate <sup>(4)</sup>	% 77.49	59.06	74.71	57.12
Net asset value per unit	\$ 13.79	12.23	12.93	11.01

## Series I Units

	2017	Periods ended Sep. 30			
		2016	2015	2014	2013
Total net asset value (000's) <sup>(1)</sup>	\$ 1,914,996	1,704,809	2,835,234	2,776,980	1,543,095
Number of units					
outstanding (000's) <sup>(1)</sup>	89,775	93,527	137,995	153,130	108,252
Management expense ratio <sup>+</sup>	% —	—	—	—	—
Management expense ratio					
before waivers or absorptions <sup>+</sup>	% —	—	—	—	0.00
Trading expense ratio <sup>(3)</sup>	% 0.07	0.08	0.08	0.07	0.11
Portfolio turnover rate <sup>(4)</sup>	% 77.49	59.06	74.71	57.12	67.94
Net asset value per unit	\$ 21.33	18.23	20.55	18.13	14.25

## Series N Units

	2017	Periods ended Sep. 30	
		2016	2015 <sup>(1)</sup>
Total net asset value (000's) <sup>(1)</sup>	\$ 39,932	44,122	58,425
Number of units			
outstanding (000's) <sup>(1)</sup>	3,622	4,570	5,769
Management expense ratio <sup>(2)</sup>	% 0.28	0.28	0.28
Management expense ratio			
before waivers or absorptions	% 0.28	0.28	0.28
Trading expense ratio <sup>(3)</sup>	% 0.07	0.08	0.08
Portfolio turnover rate <sup>(4)</sup>	% 77.49	59.06	74.71
Net asset value per unit	\$ 11.03	9.65	10.13

## Series NBA Units

	2017 <sup>(12)</sup>	Periods ended Sep. 30		
		2016	2015	2014 <sup>(4)</sup>
Total net asset value (000's) <sup>(1)</sup>	\$ —	8,491	9,842	8,315
Number of units				
outstanding (000's) <sup>(1)</sup>	—	698	761	719
Management expense ratio <sup>(2)</sup>	% 2.03	1.71	1.73	1.75
Management expense ratio				
before waivers or absorptions	% 2.03	1.71	1.73	1.75
Trading expense ratio <sup>(3)</sup>	% 0.07	0.08	0.08	0.07
Portfolio turnover rate <sup>(4)</sup>	% 77.49	59.06	74.71	57.12
Net asset value per unit	\$ —	12.17	12.93	11.56

# BMO U.S. Equity Fund

## Series NBF Units

		Periods ended Sep. 30			
		2017 <sup>(12)</sup>	2016	2015	2014 <sup>(6)</sup>
Total net asset value (000's) <sup>(1)</sup>	\$	—	4,828	4,872	49,762
Number of units					
outstanding (000's) <sup>(1)</sup>		—	395	381	4,400
Management expense ratio <sup>(2)</sup>	%	0.51	0.17	0.63	0.61
Management expense ratio					
before waivers or absorptions	%	0.51	0.17	0.63	0.61
Trading expense ratio <sup>(3)</sup>	%	0.07	0.08	0.08	0.07
Portfolio turnover rate <sup>(4)</sup>	%	77.49	59.06	74.71	57.12
Net asset value per unit	\$	—	12.21	12.80	11.31

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

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

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

<sup>(3)</sup> 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.

<sup>(4)</sup> 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.

<sup>(5)</sup> The information shown in this column is for the period beginning March 28, 2013 (the series' inception date) and ending September 30, 2013.

<sup>(6)</sup> The information shown in this column is for the period beginning December 12, 2013 (the series' inception date) and ending September 30, 2014.

<sup>(7)</sup> The information shown in this column is for the period beginning April 7, 2014 (the series' inception date) and ending September 30, 2014.

<sup>(8)</sup> The information shown in this column is for the period beginning February 18, 2015 (the series' inception date) and ending September 30, 2015.

<sup>(9)</sup> The information shown in this column is for the period beginning April 13, 2015 (the series' inception date) and ending September 30, 2015.

<sup>(10)</sup> As at the close of business on October 30, 2015, the Premium Series was terminated.

<sup>(11)</sup> The information shown in this column is for the period beginning April 19, 2016 (the series' inception date) and ending September 30, 2016.

<sup>(12)</sup> As at the close of business on October 26, 2016, the Series NBA and Series NBF were terminated.

## 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.

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.

On June 22, 2012, BMO U.S. Growth Fund merged into the Fund.

On December 15, 2013, BMO Nesbitt Burns U.S. Stock Selection Fund merged into the Fund.

On August 31, 2016, BMO Asset Management Inc. became the portfolio manager of the Fund and BMO Asset Management Corp. became the sub-advisor of the Fund.

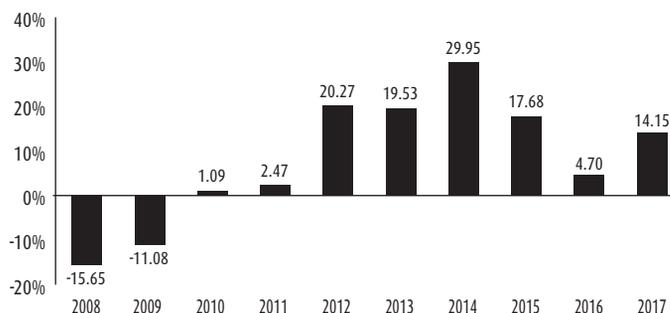
On February 1, 2017, the management fee on Series F and Series F (Hedged) units was lowered from 0.60% to 0.50%.

These changes could have affected the performance of the Fund had they been in effect throughout the performance measurement periods presented.

## Year-by-Year Returns

The following bar charts show the performance of 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 Units

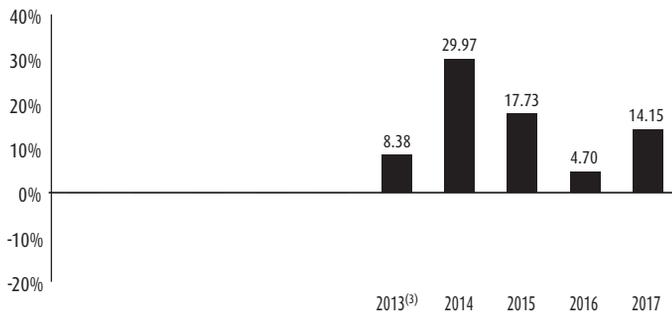


### Series A Units (Hedged)

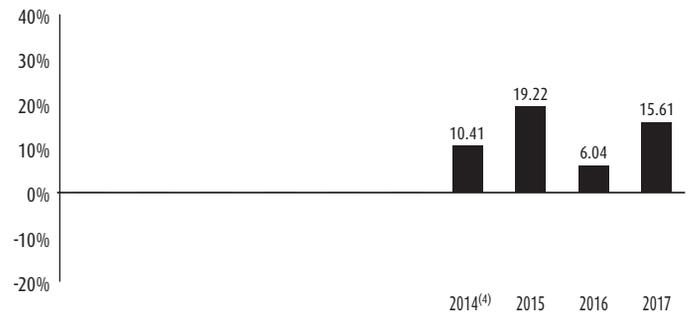


# BMO U.S. Equity Fund

## Advisor Series Units



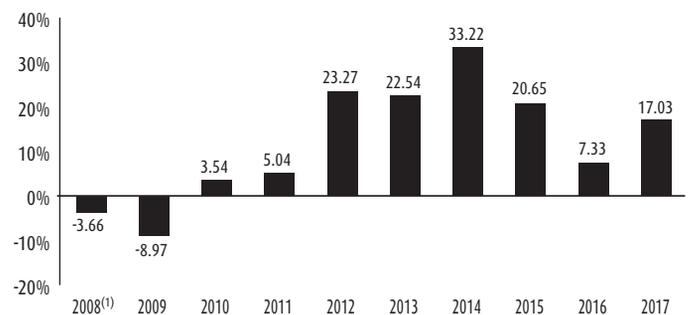
## Series D Units



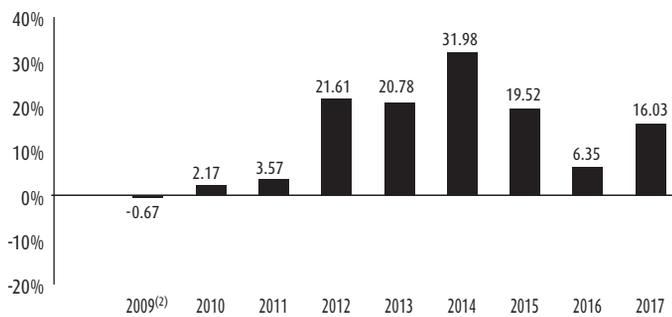
## Advisor Series Units (Hedged)



## Series I Units



## Series F Units



## Series N Units



## Series F Units (Hedged)



(1) For the period beginning with the performance launch date of March 5, 2008 to September 30, 2008.  
 (2) For the period beginning with the performance launch date of November 3, 2008 to September 30, 2009.  
 (3) For the period beginning with the performance launch date of April 1, 2013 to September 30, 2013.  
 (4) For the period beginning with the performance launch date of April 8, 2014 to September 30, 2014.  
 (5) For the period beginning with the performance launch date of April 20, 2015 to September 30, 2015.  
 (6) For the period beginning with the performance launch date of May 2, 2016 to September 30, 2016.

# BMO U.S. Equity Fund

## Annual Compound Returns

This table compares the historical annual compound returns of the Fund with its benchmark, the S&P 500 Total Return Index (“S&P 500”) (C\$) and the S&P 500 (C\$ hedged), a broad-based index.

The S&P 500 (C\$) and the S&P 500 (C\$ hedged) reflects changes in the performance of 500 widely held U.S. common stocks.

### Series A Units

		1 year	3 years	5 years	10 years	Since Inception <sup>(1)</sup>
BMO U.S. Equity Fund	%	14.15	12.04	16.92	7.40	
S&P 500 (C\$)	%	12.81	14.88	19.80	9.90	

### Series A Units (Hedged)

		1 year	3 years	5 years	10 years	Since Inception <sup>(1)</sup>
BMO U.S. Equity Fund	%	19.03				15.67
S&P 500 (C\$ hedged)	%	17.93				17.10

### Advisor Series Units

		1 year	3 years	5 years	10 years	Since Inception <sup>(1)</sup>
BMO U.S. Equity Fund	%	14.15	12.06			16.41
S&P 500 (C\$)	%	12.81	14.88			18.74

### Advisor Series Units (Hedged)

		1 year	3 years	5 years	10 years	Since Inception <sup>(1)</sup>
BMO U.S. Equity Fund	%	20.98				15.58
S&P 500 (C\$ hedged)	%	17.93				17.10

### Series F Units

		1 year	3 years	5 years	10 years	Since Inception <sup>(1)</sup>
BMO U.S. Equity Fund	%	16.03	13.83	18.65		13.14
S&P 500 (C\$)	%	12.81	14.88	19.80		14.20

### Series F Units (Hedged)

		1 year	3 years	5 years	10 years	Since Inception <sup>(1)</sup>
BMO U.S. Equity Fund	%	21.49				17.60
S&P 500 (C\$ hedged)	%	17.93				17.10

### Series D Units

		1 year	3 years	5 years	10 years	Since Inception <sup>(1)</sup>
BMO U.S. Equity Fund	%	15.61	13.49			14.73
S&P 500 (C\$)	%	12.81	14.88			15.89

### Series I Units

		1 year	3 years	5 years	10 years	Since Inception <sup>(1)</sup>
BMO U.S. Equity Fund	%	17.03	14.86	19.86		11.79
S&P 500 (C\$)	%	12.81	14.88	19.80		11.88

### Series N Units

		1 year	3 years	5 years	10 years	Since Inception <sup>(1)</sup>
BMO U.S. Equity Fund	%	16.69				9.70
S&P 500 (C\$)	%	12.81				11.56

(1) Return from the performance launch date of March 5, 2008 to September 30, 2017.

(2) Return from the performance launch date of November 3, 2008 to September 30, 2017.

(3) Return from the performance launch date of April 1, 2013 to September 30, 2017.

(4) Return from the performance launch date of April 8, 2014 to September 30, 2017.

(5) Return from the performance launch date of April 20, 2015 to September 30, 2017.

(6) Return from the performance launch date of May 2, 2016 to September 30, 2017.

*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.*

# BMO U.S. Equity Fund

## SUMMARY OF INVESTMENT PORTFOLIO

As at September 30, 2017

<b>Portfolio Allocation</b>	<b>% of Net Asset Value</b>
Information Technology	20.0
Financials	14.7
Health Care	13.7
Industrials	13.0
Consumer Staples	9.2
Consumer Discretionary	9.1
Utilities	5.5
Real Estate	5.4
Energy	5.1
Materials	3.3
Cash/Receivables/Payables	1.0
<b>Total Portfolio Allocation</b>	<b>100.0</b>

<b>Top 25 Holdings</b>	<b>% of Net Asset Value</b>
<b>Issuer</b>	
Apple Inc.	4.4
Alphabet Inc., Class C	3.4
Microsoft Corporation	2.9
Wells Fargo & Company	2.7
AbbVie Inc.	2.7
Boeing Company, The,	2.7
Citigroup Inc.	2.7
Celgene Corporation	2.6
Comcast Corporation, Class A	2.5
Chevron Corporation	2.5
Applied Materials, Inc.	2.4
PepsiCo, Inc.	2.3
Wal-Mart Stores, Inc.	2.2
CVS Health Corporation	2.1
Lowe's Companies, Inc.	1.9
Lear Corporation	1.9
Spirit AeroSystems Holdings, Inc.	1.9
Pfizer Inc.	1.8
American Electric Power Company, Inc.	1.8
Southwest Airlines Co.	1.8
Equinix, Inc.	1.7
Progressive Corporation, The,	1.7
Allstate Corporation, The,	1.7
Berry Plastics Group, Inc.	1.7
Ameren Corporation	1.6
<b>Top Holdings as a Percentage of Total Net Asset Value</b>	<b>57.6</b>
<b>Total Net Asset Value</b>	<b>\$2,774,484,103</b>

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

[www.bmo.com/mutualfunds](http://www.bmo.com/mutualfunds) and [www.bmo.com/gam/ca](http://www.bmo.com/gam/ca)

**BMO Investments Inc.**

**First Canadian Place, 43rd Floor, 100 King Street West**

**Toronto, ON M5X 1A1**

For more information please call BMO Investment Centre at 1-800-665-7700 (investors who purchased BMO Mutual Funds through a BMO Bank of Montreal branch or BMO Online Banking) or call Client Services toll-free at 1-800-668-7327 (investors who purchased BMO Mutual Funds through a full-service or discount broker) or at 1-800-361-1392 (investors who purchased Series NBA and NBF through a full-service or discount broker).



This document may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent our beliefs regarding future events. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking statements will not prove to be accurate. We caution readers of this document not to place undue reliance on our forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed or implied in the forward-looking statements. Actual results may differ materially from management expectations as projected in such forward-looking statements for a variety of reasons, including but not limited to market and general economic conditions, interest rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the Fund may invest in and the risks detailed from time to time in BMO Mutual Funds' simplified prospectus. We caution that the foregoing list of factors is not exhaustive and that when relying on forward-looking statements to make decisions with respect to investing in the Fund, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Due to the potential impact of these factors, BMO Investments Inc. does not undertake, and specifically disclaims, any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

BMO (M-bar roundel symbol) registered trademark, and BMO (M-bar roundel symbol) Mutual Funds are owned by Bank of Montreal, used under license. BMO Mutual Funds are offered by BMO Investments Inc., a financial services firm and separate legal entity from Bank of Montreal.