

BMO Mutual Funds 2017

Annual Financial Statements

September 30, 2017

BMO World Bond Fund

Independent Auditor's Report

To the Unitholders and Trustee of:

BMO Canadian Equity Fund
BMO Canadian Small Cap Equity Fund
BMO Resource Fund
BMO Mortgage and Short-Term Income Fund
BMO Money Market Fund
BMO Bond Fund
BMO Canadian Equity ETF Fund
BMO Asset Allocation Fund
BMO Dividend Fund
BMO Precious Metals Fund
BMO Monthly Income Fund
BMO Diversified Income Portfolio
BMO Global Infrastructure Fund
BMO Laddered Corporate Bond Fund
BMO Emerging Markets Bond Fund
BMO Core Plus Bond Fund
BMO Core Bond Fund
BMO Target Education Income Portfolio
BMO Target Education 2020 Portfolio
BMO Target Education 2025 Portfolio
BMO Target Education 2030 Portfolio
BMO Target Education 2035 Portfolio
BMO Tactical Global Bond ETF Fund
BMO Tactical Global Equity ETF Fund
BMO Global Balanced Fund
BMO U.S. Dividend Fund
BMO Retirement Income Portfolio
BMO Retirement Conservative Portfolio
BMO Retirement Balanced Portfolio
BMO Ascent Income Portfolio
BMO Ascent Conservative Portfolio
BMO Ascent Balanced Portfolio
BMO Ascent Growth Portfolio
BMO Ascent Equity Growth Portfolio
BMO LifeStage Plus 2020 Fund
BMO LifeStage Plus 2025 Fund
BMO LifeStage Plus 2030 Fund
BMO LifeStage Plus 2022 Fund
BMO LifeStage Plus 2026 Fund
BMO SelectTrust Fixed Income Portfolio
BMO FundSelect Income Portfolio
BMO FundSelect Balanced Portfolio
BMO FundSelect Growth Portfolio
BMO FundSelect Equity Growth Portfolio

BMO Fixed Income Yield Plus ETF Portfolio
BMO Balanced Yield Plus ETF Portfolio
BMO Fixed Income ETF Portfolio
BMO Income ETF Portfolio
BMO Conservative ETF Portfolio
BMO Balanced ETF Portfolio
BMO Growth ETF Portfolio
BMO Equity Growth ETF Portfolio
BMO World Bond Fund
BMO Emerging Markets Fund
BMO European Fund
BMO North American Dividend Fund
BMO U.S. Equity ETF Fund
BMO U.S. Equity Fund
BMO Global Dividend Fund
BMO International Equity ETF Fund
BMO Global Monthly Income Fund
BMO Preferred Share Fund
BMO Tactical Dividend ETF Fund
BMO Global Strategic Bond Fund
BMO U.S. High Yield Bond Fund
BMO Tactical Balanced ETF Fund
BMO Growth Opportunities Fund
BMO Global Equity Fund
BMO U.S. Equity Plus Fund
BMO U.S. Dollar Money Market Fund
BMO U.S. Dollar Equity Index Fund
BMO U.S. Dollar Monthly Income Fund
BMO U.S. Dollar Dividend Fund
BMO U.S. Dollar Balanced Fund
BMO Risk Reduction Equity Fund
BMO Risk Reduction Fixed Income Fund
BMO Covered Call Canadian Banks ETF Fund
BMO Covered Call Europe High Dividend
ETF Fund
BMO Fossil Fuel Free Fund
BMO Tactical Global Asset Allocation ETF Fund
BMO Tactical Global Growth ETF Fund
BMO Covered Call U.S. High Dividend
ETF Fund
BMO Women in Leadership Fund
BMO International Equity Fund
BMO Japan Fund

To the Shareholders of BMO Global Tax Advantage Funds Inc.:

BMO Global Dividend Class
BMO Canadian Equity Class
BMO Global Equity Class
BMO Global Energy Class
BMO Dividend Class
BMO Greater China Class
BMO International Value Class
BMO Global Low Volatility ETF Class
(formerly BMO Global Tactical ETF Class)
BMO SelectClass Income Portfolio
BMO SelectClass Balanced Portfolio
BMO SelectClass Growth Portfolio
BMO SelectClass Equity Growth Portfolio
BMO Income ETF Portfolio Class
BMO Balanced ETF Portfolio Class
BMO Growth ETF Portfolio Class
BMO Equity Growth ETF Portfolio Class
BMO U.S. Equity Class
BMO Asian Growth and Income Class
(collectively, the Funds or individually the Fund)

Independent Auditor's Report

We have audited the accompanying financial statements of each of the Funds, which comprise the statements of financial position, comprehensive income, changes in net assets attributable to holders of redeemable units/shares and cash flows as at and for the periods indicated in Note 1, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of each of the Funds in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements of each of the Funds based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in each of our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of each of the Funds present fairly, in all material respects, the financial position, financial performance and cash flows of each of the Funds as at and for the periods indicated in Note 1 in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario

December 18, 2017

BMO World Bond Fund

STATEMENT OF FINANCIAL POSITION

(All amounts in thousands of Canadian dollars, except per unit data)

As at	September 30 2017	September 30 2016
ASSETS		
CURRENT ASSETS		
Cash	7,573	7,161
Investments		
Non-derivative financial assets	808,985	995,130
Derivative assets	—	2,065
Receivable for investments sold	—	23,755
Subscriptions receivable	54	1,001
Interest receivable	5,847	6,986
Distribution receivable from investment trusts	687	343
Total assets	823,146	1,036,441
LIABILITIES		
CURRENT LIABILITIES		
Payable for investments purchased	—	21,235
Redemptions payable	3,228	2,856
Derivative liabilities	—	2,817
Accrued expenses	31	37
Total liabilities	3,259	26,945
Net assets attributable to holders of redeemable units	819,887	1,009,496
Net assets attributable to holders of redeemable units		
Series A Units	225,378	298,744
Advisor Series Units	8,085	11,117
Series F Units	20,871	28,069
Series I Units	563,945	669,533
Classic Series Units	1,608	2,033
Net assets attributable to holders of redeemable units per unit		
Series A Units	\$ 10.54	\$ 12.50
Advisor Series Units	\$ 9.79	\$ 11.44
Series F Units	\$ 11.48	\$ 13.14
Series I Units	\$ 11.26	\$ 13.76
Classic Series Units	\$ 9.85	\$ 11.58

STATEMENT OF COMPREHENSIVE INCOME

(All amounts in thousands of Canadian dollars, except per unit data)

For the periods ended	September 30 2017	September 30 2016
INCOME		
Interest income	15,111	24,170
Distribution from investment trusts	8,242	8,365
Other changes in fair value of investments and derivatives		
Net realized gain	8,781	121,817
Change in unrealized depreciation	(79,584)	(37,482)
Net (loss) gain in fair value of investments and derivatives	(47,450)	116,870
Securities lending revenue (note 8)	—	41
Foreign exchange loss	(4,463)	(3,240)
Total other loss	(4,463)	(3,199)
Total (loss) income	(51,913)	113,671
EXPENSES		
Management fees (note 6)	5,418	5,991
Fixed administration fees (note 6)	1,021	1,081
Independent review committee fees (note 6)	1	1
Withholding taxes	61	57
Interest charges	17	25
Fund Facts fees	0	0
Commissions and other portfolio transaction costs (note 6)	9	178
Operating expenses absorbed by the Manager (note 6)	(462)	(504)
Total expenses	6,065	6,829
(Decrease) increase in net assets attributable to holders of redeemable units	(57,978)	106,842
(Decrease) increase in net assets attributable to holders of redeemable units		
Series A Units	(21,398)	20,445
Advisor Series Units	(844)	570
Series F Units	(2,082)	960
Series I Units	(33,524)	84,710
Classic Series Units	(130)	157
(Decrease) increase in net assets attributable to holders of redeemable units per unit (note 8)		
Series A Units	(0.88)	0.82
Advisor Series Units	(0.88)	0.73
Series F Units	(1.03)	1.04
Series I Units	(0.65)	1.19
Classic Series Units	(0.74)	0.83

The accompanying notes are an integral part of these financial statements.

BMO World Bond Fund

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

(All amounts in thousands of Canadian dollars)

For the periods ended	September 30 2017	September 30 2016	For the periods ended	September 30 2017	September 30 2016
Series A Units			Series F Units		
Net assets attributable to holders of redeemable units at beginning of period	298,744	303,671	Net assets attributable to holders of redeemable units at beginning of period	28,069	2,138
(Decrease) increase in net assets attributable to holders of redeemable units	(21,398)	20,445	(Decrease) increase in net assets attributable to holders of redeemable units	(2,082)	960
Distributions to holders of redeemable units from:			Distributions to holders of redeemable units from:		
Net investment income	(2,357)	(5,308)	Net investment income	(660)	(295)
Net realized gains on investments and derivatives	(19,407)	—	Net realized gains on investments and derivatives	(1,206)	—
Return of capital	(3,450)	(16)	Return of capital	(64)	(0)
Total distributions to holders of redeemable units	(25,214)	(5,324)	Total distributions to holders of redeemable units	(1,930)	(295)
Redeemable unit transactions			Redeemable unit transactions		
Proceeds from redeemable units issued	30,355	35,623	Proceeds from redeemable units issued	26,792	26,929
Reinvestments of distributions to holders of redeemable units	25,163	5,311	Reinvestments of distributions to holders of redeemable units	1,502	252
Redemption of redeemable units	(82,272)	(60,982)	Redemption of redeemable units	(31,480)	(1,915)
Net decrease from redeemable unit transactions	(26,754)	(20,048)	Net (decrease) increase from redeemable unit transactions	(3,186)	25,266
Net decrease in net assets attributable to holders of redeemable units	(73,366)	(4,927)	Net (decrease) increase in net assets attributable to holders of redeemable units	(7,198)	25,931
Net assets attributable to holders of redeemable units at end of period	225,378	298,744	Net assets attributable to holders of redeemable units at end of period	20,871	28,069
Advisor Series Units			Series I Units		
Net assets attributable to holders of redeemable units at beginning of period	11,117	7,074	Net assets attributable to holders of redeemable units at beginning of period	669,533	1,117,408
(Decrease) increase in net assets attributable to holders of redeemable units	(844)	570	(Decrease) increase in net assets attributable to holders of redeemable units	(33,524)	84,710
Distributions to holders of redeemable units from:			Distributions to holders of redeemable units from:		
Net investment income	(93)	(150)	Net investment income	(31,323)	(42,477)
Net realized gains on investments and derivatives	(623)	—	Net realized gains on investments and derivatives	(55,302)	—
Return of capital	(136)	(0)	Return of capital	(296)	(279)
Total distributions to holders of redeemable units	(852)	(150)	Total distributions to holders of redeemable units	(86,921)	(42,756)
Redeemable unit transactions			Redeemable unit transactions		
Proceeds from redeemable units issued	3,425	5,720	Proceeds from redeemable units issued	22,305	31,960
Reinvestments of distributions to holders of redeemable units	760	138	Reinvestments of distributions to holders of redeemable units	86,921	27,954
Redemption of redeemable units	(5,521)	(2,235)	Redemption of redeemable units	(94,369)	(549,743)
Net (decrease) increase from redeemable unit transactions	(1,336)	3,623	Net increase (decrease) from redeemable unit transactions	14,857	(489,829)
Net (decrease) increase in net assets attributable to holders of redeemable units	(3,032)	4,043	Net decrease in net assets attributable to holders of redeemable units	(105,588)	(447,875)
Net assets attributable to holders of redeemable units at end of period	8,085	11,117	Net assets attributable to holders of redeemable units at end of period	563,945	669,533

The accompanying notes are an integral part of these financial statements.

BMO World Bond Fund

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (cont'd)

(All amounts in thousands of Canadian dollars)

For the periods ended	September 30 2017	September 30 2016
Classic Series Units		
Net assets attributable to holders of redeemable units at beginning of period	2,033	2,167
(Decrease) increase in net assets attributable to holders of redeemable units	(130)	157
Distributions to holders of redeemable units from:		
Net investment income	(31)	(36)
Net realized gains on investments and derivatives	(135)	—
Return of capital	(1)	(0)
Total distributions to holders of redeemable units	(167)	(36)
Redeemable unit transactions		
Reinvestments of distributions to holders of redeemable units	163	35
Redemption of redeemable units	(291)	(290)
Net decrease from redeemable unit transactions	(128)	(255)
Net decrease in net assets attributable to holders of redeemable units	(425)	(134)
Net assets attributable to holders of redeemable units at end of period	1,608	2,033

Total Fund

Net assets attributable to holders of redeemable units at beginning of period	1,009,496	1,432,458
(Decrease) increase in net assets attributable to holders of redeemable units	(57,978)	106,842
Distributions to holders of redeemable units from:		
Net investment income	(34,464)	(48,266)
Net realized gains on investments and derivatives	(76,673)	—
Return of capital	(3,947)	(295)
Total distributions paid to holders of redeemable units	(115,084)	(48,561)
Redeemable unit transactions		
Proceeds from redeemable units issued	82,877	100,232
Reinvestments of distributions to holders of redeemable units	114,509	33,690
Redemption of redeemable units	(213,933)	(615,165)
Net decrease from redeemable unit transactions	(16,547)	(481,243)
Net decrease in net assets attributable to holders of redeemable units	(189,609)	(422,962)
Net assets attributable to holders of redeemable units at end of period	819,887	1,009,496

The accompanying notes are an integral part of these financial statements.

BMO World Bond Fund

STATEMENT OF CASH FLOWS

(All amounts in thousands of Canadian dollars)

For the periods ended	September 30 2017	September 30 2016
Cash flows from operating activities		
(Decrease) increase in net assets attributable to holders of redeemable units	(57,978)	106,842
Adjustments for:		
Foreign exchange loss on cash	86	13
Net realized gain on sale of investments and derivatives	(8,781)	(121,817)
Change in unrealized depreciation of investments and derivatives	79,584	37,482
Decrease in interest receivable	1,139	3,423
(Increase) decrease in distribution receivable from investment trusts	(344)	113
(Decrease) increase in accrued expenses	(6)	4
Amortization of premium and discounts	6,731	9,450
Non-cash distributions from investment trusts	(2,283)	(2,860)
Purchases of investments	(148,908)	(209,383)
Proceeds from sale and maturity of investments	261,570	655,003
Cash inflows on derivatives	—	39,832
Net cash from operating activities	130,810	518,102
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(575)	(14,871)
Proceeds from issuances of redeemable units	83,038	98,392
Amounts paid on redemption of redeemable units	(212,775)	(611,989)
Net cash from financing activities	(130,312)	(528,468)
Foreign exchange loss on cash	(86)	(13)
Net increase (decrease) in cash	498	(10,366)
Cash at beginning of period	7,161	17,540
Cash at end of period	7,573	7,161
Supplementary Information		
Interest received, net of withholding taxes*	22,937	36,993
Distribution received from investment trusts, net of withholding taxes*	5,615	5,618
Interest expense paid*	5	6

*These items are from operating activities

The accompanying notes are an integral part of these financial statements.

BMO World Bond Fund

SCHEDULE OF INVESTMENT PORTFOLIO

September 30, 2017 (All amounts in thousands of Canadian dollars, unless otherwise noted)

	Par Value (in thousands)	Cost (\$)	Fair Value (\$)		Par Value (in thousands)	Cost (\$)	Fair Value (\$)
BONDS & DEBENTURES							
Australia — 4.7%							
BHP Billiton Finance Ltd., Medium Term Notes, Senior, Unsecured, 3.750% Oct 18, 2017	AUD 1,000	1,014	979				
Commonwealth of Australia, Series 132, Senior, Unsecured, 5.500% Jan 21, 2018	AUD 7,500	7,509	7,421				
Commonwealth of Australia, Series 141, Senior, Unsecured, 3.250% Oct 21, 2018	AUD 3,000	3,039	2,981				
Commonwealth of Australia, Series 143, Senior, Unsecured, 2.750% Oct 21, 2019	AUD 5,000	4,938	4,971				
Commonwealth of Australia, Series 126, Senior, Unsecured, 4.500% Apr 15, 2020	AUD 2,000	2,041	2,075				
Commonwealth of Australia, Series 146, Senior, Unsecured, 1.750% Nov 21, 2020	AUD 5,000	4,809	4,834				
Commonwealth of Australia, Series 124, Senior, Unsecured, 5.750% May 15, 2021	AUD 4,000	4,483	4,394				
Commonwealth of Australia, Series 128, Senior, Unsecured, 5.750% Jul 15, 2022	AUD 2,600	2,919	2,932				
Commonwealth of Australia, Series 136, Senior, Unsecured, 4.750% Apr 21, 2027	AUD 2,250	2,434	2,561				
Commonwealth of Australia, Series 138, Senior, Unsecured, 3.250% Apr 21, 2029	AUD 1,000	915	1,008				
Commonwealth of Australia, Series 144, Senior, Unsecured, 3.750% Apr 21, 2037	AUD 1,000	1,068	1,037				
Telstra Corporation Limited, Senior, Unsecured, Notes, 3.500% Sep 21, 2022	EUR 1,900	2,452	3,218				
		37,621	38,411				
Austria — 0.9%							
Oesterreichische Kontrollbank AG, Unsecured, Notes, 2.875% Feb 25, 2030	CHF 1,000	1,240	1,688				
Republic of Austria, Senior, Unsecured, 3.900% Jul 15, 2020	EUR 1,500	2,069	2,485				
Republic of Austria, Euro Medium Term Notes, Senior, Unsecured, 4.850% Mar 15, 2026	EUR 500	706	1,014				
Republic of Austria, Senior, Unsecured, 4.150% Mar 15, 2037	EUR 1,000	1,638	2,224				
		5,653	7,411				
Belgium — 1.4%							
Anheuser-Busch InBev Finance Inc., Senior, Unsecured, Notes, 1.900% Feb 1, 2019	USD 1,000	1,319	1,251				
Anheuser-Busch InBev Finance Inc., Senior, Unsecured, Notes, 2.150% Feb 1, 2019	USD 2,000	2,703	2,511				
Kingdom of Belgium, Series 58, 3.750% Sep 28, 2020	EUR 1,000	1,573	1,663				
Kingdom of Belgium, Series 65, Senior, Unsecured, 4.250% Sep 28, 2022	EUR 2,300	3,117	4,148				
Kingdom of Belgium, Series 60, Unsecured, 4.250% Mar 28, 2041	EUR 1,000	1,286	2,269				
		9,998	11,842				
Brazil — 0.3%							
Vale Overseas Limited, Senior, Unsecured, Notes, 4.375% Jan 11, 2022	USD 1,000	1,037	1,298				
				Vale Overseas Limited, Senior, Unsecured, Notes, 6.875% Nov 21, 2036	USD 1,000	1,188	1,435
						2,225	2,733
				British Virgin Islands — 0.2%			
				Gerdau Trade Inc., Senior, Unsecured, Notes, 5.750% Jan 30, 2021	USD 1,000	1,043	1,335
				Chile — 0.8%			
				Republic of Chile, Senior, Unsecured, 3.875% Aug 5, 2020	USD 1,000	1,411	1,313
				Republic of Chile, Senior, Unsecured, 3.250% Sep 14, 2021	USD 3,000	3,089	3,899
				Republic of Chile, Senior, Unsecured, 2.250% Oct 30, 2022	USD 1,000	964	1,243
						5,464	6,455
				Colombia — 0.4%			
				Republic of Colombia, Senior, Unsecured, 4.375% Jul 12, 2021	USD 2,750	2,955	3,646
				Czech Republic — 1.0%			
				Czech Republic, Series 6Y, Unsecured, 1.500% Oct 29, 2019	CZK 79,500	4,294	4,658
				Czech Republic, Series 58, Senior, Unsecured, 5.700% May 25, 2024	CZK 12,500	749	950
				EP Energy, a.s., Euro Medium Term Notes, Secured, 5.875% Nov 1, 2019	EUR 1,600	2,063	2,627
						7,106	8,235
				Denmark — 1.1%			
				Kingdom of Denmark, Unsecured, 4.000% Nov 15, 2019	DKK 15,000	3,104	3,260
				Kingdom of Denmark, Unsecured, 3.000% Nov 15, 2021	DKK 22,700	4,654	5,119
				Kingdom of Denmark, Unsecured, 4.500% Nov 15, 2039	DKK 2,300	577	766
						8,335	9,145
				France — 5.2%			
				Bouygues S.A., Senior, Unsecured, Notes, 3.641% Oct 29, 2019	EUR 1,000	1,390	1,587
				Eutelsat S.A., Senior, Unsecured, Notes, 5.000% Jan 14, 2019	EUR 1,100	1,486	1,727
				Republic of France, Unsecured, 2.250% Oct 25, 2022	EUR 8,000	10,761	13,211
				Republic of France, Unsecured, 1.750% May 25, 2023	EUR 2,000	3,287	3,242
				Republic of France, Unsecured, 6.000% Oct 25, 2025	EUR 500	956	1,068
				Republic of France, Unsecured, 3.500% Apr 25, 2026	EUR 500	837	922
				Republic of France, Unsecured, 5.500% Apr 25, 2029	EUR 3,600	5,978	7,984
				Republic of France, Unsecured, 4.000% Oct 25, 2038	EUR 3,300	5,815	7,105

BMO World Bond Fund

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

September 30, 2017 (All amounts in thousands of Canadian dollars, unless otherwise noted)

	Par Value (in thousands)	Cost (\$)	Fair Value (\$)		Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Republic of France, Unsecured, 4.000% Apr 25, 2055.....	EUR 800.....	1,283.....	1,844	Israel — 0.5%			
Sanofi, Senior, Unsecured, Notes, 4.000% Mar 29, 2021.....	USD 850.....	829.....	1,122	State of Israel, Series 0122, Unsecured, 5.500% Jan 31, 2022.....	ILS 6,000.....	1,927.....	2,559
Total Capital S.A., Senior, Unsecured, Notes, 3.125% Jun 28, 2018.....	CHF 1,000.....	1,115.....	1,323	Teva Pharmaceutical Finance Company B.V., Series 2, Senior, Unsecured, Notes, 3.650% Nov 10, 2021.....	USD 1,351.....	1,360.....	1,701
UNEDIC, Euro Medium Term Notes, Senior, Unsecured, 3.000% Apr 25, 2019.....	EUR 1,000.....	1,355.....	1,554			3,287.....	4,260
		35,092.....	42,689	Italy — 3.3%			
Germany — 5.6%				Republic of Italy, Senior, Unsecured, 4.500% Mar 1, 2024.....	EUR 5,000.....	8,255.....	8,786
Allianz Finance II BV, Euro Medium Term Notes, Senior, Unsecured, 4.750% Jul 22, 2019.....	EUR 1,000.....	1,396.....	1,608	Republic of Italy, Unsecured, 1.500% Jun 1, 2025.....	EUR 2,000.....	2,843.....	2,904
BASF SE, Series 10Y, Senior, Unsecured, Notes, 2.000% Dec 5, 2022.....	EUR 1,000.....	1,326.....	1,607	Republic of Italy, Senior, Unsecured, 4.500% Mar 1, 2026.....	EUR 1,000.....	1,622.....	1,779
Bayer AG, Fixed to Floating, Junior, Notes, Subordinated, Callable, 3.750% Jul 1, 2074.....	EUR 1,000.....	1,481.....	1,604	Republic of Italy, Senior, Unsecured, 5.000% Aug 1, 2034.....	EUR 2,500.....	3,073.....	4,793
Federal Republic of Germany, Series 167, Unsecured, 1.000% Oct 12, 2018.....	EUR 2,500.....	3,425.....	3,753	Republic of Italy, Senior, Unsecured, 5.000% Aug 1, 2039.....	EUR 4,500.....	7,835.....	8,690
Federal Republic of Germany, Unsecured, 1.750% Jul 4, 2022.....	EUR 4,500.....	6,888.....	7,301			23,628.....	26,952
Federal Republic of Germany, Unsecured, 1.500% Sep 4, 2022.....	EUR 8,150.....	11,220.....	13,096	Japan — 10.1%			
Federal Republic of Germany, Unsecured, 1.750% Feb 15, 2024.....	EUR 3,500.....	5,111.....	5,766	Government of Japan, Ten Year Bonds, Series 307, Senior, Unsecured, 1.300% Mar 20, 2020.....	JPY 780,000.....	9,979.....	8,952
Federal Republic of Germany, Series 03, Unsecured, 4.750% Jul 4, 2034.....	EUR 1,110.....	1,921.....	2,627	Government of Japan, Ten Year Bonds, Series 320, Senior, Unsecured, 1.000% Dec 20, 2021.....	JPY 300,000.....	2,964.....	3,479
Federal Republic of Germany, Series 05, 4.000% Jan 4, 2037.....	EUR 500.....	967.....	1,128	Government of Japan, Ten Year Bonds, Series 327, Senior, Unsecured, 0.800% Dec 20, 2022.....	JPY 315,000.....	3,442.....	3,652
Federal Republic of Germany, Unsecured, 3.250% Jul 4, 2042.....	EUR 750.....	1,316.....	1,605	Government of Japan, Ten Year Bonds, Series 329, Senior, Unsecured, 0.800% Jun 20, 2023.....	JPY 100,000.....	1,058.....	1,164
Federal Republic of Germany, Unsecured, 2.500% Jul 4, 2044.....	EUR 500.....	687.....	952	Government of Japan, Ten Year Bonds, Series 332, Senior, Unsecured, 0.600% Dec 20, 2023.....	JPY 800,000.....	8,381.....	9,234
Federal State of North Rhine-Westphalia, Series 1194, Senior, Unsecured, 1.750% May 17, 2019.....	EUR 1,000.....	1,329.....	1,527	Government of Japan, Twenty Year Bonds, Series 79, Senior, Unsecured, 2.000% Jun 20, 2025.....	JPY 100,000.....	1,141.....	1,280
Merck Financial Services GmbH, Series 7, Euro Medium Term Notes, Senior, Unsecured, 4.500% Mar 24, 2020.....	EUR 1,000.....	1,413.....	1,642	Government of Japan, Twenty Year Bonds, Series 117, Senior, Unsecured, 2.100% Mar 20, 2030.....	JPY 1,112,950.....	14,737.....	15,254
Siemens Financieringsmaatschappij NV, Euro Medium Term Notes, Senior, Unsecured, 1.750% Mar 12, 2021.....	EUR 1,000.....	1,321.....	1,565	Government of Japan, Twenty Year Bonds, Series 116, Senior, Unsecured, 2.200% Mar 20, 2030.....	JPY 100,000.....	1,178.....	1,384
		39,801.....	45,781	Government of Japan, Ten Year Bonds, Series 140, Senior, Unsecured, 1.700% Sep 20, 2032.....	JPY 855,000.....	9,534.....	11,412
Indonesia — 1.5%				Government of Japan, Twenty Year Bonds, Series 146, Senior, Unsecured, 1.700% Sep 20, 2033.....	JPY 100,000.....	1,066.....	1,340
Republic of Indonesia, Senior, Unsecured, 11.625% Mar 4, 2019.....	USD 2,000.....	2,777.....	2,832	Government of Japan, Thirty Year Bonds, Series 26, Senior, Unsecured, 2.400% Mar 20, 2037.....	JPY 80,000.....	922.....	1,189
Republic of Indonesia, Senior, Unsecured, 5.875% Mar 13, 2020.....	USD 3,000.....	4,322.....	4,072	Government of Japan, Thirty Year Bonds, Series 28, Senior, Unsecured, 2.500% Mar 20, 2038.....	JPY 60,000.....	718.....	909
Republic of Indonesia, Senior, Unsecured, 4.875% May 5, 2021.....	USD 2,000.....	2,622.....	2,689				
Republic of Indonesia, Senior, Unsecured, 3.750% Apr 25, 2022.....	USD 2,000.....	2,524.....	2,589				
		12,245.....	12,182				
Ireland — 0.6%							
Republic of Ireland, Unsecured, 5.900% Oct 18, 2019.....	EUR 2,900.....	4,044.....	4,842				

BMO World Bond Fund

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

September 30, 2017 (All amounts in thousands of Canadian dollars, unless otherwise noted)

	Par Value (in thousands)	Cost (\$)	Fair Value (\$)		Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Government of Japan, Thirty Year Bonds, Series 33, Senior, Unsecured, 2.000% Sep 20, 2040.....	JPY 118,000.....	1,529.....	1,671	Koninklijke (Royal) KPN N.V., Unsecured, Notes, 4.250% Mar 1, 2022.....	EUR 2,100.....	2,778.....	3,607
Government of Japan, Thirty Year Bonds, Series 36, Senior, Unsecured, 2.000% Mar 20, 2042.....	JPY 350,000.....	4,117.....	4,971	RWE Finance BV, Euro Medium Term Notes, Senior, Unsecured, 6.500% Aug 10, 2021.....	EUR 1,000.....	1,548.....	1,836
Government of Japan, Thirty Year Bonds, Series 37, Senior, Unsecured, 1.900% Sep 20, 2042.....	JPY 650,000.....	9,476.....	9,085	Shell International Finance B.V., Euro Medium Term Notes, Senior, Unsecured, 0.375% Feb 15, 2025.....	EUR 1,000.....	1,473.....	1,437
Government of Japan, Thirty Year Bonds, Series 39, Senior, Unsecured, 1.900% Jun 20, 2043.....	JPY 150,000.....	1,684.....	2,102			17,030.....	19,849
Government of Japan, Thirty Year Bonds, Series 41, Senior, Unsecured, 1.700% Dec 20, 2043.....	JPY 225,000.....	2,967.....	3,037	New Zealand — 0.6%			
Government of Japan, Forty Year Bonds, Series 2, Senior, Unsecured, 2.200% Mar 20, 2049.....	JPY 130,000.....	1,483.....	1,957	Dominion of New Zealand, Series 1217, Senior, Unsecured, 6.000% Dec 15, 2017.....	NZD 2,500.....	2,349.....	2,272
Government of Japan, Forty Year Bonds, Series 6, Senior, Unsecured, 1.900% Mar 20, 2053.....	JPY 50,000.....	527.....	709	Dominion of New Zealand, Series 423, Senior, Unsecured, 5.500% Apr 15, 2023.....	NZD 2,500.....	2,428.....	2,593
		76,903.....	82,781			4,777.....	4,865
Malaysia — 0.6%				Norway — 2.0%			
Federation of Malaysia, Series 2/03, Senior, Unsecured, 4.240% Feb 7, 2018.....	MYR 6,000.....	1,985.....	1,780	Kingdom of Norway, Series 473, 4.500% May 22, 2019.....	NOK 40,000.....	6,752.....	6,667
Federation of Malaysia, Series 0902, Senior, Unsecured, 4.378% Nov 29, 2019.....	MYR 6,000.....	2,011.....	1,812	Kingdom of Norway, Series 474, Unsecured, 3.750% May 25, 2021.....	NOK 29,000.....	5,354.....	5,004
Federation of Malaysia, Series 0112, Senior, Unsecured, 3.418% Aug 15, 2022.....	MYR 6,000.....	1,942.....	1,753	Statoil ASA, Senior, Unsecured, Notes, 2.450% Jan 17, 2023.....	USD 1,500.....	1,470.....	1,866
		5,938.....	5,345	Statoil ASA, Senior, Unsecured, Notes, 5.100% Aug 17, 2040.....	USD 2,000.....	2,172.....	2,879
						15,748.....	16,416
Mexico — 2.0%				Poland — 0.6%			
BBVA Bancomer S.A., Texas, Notes, Subordinated, 6.500% Mar 10, 2021.....	USD 1,000.....	1,074.....	1,376	Republic of Poland, Series 1019, Unsecured, 5.500% Oct 25, 2019.....	PLZ 10,000.....	3,679.....	3,678
Pemex Project Funding Master Trust, Senior, Unsecured, Notes, 6.625% Jun 15, 2035.....	USD 2,000.....	2,466.....	2,701	Republic of Poland, Series 0922, Unsecured, 5.750% Sep 23, 2022.....	PLZ 2,750.....	1,002.....	1,072
Petroleos Mexicanos, Medium Term Notes, 5.500% Jan 21, 2021.....	USD 2,000.....	2,158.....	2,664			4,681.....	4,750
United Mexican States, Series M, Senior, Unsecured, 5.000% Dec 11, 2019.....	MXN 90,000.....	6,162.....	5,952	Singapore — 0.4%			
United Mexican States, Senior, Unsecured, 2.750% Apr 22, 2023.....	EUR 2,500.....	3,341.....	4,022	Republic of Singapore, Senior, Unsecured, 2.500% Jun 1, 2019.....	SGD 1,000.....	922.....	937
		15,201.....	16,715	Republic of Singapore, Senior, Unsecured, 3.125% Sep 1, 2022.....	SGD 1,000.....	951.....	981
				Republic of Singapore, Senior, Unsecured, 3.500% Mar 1, 2027.....	SGD 1,000.....	868.....	1,025
						2,741.....	2,943
Netherlands — 2.4%				South Africa — 1.0%			
Bank Nederlandse Gemeenten N.V., Euro Medium Term Notes, Senior, Unsecured, 2.250% Oct 14, 2020.....	CHF 1,000.....	1,149.....	1,395	Republic of South Africa, Series R207, Senior, Unsecured, 7.250% Jan 15, 2020.....	ZAR 40,000.....	3,678.....	3,685
Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., Series 2024A, Euro Medium Term Notes, Senior, Unsecured, 3.625% Jul 2, 2019.....	CHF 1,000.....	1,140.....	1,376	Republic of South Africa, Series 2023, Unsecured, 7.750% Feb 28, 2023.....	ZAR 29,000.....	2,655.....	2,656
Heineken NV, Euro Medium Term Notes, Senior, Unsecured, 3.500% Mar 19, 2024.....	EUR 1,200.....	1,561.....	2,075	Republic of South Africa, Series R186, Unsecured, 10.500% Dec 21, 2026.....	ZAR 10,000.....	1,375.....	1,033
Kingdom of the Netherlands, Unsecured, 4.000% Jul 15, 2019.....	EUR 2,895.....	4,178.....	4,628	Republic of South Africa, Series R209, Senior, Unsecured, 6.250% Mar 31, 2036.....	ZAR 10,000.....	837.....	664
Kingdom of the Netherlands, Unsecured, 3.250% Jul 15, 2021.....	EUR 1,000.....	1,687.....	1,682			8,545.....	8,038
Kingdom of the Netherlands, Unsecured, 2.500% Jan 15, 2033.....	EUR 1,000.....	1,516.....	1,813	South Korea — 3.8%			
				Korea Monetary Stabilization Bonds, Series 1802, Senior, Unsecured, 1.490% Feb 2, 2018.....	KRW 2,000,000.....	2,256.....	2,178

BMO World Bond Fund

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

September 30, 2017 (All amounts in thousands of Canadian dollars, unless otherwise noted)

	Par Value (in thousands)	Cost (\$)	Fair Value (\$)		Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Korea Monetary Stabilization Bonds, Series 1804, Senior, Unsecured, 1.460% Apr 2, 2018.....	KRW 2,000,000	2,255	2,177	Kingdom of Thailand, Senior, Unsecured, 3.580% Dec 17, 2027	THB 15,000	470	617
Korea Treasury Bonds, Series 1712, Senior, Unsecured, 2.000% Dec 10, 2017.....	KRW 5,000,000	5,639	5,450	.....		2,926	3,248
Korea Treasury Bonds, Series 1803, Senior, Unsecured, 2.750% Mar 10, 2018.....	KRW 5,000,000	5,671	5,480	United Kingdom — 6.3%			
Korea Treasury Bonds, Series 1806, Senior, Unsecured, 1.625% Jun 10, 2018	KRW 1,500,000	1,695	1,634	Barclays Bank PLC, Euro Medium Term Notes, Subordinated, 10.000% May 21, 2021	GBP 1,000	1,861	2,111
Korea Treasury Bonds, Series 1809, Senior, Unsecured, 5.750% Sep 10, 2018	KRW 1,000,000	1,182	1,131	Hammerson PLC, Senior, Unsecured, Notes, 2.750% Sep 26, 2019	EUR 2,300	2,920	3,576
Korea Treasury Bonds, Series 1909, Senior, Unsecured, 2.750% Sep 10, 2019	KRW 2,900,000	3,341	3,215	HSBC Bank PLC, Series 955, Euro Medium Term Notes, Fixed to Floating, Subordinated, Callable, 5.375% Nov 4, 2030	GBP 750	1,442	1,499
Korea Treasury Bonds, Series 2206, Senior, Unsecured, 3.750% Jun 10, 2022	KRW 3,000,000	3,204	3,503	Imperial Tobacco Finance PLC, Series 23, Euro Medium Term Notes, Senior, Unsecured, 9.000% Feb 17, 2022	GBP 1,000	1,950	2,172
Korea Treasury Bonds, Series 2303, Senior, Unsecured, 3.000% Mar 10, 2023.....	KRW 2,500,000	2,504	2,838	Rolls-Royce PLC, Senior, Unsecured, Notes, 6.750% Apr 30, 2019.....	GBP 1,500	3,258	2,732
Korea Treasury Bonds, Series 3122, Senior, Unsecured, 4.000% Dec 10, 2031.....	KRW 3,050,000	3,230	3,969	Scottish Widows PLC, Notes, Subordinated, 5.500% Jun 16, 2023.....	GBP 800	1,274	1,491
.....		30,977	31,575	Thames Water Utilities Finance Ltd., Series 44, Euro Medium Term Notes, Secured, 5.125% Sep 28, 2037.....	GBP 1,000	1,780	2,189
Spain — 2.4%				United Kingdom Treasury Gilt, 3.750% Sep 7, 2019.....	GBP 2,000	3,556	3,558
Kingdom of Spain, Senior, Unsecured, 1.400% Jan 31, 2020	EUR 2,000	2,890	3,060	United Kingdom Treasury Gilt, 4.750% Mar 7, 2020.....	GBP 1,750	3,404	3,230
Kingdom of Spain, Senior, Unsecured, 3.800% Apr 30, 2024.....	EUR 3,000	4,815	5,274	United Kingdom Treasury Gilt, 4.000% Mar 7, 2022.....	GBP 6,750	12,581	12,924
Kingdom of Spain, Senior, Unsecured, 2.750% Oct 31, 2024.....	EUR 2,000	3,039	3,317	United Kingdom Treasury Gilt, 4.250% Jun 7, 2032.....	GBP 2,500	4,898	5,574
Kingdom of Spain, Senior, Unsecured, 5.900% Jul 30, 2026.....	EUR 1,000	1,802	2,035	United Kingdom Treasury Gilt, 4.750% Dec 7, 2038.....	GBP 1,500	2,893	3,752
Kingdom of Spain, Senior, Unsecured, 4.200% Jan 31, 2037.....	EUR 3,000	5,081	5,646	United Kingdom Treasury Gilt, 4.250% Dec 7, 2040.....	GBP 2,000	4,529	4,787
.....		17,627	19,332	United Kingdom Treasury Gilt, 4.250% Dec 7, 2049.....	GBP 650	1,452	1,704
Sweden — 1.4%				.....		47,798	51,299
Kingdom of Sweden, Series 1052, Unsecured, 4.250% Mar 12, 2019	SEK 30,000	4,704	4,926	United States — 15.8%			
Kingdom of Sweden, Series 1054, Unsecured, 3.500% Jun 1, 2022	SEK 9,000	1,518	1,604	Allstate Corporation, The, Senior, Unsecured, Notes, 3.150% Jun 15, 2023	USD 1,000	1,326	1,272
Nordea Bank AB, Euro Medium Term Notes, Senior, Unsecured, 3.250% Jul 5, 2022	EUR 2,000	2,847	3,366	Alphabet, Inc., Senior, Unsecured, Notes, 3.625% May 19, 2021.....	USD 1,100	1,068	1,449
Svenska Handelsbanken AB, Euro Medium Term Notes, Senior, Unsecured, 2.250% Aug 27, 2020	EUR 1,000	1,569	1,574	Altria Group, Inc., Senior, Unsecured, Notes, 9.250% Aug 6, 2019.....	USD 167	203	236
.....		10,638	11,470	American Express Credit Corporation, Senior, Unsecured, Notes, 2.125% Mar 18, 2019.....	USD 2,000	2,698	2,507
Switzerland — 0.2%				Anheuser-Busch InBev Worldwide Inc., Senior, Unsecured, Notes, 7.750% Jan 15, 2019.....	USD 1,000	989	1,340
Basellandschaftliche Kantonalbank, Senior, Unsecured, Notes, 1.000% Oct 4, 2022	CHF 1,000	1,083	1,358	AT&T Inc., Senior, Unsecured, Notes, 5.350% Sep 1, 2040	USD 125	125	163
Thailand — 0.4%				Bank of America Corporation, Series L, Medium Term Notes, Senior, Unsecured, 2.000% Jan 11, 2018.....	USD 4,700	4,638	5,869
Kingdom of Thailand, Senior, Unsecured, 3.875% Jun 13, 2019	THB 10,000	369	389	Bank of New York Mellon Corporation, The, Senior, Unsecured, Notes, Callable, 3.550% Sep 23, 2021.....	USD 1,000	1,395	1,305
Kingdom of Thailand, Senior, Unsecured, 3.650% Dec 17, 2021	THB 20,000	770	809	Barrick North America Finance LLC, Senior, Unsecured, Notes, 4.400% May 30, 2021	USD 438	429	588
Kingdom of Thailand, Senior, Unsecured, 3.625% Jun 16, 2023	THB 35,000	1,317	1,433				

BMO World Bond Fund

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

September 30, 2017 (All amounts in thousands of Canadian dollars, unless otherwise noted)

	Par Value (in thousands)	Cost (\$)	Fair Value (\$)		Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Caterpillar Inc., Senior, Unsecured, Notes, 3.900% May 27, 2021.....	USD 1,100	1,071	1,454	QUALCOMM Incorporated, Senior, Unsecured, Notes, 1.850% May 20, 2019.....	USD 1,000	1,326	1,251
Chevron Corporation, Senior, Unsecured, Notes, 1.790% Nov 16, 2018.....	USD 1,000	1,328	1,250	Time Warner Cable Inc., Senior, Unsecured, Notes, Callable, 4.000% Sep 1, 2021.....	USD 1,000	981	1,294
Citigroup Inc., Senior, Unsecured, Notes, 2.500% Jul 29, 2019.....	USD 1,000	1,411	1,258	United States Treasury Notes, 0.875% May 31, 2018.....	USD 16,750	22,624	20,848
Commonwealth Edison Company, Secured, Notes, First Mortgage, 6.450% Jan 15, 2038.....	USD 1,000	1,337	1,685	United States Treasury Notes, 1.500% Aug 31, 2018.....	USD 8,500	10,575	10,619
CVS Health Corporation, Senior, Unsecured, Notes, Callable, 4.000% Dec 5, 2023.....	USD 1,250	1,335	1,653	United States Treasury Notes, 1.500% Jan 31, 2019.....	USD 5,900	6,682	7,369
Duke Energy Corporation, Senior, Unsecured, Notes, Callable, 3.050% Aug 15, 2022.....	USD 1,000	1,004	1,272	United States Treasury Notes, 1.625% Jun 30, 2020.....	USD 7,000	9,363	8,740
Exxon Mobil Corporation, Senior, Unsecured, Notes, 1.708% Mar 1, 2019.....	USD 2,000	2,692	2,498	United States Treasury Notes, 1.375% Aug 31, 2020.....	USD 1,000	1,315	1,239
Exxon Mobil Corporation, Senior, Unsecured, Notes, Callable, 1.819% Mar 15, 2019.....	USD 1,000	1,329	1,250	Verizon Communications Inc., Senior, Unsecured, Notes, 4.500% Sep 15, 2020.....	USD 1,000	1,487	1,339
Florida Power & Light Company, First Mortgage Bonds, Secured, Callable, 4.050% Jun 1, 2042.....	USD 1,900	1,901	2,525	Wal-Mart Stores, Inc., Senior, Unsecured, Notes, 5.250% Sep 1, 2035.....	USD 1,000	1,109	1,527
General Motors Financial Company, Inc., Senior, Unsecured, Notes, Callable, 4.200% Mar 1, 2021.....	USD 1,000	1,370	1,306	Wal-Mart Stores, Inc., Senior, Unsecured, Notes, 6.500% Aug 15, 2037.....	USD 1,000	1,260	1,736
Goldman Sachs Group, Inc., The, Senior, Notes, Subordinated, 6.750% Oct 1, 2037.....	USD 1,000	1,177	1,643	Walt Disney Company, The, Medium Term Notes, Senior, Unsecured, 2.450% Mar 4, 2022.....	USD 1,500	1,958	1,887
Hewlett-Packard Company, Senior, Unsecured, Notes, 6.000% Sep 15, 2041.....	USD 1,000	1,224	1,332	Wells Fargo & Company, Global Medium Term Notes, Senior, Unsecured, 2.600% Jul 22, 2020.....	USD 1,000	1,410	1,265
Home Depot, Inc., The, Senior, Unsecured, Notes, 5.875% Dec 16, 2036.....	USD 1,000	1,171	1,616	Wells Fargo & Company, Euro Medium Term Notes, Senior, Unsecured, 2.625% Aug 16, 2022.....	EUR 2,300	2,794	3,738
John Deere Capital Corporation, Medium Term Notes, Senior, Unsecured, 2.750% Mar 15, 2022.....	USD 1,500	1,499	1,902	.....	.....	120,008	129,163
JPMorgan Chase & Co., Senior, Unsecured, Notes, 2.350% Jan 28, 2019.....	USD 2,000	2,709	2,512	Total Bonds & Debentures — 77.5%.....	.....	581,118	635,066
JPMorgan Chase & Co., Senior, Unsecured, Notes, 4.950% Mar 25, 2020.....	USD 3,500	3,572	4,664		Number of Shares or Units	Cost* (\$)	Fair Value (\$)
Kraft Foods Group Inc., Senior, Unsecured, Notes, 5.000% Jun 4, 2042.....	USD 1,000	1,126	1,325	HOLDINGS IN INVESTMENT FUNDS			
Medtronic, Inc., Senior, Unsecured, Notes, 2.500% Mar 15, 2020.....	USD 1,000	1,421	1,266	BMO Asia USD Investment Grade Bond ETF.....	15,500,000	40,611	38,498
Microsoft Corporation, Senior, Unsecured, Notes, 1.300% Nov 3, 2018.....	USD 1,000	1,342	1,245	BMO Long Corporate Bond Index ETF.....	500,000	8,939	8,929
New York City, General Obligation, Subseries C-1, Build America Bonds, Sinkable, 5.517% Oct 1, 2037.....	USD 5,300	5,284	8,238	BMO Mid Corporate Bond Index ETF.....	675,000	11,041	10,831
Oracle Corporation, Senior, Unsecured, Notes, 2.250% Oct 8, 2019.....	USD 1,000	1,338	1,262	BMO Mid-Term US IG Corporate Bond Index ETF.....	5,892,000	96,714	106,107
Oracle Corporation, Senior, Unsecured, Notes, Callable, 1.900% Sep 15, 2021.....	USD 1,000	1,316	1,237	BMO Short Corporate Bond Index ETF.....	675,000	10,024	9,554
PepsiCo, Inc., Senior, Unsecured, Notes, 2.750% Mar 1, 2023.....	USD 1,250	1,276	1,592	Total Holdings in Investment Funds — 21.2%.....	.....	167,329	173,919
Pfizer Inc., Senior, Unsecured, Notes, 2.100% May 15, 2019.....	USD 1,000	1,334	1,258	Total Investment Portfolio — 98.7%.....	.....	748,447	808,985
Pioneer Natural Resources Company, Senior, Unsecured, Notes, 7.500% Jan 15, 2020.....	USD 1,000	1,052	1,385	Other Assets Less Liabilities — 1.3%.....	.....	.....	10,902
PNC Bank, National Association, Senior, Unsecured, Notes, Callable, 1.800% Nov 5, 2018.....	USD 1,000	1,318	1,249	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS - 100.0%.....	.....	.....	819,887
Prudential Financial, Inc., Fixed to Floating, Junior, Notes, Subordinated, Callable, 5.625% Jun 15, 2043.....	USD 1,250	1,316	1,705				

+ Where applicable, distributions received from holdings as a return of capital are used to reduce the adjusted cost base of the securities in the portfolio.

BMO World Bond Fund

NOTES TO THE FINANCIAL STATEMENTS

(All amounts in thousands of Canadian dollars, except per unit data)

September 30, 2017

1. The Mutual Fund

BMO World Bond Fund (the “Fund”) is an open-ended mutual fund established under the laws of the province of Ontario by Declaration of Trust. The Master Declaration of Trust was amended on October 23, 2008 and November 3, 2009 to permit certain funds to offer a multi-series structure. In addition to the existing Series A units, certain Funds are permitted to offer Series A Hedged, Advisor Series, Advisor Series Hedged, Series T4, Series T5, Series T6, Series M, Series F, Series F Hedged, Series F2, Series F4, Series F6, Premium Series, Series D, Series H, Series I, Series N, Series NBA, Series NBF, Series O, Series L, Series R, Series S and/or Classic Series units. Each series is intended for different kinds of investors and has different management fees and fixed administration fees. Refer to Note 8 for the series issued for this Fund as well as the management and administration fee rates for each series.

BMO Investments Inc. (“the Manager”) is the Manager and Trustee of the Fund. The Manager is a wholly owned subsidiary of Bank of Montreal. The address of the Fund’s registered office is 100 King Street West, Toronto, Ontario, M5X 1A1.

The Statement of Financial Position of each of the Funds are as at September 30, 2017 and September 30, 2016. The Statement of Comprehensive Income, Statement of Changes Attributable to Holders of Redeemable Units, Statement of Cash Flows and related notes are for the periods ended September 30, 2017 and September 30, 2016. Financial information for a Fund established during the period(s) is presented from the date of inception as noted in Note 8. Financial information provided for a series established during the period(s) is presented from the inception date as noted in Note 8.

Certain comparative figures in the Statement of Cash Flows have been revised to appropriately reflect the exclusion of non-cash items from “Proceeds from issuances of redeemable units” and “Amounts paid on redemption of redeemable units” arising from switches between series within a Fund. There is no net impact on cash flows from financing activities within each Fund. The amounts revised are disclosed in Note 8, where applicable.

These financial statements were authorized for issuance by the Board of Directors of the Manager on December 5, 2017.

2. Basis of preparation and presentation

These audited financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

Certain prior period balances have been reclassified to conform with the current period presentation.

3. Summary of significant accounting policies

Financial instruments

The Fund records financial instruments at fair value. Investment transactions are accounted for on the trade date. The Fund’s investments are either designated at fair value through profit or loss (“FVTPL”) at inception or classified as held for trading. The changes in the investment fair values and related transaction costs are recorded in the Fund’s Statement of Comprehensive Income.

Financial assets and financial liabilities held for trading are those acquired or incurred principally for the purpose of selling or repurchasing in the near future, or on initial recognition, are part of a portfolio of identified financial instruments that the Fund manages together and that have a recent actual pattern of short-term profit taking. The Fund classifies all derivatives and short positions as held for trading. The Fund does not designate any derivatives as hedges in a hedging relationship.

The Fund designates all other investments at FVTPL, as they have reliably measurable fair values and are part of a group of financial assets or financial liabilities that are managed and have their performance evaluated on a fair value basis in accordance with the Fund’s investment strategy.

The Fund’s outstanding redeemable units, which are puttable instruments, are entitled to a contractual obligation of annual distribution of any net income and net realized capital gains by the Fund. This annual distribution can be in cash at the option of the unitholders, and therefore the ongoing redemption feature is not the redeemable units’ only contractual obligation. The Fund may issue multiple series of redeemable units, which are equally subordinated but are not identical. As a result, the Fund’s obligations for net assets attributable to holders of redeemable units are classified as financial liabilities and presented at the redemption amounts.

BMO World Bond Fund

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(All amounts in thousands of Canadian dollars, except per unit data)

September 30, 2017

All other financial assets and financial liabilities are measured at amortized cost. Under this method, financial assets and financial liabilities reflect the amount required to be received, paid or discounted, when appropriate, at the contract's effective interest rate.

The Manager has determined that the Fund meets the definition of "investment entity" and as a result, the Fund measures subsidiaries, if any, at FVTPL.

Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis.

Fair value measurement

Investments are recorded at their fair value with the change between this amount and their average cost being recorded as "Change in unrealized appreciation (depreciation)" in the Statement of Comprehensive Income.

For exchange-traded securities, close prices are considered to be fair value if they fall within the bid-ask spread. In circumstances where the close price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

Procedures are in place to fair value securities traded in countries outside of North America daily, to avoid stale prices and to take into account, among other things, any significant events occurring after the close of a foreign market.

For bonds, debentures, asset-backed securities and other debt securities, fair value is represented by bid prices provided by independent security pricing services. Short-term investments, if any, are held at amortized cost which approximates fair value.

Unlisted warrants, if any, are valued based on a pricing model which considers factors such as the market value of the underlying security, strike price and terms of the warrant.

Mutual fund units held as investments are valued at their respective Net Asset Value ("NAV") on each Valuation Date (the "Valuation Date" is each day on which the Toronto Stock Exchange is open for trading), as these values are the most readily and regularly available.

For securities where market quotes are not available, unreliable or not considered to reflect the current value, the Manager may determine another value which it considers to be fair and reasonable, or use a valuation technique that, to the extent possible, makes maximum use of inputs and assumptions based on observable market data including volatility, comparable companies, NAV (for exchange-traded funds) and other applicable rates or prices. These estimation techniques include discounted cash flows, internal models that utilize observable data or comparisons with other securities that are substantially similar. In limited circumstances, the Manager may use internal models where the inputs are not based on observable market data.

Derivative instruments

Derivative instruments are financial contracts that derive their value from changes in the underlying interest rates, foreign exchange rates or other financial or commodity prices or indices.

Derivative instruments are either regulated exchange-traded contracts or negotiated over-the-counter contracts. The Fund may use these instruments for trading purposes, as well as to manage the Fund's risk exposures.

Derivatives are measured at fair value. Realized gains and losses are included in "Net realized gain(loss)" in the Statement of Comprehensive Income and unrealized gains and losses are included in "Change in unrealized appreciation (depreciation)" in the Statement of Comprehensive Income.

Forward currency contracts

A forward currency contract is an agreement between two parties (the Fund and the counterparty) to purchase or sell a currency against another currency at a set price on a future date. The Fund may enter into forward currency contracts for hedging purposes, which can include the economic hedging of all or a portion of the currency exposure of an investment or group of investments, either directly or indirectly. The Fund may also enter into these contracts for non-hedging purposes, which can include increasing the exposure to a foreign currency, or shifting the exposure to foreign currency fluctuations from one country to another. The value of forward currency contracts entered into by the Fund is recorded as the difference between the value of the contract on the Valuation Date and the value on the date the contract originated.

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Option contracts

The Fund may engage in option contract transactions by purchasing (long positions) or writing (short positions) call or put option contracts. These contracts have different risk exposures for the Fund, whereas the risk for long positions will be limited to the premium paid to purchase the option contracts, the risk exposure for the short positions are potentially unlimited until closed or expired.

Purchased option contracts

The premium paid for purchasing an option is recorded as an asset in the Statement of Financial Position. The option contract is valued on each Valuation Date at an amount equal to the fair value of the option that would have the effect of closing the position. The change in the difference between the premium and the fair value is shown as "Change in unrealized appreciation (depreciation)" in the Statement of Comprehensive Income.

When a purchased option expires, the Fund will realize a loss equal to the premium paid. When a purchased option is closed, the gain or loss the Fund will realize will be the difference between the proceeds and the premium paid. When a purchased call option is exercised, the premium paid is added to the cost of acquiring the underlying security. When a purchased put option is exercised, the premium paid is subtracted from the proceeds from the sale of the underlying security that had to be sold.

Written option contracts

The premium received from writing a call or put option is recorded as a liability in the Statement of Financial Position.

When a written option expires, the Fund will realize a gain equal to the premium received. When a written option is closed, the Fund will realize a gain or loss equal to the difference between the cost at which the contract was closed and the premium received. When a written call option is exercised, the premium received is added to the proceeds from the sale of the underlying investments to determine the realized gain or loss. When a written put option is exercised, the premium received will be subtracted from the cost of the underlying investment the Fund had to purchase.

The gain or loss that the Fund realizes when a purchased or written option is expired or closed is

recorded as "Net realized gain (loss)" in the Statement of Comprehensive Income.

Futures contracts

Futures contracts are financial agreements to purchase or sell a financial instrument at a contracted price on a specified future date. Futures contracts are valued at the gain or loss that would arise as a result of closing the position at the Valuation date. Any difference between the notional value on each Valuation Date is recorded as "Net realized gain (loss)" in the Statement of Comprehensive Income. Treasury bills or cash are held as margin against futures contracts.

Credit default swap contracts

A credit default swap contract is an agreement to transfer credit risk from one party, a buyer of protection, to another party, a seller of protection. The Fund, as a seller of protection, would be required to pay a notional or other agreed upon value to the buyer of protection in the event of a default by a third-party. In return, the Fund would receive from the counterparty a periodic stream of payments over the term of the contract provided that no event of default occurs. If no default occurs, the Fund would keep the stream of payments and would have no payment obligations.

In connection with the agreement, securities or cash may be identified as collateral or margin in accordance with the terms of the agreement to provide assets of value in the event of default or bankruptcy/insolvency.

The Fund, as a buyer of protection, would receive a notional or other agreed upon value from the seller of protection in the event of a default by a third-party. In return, the Fund would be required to pay to the counterparty a periodic stream of payments over the term of the contract provided that no event of default occurs.

Credit default swap contracts are fair valued daily based upon quotations from independent security pricing sources. Premiums paid or received, if any, are included in "Net realized gain (loss)" in the Statement of Comprehensive Income. Net periodic payments are accrued daily and recorded as "Interest income" in the Statement of Comprehensive Income. When credit default swap contracts expire or are closed out, gains or losses are recorded as "Net realized gain (loss)" in the Statement of Comprehensive Income.

BMO World Bond Fund

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Interest rate swap contracts

Interest rate swap contracts are agreements between two parties to exchange periodic interest payments based on a notional principal amount. The net periodic payments received or paid from interest rate swap contracts are recorded as "Interest income" in the Statement of Comprehensive Income. Payments received or paid when the Fund enters into the contract are recorded as a liability or asset in the Statement of Financial Position. When the contract is terminated or expires, the payments received or paid are recorded as "Net realized gain (loss)" in the Statement of Comprehensive Income. Payments received or paid upon early termination are recorded as "Net realized gain (loss)" in the Statement of Comprehensive Income.

Interest rate swap agreements are valued based upon quotations from independent sources. The change in value is shown as "Change in unrealized appreciation (depreciation)" in the Statement of Comprehensive Income.

The Fund enters into interest rate swap agreements to manage the exposure to interest rates.

Income recognition

Dividend income and distribution from investment trusts are recognized on the ex-dividend and ex-distribution date, respectively.

Interest income from interest bearing investments is recognized in the Statement of Comprehensive Income using the effective interest rate. Interest receivable shown in the Statement of Financial Position is accrued based on the interest bearing investments' stated rates of interest.

Interest on inflation-indexed bonds is paid based on a principal value, which is adjusted for inflation. The inflation adjustment of the principal value is recognized as part of interest income in the Statement of Comprehensive Income. If held to maturity, the Fund will receive, in addition to a coupon interest payment, a final payment equal to the sum of the par value and the inflation compensation accrued from the original issue date. Interest is accrued on each Valuation Date based on the inflation adjusted par

value at that time and is included in "Interest income" in the Statement of Comprehensive Income.

Foreign currency translation

The fair value of investments and other assets and liabilities in foreign currencies are translated into the Fund's functional currency at the rates of exchange prevailing at the period-end date. Purchases and sales of investments, and income and expenses are translated at the rates of exchange prevailing on the respective dates of such transactions. Foreign exchange gains (losses) on completed transactions are included in "Net realized gain (loss)" in the Statement of Comprehensive Income and unrealized foreign exchange gains (losses) are included in "Change in unrealized appreciation (depreciation)" in the Statement of Comprehensive Income. Foreign exchange gains (losses) relating to cash, receivables and payables are included in "Foreign exchange gain (loss)" in the Statement of Comprehensive Income.

Securities lending

A Fund may engage in securities lending pursuant to the terms of an agreement with BNY Mellon (the "security lending agent"). The aggregate market value of all securities loaned by the Fund cannot exceed 50% of the NAV of the Fund. The Fund will receive collateral of at least 102% of the value of securities on loan. Collateral will generally be comprised of obligations of or guarantee by the Government of Canada or a province thereof, or by the United States government or its agencies, but it may include obligations of other governments with appropriate credit ratings. Further, the program entered into provides for 100% indemnification by the securities lending agent and parties related to the Fund's custodian, to the Fund for any defaults by borrowers.

For those Funds participating in the program, aggregate values of securities on loan, the collateral held as at September 30, 2017 and September 30, 2016, and information about the security lending income earned by the Fund are disclosed in Note 8.

Income from securities lending, where applicable, is included in the Statement of Comprehensive Income and is recognized when earned. The breakdown of the securities lending income is disclosed in Note 8, where applicable.

BMO World Bond Fund

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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Short-term trading penalty

To discourage excessive trading, the Fund may, at the Manager's sole discretion, charge a short-term trading penalty. This penalty is paid directly to the Fund and is included in "Short-term penalty fees" in the Statement of Comprehensive Income.

Cash

Cash is comprised of cash and deposits with banks which include bankers' acceptances and overnight demand deposits. Cash is recorded at fair value. The carrying amount of cash approximates its fair value because it is short-term in nature.

Other assets and other liabilities

Receivable for investments sold, dividends receivable, distribution receivable from investment trusts, and subscriptions receivable are initially recorded at fair value and subsequently measured at amortized cost. Similarly, payable for investments purchased, redemptions payable, distributions payable and accrued expenses are measured at amortized cost. Other assets and liabilities are short-term in nature, and are carried at cost or amortized cost.

Increase or decrease in net assets attributable to holders of redeemable units

"Increase (decrease) in net assets attributable to holders of redeemable units per unit" of a series in the Statement of Comprehensive Income represents the increase (decrease) in net assets attributable to holders of redeemable units ("Net Assets") of the series divided by the weighted average number of units of the series outstanding during the period.

Taxation

The Fund qualifies as a unit trust under the provisions of the Income Tax Act (Canada). Distributions of all net taxable income and sufficient amounts of net realized capital gains for each taxation year will be paid to unitholders so that the Fund will not be subject to income tax. As a result, the Fund has determined that it is in substance not taxable and therefore does not record income taxes in the Statement of Comprehensive Income nor does it recognize any deferred tax assets or liabilities in the Statement of Financial Position.

The Fund may incur withholding taxes imposed by certain countries on investment income and capital gains. Such income and capital gains are recorded on a gross basis with the related withholding taxes shown as

a separate expense in the Statement of Comprehensive Income.

Investments in subsidiaries, joint ventures and associates

Subsidiaries are entities over which the Fund has control through its exposure or rights to variable returns from its investment and has the ability to affect those returns through its power over the entity. The Manager has determined that the Fund is an investment entity and as such, it accounts for subsidiaries, if any, at fair value. Joint ventures are those where the Fund exercises joint control through an agreement with other shareholders, and associates are investments in which the Fund exerts significant influence over operating, investing, and financing decisions (such as entities in which the Fund owns 20% - 50% of voting shares), all of which, if any, have been designated at FVTPL.

Unconsolidated structured entities

During the periods, the Fund had no sponsored unconsolidated structured entities. The Manager has determined that the underlying funds in which the Fund may invest in are unconsolidated structured entities. This determination is based on the fact that decision making about the underlying funds is not governed by the voting right or other similar right held by the Fund. Similarly, investments in securitizations, asset-backed securities and mortgage-backed securities are determined to be interests in unconsolidated structured entities.

The Fund may invest in underlying funds whose investment objectives range from achieving short-term to long-term income and capital growth potential. Underlying funds may use leverage in a manner consistent with their respective investment objectives and as permitted by Canadian securities regulatory authorities. Underlying funds finance their operations by issuing redeemable units which are puttable at the holders' option and entitles the holder to a proportionate stake in the respective fund's Net Assets. The change in fair value of each of the underlying funds during the periods is included in "Change in unrealized appreciation (depreciation)" in the Statement of Comprehensive Income.

Mortgage-related securities are created from pools of residential or commercial mortgage loans, including mortgage loans made by savings and loan institutions, mortgage bankers, commercial banks and others. Asset-backed securities are created from many types

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of assets, including auto loans, credit card receivables, home equity loans and student loans.

The Fund does not provide and has not committed to providing any additional significant financial or other support to the unconsolidated structured entities other than its investment in the unconsolidated structured entities.

Additional information on the Fund's interest in unconsolidated structured entities, where applicable, is provided in Note 8.

Offsetting of financial assets and financial liabilities

Financial instruments are presented at net or gross amounts in the Statement of Financial Position depending on the existence of intention and legal right to offset opposite positions of such instruments held with the same counterparties. Amounts offset in the Statement of Financial Position are transactions for which the Fund has legally enforceable rights to offset and intends to settle the positions on a net basis. Amounts not offset in the Statement of Financial Position relate to transactions where a master netting arrangement or similar agreement is in place with a right to offset only in the event of default, insolvency or bankruptcy, or where the Fund has no intention of settling on a net basis.

Accounting standards issued but not yet adopted

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments, which addresses classification and measurement, impairment and hedge accounting.

The new standard requires assets to be carried at amortized cost, FVTPL or fair value through other comprehensive income based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial asset. The classification and measurement of liabilities remains generally unchanged with the exception of liabilities recorded at FVTPL. For these liabilities, fair value changes attributable to changes in the entity's own credit risk are to be presented in other comprehensive income unless they affect amounts recorded in income.

The new standard is effective for the Fund for its fiscal year beginning October 1, 2018. The Manager is in the process of assessing the impact of adopting this standard but does not expect that the adoption of this standard to have a significant impact to the Fund's financial statements.

Fund mergers

The Manager has adopted the purchase method of accounting for certain fund mergers which occurred during the periods. Under this method, one of the Funds in each merger is identified as the acquiring fund, and is referred to as the "Continuing Fund", and the other fund involved in the merger is referred to as the "Terminated Fund". This identification is based on the comparison of the relative net asset values of the funds as well as consideration of the continuation of such aspects of the Continuing Fund as: investment advisors, investment objectives and practices, type of portfolio securities, and management fees and expenses. Where applicable, refer to Note 8 for the details of the merger transactions.

4. Critical accounting judgements and estimates

The preparation of financial statements requires the use of judgement in applying the Fund's accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgements and estimates that the Manager has made in preparing the Fund's financial statements:

Accounting judgements:

Functional and presentation currency

The Fund's unitholders are mainly Canadian residents, with the subscriptions and redemptions of the redeemable units denominated in Canadian dollars. The Fund invests in Canadian and U.S. dollars and other foreign denominated securities, as applicable. The performance of the Fund is measured and reported to the investors in Canadian dollars. The Manager considers the Canadian dollar as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Canadian dollars, which is the Fund's functional and presentation currency.

Classification and measurement of financial instruments and application of fair value option

In classifying and measuring financial instruments held by the Fund, the Manager is required to make significant judgements about whether or not the business of the Fund is to invest on a total return basis for the purpose of applying the fair value options for financial assets.

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Accounting estimates:

Fair value measurement of securities not quoted in an active market

The Fund has established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed, and consistently applied from period to period. The estimates of the value of the Fund's assets and liabilities are believed to be appropriate as at the reporting date.

The Fund may hold financial instruments that are not quoted in active markets. Note 3 discusses the policies used by the Fund for the estimates used in determining fair value.

5. Units and unit transactions

The redeemable units of the Fund are classified as liabilities.

The units have no par value and are entitled to distributions, if any. Upon redemption, a unit is entitled to a proportionate share of the Fund's NAV. The Fund is required to pay distributions in an amount not less than the amount necessary to ensure the Fund will not be liable for income taxes on realized capital gains, dividends and interest. The Fund has no restrictions or specific capital requirements on the subscriptions and redemptions of units except as disclosed in Note 8. The relevant movements in redeemable units are shown in the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units.

In accordance with its investment objectives and strategies, and the risk management practices outlined in Note 7, the Fund endeavours to invest the subscriptions received in appropriate investments, while maintaining sufficient liquidity to meet redemptions, with such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

Redeemable units of the Fund are offered for sale on a continuous basis and may be purchased or redeemed on any Valuation Date at the NAV per unit of a particular series. The NAV per unit of a series for the purposes of subscription or redemption is computed by dividing the NAV of the Fund attributable to the series (that is, the total fair value of the assets attributable to the series less the liabilities attributable to the series) by the total number of units of the series of the Fund outstanding at such time on each Valuation Date, in

accordance with Part 14 of National Instrument ("NI") 81-106 Investment Fund Continuous Disclosure for the purpose of processing unitholder transactions. Net Assets are determined in accordance with IFRS and may differ to the Funds' NAV. Where a Funds' NAV is not equal to its Net Assets, a reconciliation is shown in Note 8.

Expenses directly attributable to a series are charged to that series. Other expenses, income, realized and unrealized gains and losses from investment transactions are allocated proportionately to each series based upon the relative NAV of each series. The gain (loss) of certain forwards in Funds with Hedged Series is allocated only to the hedged series.

6. Related party transactions

(a) Management fees

The Manager is responsible for the day-to-day management of the Fund and its investment portfolio in compliance with the Fund's constating documents. The Manager provides key management personnel to the Fund, monitors and evaluates the performance of the Fund, pays for the investment management services of the investment advisors and provides all related administrative services required by the Fund. As compensation for its services, the Manager is entitled to receive a fee payable monthly, calculated at the maximum annual rates included in Note 8.

(b) Fixed administration fees

The Manager pays certain operating expenses of each Fund except for BMO FundSelect Balanced Portfolio (Series NBA only), BMO FundSelect Growth Portfolio (Series NBA only), BMO FundSelect Equity Growth Portfolio (Series NBA only), BMO Covered Call Canadian Banks ETF Fund, BMO Covered Call U.S. High Dividend ETF Fund, BMO Covered Call Europe High Dividend ETF Fund, BMO Fossil Fuel Free Fund, BMO Tactical Global Asset Allocation ETF Fund, BMO Tactical Global Growth ETF Fund, BMO Women in Leadership Fund, BMO International Value Fund and BMO Japan Fund (the "Variable Operating Expense Series"), including audit and legal fees and expenses; custodian and transfer agency fees; costs attributable to the issue, redemption and change of securities, including the cost of the securityholder record keeping system; expenses incurred in respect of preparing and distributing prospectuses, financial reports and other types of reports, statements and communications to securityholders; fund accounting and valuation costs; filing fees, including those incurred by the Manager

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(collectively the "Administration Expenses"). In return, the Fund pays a fixed administration fee to the Manager. The fixed administration fee is calculated daily as a fixed annual percentage of the average NAV of the Fund. Refer to Note 8 for the fixed administration fee rates charged to the Fund, where applicable.

(c) Fund expenses

The Fund also pays certain operating expenses directly ("Fund Expenses"), including 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 Independent Review Committee ("IRC") members and any independent counsel or other advisors employed by the IRC, the costs of the orientation and continuing education of IRC members and the costs and expenses associated with IRC meetings; taxes of all kinds to which the Fund is or might be subject; and costs associated with compliance with any new governmental or regulatory requirement introduced after December 1, 2007.

The Manager may, in some years and in certain cases, absorb a portion of management fees, fixed administration fees or certain specified expenses of the Fund or series of the Fund. The decision to absorb these expenses is reviewed periodically and determined at the discretion of the Manager, without notice to unitholders.

(d) Variable administration fees

The Variable Operating Expense Series pay all of its operating expenses directly. These operating expenses include Administration Expenses and Fund Expenses.

(e) Commissions and other portfolio transaction costs

The Fund may execute trades with and through BMO Nesbitt Burns Inc., an affiliate of the Manager, based on established standard brokerage agreements at market prices. These fees are included in "Commissions and other portfolio transaction costs" in the Statement of Comprehensive Income. Refer to Note 8 for related party fees charged to the Fund during the period(s) ended September 30, 2017 and September 30, 2016, where applicable.

(f) Initial investments

In order to establish a new Fund, the Manager makes an initial investment in the Fund. Pursuant to the policies of the Canadian Securities Administrators, an initial investor cannot redeem its investments until an

additional \$500 has been received from other investors with respect to the same class of units. Refer to Note 8 for the investment in units of the Fund held by the Manager as at September 30, 2017 and September 30, 2016, where applicable.

(g) Other related party transactions

From time to time, the Manager may on behalf of the Fund enter into transactions or arrangements with or involving subsidiaries and affiliates of Bank of Montreal or certain other persons or companies that are related or connected to the Manager of the Fund. These transactions or arrangements may include transactions or arrangements with or involving subsidiaries and affiliates of Bank of Montreal, BMO Investments Inc., BMO Nesbitt Burns Inc., BMO Asset Management Corp., BMO Private Investment Counsel Inc., BMO Asset Management Inc., BMO InvestorLine Inc., Pyrford International Limited, LGM Investments Limited, BMO Trust Company, F&C Management Limited, BMO Global Asset Management (Asia) Limited, Taplin, Canida & Habacht LLC, BMO Capital Markets Corp., or other investment funds offered by Bank of Montreal, and may involve the purchase or sale of portfolio securities through or from a subsidiary or affiliates of Bank of Montreal, the purchase or sale of securities issued or guaranteed by a subsidiary or affiliates of Bank of Montreal, the purchase or redemption of units or shares of other Bank of Montreal investment funds or the provision of services to the Manager.

7. Financial instruments risks

The Fund's activities expose it to a variety of risks associated with the financial instruments, as follows: market risk (including currency risk, interest rate risk and other market risk), credit risk and liquidity risk. The concentration table groups securities by asset type, geographic location and/or market segment. The Fund's risk management practice outlines the monitoring of compliance to investment guidelines.

The Manager manages the potential effects of these financial risks on the Fund's performance by employing and overseeing professional and experienced portfolio managers that regularly monitor the Fund's positions, market events and diversify investment portfolios within the constraints of the investment guidelines.

Where the Fund invests in other investment fund(s), it may be indirectly exposed to the financial instruments

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risks of the underlying fund(s), depending on the investment objectives and the type of securities held by the underlying fund(s). The decision to buy or sell an underlying fund is based on the investment guidelines and positions, rather than the exposure of the underlying fund(s).

(a) Currency risk

Currency risk is the risk that the value of financial instruments denominated in currencies, other than the functional currency of the Fund, will fluctuate due to changes in foreign exchange rates. Investments in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Fund's functional currency in determining fair value. The Fund may enter into forward currency contracts for hedging purposes to reduce foreign currency exposure or to establish exposure to foreign currencies. The Fund's exposure to currency risk, if any, is further disclosed in Note 8.

(b) Interest rate risk

Interest rate risk is the risk that the fair value of the Fund's interest bearing investments will fluctuate due to changes in market interest rates. The Fund's exposure to interest rate risk is concentrated in its investment in debt securities (such as bonds, money market investments, short-term investments and debentures) and interest rate derivative instruments, if any. Other assets and liabilities are short-term in nature and/or non-interest bearing. The Fund's exposure to interest rate risk, if any, is further discussed in Note 8.

(c) Other market risk

Other market risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market. Other assets and liabilities are monetary items that are short-term in nature, as such they are not subject to other

market risk. The Fund's exposure to other market risk, if any, is further discussed in Note 8.

(d) Credit risk

Credit risk is the risk that a loss could arise from a security issuer or counterparty to a financial instrument not being able to meet its financial obligations. The fair value of debt securities includes consideration of the credit worthiness of the debt issuer. Credit risk exposure for over-the-counter derivative instruments is based on the Fund's unrealized gain of the contractual obligations with the counterparty as at the reporting date. The credit exposure of other assets is represented by its carrying amount. The Fund's exposure to credit risk, if any, is further discussed in Note 8.

The Fund may enter into securities lending transactions with approved counterparties. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient approved credit rating and the market value of collateral held by the Fund must be at least 102% of the fair value of securities loaned, as disclosed in Note 8.

(e) Liquidity risk

The Fund's exposure to liquidity risk is concentrated in the daily cash redemptions of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, the Fund retains sufficient cash and cash equivalent positions to maintain liquidity. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in unlisted securities, which are not traded in an organized market and may be illiquid. Securities for which a market quotation could not be obtained and may be illiquid are identified on the Schedule of Investment Portfolio. The proportion of illiquid securities to the NAV of the Fund is monitored by the Manager to ensure it does not exceed the regulatory limit and does not significantly affect the liquidity required to meet the Fund's financial obligations.

BMO World Bond Fund

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8. Fund specific information

(a) Fund and Series information and change in units

The Fund is authorized to issue an unlimited number of units in each of Series A Units, Advisor Series Units, Series F Units, Series I Units and Classic Series Units which are redeemable at the unitholders' option.

Series	Inception date
Series A	May 6, 1993
Advisor Series	May 29, 2012
Series F	October 24, 2008
Series I	May 9, 2008
Classic Series	May 29, 2012

Series A Units are offered on a no-load basis and are available to all investors.

Advisor Series Units are available to all investors through authorized dealers and brokers.

Series F Units are available for purchase by investors who are enrolled in dealer-sponsored wrap programs or flat fee accounts. Instead of paying a commission on each transaction, these investors pay an annual fee to the Manager based on the value of their assets.

Series I Units are available only to institutional investors and other investment funds as determined by the Manager from time to time and on a case-by-case basis, and who have entered into an agreement with the Manager. No management fees and fixed administration fees are charged to the Fund in respect of the Series I Units as each investor or dealer negotiates a separate fee with the Manager.

Classic Series Units were only created for the purpose of effecting a fund merger and are not available for new purchases.

The number of units of each series that have been issued and are outstanding are shown in the table below.

For the periods ended (in thousands of units)	Sep. 30, 2017	Sep. 30, 2016
Series A		
Units issued and outstanding, beginning of period	23,897	25,544
Issued	2,741	2,915
Issued on reinvestment of distributions	2,291	434
Redeemed during the period	(7,546)	(4,996)
Units issued and outstanding, end of period	21,383	23,897
Advisor Series		
Units issued and outstanding, beginning of period	972	650
Issued	317	509
Issued on reinvestment of distributions	74	12
Redeemed during the period	(537)	(199)
Units issued and outstanding, end of period	826	972
Series F		
Units issued and outstanding, beginning of period	2,137	171
Issued	2,145	2,095
Issued on reinvestment of distributions	126	20
Redeemed during the period	(2,590)	(149)
Units issued and outstanding, end of period	1,818	2,137
Series I		
Units issued and outstanding, beginning of period	48,658	85,212
Issued	1,860	2,442
Issued on reinvestment of distributions	7,476	2,104
Redeemed during the period	(7,903)	(41,100)
Units issued and outstanding, end of period	50,091	48,658
Classic Series		
Units issued and outstanding, beginning of period	176	198
Issued on reinvestment of distributions	16	3
Redeemed during the period	(29)	(25)
Units issued and outstanding, end of period	163	176

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Revision of comparative information

The adjustment to exclude non-cash subscriptions and redemptions arising from switches between series within a Fund in the Statement of Cash Flows in the prior period amounted to \$1,064.

(b) Reconciliation of NAV to Net Assets

As at September 30, 2017 and September 30, 2016, there were no differences between the Fund's NAV per unit and its Net Assets per unit calculated for each Series in accordance with IFRS.

(c) Increase (decrease) in net assets attributable to holders of redeemable units per unit

The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated as follows:

For the periods ended	Sep. 30, 2017	Sep. 30, 2016
Series A Units		
(Decrease) increase in net assets attributable to holders of redeemable units	(21,398)	20,445
Weighted average units outstanding during the period	24,256	24,848
(Decrease) increase in net assets attributable to holders of redeemable units per unit	(0.88)	0.82
Advisor Series Units		
(Decrease) increase in net assets attributable to holders of redeemable units	(844)	570
Weighted average units outstanding during the period	957	782
(Decrease) increase in net assets attributable to holders of redeemable units per unit	(0.88)	0.73
Series F Units		
(Decrease) increase in net assets attributable to holders of redeemable units	(2,082)	960
Weighted average units outstanding during the period	2,019	922
(Decrease) increase in net assets attributable to holders of redeemable units per unit	(1.03)	1.04

For the periods ended	Sep. 30, 2017	Sep. 30, 2016
Series I Units		
(Decrease) increase in net assets attributable to holders of redeemable units	(33,524)	84,710
Weighted average units outstanding during the period	51,639	71,204
(Decrease) increase in net assets attributable to holders of redeemable units per unit	(0.65)	1.19
Classic Series Units		
(Decrease) increase in net assets attributable to holders of redeemable units	(130)	157
Weighted average units outstanding during the period	176	190
(Decrease) increase in net assets attributable to holders of redeemable units per unit	(0.74)	0.83

(d) Income taxes

The Fund did not have any available capital and non-capital losses carried forward for income tax purposes as of the tax year-ended December 2016.

(e) Related party transactions

Management fees

The Manager is entitled to receive the following fees payable monthly, calculated at the following maximum annual rates:

Series	Management Fees (%)	Fixed Administration Fees (%)
Series A	1.750	0.300
Advisor Series	1.750	0.300
Series F	0.450	0.300
Series I	*	*
Classic Series	1.100	0.300

* Negotiated and paid by each Series I investor directly to the Manager.

The outstanding accrued management fees due to the Manager are included in "Accrued expenses" in the Statement of Financial Position and as at September 30, 2017 amounted to \$26 (September 30, 2016 — \$31).

BMO World Bond Fund

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
 (All amounts in thousands of Canadian dollars, except per unit data)
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Expenses

The Manager pays the administration and operating expenses of the Series I Units.

Brokerage commissions and soft dollars

Brokerage commissions paid (excluding transaction costs) on security transactions and amounts paid to related parties of the Manager for brokerage services provided to the Fund for the periods are as follows:

For the periods ended	Sep. 30, 2017 (\$)	Sep. 30, 2016 (\$)
Total brokerage amounts paid	9	18
Total brokerage amounts paid to related parties	—	1

There were no ascertainable soft dollars paid or payable to dealers by the Fund during the periods.

Units held by the Manager

The Manager held the following units of the Fund:

As at Sep. 30, 2017

Series	Number of Units	Value of Units (\$)
Series I	11	0

As at Sep. 30, 2016

Series	Number of Units	Value of Units (\$)
Series I	10	0

(f) Financial instruments risks

The Fund's objective is to provide a high level of interest income and some opportunity for growth in the value of investments. The Fund invests primarily in bonds and debentures that mature in more than one year and are issued by governments and corporations around the world and supranational agencies like the World Bank.

No changes affecting the overall level of risk of investing in the Fund were made during the period.

Currency risk

The Fund's direct exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets (including derivatives and the underlying principle (notional) amount of forward currency contracts, if any).

As at Sep. 30, 2017

Currencies	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
Australian Dollar	490	35,193	—	35,683	4.4
Czech Republic Koruna	77	5,608	—	5,685	0.7
Danish Krone	240	9,145	—	9,385	1.1
Euro	2,277	190,153	—	192,430	23.5
Hong Kong Dollar	329	38,498	—	38,827	4.7
Israeli Shekel	84	2,559	—	2,643	0.3
Japanese Yen	93	82,781	—	82,874	10.1
Malaysian Ringgit	48	5,345	—	5,393	0.7
Mexican Peso	94	5,952	—	6,046	0.7
New Zealand Dollar	104	4,865	—	4,969	0.6
Norwegian Krone	162	11,671	—	11,833	1.4
Polish Zloty	343	4,750	—	5,093	0.6
Pound Sterling	517	47,723	—	48,240	5.9
Singapore Dollar	16	2,943	—	2,959	0.4
South African Rand	157	8,038	—	8,195	1.0

BMO World Bond Fund

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
 (All amounts in thousands of Canadian dollars, except per unit data)
 September 30, 2017

As at Sep. 30, 2017

Currencies	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
South Korean Won	193	31,575	—	31,768	3.9
Swedish Krona	124	6,530	—	6,654	0.8
Swiss Franc	89	7,140	—	7,229	0.9
Thai Baht	32	3,248	—	3,280	0.4
U.S. Dollar	1,225	169,847	—	171,072	20.9
Total	6,694	673,564	—	680,258	83.0

All amounts in Canadian dollars

As at Sep. 30, 2016

Currencies	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
Australian Dollar	391	27,407	—	27,798	2.8
Czech Republic Koruna	109	3,251	—	3,360	0.3
Danish Krone	97	3,809	—	3,906	0.4
Euro	(4,861)	224,018	(176,225)	42,932	4.3
Hong Kong Dollar	437	41,817	—	42,254	4.2
Israeli Shekel	107	2,595	—	2,702	0.3
Japanese Yen	650	100,735	—	101,385	10.0
Malaysian Ringgit	513	5,826	—	6,339	0.6
Mexican Peso	527	31,556	—	32,083	3.2
New Zealand Dollar	160	5,393	—	5,553	0.6

As at Sep. 30, 2016

Currencies	Cash and other current receivables & payables (\$)	Investments (monetary & non-monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
Norwegian Krone	154	8,074	—	8,228	0.8
Polish Zloty	655	13,645	—	14,300	1.4
Pound Sterling	1,060	58,680	(45,929)	13,811	1.4
Singapore Dollar	97	3,163	—	3,260	0.3
South African Rand	553	10,818	—	11,371	1.1
South Korean Won	461	39,401	—	39,862	4.0
Swedish Krona	420	11,959	—	12,379	1.2
Swiss Franc	438	10,192	—	10,630	1.1
Thai Baht	146	3,333	—	3,479	0.3
Turkish Lira	23,926	—	(23,738)	188	0.0
U.S. Dollar	(10,998)	261,113	(178,036)	72,079	7.1
Total	15,042	866,785	(423,928)	457,899	45.4

All amounts in Canadian dollars

As at September 30, 2017 and September 30, 2016, if the Canadian dollar had strengthened or weakened by 5% in relation to all foreign currencies, with all variables held constant, the Net Assets of the Fund could possibly have increased or decreased, respectively, by approximately \$34,013 (September 30, 2016 — \$22,895). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

As at September 30, 2017 and September 30, 2016, the Fund was also exposed to indirect currency risk to the extent that the underlying funds invested in financial instruments that were denominated in a currency other than the functional currency of the Fund.

BMO World Bond Fund

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
 (All amounts in thousands of Canadian dollars, except per unit data)
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Interest rate risk

The Fund's direct exposure to interest rate risk by remaining term to maturity is summarized in the following table:

Number of years	Interest Rate Exposure as at	
	Sep. 30, 2017	Sep. 30, 2016
Less than one year	69,162	14,961
One to three years	165,264	195,623
Three to five years	136,214	158,283
Five to ten years	99,356	217,675
Greater than ten years	165,070	238,426
Total	635,066	824,968

All amounts in Canadian dollars

As at September 30, 2017 and September 30, 2016, if the prevailing interest rates had been raised or lowered by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, the Net Assets of the Fund could possibly have increased or decreased, respectively, by approximately \$38,222 (September 30, 2016 — \$58,160). The Fund's interest rate sensitivity was determined based on portfolio weighted duration. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

As at September 30, 2017 and September 30, 2016, the Fund was also exposed to indirect interest rate risk to the extent that the underlying funds invested in interest-bearing financial instruments.

Other market risk

As at September 30, 2017 and September 30, 2016, the Fund was not significantly exposed to other market risk as it was invested fully in fixed income securities.

Credit risk

The Fund's direct exposure to credit risk, grouped by credit ratings, is summarized in the following table:

Credit Rating	As a % of Net Assets as at	
	Sep. 30, 2017	Sep. 30, 2016
AAA	19.6	21.3
AA	18.7	19.6
A	21.8	21.5
BBB	16.9	17.2
BB	—	1.7
Unrated	0.5	0.6
Total	77.5	81.9

As at September 30, 2017 and September 30, 2016, the Fund was also exposed to indirect credit risk to the extent that the underlying funds invested in debt instruments, preferred securities and derivatives.

Securities lending

There were no assets involved in securities lending transactions as at September 30, 2017 and September 30, 2016.

The table below is a reconciliation of the gross amount generated from securities lending transactions to the security lending revenue for the periods ended September 30, 2017 and September 30, 2016:

For the periods ended	Sep. 30, 2017		Sep. 30, 2016	
	Amount	% of Gross Securities Lending Revenue	Amount	% of Gross Securities Lending Revenue
Gross securities lending revenue	—	—	55	100.0
Withholding taxes	—	—	8	14.6
	—	—	47	85.4
Payment to securities lending agents	—	—	14	25.7
Net securities lending revenue*	—	—	33	59.7

* Amount shown on the Statement of Comprehensive Income is gross of withholding taxes of \$nil (September 30, 2016 — \$8).

BMO World Bond Fund

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
 (All amounts in thousands of Canadian dollars, except per unit data)
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Concentration risk

The Fund's concentration risk is summarized in the following table:

As at	Sep. 30, 2017	Sep. 30, 2016
Bonds & Debentures		
Australia	4.7%	3.2%
Austria	0.9%	0.8%
Belgium	1.4%	1.1%
Brazil	0.3%	0.3%
British Virgin Islands	0.2%	0.1%
Canada	3.6%	2.9%
Chile	0.8%	0.7%
Colombia	0.4%	0.4%
Czech Republic	1.0%	0.6%
Denmark	1.1%	0.4%
France	5.2%	5.4%
Germany	5.6%	5.0%
Hong Kong	4.7%	4.1%
Indonesia	1.5%	1.5%
Ireland	0.6%	0.6%
Israel	0.5%	0.4%
Italy	3.3%	3.6%
Japan	10.1%	10.0%
Malaysia	0.6%	0.6%
Mexico	2.0%	4.2%
Netherlands	2.4%	2.1%
New Zealand	0.6%	0.5%
Norway	2.0%	1.3%
Poland	0.6%	1.7%
Singapore	0.4%	0.3%
South Africa	1.0%	1.1%
South Korea	3.8%	3.9%
Spain	2.4%	2.0%
Sweden	1.4%	1.7%
Switzerland	0.2%	0.3%
Thailand	0.4%	0.3%
United Kingdom	6.3%	6.9%
United States	28.7%	30.6%
Other Assets Less Liabilities	1.3%	1.4%
	100.0%	100.0%

(g) Financial assets and financial liabilities

Categories of financial assets and financial liabilities

The categories of financial assets and financial liabilities, except cash, are summarized in the following table:

As at	Sep. 30, 2017	Sep. 30, 2016
Financial assets designated at FVTPL	808,985	995,130
Financial assets held for trading	—	2,065
Loans and receivables	6,588	32,085
Financial liabilities held for trading	—	2,817
Financial liabilities measured at amortized cost	3,259	24,128

Net gains and losses on financial assets and financial liabilities at fair value

For the periods ended	Sep. 30, 2017	Sep. 30, 2016
Net realized gains (losses) on financial assets		
Held for trading	—	39,832
Designated at FVTPL	32,134	114,520
	32,134	154,352

Total net realized gains (losses) on financial assets and financial liabilities

	32,134	154,352
Change in unrealized gains (losses) on financial assets		
Held for trading	2,817	—
Designated at FVTPL	(80,336)	(36,730)
	(77,519)	(36,730)

Change in unrealized gains (losses) on financial liabilities

Held for trading	(2,065)	(752)
Total change in unrealized gains (losses) on financial assets and financial liabilities	(79,584)	(37,482)

(h) Fair value hierarchy

The Fund classifies its financial instruments into three levels based on the inputs used to value the financial instruments. Level 1 securities are valued based on quoted prices in active markets for identical securities. Level 2 securities are valued based on significant observable market inputs, such as quoted prices from similar securities and quoted prices in inactive markets or based on observable inputs to models. Level 3

BMO World Bond Fund

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
 (All amounts in thousands of Canadian dollars, except per unit data)
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securities are valued based on significant unobservable inputs that reflect the Manager's determination of assumptions that market participants might reasonably use in valuing the securities. The tables below show the relevant disclosure.

As at Sep. 30, 2017

Financial assets	Level 1	Level 2	Level 3	Total
Debt Securities	29,893	605,173	—	635,066
Investment Funds	135,421	38,498	—	173,919
Total	165,314	643,671	—	808,985

As at Sep. 30, 2016

Financial assets	Level 1	Level 2	Level 3	Total
Debt Securities	60,118	764,850	—	824,968
Investment Funds	170,162	—	—	170,162
Derivatives	—	2,065	—	2,065
Total	230,280	766,915	—	997,195

Financial liabilities

Derivatives	—	(2,817)	—	(2,817)
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Transfers between levels

Transfers are made between the various fair value hierarchy levels due to changes in the availability of quoted market prices or observable inputs due to changing market conditions.

During the period from October 1, 2016 to September 30, 2017, \$7,485 of debt securities were transferred from Level 1 to Level 2 due to reduced observability of the inputs used to value these securities. The valuation of certain investment funds traded outside of North America were changed from being valued using closing prices to being fair valued by factoring in the impact of significant events occurring after the close of the relevant market. As a result of this change, \$38,498 of investment funds were transferred from Level 1 to Level 2.

During the period from October 1, 2015 to September 30, 2016, \$3,789 of debt securities were transferred from Level 1 to Level 2 due to reduced observability of the inputs used to value these securities and \$14,222 of debt securities were transferred from Level 2 to Level 1 due to increased availability of quoted prices in the active market.

(i) Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the following tables:

As at Sep. 30, 2017	Carrying amount	Carrying amount as a % of the underlying fund's Net Assets
Securities		
BMO Asia USD Investment Grade Bond ETF	38,498	26.1
BMO Long Corporate Bond Index ETF	8,929	2.4
BMO Mid Corporate Bond Index ETF	10,831	0.8
BMO Mid-Term US IG Corporate Bond Index ETF	106,107	7.4
BMO Short Corporate Bond Index ETF	9,554	0.6
Total	173,919	

As at Sep. 30, 2016	Carrying amount	Carrying amount as a % of the underlying fund's Net Assets
Securities		
BMO Asia USD Investment Grade Bond ETF	41,817	29.6
BMO Long Corporate Bond Index ETF	9,525	3.2
BMO Mid Corporate Bond Index ETF	9,644	0.9
BMO Mid-Term US IG Corporate Bond Index ETF	99,350	8.4
BMO Short Corporate Bond Index ETF	9,826	0.8
Total	170,162	

9. Subsequent event

Effective November 21, 2017, the Manager began offering Series D Units.

Series D Units are available to investors who have an account with a discount brokerage. A reduced trailing commission is paid to discount brokerages in respect to Series D Units which means a lower management fee can be charged.

Management's Responsibility for Financial Reporting

The accompanying financial statements have been prepared by management of BMO Investments Inc. Management is responsible for the information and representations made in these financial statements.

Management has maintained appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been produced in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and include certain amounts based on estimates and judgments. The significant accounting policies which management believes are appropriate for the BMO Mutual Funds are described in Note 3 to the financial statements.

The Trustee of each of the Trusts is responsible for reviewing and approving the financial statements and overseeing management's performance of its financial reporting responsibilities. The Trustee reviews the financial statements, adequacy of internal controls, the audit process and financial reporting with management and the external auditors.

The Board of Directors of BMO Global Tax Advantage Funds Inc. is responsible for reviewing and approving the financial statements and overseeing management's performance of its financial reporting responsibilities. The Audit Committee of the Board of Directors reviews the financial statements, adequacy of internal controls, the audit process and financial reporting with management and the external auditors. The Audit Committee reports to the Board of Directors prior to the Board approval of the financial statements.

PricewaterhouseCoopers LLP are the external auditors of the BMO Mutual Funds. The auditors have been appointed by the respective Boards and cannot be changed without the prior approval of the Independent Review Committee and 60 days notice to the Securityholders. They have audited the financial statements in accordance with generally accepted auditing standards in Canada to enable them to express their opinion on the financial statements. Their report is included as an integral part of the financial statements.

Kevin Gopaul
Head, BMO Global Asset Management Canada
BMO Investments Inc.
December 5, 2017

R.J. Schauer
Chief Financial Officer
BMO Mutual Funds
December 5, 2017

www.bmo.com/mutualfunds and www.bmo.com/gam/ca

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If you have any questions, please give us a call as follows:

- If you purchased BMO Mutual Funds through a BMO Bank of Montreal branch or BMO Online Banking, please call 1-800-665-7700.
- If you purchased BMO Mutual Funds through a full-service or discount broker, please call 1-800-668-7327 or email clientservices.mutualfunds@bmo.com.

Independent Auditor

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