

BMO Mutual Funds 2017

Semi-Annual Financial Statements

March 31, 2017

BMO World Bond Fund

NOTICE OF NO AUDITOR REVIEW OF THE SEMI-ANNUAL FINANCIAL STATEMENTS

BMO Investments Inc., the Manager of the Fund, appoints independent auditors to audit the Fund's Annual Financial Statements. Under Canadian securities laws (National Instrument 81-106), if an auditor has not reviewed the Semi-Annual Financial Statements, this must be disclosed in an accompanying notice.

The Fund's independent auditors have not performed a review of these Semi-Annual Financial Statements in accordance with standards established by the Chartered Professional Accountants of Canada.

BMO World Bond Fund

(unaudited)

STATEMENT OF FINANCIAL POSITION

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

As at	March 31 2017	September 30 2016
ASSETS		
CURRENT ASSETS		
Cash	11,236	7,161
Investments		
Non-derivative financial assets	911,003	995,130
Derivative assets	131	2,065
Receivable for investments sold	—	23,755
Subscriptions receivable	169	1,001
Interest receivable	7,002	6,986
Distribution receivable from investment trusts	686	343
Total assets	930,227	1,036,441
LIABILITIES		
CURRENT LIABILITIES		
Payable for investments purchased	—	21,235
Redemptions payable	2,299	2,856
Derivative liabilities	1,936	2,817
Accrued expenses	503	37
Total liabilities	4,738	26,945
Net assets attributable to holders of redeemable units	925,489	1,009,496
Net assets attributable to holders of redeemable units		
Series A Units	270,481	298,744
Advisor Series Units	9,604	11,117
Series F Units	21,281	28,069
Series I Units	622,259	669,533
Classic Series Units	1,864	2,033
Net assets attributable to holders of redeemable units per unit		
Series A Units	\$ 10.97	\$ 12.50
Advisor Series Units	\$ 10.20	\$ 11.44
Series F Units	\$ 11.92	\$ 13.14
Series I Units	\$ 11.64	\$ 13.76
Classic Series Units	\$ 10.10	\$ 11.58

STATEMENT OF COMPREHENSIVE INCOME

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

For the periods ended	March 31 2017	March 31 2016
INCOME		
Interest income	8,091	13,039
Distribution from investment trusts	5,388	5,756
Other changes in fair value of investments and derivatives		
Net realized gain	6,663	39,818
Change in unrealized (depreciation) appreciation	(56,038)	12,505
Net (loss) gain in fair value of investments and derivatives	(35,896)	71,118
Securities lending revenue (note 8)	—	41
Foreign exchange loss	(700)	(605)
Total other loss	(700)	(564)
Total (loss) income	(36,596)	70,554
EXPENSES		
Management fees (note 6)	2,801	2,993
Fixed administration fees (note 6)	530	528
Independent review committee fees (note 6)	0	0
Withholding taxes	39	27
Interest charges	15	17
Fund Facts fees	0	0
Operating expenses absorbed by the Manager (note 6)	(233)	(252)
Total expenses	3,152	3,313
(Decrease) increase in net assets attributable to holders of redeemable units	(39,748)	67,241
(Decrease) increase in net assets attributable to holders of redeemable units		
Series A Units	(13,936)	11,615
Advisor Series Units	(606)	288
Series F Units	(1,638)	93
Series I Units	(23,479)	55,158
Classic Series Units	(89)	87
(Decrease) increase in net assets attributable to holders of redeemable units per unit (note 8)		
Series A Units	(0.57)	0.46
Advisor Series Units	(0.58)	0.41
Series F Units	(0.72)	0.30
Series I Units	(0.46)	0.67
Classic Series Units	(0.49)	0.45

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

BMO World Bond Fund

(unaudited)

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

(All amounts in thousands of Canadian dollars)

For the periods ended	March 31 2017	March 31 2016	For the periods ended	March 31 2017	March 31 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	(13,936)	11,615	(Decrease) increase in net assets attributable to holders of redeemable units	(1,638)	93
Distributions to holders of redeemable units from:			Distributions to holders of redeemable units from:		
Net investment income	(2,357)	(2,876)	Net investment income	(381)	(51)
Net realized gains on investments and derivatives	(19,407)	—	Net realized gains on investments and derivatives	(1,206)	—
Return of capital	(552)	(15)	Return of capital	(21)	(0)
Total distributions to holders of redeemable units	(22,316)	(2,891)	Total distributions to holders of redeemable units	(1,608)	(51)
Redeemable unit transactions			Redeemable unit transactions		
Proceeds from redeemable units issued	17,387	22,031	Proceeds from redeemable units issued	20,490	6,399
Reinvestments of distributions to holders of redeemable units	22,268	2,885	Reinvestments of distributions to holders of redeemable units	1,278	30
Redemption of redeemable units	(31,666)	(30,156)	Redemption of redeemable units	(25,310)	(479)
Net increase (decrease) from redeemable unit transactions	7,989	(5,240)	Net (decrease) increase from redeemable unit transactions	(3,542)	5,950
Net (decrease) increase in net assets attributable to holders of redeemable units	(28,263)	3,484	Net (decrease) increase in net assets attributable to holders of redeemable units	(6,788)	5,992
Net assets attributable to holders of redeemable units at end of period	270,481	307,155	Net assets attributable to holders of redeemable units at end of period	21,281	8,130
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	(606)	288	(Decrease) increase in net assets attributable to holders of redeemable units	(23,479)	55,158
Distributions to holders of redeemable units from:			Distributions to holders of redeemable units from:		
Net investment income	(93)	(64)	Net investment income	(22,104)	(33,884)
Net realized gains on investments and derivatives	(624)	—	Net realized gains on investments and derivatives	(55,302)	—
Return of capital	(30)	(0)	Return of capital	(163)	(280)
Total distributions to holders of redeemable units	(747)	(64)	Total distributions to holders of redeemable units	(77,569)	(34,164)
Redeemable unit transactions			Redeemable unit transactions		
Proceeds from redeemable units issued	2,772	2,501	Proceeds from redeemable units issued	20,320	30,883
Reinvestments of distributions to holders of redeemable units	667	59	Reinvestments of distributions to holders of redeemable units	77,569	19,361
Redemption of redeemable units	(3,599)	(785)	Redemption of redeemable units	(44,115)	(120,245)
Net (decrease) increase from redeemable unit transactions	(160)	1,775	Net increase (decrease) from redeemable unit transactions	53,774	(70,001)
Net (decrease) increase in net assets attributable to holders of redeemable units	(1,513)	1,999	Net decrease in net assets attributable to holders of redeemable units	(47,274)	(49,007)
Net assets attributable to holders of redeemable units at end of period	9,604	9,073	Net assets attributable to holders of redeemable units at end of period	622,259	1,068,401

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BMO World Bond Fund

(unaudited)

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	March 31 2017	March 31 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	(89)	87
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	36
Redemption of redeemable units	(76)	(124)
Net increase (decrease) from redeemable unit transactions	87	(88)
Net decrease in net assets attributable to holders of redeemable units	(169)	(37)
Net assets attributable to holders of redeemable units at end of period	1,864	2,130

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	(39,748)	67,241
Distributions to holders of redeemable units from:		
Net investment income	(24,966)	(36,911)
Net realized gains on investments and derivatives	(76,674)	—
Return of capital	(767)	(295)
Total distributions paid to holders of redeemable units	(102,407)	(37,206)
Redeemable unit transactions		
Proceeds from redeemable units issued	60,969	61,814
Reinvestments of distributions to holders of redeemable units	101,945	22,371
Redemption of redeemable units	(104,766)	(151,789)
Net increase (decrease) from redeemable unit transactions	58,148	(67,604)
Net decrease in net assets attributable to holders of redeemable units	(84,007)	(37,569)
Net assets attributable to holders of redeemable units at end of period	925,489	1,394,889

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

BMO World Bond Fund

(unaudited)

STATEMENT OF CASH FLOWS

(All amounts in thousands of Canadian dollars)

For the periods ended	March 31 2017	March 31 2016
Cash flows from operating activities		
(Decrease) increase in net assets attributable to holders of redeemable units	(39,748)	67,241
Adjustments for:		
Foreign exchange (gain) loss on cash	(35)	154
Net realized gain on sale of investments and derivatives	(6,663)	(39,818)
Change in unrealized depreciation (appreciation) of investments and derivatives	56,038	(12,505)
Increase in interest receivable	(16)	(1,304)
Increase in distribution receivable from investment trusts	(343)	(10)
Increase in accrued expenses	466	531
Amortization of premium and discounts	3,337	5,577
Non-cash distributions from investment trusts	(2,283)	(2,860)
Purchases of investments	(122,942)	(72,086)
Proceeds from sale and maturity of investments	158,740	155,744
Cash inflows on derivatives	1,473	16,480
Net cash from operating activities	48,024	117,144
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(462)	(14,835)
Proceeds from issuances of redeemable units	61,480	60,968
Amounts paid on redemption of redeemable units	(105,002)	(151,944)
Net cash from financing activities	(43,984)	(105,811)
Foreign exchange gain (loss) on cash	35	(154)
Net increase in cash	4,040	11,333
Cash at beginning of period	7,161	17,540
Cash at end of period	11,236	28,719
Supplementary Information		
Interest received, net of withholding taxes*	11,373	17,293
Distribution received from investment trusts, net of withholding taxes*	2,762	2,886
Interest expense paid*	5	4

*These items are from operating activities

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BMO World Bond Fund

(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO

March 31, 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 — 4.5%							
BHP Billiton Finance Ltd., Medium Term Notes, Senior, Unsecured, 3.750% Oct 18, 2017	AUD 1,000	1,017	1,023				
Commonwealth of Australia, Series 132, Senior, Unsecured, 5.500% Jan 21, 2018	AUD 7,500	7,638	7,857				
Commonwealth of Australia, Series 141, Senior, Unsecured, 3.250% Oct 21, 2018	AUD 3,000	3,056	3,121				
Commonwealth of Australia, Series 143, Senior, Unsecured, 2.750% Oct 21, 2019	AUD 5,000	4,957	5,192				
Commonwealth of Australia, Series 126, Senior, Unsecured, 4.500% Apr 15, 2020	AUD 2,000	2,062	2,185				
Commonwealth of Australia, Series 146, Senior, Unsecured, 1.750% Nov 21, 2020	AUD 5,000	4,801	5,027				
Commonwealth of Australia, Series 124, Senior, Unsecured, 5.750% May 15, 2021	AUD 4,000	4,536	4,645				
Commonwealth of Australia, Series 128, Senior, Unsecured, 5.750% Jul 15, 2022	AUD 2,600	2,956	3,097				
Commonwealth of Australia, Series 136, Senior, Unsecured, 4.750% Apr 21, 2027	AUD 2,250	2,440	2,694				
Commonwealth of Australia, Series 138, Senior, Unsecured, 3.250% Apr 21, 2029	AUD 1,000	912	1,054				
Commonwealth of Australia, Series 144, Senior, Unsecured, 3.750% Apr 21, 2037	AUD 1,000	1,070	1,079				
Telstra Corporation Limited, Senior, Unsecured, Notes, 3.500% Sep 21, 2022	EUR 1,900	2,451	3,134				
Westpac Banking Corporation, Series 144A, Secured Notes, 1.375% May 30, 2018, Extendible to May 30, 2019, Floating Rate	USD 1,000	1,318	1,325				
		39,214	41,433				
Austria — 0.8%							
Oesterreichische Kontrollbank AG, Unsecured, Notes, 2.875% Feb 25, 2030	CHF 1,000	1,247	1,785				
Republic of Austria, Senior, Unsecured, 3.900% Jul 15, 2020	EUR 1,500	2,099	2,436				
Republic of Austria, Euro Medium Term Notes, Senior, Unsecured, 4.850% Mar 15, 2026	EUR 500	709	990				
Republic of Austria, Senior, Unsecured, 4.150% Mar 15, 2037	EUR 1,000	1,643	2,177				
		5,698	7,388				
Belgium — 1.4%							
Anheuser-Busch InBev Finance Inc., Senior, Unsecured, Notes, 1.900% Feb 1, 2019	USD 1,000	1,322	1,331				
Anheuser-Busch InBev Finance Inc., Senior, Unsecured, Notes, 2.150% Feb 1, 2019	USD 2,000	2,707	2,676				
Kingdom of Belgium, Series 69, 1.250% Jun 22, 2018	EUR 750	1,087	1,088				
Kingdom of Belgium, Series 58, 3.750% Sep 28, 2020	EUR 1,000	1,598	1,628				
Kingdom of Belgium, Series 65, Senior, Unsecured, 4.250% Sep 28, 2022	EUR 2,300	3,135	4,042				
Kingdom of Belgium, Series 60, Unsecured, 4.250% Mar 28, 2041	EUR 1,000	1,285	2,169				
		11,134	12,934				
Brazil — 0.3%							
Vale Overseas Limited, Senior, Unsecured, Notes, 4.375% Jan 11, 2022	USD 1,000	1,042	1,357				
Vale Overseas Limited, Senior, Unsecured, Notes, 6.875% Nov 21, 2036	USD 1,000	1,192	1,426				
		2,234	2,783				
British Virgin Islands — 0.2%							
Gerdau Trade Inc., Senior, Unsecured, Notes, 5.750% Jan 30, 2021	USD 1,000	1,052	1,395				
Chile — 0.7%							
Republic of Chile, Senior, Unsecured, 3.875% Aug 5, 2020	USD 1,000	1,422	1,400				
Republic of Chile, Senior, Unsecured, 3.250% Sep 14, 2021	USD 3,000	3,081	4,120				
Republic of Chile, Senior, Unsecured, 2.250% Oct 30, 2022	USD 1,000	953	1,300				
		5,456	6,820				
Colombia — 0.4%							
Republic of Colombia, Senior, Unsecured, 4.375% Jul 12, 2021	USD 2,750	2,994	3,867				
Czech Republic — 0.8%							
Czech Republic, Series 6Y, Unsecured, 1.500% Oct 29, 2019	CZK 79,500	4,323	4,350				
Czech Republic, Series 58, Senior, Unsecured, 5.700% May 25, 2024	CZK 12,500	757	897				
EP Energy, a.s., Euro Medium Term Notes, Secured, 5.875% Nov 1, 2019	EUR 1,600	2,063	2,558				
		7,143	7,805				
Denmark — 1.0%							
Kingdom of Denmark, Unsecured, 4.000% Nov 15, 2019	DKK 15,000	3,173	3,200				
Kingdom of Denmark, Unsecured, 3.000% Nov 15, 2021	DKK 22,700	4,716	4,981				
Kingdom of Denmark, Unsecured, 4.500% Nov 15, 2039	DKK 2,300	580	739				
		8,469	8,920				
France — 5.0%							
Bouygues S.A., Senior, Unsecured, Notes, 3.641% Oct 29, 2019	EUR 1,000	1,406	1,547				
Eutelsat S.A., Senior, Unsecured, Notes, 5.000% Jan 14, 2019	EUR 1,100	1,484	1,694				
Republic of France, Unsecured, 4.000% Apr 25, 2018	EUR 2,700	3,673	4,012				
Republic of France, 1.000% May 25, 2018	EUR 1,000	1,444	1,443				

BMO World Bond Fund

(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

March 31, 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, 2.250% Oct 25, 2022.....	EUR 8,000.....	10,765.....	12,644	Indonesia — 1.4%			
Republic of France, Unsecured, 1.750% May 25, 2023.....	EUR 2,000.....	3,318.....	3,086	Republic of Indonesia, Senior, Unsecured, 11.625% Mar 4, 2019.....	USD 2,000.....	2,889.....	3,142
Republic of France, Unsecured, 6.000% Oct 25, 2025.....	EUR 500.....	971.....	1,021	Republic of Indonesia, Senior, Unsecured, 5.875% Mar 13, 2020.....	USD 3,000.....	4,378.....	4,358
Republic of France, Unsecured, 3.500% Apr 25, 2026.....	EUR 500.....	843.....	873	Republic of Indonesia, Senior, Unsecured, 4.875% May 5, 2021.....	USD 2,000.....	2,640.....	2,846
Republic of France, Unsecured, 5.500% Apr 25, 2029.....	EUR 3,600.....	5,978.....	7,589	Republic of Indonesia, Senior, Unsecured, 3.750% Apr 25, 2022.....	USD 2,000.....	2,527.....	2,716
Republic of France, Unsecured, 4.000% Oct 25, 2038.....	EUR 3,300.....	5,844.....	6,616			12,434.....	13,062
Republic of France, Unsecured, 4.000% Apr 25, 2055.....	EUR 800.....	1,285.....	1,687	Ireland — 0.5%			
Sanofi, Senior, Unsecured, Notes, 4.000% Mar 29, 2021.....	USD 850.....	828.....	1,199	Republic of Ireland, Unsecured, 5.900% Oct 18, 2019.....	EUR 2,900.....	4,117.....	4,767
Total Capital S.A., Senior, Unsecured, Notes, 3.125% Jun 28, 2018.....	CHF 1,000.....	1,136.....	1,384	Israel — 0.5%			
UNEDIC, Euro Medium Term Notes, Senior, Unsecured, 3.000% Apr 25, 2019.....	EUR 1,000.....	1,375.....	1,515	State of Israel, Series 0122, Unsecured, 5.500% Jan 31, 2022.....	ILS 6,000.....	1,952.....	2,665
		40,350.....	46,310	Teva Pharmaceutical Finance Company B.V., Series 2, Senior, Unsecured, Notes, 3.650% Nov 10, 2021.....	USD 1,351.....	1,365.....	1,825
						3,317.....	4,490
Germany — 5.1%				Italy — 3.5%			
Allianz Finance II BV, Euro Medium Term Notes, Senior, Unsecured, 4.750% Jul 22, 2019.....	EUR 1,000.....	1,426.....	1,577	Republic of Italy, Senior, Unsecured, 3.500% Nov 1, 2017.....	EUR 4,300.....	5,666.....	6,233
BASF SE, Series 10Y, Senior, Unsecured, Notes, 2.000% Dec 5, 2022.....	EUR 1,000.....	1,327.....	1,547	Republic of Italy, Senior, Unsecured, 4.500% Mar 1, 2024.....	EUR 5,000.....	8,333.....	8,383
Bayer AG, Fixed to Floating, Junior, Notes, Subordinated, Callable, 3.750% Jul 1, 2074.....	EUR 1,000.....	1,481.....	1,472	Republic of Italy, Unsecured, 1.500% Jun 1, 2025.....	EUR 2,000.....	2,844.....	2,751
Federal Republic of Germany, Series 167, Unsecured, 1.000% Oct 12, 2018.....	EUR 2,500.....	3,445.....	3,643	Republic of Italy, Senior, Unsecured, 4.500% Mar 1, 2026.....	EUR 1,000.....	1,633.....	1,692
Federal Republic of Germany, Unsecured, 1.750% Jul 4, 2022.....	EUR 4,500.....	6,941.....	7,103	Republic of Italy, Senior, Unsecured, 5.000% Aug 1, 2034.....	EUR 2,500.....	3,069.....	4,581
Federal Republic of Germany, Unsecured, 1.500% Sep 4, 2022.....	EUR 8,150.....	11,275.....	12,730	Republic of Italy, Senior, Unsecured, 5.000% Aug 1, 2039.....	EUR 4,500.....	7,872.....	8,286
Federal Republic of Germany, Unsecured, 1.750% Feb 15, 2024.....	EUR 3,500.....	5,149.....	5,618			29,417.....	31,926
Federal Republic of Germany, Series 03, Unsecured, 4.750% Jul 4, 2034.....	EUR 1,110.....	1,935.....	2,604	Japan — 9.7%			
Federal Republic of Germany, Series 05, 4.000% Jan 4, 2037.....	EUR 500.....	973.....	1,117	Government of Japan, Ten Year Bonds, Series 307, Senior, Unsecured, 1.300% Mar 20, 2020.....	JPY 780,000.....	10,025.....	9,726
Federal Republic of Germany, Unsecured, 3.250% Jul 4, 2042.....	EUR 750.....	1,318.....	1,592	Government of Japan, Ten Year Bonds, Series 320, Senior, Unsecured, 1.000% Dec 20, 2021.....	JPY 300,000.....	2,977.....	3,775
Federal Republic of Germany, Unsecured, 2.500% Jul 4, 2044.....	EUR 500.....	687.....	947	Government of Japan, Ten Year Bonds, Series 327, Senior, Unsecured, 0.800% Dec 20, 2022.....	JPY 315,000.....	3,444.....	3,958
Federal State of North Rhine-Westphalia, Series 1194, Senior, Unsecured, 1.750% May 17, 2019.....	EUR 1,000.....	1,336.....	1,482	Government of Japan, Ten Year Bonds, Series 329, Senior, Unsecured, 0.800% Jun 20, 2023.....	JPY 100,000.....	1,059.....	1,260
Merck Financial Services GmbH, Series 7, Euro Medium Term Notes, Senior, Unsecured, 4.500% Mar 24, 2020.....	EUR 1,000.....	1,438.....	1,606	Government of Japan, Ten Year Bonds, Series 332, Senior, Unsecured, 0.600% Dec 20, 2023.....	JPY 800,000.....	8,390.....	9,989
Siemens Financieringsmaatschappij NV, Euro Medium Term Notes, Senior, Unsecured, 1.750% Mar 12, 2021.....	EUR 1,000.....	1,322.....	1,514	Government of Japan, Twenty Year Bonds, Series 79, Senior, Unsecured, 2.000% Jun 20, 2025.....	JPY 100,000.....	1,149.....	1,391
Volkswagen Leasing GmbH, Euro Medium Term Notes, Senior, Unsecured, 3.250% May 10, 2018.....	EUR 1,600.....	2,197.....	2,348				
		42,250.....	46,900				

BMO World Bond Fund

(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

March 31, 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, Twenty Year Bonds, Series 117, Senior, Unsecured, 2.100% Mar 20, 2030.....	JPY 1,112,950.....	14,770.....	16,492	Netherlands — 2.1%			
Government of Japan, Twenty Year Bonds, Series 116, Senior, Unsecured, 2.200% Mar 20, 2030.....	JPY 100,000.....	1,184.....	1,497	Bank Nederlandse Gemeenten, Euro Medium Term Notes, Senior, Unsecured, 2.250% Oct 14, 2020.....	CHF 1,000.....	1,159.....	1,457
Government of Japan, Ten Year Bonds, Series 140, Senior, Unsecured, 1.700% Sep 20, 2032.....	JPY 855,000.....	9,536.....	12,248	Cooperatieve Centrale Raiffeisen- Boerenleenbank B.A., Series 2024A, Euro Medium Term Notes, Senior, Unsecured, 3.625% Jul 2, 2019.....	CHF 1,000.....	1,162.....	1,439
Government of Japan, Twenty Year Bonds, Series 146, Senior, Unsecured, 1.700% Sep 20, 2033.....	JPY 100,000.....	1,067.....	1,436	Heineken NV, Euro Medium Term Notes, Senior, Unsecured, 3.500% Mar 19, 2024.....	EUR 1,200.....	1,561.....	2,010
Government of Japan, Thirty Year Bonds, Series 26, Senior, Unsecured, 2.400% Mar 20, 2037.....	JPY 80,000.....	922.....	1,271	Kingdom of the Netherlands, Unsecured, 4.000% Jul 15, 2019.....	EUR 2,895.....	4,263.....	4,545
Government of Japan, Thirty Year Bonds, Series 28, Senior, Unsecured, 2.500% Mar 20, 2038.....	JPY 60,000.....	720.....	973	Kingdom of the Netherlands, Unsecured, 3.250% Jul 15, 2021.....	EUR 1,000.....	1,716.....	1,645
Government of Japan, Thirty Year Bonds, Series 33, Senior, Unsecured, 2.000% Sep 20, 2040.....	JPY 118,000.....	1,530.....	1,798	Kingdom of the Netherlands, Unsecured, 2.500% Jan 15, 2033.....	EUR 1,000.....	1,518.....	1,769
Government of Japan, Thirty Year Bonds, Series 36, Senior, Unsecured, 2.000% Mar 20, 2042.....	JPY 350,000.....	4,125.....	5,371	Koninklijke (Royal) KPN N.V., Unsecured, Notes, 4.250% Mar 1, 2022.....	EUR 2,100.....	2,778.....	3,489
Government of Japan, Thirty Year Bonds, Series 37, Senior, Unsecured, 1.900% Sep 20, 2042.....	JPY 650,000.....	9,516.....	9,821	RWE Finance BV, Euro Medium Term Notes, Senior, Unsecured, 6.500% Aug 10, 2021.....	EUR 1,000.....	1,584.....	1,799
Government of Japan, Thirty Year Bonds, Series 39, Senior, Unsecured, 1.900% Jun 20, 2043.....	JPY 150,000.....	1,685.....	2,275	Shell International Finance B.V., Euro Medium Term Notes, Senior, Unsecured, 0.375% Feb 15, 2025.....	EUR 1,000.....	1,473.....	1,368
Government of Japan, Thirty Year Bonds, Series 41, Senior, Unsecured, 1.700% Dec 20, 2043.....	JPY 225,000.....	2,974.....	3,288	.....	.....	17,214.....	19,521
Government of Japan, Forty Year Bonds, Series 2, Senior, Unsecured, 2.200% Mar 20, 2049.....	JPY 130,000.....	1,484.....	2,127	New Zealand — 0.5%			
Government of Japan, Forty Year Bonds, Series 6, Senior, Unsecured, 1.900% Mar 20, 2053.....	JPY 50,000.....	528.....	777	Dominion of New Zealand, Series 1217, Senior, Unsecured, 6.000% Dec 15, 2017.....	NZD 2,500.....	2,378.....	2,397
.....	.....	77,085.....	89,473	Dominion of New Zealand, Series 423, Senior, Unsecured, 5.500% Apr 15, 2023.....	NZD 2,500.....	2,444.....	2,678
Malaysia — 0.6%				.....	.....	4,822.....	5,075
Federation of Malaysia, Series 2/03, Senior, Unsecured, 4.240% Feb 7, 2018.....	MYR 6,000.....	1,993.....	1,816	Norway — 1.8%			
Federation of Malaysia, Series 0902, Senior, Unsecured, 4.378% Nov 29, 2019.....	MYR 6,000.....	2,017.....	1,834	Kingdom of Norway, Series 473, 4.500% May 22, 2019.....	NOK 40,000.....	6,870.....	6,703
Federation of Malaysia, Series 0112, Senior, Unsecured, 3.418% Aug 15, 2022.....	MYR 6,000.....	1,939.....	1,759	Kingdom of Norway, Series 474, Unsecured, 3.750% May 25, 2021.....	NOK 29,000.....	5,407.....	5,001
.....	.....	5,949.....	5,409	Statoil ASA, Senior, Unsecured, Notes, 2.450% Jan 17, 2023.....	USD 1,500.....	1,461.....	1,959
Mexico — 1.8%				Statoil ASA, Senior, Unsecured, Notes, 5.100% Aug 17, 2040.....	USD 2,000.....	2,173.....	3,009
BBVA Bancomer S.A., Texas, Notes, Subordinated, 6.500% Mar 10, 2021.....	USD 1,000.....	1,089.....	1,451	.....	.....	15,911.....	16,672
Pemex Project Funding Master Trust, Senior, Unsecured, Notes, 6.625% Jun 15, 2035.....	USD 2,000.....	2,477.....	2,740	Poland — 1.4%			
Petroleos Mexicanos, Medium Term Notes, 5.500% Jan 21, 2021.....	USD 2,000.....	2,193.....	2,817	Republic of Poland, Series 0418, Unsecured, 3.750% Apr 25, 2018.....	PLZ 7,000.....	2,479.....	2,400
United Mexican States, Series M, Senior, Unsecured, 5.000% Dec 11, 2019.....	MXN 90,000.....	6,150.....	6,112	Republic of Poland, Series 0718, Unsecured, 2.500% Jul 25, 2018.....	PLZ 18,000.....	6,069.....	6,097
United Mexican States, Senior, Unsecured, 2.750% Apr 22, 2023.....	EUR 2,500.....	3,347.....	3,783	Republic of Poland, Series 1019, Unsecured, 5.500% Oct 25, 2019.....	PLZ 10,000.....	3,732.....	3,633
.....	.....	15,256.....	16,903	Republic of Poland, Series 0922, Unsecured, 5.750% Sep 23, 2022.....	PLZ 2,750.....	1,013.....	1,051
				.....	.....	13,293.....	13,181
				Singapore — 0.3%			
				Republic of Singapore, Senior, Unsecured, 2.500% Jun 1, 2019.....	SGD 1,000.....	922.....	975

BMO World Bond Fund

(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

March 31, 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 Singapore, Senior, Unsecured, 3.125% Sep 1, 2022	SGD 1,000	951	1,013				
Republic of Singapore, Senior, Unsecured, 3.500% Mar 1, 2027	SGD 1,000	868	1,056				
		2,741	3,044				
South Africa — 1.2%							
Republic of South Africa, Series R203, Senior, Unsecured, 8.250% Sep 15, 2017	ZAR 27,000	2,774	2,681				
Republic of South Africa, Series R207, Senior, Unsecured, 7.250% Jan 15, 2020	ZAR 40,000	3,663	3,911				
Republic of South Africa, Series 2023, Unsecured, 7.750% Feb 28, 2023	ZAR 29,000	2,649	2,793				
Republic of South Africa, Series R186, Unsecured, 10.500% Dec 21, 2026	ZAR 10,000	1,382	1,091				
Republic of South Africa, Series R209, Senior, Unsecured, 6.250% Mar 31, 2036	ZAR 10,000	835	701				
		11,303	11,177				
South Korea — 4.1%							
Korea Monetary Stabilization Bonds, Series 1802, Senior, Unsecured, 1.490% Feb 2, 2018	KRW 2,000,000	2,261	2,377				
Korea Monetary Stabilization Bonds, Series 1804, Senior, Unsecured, 1.460% Apr 2, 2018	KRW 2,000,000	2,259	2,376				
Korea Treasury Bonds, Series 1709, Senior, Unsecured, 2.750% Sep 10, 2017	KRW 3,000,000	3,401	3,587				
Korea Treasury Bonds, Series 1712, Senior, Unsecured, 2.000% Dec 10, 2017	KRW 5,000,000	5,653	5,965				
Korea Treasury Bonds, Series 1803, Senior, Unsecured, 2.750% Mar 10, 2018	KRW 5,000,000	5,716	6,013				
Korea Treasury Bonds, Series 1806, Senior, Unsecured, 1.625% Jun 10, 2018	KRW 1,500,000	1,699	1,785				
Korea Treasury Bonds, Series 1809, Senior, Unsecured, 5.750% Sep 10, 2018	KRW 1,000,000	1,213	1,259				
Korea Treasury Bonds, Series 1909, Senior, Unsecured, 2.750% Sep 10, 2019	KRW 2,900,000	3,362	3,535				
Korea Treasury Bonds, Series 2206, Senior, Unsecured, 3.750% Jun 10, 2022	KRW 3,000,000	3,217	3,894				
Korea Treasury Bonds, Series 2303, Senior, Unsecured, 3.000% Mar 10, 2023	KRW 2,500,000	2,502	3,138				
Korea Treasury Bonds, Series 3122, Senior, Unsecured, 4.000% Dec 10, 2031	KRW 3,050,000	3,236	4,406				
		34,519	38,335				
Spain — 2.0%							
Kingdom of Spain, Senior, Unsecured, 1.400% Jan 31, 2020	EUR 2,000	2,903	2,955				
Kingdom of Spain, Senior, Unsecured, 3.800% Apr 30, 2024	EUR 3,000	4,854	5,051				
Kingdom of Spain, Senior, Unsecured, 2.750% Oct 31, 2024	EUR 2,000	3,053	3,156				
Kingdom of Spain, Senior, Unsecured, 5.900% Jul 30, 2026	EUR 1,000	1,822	1,954				
Kingdom of Spain, Senior, Unsecured, 4.200% Jan 31, 2037	EUR 3,000	5,097	5,377				
		17,729	18,493				
Sweden — 2.0%							
Kingdom of Sweden, Series 1051, Unsecured, 3.750% Aug 12, 2017	SEK 48,500	7,655	7,312				
Kingdom of Sweden, Series 1052, Unsecured, 4.250% Mar 12, 2019	SEK 30,000	4,813	4,875				
Kingdom of Sweden, Series 1054, Unsecured, 3.500% Jun 1, 2022	SEK 9,000	1,535	1,581				
Nordea Bank AB, Euro Medium Term Notes, Senior, Unsecured, 3.250% Jul 5, 2022	EUR 2,000	2,859	3,255				
Svenska Handelbanken AB, Euro Medium Term Notes, Senior, Unsecured, 2.250% Aug 27, 2020	EUR 1,000	1,585	1,521				
		18,447	18,544				
Switzerland — 0.2%							
Basellandschaftliche Kantonalbank, Senior, Unsecured, Notes, 1.000% Oct 4, 2022	CHF 1,000	1,082	1,407				
Thailand — 0.4%							
Kingdom of Thailand, Senior, Unsecured, 3.875% Jun 13, 2019	THB 10,000	371	406				
Kingdom of Thailand, Senior, Unsecured, 3.650% Dec 17, 2021	THB 20,000	774	829				
Kingdom of Thailand, Senior, Unsecured, 3.625% Jun 16, 2023	THB 35,000	1,320	1,457				
Kingdom of Thailand, Senior, Unsecured, 3.580% Dec 17, 2027	THB 15,000	469	616				
		2,934	3,308				
United Kingdom — 6.7%							
Barclays Bank PLC, Euro Medium Term Notes, Subordinated, 10.000% May 21, 2021	GBP 1,000	1,910	2,140				
Hammerson PLC, Senior, Unsecured, Notes, 2.750% Sep 26, 2019	EUR 2,300	2,918	3,455				
HSBC Bank PLC, Series 955, Euro Medium Term Notes, Fixed to Floating, Subordinated, Callable, 5.375% Nov 4, 2030	GBP 750	1,445	1,470				
Imperial Tobacco Finance PLC, Series 23, Euro Medium Term Notes, Senior, Unsecured, 9.000% Feb 17, 2022	GBP 1,000	1,996	2,240				
Nationwide Building Society, Euro Medium Term Notes, Unsecured, Callable, 4.125% Mar 20, 2023	EUR 2,200	2,933	3,226				
Rolls-Royce PLC, Senior, Unsecured, Notes, 6.750% Apr 30, 2019	GBP 1,500	3,314	2,802				
Scottish Widows PLC, Notes, Subordinated, 5.500% Jun 16, 2023	GBP 800	1,274	1,454				
Thames Water Utilities Finance Ltd., Series 44, Euro Medium Term Notes, Secured, 5.125% Sep 28, 2037	GBP 1,000	1,783	2,310				
United Kingdom Treasury Gilt, 3.750% Sep 7, 2019	GBP 2,000	3,605	3,625				
United Kingdom Treasury Gilt, 4.750% Mar 7, 2020	GBP 1,750	3,449	3,307				
United Kingdom Treasury Gilt, 4.000% Mar 7, 2022	GBP 7,750	14,635	15,176				
United Kingdom Treasury Gilt, 4.250% Jun 7, 2032	GBP 3,500	6,858	8,006				

BMO World Bond Fund

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SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

March 31, 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 (\$)
United Kingdom Treasury Gilt, 4.750% Dec 7, 2038.....	GBP 1,500.....	2,902.....	3,876	Home Depot, Inc., The, Senior, Unsecured, Notes, 5.875% Dec 16, 2036.....	USD 1,000.....	1,174.....	1,682
United Kingdom Treasury Gilt, 4.250% Dec 7, 2040.....	GBP 3,000.....	6,812.....	7,412	John Deere Capital Corporation, Medium Term Notes, Senior, Unsecured, 2.750% Mar 15, 2022.....	USD 1,500.....	1,499.....	2,012
United Kingdom Treasury Gilt, 4.250% Dec 7, 2049.....	GBP 650.....	1,454.....	1,775	JPMorgan Chase & Co., Senior, Unsecured, Notes, 1.625% May 15, 2018.....	USD 2,000.....	2,684.....	2,659
		57,288.....	62,274	JPMorgan Chase & Co., Senior, Unsecured, Notes, 2.350% Jan 28, 2019.....	USD 2,000.....	2,715.....	2,693
United States — 19.6%				JPMorgan Chase & Co., Senior, Unsecured, Notes, 4.950% Mar 25, 2020.....	USD 3,500.....	3,605.....	5,016
Alphabet, Inc., Senior, Unsecured, Notes, 3.625% May 19, 2021.....	USD 1,100.....	1,067.....	1,551	Kraft Foods Group Inc., Senior, Unsecured, Notes, 5.000% Jun 4, 2042.....	USD 1,000.....	1,126.....	1,345
Altria Group, Inc., Senior, Unsecured, Notes, 9.250% Aug 6, 2019.....	USD 167.....	204.....	258	Medtronic, Inc., Senior, Unsecured, Notes, 2.500% Mar 15, 2020.....	USD 1,000.....	1,423.....	1,349
American Express Credit Corporation, Senior, Unsecured, Notes, 2.125% Mar 18, 2019.....	USD 2,000.....	2,700.....	2,672	Merck & Co., Inc., Senior, Unsecured, Notes, 1.100% Jan 31, 2018.....	USD 1,000.....	1,027.....	1,326
Anheuser-Busch InBev Worldwide Inc., Senior, Unsecured, Notes, 7.750% Jan 15, 2019.....	USD 1,000.....	1,030.....	1,463	Microsoft Corporation, Senior, Unsecured, Notes, 1.300% Nov 3, 2018.....	USD 1,000.....	1,341.....	1,329
Apple Inc., Senior, Unsecured, Notes, 1.000% May 3, 2018.....	USD 3,000.....	3,699.....	3,976	New York City, General Obligation, Subseries C-1, Build America Bonds, Sinkable, 5.517% Oct 1, 2037.....	USD 5,300.....	5,304.....	8,555
AT&T Inc., Senior, Unsecured, Notes, 5.350% Sep 1, 2040.....	USD 125.....	125.....	170	Oracle Corporation, Senior, Unsecured, Notes, 5.750% Apr 15, 2018.....	USD 750.....	850.....	1,041
Bank of America Corporation, Series L, Medium Term Notes, Senior, Unsecured, 2.000% Jan 11, 2018.....	USD 4,700.....	4,637.....	6,267	Oracle Corporation, Senior, Unsecured, Notes, Callable, 1.900% Sep 15, 2021.....	USD 1,000.....	1,317.....	1,306
Bank of America NA, Senior, Unsecured, Notes, 1.750% Jun 5, 2018.....	USD 1,500.....	2,016.....	1,999	PepsiCo, Inc., Senior, Unsecured, Notes, 2.750% Mar 1, 2023.....	USD 1,250.....	1,270.....	1,667
Bank of New York Mellon Corporation, The, Senior, Unsecured, Notes, Callable, 3.550% Sep 23, 2021.....	USD 1,000.....	1,406.....	1,385	Pfizer Inc., Senior, Unsecured, Notes, 1.500% Jun 15, 2018.....	USD 1,000.....	1,028.....	1,333
Barrick North America Finance LLC, Senior, Unsecured, Notes, 4.400% May 30, 2021.....	USD 438.....	429.....	623	Philip Morris International Inc., Senior, Unsecured, Notes, 5.650% May 16, 2018.....	USD 1,000.....	1,103.....	1,391
Caterpillar Inc., Senior, Unsecured, Notes, 3.900% May 27, 2021.....	USD 1,100.....	1,071.....	1,547	Pioneer Natural Resources Company, Senior, Unsecured, Notes, 7.500% Jan 15, 2020.....	USD 1,000.....	1,081.....	1,505
Chevron Corporation, Senior, Unsecured, Notes, Callable, 1.718% Jun 24, 2018.....	USD 1,000.....	1,029.....	1,334	PNC Bank, National Association, Senior, Unsecured, Notes, Callable, 1.800% Nov 5, 2018.....	USD 1,000.....	1,322.....	1,331
Citigroup Inc., Senior, Unsecured, Notes, 2.150% Jul 30, 2018.....	USD 2,000.....	2,694.....	2,669	Prudential Financial, Inc., Fixed to Floating, Junior, Notes, Subordinated, Callable, 5.625% Jun 15, 2043.....	USD 1,250.....	1,316.....	1,781
Citigroup Inc., Senior, Unsecured, Notes, 2.500% Jul 29, 2019.....	USD 1,000.....	1,411.....	1,341	Time Warner Cable Inc., Senior, Unsecured, Notes, Callable, 4.000% Sep 1, 2021.....	USD 1,000.....	980.....	1,378
Coca-Cola Company, The, Senior, Unsecured, Notes, 1.150% Apr 1, 2018.....	USD 2,000.....	2,140.....	2,654	United States Treasury Notes, 0.750% Feb 28, 2018.....	USD 5,000.....	6,406.....	6,630
Commonwealth Edison Company, Secured, Notes, First Mortgage, 6.450% Jan 15, 2038.....	USD 1,000.....	1,344.....	1,773	United States Treasury Notes, 0.750% Mar 31, 2018.....	USD 16,000.....	21,584.....	21,208
CVS Health Corporation, Senior, Unsecured, Notes, Callable, 4.000% Dec 5, 2023.....	USD 1,250.....	1,335.....	1,745	United States Treasury Notes, 0.875% May 31, 2018.....	USD 16,750.....	22,605.....	22,212
Duke Energy Corporation, Senior, Unsecured, Notes, Callable, 3.050% Aug 15, 2022.....	USD 1,000.....	1,005.....	1,342	United States Treasury Notes, 1.000% May 31, 2018.....	USD 5,000.....	6,423.....	6,639
Exxon Mobil Corporation, Senior, Unsecured, Notes, 1.708% Mar 1, 2019.....	USD 2,000.....	2,692.....	2,663	United States Treasury Notes, 1.500% Aug 31, 2018.....	USD 8,500.....	10,607.....	11,355
Florida Power & Light Company, First Mortgage Bonds, Secured, Callable, 4.050% Jun 1, 2042.....	USD 1,900.....	1,901.....	2,567	United States Treasury Notes, 1.500% Jan 31, 2019.....	USD 5,900.....	6,684.....	7,882
General Motors Financial Company, Inc., Senior, Unsecured, Notes, Callable, 4.200% Mar 1, 2021.....	USD 1,000.....	1,378.....	1,386	United States Treasury Notes, 1.625% Jun 30, 2020.....	USD 7,000.....	9,369.....	9,318
Goldman Sachs Group, Inc., The, Senior, Notes, Subordinated, 6.750% Oct 1, 2037.....	USD 1,000.....	1,179.....	1,642	United States Treasury Notes, 1.375% Aug 31, 2020.....	USD 1,000.....	1,315.....	1,318
Hewlett-Packard Company, Senior, Unsecured, Notes, 6.000% Sep 15, 2041.....	USD 1,000.....	1,226.....	1,368	Verizon Communications Inc., Senior, Unsecured, Notes, 4.500% Sep 15, 2020.....	USD 1,000.....	1,498.....	1,418

BMO World Bond Fund

(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

March 31, 2017 (All amounts in thousands of Canadian dollars, unless otherwise noted)

	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Wal-Mart Stores, Inc., Senior, Unsecured, Notes, 5.250% Sep 1, 2035	USD 1,000.....	1,111.....	1,560
Wal-Mart Stores, Inc., Senior, Unsecured, Notes, 6.500% Aug 15, 2037	USD 1,000.....	1,264.....	1,774
Wells Fargo & Company, Global Medium Term Notes, Senior, Unsecured, 2.600% Jul 22, 2020.....	USD 1,000.....	1,410.....	1,343
Wells Fargo & Company, Euro Medium Term Notes, Senior, Unsecured, 2.625% Aug 16, 2022.....	EUR 2,300.....	2,792.....	3,601
.....		162,951.....	181,352
Total Bonds & Debentures — 80.5%		673,803....	744,968
	Number of Shares or Units	Cost* (\$)	Fair Value (\$)

HOLDINGS IN INVESTMENT FUNDS — 17.9%

BMO Asia USD Investment Grade Bond ETF	15,500,000.....	40,611.....	40,580
BMO Long Corporate Bond Index ETF.....	500,000.....	8,939.....	9,091
BMO Mid Corporate Bond Index ETF.....	575,000.....	9,378.....	9,489
BMO Mid-Term US IG Corporate Bond Index ETF.....	5,142,000.....	82,359.....	97,114
BMO Short Corporate Bond Index ETF	675,000.....	10,024.....	9,761
.....		151,311.....	166,035
Total Holdings in Investment Funds — 17.9%		151,311....	166,035
Total Investment Portfolio — 98.4%		825,114....	911,003
Total Unrealized Gain on Forward Currency Contracts — 0.0%.....			387
Total Unrealized Loss on Forward Currency Contracts — (0.2)%.....			(2,192)
Other Assets Less Liabilities — 1.8%			16,291
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS - 100.0%			925,489

+ 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

(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

March 31, 2017 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Settlement Date	Currency Buy	Position (000s)	Currency Sell	Position (000s)	Contract Rate	Counterparty	Credit Rating*	Unrealized Gain
UNREALIZED GAIN ON FORWARD CURRENCY CONTRACTS								
5-Apr-17	GBP	33,000	CAD	(54,727)	0.6030	Toronto Dominion Bank, The	A-1+	256
3-May-17	CAD	35,529	EUR	(25,000)	1.4212	Bank of New York Mellon Trust Co. N.A.(The)	A-1+	27
3-May-17	CAD	71,056	EUR	(50,000)	1.4211	Scotia Capital Inc.	A-1	52
3-May-17	CAD	71,056	EUR	(50,000)	1.4211	Royal Bank of Canada	A-1+	52
Total Unrealized Gain on Forward Currency Contracts								387
Settlement Date	Currency Buy	Position (000s)	Currency Sell	Position (000s)	Contract Rate	Counterparty	Credit Rating*	Unrealized Loss
UNREALIZED LOSS ON FORWARD CURRENCY CONTRACTS								
5-Apr-17	EUR	25,000	CAD	(35,501)	0.7042	Bank of New York Mellon Trust Co. N.A.(The)	A-1+	(32)
5-Apr-17	EUR	50,000	CAD	(71,000)	0.7042	Royal Bank of Canada	A-1+	(63)
5-Apr-17	EUR	50,000	CAD	(71,001)	0.7042	Scotia Capital Inc.	A-1	(63)
5-Apr-17	CAD	35,227	EUR	(25,000)	1.4091	Bank of New York Mellon Trust Co. N.A.(The)	A-1+	(242)
5-Apr-17	CAD	70,457	EUR	(50,000)	1.4091	Royal Bank of Canada	A-1+	(480)
5-Apr-17	CAD	70,458	EUR	(50,000)	1.4092	Bank of Nova Scotia	A-1	(480)
5-Apr-17	CAD	54,419	GBP	(33,000)	1.6491	Toronto Dominion Bank, The	A-1+	(565)
3-May-17	CAD	54,738	GBP	(33,000)	1.6587	Toronto Dominion Bank, The	A-1+	(267)
Total Unrealized Loss on Forward Currency Contracts								(2,192)

* Credit Rating provided by Standard & Poor's.

BMO World Bond Fund

(unaudited)

NOTES TO THE FINANCIAL STATEMENTS

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

March 31, 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 Fund’s series and their respective launch date(s) 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 First Canadian Place, 43rd Floor, 100 King Street West, Toronto, Ontario, M5X 1A1.

The Statement of Financial Position of each of the Funds are as at March 31, 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 March 31, 2017 and March 31, 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 launch 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 May 10, 2017.

These financial statements should be read in conjunction with the annual financial statements for the period ended September 30, 2016 which have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

2. Basis of preparation and presentation

These unaudited interim financial statements have been prepared in accordance with IFRS and in accordance with International Accounting Standard (“IAS”) 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”).

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 has issued multiple series of redeemable units, which are equally subordinated but are not identical and consequently, do not meet the conditions to be classified as equity. As a result, the Fund’s obligations for net assets attributable to holders of

BMO World Bond Fund

(unaudited)

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

March 31, 2017

redeemable units are classified as financial liabilities and presented at the redemption amounts.

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 Fund 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 Fund uses internal models where the inputs are not based on observable market data.

Derivative instruments

Derivative instruments are financial contracts that derive their value from underlying changes in 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 and unrealized gains and losses are recorded 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.

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.

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

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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 distributions 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 March 31, 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.

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.

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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 invests 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 invests 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 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.

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Offsetting of financial assets and financial liabilities

Financial instruments are presented at net or gross amounts on 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 adoption 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 Fund has made in preparing its 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.

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

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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 on 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 Day, 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 are 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 and BMO Women in Leadership 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 (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.

(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

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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 March 31, 2017 and March 31, 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 March 31, 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 AM Corp., BMO Private Investment Counsel Inc., BMO Asset Management Inc., BMO InvestorLine, Pyrford International Limited, Money Inc., LGM (Bermuda) Limited, BMO Trust Company, F&C Management Limited, BMO Global Asset Management (Asia) Limited, Talpin, 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 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

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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.

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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	Launch date
Series A	August 3, 1993
Advisor Series	June 1, 2012
Series F	November 3, 2008
Series I	May 9, 2008
Classic Series	June 1, 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)	Mar. 31, 2017	Mar. 31, 2016
Series A		
Units issued and outstanding, beginning of period	23,897	25,544
Issued	1,528	1,814
Issued on reinvestment of distributions	2,024	237
Redeemed during the period	(2,792)	(2,495)
Units issued and outstanding, end of period	24,657	25,100
Advisor Series		
Units issued and outstanding, beginning of period	972	650
Issued	253	225
Issued on reinvestment of distributions	65	6
Redeemed during the period	(349)	(71)
Units issued and outstanding, end of period	941	810
Series F		
Units issued and outstanding, beginning of period	2,137	171
Issued	1,614	499
Issued on reinvestment of distributions	107	3
Redeemed during the period	(2,072)	(38)
Units issued and outstanding, end of period	1,786	635
Series I		
Units issued and outstanding, beginning of period	48,658	85,212
Issued	1,688	2,362
Issued on reinvestment of distributions	6,665	1,468
Redeemed during the period	(3,550)	(9,067)
Units issued and outstanding, end of period	53,461	79,975
Classic Series		
Units issued and outstanding, beginning of period	176	198
Issued on reinvestment of distributions	16	3
Redeemed during the period	(7)	(11)
Units issued and outstanding, end of period	185	190

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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 \$154.

(b) Reconciliation of NAV to Net Assets

As at March 31, 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	Mar. 31, 2017	Mar. 31, 2016
Series A Units		
(Decrease) increase in net assets attributable to holders of redeemable units	(13,936)	11,615
Weighted average units outstanding during the period	24,399	25,251
(Decrease) increase in net assets attributable to holders of redeemable units per unit	(0.57)	0.46
Advisor Series Units		
(Decrease) increase in net assets attributable to holders of redeemable units	(606)	288
Weighted average units outstanding during the period	1,037	699
(Decrease) increase in net assets attributable to holders of redeemable units per unit	(0.58)	0.41
Series F Units		
(Decrease) increase in net assets attributable to holders of redeemable units	(1,638)	93
Weighted average units outstanding during the period	2,266	310
(Decrease) increase in net assets attributable to holders of redeemable units per unit	(0.72)	0.30

For the periods ended	Mar. 31, 2017	Mar. 31, 2016
Series I Units		
(Decrease) increase in net assets attributable to holders of redeemable units	(23,479)	55,158
Weighted average units outstanding during the period	51,335	82,441
(Decrease) increase in net assets attributable to holders of redeemable units per unit	(0.46)	0.67
Classic Series Units		
(Decrease) increase in net assets attributable to holders of redeemable units	(89)	87
Weighted average units outstanding during the period	182	192
(Decrease) increase in net assets attributable to holders of redeemable units per unit	(0.49)	0.45

(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 for the period ended March 31, 2017 amounted to \$430 (September 30, 2016 — \$31).

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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

There were no brokerage commissions charged to the Fund during the periods ended March 31, 2017 and March 31, 2016.

Units held by the Manager

The Manager held the following units of the Fund:

As at Mar. 31, 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 Mar. 31, 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	1,007	36,974	—	37,981	4.1
Czech Republic Koruna	66	5,247	—	5,313	0.6
Danish Krone	99	8,920	—	9,019	1.0
Euro	3,953	201,500	(177,510)	27,943	3.0
Hong Kong Dollar	1,477	40,580	—	42,057	4.5
Israeli Shekel	173	2,665	—	2,838	0.3
Japanese Yen	132	89,473	—	89,605	9.7
Malaysian Ringgit	594	5,409	—	6,003	0.7
Mexican Peso	782	6,112	—	6,894	0.7
New Zealand Dollar	291	5,075	—	5,366	0.6
Norwegian Krone	746	11,704	—	12,450	1.4
Polish Zloty	860	13,181	—	14,041	1.5
Pound Sterling	2,096	55,593	(55,006)	2,683	0.3
Singapore Dollar	136	3,044	—	3,180	0.3
South African Rand	1,028	11,177	—	12,205	1.3
South Korean Won	861	38,335	—	39,196	4.2
Swedish Krona	232	13,768	—	14,000	1.5
Swiss Franc	129	7,472	—	7,601	0.8
Thai Baht	37	3,308	—	3,345	0.4
U.S. Dollar	1,685	226,011	—	227,696	24.6
Total	16,384	785,548	(232,516)	569,416	61.5

All amounts in Canadian dollars

BMO World Bond Fund

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NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

March 31, 2017

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
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 March 31, 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 \$28,471 (September 30, 2016 — \$22,895). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

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	
	Mar. 31, 2017	Sep. 30, 2016
Less than one year	61,488	14,961
One to three years	247,086	195,623
Three to five years	111,011	158,283
Five to ten years	148,710	217,675
Greater than ten years	176,673	238,426
Total	744,968	824,968

All amounts in Canadian dollars

As at March 31, 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 \$43,068 (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 March 31, 2017 and September 30, 2016, the Fund also was exposed to indirect interest rate risk to the extent that the underlying funds invested in interest-bearing financial instruments.

Other market risk

As at March 31, 2017 and September 30, 2016, the Fund was not significantly exposed to other market risk as it was invested fully in fixed income securities.

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NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

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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	
	Mar. 31, 2017	Sep. 30, 2016
AAA	23.2	21.3
AA	20.8	19.6
A	20.4	21.6
BBB	15.7	17.1
BB	0.4	1.7
Unrated	—	0.6
Total	80.5	81.9

As at March 31, 2017 and September 30, 2016, the Fund also was 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 March 31, 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 March 31, 2017 and March 31, 2016:

For the periods ended	Mar. 31, 2017		Mar. 31, 2016	
	Amount	% of Gross Security Lending Revenue	Amount	% of Gross Security Lending Revenue
Gross security lending revenue	—	—	55	100.0
Payments to security lending agents	—	—	14	25.7
Security lending revenue, before withholding taxes	—	—	41	74.3
Withholding taxes	—	—	8	14.6
Net security lending revenue	—	—	33	59.7

Concentration risk

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

As at	Mar. 31, 2017	Sep. 30, 2016
Bonds & Debentures		
Australia	4.5%	3.2%
Austria	0.8%	0.8%
Belgium	1.4%	1.1%
Brazil	0.3%	0.3%
British Virgin Islands	0.2%	0.1%
Chile	0.7%	0.7%
Colombia	0.4%	0.4%
Czech Republic	0.8%	0.6%
Denmark	1.0%	0.4%
France	5.0%	5.4%
Germany	5.1%	5.0%
Indonesia	1.4%	1.5%
Ireland	0.5%	0.6%
Israel	0.5%	0.4%
Italy	3.5%	3.6%
Japan	9.7%	10.0%
Malaysia	0.6%	0.6%
Mexico	1.8%	4.2%
Netherlands	2.1%	2.1%
New Zealand	0.5%	0.5%
Norway	1.8%	1.3%
Poland	1.4%	1.7%
Singapore	0.3%	0.3%
South Africa	1.2%	1.1%
South Korea	4.1%	3.9%
Spain	2.0%	2.0%
Sweden	2.0%	1.7%
Switzerland	0.2%	0.3%
Thailand	0.4%	0.3%
United Kingdom	6.7%	6.9%
United States	19.6%	20.7%
Investment Funds	17.9%	16.9%
Other Assets Less Liabilities	1.6%	1.4%
	100.0%	100.0%

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(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	Mar. 31, 2017	Sep. 30, 2016
Financial assets designated at FVTPL	911,003	995,130
Financial assets held for trading	131	2,065
Loans and receivables	7,857	32,085
Financial liabilities held for trading	1,936	2,817
Financial liabilities measured at amortized cost	2,802	24,128

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

For the periods ended	Mar. 31, 2017	Mar. 31, 2016
Net realized gains (losses) on financial assets		
Held for trading	1,473	16,480
Designated at FVTPL	18,669	42,133
	20,142	58,613
Total net realized gains (losses) on financial assets and financial liabilities	20,142	58,613

Change in unrealized gains (losses) on financial assets

Held for trading	—	20,728
Designated at FVTPL	(54,985)	(8,223)
	(54,985)	12,505

Change in unrealized gains (losses) on financial liabilities

Held for trading	(1,053)	—
Total change in unrealized gains (losses) on financial assets and financial liabilities	(56,038)	12,505

(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

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 Mar. 31, 2017

Financial assets	Level 1	Level 2	Level 3	Total
Debt Securities	48,690	696,278	—	744,968
Investment Funds	125,455	40,580	—	166,035
Derivatives	—	387	—	387
Total	174,145	737,245	—	911,390

Financial liabilities

Derivatives	—	(2,192)	—	(2,192)
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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 March 31, 2017, \$7,540 of debt securities were transferred from Level 1 to Level 2 due to reduced observability of the inputs used to value these securities and \$2,681 of debt securities were transferred from Level 2 to Level 1 due to increased availability of quoted prices in the active market. The valuation of investment funds traded outside of North America were changed from being valued using closed 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, \$40,580 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

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1 due to increased availability of quoted prices in the active market.

(i) Offsetting financial assets and financial liabilities

The following table presents the amounts that have been offset in the Statement of Financial Position. Amounts offset in the Statement of Financial Position include transactions for which the Fund has a legally enforceable right to offset and intends to settle the positions on a net basis.

	Gross Amounts of Recognized Financial Assets (Liabilities)	Amounts Set-off on the Statement of Financial Position	Net Amounts Presented on the Statement of Financial Position
As at Mar. 31, 2017			
Derivative Assets	387	(256)	131
Derivative Liabilities	(2,192)	256	(1,936)

There were no amounts offset as at September 30, 2016.

(j) Unconsolidated structured entities

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

As at Mar. 31, 2017	Carrying amount	Carrying amount as a % of the underlying fund's Net Assets
Securities		
BMO Asia USD Investment Grade Bond ETF	40,580	28.1
BMO Long Corporate Bond Index ETF	9,091	2.7
BMO Mid Corporate Bond Index ETF	9,489	0.7
BMO Mid-Term US IG Corporate Bond Index ETF	97,114	7.8
BMO Short Corporate Bond Index ETF	9,761	0.7
Total	166,035	

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	

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:

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