

BMO World Bond Fund (the "Fund")

For the 12-month period ended September 30, 2018 (the "Period")

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

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

Sub-advisor: F&C Management Limited, London, England

2018 Annual Management Report of Fund Performance

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the Fund. If the annual financial statements of the Fund do not accompany the mailing of this report, you may obtain a copy of the annual financial statements at your request, and at no cost, by calling 1-800-665-7700 and 1-800-668-7327, by writing to us at BMO Investments Inc., First Canadian Place, 100 King Street West, 43rd Floor, Toronto, Ontario, M5X 1A1 or by visiting our website at www.bmo.com/mutualfunds and www.bmo.com/gam/ca or SEDAR at www.sedar.com. You may also contact us using one of these methods to request a copy of the Fund's interim financial report, proxy voting policies and procedures, proxy voting disclosure record and/or quarterly portfolio disclosure.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund's objectives are to provide a high level of interest income and some opportunity for growth in the value of your investment. The Fund invests primarily in bonds and debentures maturing in more than one year, issued by governments and corporations around the world and by supranational agencies such as the World Bank.

The portfolio manager seeks to optimize portfolio holdings in an effort to mitigate portfolio risk, while seeking superior risk-adjusted returns. The portfolio manager uses a fundamental driven process focused on duration management, yield curve positioning, country allocation, security selection and asset allocation into highly rated agencies.

Risk

The risks associated with an investment in the Fund remain as disclosed in the Fund's most recent simplified prospectus or any amendments and fund facts document. During the Period there were no changes to the Fund that materially affected the overall risk level associated with an investment in the Fund. However, beginning in November 2017 the Fund's investment risk level was determined by calculating the Fund's ten-year standard deviation in accordance with the investment risk classification methodology under National Instrument 81-102 – Investment Funds, which came into force effective September 1, 2017. If the Fund does not have at least ten years of performance history, a reference index that is expected to reasonably approximate the Fund's standard deviation is used as a proxy for the remainder of the ten-year period. In May 2018, the Manager

reviewed the Fund using the new standardized investment risk classification methodology and determined that the risk rating of the Fund had not changed. The Manager reviews the Fund's investment risk level and reference index, if any, at least annually.

Results of Operations

During the Period, the Fund's total net asset value changed from approximately \$820 million to approximately \$199 million. Series A units of the Fund returned 1.68%. Please see the *Past Performance* section for information on the performance returns of the Fund's other series.

Italy remained central to much of the market volatility during the latter part of the Period. Worries regarding trade wars remained elevated. Continued strong U.S. economic data and interest rate increases by the U.S. Federal Reserve Board ("Fed") combined to generate significant declines in many emerging markets. Despite the weakness, U.S. equity indexes increased to new record highs. By the end of the Period, the U.S.-Mexico-Canada Agreement was in the process of being signed, alleviating some of the trade concerns. The European Central Bank made no change to its monetary policy with the expectation that net asset purchases will conclude at the end of 2018. The Fed maintained its gradual interest rate increases with another 25 basis-point increase to leave its target band at 2.00-2.25%. Oil prices rose as geopolitical risks increased, prompting concerns about supply.

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Core 10-year European bond yields remained range-bound, ending the Period about 10 basis points higher despite tensions in Italy. Yields in the U.S. moved back toward the high of the yearly range. Bond spreads (the incremental yield on corporate bonds) between U.S. and Germany yields widened. Italian bonds were extremely volatile, as early strength made way to significant weakening in August amid concerns regarding the country's budget, exacerbated by illiquid market conditions.

During the beginning of the Period, exposure to Japanese yen- and euro-denominated bonds contributed to the Fund's performance. An underweight exposure to U.S. bonds was another contributor, as was an overweight allocation to South Korea. Corporate bond allocation also contributed to the Fund's performance. Overweight exposures to New Zealand dollar and Czech koruna-denominated bonds detracted from the Fund's performance.

Later on in the Period, the portfolio manager participated in several new issues from the European frequent-borrower primary market. These are government-related issuers of high credit quality, usually issuing in the primary markets at generous new issue discounts. These positions were hedged against German or French bonds. Some of these posted good performance after issuance, outperforming their sovereign counterparts and profits were realized on these positions. Others did not perform to the same extent, but may perform in due course.

An underweight duration (interest rate sensitivity), focused on U.S. yields, contributed to performance over this latter part of the Period. An underweight position in U.S. yields versus an overweight position in German yields also contributed to performance. The Fund held an underweight allocation to 10-year maturities versus the five- and 30-year segments, which also contributed to performance. As Italian volatility rose, holdings in European periphery countries detracted from the Fund's performance.

As bond yields have risen recently, the Fund's short duration stance was unwound and moved to one that is slightly overweight. The portfolio manager sees some risks on the horizon, including Italian budget negotiations, upcoming mid-term elections in the U.S. and trade wars.

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

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

Recent Developments

The portfolio manager believes that global growth led by U.S. fiscal stimulus and the normalization of monetary policy will put pressure on yields to rise over the next six months. Similarly, complacency around the level of credit spreads (the incremental yield between two bonds of similar maturity but different credit quality) will be pressured as interest rates rise. This may lead to an upward drift in credit spreads. The portfolio manager will continue to maintain a cautious approach toward credit and look to re-establish an underweight exposure to interest rates if yields move lower.

On December 3, 2017 the Fund's independent review committee (the "IRC") was reduced to four members when Mark Brown resigned as an IRC member. On June 6, 2018 the Fund's IRC was increased to five members when Jacqueline Allen was appointed as an IRC member. On September 6, 2018 the Fund's IRC was increased to six members when Marlene Davidge was appointed as an IRC member.

RELATED PARTY TRANSACTIONS

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

Portfolio Manager

The Fund's portfolio manager is BMO Asset Management Inc. ("BMOAM"), an affiliate of the Manager and F&C Management Limited, also an affiliate of the Manager, is a sub-advisor to BMOAM. BMOAM provides portfolio management services to the Fund. BMOAM receives from the Fund a management fee based on assets under management, calculated daily and payable monthly.

Administration Fee and Operating Expenses

The Fund pays a fixed administration fee to the Manager in respect of each series other than Series I. The Manager in return pays the operating expenses of these series of the Fund, other than certain specified expenses that are paid directly by the Fund ("Fund Expenses"). Fund Expenses, include expenses incurred in respect of preparing and distributing fund facts, interest or other borrowing expenses, all reasonable costs and expenses incurred in relation to

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compliance with National Instrument 81-107 – Independent Review Committee for Investment Funds, including compensation and expenses payable to the Fund’s Independent Review Committee (“IRC”) members, taxes to which the Fund is or might be subject, and costs associated with compliance with any new governmental or regulatory requirement introduced after December 1, 2007. Fund Expenses are allocated proportionately among the relevant series. If the Fund Expenses are specific to a series, the Fund Expenses are allocated to that series. The fixed administration fee is calculated as a fixed annual percentage of the average net asset value of each relevant series of the Fund. Separate fees and expenses are negotiated and paid by each Series I investor. Further details about the fixed administration fee and/or Fund Expenses can be found in the Fund’s most recent simplified prospectus at www.bmo.com/mutualfunds and www.bmo.com/gam/ca or www.sedar.com.

Buying and Selling Securities

During the Period, the Fund relied on standing instructions provided by the IRC with respect to one or more of the following related party transactions:

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

In accordance with the IRC’s standing instructions, in making a decision to cause the Fund to make a Related Party Transaction, the Manager and portfolio manager of the Fund, are required to comply with the Manager’s written policies and procedures governing the Related Party Transaction and report periodically to the IRC, describing each instance that the Manager relied on the standing instructions and its compliance or non-compliance with the governing policies and procedures. The governing policies and procedures are designed to ensure that each Related Party Transaction (i) is made free from any influence of BMO, BMO Nesbitt Burns Inc. or an associate or affiliate of BMO

and/or BMO Nesbitt Burns Inc. and without taking into account any considerations relevant to BMO, BMO Nesbitt Burns Inc. or an associate or affiliate of BMO and/or BMO Nesbitt Burns Inc., (ii) represents the business judgment of the Manager, uninfluenced by considerations other than the best interests of the Fund, and (iii) achieves a fair and reasonable result for the Fund.

Distribution Services

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

Management Fees

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

	Annual Management Fee Rate* %	As a Percentage of Management Fees	
		Dealer Compensation %	General Administration, Investment Advice and Profit %
Series A Units	1.75	29	71
Advisor Series Units	1.75	35	65
Series F Units	0.45	0	100
Series D Units	1.40	10	90
Series I Units	—	—	—
Classic Series Units	1.10	22	78

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

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FINANCIAL HIGHLIGHTS

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

The Fund's Net Assets per Unit ⁽¹⁾

Series A Units

	2018	Periods ended Sep. 30			2014
	2017	2016	2015	2014	
Net assets, beginning of period	\$ 10.54	12.50	11.89	10.97	10.28
Increase (decrease)					
from operations:					
Total revenue	\$ 0.27	0.28	0.31	0.26	0.24
Total expenses ⁽²⁾	\$ -0.24	-0.24	-0.27	-0.25	-0.24
Realized gains (losses)					
for the period	\$ 1.30	0.05	1.15	0.08	0.19
Unrealized gains (losses)					
for the period	\$ -1.14	-0.97	-0.37	0.94	0.66
Total increase (decrease)					
from operations ⁽³⁾	\$ 0.19	-0.88	0.82	1.03	0.85
Distributions:					
From income					
(excluding dividends)	\$ 0.07	0.10	0.22	0.10	0.10
From dividends	\$ —	—	—	—	—
From capital gains	\$ —	0.83	—	—	0.06
Return of capital	\$ 0.17	0.14	0.00	0.00	0.00
Total Annual Distributions ⁽⁴⁾	\$ 0.24	1.07	0.22	0.10	0.16
Net assets, end of period	\$ 10.48	10.54	12.50	11.89	10.97

Advisor Series Units

	2018	Periods ended Sep. 30			2014
	2017	2016	2015	2014	
Net assets, beginning of period	\$ 9.79	11.44	10.88	10.04	9.42
Increase (decrease)					
from operations:					
Total revenue	\$ 0.25	0.26	0.29	0.24	0.22
Total expenses ⁽²⁾	\$ -0.22	-0.23	-0.25	-0.24	-0.22
Realized gains (losses)					
for the period	\$ 1.22	0.05	1.05	0.07	0.17
Unrealized gains (losses)					
for the period	\$ -1.08	-0.96	-0.36	0.85	0.65
Total increase (decrease)					
from operations ⁽³⁾	\$ 0.17	-0.88	0.73	0.92	0.82
Distributions:					
From income					
(excluding dividends)	\$ 0.05	0.09	0.20	0.09	0.09
From dividends	\$ —	—	—	—	—
From capital gains	\$ —	0.58	—	—	0.06
Return of capital	\$ 0.19	0.15	0.00	0.00	0.00
Total Annual Distributions ⁽⁴⁾	\$ 0.24	0.82	0.20	0.09	0.15
Net assets, end of period	\$ 9.71	9.79	11.44	10.88	10.04

Series F Units

	2018	Periods ended Sep. 30			2014
	2017	2016	2015	2014	
Net assets, beginning of period	\$ 11.48	13.14	12.48	11.49	10.89
Increase (decrease)					
from operations:					
Total revenue	\$ 0.29	0.31	0.34	0.27	0.25
Total expenses ⁽²⁾	\$ -0.09	-0.09	-0.10	-0.10	-0.09
Realized gains (losses)					
for the period	\$ 1.59	0.08	1.17	0.10	0.19
Unrealized gains (losses)					
for the period	\$ -1.46	-1.33	-0.37	0.99	0.71
Total increase (decrease)					
from operations ⁽³⁾	\$ 0.33	-1.03	1.04	1.26	1.06
Distributions:					
From income					
(excluding dividends)	\$ 0.27	0.33	0.40	0.24	0.36
From dividends	\$ —	—	—	—	—
From capital gains	\$ —	0.53	—	—	0.09
Return of capital	\$ 0.09	0.03	0.00	0.00	0.00
Total Annual Distributions ⁽⁴⁾	\$ 0.36	0.89	0.40	0.24	0.45
Net assets, end of period	\$ 11.48	11.48	13.14	12.48	11.49

Series D Units

	Nov. 20, 2017 to Sep. 30, 2018
Net assets, beginning of period	\$ 10.00 [*]
Increase (decrease)	
from operations:	
Total revenue	\$ 0.22
Total expenses ⁽²⁾	\$ -0.17
Realized gains (losses)	
for the period	\$ 2.83
Unrealized gains (losses)	
for the period	\$ -2.99
Total increase (decrease)	
from operations ⁽³⁾	\$ -0.11
Distributions:	
From income	
(excluding dividends)	\$ 0.16
From dividends	\$ —
From capital gains	\$ —
Return of capital	\$ —
Total Annual Distributions ⁽⁴⁾	\$ 0.16
Net assets, end of period	\$ 9.81

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Series I Units

	2018	Periods ended Sep. 30			
		2017	2016	2015	2014
Net assets, beginning of period	\$ 11.26	13.76	13.11	12.11	11.33
Increase (decrease)					
from operations:					
Total revenue	\$ 0.29	0.30	0.34	0.29	0.27
Total expenses ⁽²⁾	\$ 0.01	0.00	0.00	0.00	0.00
Realized gains (losses)					
for the period	\$ 0.62	0.06	1.24	0.07	0.21
Unrealized gains (losses)					
for the period	\$ -0.38	-1.01	-0.39	1.01	0.77
Total increase (decrease)					
from operations ⁽³⁾	\$ 0.54	-0.65	1.19	1.37	1.25
Distributions:					
From income					
(excluding dividends)	\$ 0.36	0.63	0.57	0.39	0.35
From dividends	\$ —	—	—	—	—
From capital gains	\$ 0.57	1.15	—	—	0.06
Return of capital	\$ 0.00	0.01	0.00	0.00	0.00
Total Annual Distributions ⁽⁴⁾	\$ 0.93	1.79	0.57	0.39	0.41
Net assets, end of period	\$ 10.78	11.26	13.76	13.11	12.11

Classic Series Units

	2018	Periods ended Sep. 30			
		2017	2016	2015	2014
Net assets, beginning of period	\$ 9.85	11.58	10.94	10.09	9.48
Increase (decrease)					
from operations:					
Total revenue	\$ 0.25	0.26	0.29	0.24	0.22
Total expenses ⁽²⁾	\$ -0.16	-0.15	-0.17	-0.16	-0.15
Realized gains (losses)					
for the period	\$ 1.24	0.05	1.05	0.08	0.18
Unrealized gains (losses)					
for the period	\$ -1.08	-0.90	-0.34	0.83	0.62
Total increase (decrease)					
from operations ⁽³⁾	\$ 0.25	-0.74	0.83	0.99	0.87
Distributions:					
From income					
(excluding dividends)	\$ 0.16	0.18	0.19	0.17	0.17
From dividends	\$ —	—	—	—	—
From capital gains	\$ —	0.79	—	—	0.06
Return of capital	\$ 0.00	0.00	0.00	0.00	0.00
Total Annual Distributions ⁽⁴⁾	\$ 0.16	0.97	0.19	0.17	0.23
Net assets, end of period	\$ 9.92	9.85	11.58	10.94	10.09

^a Initial net assets.

⁽¹⁾ This information is derived from the Fund's audited financial statements.

⁽²⁾ Includes commissions and other portfolio transaction costs and withholding taxes.

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

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

Ratios and Supplemental Data

Series A Units

		Periods ended Sep. 30				
		2018	2017	2016	2015	2014
Total net asset value (000's) ⁽¹⁾	\$	165,061	225,378	298,744	303,671	275,104
Number of units						
outstanding (000's) ⁽¹⁾		15,752	21,383	23,897	25,544	25,081
Management expense ratio ⁽²⁾	%	2.23	2.23	2.23	2.23	2.23
Management expense ratio						
before waivers or absorptions	%	2.27	2.27	2.27	2.27	2.27
Trading expense ratio ⁽³⁾	%	0.03	0.00	0.01	0.00	0.00
Portfolio turnover rate ⁽⁴⁾	%	14.23	14.04	19.10	20.82	22.19
Net asset value per unit	\$	10.48	10.54	12.50	11.89	10.97

Advisor Series Units

		Periods ended Sep. 30				
		2018	2017	2016	2015	2014
Total net asset value (000's) ⁽¹⁾	\$	6,772	8,085	11,117	7,074	6,621
Number of units						
outstanding (000's) ⁽¹⁾		697	826	972	650	660
Management expense ratio ⁽²⁾	%	2.27	2.27	2.26	2.26	2.27
Management expense ratio						
before waivers or absorptions	%	2.27	2.27	2.26	2.26	2.27
Trading expense ratio ⁽³⁾	%	0.03	0.00	0.01	0.00	0.00
Portfolio turnover rate ⁽⁴⁾	%	14.23	14.04	19.10	20.82	22.19
Net asset value per unit	\$	9.71	9.79	11.44	10.88	10.04

Series F Units

		Periods ended Sep. 30				
		2018	2017	2016	2015	2014
Total net asset value (000's) ⁽¹⁾	\$	21,558	20,871	28,069	2,138	2,125
Number of units						
outstanding (000's) ⁽¹⁾		1,878	1,818	2,137	171	185
Management expense ratio ⁽²⁾	%	0.80	0.80	0.80	0.80	0.80
Management expense ratio						
before waivers or absorptions	%	0.83	0.83	0.82	0.83	1.01
Trading expense ratio ⁽³⁾	%	0.03	0.00	0.01	0.00	0.00
Portfolio turnover rate ⁽⁴⁾	%	14.23	14.04	19.10	20.82	22.19
Net asset value per unit	\$	11.48	11.48	13.14	12.48	11.49

Series D Units

		Nov. 20, 2017
		to Sep. 30, 2018
Total net asset value (000's) ⁽¹⁾	\$	36
Number of units		
outstanding (000's) ⁽¹⁾		4
Management expense ratio ⁽²⁾	%	1.92
Management expense ratio		
before waivers or absorptions	%	2.80
Trading expense ratio ⁽³⁾	%	0.03
Portfolio turnover rate ⁽⁴⁾	%	14.23
Net asset value per unit	\$	9.81

Series I Units

		Periods ended Sep. 30				
		2018	2017	2016	2015	2014
Total net asset value (000's) ⁽¹⁾	\$	4,389	563,945	669,533	1,117,408	894,279
Number of units						
outstanding (000's) ⁽¹⁾		407	50,091	48,658	85,212	73,867
Management expense ratio ⁺	%	—	—	—	—	—
Management expense ratio						
before waivers or absorptions ⁺	%	—	—	—	—	—
Trading expense ratio ⁽³⁾	%	0.03	0.00	0.01	0.00	0.00
Portfolio turnover rate ⁽⁴⁾	%	14.23	14.04	19.10	20.82	22.19
Net asset value per unit	\$	10.78	11.26	13.76	13.11	12.11

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Classic Series Units

		2018	Periods ended Sep. 30			2014
			2017	2016	2015	
Total net asset value (000's) ⁽¹⁾	\$	1,471	1,608	2,033	2,167	2,254
Number of units						
outstanding (000's) ⁽¹⁾		148	163	176	198	223
Management expense ratio ⁽²⁾	%	1.55	1.56	1.56	1.55	1.55
Management expense ratio						
before waivers or absorptions	%	1.55	1.56	1.56	1.55	1.55
Trading expense ratio ⁽³⁾	%	0.03	0.00	0.01	0.00	0.00
Portfolio turnover rate ⁽⁴⁾	%	14.23	14.04	19.10	20.82	22.19
Net asset value per unit	\$	9.92	9.85	11.58	10.94	10.09

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

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

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

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

⁽⁴⁾ The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

PAST PERFORMANCE

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

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

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

On June 1, 2012, BMO Guardian Global Bond Fund merged into the Fund.

On April 29, 2013, BMO Asset Management Inc. replaced Insight Investment Management (Global) Limited as portfolio manager of the Fund. In addition, the investment strategies of the Fund changed to reflect the investment style of BMO Asset Management Inc.

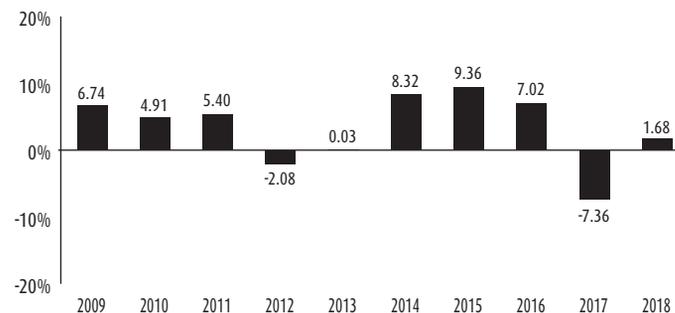
On May 4, 2018, the Manager announced that F&C Management Limited, an affiliate of the Manager, would become a sub-advisor for the Fund. In addition, the investment strategies of the Fund changed to reflect the investment style of F&C Management Limited.

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

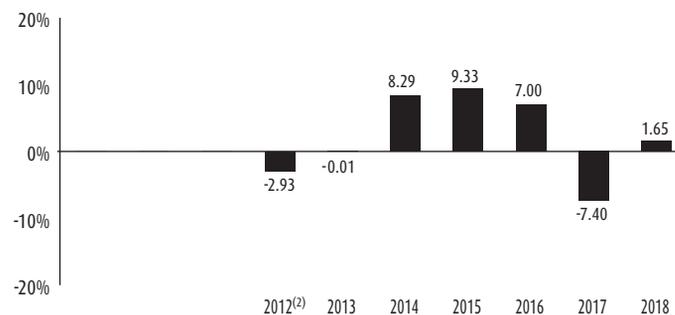
Year-by-Year Returns

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

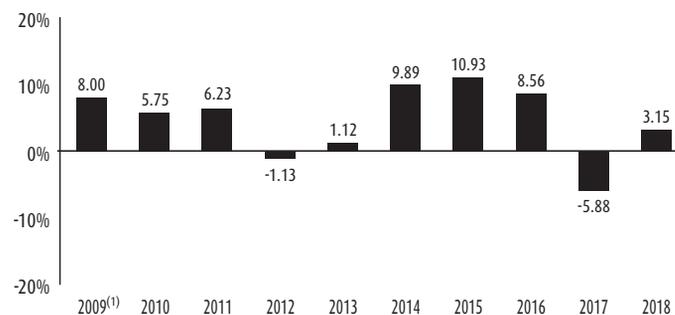
Series A Units



Advisor Series Units



Series F Units

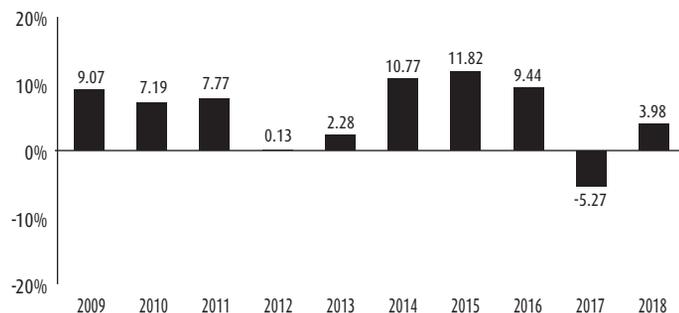


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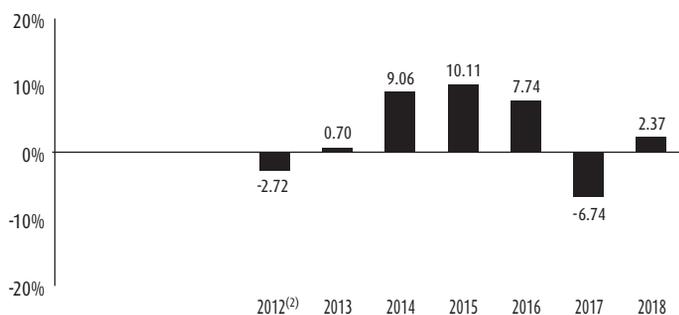
Series D Units



Series I Units



Classic Series Units



⁽¹⁾ For the period beginning with the performance launch date of November 3, 2008 to September 30, 2009.

⁽²⁾ For the period beginning with the performance launch date of June 1, 2012 to September 30, 2012.

⁽³⁾ For the period beginning with the performance launch date of November 21, 2017 to September 30, 2018.

Annual Compound Returns

This table compares the historical annual compound returns of the Fund with its benchmark, the Bloomberg Barclays Global Aggregate Bond Index (CS), a broad-based index.

The Bloomberg Barclays Global Aggregate Bond Index (CS) provides a broad-based measure of the global investment-grade fixed rate debt markets. The Bloomberg Barclays Global Aggregate Bond Index contains three major components: the U.S. Aggregate Index, the Pan-European Aggregate Index, and the Asian-Pacific Aggregate Index.

Series A Units

		1 year	3 years	5 years	10 years	Since Inception
BMO World Bond Fund	%	1.68	0.27	3.61	3.28	
Bloomberg Barclays Global Aggregate Index (CS)	%	1.99	0.74	5.47	4.92	

Advisor Series Units

		1 year	3 years	5 years	10 years	Since Inception ⁽⁹⁾
BMO World Bond Fund	%	1.65	0.24	3.58		2.33
Bloomberg Barclays Global Aggregate Index (CS)	%	1.99	0.74	5.47		4.34

Series F Units

		1 year	3 years	5 years	10 years	Since Inception ⁽⁹⁾
BMO World Bond Fund	%	3.15	1.77	5.14		4.58
Bloomberg Barclays Global Aggregate Index (CS)	%	1.99	0.74	5.47		3.94

Series D Units

		1 year	3 years	5 years	10 years	Since Inception ⁽⁹⁾
BMO World Bond Fund	%					-0.31
Bloomberg Barclays Global Aggregate Index (CS)	%					-0.46

Series I Units

		1 year	3 years	5 years	10 years	Since Inception ⁽⁹⁾
BMO World Bond Fund	%	3.98	2.53	5.95	5.59	
Bloomberg Barclays Global Aggregate Index (CS)	%	1.99	0.74	5.47	4.92	

Classic Series Units

		1 year	3 years	5 years	10 years	Since Inception ⁽⁹⁾
BMO World Bond Fund	%	2.37	0.95	4.32		3.06
Bloomberg Barclays Global Aggregate Index (CS)	%	1.99	0.74	5.47		4.34

⁽¹⁾ Return from the performance launch date of November 3, 2008 to September 30, 2018.

⁽²⁾ Return from the performance launch date of June 1, 2012 to September 30, 2018.

⁽³⁾ Return from the performance launch date of November 21, 2017 to September 30, 2018.

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

BMO World Bond Fund

SUMMARY OF INVESTMENT PORTFOLIO

As at September 30, 2018

Portfolio Allocation	% of Net Asset Value	Top 25 Holdings Issuer	% of Net Asset Value
United States	18.4	United Mexican States, Series M, Senior, Unsecured, 5.000% Dec 11, 2019	3.0
Japan	15.3	Government of Japan, Twenty Year Bonds, Series 117, Senior, Unsecured, 2.100% Mar 20, 2030	2.9
Germany	8.1	Republic of France, Unsecured, 2.250% Oct 25, 2022	2.6
France	8.1	Federal Republic of Germany, Unsecured, 1.500% Sep 4, 2022	2.2
United Kingdom	8.0	United Kingdom Treasury Gilt, 4.000% Mar 7, 2022	2.1
Australia	5.6	Government of Japan, Ten Year Bonds, Series 140, Senior, Unsecured, 1.700% Sep 20, 2032	2.1
South Korea	5.2	Government of Japan, Ten Year Bonds, Series 332, Senior, Unsecured, 0.600% Dec 20, 2023	1.8
Mexico	5.0	Government of Japan, Thirty Year Bonds, Series 37, Senior, Unsecured, 1.900% Sep 20, 2042	1.7
Spain	5.0	Slovakia Republic, Series 235, Senior, Unsecured, 2.250% Jun 12, 2068	1.7
Italy	2.4	Korea Treasury Bonds, Series 1909, Senior, Unsecured, 2.750% Sep 10, 2019	1.7
Indonesia	2.3	Cash/Receivables/Payables	1.6
Supernational	2.2	Korea Treasury Bonds, Series 2303, Senior, Unsecured, 3.000% Mar 10, 2023	1.5
Netherlands	2.0	Kingdom of Spain, Senior, Unsecured, 4.200% Jan 31, 2037	1.5
Slovakia	1.7	New York City, General Obligation, Subseries C-1, Build America Bonds, Sinkable, 5.517% Oct 1, 2037	1.5
Cash/Receivables/Payables	1.6	Republic of France, Unsecured, 5.500% Apr 25, 2029	1.4
Belgium	1.3	Federal Republic of Germany, Unsecured, 1.750% Jul 4, 2022	1.4
Sweden	1.2	Republic of France, Unsecured, 4.000% Oct 25, 2038	1.3
South Africa	1.1	Kingdom of Spain, Senior, Unsecured, 3.800% Apr 30, 2024	1.3
Other	5.5	Federal Republic of Germany, Unsecured, Notes, 1.000% Aug 15, 2024	1.2
Total Portfolio Allocation	100.0	Korea Treasury Bonds, Series 3122, Senior, Unsecured, 4.000% Dec 10, 2031	1.1
		United Kingdom Treasury Gilt, 4.250% Jun 7, 2032	1.1
		United States Treasury Inflation Indexed Bonds, 0.500% Jan 15, 2028	1.0
		Kingdom of Spain, Senior, Unsecured, 2.750% Oct 31, 2024	1.0
		Republic of Italy, Senior, Unsecured, 5.000% Aug 1, 2034	1.0
		Federal State of North Rhine-Westphalia, Euro Medium Term Notes, Senior, Unsecured, 1.500% Jun 12, 2040	1.0
		Top Holdings as a Percentage of Total Net Asset Value	40.8
		Total Net Asset Value	\$199,286,554

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

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

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

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

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