

BMO World Bond Fund (the "Fund")

For the six-month period ended March 31, 2018 (the "Period")

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

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

2018 Semi-Annual Management Report of Fund Performance

This semi-annual management report of fund performance contains financial highlights but does not contain the complete semi-annual or annual financial statements of the Fund. If the semi-annual financial statements of the Fund do not accompany the mailing of this report, you may obtain a copy of the semi-annual or annual financial statements at your request, and at no cost, by calling 1-800-665-7700 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 proxy voting policies and procedures, proxy voting disclosure record and/or quarterly portfolio disclosure.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Results of Operations

During the Period, the Fund's total net asset value changed from approximately \$820 million to approximately \$796 million. Series A units of the Fund returned 5.02%.

Please see the *Past Performance* section for information on the performance returns of the Fund's other series.

During the Period, interest rates continued to rise, notably in the U.S. and Canada. A new chair of the U.S. Federal Reserve Board, Jerome Powell, was appointed. There were increased investor concerns over the possibility of a U.S.-led trade war. Uncertainty regarding the U.K.'s exit from the European Union lessened. The credit sector continued to be strong, particularly in the U.S.

The Fund's unhedged currency exposure contributed to its performance, as the Canadian dollar was one of the worst-performing currencies over the Period. Emerging market currencies outperformed, which contributed to performance. Overweight exposures to debt denominated in the South Korean won, Polish zloty and Mexican peso also contributed to performance.

Duration (interest rate sensitivity) exposure in the U.S. detracted from the Fund's performance as longer-term bonds underperformed shorter-term bonds. An underweight allocation to debt denominated in the U.S. dollar, euro and Japanese yen detracted from performance as these currencies outperformed.

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

Global fixed income assets are likely to have a challenging upcoming period as interest rates rise globally, particularly in the U.S. and Canada. Economic indicators continue to look strong but concerns over the potential for a U.S. trade war with China may cause a slowdown and increase volatility. There could be an increase in economic disappointments in the coming period. The portfolio manager believes the Fund's diversified global exposure should position it to avoid country-specific events, but a global economic slowdown that could result in a U.S.-China trade dispute would be detrimental to performance. The Fund may be susceptible to rising interest rates globally as the result of its interest rate exposure.

Subsequent Event

Sub-Advisor Change

In a press release on May 4, 2018, the Manager announced that F&C Management Limited, an affiliate of the Manager, will become a sub-advisor for the Fund.

Risk Rating Change

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

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affected the overall risk level associated with an investment in the Fund. However, beginning in May 2018 the Fund's investment risk level is being 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.

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. BMOAM provides portfolio management services to the Fund. BMOAM receives from the Fund a management fee based on assets under management, calculated daily and payable monthly.

Administration Fee and Operating Expenses

The Fund pays a fixed administration fee to the Manager in respect of each series other than Series I. The Manager in return pays the operating expenses of these series of the Fund, other than certain specified expenses that are paid directly by the Fund (“Fund Expenses”). Fund Expenses, include expenses incurred in respect of preparing and distributing fund facts, interest or other borrowing expenses, all reasonable costs and expenses incurred in relation to compliance with NI 81-107, including compensation and expenses payable to the Fund's Independent Review Committee (“IRC”) members, taxes to which the Fund is or might be subject, and costs associated with compliance

with any new governmental or regulatory requirement introduced after December 1, 2007. Fund Expenses are allocated proportionately among the relevant series. If the Fund Expenses are specific to a series, the Fund Expenses are allocated to that series. The fixed administration fee is calculated as a fixed annual percentage of the average net asset value of each relevant series of the Fund. Separate fees and expenses are negotiated and paid by each Series I investor. Further details about the fixed administration fee and/or Fund Expenses can be found in the Fund's most recent simplified prospectus at www.bmo.com/mutualfunds and www.bmo.com/gam/ca or www.sedar.com.

Distribution Services

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

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 | 8 | 92 |
| 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

| | Period ended | | Periods ended Sep. 30 | | | |
|--|--------------|-------|-----------------------|-------|-------|-------|
| | Mar. 31 | 2017 | 2016 | 2015 | 2014 | 2013 |
| | 2018 | | | | | |
| Net assets, beginning of period | \$ 10.54 | 12.50 | 11.89 | 10.97 | 10.28 | 10.32 |
| Increase (decrease) | | | | | | |
| from operations: | | | | | | |
| Total revenue | \$ 0.15 | 0.28 | 0.31 | 0.26 | 0.24 | 0.32 |
| Total expenses ⁽²⁾ | \$ -0.12 | -0.24 | -0.27 | -0.25 | -0.24 | -0.23 |
| Realized gains (losses) | | | | | | |
| for the period | \$ 0.06 | 0.05 | 1.15 | 0.08 | 0.19 | 0.00 |
| Unrealized gains (losses) | | | | | | |
| for the period | \$ 0.43 | -0.97 | -0.37 | 0.94 | 0.66 | -0.08 |
| Total increase (decrease) | | | | | | |
| from operations ⁽³⁾ | \$ 0.52 | -0.88 | 0.82 | 1.03 | 0.85 | 0.01 |
| Distributions: | | | | | | |
| From income | | | | | | |
| (excluding dividends) | \$ 0.06 | 0.10 | 0.22 | 0.10 | 0.10 | 0.03 |
| From dividends | \$ — | — | — | — | — | — |
| From capital gains | \$ — | 0.83 | — | — | 0.06 | 0.01 |
| Return of capital | \$ 0.06 | 0.14 | 0.00 | 0.00 | 0.00 | — |
| Total Annual Distributions ⁽⁴⁾ | \$ 0.12 | 1.07 | 0.22 | 0.10 | 0.16 | 0.04 |
| Net assets, end of period | \$ 10.95 | 10.54 | 12.50 | 11.89 | 10.97 | 10.28 |

Advisor Series Units

| | Period ended | | Periods ended Sep. 30 | | | |
|--|--------------|-------|-----------------------|-------|-------|-------|
| | Mar. 31 | 2017 | 2016 | 2015 | 2014 | 2013 |
| | 2018 | | | | | |
| Net assets, beginning of period | \$ 9.79 | 11.44 | 10.88 | 10.04 | 9.42 | 9.48 |
| Increase (decrease) | | | | | | |
| from operations: | | | | | | |
| Total revenue | \$ 0.13 | 0.26 | 0.29 | 0.24 | 0.22 | 0.29 |
| Total expenses ⁽²⁾ | \$ -0.11 | -0.23 | -0.25 | -0.24 | -0.22 | -0.22 |
| Realized gains (losses) | | | | | | |
| for the period | \$ 0.06 | 0.05 | 1.05 | 0.07 | 0.17 | -0.01 |
| Unrealized gains (losses) | | | | | | |
| for the period | \$ 0.40 | -0.96 | -0.36 | 0.85 | 0.65 | -0.05 |
| Total increase (decrease) | | | | | | |
| from operations ⁽³⁾ | \$ 0.48 | -0.88 | 0.73 | 0.92 | 0.82 | 0.01 |
| Distributions: | | | | | | |
| From income | | | | | | |
| (excluding dividends) | \$ 0.01 | 0.09 | 0.20 | 0.09 | 0.09 | 0.05 |
| From dividends | \$ — | — | — | — | — | — |
| From capital gains | \$ — | 0.58 | — | — | 0.06 | 0.01 |
| Return of capital | \$ 0.11 | 0.15 | 0.00 | 0.00 | 0.00 | — |
| Total Annual Distributions ⁽⁴⁾ | \$ 0.12 | 0.82 | 0.20 | 0.09 | 0.15 | 0.06 |
| Net assets, end of period | \$ 10.16 | 9.79 | 11.44 | 10.88 | 10.04 | 9.42 |

Series F Units

| | Period ended | | Periods ended Sep. 30 | | | |
|--|--------------|-------|-----------------------|-------|-------|-------|
| | Mar. 31 | 2017 | 2016 | 2015 | 2014 | 2013 |
| | 2018 | | | | | |
| Net assets, beginning of period | \$ 11.48 | 13.14 | 12.48 | 11.49 | 10.89 | 10.91 |
| Increase (decrease) | | | | | | |
| from operations: | | | | | | |
| Total revenue | \$ 0.16 | 0.31 | 0.34 | 0.27 | 0.25 | 0.33 |
| Total expenses ⁽²⁾ | \$ -0.05 | -0.09 | -0.10 | -0.10 | -0.09 | -0.12 |
| Realized gains (losses) | | | | | | |
| for the period | \$ 0.07 | 0.08 | 1.17 | 0.10 | 0.19 | 0.00 |
| Unrealized gains (losses) | | | | | | |
| for the period | \$ 0.47 | -1.33 | -0.37 | 0.99 | 0.71 | -0.08 |
| Total increase (decrease) | | | | | | |
| from operations ⁽³⁾ | \$ 0.65 | -1.03 | 1.04 | 1.26 | 1.06 | 0.13 |
| Distributions: | | | | | | |
| From income | | | | | | |
| (excluding dividends) | \$ 0.14 | 0.33 | 0.40 | 0.24 | 0.36 | 0.13 |
| From dividends | \$ — | — | — | — | — | — |
| From capital gains | \$ — | 0.53 | — | — | 0.09 | 0.01 |
| Return of capital | \$ 0.04 | 0.03 | 0.00 | 0.00 | 0.00 | — |
| Total Annual Distributions ⁽⁴⁾ | \$ 0.18 | 0.89 | 0.40 | 0.24 | 0.45 | 0.14 |
| Net assets, end of period | \$ 11.96 | 11.48 | 13.14 | 12.48 | 11.49 | 10.89 |

Series D Units

| | Nov. 20, 2017 | |
|--|-----------------------|--|
| | to Mar. 31, 2018 | |
| Net assets, beginning of period | \$ 10.00 [*] | |
| Increase (decrease) | | |
| from operations: | | |
| Total revenue | \$ 0.10 | |
| Total expenses ⁽²⁾ | \$ -0.07 | |
| Realized gains (losses) | | |
| for the period | \$ 0.05 | |
| Unrealized gains (losses) | | |
| for the period | \$ 0.35 | |
| Total increase (decrease) | | |
| from operations ⁽³⁾ | \$ 0.43 | |
| Distributions: | | |
| From income | | |
| (excluding dividends) | \$ 0.05 | |
| From dividends | \$ — | |
| From capital gains | \$ — | |
| Return of capital | \$ — | |
| Total Annual Distributions ⁽⁴⁾ | \$ 0.05 | |
| Net assets, end of period | \$ 10.23 | |

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Series I Units

| | Period ended Mar. 31 2018 | 2017 | Periods ended Sep. 30 | | | 2013 |
|--|---------------------------------|-------|-----------------------|-------|-------|-------|
| | | | 2016 | 2015 | 2014 | |
| Net assets, beginning of period | \$ 11.26 | 13.76 | 13.11 | 12.11 | 11.33 | 11.24 |
| Increase (decrease) from operations: | | | | | | |
| Total revenue | \$ 0.16 | 0.30 | 0.34 | 0.29 | 0.27 | 0.34 |
| Total expenses ⁽²⁾ | \$ 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Realized gains (losses) for the period | \$ 0.07 | 0.06 | 1.24 | 0.07 | 0.21 | 0.03 |
| Unrealized gains (losses) for the period | \$ 0.46 | -1.01 | -0.39 | 1.01 | 0.77 | -0.12 |
| Total increase (decrease) from operations⁽³⁾ | \$ 0.69 | -0.65 | 1.19 | 1.37 | 1.25 | 0.25 |
| Distributions: | | | | | | |
| From income (excluding dividends) | \$ 0.18 | 0.63 | 0.57 | 0.39 | 0.35 | 0.16 |
| From dividends | \$ — | — | — | — | — | — |
| From capital gains | \$ — | 1.15 | — | — | 0.06 | 0.01 |
| Return of capital | \$ 0.00 | 0.01 | 0.00 | 0.00 | 0.00 | — |
| Total Annual Distributions⁽⁴⁾ | \$ 0.18 | 1.79 | 0.57 | 0.39 | 0.41 | 0.17 |
| Net assets, end of period | \$ 11.77 | 11.26 | 13.76 | 13.11 | 12.11 | 11.33 |

Classic Series Units

| | Period ended Mar. 31 2018 | 2017 | Periods ended Sep. 30 | | | 2013 |
|--|---------------------------------|-------|-----------------------|-------|-------|-------|
| | | | 2016 | 2015 | 2014 | |
| Net assets, beginning of period | \$ 9.85 | 11.58 | 10.94 | 10.09 | 9.48 | 9.50 |
| Increase (decrease) from operations: | | | | | | |
| Total revenue | \$ 0.14 | 0.26 | 0.29 | 0.24 | 0.22 | 0.29 |
| Total expenses ⁽²⁾ | \$ -0.08 | -0.15 | -0.17 | -0.16 | -0.15 | -0.15 |
| Realized gains (losses) for the period | \$ 0.06 | 0.05 | 1.05 | 0.08 | 0.18 | 0.00 |
| Unrealized gains (losses) for the period | \$ 0.40 | -0.90 | -0.34 | 0.83 | 0.62 | -0.07 |
| Total increase (decrease) from operations⁽³⁾ | \$ 0.52 | -0.74 | 0.83 | 0.99 | 0.87 | 0.07 |
| Distributions: | | | | | | |
| From income (excluding dividends) | \$ 0.16 | 0.18 | 0.19 | 0.17 | 0.17 | 0.08 |
| From dividends | \$ — | — | — | — | — | — |
| From capital gains | \$ — | 0.79 | — | — | 0.06 | 0.01 |
| 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 | 0.09 |
| Net assets, end of period | \$ 10.21 | 9.85 | 11.58 | 10.94 | 10.09 | 9.48 |

* Initial net assets.

⁽¹⁾ This information is derived from the Fund's unaudited and audited financial statements. The financial information presented for the periods ended March 31, 2018, September 30, 2017, September 30, 2016, September 30, 2015 and September 30, 2014 is derived from the financial statements determined in accordance with IFRS. Information for periods prior to October 1, 2013 is derived from prior period financial statements prepared in accordance with Canadian GAAP.

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

⁽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 March 31 or 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

| | Period ended Mar. 31 2018 | 2017 | Periods ended Sep. 30 | | | 2013 |
|---|---------------------------------|---------|-----------------------|---------|---------|---------|
| | | | 2016 | 2015 | 2014 | |
| Total net asset value (000's) ⁽¹⁾ | \$ 219,191 | 225,378 | 298,744 | 303,671 | 275,104 | 252,181 |
| Number of units outstanding (000's) ⁽¹⁾ | 20,026 | 21,383 | 23,897 | 25,544 | 25,081 | 24,539 |
| Management expense ratio ⁽²⁾ | % 2.23 | 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 | 2.27 |
| Trading expense ratio ⁽³⁾ | % — | 0.00 | 0.01 | 0.00 | 0.00 | 0.01 |
| Portfolio turnover rate ⁽⁴⁾ | % — | 14.04 | 19.10 | 20.82 | 22.19 | 68.68 |
| Net asset value per unit | \$ 10.95 | 10.54 | 12.50 | 11.89 | 10.97 | 10.28 |

Advisor Series Units

| | Period ended Mar. 31 2018 | 2017 | Periods ended Sep. 30 | | | 2013 |
|---|---------------------------------|-------|-----------------------|-------|-------|-------|
| | | | 2016 | 2015 | 2014 | |
| Total net asset value (000's) ⁽¹⁾ | \$ 7,640 | 8,085 | 11,117 | 7,074 | 6,621 | 7,136 |
| Number of units outstanding (000's) ⁽¹⁾ | 752 | 826 | 972 | 650 | 660 | 758 |
| Management expense ratio ⁽²⁾ | % 2.27 | 2.27 | 2.26 | 2.26 | 2.27 | 2.27 |
| Management expense ratio before waivers or absorptions | % 2.27 | 2.27 | 2.26 | 2.26 | 2.27 | 2.27 |
| Trading expense ratio ⁽³⁾ | % — | 0.00 | 0.01 | 0.00 | 0.00 | 0.01 |
| Portfolio turnover rate ⁽⁴⁾ | % — | 14.04 | 19.10 | 20.82 | 22.19 | 68.68 |
| Net asset value per unit | \$ 10.16 | 9.79 | 11.44 | 10.88 | 10.04 | 9.42 |

Series F Units

| | Period ended Mar. 31 2018 | 2017 | Periods ended Sep. 30 | | | 2013 |
|---|---------------------------------|--------|-----------------------|-------|-------|-------|
| | | | 2016 | 2015 | 2014 | |
| Total net asset value (000's) ⁽¹⁾ | \$ 20,567 | 20,871 | 28,069 | 2,138 | 2,125 | 2,436 |
| Number of units outstanding (000's) ⁽¹⁾ | 1,720 | 1,818 | 2,137 | 171 | 185 | 224 |
| Management expense ratio ⁽²⁾ | % 0.80 | 0.80 | 0.80 | 0.80 | 0.80 | 1.15 |
| Management expense ratio before waivers or absorptions | % 0.83 | 0.83 | 0.82 | 0.83 | 1.01 | 1.17 |
| Trading expense ratio ⁽³⁾ | % — | 0.00 | 0.01 | 0.00 | 0.00 | 0.01 |
| Portfolio turnover rate ⁽⁴⁾ | % — | 14.04 | 19.10 | 20.82 | 22.19 | 68.68 |
| Net asset value per unit | \$ 11.96 | 11.48 | 13.14 | 12.48 | 11.49 | 10.89 |

Series D Units

| | Nov. 20, 2017 to Mar. 31, 2018 |
|---|-----------------------------------|
| Total net asset value (000's) ⁽¹⁾ | \$ 10 |
| Number of units outstanding (000's) ⁽¹⁾ | 1 |
| Management expense ratio ⁽²⁾ | % 1.92 |
| Management expense ratio before waivers or absorptions | % 3.34 |
| Trading expense ratio ⁽³⁾ | % — |
| Portfolio turnover rate ⁽⁴⁾ | % — |
| Net asset value per unit | \$ 10.23 |

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Series I Units

| | Period ended | | Periods ended Sep. 30 | | | |
|--|-----------------|---------|-----------------------|-----------|---------|---------|
| | Mar. 31 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
| Total net asset value (000's) ⁽¹⁾ | \$ 547,383 | 563,945 | 669,533 | 1,117,408 | 894,279 | 955,523 |
| Number of units outstanding (000's) ⁽¹⁾ | 46,507 | 50,091 | 48,658 | 85,212 | 73,867 | 84,368 |
| Management expense ratio ⁺ | % | — | — | — | — | — |
| Management expense ratio before waivers or absorptions ⁺ | % | — | — | — | — | 0.02 |
| Trading expense ratio ⁽³⁾ | % | — | 0.00 | 0.01 | 0.00 | 0.01 |
| Portfolio turnover rate ⁽⁴⁾ | % | — | 14.04 | 19.10 | 20.82 | 22.19 |
| Net asset value per unit | \$ 11.77 | 11.26 | 13.76 | 13.11 | 12.11 | 11.33 |

Classic Series Units

| | Period ended | | Periods ended Sep. 30 | | | |
|---|-----------------|-------|-----------------------|-------|-------|-------|
| | Mar. 31 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
| Total net asset value (000's) ⁽¹⁾ | \$ 1,575 | 1,608 | 2,033 | 2,167 | 2,254 | 2,269 |
| Number of units outstanding (000's) ⁽¹⁾ | 154 | 163 | 176 | 198 | 223 | 239 |
| Management expense ratio ⁽²⁾ | % 1.55 | 1.56 | 1.56 | 1.55 | 1.55 | 1.56 |
| Management expense ratio before waivers or absorptions | % 1.55 | 1.56 | 1.56 | 1.55 | 1.55 | 1.56 |
| Trading expense ratio ⁽³⁾ | % — | 0.00 | 0.01 | 0.00 | 0.00 | 0.01 |
| Portfolio turnover rate ⁽⁴⁾ | % — | 14.04 | 19.10 | 20.82 | 22.19 | 22.19 |
| Net asset value per unit | \$ 10.21 | 9.85 | 11.58 | 10.94 | 10.09 | 9.48 |

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

⁽¹⁾ This information is provided as at March 31 or September 30 of the period shown, as applicable.

⁽²⁾ Management expense ratio is based on total expenses (excluding commissions and other portfolio 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. For the financial period-ended March 31, 2018, no commissions or other portfolio transaction costs were incurred by the Fund. As a result, the trading expense ratio for this period was zero.

⁽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. For the financial period-ended March 31, 2018, no purchases of portfolio securities were made by the Fund. As a result, the portfolio turnover ratio for this period was zero.

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.

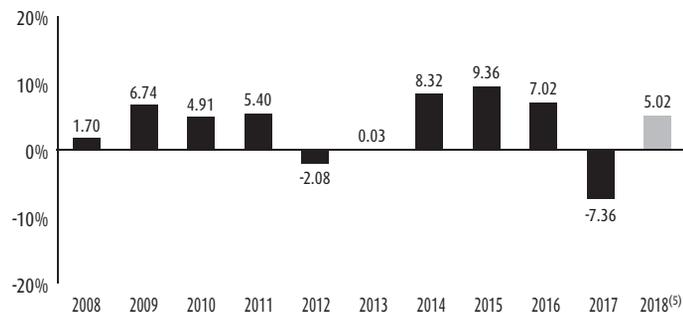
These changes could have affected the performance of the Fund, had they been in effect throughout the performance measurement periods presented.

BMO World Bond Fund

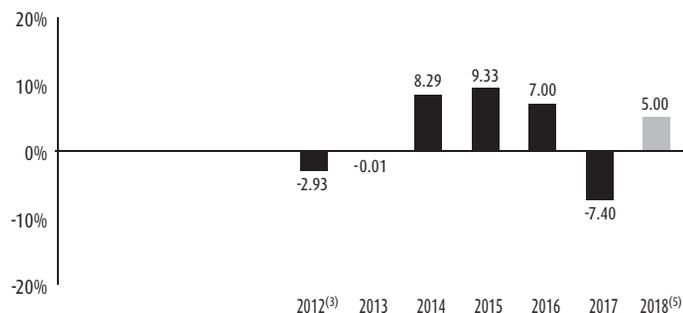
Year-by-Year Returns

The following bar charts show the performance of each series of the Fund for each of the financial years shown and for the six-month period ended March 31, 2018. 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.

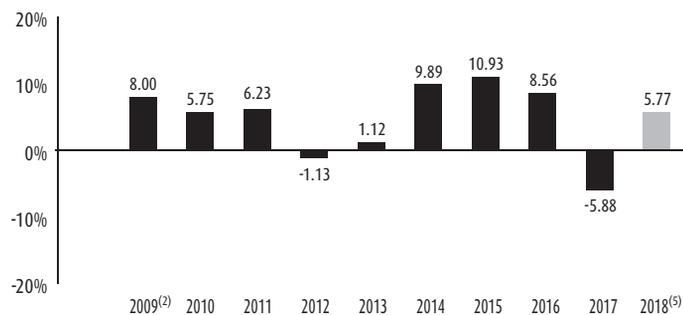
Series A Units



Advisor Series Units



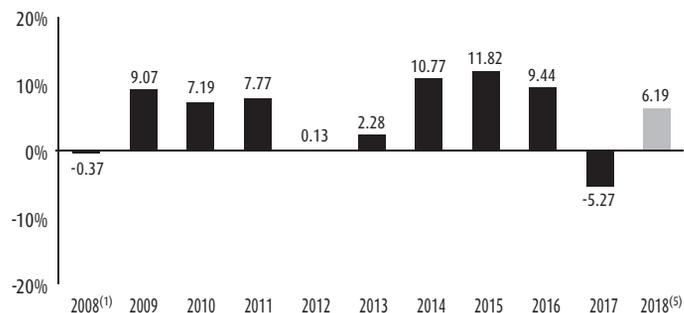
Series F Units



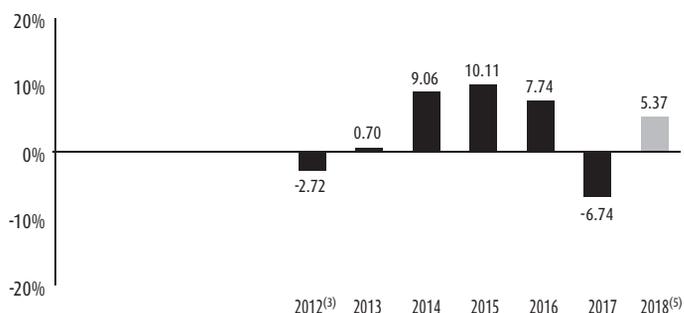
Series D Units



Series I Units



Classic Series Units



⁽¹⁾ For the period beginning with the performance launch date of May 9, 2008 to September 30, 2008.

⁽²⁾ For the period beginning with the performance launch date of November 3, 2008 to September 30, 2009.

⁽³⁾ For the period beginning with the performance launch date of June 1, 2012 to September 30, 2012.

⁽⁴⁾ For the period beginning with the performance launch date of November 21, 2017 to March 31, 2018.

⁽⁵⁾ For the six-month period ended March 31, 2018.

BMO World Bond Fund

SUMMARY OF INVESTMENT PORTFOLIO

As at March 31, 2018

| Portfolio Allocation | % of Net Asset Value | Top 25 Holdings | % of Net Asset Value |
|-----------------------------------|----------------------|--|----------------------|
| United States | 25.2 | Issuer | |
| Japan | 11.4 | BMO Mid-Term US IG Corporate Bond Index ETF ⁺ | 13.2 |
| United Kingdom | 6.9 | BMO Asia USD Investment Grade Bond ETF ⁺⁺ | 4.9 |
| France | 5.7 | Cash/Receivables/Payables | 2.5 |
| Germany | 5.6 | Government of Japan, Twenty Year Bonds, Series 117, Senior, Unsecured, 2.100% Mar 20, 2030 | 2.1 |
| Hong Kong | 4.9 | United States Treasury Notes, 0.875% May 31, 2018 | 1.9 |
| Canada | 4.0 | Republic of France, Unsecured, 2.250% Oct 25, 2022 | 1.8 |
| Australia | 3.8 | Federal Republic of Germany, Unsecured, 1.500% Sep 4, 2022 | 1.7 |
| Italy | 3.8 | United Kingdom Treasury Gilt, 4.000% Mar 7, 2022 | 1.7 |
| Spain | 2.7 | Government of Japan, Ten Year Bonds, Series 140, Senior, Unsecured, 1.700% Sep 20, 2032 | 1.6 |
| Netherlands | 2.6 | BMO Mid Corporate Bond Index ETF ⁺ | 1.4 |
| Cash/Receivables/Payables | 2.5 | Government of Japan, Thirty Year Bonds, Series 37, Senior, Unsecured, 1.900% Sep 20, 2042 | 1.3 |
| South Korea | 2.5 | Government of Japan, Ten Year Bonds, Series 332, Senior, Unsecured, 0.600% Dec 20, 2023 | 1.3 |
| Mexico | 2.1 | Republic of Italy, Senior, Unsecured, 5.000% Aug 1, 2039 | 1.2 |
| Norway | 2.1 | Government of Japan, Ten Year Bonds, Series 307, Senior, Unsecured, 1.300% Mar 20, 2020 | 1.2 |
| Belgium | 1.6 | Republic of Italy, Senior, Unsecured, 4.500% Mar 1, 2024 | 1.2 |
| Indonesia | 1.5 | BMO Short Corporate Bond Index ETF ⁺ | 1.2 |
| Sweden | 1.5 | BMO Long Corporate Bond Index ETF ⁺ | 1.2 |
| South Africa | 1.2 | United States Treasury Notes, 1.625% Jun 30, 2020 | 1.1 |
| Denmark | 1.2 | Republic of France, Unsecured, 5.500% Apr 25, 2029 | 1.1 |
| Czech Republic | 1.1 | New York City, General Obligation, Subseries C-1, Build America Bonds, Sinkable, 5.517% Oct 1, 2037 | 1.1 |
| Austria | 1.0 | Republic of France, Unsecured, 4.000% Oct 25, 2038 | 1.0 |
| Other | 5.1 | Federal Republic of Germany, Unsecured, 1.750% Jul 4, 2022 | 1.0 |
| Total Portfolio Allocation | 100.0 | Kingdom of Norway, Series 473, 4.500% May 22, 2019 | 0.9 |
| | | Kingdom of Spain, Senior, Unsecured, 4.200% Jan 31, 2037 | 0.8 |
| | | United Mexican States, Series M, Senior, Unsecured, 5.000% Dec 11, 2019 | 0.8 |
| | | Top Holdings as a Percentage of Total Net Asset Value | 49.2 |
| | | Total Net Asset Value | \$796,365,902 |

⁺ The prospectus and other information about the underlying exchange traded funds held in the portfolio are available on the internet at www.sedar.com and, also at www.bmo.com/etflegal.

⁺⁺ The prospectus and other information about the underlying exchange traded fund are available on the internet at www.bmo.hk/etfs

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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