

BMO World Bond Fund (the “Fund”)

For the 12-month period ended September 30, 2019 (the “Period”)

Manager: BMO Investments Inc. (the “Manager” or “BMOI”)

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

Sub-advisor: BMO Asset Management Limited, London, England

2019 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 sub-advisor seeks to optimize portfolio holdings in an effort to mitigate portfolio risk, while seeking superior risk-adjusted returns. They use 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 thereto and fund facts. During the Period there were no changes to the Fund that materially affected the overall risk level associated with an investment in the Fund. On May 10, 2019, the Manager reviewed the Fund using the standardized investment risk classification methodology prescribed by National Instrument 81-102 *Investment Funds* 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 \$199 million to approximately \$191 million. Series A units of the Fund returned 7.83%. Please see the *Past Performance* section for information on the performance returns of the Fund’s other series.

During the Period, global economic data continued to weaken. Concerns over the global growth outlook in the fourth quarter of 2018 led to an equity sell-off. However, investor sentiment reversed course in the first quarter of 2019, resulting in a rebound in equity and credit markets.

In the second quarter of 2019, there were encouraging signs of a trade deal between the U.S. and China, prompting U.S. equities to reach all-time highs and government bond markets to come under pressure. However, the trade deal was scrapped in May and tariffs were increased, driving riskier assets lower. Further tariffs were levied in August, putting equity markets under renewed pressure and driving further declines in bond yields. U.S. 10-year government bond yields fell to 1.5% for the first time in three years and German government bond yields fell to all-time lows, with the 30-year bond yield falling as low as -0.25% in August. There was some easing in trade tensions toward the end of September, which helped equities to perform better and bond yields to unwind some of their summer decline.

Central bank policies around the world shifted during the Period, from expectations of interest rate increases in 2018 to interest rate cuts in 2019. In December 2018, the U.S. Federal Reserve Board (“Fed”) raised interest rates, but subsequently lowered interest rates by 25 basis points in both July and September 2019. The Fed is expected to cut interest rates again in October. The Fed also announced an end to its balance sheet run-off, reflecting increasingly scarce central bank reserves. The European Central Bank (“ECB”) also eased monetary policy, cutting interest rates to

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-0.5% and announcing a fresh round of quantitative easing (monetary policy used by central banks to increase money supply). The Reserve Bank of Australia abandoned its forecast that the next move in interest rates would be upward, cutting rates to a new all-time low of 0.75%, while China announced a range of stimulative monetary and fiscal measures, but refrained from cutting overnight interest rates.

An overweight exposure to periphery and semi-core Europe contributed to the Fund's performance. Within Europe, overweight allocations to Spain and Italy contributed to performance. Spain benefited from strong economic growth. The Fund's weighting in Italy was increased at the end of the second quarter of 2019, when ECB quantitative easing appeared likely, and as the potential for improvement in Italy's political situation increased.

An overweight allocation to Japan was another contributor to performance, as it performed well when global bond markets rebounded. The Fund's tactical positioning within credit also contributed to performance. The Fund was shifted from an underweight credit exposure in October and moved back to an overweight position in February. This allowed the Fund to minimize the negative impact of the sell-off in the fourth quarter and benefit from the market rebound in early 2019.

Allocation to U.S. and Europe inflation-linked bonds detracted from the Fund's performance, as did an underweight exposure to the Industrials sector. The Fund began the year with a long position in U.S. inflation-linked bonds based on the expectation that stronger growth would lead to higher inflationary pressure. However, increasing concern over the growth outlook and a sharp decline in the price of oil led to a significant decline in breakeven rates. As a result, inflation-linked bonds underperformed U.S. Treasuries. Inflation-linked bonds continued to trade poorly as expectations regarding the growth outlook continued to wane. The Fund's long-term overweight allocation to the Financials sector was a detractor from performance as the Industrials sector marginally outperformed the Financials sector.

The portfolio manager added a new exposure to Italy believing that it would outperform given the improving political backdrop and increased chance of ECB asset purchases. The Fund's exposure to inflation increased via the U.S. and Europe, as the portfolio manager felt that valuations were under-pricing inflation risks. The Fund's exposure to Italy was eliminated after strong performance and limited further potential. The exposure to Spain was trimmed in the Fund.

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

Central banks globally have shifted toward easing, which has improved financing conditions and may help to create a bottom in economic survey data. Trade disputes are likely to remain critical to economic activity as sentiment has been significantly impacted. Reflecting expensive bond valuations and overly pessimistic outlook, the portfolio manager has positioned the Fund with a slightly underweight duration position (interest rate sensitivity).

On December 6, 2018, the Fund's independent review committee (the "IRC") was decreased to five members when John McBride retired as an IRC member. On December 31, 2018, Louise Vaillancourt ceased to act as Chair of the IRC. On January 1, 2019, Marlene Davidge was appointed as Chair of the IRC. On April 4, 2019, the Fund's IRC was decreased to four members when Louise Vaillancourt retired 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 BMO Asset 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 Manager 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 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 directly 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.

Brokerage Commissions

The Fund pays standard brokerage commissions at market rates to BMO Nesbitt Burns Inc., an affiliate of the Manager, for executing a portion of its trades. The brokerage commissions charged to the Fund (excluding exchange and other fees) during the periods indicated, were as follows:

	Period ended Sep. 30, 2019 \$000	Period ended Sep. 30, 2018 \$000
Total brokerage commissions	2	50
Brokerage commissions paid to BMO Nesbitt Burns Inc.	—	5

Distribution Services

The Manager markets and distributes the Fund through BMO 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	11	89
Series I Units	—	—	—
Classic Series Units	1.10	22	78

* For Series I Units, separate Series I fees are negotiated and paid directly 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

	2019	Periods ended Sep. 30			2015
		2018	2017	2016	
Net assets, beginning of period	\$ 10.48	10.54	12.50	11.89	10.97
Increase (decrease)					
from operations:					
Total revenue	\$ 0.26	0.27	0.28	0.31	0.26
Total expenses ⁽²⁾	\$ -0.24	-0.24	-0.24	-0.27	-0.25
Realized gains (losses)					
for the period	\$ 0.88	1.30	0.05	1.15	0.08
Unrealized gains (losses)					
for the period	\$ -0.10	-1.14	-0.97	-0.37	0.94
Total increase (decrease)					
from operations ⁽³⁾	\$ 0.80	0.19	-0.88	0.82	1.03
Distributions:					
From income					
(excluding dividends)	\$ 0.04	0.07	0.10	0.22	0.10
From dividends	\$ —	—	—	—	—
From capital gains	\$ —	—	0.83	—	—
Return of capital	\$ 0.20	0.17	0.14	0.00	0.00
Total Annual Distributions ⁽⁴⁾	\$ 0.24	0.24	1.07	0.22	0.10
Net assets, end of period	\$ 11.05	10.48	10.54	12.50	11.89

Advisor Series Units

	2019	Periods ended Sep. 30			2015
		2018	2017	2016	
Net assets, beginning of period	\$ 9.71	9.79	11.44	10.88	10.04
Increase (decrease)					
from operations:					
Total revenue	\$ 0.24	0.25	0.26	0.29	0.24
Total expenses ⁽²⁾	\$ -0.22	-0.22	-0.23	-0.25	-0.24
Realized gains (losses)					
for the period	\$ 0.82	1.22	0.05	1.05	0.07
Unrealized gains (losses)					
for the period	\$ -0.09	-1.08	-0.96	-0.36	0.85
Total increase (decrease)					
from operations ⁽³⁾	\$ 0.75	0.17	-0.88	0.73	0.92
Distributions:					
From income					
(excluding dividends)	\$ 0.04	0.05	0.09	0.20	0.09
From dividends	\$ —	—	—	—	—
From capital gains	\$ —	—	0.58	—	—
Return of capital	\$ 0.20	0.19	0.15	0.00	0.00
Total Annual Distributions ⁽⁴⁾	\$ 0.24	0.24	0.82	0.20	0.09
Net assets, end of period	\$ 10.23	9.71	9.79	11.44	10.88

Series F Units

	2019	Periods ended Sep. 30			2015
		2018	2017	2016	
Net assets, beginning of period	\$ 11.48	11.48	13.14	12.48	11.49
Increase (decrease)					
from operations:					
Total revenue	\$ 0.29	0.29	0.31	0.34	0.27
Total expenses ⁽²⁾	\$ -0.09	-0.09	-0.09	-0.10	-0.10
Realized gains (losses)					
for the period	\$ 1.01	1.59	0.08	1.17	0.10
Unrealized gains (losses)					
for the period	\$ -0.14	-1.46	-1.33	-0.37	0.99
Total increase (decrease)					
from operations ⁽³⁾	\$ 1.07	0.33	-1.03	1.04	1.26
Distributions:					
From income					
(excluding dividends)	\$ 0.23	0.27	0.33	0.40	0.24
From dividends	\$ —	—	—	—	—
From capital gains	\$ —	—	0.53	—	—
Return of capital	\$ 0.13	0.09	0.03	0.00	0.00
Total Annual Distributions ⁽⁴⁾	\$ 0.36	0.36	0.89	0.40	0.24
Net assets, end of period	\$ 12.19	11.48	11.48	13.14	12.48

Series D Units

	2019	Periods ended Sep. 30	
		2018 ⁽⁵⁾	
Net assets, beginning of period	\$ 9.81	10.00 ⁷	
Increase (decrease)			
from operations:			
Total revenue	\$ 0.25	0.22	
Total expenses ⁽²⁾	\$ -0.18	-0.17	
Realized gains (losses)			
for the period	\$ 1.03	2.83	
Unrealized gains (losses)			
for the period	\$ -0.17	-2.99	
Total increase (decrease)			
from operations ⁽³⁾	\$ 0.93	-0.11	
Distributions:			
From income			
(excluding dividends)	\$ 0.11	0.16	
From dividends	\$ —	—	
From capital gains	\$ —	—	
Return of capital	\$ 0.12	—	
Total Annual Distributions ⁽⁴⁾	\$ 0.23	0.16	
Net assets, end of period	\$ 10.38	9.81	

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Series I Units

	2019	Periods ended Sep. 30			
		2018	2017	2016	2015
Net assets, beginning of period	\$ 10.78	11.26	13.76	13.11	12.11
Increase (decrease)					
from operations:					
Total revenue	\$ 0.27	0.29	0.30	0.34	0.29
Total expenses ⁽²⁾	\$ 0.00	0.01	0.00	0.00	0.00
Realized gains (losses)					
for the period	\$ 0.93	0.62	0.06	1.24	0.07
Unrealized gains (losses)					
for the period	\$ -0.13	-0.38	-1.01	-0.39	1.01
Total increase (decrease)					
from operations ⁽³⁾	\$ 1.07	0.54	-0.65	1.19	1.37
Distributions:					
From income					
(excluding dividends)	\$ 0.35	0.36	0.63	0.57	0.39
From dividends	\$ —	—	—	—	—
From capital gains	\$ —	0.57	1.15	—	—
Return of capital	\$ 0.01	0.00	0.01	0.00	0.00
Total Annual Distributions ⁽⁴⁾	\$ 0.36	0.93	1.79	0.57	0.39
Net assets, end of period	\$ 11.51	10.78	11.26	13.76	13.11

Classic Series Units

	2019	Periods ended Sep. 30			
		2018	2017	2016	2015
Net assets, beginning of period	\$ 9.92	9.85	11.58	10.94	10.09
Increase (decrease)					
from operations:					
Total revenue	\$ 0.25	0.25	0.26	0.29	0.24
Total expenses ⁽²⁾	\$ -0.15	-0.16	-0.15	-0.17	-0.16
Realized gains (losses)					
for the period	\$ 0.85	1.24	0.05	1.05	0.08
Unrealized gains (losses)					
for the period	\$ -0.10	-1.08	-0.90	-0.34	0.83
Total increase (decrease)					
from operations ⁽³⁾	\$ 0.85	0.25	-0.74	0.83	0.99
Distributions:					
From income					
(excluding dividends)	\$ 0.13	0.16	0.18	0.19	0.17
From dividends	\$ —	—	—	—	—
From capital gains	\$ —	—	0.79	—	—
Return of capital	\$ 0.00	0.00	0.00	0.00	0.00
Total Annual Distributions ⁽⁴⁾	\$ 0.13	0.16	0.97	0.19	0.17
Net assets, end of period	\$ 10.64	9.92	9.85	11.58	10.94

^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.

⁽⁵⁾ The information shown in this column is for the period beginning November 20, 2017 (the series' inception date) and ending September 30, 2018.

Ratios and Supplemental Data

Series A Units

		Periods ended Sep. 30				
		2019	2018	2017	2016	2015
Total net asset value (000's) ⁽¹⁾	\$	155,141	165,061	225,378	298,744	303,671
Number of units						
outstanding (000's) ⁽¹⁾		14,043	15,752	21,383	23,897	25,544
Management expense ratio ⁽²⁾	%	2.27	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	0.03	0.00	0.01	0.00
Portfolio turnover rate ⁽⁴⁾	%	49.89	14.23	14.04	19.10	20.82
Net asset value per unit	\$	11.05	10.48	10.54	12.50	11.89

Advisor Series Units

		Periods ended Sep. 30				
		2019	2018	2017	2016	2015
Total net asset value (000's) ⁽¹⁾	\$	6,879	6,772	8,085	11,117	7,074
Number of units						
outstanding (000's) ⁽¹⁾		673	697	826	972	650
Management expense ratio ⁽²⁾	%	2.25	2.27	2.27	2.26	2.26
Management expense ratio						
before waivers or absorptions	%	2.26	2.27	2.27	2.26	2.26
Trading expense ratio ⁽³⁾	%	0.03	0.03	0.00	0.01	0.00
Portfolio turnover rate ⁽⁴⁾	%	49.89	14.23	14.04	19.10	20.82
Net asset value per unit	\$	10.23	9.71	9.79	11.44	10.88

Series F Units

		Periods ended Sep. 30				
		2019	2018	2017	2016	2015
Total net asset value (000's) ⁽¹⁾	\$	23,011	21,558	20,871	28,069	2,138
Number of units						
outstanding (000's) ⁽¹⁾		1,888	1,878	1,818	2,137	171
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	0.83	0.82	0.83
Trading expense ratio ⁽³⁾	%	0.03	0.03	0.00	0.01	0.00
Portfolio turnover rate ⁽⁴⁾	%	49.89	14.23	14.04	19.10	20.82
Net asset value per unit	\$	12.19	11.48	11.48	13.14	12.48

Series D Units

		Periods ended Sep. 30	
		2019	2018 ⁽⁵⁾
Total net asset value (000's) ⁽¹⁾	\$	142	36
Number of units			
outstanding (000's) ⁽¹⁾		14	4
Management expense ratio ⁽²⁾	%	1.85	1.92
Management expense ratio			
before waivers or absorptions	%	1.85	2.80
Trading expense ratio ⁽³⁾	%	0.03	0.03
Portfolio turnover rate ⁽⁴⁾	%	49.89	14.23
Net asset value per unit	\$	10.38	9.81

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Series I Units

	2019	Periods ended Sep. 30			
		2018	2017	2016	2015
Total net asset value (000's) ⁽¹⁾	\$ 4,233	4,389	563,945	669,533	1,117,408
Number of units					
outstanding (000's) ⁽¹⁾	368	407	50,091	48,658	85,212
Management expense ratio ⁺	%	—	—	—	—
Management expense ratio					
before waivers or absorptions ⁺	%	—	—	—	—
Trading expense ratio ⁽³⁾	%	0.03	0.03	0.00	0.01
Portfolio turnover rate ⁽⁴⁾	%	49.89	14.23	14.04	19.10
Net asset value per unit	\$	11.51	10.78	11.26	13.76
				13.76	13.11

Classic Series Units

	2019	Periods ended Sep. 30			
		2018	2017	2016	2015
Total net asset value (000's) ⁽¹⁾	\$ 1,519	1,471	1,608	2,033	2,167
Number of units					
outstanding (000's) ⁽¹⁾	143	148	163	176	198
Management expense ratio ⁽²⁾	%	1.55	1.55	1.56	1.56
Management expense ratio					
before waivers or absorptions	%	1.55	1.55	1.56	1.56
Trading expense ratio ⁽³⁾	%	0.03	0.03	0.00	0.01
Portfolio turnover rate ⁽⁴⁾	%	49.89	14.23	14.04	19.10
Net asset value per unit	\$	10.64	9.92	9.85	11.58
				11.58	10.94

+ 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.

⁽⁵⁾ The information shown in this column is for the period beginning November 20, 2017 (the series' inception date) and ending September 30, 2018.

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.

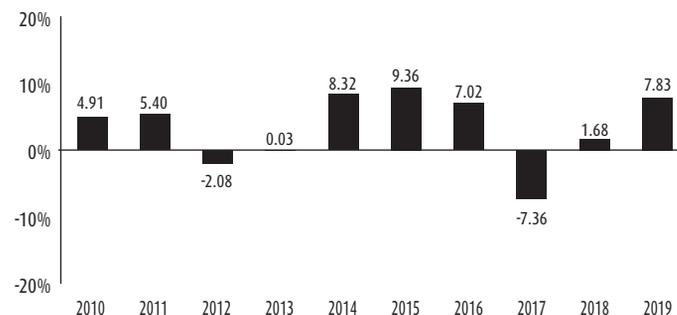
On May 4, 2018, the Manager announced that BMO Asset Management Limited, an affiliate of the Manager, would become a sub-advisor for the Fund. In addition, the investment strategies of the Fund changed to reflect the investment style of BMO Asset Management Limited.

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

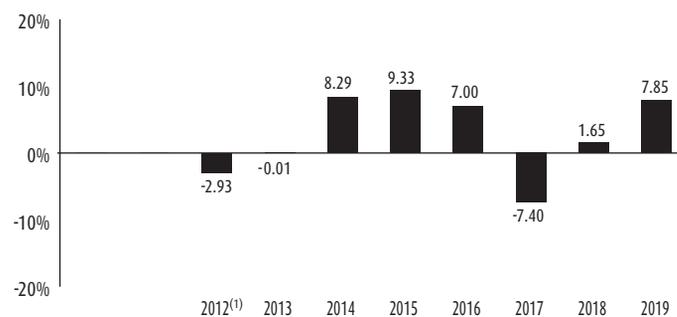
Year-by-Year Returns

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

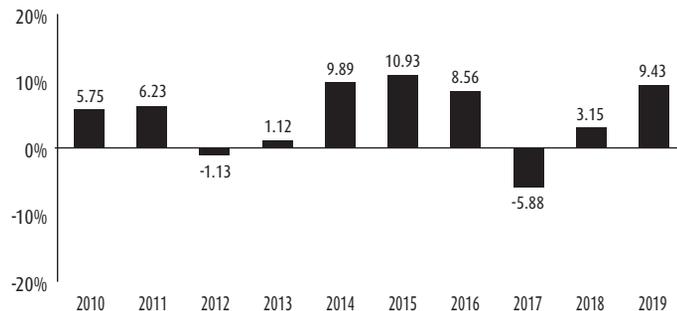


Advisor Series Units



BMO World Bond Fund

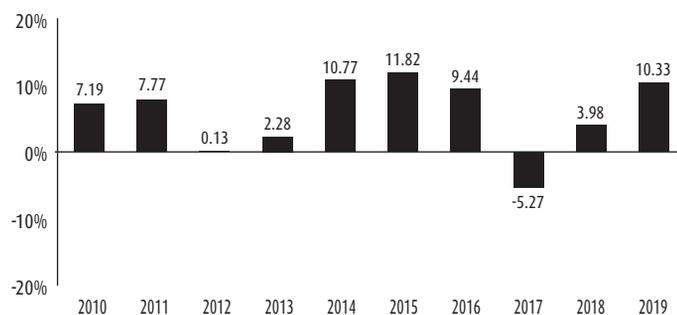
Series F Units



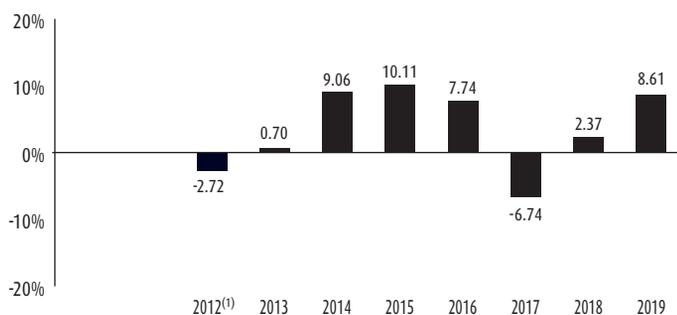
Series D Units



Series I Units



Classic Series Units



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

⁽²⁾ 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	%	7.83	0.52	3.52	3.38	
Bloomberg Barclays Global Aggregate Index (CS)	%	10.21	1.84	5.51	4.51	

Advisor Series Units

		1 year	3 years	5 years	10 years	Since Inception ⁽¹⁾
BMO World Bond Fund	%	7.85	0.50	3.50		3.07
Bloomberg Barclays Global Aggregate Index (CS)	%	10.21	1.84	5.51		5.12

Series F Units

		1 year	3 years	5 years	10 years	Since Inception
BMO World Bond Fund	%	9.43	2.04	5.05	4.67	
Bloomberg Barclays Global Aggregate Index (CS)	%	10.21	1.84	5.51	4.51	

Series D Units

		1 year	3 years	5 years	10 years	Since Inception ⁽¹⁾
BMO World Bond Fund	%	8.29				4.20
Bloomberg Barclays Global Aggregate Index (CS)	%	10.21				5.11

Series I Units

		1 year	3 years	5 years	10 years	Since Inception
BMO World Bond Fund	%	10.33	2.81	5.87	5.71	
Bloomberg Barclays Global Aggregate Index (CS)	%	10.21	1.84	5.51	4.51	

Classic Series Units

		1 year	3 years	5 years	10 years	Since Inception ⁽¹⁾
BMO World Bond Fund	%	8.61	1.22	4.23		3.80
Bloomberg Barclays Global Aggregate Index (CS)	%	10.21	1.84	5.51		5.12

⁽¹⁾ Return from the performance launch date of June 1, 2012 to September 30, 2019.

⁽²⁾ Return from the performance launch date of November 21, 2017 to September 30, 2019.

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, 2019

Portfolio Allocation	% of Net Asset Value	Top 25 Holdings Issuer	% of Net Asset Value
United States	25.2	United States Treasury Notes, 2.000% Sep 30, 2020	4.2
Japan	14.7	BMO Mid-Term US IG Corporate Bond Index ETF ⁺	4.1
Canada	7.6	Cash/Receivables/Payables	3.7
France	6.7	Government of Japan, Twenty Year Bonds, Series 117, Senior, Unsecured, 2.100% Mar 20, 2030	3.3
United Kingdom	5.1	United Mexican States, Series M, Senior, Unsecured, 5.000% Dec 11, 2019	3.2
Mexico	4.7	United States Treasury Notes, 2.625% Feb 15, 2029	3.1
Australia	4.7	Republic of France, Unsecured, 2.250% Oct 25, 2022	2.6
Germany	4.6	Government of Japan, Ten Year Bonds, Series 140, Senior, Unsecured, 1.700% Sep 20, 2032	2.5
Spain	4.4	Government of Canada, 2.000% Jun 1, 2028	2.3
Cash/Receivables/Payables	3.7	Government of Japan, Ten Year Bonds, Series 332, Senior, Unsecured, 0.600% Dec 20, 2023	2.0
Indonesia	2.2	New York City, General Obligation, Subseries C-1, Build America Bonds, Sinkable, 5.517% Oct 1, 2037	1.7
Netherlands	2.2	United States Treasury Bonds, 2.750% Aug 15, 2047	1.7
South Korea	2.1	Republic of France, Unsecured, 0.750% May 25, 2028	1.6
Italy	1.7	United States Treasury Notes, 3.125% Nov 15, 2028	1.6
Finland	1.5	Republic of Finland, Senior, Unsecured, 0.375% Sep 15, 2020	1.5
Belgium	1.5	Federal Republic of Germany, Unsecured, 1.750% Jul 4, 2022	1.4
Sweden	1.2	Kingdom of Spain, Senior, Unsecured, 3.800% Apr 30, 2024	1.3
Norway	1.0	Government of Canada, Unsecured, 1.000% Sep 1, 2022	1.2
Other	5.2	United States Treasury Inflation Indexed Bonds, 0.500% Jan 15, 2028	1.2
Total Portfolio Allocation	100.0	United Kingdom Treasury Gilt, 4.250% Dec 7, 2040	1.1
		Republic of France, Unsecured, Inflation Linked, 1.850% Jul 25, 2027	1.1
		Spain Government Bond, 2.700% Oct 31, 2048	0.9
		United Kingdom Treasury Gilt, 4.250% Mar 7, 2036	0.9
		Kingdom of Spain, Senior, Unsecured, 1.400% Jan 31, 2020	0.9
		United Mexican States, Senior, Unsecured, 2.750% Apr 22, 2023	0.9
		Top Holdings as a Percentage of Total Net Asset Value	50.0
		Total Net Asset Value	\$190,925,304

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

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

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

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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