

BMO World Bond Fund (the “Fund”)

For the 12-month period ended September 30, 2023 (the “Period”)

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

Portfolio manager: Columbia Threadneedle Management Limited, London, England (the “portfolio manager”)

2023 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.bmogam.com/ca-en/legal-and-regulatory/ or SEDAR+ at www.sedarplus.ca. 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. The portfolio manager will select bonds based on their overall liquidity and with respect to the overall size of the issuing country. The portfolio manager may use general environmental, social and governance (ESG) integration in the security selection process. The Fund’s foreign currency exposure is typically fully hedged.

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. However, the Manager reviewed the Fund using the standardized investment risk classification methodology prescribed by National Instrument 81-102

Investment Funds and determined on May 30, 2023 that the risk rating had changed from “low to medium” to “low”. 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 \$180 million to approximately \$211 million. Series A units of the Fund returned -1.10%. Please see the *Past Performance* section for information on the performance returns of the Fund’s other series.

Over the Period, the U.S. Federal Reserve Board, European Central Bank (“ECB”) and Bank of England raised interest rates from 3.25% to 5.50%, 1.25% to 4.50%, and 2.25% to 5.25%, respectively. Central banks’ stance shifted from a quick monetary tightening campaign to manage inflation towards a more gradual approach. Policymakers communicated that interest rates could remain “higher for longer” and the U.S. Treasury market exerted upward pressure on bond yields globally. The Bloomberg Global Aggregate Bond Index (C\$ hedged) returned 1.6% over the Period.

In fixed income markets, the yield curve steepened as short-dated bond valuations gained in anticipation of easing monetary policy. Valuations of long-dated bonds weakened, in contrast, reflecting higher term risk premium, as market participants demanded greater compensation for holding debt for a longer period.

In a surprise move, the Bank of Japan (“BoJ”) adjusted its yield curve control policy, increasing the yield cap on the 10-year government bond from 0.25% to 1.00%. The BoJ



Mutual Funds

BMO World Bond Fund

was the last major central bank to tighten monetary policy, decreasing liquidity in global bond markets. While bond yields rose, credit spreads tightened. This reflected resilient economic growth, and healthy corporate profitability, from companies that termed out debt at lower interest rates.

In terms of U.K. cross-market positions, the tactical overweight exposure to U.K. government debt, at the expense of European and U.S. bonds, contributed to the Fund's performance. U.K. bonds had been trading cheap relative to global fixed income market peers.

A structural underweight position in China detracted from the Fund's performance as Chinese government bonds climbed as the country's economy faced a troubled property sector. Underweight exposure in Italy versus Germany also detracted from the Fund's performance. The portfolio manager expects eurozone growth to slow, and Italy may enter recession, as the cumulative impact of monetary tightening lowers demand. The primary catalyst for this position was more technical. The ECB is withdrawing as a price insensitive buyer of Italian debt as it ends its asset purchase program. During the Period, Italian spreads compressed. Political volatility in Italy, and interest rate volatility in the broader market, declined, while market participants favoured risk assets, such as Italian assets. Higher beta credit markets performed well. The portfolio manager retains a relative underweight position for the Fund in credit, as the portfolio manager expects conditions to deteriorate as the impact of cumulative monetary tightening increasingly feeds through to the real economy.

During the Period, the portfolio manager participated selectively in the new issue market for non-government securities, primarily in the financial, industrial, government-related, and supranational sectors. Exposure to green bonds was also increased, and yield curve steepening positions were implemented.

The portfolio manager marginally increased interest-rate duration by rebuilding exposure in the U.S. while maintaining a cautious view on credit. The Fund's underweight position in Japan and exposure to Mexico and South Africa were increased.

Fund positions in non-government holdings with limited potential were eliminated to take profit.

Exposure to companies whose credit quality is expected to deteriorate was decreased. The Fund's overweight position in the U.K. gilt market and the underweight position in Italy were decreased.

Multi-Series Structure Change

As at the close of business on September 18, 2023, Series D Units of the Fund were redesignated to Advisor Series Units.

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

Economic growth and core inflation is expected to decelerate as monetary tightening slows the global economy. In the portfolio manager's view, an inflation rate close to central banks' 2% target should allow some central banks to start easing their monetary tightening policies. The portfolio manager expects further steepening of the yield curve due to the persistence of inflation, and rising term risk premiums. The next 12 months could be attractive for fixed income as terminal interest rates are approached. In a "higher for longer" interest-rate environment, the relative attractiveness of carried interest, plus the prospect of lower interest rates, should support government bond valuations.

Credit markets face greater challenges as corporate issuers face decelerating demand, higher funding costs and increased margin pressures. The portfolio manager expects any economic slowdown to be mild given the absence of systemic stresses. However, default rates may increase, especially for speculative issuers. The spread differential between European and U.S. credit markets should continue to converge, providing tactical opportunities. The outlook for local emerging markets ("EM") interest rates is positive, as strength in core markets diffuses to local markets, and EM central banks increasingly adopt accommodative monetary policy.

RELATED PARTY TRANSACTIONS

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.

Manager

BMO Investments Inc., an indirect, wholly-owned subsidiary of Bank of Montreal ("BMO"), is the Manager and trustee of the Fund. The Manager is paid a management fee by the Fund as compensation for its services, which is described in the "Management Fees" section later in this document.

BMO World Bond Fund

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 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 net asset value of each relevant series of the Fund. The annual fixed administration fee rate for each series of the Fund, other than Series I, is 0.30%. The administration fee is subject to applicable taxes. The Manager may, in certain cases, waive a portion of the administration fee that it receives from the Fund or from certain 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, Fund Expenses and/or operating expenses can be found in the Fund’s most recent simplified prospectus at www.bmogam.com/ca-en/legal-and-regulatory/ or www.sedarplus.ca.

Buying and Selling Securities

During the Period, the Fund relied on standing instructions provided by the independent review committee (“IRC”) for any of the following related party transactions that may have occurred in the Fund (each, a “Related Party Transaction”):

- (a) investments in securities issued by BMO, an affiliate of the Manager, or any other issuer related to the Manager;
- (b) investments in a class of 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, or any other affiliate of the Manager acted as an underwriter in the distribution;
- (c) trades in over-the-counter debt securities in the secondary market with BMO Nesbitt Burns Inc., or any other affiliate of the Manager, acting as principal in the Canadian debt securities market; and
- (d) trades of a security of any issuer from or to, another investment fund managed by the Manager or an affiliate of the Manager or a managed account managed by the Manager or an affiliate of the Manager.

In accordance with the IRC’s standing instructions, in making a decision to cause the Fund to enter into a Related Party Transaction, the Manager and the 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 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 that are held in investor accounts. This service fee is paid monthly or quarterly and varies by purchase option and by series.

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

		2023	Periods ended Sep. 30		2019	
		2022	2021	2020		
Net assets, beginning of period	\$	8.26	10.04	10.74	11.05	10.48
Increase (decrease)						
from operations:						
Total revenue	\$	0.27	0.18	0.22	0.21	0.26
Total expenses ⁽²⁾	\$	-0.19	-0.21	-0.23	-0.24	-0.24
Realized gains (losses)						
for the period	\$	-0.33	0.06	0.50	0.34	0.88
Unrealized gains (losses)						
for the period	\$	0.15	-1.18	-0.74	-0.04	-0.10
Total increase (decrease)						
from operations⁽³⁾	\$	-0.10	-1.15	-0.25	0.27	0.80
Distributions:						
From net investment income (excluding dividends)	\$	—	—	—	0.04	0.04
From dividends	\$	—	—	—	—	—
From capital gains	\$	—	0.39	0.20	0.37	—
Return of capital	\$	0.24	0.24	0.24	0.20	0.20
Total Annual Distributions⁽⁴⁾	\$	0.24	0.63	0.44	0.61	0.24
Net assets, end of period	\$	7.94	8.26	10.04	10.74	11.05

BMO World Bond Fund

Advisor Series Units

	2023	Periods ended Sep. 30			2019	
		2022	2021	2020		
Net assets, beginning of period	\$	7.62	9.29	9.94	10.23	9.71
Increase (decrease)						
from operations:						
Total revenue	\$	0.24	0.17	0.20	0.19	0.24
Total expenses ⁽²⁾	\$	-0.17	-0.19	-0.22	-0.22	-0.22
Realized gains (losses)						
for the period	\$	-0.32	0.07	0.47	0.31	0.82
Unrealized gains (losses)						
for the period	\$	0.18	-1.10	-0.70	-0.01	-0.09
Total increase (decrease)						
from operations⁽³⁾	\$	-0.07	-1.05	-0.25	0.27	0.75
Distributions:						
From net investment income						
(excluding dividends)	\$	—	—	—	0.04	0.04
From dividends	\$	—	—	—	—	—
From capital gains	\$	—	0.37	0.17	0.34	—
Return of capital	\$	0.24	0.24	0.24	0.20	0.20
Total Annual Distributions⁽⁴⁾	\$	0.24	0.61	0.41	0.58	0.24
Net assets, end of period	\$	7.30	7.62	9.29	9.94	10.23

Series F Units

	2023	Periods ended Sep. 30			2019	
		2022	2021	2020		
Net assets, beginning of period	\$	9.31	11.26	11.94	12.19	11.48
Increase (decrease)						
from operations:						
Total revenue	\$	0.30	0.20	0.24	0.23	0.29
Total expenses ⁽²⁾	\$	-0.07	-0.08	-0.09	-0.10	-0.09
Realized gains (losses)						
for the period	\$	-0.41	0.07	0.56	0.37	1.01
Unrealized gains (losses)						
for the period	\$	0.24	-1.34	-0.86	-0.04	-0.14
Total increase (decrease)						
from operations⁽³⁾	\$	0.06	-1.15	-0.15	0.46	1.07
Distributions:						
From net investment income						
(excluding dividends)	\$	0.07	0.04	0.13	0.23	0.23
From dividends	\$	—	—	—	—	—
From capital gains	\$	—	0.45	0.20	0.40	—
Return of capital	\$	0.29	0.32	0.23	0.13	0.13
Total Annual Distributions⁽⁴⁾	\$	0.36	0.81	0.56	0.76	0.36
Net assets, end of period	\$	8.99	9.31	11.26	11.94	12.19

Series D Units

	2023	Periods ended Sep. 30			2019	
		2022	2021	2020		
Net assets, beginning of period	\$	8.02	9.77	10.43	10.38	9.81
Increase (decrease)						
from operations:						
Total revenue	\$	0.25	0.17	0.22	0.21	0.25
Total expenses ⁽²⁾	\$	-0.15	-0.17	-0.19	-0.19	-0.18
Realized gains (losses)						
for the period	\$	-0.41	0.03	0.51	0.31	1.03
Unrealized gains (losses)						
for the period	\$	0.33	-1.01	-0.75	0.10	-0.17
Total increase (decrease)						
from operations⁽³⁾	\$	0.02	-0.98	-0.21	0.43	0.93
Distributions:						
From net investment income						
(excluding dividends)	\$	—	—	0.00	0.11	0.11
From dividends	\$	—	—	—	—	—
From capital gains	\$	—	0.43	0.22	0.06	—
Return of capital	\$	0.23	0.23	0.23	0.12	0.12
Total Annual Distributions⁽⁴⁾	\$	0.23	0.66	0.45	0.29	0.23
Net assets, end of period	\$	—	8.02	9.77	10.43	10.38

Series I Units

	2023	Periods ended Sep. 30			2019	
		2022	2021	2020		
Net assets, beginning of period	\$	9.35	10.77	11.37	11.51	10.78
Increase (decrease)						
from operations:						
Total revenue	\$	0.30	0.20	0.20	0.22	0.27
Total expenses ⁽²⁾	\$	0.00	0.00	-0.00	0.00	0.00
Realized gains (losses)						
for the period	\$	-0.28	0.03	-0.42	0.36	0.93
Unrealized gains (losses)						
for the period	\$	-0.01	-1.30	0.26	-0.05	-0.13
Total increase (decrease)						
from operations⁽³⁾	\$	0.01	-1.07	0.04	0.53	1.07
Distributions:						
From net investment income						
(excluding dividends)	\$	0.22	0.19	0.25	0.30	0.35
From dividends	\$	—	—	—	—	—
From capital gains	\$	—	—	0.22	0.35	—
Return of capital	\$	0.14	0.17	0.11	0.06	0.01
Total Annual Distributions⁽⁴⁾	\$	0.36	0.36	0.58	0.71	0.36
Net assets, end of period	\$	9.10	9.35	10.77	11.37	11.51

BMO World Bond Fund

Classic Series Units

	2023	Periods ended Sep. 30			
		2022	2021	2020	2019
Net assets, beginning of period	\$ 8.48	10.10	10.55	10.64	9.92
Increase (decrease)					
from operations:					
Total revenue	\$ 0.28	0.18	0.22	0.21	0.25
Total expenses ⁽²⁾	\$ -0.13	-0.14	-0.16	-0.16	-0.15
Realized gains (losses)					
for the period	\$ -0.35	0.04	0.56	0.32	0.85
Unrealized gains (losses)					
for the period	\$ 0.17	-1.15	-0.80	-0.01	-0.10
Total increase (decrease)					
from operations⁽³⁾	\$ -0.03	-1.07	-0.18	0.36	0.85
Distributions:					
From net investment income					
(excluding dividends)	\$ —	—	0.04	0.13	0.13
From dividends	\$ —	—	—	—	—
From capital gains	\$ —	0.52	0.22	0.33	—
Return of capital	\$ —	—	0.01	0.00	0.00
Total Annual Distributions⁽⁴⁾	\$ —	0.52	0.27	0.46	0.13
Net assets, end of period	\$ 8.46	8.48	10.10	10.55	10.64

⁽¹⁾ This information is derived from the Fund's audited annual 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 period-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

	2023	Periods ended Sep. 30			
		2022	2021	2020	2019
Total net asset value (000's) ⁽¹⁾	\$ 108,069	105,066	127,116	133,407	155,141
Number of units					
outstanding (000's) ⁽¹⁾	13,611	12,714	12,656	12,418	14,043
Management expense ratio ⁽²⁾	% 2.27	2.27	2.27	2.27	2.27
Management expense ratio					
before waivers or absorptions	% 2.27	2.27	2.27	2.27	2.27
Trading expense ratio ⁽³⁾	% —	—	—	—	0.03
Portfolio turnover rate ⁽⁴⁾	% 89.40	67.68	53.91	83.00	49.89
Net asset value per unit	\$ 7.94	8.26	10.04	10.74	11.05

Advisor Series Units

	2023	Periods ended Sep. 30			
		2022	2021	2020	2019
Total net asset value (000's) ⁽¹⁾	\$ 4,124	4,618	6,460	6,698	6,879
Number of units					
outstanding (000's) ⁽¹⁾	565	606	695	674	673
Management expense ratio ⁽²⁾	% 2.25	2.25	2.26	2.26	2.25
Management expense ratio					
before waivers or absorptions	% 2.25	2.26	2.26	2.26	2.26
Trading expense ratio ⁽³⁾	% —	—	—	—	0.03
Portfolio turnover rate ⁽⁴⁾	% 89.40	67.68	53.91	83.00	49.89
Net asset value per unit	\$ 7.30	7.62	9.29	9.94	10.23

Series F Units

	2023	Periods ended Sep. 30			
		2022	2021	2020	2019
Total net asset value (000's) ⁽¹⁾	\$ 17,713	19,988	21,742	20,254	23,011
Number of units					
outstanding (000's) ⁽¹⁾	1,971	2,148	1,931	1,697	1,888
Management expense ratio ⁽²⁾	% 0.80	0.80	0.80	0.80	0.80
Management expense ratio					
before waivers or absorptions	% 0.85	0.85	0.84	0.84	0.83
Trading expense ratio ⁽³⁾	% —	—	—	—	0.03
Portfolio turnover rate ⁽⁴⁾	% 89.40	67.68	53.91	83.00	49.89
Net asset value per unit	\$ 8.99	9.31	11.26	11.94	12.19

Series D Units

	2023	Periods ended Sep. 30			
		2022	2021	2020	2019
Total net asset value (000's) ⁽¹⁾	\$ —	26	2,447	3,009	142
Number of units					
outstanding (000's) ⁽¹⁾	—	3	250	288	14
Management expense ratio ⁽²⁾	% 1.91	1.87	1.89	1.87	1.85
Management expense ratio					
before waivers or absorptions	% 1.91	1.89	1.89	1.87	1.85
Trading expense ratio ⁽³⁾	% —	—	—	—	0.03
Portfolio turnover rate ⁽⁴⁾	% 89.40	67.68	53.91	83.00	49.89
Net asset value per unit	\$ —	8.02	9.77	10.43	10.38

Series I Units

	2023	Periods ended Sep. 30			
		2022	2021	2020	2019
Total net asset value (000's) ⁽¹⁾	\$ 81,025	49,652	50,866	3,205	4,233
Number of units					
outstanding (000's) ⁽¹⁾	8,902	5,313	4,724	282	368
Management expense ratio ⁺	% —	—	—	—	—
Management expense ratio					
before waivers or absorptions ⁺	% —	—	—	—	—
Trading expense ratio ⁽³⁾	% —	—	—	—	0.03
Portfolio turnover rate ⁽⁴⁾	% 89.40	67.68	53.91	83.00	49.89
Net asset value per unit	\$ 9.10	9.35	10.77	11.37	11.51

Classic Series Units

	2023	Periods ended Sep. 30			
		2022	2021	2020	2019
Total net asset value (000's) ⁽¹⁾	\$ 367	369	811	1,173	1,519
Number of units					
outstanding (000's) ⁽¹⁾	43	43	80	111	143
Management expense ratio ⁽²⁾	% 1.52	1.54	1.55	1.55	1.55
Management expense ratio					
before waivers or absorptions	% 1.52	1.54	1.55	1.55	1.55
Trading expense ratio ⁽³⁾	% —	—	—	—	0.03
Portfolio turnover rate ⁽⁴⁾	% 89.40	67.68	53.91	83.00	49.89
Net asset value per unit	\$ 8.46	8.48	10.10	10.55	10.64

+ 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. For the financial periods ended September 30, 2023, September 30, 2022, September 30, 2021 and September 30, 2020, no commissions or other portfolio transactions costs were incurred by the Fund. As a result, the trading expense ratio for these periods was nil.

⁽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.

BMO World Bond Fund

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. The management fee is subject to applicable taxes. The Manager may, at its discretion, waive a portion or the entire amount of the management fee chargeable at any given time for each series of the Fund.

	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	31	69
Series F Units	0.45	0	100
Series D Units	1.40	10	90
Series I Units ⁽¹⁾	—	—	—
Classic Series Units	1.10	22	78

⁽¹⁾ For Series I Units, separate Series I fees are negotiated and paid directly by each Series I investor. The combined management and administration fees for Series I Units will not exceed the management fee charged for Advisor Series or Series A Units.

PAST PERFORMANCE

The Fund's performance information assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund and is based on the net asset value of the Fund. The reinvestment of distributions increases returns. The performance information does not take into account sales, redemption, distribution, other optional charges or income taxes payable 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 May 4, 2018, Columbia Threadneedle Management Limited (formerly, BMO Asset Management Limited) was appointed as the sub-advisor for this fund. In addition, the investment strategies of the Fund changed to reflect the investment style of BMO Asset Management Limited.

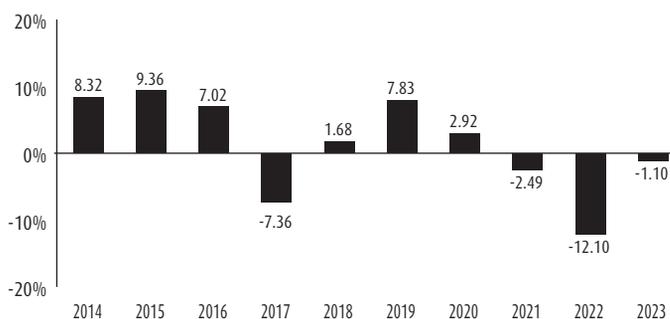
On May 27, 2022, BMO Asset Management Inc., an affiliate of the Manager, ceased to act as portfolio manager of the Fund and Columbia Threadneedle Management Limited (formerly BMO Asset Management Limited) became the portfolio manager of the Fund.

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

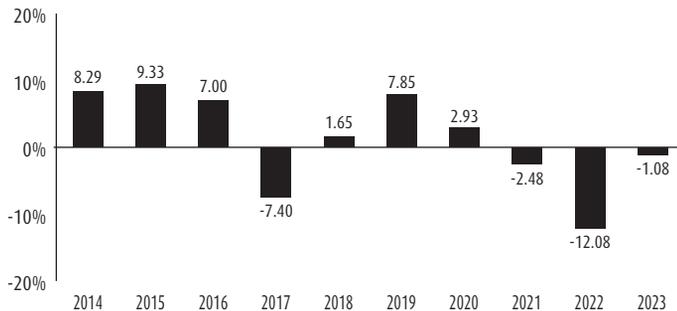
The following bar charts show the performance of each series of the Fund for each of the financial years shown, and illustrate how the Fund's performance has changed from year to year. The charts show in percentage terms how an investment made on the first day of each financial year would have increased or decreased by the last day of each financial year.

Series A Units

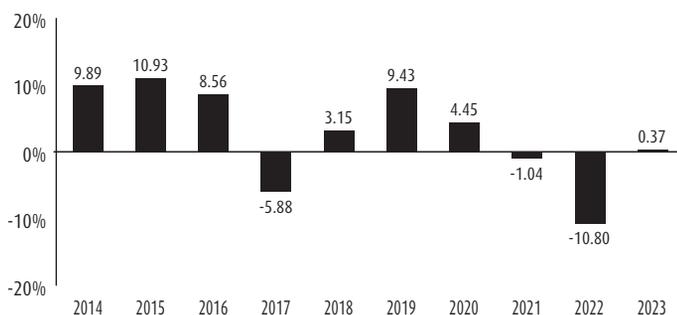


BMO World Bond Fund

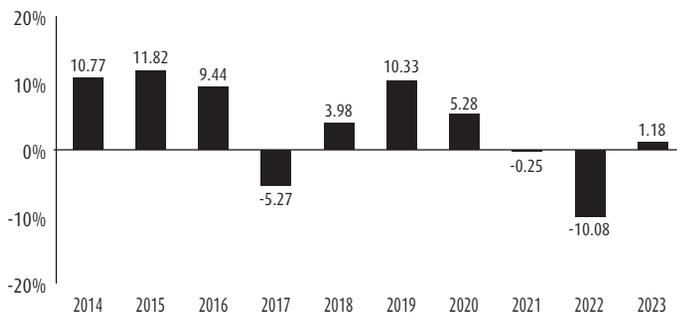
Advisor Series Units



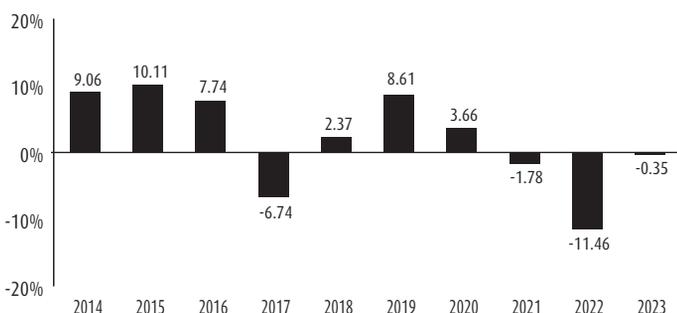
Series F Units



Series I Units



Classic Series Units



Annual Compound Returns

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

The Bloomberg Global Aggregate Bond Index (C\$ hedged) provides a broad-based measure of the global investment-grade fixed rate debt markets. The Bloomberg Global Aggregate Bond Index (C\$ hedged) 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
BMO World Bond Fund	%	-1.10	-5.36	-1.21	1.17
Bloomberg Global Aggregate Bond Index (C\$ hedged)	%	1.55	-3.99	0.18	1.71

Advisor Series Units

		1 year	3 years	5 years	10 years
BMO World Bond Fund	%	-1.08	-5.34	-1.20	1.16
Bloomberg Global Aggregate Bond Index (C\$ hedged)	%	1.55	-3.99	0.18	1.71

Series F Units

		1 year	3 years	5 years	10 years
BMO World Bond Fund	%	0.37	-3.96	0.25	2.67
Bloomberg Global Aggregate Bond Index (C\$ hedged)	%	1.55	-3.99	0.18	1.71

Series I Units

		1 year	3 years	5 years	10 years
BMO World Bond Fund	%	1.18	-3.18	1.06	3.48
Bloomberg Global Aggregate Bond Index (C\$ hedged)	%	1.55	-3.99	0.18	1.71

Classic Series Units

		1 year	3 years	5 years	10 years
BMO World Bond Fund	%	-0.35	-4.66	-0.49	1.88
Bloomberg Global Aggregate Bond Index (C\$ hedged)	%	1.55	-3.99	0.18	1.71

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, 2023

Portfolio Allocation	% of Net Asset Value	Top 25 Holdings Issuer	% of Net Asset Value
United States	33.1	Government of New Zealand, Series 0528, Unsecured, 0.250% May 15, 2028	5.6
United Kingdom	10.5	United States Treasury Bonds, 2.750% Feb 15, 2028	5.2
New Zealand	9.7	United States Treasury Bonds, 0.625% May 15, 2030	4.7
Canada	6.4	United States Treasury Notes, 1.375% Dec 31, 2028	4.6
China	6.1	United Kingdom Gilt, Unsecured, 0.125% Jan 31, 2028	4.4
Mexico	4.7	People's Republic of China, Unsecured, 1.990% Apr 9, 2025	4.4
Japan	4.3	Government of New Zealand, Series 0425, Unsecured, 2.750% Apr 15, 2025	4.1
South Africa	4.2	BMO Mid-Term US IG Corporate Bond Index ETF+	3.1
Austria	2.9	United Mexican States, Series M, Senior, Unsecured, 8.500% May 31, 2029	3.0
Supranational	2.5	Republic of Austria, Senior, Unsecured, Notes, 2.900% Feb 20, 2033	2.6
France	2.2	Republic of South Africa, Series 2030, Senior, Unsecured, 8.000% Jan 31, 2030	2.4
Germany	1.9	United States Treasury Notes, 4.125% Nov 15, 2032	2.1
Australia	1.9	United States Treasury Notes, 1.875% Feb 15, 2032	2.1
Belgium	1.2	Ontario Teachers' Finance Trust, Senior, Unsecured, Notes, 1.850% May 3, 2032	2.0
Netherlands	1.2	United States Treasury Bonds, 1.375% Nov 15, 2040	1.8
United Arab Emirates	1.0	Republic of South Africa, Series 2032, Senior, Unsecured, 8.250% Mar 31, 2032	1.7
Spain	1.0	United Kingdom Gilt, 3.250% Jan 31, 2033	1.6
Cash/Receivables/Payables	0.5	Government of Japan, Ten Year Bonds, Series 340, Senior, Unsecured, 0.400% Sep 20, 2025	1.5
Other	4.7	United Mexican States, Series M, Senior, Unsecured, 8.000% Nov 7, 2047	1.4
Total Portfolio Allocation	100.0	United States Treasury Notes, 3.500% Feb 15, 2033	1.2
		United States Treasury Bonds, 2.875% May 15, 2049	1.2
		Caisse d'Amortissement de la Dette Sociale, Euro Medium Term Notes, Senior, Unsecured, 2.875% May 25, 2027	1.0
		Commonwealth of Australia, Series 138, Senior, Unsecured, 3.250% Apr 21, 2029	0.9
		United States Treasury Bonds, 1.250% May 15, 2050	0.9
		United States Treasury Bonds, 1.250% Aug 15, 2031	0.8
		Top Holdings as a Percentage of Total Net Asset Value	64.3
		Total Net Asset Value	\$211,297,888

+The prospectus and other information about the underlying exchange traded fund(s) held in the portfolio are available at www.sedarplus.ca and www.bmogam.com/ca-en/legal-and-regulatory/#bmoetfs.

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**.

Caution regarding forward-looking statements

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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Mutual Funds