

# BMO World Bond Fund (the "Fund")

For the six-month period ended March 31, 2024 (the "Period")

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

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

## 2024 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.bmogam.com/ca-en/legal-and-regulatory/](http://www.bmogam.com/ca-en/legal-and-regulatory/) or SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). 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 \$211 million to approximately \$220 million. Series A units of the Fund returned 4.60%. Please see the *Past Performance* section for information on the performance returns of the Fund's other series.

Fixed-income markets performed strongly over the Period as inflation continued to decline. During their December meeting, the U.S. Federal Reserve Board ("Fed") signalled that interest rate cuts were expected in 2024.

However, in the first quarter of 2024, U.S. data on jobs, growth, and inflation surprised to the upside. In response to the evolving economic backdrop, markets reduced their expectations for the number of interest rate cuts from six to three and pushed out timing for the first cut from March 2024 to mid-year.

Like the Fed, the European Central Bank ("ECB") and Bank of England kept interest rates on hold as policymakers argued they needed to see further progress on disinflation before acting. The Bank of Japan ended its negative interest rate policy, raising interest rates from -0.1% to a band of 0.0% to 0.1% in anticipation of further strengthening in domestic inflation.

Confirmation that the path to looser monetary policy from the major central banks remained intact proved positive for riskier assets. U.S. equity markets, as measured by the S&P 500 Total Return Index, hit another new record while

credit spreads (the difference in yield between securities of similar maturity but differing credit quality) tightened. The S&P 500 Total Return Index returned 23.5% while the Bloomberg Global Aggregate Bond Index (C\$ hedged) returned 6.0% over the Period.

The Fund's exposure to interest rate risk contributed to performance. Its duration (interest rate sensitivity) was increased from -0.41 years to 0.02 years in anticipation of more normalized monetary policy. The Fund also benefited from its exposure to government-related and supranational paper in an environment in which spreads on non-government instruments tightened. A tactical exposure to emerging market debt was another contributor to the Fund's performance. It benefited from a position in South Africa and a relative overweight allocation to Mexico. Both countries offered high real interest rates, increasing the potential for capital gains.

An underweight exposure to credit detracted from the Fund's performance as corporate debt outperformed government debt. A cross-market sovereign trade, which combined a short position in Italy with a long position in Germany, detracted from the Fund's performance. Due to the scale of Italy's fiscal challenges along with the potential for increased political volatility, the portfolio manager continues to anticipate some weakness in this market. An underweight exposure to China also detracted from the Fund's performance. This underweight position in China was structured against a long position in the U.S. More subdued growth in China, alongside growing disinflationary pressures, meant the Chinese bond market outperformed that of the U.S.



Mutual Funds

# BMO World Bond Fund

---

The portfolio manager added a long position in Australia versus the U.S. and implemented a short position in Canada following strong performance. New issues in both sovereign and corporate bonds were added to the Fund. Green bonds and social debt were also added. The portfolio manager increased the Fund's exposure to the U.S. on valuation weakness and increased exposure to the Industrials, Financials, and Utilities sectors.

The Fund's underweight duration position was eliminated. Following strong performance of the gilt market during the fourth quarter of 2023, the portfolio manager switched out of U.K. government bonds into German sovereign bonds. Exposure to South Africa was also trimmed.

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

## Recent Developments

The portfolio manager expects to see higher growth in 2024 as disposable income increases on the back of falling inflation and lower interest rates. Although labour market conditions are expected to remain tight, labour demand and supply conditions should come into better balance. Inflation is set to fall as central banks maintain their restrictive monetary policy stance.

The portfolio manager agrees with the current market forecast for two to three quarter-point interest rate cuts in the U.S., with the first cut likely to begin in the second half of the year. The ECB looks set to become the first major central bank to cut interest rates as policymakers coalesce around June 2024 as the lift-off date for loosening monetary policy.

In emerging markets, the high level of real interest rates makes Latin American and African local interest rate valuations look attractive.

In credit markets, risks have increased but market technical factors should remain strong. The portfolio manager expects to see a continued shift in market focus from credit spread premia to the level of yield.

## Subsequent Event

### *Multi-Series Structure Change*

As at the close of business on August 16, 2024, Classic Series Units will be terminated.

## 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.

### 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/](http://www.bmogam.com/ca-en/legal-and-regulatory/) or [www.sedarplus.ca](http://www.sedarplus.ca).

# BMO World Bond Fund

## Buying and Selling Securities

During the Period and pursuant to applicable securities legislation, the Fund relied on standing instructions provided by the independent review committee (“IRC”) with respect to one or more of the following related party transactions (each, a “Related Party Transaction”):

- (a) investments in securities issued by BMO;
- (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 a related party dealer acted as an underwriter in the distribution;
- (c) trades in debt securities of any issuer from or to a related party dealer acting as principal; and
- (d) trades of a security of any issuer from or to another investment fund or 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, among other things, advise the IRC of non-compliance with the applicable 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 and/or portfolio manager, uninfluenced by considerations other than the best interests of the Fund; (iii) is in compliance with the Manager’s written policies and procedures; and (iv) achieves a fair and reasonable result for the Fund.

## Other Transactions with a Related Party

During the Period and pursuant to applicable securities legislation, the Fund relied on standing instructions and positive recommendations provided by the IRC with respect to engaging a Related Party as a derivatives counterparty or service provider.

## 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 <sup>(1)</sup>

#### Series A Units

	Period ended		Periods ended Sep. 30			
	Mar. 31	2023	2022	2021	2020	2019
	2024					
Net assets, beginning of period	\$ 7.94	8.26	10.04	10.74	11.05	10.48
<b>Increase (decrease)</b>						
<b>from operations:</b>						
Total revenue	\$ 0.15	0.27	0.18	0.22	0.21	0.26
Total expenses <sup>(2)</sup>	\$ -0.09	-0.19	-0.21	-0.23	-0.24	-0.24
Realized gains (losses)						
for the period	\$ -0.19	-0.33	0.06	0.50	0.34	0.88
Unrealized gains (losses)						
for the period	\$ 0.49	0.15	-1.18	-0.74	-0.04	-0.10
<b>Total increase (decrease)</b>						
<b>from operations <sup>(3)</sup></b>	\$ 0.36	-0.10	-1.15	-0.25	0.27	0.80
<b>Distributions:</b>						
From net investment income (excluding dividends)	\$ 0.02	—	—	—	0.04	0.04
From dividends	\$ —	—	—	—	—	—
From capital gains	\$ —	—	0.39	0.20	0.37	—
Return of capital	\$ 0.10	0.24	0.24	0.24	0.20	0.20
<b>Total Annual Distributions <sup>(4)</sup></b>	\$ 0.12	0.24	0.63	0.44	0.61	0.24
<b>Net assets, end of period</b>	\$ 8.18	7.94	8.26	10.04	10.74	11.05

# BMO World Bond Fund

## Advisor Series Units

	Period ended		Periods ended Sep. 30			
	Mar. 31	2023	2022	2021	2020	2019
	2024					
Net assets, beginning of period	\$ 7.30	7.62	9.29	9.94	10.23	9.71
<b>Increase (decrease)</b>						
<b>from operations:</b>						
Total revenue	\$ 0.14	0.24	0.17	0.20	0.19	0.24
Total expenses <sup>(2)</sup>	\$ -0.08	-0.17	-0.19	-0.22	-0.22	-0.22
Realized gains (losses)						
for the period	\$ -0.17	-0.32	0.07	0.47	0.31	0.82
Unrealized gains (losses)						
for the period	\$ 0.45	0.18	-1.10	-0.70	-0.01	-0.09
<b>Total increase (decrease)</b>						
<b>from operations <sup>(3)</sup></b>	\$ 0.34	-0.07	-1.05	-0.25	0.27	0.75
<b>Distributions:</b>						
From net investment income						
(excluding dividends)	\$ 0.02	—	—	—	0.04	0.04
From dividends	\$ —	—	—	—	—	—
From capital gains	\$ —	—	0.37	0.17	0.34	—
Return of capital	\$ 0.10	0.24	0.24	0.24	0.20	0.20
<b>Total Annual Distributions <sup>(4)</sup></b>	\$ 0.12	0.24	0.61	0.41	0.58	0.24
<b>Net assets, end of period</b>	\$ 7.52	7.30	7.62	9.29	9.94	10.23

## Series F Units

	Period ended		Periods ended Sep. 30			
	Mar. 31	2023	2022	2021	2020	2019
	2024					
Net assets, beginning of period	\$ 8.99	9.31	11.26	11.94	12.19	11.48
<b>Increase (decrease)</b>						
<b>from operations:</b>						
Total revenue	\$ 0.18	0.30	0.20	0.24	0.23	0.29
Total expenses <sup>(2)</sup>	\$ -0.04	-0.07	-0.08	-0.09	-0.10	-0.09
Realized gains (losses)						
for the period	\$ -0.24	-0.41	0.07	0.56	0.37	1.01
Unrealized gains (losses)						
for the period	\$ 0.59	0.24	-1.34	-0.86	-0.04	-0.14
<b>Total increase (decrease)</b>						
<b>from operations <sup>(3)</sup></b>	\$ 0.49	0.06	-1.15	-0.15	0.46	1.07
<b>Distributions:</b>						
From net investment income						
(excluding dividends)	\$ 0.09	0.07	0.04	0.13	0.23	0.23
From dividends	\$ —	—	—	—	—	—
From capital gains	\$ —	—	0.45	0.20	0.40	—
Return of capital	\$ 0.09	0.29	0.32	0.23	0.13	0.13
<b>Total Annual Distributions <sup>(4)</sup></b>	\$ 0.18	0.36	0.81	0.56	0.76	0.36
<b>Net assets, end of period</b>	\$ 9.29	8.99	9.31	11.26	11.94	12.19

## Series D Units

	Period ended		Periods ended Sep. 30			
	Mar. 31	2023	2022	2021	2020	2019
	2024					
Net assets, beginning of period	\$ —	8.02	9.77	10.43	10.38	9.81
<b>Increase (decrease)</b>						
<b>from operations:</b>						
Total revenue	\$ —	0.25	0.17	0.22	0.21	0.25
Total expenses <sup>(2)</sup>	\$ —	-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
<b>Total increase (decrease)</b>						
<b>from operations <sup>(3)</sup></b>	\$ —	0.02	-0.98	-0.21	0.43	0.93
<b>Distributions:</b>						
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
<b>Total Annual Distributions <sup>(4)</sup></b>	\$ —	0.23	0.66	0.45	0.29	0.23
<b>Net assets, end of period</b>	\$ —	—	8.02	9.77	10.43	10.38

## Series I Units

	Period ended		Periods ended Sep. 30			
	Mar. 31	2023	2022	2021	2020	2019
	2024					
Net assets, beginning of period	\$ 9.10	9.35	10.77	11.37	11.51	10.78
<b>Increase (decrease)</b>						
<b>from operations:</b>						
Total revenue	\$ 0.18	0.30	0.20	0.20	0.22	0.27
Total expenses <sup>(2)</sup>	\$ 0.00	0.00	0.00	-0.00	0.00	0.00
Realized gains (losses)						
for the period	\$ -0.23	-0.28	0.03	-0.42	0.36	0.93
Unrealized gains (losses)						
for the period	\$ 0.57	-0.01	-1.30	0.26	-0.05	-0.13
<b>Total increase (decrease)</b>						
<b>from operations <sup>(3)</sup></b>	\$ 0.52	0.01	-1.07	0.04	0.53	1.07
<b>Distributions:</b>						
From net investment income						
(excluding dividends)	\$ 0.13	0.22	0.19	0.25	0.30	0.35
From dividends	\$ —	—	—	—	—	—
From capital gains	\$ —	—	—	0.22	0.35	—
Return of capital	\$ 0.05	0.14	0.17	0.11	0.06	0.01
<b>Total Annual Distributions <sup>(4)</sup></b>	\$ 0.18	0.36	0.36	0.58	0.71	0.36
<b>Net assets, end of period</b>	\$ 9.44	9.10	9.35	10.77	11.37	11.51

# BMO World Bond Fund

## Classic Series Units

	Period ended		Periods ended Sep. 30			
	Mar. 31 2024	2023	2022	2021	2020	2019
Net assets, beginning of period	\$ 8.46	8.48	10.10	10.55	10.64	9.92
<b>Increase (decrease) from operations:</b>						
Total revenue	\$ 0.16	0.28	0.18	0.22	0.21	0.25
Total expenses <sup>(2)</sup>	\$ -0.07	-0.13	-0.14	-0.16	-0.16	-0.15
Realized gains (losses) for the period	\$ -0.20	-0.35	0.04	0.56	0.32	0.85
Unrealized gains (losses) for the period	\$ 0.53	0.17	-1.15	-0.80	-0.01	-0.10
<b>Total increase (decrease) from operations<sup>(3)</sup></b>	\$ 0.42	-0.03	-1.07	-0.18	0.36	0.85
<b>Distributions:</b>						
From net investment income (excluding dividends)	\$ 0.11	—	—	0.04	0.13	0.13
From dividends	\$ —	—	—	—	—	—
From capital gains	\$ —	—	0.52	0.22	0.33	—
Return of capital	\$ 0.00	—	—	0.01	0.00	0.00
<b>Total Annual Distributions<sup>(4)</sup></b>	\$ 0.11	—	0.52	0.27	0.46	0.13
<b>Net assets, end of period</b>	\$ 8.77	8.46	8.48	10.10	10.55	10.64

<sup>(1)</sup> This information is derived from the Fund's unaudited semi-annual and audited annual financial statements.

<sup>(2)</sup> Includes commissions and other portfolio transaction costs and withholding taxes.

<sup>(3)</sup> 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.

<sup>(4)</sup> 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 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

	Period ended		Periods ended Sep. 30			
	Mar. 31 2024	2023	2022	2021	2020	2019
Total net asset value (000's) <sup>(1)</sup>	\$ 108,319	108,069	105,066	127,116	133,407	155,141
Number of units outstanding (000's) <sup>(1)</sup>	13,239	13,611	12,714	12,656	12,418	14,043
Management expense ratio <sup>(2)</sup>	% 2.27	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	2.27
Trading expense ratio <sup>(3)</sup>	% 0.00	—	—	—	—	0.03
Portfolio turnover rate <sup>(4)</sup>	% 99.45	89.40	67.68	53.91	83.00	49.89
Net asset value per unit	\$ 8.18	7.94	8.26	10.04	10.74	11.05

### Advisor Series Units

	Period ended		Periods ended Sep. 30			
	Mar. 31 2024	2023	2022	2021	2020	2019
Total net asset value (000's) <sup>(1)</sup>	\$ 3,698	4,124	4,618	6,460	6,698	6,879
Number of units outstanding (000's) <sup>(1)</sup>	492	565	606	695	674	673
Management expense ratio <sup>(2)</sup>	% 2.25	2.25	2.25	2.26	2.26	2.25
Management expense ratio before waivers or absorptions	% 2.25	2.25	2.26	2.26	2.26	2.26
Trading expense ratio <sup>(3)</sup>	% 0.00	—	—	—	—	0.03
Portfolio turnover rate <sup>(4)</sup>	% 99.45	89.40	67.68	53.91	83.00	49.89
Net asset value per unit	\$ 7.52	7.30	7.62	9.29	9.94	10.23

### Series F Units

	Period ended		Periods ended Sep. 30			
	Mar. 31 2024	2023	2022	2021	2020	2019
Total net asset value (000's) <sup>(1)</sup>	\$ 18,625	17,713	19,988	21,742	20,254	23,011
Number of units outstanding (000's) <sup>(1)</sup>	2,006	1,971	2,148	1,931	1,697	1,888
Management expense ratio <sup>(2)</sup>	% 0.80	0.80	0.80	0.80	0.80	0.80
Management expense ratio before waivers or absorptions	% 0.84	0.85	0.85	0.84	0.84	0.83
Trading expense ratio <sup>(3)</sup>	% 0.00	—	—	—	—	0.03
Portfolio turnover rate <sup>(4)</sup>	% 99.45	89.40	67.68	53.91	83.00	49.89
Net asset value per unit	\$ 9.29	8.99	9.31	11.26	11.94	12.19

### Series D Units

	Period ended		Periods ended Sep. 30			
	Mar. 31 2024	2023	2022	2021	2020	2019
Total net asset value (000's) <sup>(1)</sup>	\$ —	—	26	2,447	3,009	142
Number of units outstanding (000's) <sup>(1)</sup>	—	—	3	250	288	14
Management expense ratio <sup>(2)</sup>	% —	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 <sup>(3)</sup>	% —	—	—	—	—	0.03
Portfolio turnover rate <sup>(4)</sup>	% —	89.40	67.68	53.91	83.00	49.89
Net asset value per unit	\$ —	—	8.02	9.77	10.43	10.38

# BMO World Bond Fund

## Series I Units

	Period ended		Periods ended Sep. 30			
	Mar. 31 2024	2023	2022	2021	2020	2019
Total net asset value (000's) <sup>(1)</sup>	\$ 88,542	81,025	49,652	50,866	3,205	4,233
Number of units outstanding (000's) <sup>(1)</sup>	9,376	8,902	5,313	4,724	282	368
Management expense ratio <sup>+</sup>	%	—	—	—	—	—
Management expense ratio before waivers or absorptions <sup>+</sup>	%	—	—	—	—	—
Trading expense ratio <sup>(3)</sup>	%	0.00	—	—	—	0.03
Portfolio turnover rate <sup>(4)</sup>	%	99.45	89.40	67.68	53.91	83.00
Net asset value per unit	\$	9.44	9.10	9.35	10.77	11.37

## Classic Series Units

	Period ended		Periods ended Sep. 30			
	Mar. 31 2024	2023	2022	2021	2020	2019
Total net asset value (000's) <sup>(1)</sup>	\$ 377	367	369	811	1,173	1,519
Number of units outstanding (000's) <sup>(1)</sup>	43	43	43	80	111	143
Management expense ratio <sup>(2)</sup>	%	1.52	1.52	1.54	1.55	1.55
Management expense ratio before waivers or absorptions	%	1.52	1.52	1.54	1.55	1.55
Trading expense ratio <sup>(3)</sup>	%	0.00	—	—	—	0.03
Portfolio turnover rate <sup>(4)</sup>	%	99.45	89.40	67.68	53.91	83.00
Net asset value per unit	\$	8.77	8.46	8.48	10.10	10.55

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

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

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

<sup>(4)</sup> 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.

## 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.

	As a Percentage of Management Fees		
	Annual Management Fee Rate	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 I Units <sup>(1)</sup>	—	—	—
Classic Series Units	1.10	22	78

<sup>(1)</sup> 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.

# BMO World Bond Fund

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.

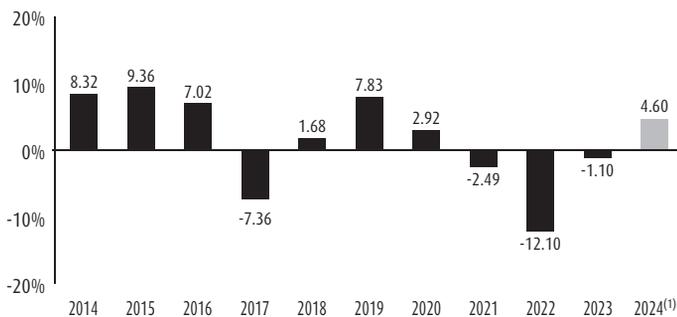
On May 27, 2022, BMO Asset Management Inc., an affiliate of the Manager, ceased to act as portfolio manager of the Fund and Columbia Threadneedle Management Limited (formerly BMO Asset Management Limited) became the portfolio manager of the Fund.

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

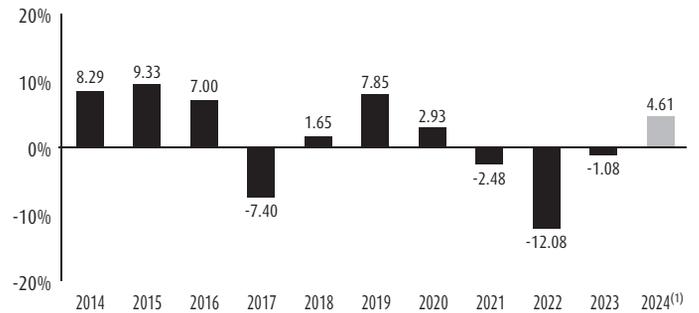
## Year-by-Year Returns

The following bar charts show the performance of each series of the Fund for each of the financial years shown and for the six-month period ended March 31, 2024, 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.

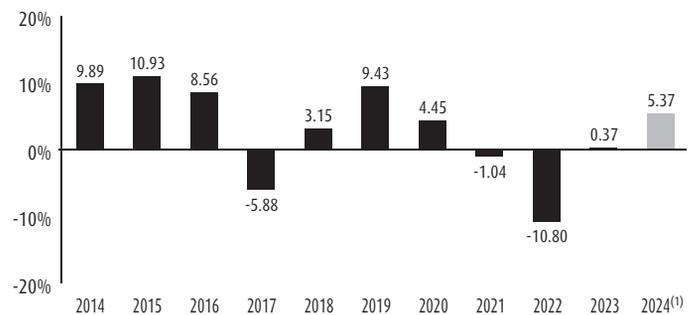
### Series A Units



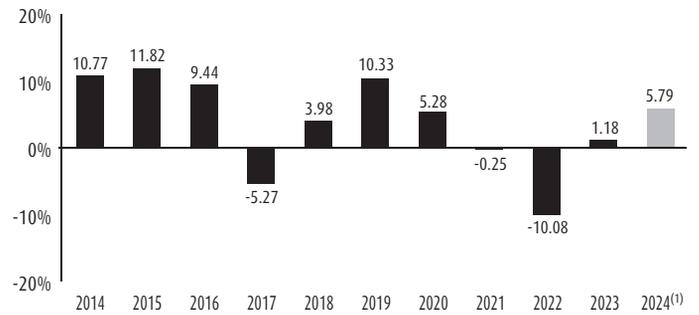
### Advisor Series Units



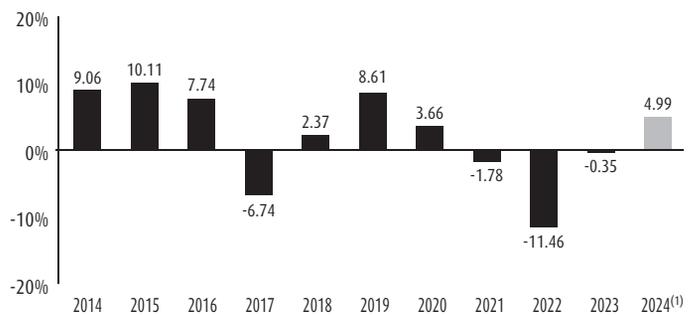
### Series F Units



### Series I Units



### Classic Series Units



<sup>(1)</sup> For the six-month period ended March 31, 2024.

# BMO World Bond Fund

## SUMMARY OF INVESTMENT PORTFOLIO

As at March 31, 2024

<b>Portfolio Allocation</b>	<b>% of Net Asset Value</b>	<b>Top 25 Holdings Issuer</b>	<b>% of Net Asset Value</b>
United States	43.6	United States Treasury Notes, 0.625% Aug 15, 2030	4.7
Canada	9.2	United States Treasury Notes, 1.375% Dec 31, 2028	4.5
United Kingdom	7.3	Province of Quebec, Euro Medium Term Notes, Senior, Unsecured, 3.125% Mar 27, 2034	4.4
China	6.1	People's Republic of China, Series INBK, Unsecured, 2.480% Sep 25, 2028	4.3
Supranational	5.3	United States Treasury Bonds, 1.250% Aug 15, 2031	3.7
Mexico	5.0	BMO Mid-Term US IG Corporate Bond Index ETF <sup>+</sup>	3.1
Germany	3.5	United Mexican States, Series M, Senior, Unsecured, 8.500% May 31, 2029	3.1
France	2.9	United States Treasury Notes, 1.750% Jan 31, 2029	3.1
Netherlands	2.8	United States Treasury Notes, 3.500% Feb 15, 2033	2.4
Japan	2.8	United Kingdom Treasury Gilt, Unsecured, 4.250% Jun 7, 2032	2.4
Spain	1.4	United States Treasury Bonds, 2.250% Nov 15, 2027	2.2
Cash/Receivables/Payables	1.3	United States Treasury Notes, 3.500% Jan 31, 2030	2.0
United Arab Emirates	1.1	United States Treasury Notes, 4.125% Nov 15, 2032	1.9
Other	7.7	United States Treasury Bonds, 1.375% Nov 15, 2040	1.9
<b>Total Portfolio Allocation</b>	<b>100.0</b>	United States Treasury Notes, 3.250% Jun 30, 2029	1.8
		Toronto-Dominion Bank, The, Euro Medium Term Notes, Senior, Secured, 3.247% Feb 16, 2034	1.7
		BNG Bank N.V., Euro Medium Term Notes, Senior, Unsecured, 2.750% Jan 11, 2034	1.6
		United Mexican States, Series M, Senior, Unsecured, 8.000% Nov 7, 2047	1.5
		European Union, Series NGEU, Senior, Unsecured, Notes, 3.000% Dec 4, 2034	1.4
		European Union, Series NGEU, Senior, Unsecured, Notes, 3.250% Feb 4, 2050	1.4
		United States Treasury Notes, 4.000% Jan 31, 2031	1.3
		Cash/Receivables/Payables	1.3
		Kreditanstalt Fuer Wiederaufbau, Medium Term Notes, Senior, Unsecured, Debentures, 4.650% Feb 28, 2031	1.2
		United States Treasury Bonds, 2.875% May 15, 2049	1.2
		United Kingdom Treasury Gilt, Unsecured, 4.375% Jul 31, 2054	1.2
		<b>Top Holdings as a Percentage of Total Net Asset Value</b>	<b>59.3</b>
		<b>Total Net Asset Value</b>	<b>\$219,560,963</b>

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

**BMO Investments Inc.**

First Canadian Place, 43rd Floor  
100 King Street West  
Toronto, Ontario M5X 1A1

**[www.bmo.com/mutualfunds](http://www.bmo.com/mutualfunds) and [www.bmo.com/gam/ca](http://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](mailto: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.

BMO Mutual Funds are offered by BMO Investments Inc., a financial services firm and separate legal entity from Bank of Montreal.

®/™ Registered trademarks/trademark of Bank of Montreal, used under licence.



Mutual Funds