BMO | Mutual Funds

Independent Review Committee 2025 Report to Securityholders

September 30, 2025

Dear Securityholder:

As Chair of the Independent Review Committee (the "IRC") and together with the Members of the IRC for the BMO Mutual Funds listed in Schedule "A" (the "Funds"), managed by BMO Investments Inc. (the "Manager"), I am pleased to provide you with the IRC's 2025 Report to Securityholders of the Funds, as required under National Instrument 81-107 – *Independent Review Committee for Investment Funds* ("NI 81-107") for the period of October 1, 2024 to September 30, 2025 (the "Period").

The IRC's mandate is to review conflict of interest matters identified and referred to the IRC by the Manager and to provide an approval or a recommendation, depending on the nature of the conflict of interest, as required. When considering such matters, the IRC asks itself whether the Manager's proposed action will achieve a fair and reasonable result for the Funds.

During the Period, the IRC met with the Manager on a quarterly basis and received the Manager's reports of compliance with its conflict of interest policies and procedures. On an annual basis, the IRC conducts the following: a review of the Manager's policies and procedures to confirm they continue to be adequate and effective in respect of the Funds and a review of its written charter which outlines its mandate, responsibilities, and procedures on how it performs its functions. In addition, the IRC assessed our effectiveness as a committee and the effectiveness and contributions of each of our members.

The members of the IRC, whose names are listed in the report, bring to their roles a combination of educational, professional and diverse experience and skills to adequately address the scope of the conflict of interest matters that come before the IRC. Since the formation of the IRC, its members have been fully satisfied with the open and cooperative attitude of the Manager.

The IRC looks forward to maintaining the highest level of integrity, and cooperation and will continue to carry out its mandate to ensure that the best interests of the Funds are paramount when the Manager is faced with a conflict of interest matter.

You may request a copy of this report, free of charge in one of two ways: If you purchased your securities at a BMO Bank of Montreal branch or through the BMO Investment Centre, call us toll free at 1-800-665-7700 or email us at **mutualfunds@bmo.com**. If you purchased your securities through a dealer, call us toll free at 1-800-668-7327 or email us at **clientservices.mutualfunds@bmo.com**. A copy of this report is also available at **https://www.bmogam.com/ca-en/resources/legal-and-regulatory-documents/** or on **www.sedarplus.ca**.

"Marlene Davidge"

Marlene Davidge
Chair of the Independent Review Committee

Members of the IRC

NAME	RESIDENCE	FIRST APPOINTED
Marlene Davidge *(Chair)*	Toronto, Ontario	September 6, 2018
Wendy Hannam	Toronto, Ontario	March 22, 2017
Jim Falle	Port Perry, Ontario	March 22, 2017
Jacqueline Allen	Toronto, Ontario	June 6, 2018

The IRC also serves as the independent review committee of other funds managed by BMO Investments Inc. as well as funds managed by BMO Asset Management Inc. and BMO Private Investment Counsel Inc. Each member of the IRC is independent of the Funds, the Manager and/any person or company related to the Manager.

During the Period, there was no material relationship that may cause a reasonable person to question a member's independence.

Holdings of Securities

Funds

As at September 30, 2025, the percentage of securities of each series of the Funds (as set out in Schedule A) beneficially owned, directly or indirectly, in aggregate, by all members of the IRC did not exceed 10%.

Manager

As at September 30, 2025, no member of the IRC beneficially owned, directly or indirectly, series of voting or equity securities of the Manager.

Service Providers

Bank of Montreal and/or its subsidiaries are service providers to the Funds and the Manager. As at September 30, 2025, the percentage of securities of each class of voting or equity securities of Bank of Montreal and other service providers beneficially owned, directly or indirectly, in aggregate, by all members of the IRC was less than 0.01%.

Compensation and Indemnities

The members of the IRC are entitled to be compensated by the Funds and to be indemnified by the Funds in appropriate circumstances. The aggregate compensation, including expenses, paid by the Funds to the IRC during the Period was $137,671. A flat fee of $500 is provided for each fund. The balance is allocated to each fund based on NAV complexity.

No indemnities were paid to the members of the IRC by the Funds during the Period.

At least annually, the IRC reviews its compensation in a manner consistent with good governance practices. In doing so, the IRC considers the following important factors in its compensation review:

a) the best interests of the Funds
b) that each Fund must pay its reasonable allocation of the compensation of the IRC from the assets of the Fund
c) that compensation paid to the IRC by each Fund should fairly and reasonably reflect the general benefits accruing to the Funds
d) the asset size and number of Funds and other funds in the BMO Fund Families
e) the nature and extent of the workload of each IRC member, including the commitment of time and energy that is expected from each member
f) industry best practices, including industry averages and surveys on IRC compensation
g) the IRC's most recent annual self-assessment, and
h) the Manager's recommendations, if any, made about the IRC's compensation and expenses.

Conflict of Interest Matters

The Manager is required to refer to the IRC its proposed actions, and its related policies and procedures, for situations in which the Manager or a related entity has or could be perceived to have an interest that may conflict with the Manager's ability to act in the best interests of the Funds.

Approvals pursuant to Standing Instructions
The Manager relied on approvals and standing instructions of the IRC for the Period in relation to the activities set out below. In each case, the standing instructions required the Manager to comply with its related policy and procedure and to report periodically to the IRC.

1. Allowing the Funds to purchase or hold securities of a related issuer of the Manager or an entity related to the Manager.
2. Allowing the Funds, where a related entity acts as a portfolio manager, to purchase securities of an issuer, for which a related party acted as an underwriter, in an offering of the securities or at any time during the restricted period following the completion of the offering.
3. Allowing the Funds to purchase or sell debt securities from or to a related dealer when the related dealer is acting as principal.
4. Allowing the purchase or sale of portfolio securities between Funds, or between the Funds and other investment funds or accounts managed by the Manager or an affiliate (referred to as inter-fund trades and cross-trades)
5. Allowing Alternative Mutual Funds to borrow cash from a related prime broker.

Positive Recommendations pursuant to Standing Instructions
The Manager received positive recommendations and relied on standing instructions of the IRC for the Period with respect to the conflict of interest matters addressed by the policies set out below. In each case, the standing instructions required the Manager to comply with its related policy and procedure and to report periodically to the IRC.

1. **Related Underwriting –** Allowing the Funds, where a third-party acts as a portfolio manager, to purchase securities of an issuer, for which a related party acted as an underwriter, in an offering of the securities or at any time during the restricted period following the completion of the offering.
2. **Best Execution –** Includes selection of execution and clearing brokers for the Funds, including related party brokers.
3. **Errors and Breaches –** Provides how trading, valuation or other errors made within a Fund are identified and corrected.
4. **Fund of Fund Transactions –** Sets out the framework for investment decisions for Funds that invest in other underlying funds.
5. **Fund Valuation –** Directs how a Fund's portfolio assets will be valued to obtain a fair and accurate net asset value of the Fund.
6. **Gifts and Entertainment –** Provides guidelines regarding the acceptance of gifts and entertainment by the Manager's employees.
7. **Large Securityholders and Redemptions –** Sets out the steps the Manager will take to manage the impact of large transactions by securityholders in securities of the Funds.
8. **NAV Errors –** Directs the circumstances and manner in which the Manager will correct purchases and redemptions of securities of the Funds based on an incorrect net asset value or net asset value per unit, including making payments to make the Fund whole and adjusting securityholder accounts.
9. **Order Allocation and Aggregation –** Allows the Manager to trade on behalf of multiple clients, including the Funds, and to allocate trades fairly among clients, including the Funds.
10. **Outside Activities –** Ensures the Manager's directors, officers and employees to adhere to corporate standards governing their outside activities where conflicts of interest may arise.
11. **Payment of Fund Expenses –** Allows the Manager to charge expenses to the Funds, to allocate expenses between the Manager and the Funds, and to allocate expenses among the Funds and other investment funds managed by the Manager or an affiliate.
12. **Personal Trading –** Restricts most personal trading by certain individuals employed by the Manager but allows those individuals to trade in certain securities for their own account subject to controls.
13. **Portfolio Advisor Oversight –** Sets out the framework the Manager will use when selecting and monitoring portfolio advisors, including external portfolio advisors.
14. **Proxy Voting and Engagement –** Allows the Manager to exercise a Fund's proxies although the Manager, a client or an affiliate of the Manager may have an interest in the outcome of the vote.
15. **Related Counterparty –** Applies to Cash-Settled OTC Derivatives Transactions with a Related Counterparty.

16. **Related Designated Broker –** Allows the Manager to retain a related party to act as the designated broker of a class or series of securities of the Funds that are listed and traded on an exchange.
17. **Related Entity Cash Term Deposits –** Addresses the conflict of interest that arises when BMO GAM, acting in its capacity as the manager and/or portfolio manager of a Fund, invests in a Cash Term Deposit issued by a Related Entity.
18. **Related Prime Broker and Borrowing Agent –** Sets out the policy of BMO Global Asset Management (BMO GAM), acting in its capacity as the manager and/or portfolio manager of a BMO Alternative Fund (each, a "BMO Alt Fund" and collectively, the "BMO Alt Funds"), retains a related prime broker on behalf of a BMO Alt Fund from which a BMO Alt Fund may borrow securities for the purposes of short selling.
19. **Revenue Share Arrangement with a Related Entity –** Addresses the conflict of interest that arises from the Manager or an affiliate providing specialized securities lending expertise (including, but not limited to, actively participating in the lending strategy, and monitoring and evaluating the performance of the securities lending agents on both the loan and total collateral portfolio) to Securities Finance Trust Company (SFTC), which may improve the revenue generated from the Transactions and earned by the Funds. The Manager or an affiliate will receive compensation for providing this specialized securities lending expertise by being allocated a percentage of the revenue generated from the Transactions that would otherwise be allocated to SFTC. The funds will continue to receive the same percentage of revenue generated from the Transactions that they currently receive.
20. **Short-Term Trading –** Sets out the steps the Manager will take to monitor, detect, and deter frequent and short-term trading by securityholders in securities of the Funds.
21. **Third-Party Currency Manager Oversight –** The Fund Managers along with the Portfolio Managers are responsible for overseeing any conflict of interest matter that may arise when a Portfolio Manager engages a new currency manager and/or monitors the services provided by a currency manager, solely for currency hedging decisions on behalf of a Fund.
22. **Use Of Client Brokerage Commissions –** Addresses the conflict of interest that may be associated with the use of Client Brokerage Commissions for the return of goods and services other than order execution services and intends to facilitate BMO GAM's compliance with applicable securities legislation.

The following conflict of interest matters were reviewed by the IRC:

- On March 5, 2025, the Manager received IRC approval to merge BMO LifeStage Plus 2025 Fund into BMO Money Market Fund on a tax deferred basis. In addition, the Manager received approval to merge BMO Target Education 2025 Portfolio into BMO Target Education Income Portfolio on a tax deferred basis.
- On June 4, 2025, the Manager received a positive recommendation to permit cash collateral to be delivered to, and held by, the mutual funds as part of the securities lending program administered by Securities Finance Trust Company.
- On December 15, 2024, the Manager received a positive recommendation for BMO GAM to use commissions derived from Client transactions to obtain brokerage and research services if they assist in the performance of its investment decision-making responsibilities.

Compliance

The IRC has not been informed of any instance in which the Manager acted in a conflict of interest matter but did not meet a condition of its policies or imposed by the IRC in its approval, recommendation and/or standing instruction.

The Manager has an obligation to notify the IRC of any such instance.

SCHEDULE "A"

BMO Mutual Funds

BMO Alternative Mutual Funds

BMO Inflation Opportunities Fund
BMO Long Short U.S. Equity ETF Fund
BMO Private Strategic Rate Fund I

BMO Ascent™ Portfolios

BMO Ascent™ Income Portfolio
BMO Ascent™ Conservative Portfolio
BMO Ascent™ Balanced Portfolio
BMO Ascent™ Growth Portfolio
BMO Ascent™ Equity Growth Portfolio

BMO Equity Growth Funds

BMO Canadian Small Cap Equity Fund
BMO Clean Energy ETF Fund
BMO Emerging Markets Fund
BMO Global Energy Fund
BMO Precious Metals Fund
BMO Resource Fund
BMO U.S. Small Cap Fund

BMO ETF Portfolios

BMO Balanced ETF Portfolio
BMO Conservative ETF Portfolio
BMO Equity Growth ETF Portfolio
BMO Fixed Income ETF Portfolio
BMO Growth ETF Portfolio
BMO Income ETF Portfolio

BMO Growth Funds

BMO Asset Allocation Fund
BMO Brookfield Global Real Estate Tech Fund
BMO Brookfield Global Renewables Infrastructure Fund
BMO Canadian Banks ETF Fund
BMO Canadian Equity ETF Fund
BMO Canadian Equity Fund
BMO Canadian Income & Growth Fund
BMO Concentrated Global Equity Fund
BMO Covered Call Canada High Dividend ETF Fund
BMO Covered Call Canadian Banks ETF Fund
BMO Covered Call Energy ETF Fund
BMO Covered Call Europe High Dividend ETF Fund
BMO Covered Call Spread Gold Bullion ETF Fund
BMO Covered Call Technology ETF Fund
BMO Covered Call U.S. High Dividend ETF Fund
BMO Covered Call Utilities ETF Fund
BMO Dividend Fund
BMO European Fund
BMO Global Climate Transition Fund
BMO Global Dividend Fund
BMO Global Dividend Opportunities Fund
BMO Global Enhanced Income Fund
BMO Global Equity Fund
BMO Global Health Care Fund
BMO Global Income & Growth Fund
BMO Global Infrastructure Fund
BMO Global Innovators Fund
BMO Global Low Volatility ETF Fund
BMO Global REIT Fund
BMO Gold Bullion ETF Fund
BMO Greater China Fund
BMO Growth Opportunities Fund
BMO International Equity ETF Fund
BMO International Equity Fund
BMO Japan Fund
BMO Low Volatility Canadian Equity ETF Fund
BMO Low Volatility U.S. Equity ETF Fund
BMO Multi-Factor Equity Fund
BMO Nasdaq 100 Equity ETF Fund
BMO North American Dividend Fund
BMO Premium Yield ETF Fund
BMO SIA Focused Canadian Equity Fund
BMO SIA Focused North American Equity Fund
BMO Strategic Equity Yield Fund
BMO Sustainable Global Balanced Fund
BMO Sustainable Opportunities Canadian Equity Fund
BMO Sustainable Opportunities Global Equity Fund
BMO Tactical Balanced ETF Fund
BMO Tactical Dividend ETF Fund
BMO Tactical Global Asset Allocation ETF Fund
BMO Tactical Global Equity ETF Fund
BMO Tactical Global Growth ETF Fund
BMO U.S. All Cap Equity Fund
BMO U.S. Dividend Fund
BMO U.S. Equity ETF Fund
BMO U.S. Equity Fund
BMO U.S. Equity Plus Fund
BMO Women in Leadership Fund

BMO Income Funds

BMO Aggregate Bond ETF Fund
BMO Core Bond Fund
BMO Core Plus Bond Fund
BMO Corporate Bond ETF Fund
BMO Crossover Bond Fund
BMO Diversified Income Portfolio

SCHEDULE "A" (cont'd)

BMO Income Funds (cont'd)
BMO Emerging Markets Bond Fund
BMO Global Monthly Income Fund
BMO Global Quality ETF Fund
BMO Global Strategic Bond Fund
BMO Monthly Income Fund
BMO Mortgage and Short-Term Income Fund
BMO Strategic Fixed Income Yield Fund
BMO Sustainable Bond Fund
BMO Sustainable Global Multi-Sector Bond Fund
BMO U.S. Corporate Bond Fund
BMO U.S. High Yield Bond Fund
BMO Ultra Short-Term Bond ETF Fund
BMO World Bond Fund

BMO Managed Portfolios
BMO Managed Balanced Portfolio
BMO Managed Conservative Portfolio
BMO Managed Equity Growth Portfolio
BMO Managed Growth Portfolio
BMO Managed Income Portfolio

BMO Retirement Portfolios
BMO Retirement Balanced Portfolio
BMO Retirement Conservative Portfolio
BMO Retirement Income Portfolio

BMO Risk Reduction Funds
BMO Risk Reduction Equity Fund
BMO Risk Reduction Fixed Income Fund

BMO Security Funds
BMO Money Market Fund

BMO SelectTrust® Portfolios
BMO SelectTrust® Fixed Income Portfolio

BMO Sustainable Portfolios
BMO Sustainable Balanced Portfolio
BMO Sustainable Conservative Portfolio
BMO Sustainable Equity Growth Portfolio
BMO Sustainable Growth Portfolio
BMO Sustainable Income Portfolio

BMO Target Education Portfolios
BMO Target Education 2030 Portfolio
BMO Target Education 2035 Portfolio
BMO Target Education 2040 Portfolio
BMO Target Education 2045 Portfolio
BMO Target Education Income Portfolio

BMO U.S. Dollar Funds
BMO U.S. Dollar Balanced Fund
BMO U.S. Dollar Dividend Fund
BMO U.S. Dollar Equity Index Fund
BMO U.S. Dollar Money Market Fund
BMO U.S. Dollar Monthly Income Fund
BMO USD Balanced ETF Portfolio
BMO USD Conservative ETF Portfolio
BMO USD Income ETF Portfolio

BMO LifeStage Plus Funds
BMO LifeStage Plus 2026 Fund
BMO LifeStage Plus 2030 Fund

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