

# BMO Retirement Income Portfolio (the "Fund")

For the 12-month period ended September 30, 2022 (the "Period")

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

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

## 2022 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/gam/ca/advisor/legal-and-regulatory](http://www.bmo.com/gam/ca/advisor/legal-and-regulatory) or SEDAR at [www.sedar.com](http://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 objective is to seek to preserve the value of your investment and provide some potential for growth while seeking to reduce portfolio volatility by investing primarily, directly or indirectly, in global equities and fixed income securities.

The portfolio manager employs a strategic asset allocation strategy and may invest up to 100% of the Fund's assets in securities of exchange traded funds and/or other mutual funds, including funds that will predominantly or exclusively be managed by the Manager or one of its affiliates or associates. The portfolio manager allocates assets among the underlying mutual funds and/or exchange traded funds based on each underlying fund's investment objectives and strategies, among other factors. The portfolio manager employs investment strategies that seek to reduce the Fund's exposure to market declines, while recognizing that the Fund may not fully benefit from strong market growth.

#### 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. The Manager reviewed the Fund using the standardized investment risk classification methodology prescribed by National Instrument 81-102 *Investment Funds* and determined on May 27, 2022 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 \$908 million to approximately \$651 million. Series A units of the Fund returned -10.20%. Please see the *Past Performance* section for information on the performance returns of the Fund's other series.

During the Period, the fourth quarter of 2021 marked the end of a bull market (an increase of at least 20% from recent market low levels) that started in March 2020. U.S. inflation began picking up mid-2021 and became the main concern for investors going into 2022. In February 2022, the Russia-Ukraine conflict started, resulting in surging energy prices and investor concerns that inflation would not be short-lived. Over the Period, the S&P/TSX Composite Total Return Index declined 5.4% and the S&P 500 Index dropped 15.5%. Energy was the strongest-performing sector in Canada and the U.S., with the S&P/TSX Energy Sector Index gaining 26.9% and the S&P 500 Energy Sector Index gaining 45.1%.

Europe, Australasia and Far East (EAFE) equities were flat for the last quarter of 2021, driven primarily by impact of the Russia-Ukraine conflict on the European market over the past nine months. Soaring energy prices have been destroying the fundamentals of the eurozone economies, and the decades-high inflation numbers are not helping to ease pressure. Some European nations have introduced energy subsidy plans to help reduce costs for consumers as they head into the winter months, but this will only add to



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the European Central Bank's inflation burden. Overall, it was extremely challenging for Europe. Equities in the EAFE region, as measured by the MSCI EAFE Index, declined by 13.9% in euro terms, and by 20.9% in Canadian-dollar terms.

The Fund's exposure to protected equities contributed to its performance as the option overlay utilized to create downside protection was able to monetize that protection in the face of lower overall equity markets. The Portfolio's exposure to low-volatility equities also contributed to performance as they outperformed, particularly in the second half of the Period as the broader market declined.

The Bank of Canada ("BoC") embarked on an aggressive cycle of interest-rate increases to tame inflation and anchor expectations. Canada's overnight lending rate increased from 0.25% to 3.25% during the Period. Bond yields rose across the yield curve, with short-term rates rising significantly faster than long-term ones, inverting the yield curve. The Canadian bond market, as measured by the FTSE Canada Universe Bond Index, declined 10.5% over the Period. The Fund's exposure to longer-duration (interest rate sensitivity) fixed income detracted from its performance as this segment of the fixed income market declined the most.

The portfolio manager initiated a position in U.S. Treasury Inflation Protected Securities ("TIPS") to provide protection against rising inflation. The portfolio manager also added a position in infrastructure-related equities as a portfolio diversifier and for their long-term growth potential.

The portfolio manager sold the Portfolio's exposure to physical gold. The risk-reward trade off for gold shifted, with downside risk now higher than when the Portfolio entered the position.

With a more-specific protection against inflation from the Portfolio's new position in U.S. TIPS, as well as the diversification benefits of infrastructure equities, the portfolio manager believes that the Portfolio should be better positioned going forward.

## **Multi-Series Structure Change**

Series D units are no longer available for purchase by new or existing investors effective June 10, 2022.

*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**

With continued uncertainty surrounding the total amount of interest rate increases by the U.S. Federal Reserve Board and Bank of Canada, as well as the potential for a global recession, the portfolio manager expects volatility in equity markets to remain elevated.

The energy crisis in Europe, which is the result of the Russia-Ukraine conflict, as well as the trend towards deglobalization, will likely continue to provide momentum to inflation. The degree to which these inflationary pressures affect other parts of the global economy will be a large factor in the economic growth that can be expected going forward.

In order to reduce overall volatility and provide the potential for equity market growth, the Portfolio will continue to employ its dynamic collar strategy. With downside protection foremost in mind, the adaptive strategy allows for equity growth potential while still protecting against significant market drawdowns. Allocation to a lower-duration fixed income sleeve will likely help reduce volatility associated with rapidly changing interest rates, as inflation concerns persist.

In February 2022, hostilities commenced in Ukraine. In response, a number of countries have imposed economic sanctions on Russia and certain Russian citizens and entities. The impact of the hostilities, economic sanctions and other measures may have wide-ranging global effects on price volatility for securities and commodities as well as the stability of global financial markets. It is uncertain how long the hostilities, economic sanctions and market instability will continue and whether they will escalate further.

## **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.

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## Portfolio Manager

The Fund's portfolio manager is BMO Asset Management Inc. ("BMOAM"), an affiliate of the Manager. BMOAM provides portfolio management services to the Fund. BMOAM receives from the 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 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 0.15%. 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.bmo.com/gam/ca/advisor/legal-and-regulatory](http://www.bmo.com/gam/ca/advisor/legal-and-regulatory) or [www.sedar.com](http://www.sedar.com).

## 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 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, or any other 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., an affiliate of the Manager, that is trading with the Fund as principal; 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 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.

## 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, 2022 \$000	Period ended Sep. 30, 2021 \$000
Total brokerage commissions	49	35
Brokerage commissions paid to BMO Nesbitt Burns Inc.	26	11

## 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. Effective on or after June 1, 2022, series of units of the Fund that pay a service fee are no longer available for purchase by investors who hold those securities in an account with BMO InvestorLine Inc.

# BMO Retirement Income Portfolio

## 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

	2022	Periods ended Sep. 30			2018
		2021	2020	2019	
Net assets, beginning of period	\$ 11.26	11.17	10.59	10.23	10.12
<b>Increase (decrease)</b>					
<b>from operations:</b>					
Total revenue	\$ 0.25	0.35	0.19	0.32	0.29
Total expenses <sup>(2)</sup>	\$ -0.17	-0.18	-0.17	-0.17	-0.18
Realized gains (losses)					
for the period	\$ 0.08	0.07	0.02	0.04	0.08
Unrealized gains (losses)					
for the period	\$ -1.28	-0.09	0.60	0.22	0.01
<b>Total increase (decrease)</b>					
<b>from operations <sup>(3)</sup></b>	\$ -1.12	0.15	0.64	0.41	0.20
<b>Distributions:</b>					
From net investment income					
(excluding dividends)	\$ 0.04	0.07	0.04	0.02	0.04
From dividends	\$ 0.01	0.00	0.01	0.01	0.00
From capital gains	\$ —	—	—	0.04	0.03
Return of capital	\$ 0.00	0.01	0.02	0.01	0.01
<b>Total Annual Distributions <sup>(4)</sup></b>	\$ 0.05	0.08	0.07	0.08	0.08
<b>Net assets, end of period</b>	\$ 10.07	11.26	11.17	10.59	10.23

#### Advisor Series Units

	2022	Periods ended Sep. 30			2018
		2021	2020	2019	
Net assets, beginning of period	\$ 11.25	11.14	10.56	10.21	10.12
<b>Increase (decrease)</b>					
<b>from operations:</b>					
Total revenue	\$ 0.25	0.33	0.21	0.32	0.27
Total expenses <sup>(2)</sup>	\$ -0.17	-0.18	-0.17	-0.17	-0.17
Realized gains (losses)					
for the period	\$ 0.08	0.08	0.02	0.04	0.08
Unrealized gains (losses)					
for the period	\$ -1.31	-0.07	0.56	0.21	0.01
<b>Total increase (decrease)</b>					
<b>from operations <sup>(3)</sup></b>	\$ -1.15	0.16	0.62	0.40	0.19
<b>Distributions:</b>					
From net investment income					
(excluding dividends)	\$ 0.02	0.05	0.04	0.03	0.06
From dividends	\$ 0.01	0.01	0.01	0.01	0.00
From capital gains	\$ —	—	—	0.04	0.02
Return of capital	\$ 0.00	0.01	0.02	0.01	0.01
<b>Total Annual Distributions <sup>(4)</sup></b>	\$ 0.03	0.07	0.07	0.09	0.09
<b>Net assets, end of period</b>	\$ 10.08	11.25	11.14	10.56	10.21

#### Series T4 Units

	2022	Periods ended Sep. 30			2018
		2021	2020	2019	
Net assets, beginning of period	\$ 9.23	9.47	9.27	9.29	9.52
<b>Increase (decrease)</b>					
<b>from operations:</b>					
Total revenue	\$ 0.21	0.30	0.19	0.29	0.27
Total expenses <sup>(2)</sup>	\$ -0.14	-0.15	-0.15	-0.15	-0.16
Realized gains (losses)					
for the period	\$ 0.06	0.06	0.01	0.04	0.08
Unrealized gains (losses)					
for the period	\$ -1.05	-0.08	0.44	0.20	-0.01
<b>Total increase (decrease)</b>					
<b>from operations <sup>(3)</sup></b>	\$ -0.92	0.13	0.49	0.38	0.18
<b>Distributions:</b>					
From net investment income					
(excluding dividends)	\$ 0.03	0.02	0.01	0.02	0.02
From dividends	\$ 0.00	0.00	0.00	0.00	0.00
From capital gains	\$ —	—	—	0.04	0.02
Return of capital	\$ 0.34	0.36	0.36	0.35	0.36
<b>Total Annual Distributions <sup>(4)</sup></b>	\$ 0.37	0.38	0.37	0.41	0.40
<b>Net assets, end of period</b>	\$ 7.94	9.23	9.47	9.27	9.29

#### Series T6 Units

	2022	Periods ended Sep. 30			2018
		2021	2020	2019	
Net assets, beginning of period	\$ 8.02	8.40	8.39	8.58	8.99
<b>Increase (decrease)</b>					
<b>from operations:</b>					
Total revenue	\$ 0.17	0.26	0.16	0.27	0.26
Total expenses <sup>(2)</sup>	\$ -0.12	-0.13	-0.13	-0.14	-0.15
Realized gains (losses)					
for the period	\$ 0.05	0.05	0.01	0.03	0.07
Unrealized gains (losses)					
for the period	\$ -0.90	-0.06	0.45	0.17	0.00
<b>Total increase (decrease)</b>					
<b>from operations <sup>(3)</sup></b>	\$ -0.80	0.12	0.49	0.33	0.18
<b>Distributions:</b>					
From net investment income					
(excluding dividends)	\$ 0.01	0.01	0.01	0.00	0.00
From dividends	\$ 0.01	0.00	0.00	0.00	0.00
From capital gains	\$ —	—	—	0.04	0.03
Return of capital	\$ 0.47	0.49	0.49	0.50	0.54
<b>Total Annual Distributions <sup>(4)</sup></b>	\$ 0.49	0.50	0.50	0.54	0.57
<b>Net assets, end of period</b>	\$ 6.74	8.02	8.40	8.39	8.58

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## Series F Units

	2022	Periods ended Sep. 30			2018
		2021	2020	2019	
Net assets, beginning of period	\$ 11.40	11.28	10.69	10.37	10.28
<b>Increase (decrease)</b>					
<b>from operations:</b>					
Total revenue	\$ 0.25	0.34	0.20	0.33	0.28
Total expenses <sup>(2)</sup>	\$ -0.05	-0.05	-0.05	-0.06	-0.06
Realized gains (losses)					
for the period	\$ 0.07	0.06	0.02	0.05	0.08
Unrealized gains (losses)					
for the period	\$ -1.31	-0.06	0.58	0.24	0.01
<b>Total increase (decrease)</b>					
<b>from operations <sup>(3)</sup></b>	\$ -1.04	0.29	0.75	0.56	0.31
<b>Distributions:</b>					
From net investment income					
(excluding dividends)	\$ 0.15	0.16	0.15	0.17	0.19
From dividends	\$ 0.01	0.01	0.01	0.01	0.00
From capital gains	\$ —	—	—	0.04	0.02
Return of capital	\$ 0.00	0.01	0.02	0.01	0.01
<b>Total Annual Distributions <sup>(4)</sup></b>	\$ 0.16	0.18	0.18	0.23	0.22
<b>Net assets, end of period</b>	\$ 10.22	11.40	11.28	10.69	10.37

## Series F4 Units

	2022	Periods ended Sep. 30			2018
		2021	2020	2019	
Net assets, beginning of period	\$ 9.81	9.95	9.64	9.55	9.68
<b>Increase (decrease)</b>					
<b>from operations:</b>					
Total revenue	\$ 0.23	0.32	0.18	0.29	0.27
Total expenses <sup>(2)</sup>	\$ -0.04	-0.05	-0.05	-0.05	-0.05
Realized gains (losses)					
for the period	\$ 0.07	0.06	0.01	0.05	0.08
Unrealized gains (losses)					
for the period	\$ -1.18	-0.05	0.63	0.21	-0.02
<b>Total increase (decrease)</b>					
<b>from operations <sup>(3)</sup></b>	\$ -0.92	0.28	0.77	0.50	0.28
<b>Distributions:</b>					
From net investment income					
(excluding dividends)	\$ 0.08	0.03	0.04	0.07	0.04
From dividends	\$ 0.00	0.00	0.00	0.00	0.00
From capital gains	\$ —	—	—	0.04	0.02
Return of capital	\$ 0.32	0.37	0.34	0.31	0.35
<b>Total Annual Distributions <sup>(4)</sup></b>	\$ 0.40	0.40	0.38	0.42	0.41
<b>Net assets, end of period</b>	\$ 8.54	9.81	9.95	9.64	9.55

## Series F6 Units

	2022	Periods ended Sep. 30			2018
		2021	2020	2019	
Net assets, beginning of period	\$ 8.79	9.10	9.00	9.07	9.40
<b>Increase (decrease)</b>					
<b>from operations:</b>					
Total revenue	\$ 0.18	0.27	0.17	0.27	0.25
Total expenses <sup>(2)</sup>	\$ -0.04	-0.04	-0.04	-0.05	-0.05
Realized gains (losses)					
for the period	\$ 0.06	0.06	0.01	0.04	0.09
Unrealized gains (losses)					
for the period	\$ -0.98	-0.06	0.52	0.28	-0.02
<b>Total increase (decrease)</b>					
<b>from operations <sup>(3)</sup></b>	\$ -0.78	0.23	0.66	0.54	0.27
<b>Distributions:</b>					
From net investment income					
(excluding dividends)	\$ 0.08	0.04	0.02	0.18	0.02
From dividends	\$ 0.00	0.00	0.00	0.00	0.00
From capital gains	\$ —	—	—	0.01	0.03
Return of capital	\$ 0.46	0.51	0.51	0.35	0.55
<b>Total Annual Distributions <sup>(4)</sup></b>	\$ 0.54	0.55	0.53	0.54	0.60
<b>Net assets, end of period</b>	\$ 7.48	8.79	9.10	9.00	9.07

## Series D Units

	2022	Periods ended Sep. 30			2018
		2021	2020	2019	
Net assets, beginning of period	\$ 11.15	11.04	10.46	10.12	10.07
<b>Increase (decrease)</b>					
<b>from operations:</b>					
Total revenue	\$ 0.41	0.34	0.20	0.28	0.24
Total expenses <sup>(2)</sup>	\$ -0.08	-0.08	-0.08	-0.08	-0.08
Realized gains (losses)					
for the period	\$ 0.11	0.07	0.02	0.09	0.08
Unrealized gains (losses)					
for the period	\$ -1.27	-0.08	0.67	0.18	-0.03
<b>Total increase (decrease)</b>					
<b>from operations <sup>(3)</sup></b>	\$ -0.83	0.25	0.81	0.47	0.21
<b>Distributions:</b>					
From net investment income					
(excluding dividends)	\$ 0.14	0.14	0.15	0.09	0.19
From dividends	\$ 0.01	0.00	0.00	0.01	0.01
From capital gains	\$ 0.02	—	—	0.06	0.01
Return of capital	\$ 0.00	0.01	0.01	0.01	0.01
<b>Total Annual Distributions <sup>(4)</sup></b>	\$ 0.17	0.15	0.16	0.17	0.22
<b>Net assets, end of period</b>	\$ 9.96	11.15	11.04	10.46	10.12

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## Series G Units

	2022	Periods ended Sep. 30		
		2021	2020	2019 <sup>(3)</sup>
Net assets, beginning of period	\$ 11.04	10.94	10.37	10.00*
<b>Increase (decrease)</b>				
<b>from operations:</b>				
Total revenue	\$ 0.25	0.34	0.20	0.08
Total expenses <sup>(2)</sup>	\$ -0.09	-0.09	-0.09	-0.05
Realized gains (losses)				
for the period	\$ 0.07	0.07	-0.00	0.04
Unrealized gains (losses)				
for the period	\$ -1.28	-0.13	0.59	0.32
<b>Total increase (decrease)</b>				
<b>from operations<sup>(3)</sup></b>	\$ -1.05	0.19	0.70	0.39
<b>Distributions:</b>				
From net investment income				
(excluding dividends)	\$ 0.16	0.14	0.12	—
From dividends	\$ 0.01	0.00	0.00	—
From capital gains	\$ —	—	—	—
Return of capital	\$ 0.00	0.01	0.02	—
<b>Total Annual Distributions<sup>(4)</sup></b>	\$ 0.17	0.15	0.14	—
<b>Net assets, end of period</b>	\$ 9.83	11.04	10.94	10.37

## Series I Units

	2022	Periods ended Sep. 30			
		2021	2020	2019	2018
Net assets, beginning of period	\$ 11.28	11.16	10.59	10.26	10.17
<b>Increase (decrease)</b>					
<b>from operations:</b>					
Total revenue	\$ 0.24	0.35	0.20	0.30	0.26
Total expenses <sup>(2)</sup>	\$ -0.00	—	—	—	—
Realized gains (losses)					
for the period	\$ 0.07	0.07	0.02	0.05	0.08
Unrealized gains (losses)					
for the period	\$ -1.28	-0.08	0.60	0.00	0.03
<b>Total increase (decrease)</b>					
<b>from operations<sup>(3)</sup></b>	\$ -0.97	0.34	0.82	0.35	0.37
<b>Distributions:</b>					
From net investment income					
(excluding dividends)	\$ 0.16	0.21	0.21	0.23	0.24
From dividends	\$ 0.01	0.01	0.01	0.00	0.01
From capital gains	\$ —	—	—	0.04	0.02
Return of capital	\$ 0.00	0.01	0.02	0.01	0.01
<b>Total Annual Distributions<sup>(4)</sup></b>	\$ 0.17	0.23	0.24	0.28	0.28
<b>Net assets, end of period</b>	\$ 10.14	11.28	11.16	10.59	10.26

\* Initial net assets.

<sup>(1)</sup> This information is derived from the Fund's 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 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.

<sup>(5)</sup> The information shown in this column is for the period beginning March 8, 2019 (the series' inception date) and ending September 30, 2019.

## Ratios and Supplemental Data

### Series A Units

	2022	Periods ended Sep. 30			
		2021	2020	2019	2018
Total net asset value (000's) <sup>(1)</sup>	\$ 523,975	749,394	622,342	432,746	473,341
Number of units					
outstanding (000's) <sup>(1)</sup>	52,039	66,575	55,713	40,866	46,261
Management expense ratio <sup>(2)</sup>	% 1.73	1.73	1.72	1.72	1.72
Management expense ratio					
before waivers or absorptions	% 1.73	1.73	1.73	1.72	1.72
Trading expense ratio <sup>(3)</sup>	% 0.03	0.05	0.01	0.06	0.01
Portfolio turnover rate <sup>(4)</sup>	% 12.22	10.08	3.81	13.46	2.46
Net asset value per unit	\$ 10.07	11.26	11.17	10.59	10.23

### Advisor Series Units

	2022	Periods ended Sep. 30			
		2021	2020	2019	2018
Total net asset value (000's) <sup>(1)</sup>	\$ 41,993	55,664	41,532	37,523	42,981
Number of units					
outstanding (000's) <sup>(1)</sup>	4,167	4,948	3,727	3,552	4,209
Management expense ratio <sup>(2)</sup>	% 1.71	1.71	1.72	1.72	1.73
Management expense ratio					
before waivers or absorptions	% 1.72	1.72	1.72	1.72	1.73
Trading expense ratio <sup>(3)</sup>	% 0.03	0.05	0.01	0.06	0.01
Portfolio turnover rate <sup>(4)</sup>	% 12.22	10.08	3.81	13.46	2.46
Net asset value per unit	\$ 10.08	11.25	11.14	10.56	10.21

### Series T4 Units

	2022	Periods ended Sep. 30			
		2021	2020	2019	2018
Total net asset value (000's) <sup>(1)</sup>	\$ 7,324	9,856	8,208	6,193	6,618
Number of units					
outstanding (000's) <sup>(1)</sup>	922	1,068	867	668	712
Management expense ratio <sup>(2)</sup>	% 1.72	1.72	1.72	1.74	1.74
Management expense ratio					
before waivers or absorptions	% 1.72	1.73	1.73	1.74	1.74
Trading expense ratio <sup>(3)</sup>	% 0.03	0.05	0.01	0.06	0.01
Portfolio turnover rate <sup>(4)</sup>	% 12.22	10.08	3.81	13.46	2.46
Net asset value per unit	\$ 7.94	9.23	9.47	9.27	9.29

### Series T6 Units

	2022	Periods ended Sep. 30			
		2021	2020	2019	2018
Total net asset value (000's) <sup>(1)</sup>	\$ 11,896	13,921	12,142	10,900	13,673
Number of units					
outstanding (000's) <sup>(1)</sup>	1,764	1,736	1,446	1,299	1,593
Management expense ratio <sup>(2)</sup>	% 1.73	1.73	1.72	1.71	1.72
Management expense ratio					
before waivers or absorptions	% 1.74	1.73	1.72	1.71	1.72
Trading expense ratio <sup>(3)</sup>	% 0.03	0.05	0.01	0.06	0.01
Portfolio turnover rate <sup>(4)</sup>	% 12.22	10.08	3.81	13.46	2.46
Net asset value per unit	\$ 6.74	8.02	8.40	8.39	8.58

### Series F Units

	2022	Periods ended Sep. 30			
		2021	2020	2019	2018
Total net asset value (000's) <sup>(1)</sup>	\$ 63,236	74,122	54,001	42,834	45,475
Number of units					
outstanding (000's) <sup>(1)</sup>	6,190	6,501	4,785	4,006	4,387
Management expense ratio <sup>(2)</sup>	% 0.61	0.61	0.61	0.61	0.62
Management expense ratio					
before waivers or absorptions	% 0.61	0.61	0.61	0.61	0.62
Trading expense ratio <sup>(3)</sup>	% 0.03	0.05	0.01	0.06	0.01
Portfolio turnover rate <sup>(4)</sup>	% 12.22	10.08	3.81	13.46	2.46
Net asset value per unit	\$ 10.22	11.40	11.28	10.69	10.37



# BMO Retirement Income Portfolio

## Series F4 Units

	2022	Periods ended Sep. 30			
		2021	2020	2019	2018
Total net asset value (000's) <sup>(1)</sup>	\$ 1,058	1,495	1,498	1,500	1,576
Number of units					
outstanding (000's) <sup>(1)</sup>	124	152	151	156	165
Management expense ratio <sup>(2)</sup>	% 0.61	0.61	0.61	0.60	0.61
Management expense ratio					
before waivers or absorptions	% 0.62	0.62	0.61	0.61	0.61
Trading expense ratio <sup>(3)</sup>	% 0.03	0.05	0.01	0.06	0.01
Portfolio turnover rate <sup>(4)</sup>	% 12.22	10.08	3.81	13.46	2.46
Net asset value per unit	\$ 8.54	9.81	9.95	9.64	9.55

## Series F6 Units

	2022	Periods ended Sep. 30			
		2021	2020	2019	2018
Total net asset value (000's) <sup>(1)</sup>	\$ 592	736	542	645	328
Number of units					
outstanding (000's) <sup>(1)</sup>	79	84	60	72	36
Management expense ratio <sup>(2)</sup>	% 0.62	0.62	0.62	0.62	0.62
Management expense ratio					
before waivers or absorptions	% 0.63	0.63	0.63	0.63	0.68
Trading expense ratio <sup>(3)</sup>	% 0.03	0.05	0.01	0.06	0.01
Portfolio turnover rate <sup>(4)</sup>	% 12.22	10.08	3.81	13.46	2.46
Net asset value per unit	\$ 7.48	8.79	9.10	9.00	9.07

## Series D Units

	2022	Periods ended Sep. 30			
		2021	2020	2019	2018
Total net asset value (000's) <sup>(1)</sup>	\$ 1	1,533	1,307	286	249
Number of units					
outstanding (000's) <sup>(1)</sup>	0	137	118	27	25
Management expense ratio <sup>(2)</sup>	% 0.88	0.89	0.89	0.90	0.88
Management expense ratio					
before waivers or absorptions	% 0.88	0.89	0.89	0.90	0.88
Trading expense ratio <sup>(3)</sup>	% 0.03	0.05	0.01	0.06	0.01
Portfolio turnover rate <sup>(4)</sup>	% 12.22	10.08	3.81	13.46	2.46
Net asset value per unit	\$ 9.96	11.15	11.04	10.46	10.12

## Series G Units

	2022	Periods ended Sep. 30			
		2021	2020	2019 <sup>(5)</sup>	2018
Total net asset value (000's) <sup>(1)</sup>	\$ 1,027	1,161	653	310	
Number of units					
outstanding (000's) <sup>(1)</sup>	104	105	60	30	
Management expense ratio <sup>(2)</sup>	% 1.02	1.02	1.02	1.02	
Management expense ratio					
before waivers or absorptions	% 1.02	1.03	1.04	1.07	
Trading expense ratio <sup>(3)</sup>	% 0.03	0.05	0.01	0.06	
Portfolio turnover rate <sup>(4)</sup>	% 12.22	10.08	3.81	13.46	
Net asset value per unit	\$ 9.83	11.04	10.94	10.37	

## Series I Units

	2022	Periods ended Sep. 30			
		2021	2020	2019	2018
Total net asset value (000's) <sup>(1)</sup>	\$ 0	0	0	0	0
Number of units					
outstanding (000's) <sup>(1)</sup>	0	0	0	0	0
Management expense ratio <sup>+</sup>	% —	—	—	—	—
Management expense ratio					
before waivers or absorptions <sup>+</sup>	% —	—	—	—	—
Trading expense ratio <sup>(3)</sup>	% 0.03	0.05	0.01	0.06	0.01
Portfolio turnover rate <sup>(4)</sup>	% 12.22	10.08	3.81	0.00	2.46
Net asset value per unit	\$ 10.14	11.28	11.16	10.59	10.26

+ 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 September 30 of the period shown.

<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.

<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.

<sup>(5)</sup> The information shown in this column is for the period beginning March 8, 2019 (the series' inception date) and ending September 30, 2019.

## 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 <sup>*</sup>	As a Percentage of Management Fees	
		Dealer Compensation	General Administration, Investment Advice and Profit
	%	%	%
Series A Units	1.40	71	29
Advisor Series Units	1.40	71	29
Series T4 Units	1.40	71	29
Series T6 Units	1.40	71	29
Series F Units	0.40	0	100
Series F4 Units	0.40	0	100
Series F6 Units	0.40	0	100
Series D Units	0.65	38	62
Series G Units	0.75	46	54
Series I Units	—	—	—

\* 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.

# BMO Retirement Income Portfolio

## PAST PERFORMANCE

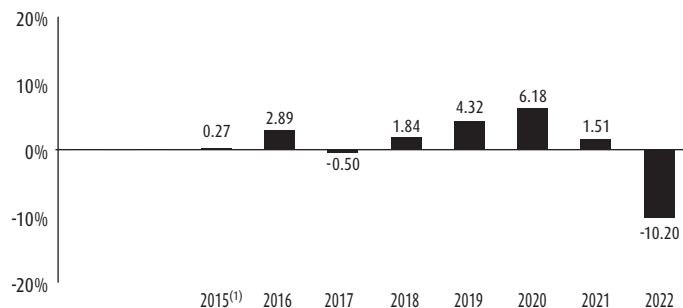
The Fund's performance information assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund and is based on the net asset value of the Fund. The reinvestment of distributions increases returns. The performance information does not take 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.

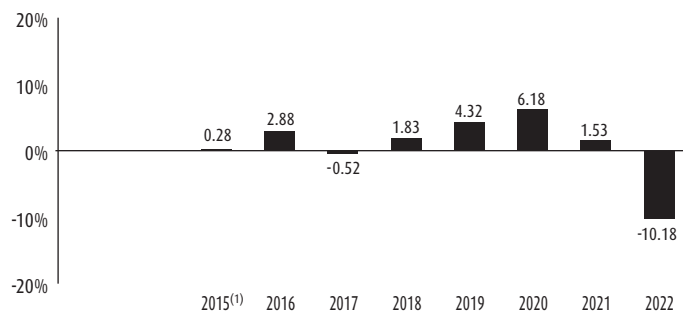
### Year-by-Year Returns

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.

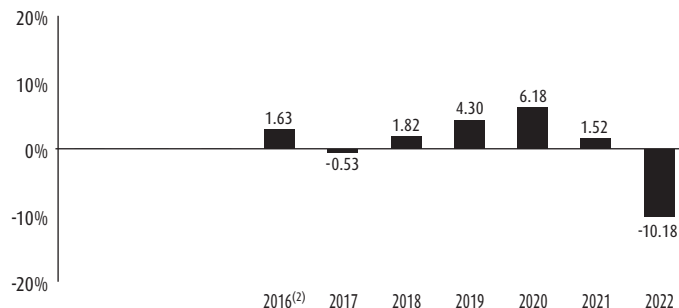
#### Series A Units



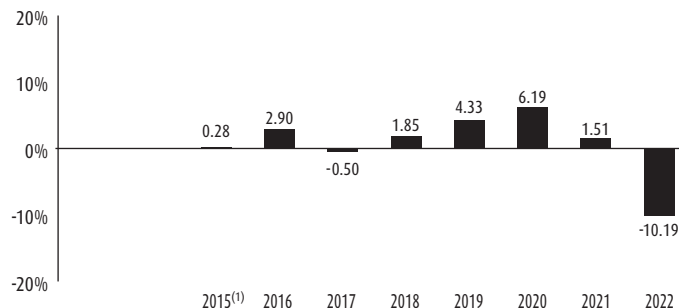
#### Advisor Series Units



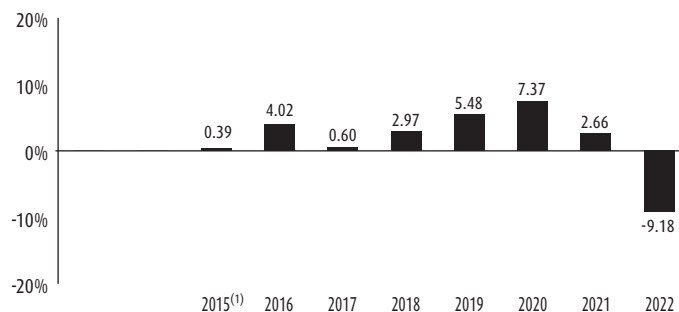
#### Series T4 Units



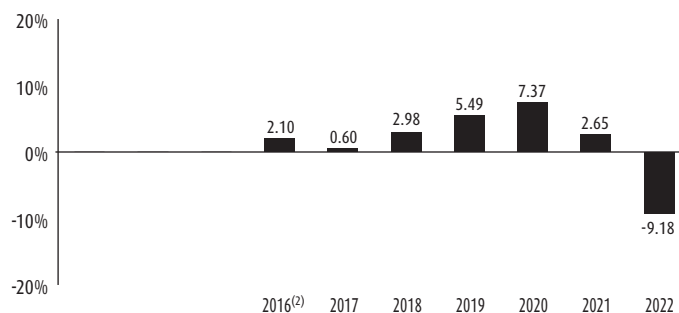
#### Series T6 Units



#### Series F Units



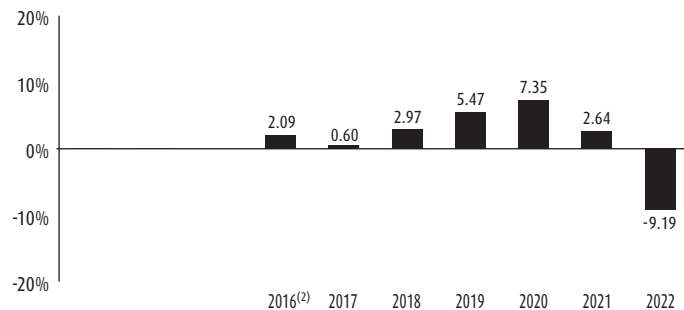
#### Series F4 Units



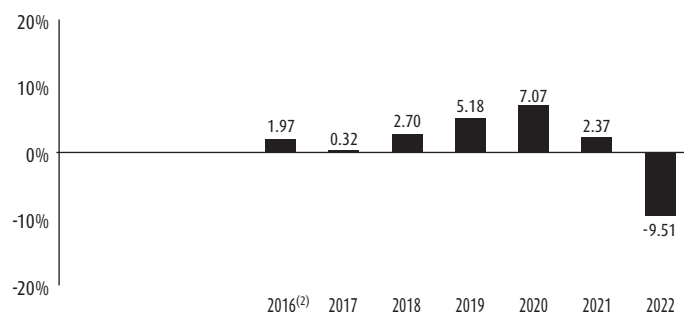


# BMO Retirement Income Portfolio

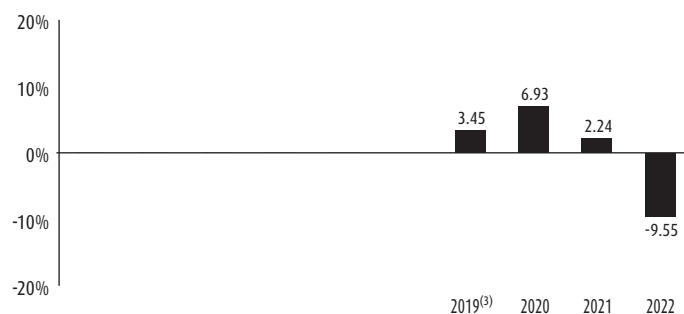
## Series F6 Units



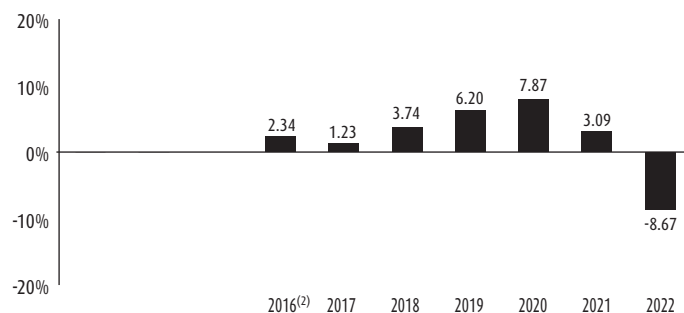
## Series D Units



## Series G Units



## Series I Units



<sup>(1)</sup> For the period beginning with the performance launch date of August 25, 2015 to September 30, 2015.

<sup>(2)</sup> For the period beginning with the performance launch date of April 28, 2016 to September 30, 2016.

<sup>(3)</sup> For the period beginning with the performance launch date of March 11, 2019 to September 30, 2019.

## Annual Compound Returns

This table compares the historical annual compound returns of the Fund with its blended benchmark (composed of 75% FTSE Canada Universe Bond Index, 20% Chicago Board Options Exchange S&P 500 Total Return 95-110 Collar Index (“CBOE SP 500 95-110 CLL”) (US\$) and 5% MSCI World Index (C\$)), in addition to the FTSE Canada Universe Bond Index, a broad-based index.

The Fund uses a blended benchmark to compare its overall relative performance because the blended benchmark is a better reflection of the asset mix of the underlying investments within the Fund’s portfolio. Therefore, the blended benchmark is a more accurate and useful comparison.

The FTSE Canada Universe Bond Index is a broad measure of the total return of Canadian bonds that mature in more than one year.

The CBOE SP 500 95-110 CLL (US\$) reflects the price movements of securities listed on the S&P 500 Index along with price movements from selling index call options at 110% of the index value, and each quarter purchase index put options at 95% of the index value.

The MSCI World Index (C\$) is a broad-based global index that represents large- and mid-cap equity performance across 23 developed markets countries. It covers approximately 85% of the free float-adjusted market capitalization in each country.

## Series A Units

		1 year	3 years	5 years	10 years	Since Inception <sup>(1)</sup>
BMO Retirement Income Portfolio	%	-10.20	-1.08	0.56		0.76
Blended Benchmark	%	-10.53	-0.02	2.90		2.79
FTSE Canada Universe Bond Index	%	-10.48	-2.51	0.66		1.00

## Advisor Series Units

		1 year	3 years	5 years	10 years	Since Inception <sup>(1)</sup>
BMO Retirement Income Portfolio	%	-10.18	-1.07	0.57		0.77
Blended Benchmark	%	-10.53	-0.02	2.90		2.79
FTSE Canada Universe Bond Index	%	-10.48	-2.51	0.66		1.00

## Series T4 Units

		1 year	3 years	5 years	10 years	Since Inception <sup>(1)</sup>
BMO Retirement Income Portfolio	%	-10.18	-1.07	0.56		0.61
Blended Benchmark	%	-10.53	-0.02	2.90		2.95
FTSE Canada Universe Bond Index	%	-10.48	-2.51	0.66		0.62

# BMO Retirement Income Portfolio

## Series T6 Units

		1 year	3 years	5 years	10 years	Since Inception <sup>(1)</sup>
BMO Retirement Income Portfolio	%	-10.19	-1.08	0.57		0.77
Blended Benchmark	%	-10.53	-0.02	2.90		2.79
FTSE Canada Universe Bond Index	%	-10.48	-2.51	0.66		1.00

## Series F Units

		1 year	3 years	5 years	10 years	Since Inception <sup>(1)</sup>
BMO Retirement Income Portfolio	%	-9.18	0.03	1.69		1.89
Blended Benchmark	%	-10.53	-0.02	2.90		2.79
FTSE Canada Universe Bond Index	%	-10.48	-2.51	0.66		1.00

## Series F4 Units

		1 year	3 years	5 years	10 years	Since Inception <sup>(2)</sup>
BMO Retirement Income Portfolio	%	-9.18	0.03	1.69		1.73
Blended Benchmark	%	-10.53	-0.02	2.90		2.95
FTSE Canada Universe Bond Index	%	-10.48	-2.51	0.66		0.62

## Series F6 Units

		1 year	3 years	5 years	10 years	Since Inception <sup>(2)</sup>
BMO Retirement Income Portfolio	%	-9.19	0.02	1.68		1.72
Blended Benchmark	%	-10.53	-0.02	2.90		2.95
FTSE Canada Universe Bond Index	%	-10.48	-2.51	0.66		0.62

## Series D Units

		1 year	3 years	5 years	10 years	Since Inception <sup>(2)</sup>
BMO Retirement Income Portfolio	%	-9.51	-0.27	1.39		1.44
Blended Benchmark	%	-10.53	-0.02	2.90		2.95
FTSE Canada Universe Bond Index	%	-10.48	-2.51	0.66		0.62

## Series G Units

		1 year	3 years	5 years	10 years	Since Inception <sup>(1)</sup>
BMO Retirement Income Portfolio	%	-9.55	-0.37			0.64
Blended Benchmark	%	-10.53	-0.02			1.51
FTSE Canada Universe Bond Index	%	-10.48	-2.51			0.12

## Series I Units

		1 year	3 years	5 years	10 years	Since Inception <sup>(3)</sup>
BMO Retirement Income Portfolio	%	-8.67	0.52	2.27		2.32
Blended Benchmark	%	-10.53	-0.02	2.90		2.95
FTSE Canada Universe Bond Index	%	-10.48	-2.51	0.66		0.62

<sup>(1)</sup> Return from the performance launch date of August 25, 2015 to September 30, 2022.

<sup>(2)</sup> Return from the performance launch date of April 28, 2016 to September 30, 2022.

<sup>(3)</sup> Return from the performance launch date of March 11, 2019 to September 30, 2022.

A commentary on the market and/or information regarding the relative performance of the Fund as compared to its broad-based benchmark can be found under the Results of Operations section of this report.

## SUMMARY OF INVESTMENT PORTFOLIO

As at September 30, 2022

Portfolio Allocation	% of Net Asset Value
Canadian Fixed Income Funds	69.2
Global Equity Funds	20.1
U.S. Fixed Income Fund	4.4
U.S. Equity Funds	2.4
International Equity Funds	1.5
Cash/Receivables/Payables	0.7
Money Market Fund	0.7
Canadian Equity Funds	0.6
Emerging Markets Equity Funds	0.4
<b>Total Portfolio Allocation</b>	<b>100.0</b>

Holdings** <sup>+</sup> Issuer	% of Net Asset Value
BMO Risk Reduction Fixed Income Fund, Series I	51.8
BMO Risk Reduction Equity Fund, Series I	19.1
BMO Core Plus Bond Fund, ETF Series	17.4
BMO Short-Term US TIPS Index ETF	4.4
BMO Low Volatility US Equity ETF	1.4
BMO Low Volatility International Equity ETF	0.8
Cash/Receivables/Payables	0.7
BMO Global Infrastructure Index ETF	0.7
BMO Money Market Fund, ETF Series	0.7
BMO MSCI USA High Quality Index ETF	0.6
BMO S&P 500 Index ETF	0.4
BMO MSCI EAFE Index ETF	0.4
BMO Brookfield Global Renewables Infrastructure Fund, ETF Series	0.3
BMO Low Volatility Canadian Equity ETF	0.3
BMO MSCI Europe High Quality Hedged to CAD Index ETF	0.3
BMO S&P/TSX Capped Composite Index ETF	0.3
BMO Low Volatility Emerging Markets Equity ETF	0.3
BMO MSCI Emerging Markets Index ETF	0.1
<b>Total Holdings as a Percentage of Total Net Asset Value</b>	<b>100.0</b>
<b>Total Net Asset Value</b>	<b>\$651,101,838</b>

\*\*Represents the entire portfolio.

<sup>+</sup>The prospectus and other information about the underlying investment fund(s) held in the portfolio are available at [www.sedar.com](http://www.sedar.com). For BMO Mutual Funds, this information is also available at [www.bmo.com/gam/ca/advisor/legal-and-regulatory](http://www.bmo.com/gam/ca/advisor/legal-and-regulatory) and for BMO Exchange Traded Funds at [www.bmo.com/etflegal](http://www.bmo.com/etflegal).

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.

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Mutual Funds