

BMO Fixed Income ETF 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 or SEDAR at www.sedar.com. You may also contact us using one of these methods to request a copy of the Fund’s interim financial report, proxy voting policies and procedures, proxy voting disclosure record and/or quarterly portfolio disclosure.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund’s objective is to preserve the value of your investment by investing primarily in exchange traded funds that invest in Canadian, U.S. and international fixed income securities. The Fund may also invest in other mutual funds or invest directly in individual fixed income securities and cash or cash equivalents.

The portfolio manager employs a strategic asset allocation strategy. The portfolio manager 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; however, the portfolio manager will invest a majority of the assets in exchange traded funds. The portfolio manager allocates assets among the underlying exchange traded funds and other mutual funds based on each underlying fund’s investment objectives and strategies, among other factors.

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 \$274 million to approximately \$221 million. Series A units of the Fund returned -13.42%. Please see the *Past Performance* section for information on the performance returns of the Fund’s other series.

2022 has been a challenging year for the economy as inflation concerns dominated headlines. The Bank of Canada (“BoC”) made its first interest rate increase of 50 basis points (“bps”) in the first week of March 2022, a move that was largely expected by markets. The U.S. Federal Reserve (“the Fed”) also increased interest rates later in March by 25 bps. The Russian invasion of Ukraine impact on markets was reserved as investors priced in the potential for an extended conflict and the inflationary impact of reduced Russian energy supply.

The second quarter of 2022 was challenging for equity and bond investors as the inflation dynamics worsened. This led to a further repricing of interest rate hikes from global central banks. The BoC increased interest rates by 100 bps, while the Fed increased interest rates by 125 bps during the quarter. Money markets are anticipating the overnight policy rates to reach 4% for both the Fed and the BoC in the first half of 2023. Meanwhile, investors have also materially adjusted their expectations for the European Central Bank to tighten for the first time since 2012 as money markets anticipates 2% in interest rates for the eurozone in 2023.



Mutual Funds

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The third quarter of 2022 brought a welcome rebound from the lows of the equity markets, with second quarter of 2022 earnings coming in with some pleasant surprises, some expected disappointments, and overall, a shift to “risk on” sentiment (when investors invest in riskier assets such as equities) among market participants. However, the rally of July and early August of 2022 was abruptly halted and reversed as Fed Chairman Jerome Powell confirmed that interest rates would continue to rise until the Fed sees material deceleration of the economy, that it would likely take the form of a recession, and that economic pain was inevitable to some sectors of the economy. During the third quarter of 2022, equity market performance declined, interest rates continued to rise, oil prices eased, and the U.S. dollar rose.

Among fixed income markets, rising interest rates hurt most sectors, resulting in negative returns. Shorter-term bonds outperformed longer-term bonds. Although the Fund’s relative positioning among fixed income assets added value, the absolute returns over the Period were negative due to the impact of rising rates. Among credit markets, U.S. high yield outperformed investment grade by virtue of their higher yields and lower duration, while emerging market debt underperformed as Russian bonds were written down to virtually zero in the face of economic sanctions on Russia. During the Period, the Fund’s underweight positioning in duration (i.e., interest rate risk) contributed to performance as interest rates rose sharply. The Fund remained largely neutral on U.S. credit in investment grade and high yield, which both underperformed the broad Canadian bond market. The Canadian bond market, as measured by the FTSE Canada Universe Bond Index, returned -10.5% during the Period.

Multi-Series Structure Change

On October 22, 2021, the Manager launched Series F6 units of the Fund in addition to the other series of the Fund currently available to investors. Series F6 units are for investors who are enrolled in dealer-sponsored wrap programs or fee-based accounts, who have an account with a discount broker, or other investors in the Manager’s sole discretion. Series F6 units are designed to provide investors with a fixed monthly distribution based on a target annualized distribution rate of 6% of the net asset value per unit at the end of the prior year.

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

The portfolio manager has maintained an overweight position in cash rather than allocate to fixed income, and only recently started to reduce the Fund’s short duration positioning, as the value of yields above 3.5% have raised the interest of many long-term institutional investors. The portfolio manager has further reduced the Fund’s exposure to high-yield bonds, as history suggests that although spreads are currently higher than average, they are likely to move higher (in volatile fashion) as a true recession inevitably impacts corporate earnings and cashflows.

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.

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.

BMO Fixed Income ETF Portfolio

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 or 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	149	68
Brokerage commissions paid to BMO Nesbitt Burns Inc.	66	19

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.

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FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the periods indicated.

The Fund's Net Assets per Unit ⁽¹⁾

Series A Units

	2022	Periods ended Sep. 30			2018
		2021	2020	2019	
Net assets, beginning of period	\$ 10.02	10.54	10.18	9.65	9.83
Increase (decrease)					
from operations:					
Total revenue	\$ 0.31	0.40	0.31	0.31	0.35
Total expenses ⁽²⁾	\$ -0.08	-0.08	-0.09	-0.09	-0.10
Realized gains (losses)					
for the period	\$ -0.62	-0.03	0.03	-0.13	-0.07
Unrealized gains (losses)					
for the period	\$ -0.95	-0.57	0.27	0.62	-0.11
Total increase (decrease)					
from operations ⁽³⁾	\$ -1.34	-0.28	0.52	0.71	0.07
Distributions:					
From net investment income					
(excluding dividends)	\$ 0.25	0.20	0.20	0.23	0.15
From dividends	\$ 0.00	—	0.01	—	—
From capital gains	\$ —	—	—	—	0.07
Return of capital	\$ 0.02	0.06	0.01	0.00	—
Total Annual Distributions ⁽⁴⁾	\$ 0.27	0.26	0.22	0.23	0.22
Net assets, end of period	\$ 8.42	10.02	10.54	10.18	9.65

Advisor Series Units

	2022	Periods ended Sep. 30			2018
		2021	2020	2019	
Net assets, beginning of period	\$ 10.18	10.69	10.35	9.80	9.96
Increase (decrease)					
from operations:					
Total revenue	\$ 0.32	0.40	0.30	0.32	0.37
Total expenses ⁽²⁾	\$ -0.08	-0.08	-0.09	-0.09	-0.10
Realized gains (losses)					
for the period	\$ -0.63	-0.03	0.04	-0.14	-0.07
Unrealized gains (losses)					
for the period	\$ -0.96	-0.55	0.33	0.68	-0.16
Total increase (decrease)					
from operations ⁽³⁾	\$ -1.35	-0.26	0.58	0.77	0.04
Distributions:					
From net investment income					
(excluding dividends)	\$ 0.25	0.19	0.22	0.22	0.15
From dividends	\$ 0.00	—	0.01	—	—
From capital gains	\$ —	—	—	—	0.06
Return of capital	\$ 0.02	0.07	0.01	0.00	—
Total Annual Distributions ⁽⁴⁾	\$ 0.27	0.26	0.24	0.22	0.21
Net assets, end of period	\$ 8.55	10.18	10.69	10.35	9.80

Series T6 Units

	2022	Periods ended Sep. 30			2018
		2021	2020	2019	
Net assets, beginning of period	\$ 7.43	8.10	8.13	8.00	8.50
Increase (decrease)					
from operations:					
Total revenue	\$ 0.23	0.29	0.24	0.24	0.30
Total expenses ⁽²⁾	\$ -0.06	-0.06	-0.07	-0.08	-0.08
Realized gains (losses)					
for the period	\$ -0.44	-0.02	0.02	-0.10	-0.04
Unrealized gains (losses)					
for the period	\$ -0.68	-0.42	0.26	0.48	-0.16
Total increase (decrease)					
from operations ⁽³⁾	\$ -0.95	-0.21	0.45	0.54	0.02
Distributions:					
From net investment income					
(excluding dividends)	\$ 0.16	0.19	0.18	0.16	0.13
From dividends	\$ 0.00	—	0.00	—	—
From capital gains	\$ —	—	—	—	0.03
Return of capital	\$ 0.29	0.29	0.30	0.32	0.38
Total Annual Distributions ⁽⁴⁾	\$ 0.45	0.48	0.48	0.48	0.54
Net assets, end of period	\$ 6.01	7.43	8.10	8.13	8.00

Series F Units

	2022	Periods ended Sep. 30			2018
		2021	2020	2019	
Net assets, beginning of period	\$ 10.21	10.72	10.38	9.84	10.00
Increase (decrease)					
from operations:					
Total revenue	\$ 0.32	0.40	0.30	0.31	0.37
Total expenses ⁽²⁾	\$ -0.03	-0.02	-0.03	-0.04	-0.04
Realized gains (losses)					
for the period	\$ -0.66	-0.03	0.04	-0.13	-0.06
Unrealized gains (losses)					
for the period	\$ -0.94	-0.54	0.34	0.70	-0.17
Total increase (decrease)					
from operations ⁽³⁾	\$ -1.31	-0.19	0.65	0.84	0.10
Distributions:					
From net investment income					
(excluding dividends)	\$ 0.30	0.25	0.29	0.29	0.20
From dividends	\$ 0.00	—	0.01	—	—
From capital gains	\$ —	—	—	—	0.05
Return of capital	\$ 0.02	0.06	0.01	0.00	0.00
Total Annual Distributions ⁽⁴⁾	\$ 0.32	0.31	0.31	0.29	0.25
Net assets, end of period	\$ 8.58	10.21	10.72	10.38	9.84

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Series F2 Units

	2022	Periods ended Sep. 30			
		2021	2020	2019	2018 ⁽⁶⁾
Net assets, beginning of period	\$ 10.46	10.91	10.50	9.94	10.00*
Increase (decrease)					
from operations:					
Total revenue	\$ 0.32	0.40	0.30	0.32	0.18
Total expenses ⁽²⁾	\$ -0.03	-0.03	-0.04	-0.03	-0.02
Realized gains (losses)					
for the period	\$ -0.65	-0.02	0.04	-0.33	-0.01
Unrealized gains (losses)					
for the period	\$ -1.27	-0.45	0.35	0.75	-0.13
Total increase (decrease)					
from operations ⁽³⁾	\$ -1.63	-0.10	0.65	0.71	0.02
Distributions:					
From net investment income					
(excluding dividends)	\$ 0.29	0.20	0.22	0.27	0.08
From dividends	\$ 0.00	—	0.01	—	—
From capital gains	\$ —	—	—	—	—
Return of capital	\$ 0.02	0.05	0.01	0.00	0.00
Total Annual Distributions ⁽⁴⁾	\$ 0.31	0.25	0.24	0.27	0.08
Net assets, end of period	\$ 8.82	10.46	10.91	10.50	9.94

Series F6 Units

	Period ended
	Sep. 30 2022 ⁽⁷⁾
Net assets, beginning of period	\$ 10.00*
Increase (decrease)	
from operations:	
Total revenue	\$ 0.36
Total expenses ⁽²⁾	\$ -0.02
Realized gains (losses)	
for the period	\$ -0.85
Unrealized gains (losses)	
for the period	\$ -1.08
Total increase (decrease)	
from operations ⁽³⁾	\$ -1.59
Distributions:	
From net investment income	
(excluding dividends)	\$ 0.02
From dividends	\$ 0.00
From capital gains	\$ —
Return of capital	\$ 0.53
Total Annual Distributions ⁽⁴⁾	\$ 0.55
Net assets, end of period	\$ 8.27

Series D Units

	2022	Periods ended Sep. 30			
		2021	2020	2019	2018
Net assets, beginning of period	\$ 10.04	10.56	10.22	9.67	9.83
Increase (decrease)					
from operations:					
Total revenue	\$ 0.31	0.41	0.31	0.30	0.34
Total expenses ⁽²⁾	\$ -0.04	-0.04	-0.05	-0.05	-0.06
Realized gains (losses)					
for the period	\$ -0.23	-0.03	0.04	-0.13	-0.05
Unrealized gains (losses)					
for the period	\$ -1.33	-0.60	0.16	0.68	-0.11
Total increase (decrease)					
from operations ⁽³⁾	\$ -1.29	-0.26	0.46	0.80	0.12
Distributions:					
From net investment income					
(excluding dividends)	\$ 0.20	0.23	0.26	0.25	0.17
From dividends	\$ 0.00	—	0.01	—	—
From capital gains	\$ —	—	—	—	0.06
Return of capital	\$ 0.02	0.07	0.01	0.00	0.00
Total Annual Distributions ⁽⁴⁾	\$ 0.22	0.30	0.28	0.25	0.23
Net assets, end of period	\$ 8.55	10.04	10.56	10.22	9.67

Series G Units

	2022	Periods ended Sep. 30			
		2021	2020	2019	2018 ⁽⁶⁾
Net assets, beginning of period	\$ 10.27	10.80	10.41	9.89	10.00*
Increase (decrease)					
from operations:					
Total revenue	\$ 0.32	0.43	0.32	0.33	0.28
Total expenses ⁽²⁾	\$ -0.05	-0.05	-0.06	-0.06	-0.04
Realized gains (losses)					
for the period	\$ -0.66	-0.03	0.05	-0.06	-0.03
Unrealized gains (losses)					
for the period	\$ -0.99	-0.66	0.67	0.47	-0.19
Total increase (decrease)					
from operations ⁽³⁾	\$ -1.38	-0.31	0.98	0.68	0.02
Distributions:					
From net investment income					
(excluding dividends)	\$ 0.27	0.23	0.22	0.29	0.17
From dividends	\$ 0.00	—	0.01	—	—
From capital gains	\$ —	—	—	—	—
Return of capital	\$ 0.02	0.07	0.00	0.00	—
Total Annual Distributions ⁽⁴⁾	\$ 0.29	0.30	0.23	0.29	0.17
Net assets, end of period	\$ 8.64	10.27	10.80	10.41	9.89

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Series I Units

	2022	Periods ended Sep. 30			
		2021	2020	2019	2018
Net assets, beginning of period	\$ 10.19	10.72	10.32	9.77	9.92
Increase (decrease)					
from operations:					
Total revenue	\$ 0.32	0.41	0.31	0.32	0.38
Total expenses ⁽²⁾	\$ 0.01	0.02	0.02	0.02	0.02
Realized gains (losses)					
for the period	\$ -0.61	-0.03	0.04	-0.13	-0.07
Unrealized gains (losses)					
for the period	\$ -0.96	-0.62	0.33	0.65	-0.20
Total increase (decrease)					
from operations⁽³⁾	\$ -1.24	-0.22	0.70	0.86	0.13
Distributions:					
From net investment income					
(excluding dividends)	\$ 0.36	0.31	0.27	0.31	0.25
From dividends	\$ 0.00	—	0.01	—	—
From capital gains	\$ —	—	—	—	0.06
Return of capital	\$ 0.02	0.07	0.01	0.00	0.01
Total Annual Distributions⁽⁴⁾	\$ 0.38	0.38	0.29	0.31	0.32
Net assets, end of period	\$ 8.54	10.19	10.72	10.32	9.77

⁽¹⁾ Initial net assets.

⁽²⁾ This information is derived from the Fund's audited annual financial statements.

⁽³⁾ Includes commissions and other portfolio transaction costs and withholding taxes.

⁽⁴⁾ 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.

⁽⁵⁾ 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.

⁽⁶⁾ The information shown in this column is for the period beginning February 14, 2018 (the series' inception date) and ending September 30, 2018.

⁽⁷⁾ The information shown in this column is for the period beginning May 4, 2018 (the series' inception date) and ending September 30, 2018.

⁽⁸⁾ The information shown in this column is for the period beginning October 22, 2021 (the series' inception date) and ending September 30, 2022.

Ratios and Supplemental Data

Series A Units

	2022	Periods ended Sep. 30			
		2021	2020	2019	2018
Total net asset value (000's) ⁽¹⁾	\$ 109,024	137,898	148,314	63,935	23,629
Number of units					
outstanding (000's) ⁽¹⁾	12,955	13,758	14,078	6,282	2,448
Management expense ratio ⁽²⁾	% 1.00	0.99	0.99	0.99	1.17
Management expense ratio					
before waivers or absorptions	% 1.00	0.99	1.00	0.99	1.17
Trading expense ratio ⁽³⁾	% 0.06	0.03	0.06	0.07	0.03
Portfolio turnover rate ⁽⁴⁾	% 49.50	24.38	23.23	124.19	9.56
Net asset value per unit	\$ 8.42	10.02	10.54	10.18	9.65

Advisor Series Units

	2022	Periods ended Sep. 30			
		2021	2020	2019	2018
Total net asset value (000's) ⁽¹⁾	\$ 24,457	33,641	34,303	28,509	11,952
Number of units					
outstanding (000's) ⁽¹⁾	2,862	3,306	3,208	2,755	1,220
Management expense ratio ⁽²⁾	% 1.01	1.00	1.00	0.99	1.16
Management expense ratio					
before waivers or absorptions	% 1.01	1.00	1.01	0.99	1.16
Trading expense ratio ⁽³⁾	% 0.06	0.03	0.06	0.07	0.03
Portfolio turnover rate ⁽⁴⁾	% 49.50	24.38	23.23	124.19	9.56
Net asset value per unit	\$ 8.55	10.18	10.69	10.35	9.80

Series T6 Units

	2022	Periods ended Sep. 30			
		2021	2020	2019	2018
Total net asset value (000's) ⁽¹⁾	\$ 1,174	1,714	2,205	1,230	1,216
Number of units					
outstanding (000's) ⁽¹⁾	195	231	272	151	152
Management expense ratio ⁽²⁾	% 1.01	1.01	1.01	1.00	1.14
Management expense ratio					
before waivers or absorptions	% 1.02	1.01	1.02	1.01	1.14
Trading expense ratio ⁽³⁾	% 0.06	0.03	0.06	0.07	0.03
Portfolio turnover rate ⁽⁴⁾	% 49.50	24.38	23.23	124.19	9.56
Net asset value per unit	\$ 6.01	7.43	8.10	8.13	8.00

Series F Units

	2022	Periods ended Sep. 30			
		2021	2020	2019	2018
Total net asset value (000's) ⁽¹⁾	\$ 70,344	77,749	68,005	54,706	33,834
Number of units					
outstanding (000's) ⁽¹⁾	8,201	7,616	6,342	5,269	3,438
Management expense ratio ⁽²⁾	% 0.45	0.44	0.45	0.44	0.51
Management expense ratio					
before waivers or absorptions	% 0.45	0.44	0.45	0.44	0.51
Trading expense ratio ⁽³⁾	% 0.06	0.03	0.06	0.07	0.03
Portfolio turnover rate ⁽⁴⁾	% 49.50	24.38	23.23	124.19	9.56
Net asset value per unit	\$ 8.58	10.21	10.72	10.38	9.84

Series F2 Units

	2022	Periods ended Sep. 30			
		2021	2020	2019	2018 ⁽⁶⁾
Total net asset value (000's) ⁽¹⁾	\$ 20	19	6	6	1
Number of units					
outstanding (000's) ⁽¹⁾	2	2	1	1	0
Management expense ratio ⁽²⁾	% 0.45	0.45	0.45	0.45	0.45
Management expense ratio					
before waivers or absorptions	% 0.78	1.44	1.73	2.13	20.62
Trading expense ratio ⁽³⁾	% 0.06	0.03	0.06	0.07	0.03
Portfolio turnover rate ⁽⁴⁾	% 49.50	24.38	23.23	124.19	9.56
Net asset value per unit	\$ 8.82	10.46	10.91	10.50	9.94

BMO Fixed Income ETF Portfolio

Series F6 Units

		Period ended Sep. 30 2022 ⁽⁷⁾
Total net asset value (000's) ⁽¹⁾	\$	185
Number of units outstanding (000's) ⁽¹⁾		22
Management expense ratio ⁽²⁾	%	0.42
Management expense ratio before waivers or absorptions	%	0.60
Trading expense ratio ⁽³⁾	%	0.06
Portfolio turnover rate ⁽⁴⁾	%	49.50
Net asset value per unit	\$	8.27

Series D Units

		Periods ended Sep. 30				
		2022	2021	2020	2019	2018
Total net asset value (000's) ⁽¹⁾	\$	33	1,132	1,465	221	188
Number of units outstanding (000's) ⁽¹⁾		4	113	139	22	19
Management expense ratio ⁽²⁾	%	0.61	0.62	0.62	0.62	0.77
Management expense ratio before waivers or absorptions	%	0.61	0.62	0.63	0.65	0.79
Trading expense ratio ⁽³⁾	%	0.06	0.03	0.06	0.07	0.03
Portfolio turnover rate ⁽⁴⁾	%	49.50	24.38	23.23	124.19	9.56
Net asset value per unit	\$	8.55	10.04	10.56	10.22	9.67

Series G Units

		Periods ended Sep. 30				
		2022	2021	2020	2019	2018 ⁽⁵⁾
Total net asset value (000's) ⁽¹⁾	\$	1,205	1,266	1,649	849	94
Number of units outstanding (000's) ⁽¹⁾		140	123	153	82	10
Management expense ratio ⁽²⁾	%	0.72	0.71	0.72	0.73	0.85
Management expense ratio before waivers or absorptions	%	0.72	0.71	0.72	0.74	0.93
Trading expense ratio ⁽³⁾	%	0.06	0.03	0.06	0.07	0.03
Portfolio turnover rate ⁽⁴⁾	%	49.50	24.38	23.23	124.19	9.56
Net asset value per unit	\$	8.64	10.27	10.80	10.41	9.89

Series I Units

		Periods ended Sep. 30				
		2022	2021	2020	2019	2018
Total net asset value (000's) ⁽¹⁾	\$	14,923	20,272	23,833	7,550	3,117
Number of units outstanding (000's) ⁽¹⁾		1,747	1,990	2,223	731	319
Management expense ratio ⁺	%	—	—	—	—	—
Management expense ratio before waivers or absorptions ⁺	%	—	—	—	—	—
Trading expense ratio ⁽³⁾	%	0.06	0.03	0.06	0.07	0.03
Portfolio turnover rate ⁽⁴⁾	%	49.50	24.38	23.23	124.19	9.56
Net asset value per unit	\$	8.54	10.19	10.72	10.32	9.77

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

⁽¹⁾ This information is provided as at September 30 of the period shown.

⁽²⁾ Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

⁽³⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

⁽⁴⁾ The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

⁽⁵⁾ The information shown in this column is for the period beginning February 14, 2018 (the series' inception date) and ending September 30, 2018.

⁽⁶⁾ The information shown in this column is for the period beginning May 4, 2018 (the series' inception date) and ending September 30, 2018.

⁽⁷⁾ The information shown in this column is for the period beginning October 22, 2021 (the series' inception date) and ending September 30, 2022.

Management Fees

The Manager is responsible for the day-to-day management of the business and operations of the Fund. The Manager monitors and evaluates the Fund's performance, pays for the investment advice provided by the Fund's portfolio manager and provides certain administrative services required by the Fund. As compensation for its services, the Manager is entitled to receive a management fee payable monthly, calculated based on the daily net asset value of each series of the Fund at the annual rate set out in the table below. The management fee is subject to applicable taxes. The Manager may, at its discretion, waive a portion or the entire amount of the management fee chargeable at any given time for each series of the Fund.

	Annual Management Fee Rate [*] %	As a Percentage of Management Fees	
		Dealer Compensation %	General Administration, Investment Advice and Profit %
Series A Units	0.75	67	33
Advisor Series Units	0.75	66	34
Series T6 Units	0.75	67	33
Series F Units	0.25	0	100
Series F2 Units	0.25	0	100
Series F6 Units	0.25	0	100
Series D Units	0.40	37	63
Series G Units	0.50	50	50
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 Fixed Income ETF 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.

On May 4, 2018, the management fee on Series A, Advisor Series and Series T6 units was lowered from 1.00% to 0.75%. In addition, the management fee on Series F units was lowered from 0.35% to 0.25%, Series D units were lowered from 0.60% to 0.40% and Series G units were lowered from 0.70% to 0.50%.

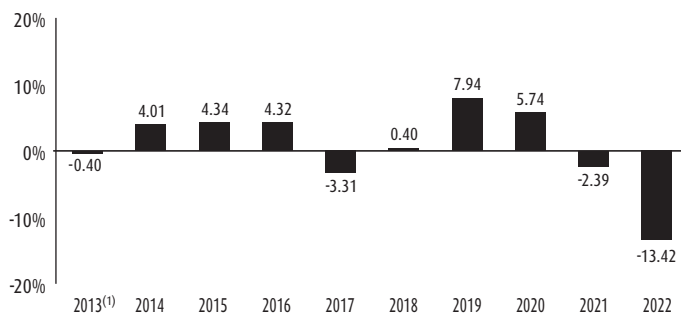
On April 12, 2019, after obtaining all necessary unitholder and regulatory approvals, BMO Fixed Income Yield Plus ETF Portfolio merged into the Fund.

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

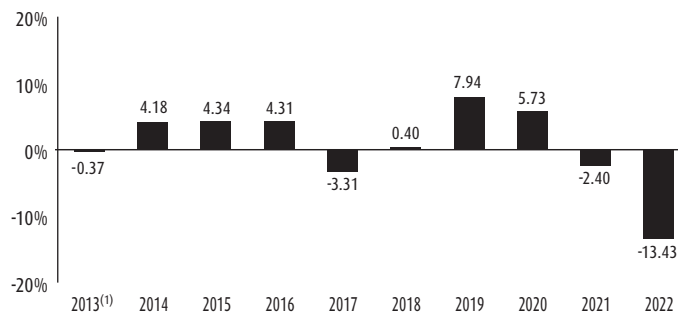
Year-by-Year Returns

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

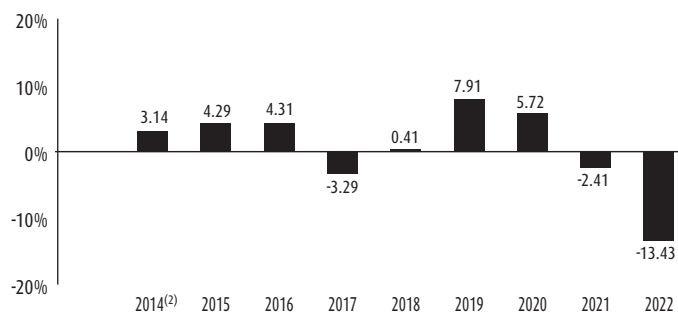
Series A Units



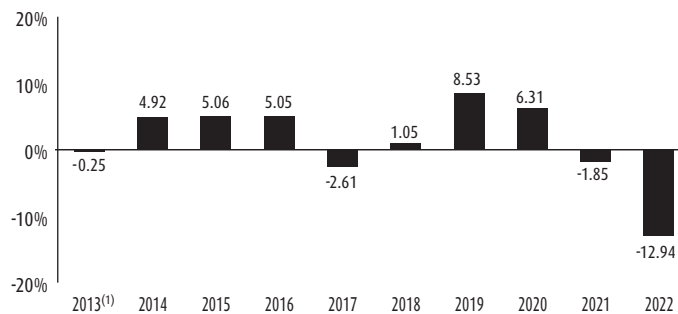
Advisor Series Units



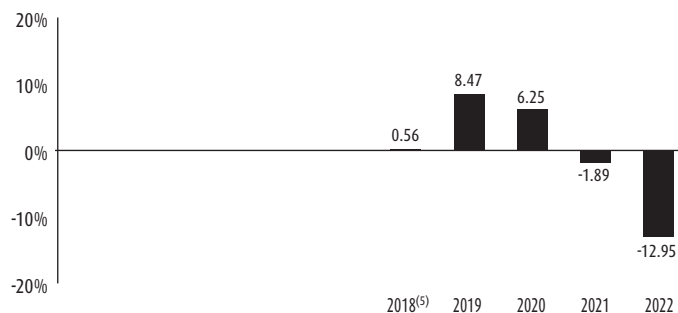
Series T6 Units



Series F Units



Series F2 Units

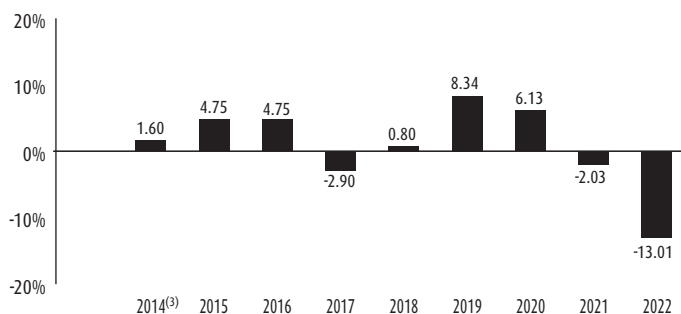


BMO Fixed Income ETF Portfolio

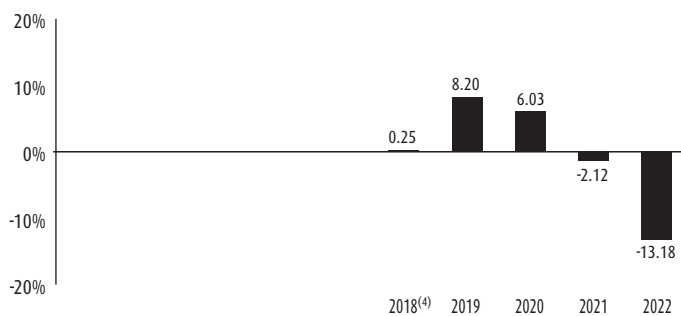
Series F6 Units



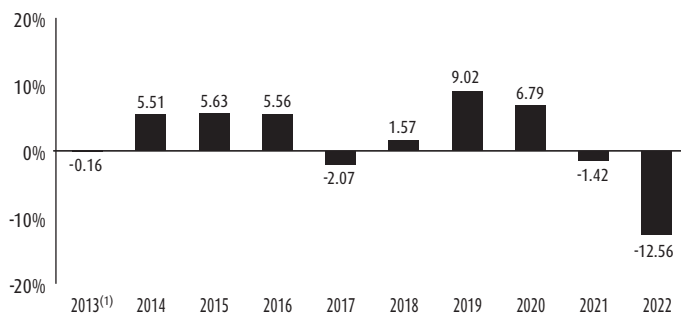
Series D Units



Series G Units



Series I Units



(1) For the period beginning with the performance launch date of August 12, 2013 to September 30, 2013.
 (2) For the period beginning with the performance launch date of November 4, 2013 to September 30, 2014.
 (3) For the period beginning with the performance launch date of April 8, 2014 to September 30, 2014.
 (4) For the period beginning with the performance launch date of February 16, 2018 to September 30, 2018.
 (5) For the period beginning with the performance launch date of May 14, 2018 to September 30, 2018.
 (6) For the period beginning with the performance launch date of October 22, 2021 to September 30, 2022.

Annual Compound Returns

This table compares the historical annual compound returns of the Fund with its benchmark, the FTSE Canada Universe Bond Index, a broad-based index.

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

Series A Units

		1 year	3 years	5 years	10 years	Since Inception ⁽⁹⁾
BMO Fixed Income ETF Portfolio	%	-13.42	-3.68	-0.64		0.59
FTSE Canada Universe Bond Index	%	-10.48	-2.51	0.66		1.95

Advisor Series Units

		1 year	3 years	5 years	10 years	Since Inception ⁽⁹⁾
BMO Fixed Income ETF Portfolio	%	-13.43	-3.69	-0.65		0.61
FTSE Canada Universe Bond Index	%	-10.48	-2.51	0.66		1.95

Series T6 Units

		1 year	3 years	5 years	10 years	Since Inception ⁽⁹⁾
BMO Fixed Income ETF Portfolio	%	-13.43	-3.70	-0.65		0.55
FTSE Canada Universe Bond Index	%	-10.48	-2.51	0.66		1.92

Series F Units

		1 year	3 years	5 years	10 years	Since Inception ⁽⁹⁾
BMO Fixed Income ETF Portfolio	%	-12.94	-3.15	-0.08		1.25
FTSE Canada Universe Bond Index	%	-10.48	-2.51	0.66		1.95

Series F2 Units

		1 year	3 years	5 years	10 years	Since Inception ⁽⁹⁾
BMO Fixed Income ETF Portfolio	%	-12.95	-3.19			-0.23
FTSE Canada Universe Bond Index	%	-10.48	-2.51			0.56

Series F6 Units

		1 year	3 years	5 years	10 years	Since Inception ⁽⁹⁾
BMO Fixed Income ETF Portfolio	%					-12.15
FTSE Canada Universe Bond Index	%					-9.79

Series D Units

		1 year	3 years	5 years	10 years	Since Inception ⁽⁹⁾
BMO Fixed Income ETF Portfolio	%	-13.01	-3.29	-0.24		0.79
FTSE Canada Universe Bond Index	%	-10.48	-2.51	0.66		1.72

BMO Fixed Income ETF Portfolio

Series G Units

		1 year	3 years	5 years	10 years	Since Inception ⁽¹⁾
BMO Fixed Income ETF Portfolio	%	-13.18	-3.42			-0.49
FTSE Canada Universe Bond Index	%	-10.48	-2.51			0.57

Series I Units

		1 year	3 years	5 years	10 years	Since Inception ⁽¹⁾
BMO Fixed Income ETF Portfolio	%	-12.56	-2.72	0.38		1.76
FTSE Canada Universe Bond Index	%	-10.48	-2.51	0.66		1.95

⁽¹⁾ Return from the performance launch date of August 12, 2013 to September 30, 2022.

⁽²⁾ Return from the performance launch date of November 4, 2013 to September 30, 2022.

⁽³⁾ Return from the performance launch date of April 8, 2014 to September 30, 2022.

⁽⁴⁾ Return from the performance launch date of February 16, 2018 to September 30, 2022.

⁽⁵⁾ Return from the performance launch date of May 14, 2018 to September 30, 2022.

⁽⁶⁾ Return from the performance launch date of October 22, 2021 to September 30, 2022.

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

SUMMARY OF INVESTMENT PORTFOLIO

As at September 30, 2022

Portfolio Allocation	% of Net Asset Value
Canadian Fixed Income Funds	41.1
U.S. Fixed Income Funds	37.5
Emerging Markets Fixed Income Fund	9.5
Money Market Investments	8.8
Cash/Receivables/Payables	3.1
Total Portfolio Allocation	100.0

Holdings ^{**} Issuer	% of Net Asset Value
Mid-Term US IG Corporate Bond Hedged to CAD Index ETF	29.1
BMO Aggregate Bond Index ETF	23.0
BMO Emerging Markets Bond Hedged to CAD Index ETF	9.5
BMO Core Plus Bond Fund, ETF Series	6.7
BMO Canadian MBS Index ETF	6.5
SPDR Portfolio TIPS ETF, Series I	6.0
BMO Long Federal Bond Index ETF	4.5
Cash/Receivables/Payables	3.1
BMO High Yield US Corporate Bond Hedged to CAD Index ETF	2.4
Government of Canada, Treasury Bills, 2.622% Oct 27, 2022	2.2
Province of Newfoundland and Labrador, Treasury Bills, 2.536% Oct 4, 2022	1.8
Government of Canada, Treasury Bills, 2.644% Oct 27, 2022	1.8
Government of Canada, Treasury Bills, 2.318% Oct 27, 2022	1.6
Province of Prince Edward Island, Promissory Note, 3.080% Nov 8, 2022	1.4
BMO Short Federal Bond Index ETF	0.4
BMO Long-Term US Treasury Bond Index ETF ^{**}	0.0
Total Holdings as a Percentage of Total Net Asset Value	100.0
Total Net Asset Value	\$221,365,075

^{**}Represents the entire portfolio.

⁺The prospectus and other information about the underlying exchange traded fund(s) held in the portfolio are available on the exchange traded fund's designated website and/or at www.sedar.com. For BMO Exchange Traded Funds, this information is also available at www.bmo.com/etflegal.

^{**}Holdings of less than 0.05% and greater than -0.05% are rounded to 0.0%.

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

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If you have any questions, please give us a call as follows:

- If you purchased BMO Mutual Funds through a BMO Bank of Montreal branch or BMO Online Banking, please call 1-800-665-7700.
- If you purchased BMO Mutual Funds through a full-service or discount broker, please call 1-800-668-7327 or email clientservices.mutualfunds@bmo.com.

Caution regarding forward-looking statements

This document may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent our beliefs regarding future events. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking statements will not prove to be accurate. We caution readers of this document not to place undue reliance on our forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed or implied in the forward-looking statements. Actual results may differ materially from management expectations as projected in such forward-looking statements for a variety of reasons, including but not limited to market and general economic conditions, interest rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the Fund may invest in and the risks detailed from time to time in BMO Mutual Funds' simplified prospectus. We caution that the foregoing list of factors is not exhaustive and that when relying on forward-looking statements to make decisions with respect to investing in the Fund, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Due to the potential impact of these factors, BMO Investments Inc. does not undertake, and specifically disclaims, any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

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Mutual Funds