

# BMO Balanced ETF Portfolio Class (the “Fund”)

For the six-month period ended March 31, 2023 (the “Period”)

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

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

## 2023 Semi-Annual Management Report of Fund Performance

This semi-annual management report of fund performance contains financial highlights but does not contain the complete semi-annual or annual financial statements of the Fund. If the semi-annual financial statements of the Fund do not accompany the mailing of this report, you may obtain a copy of the semi-annual or annual financial statements at your request, and at no cost, by calling 1-800-665-7700 and 1-800-668-7327, by writing to us at BMO Investments Inc., First Canadian Place, 100 King Street West, 43rd Floor, Toronto, Ontario, M5X 1A1 or by visiting our website at [www.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 proxy voting policies and procedures, proxy voting disclosure record and/or quarterly portfolio disclosure.

### MANAGEMENT DISCUSSION OF FUND PERFORMANCE

#### Results of Operations

During the Period, the Fund’s total net asset value changed from approximately \$917 million to approximately \$968 million. Series A shares of the Fund returned 9.71%. Please see the *Past Performance* section for information on the performance returns of the Fund’s other series.

The third quarter of 2022 concluded with an end to the market rally as U.S. Federal Reserve Board (“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.

Another reversal materialized in October, primarily driven by market anticipation of a Fed pivot on their rate increase policy. Growth and international equities outperformed significantly despite being underperformers of the year to date. This was counterintuitive to a broad consensus that a recession was indeed inevitable in 2023, although the notion of a softer landing was supported by resilient job numbers and consumer spending. The long outperforming Energy sector retreated as concerns of diminished demand combined with a mild start to winter weighed on crude prices. This also reversed though, as December brought news of an imminent loosening of China’s zero-COVID policy, which suggested a pickup in mobility and industrial activity in the new year. Rates were similarly volatile, with

the U.S. 10-year Treasury yield falling from the year’s peak of 4.24% to as low as 3.42%, before bouncing to finish the year at 3.87%.

The first quarter of 2023 had an economic performance that was better than expected alongside more Fed rate hikes. Banking stress surged after the failure of Silicon Valley Bank (SVB). The Swiss bank, UBS Group AG, concluded a government-backed takeover of a struggling Credit Suisse Group AG. Policy makers tried to reiterate the strength of the banking system while markets continued to look out for weakening banks. Despite lingering recession and rate hike fears, it was the third consecutive quarter of positive performance for the S&P 500 Index when expressed in Canadian dollar terms.

U.S. economic growth was helped by strong consumer spending amidst a strong labour market that is creating jobs and providing solid wage gains. U.S. equities rallied despite the loud and relentless recession narrative, propelled by the large tech companies that dominate the NASDAQ 100 Index. From the localized fear of bank failures to the rising scope of rate cuts, it was a great quarter for large, high quality, tech companies.

The sustained U.S. and Canadian job markets are the main reason why the widely expected recession continues to be delayed. Consumers remain in a strong position despite rising borrowing costs and falling purchasing power due to elevated inflation particularly for necessities such as food and shelter. After a steep fall in the number of transactions in the past year, housing resale activity is showing signs of stabilization, and although prices might only bottom out later this summer, the stabilization of housing activity is a positive development for the broad economic outlook.



Mutual Funds

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In one of the more closely watched policy decisions in the past year, the Fed held their ground with another 25 bps hike, raising the upper bound of the Fed Funds Rate to 5%. However, their recognition of future potential impacts of stresses in the banking sector, softer language regarding future hikes, and a slight downshift of the “dot plot” (Fed members’ individual rate outlooks) gave modest reassurance to markets. While the nature of the SVB situation indicated that it was idiosyncratic and not systematic, markets will nonetheless have to work through the process of re-establishing faith in financial institutions, thus impacting bank lending standards well past any immediate impacts. Federal Reserve data showed \$109 billion USD moved from smaller banks to larger institutions in a single week. The result will ultimately be higher cost of capital to individuals and corporations, while fiscal expenditures by governments may be impacted by any required supports or bailouts that may arise. Some market observers estimate that this tightening may be the equivalent of 50-75 bps of rate increases, but of course far less sticky (resistance of market prices to change quickly), in both direction and magnitude. All told, bond volatility was high, but the absolute move of the U.S. 10-year Treasury yield was from 3.83% to 3.47% over the Period.

During the Period, equities broadly outperformed fixed income, with the MSCI World Index rising 7.2% (CAD). The portfolio manager was largely neutral on equities, with total equity weights close to their prescribed benchmarks. Regionally, Europe, Australasia and Far East (EAFE) equities led, rising 7.59%, followed by the S&P 500 Index and S&P/TSX Composite Total Return Index, rising 6.97% and 3.69%, respectively. The broad MSCI Emerging Markets Index rose 3.49%, but the overweight among the portfolios was via Chinese equities, specifically, which almost tripled the broader Emerging Markets (EM) return. The Fund’s overweight to EM was funded initially through an underweight of Canadian equities, and then further by an underweight of U.S. equities, leaving EAFE exposure neutral. Among the tactical sector allocations, exposures to the NASDAQ 100 Index and Canadian Materials contributed to the Fund’s return, while the Fund’s exposure to energy and gold detracted.

Among fixed income holdings, the portfolio was neutral duration (interest rate risk) for the bulk of the Period, moving to overweight long bonds prior to the banking crisis, which added value as rates fell sharply. The portfolios were overweight U.S. investment grade credit, moving to an underweight of high yield in the first quarter of 2023. Overall, this positioning added to performance.

*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

While major developed economies are facing growth headwinds this year, consensus growth estimates of 5.3% for China are strong and continue to improve, in sharp contrast to the low and stalled growth estimates for the major Western economies hovering between 0 and 1%. Moreover, the broader EM complex has been more insulated from the recent banking stress in the U.S. and Europe. Another bullish (a rise of at least 20% from recent low levels) argument in favour of EM equities is how peak Fed expectations are weighing on the broader U.S. Dollar, a key ingredient for sustained EM outperformance. A rebounding China economy also rules out the odds of a severe global recession and supports the portfolio manager’s view for a milder economic downturn.

Whether the Fed is done hiking interest rates or not is secondary for long-term fixed-income investors. Policy rates of 5% for the Fed and 4.5% for the Bank of Canada (BoC) mean policy is well into restrictive territory and should help bring down inflation into 2024. Moreover, given that the widely expected recession could finally materialize later this year, fixed-income markets have shifted their attention from rate hikes to rate cuts. The portfolio manager thinks this dynamic will weigh on bond yields into 2024 and benefit fixed-income investors. The amplitude of the easing cycle, however, is a bigger debate. The answer to it will ultimately depend on how severe the recession turns out to be. The portfolio manager expects that the greater the economic pain, the deeper the rate cuts will be.

Despite swift action by the U.S. government to stem contagion in the banking sector following the takeover of SVB, U.S. banks are likely to respond to market anxiety by further tightening their lending standards. Smaller regional banks, especially, will need to reassure investors that their capital position is resilient and that they will not be forced into receivership like SVB. These events, echoing fears of the 2008 banking crisis, reinforced the consensus view that the U.S. will see slower economic activity into the second half of the year and will likely experience a recession. In a baseline scenario for Canada and the U.S., the portfolio manager continues to expect a mild recession which in turn will weigh on inflation. Slowing economic growth has kept the portfolio manager somewhat cautious in adding risk this year.

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Here at home in Canada, economic growth continues to surprise to the upside, most notably in the strong job creation. Also cushioning the downside is the fast pace of population growth from immigration, which is supporting housing demand at times of elevated mortgage rates and buyers' strike. Strong immigration flows are bringing in additional workers to the labour force as firms remain constrained by labour shortages. While the portfolio manager thinks Canada would struggle to avoid a recession if the U.S. rolled into one, a mild U.S. recession could have a more subtle impact on Canada's economy, especially if commodity prices remain near current levels. Although the BoC might be done with rate hikes, households will continue to see their debt-servicing costs increase as the impact of rate hikes is still being getting passed through.

Although recent economic data suggests economic activity remained robust into the Spring, the portfolio manager suspects the market might be nearing the start of a more challenging growth backdrop into the second half of 2023. The Fund remains slightly defensive to neutral, with a small overweight to fixed income. Regionally, the fund is underweight of Canadian and U.S. equities, neutral on EAFE, and overweight to EM equities. The portfolio manager remains underweight of riskier high-yielding credit and prefers investment-grade credit, especially in fixed-income heavy portfolios.

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.

## Subsequent Event

### *Multi-Series Structure Change*

As at the close of business on May 16, 2023, Series D Units will be terminated.

## RELATED PARTY TRANSACTIONS

From time to time, the Manager may, on behalf of the Fund, enter into transactions or arrangements with or involving other members of BMO Financial Group, or certain other persons or companies that are related or connected to the Manager (each a "Related Party"). The purpose of this section is to provide a brief description of any transaction involving the Fund and a Related Party.

## Manager

BMO Investments Inc., an indirect, wholly-owned subsidiary of Bank of Montreal ("BMO"), is the Manager 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.

## Administration Fee and Operating Expenses

The Fund pays a fixed administration fee to the Manager in respect of each series. 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 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. 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 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;

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

In accordance with the IRC's standing instructions, in making a decision to cause the Fund to enter into a Related Party Transaction, the Manager and the portfolio manager of the Fund are required to comply with the Manager's written policies and procedures governing the Related Party Transaction and report periodically to the IRC, describing each instance that the Manager relied on the standing instructions and its compliance or non-compliance with the governing policies and procedures. The governing policies and procedures are designed to ensure that each Related Party Transaction (i) is made free from any influence of BMO, BMO Nesbitt Burns Inc. or an associate or affiliate of BMO and/or BMO Nesbitt Burns Inc., and without taking into account any considerations relevant to BMO, BMO Nesbitt Burns Inc. or an associate or affiliate of BMO and/or BMO Nesbitt Burns Inc.; (ii) represents the business judgment of the Manager, uninfluenced by considerations other than the best interests of the Fund; and (iii) achieves a fair and reasonable result for the Fund.

## 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 Mar. 31, 2023 \$000	Period ended Mar. 31, 2022 \$000
Total brokerage commissions	186	135
Brokerage commissions paid to BMO Nesbitt Burns Inc.	81	53

## 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.

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

#### Series A Shares

	Period ended Mar. 31 2023	2022	Periods ended Sep. 30			
			2021	2020	2019	2018
Net assets, beginning of period	\$ 15.05	17.39	15.92	15.37	14.72	14.26
<b>Increase (decrease)</b>						
<b>from operations:</b>						
Total revenue	\$ 0.32	0.45	0.59	0.49	0.49	0.48
Total expenses <sup>(2)</sup>	\$ -0.15	-0.26	-0.26	-0.25	-0.26	-0.23
Realized gains (losses) for the period	\$ 0.14	0.18	0.25	0.03	0.15	0.12
Unrealized gains (losses) for the period	\$ 1.14	-2.58	0.90	0.41	0.40	0.35
<b>Total increase (decrease) from operations <sup>(3)</sup></b>	\$ 1.45	-2.21	1.48	0.68	0.78	0.72
<b>Distributions:</b>						
From net investment income (excluding dividends)	\$ —	—	—	—	—	—
From dividends	\$ —	0.07	0.06	0.08	0.09	0.11
From capital gains	\$ 0.19	0.10	—	0.10	0.08	0.13
Return of capital	\$ —	—	—	—	—	—
<b>Total Annual Distributions <sup>(4)</sup></b>	\$ 0.19	0.17	0.06	0.18	0.17	0.24
<b>Net assets, end of period</b>	\$ 16.31	15.05	17.39	15.92	15.37	14.72

#### Advisor Series Shares

	Period ended Mar. 31 2023	2022	Periods ended Sep. 30			
			2021	2020	2019	2018
Net assets, beginning of period	\$ 14.50	16.77	15.37	14.84	14.21	13.77
<b>Increase (decrease)</b>						
<b>from operations:</b>						
Total revenue	\$ 0.31	0.43	0.57	0.47	0.48	0.46
Total expenses <sup>(2)</sup>	\$ -0.14	-0.26	-0.25	-0.25	-0.25	-0.23
Realized gains (losses) for the period	\$ 0.13	0.18	0.24	0.04	0.14	0.12
Unrealized gains (losses) for the period	\$ 1.11	-2.43	0.90	0.39	0.40	0.33
<b>Total increase (decrease) from operations <sup>(3)</sup></b>	\$ 1.41	-2.08	1.46	0.65	0.77	0.68
<b>Distributions:</b>						
From net investment income (excluding dividends)	\$ —	—	—	—	—	—
From dividends	\$ —	0.08	0.07	0.08	0.09	0.11
From capital gains	\$ 0.19	0.09	—	0.10	0.07	0.13
Return of capital	\$ —	—	—	—	—	—
<b>Total Annual Distributions <sup>(4)</sup></b>	\$ 0.19	0.17	0.07	0.18	0.16	0.24
<b>Net assets, end of period</b>	\$ 15.72	14.50	16.77	15.37	14.84	14.21

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## Series T6 Shares

	Period ended		Periods ended Sep. 30			
	Mar. 31	2022	2021	2020	2019	2018
	2023					
Net assets, beginning of period	\$ 7.06	8.72	8.48	8.70	8.83	9.08
<b>Increase (decrease)</b>						
<b>from operations:</b>						
Total revenue	\$ 0.15	0.22	0.31	0.27	0.29	0.29
Total expenses <sup>(2)</sup>	\$ -0.07	-0.13	-0.14	-0.14	-0.15	-0.15
Realized gains (losses)						
for the period	\$ 0.06	0.09	0.13	0.02	0.09	0.09
Unrealized gains (losses)						
for the period	\$ 0.53	-1.25	0.46	0.20	0.23	0.19
<b>Total increase (decrease)</b>						
<b>from operations <sup>(3)</sup></b>	\$ 0.67	-1.07	0.76	0.35	0.46	0.42
<b>Distributions:</b>						
From net investment income						
(excluding dividends)	\$ —	—	—	—	—	—
From dividends	\$ —	0.03	0.03	0.04	0.05	0.05
From capital gains	\$ 0.09	0.05	—	0.05	0.04	0.09
Return of capital	\$ 0.24	0.53	0.53	0.52	0.51	0.55
<b>Total Annual Distributions <sup>(4)</sup></b>	\$ 0.33	0.61	0.56	0.61	0.60	0.69
<b>Net assets, end of period</b>	\$ 7.41	7.06	8.72	8.48	8.70	8.83

## Series F Shares

	Period ended		Periods ended Sep. 30			
	Mar. 31	2022	2021	2020	2019	2018
	2023					
Net assets, beginning of period	\$ 16.79	19.19	17.38	16.57	15.67	14.98
<b>Increase (decrease)</b>						
<b>from operations:</b>						
Total revenue	\$ 0.36	0.50	0.64	0.53	0.54	0.50
Total expenses <sup>(2)</sup>	\$ -0.06	-0.09	-0.08	-0.09	-0.10	-0.08
Realized gains (losses)						
for the period	\$ 0.15	0.20	0.28	0.04	0.16	0.16
Unrealized gains (losses)						
for the period	\$ 1.28	-2.90	1.00	0.42	0.45	0.30
<b>Total increase (decrease)</b>						
<b>from operations <sup>(3)</sup></b>	\$ 1.73	-2.29	1.84	0.90	1.05	0.88
<b>Distributions:</b>						
From net investment income						
(excluding dividends)	\$ —	—	—	—	—	—
From dividends	\$ —	0.08	0.07	0.07	0.07	0.07
From capital gains	\$ 0.22	0.11	—	0.10	0.08	0.14
Return of capital	\$ —	—	—	—	—	—
<b>Total Annual Distributions <sup>(4)</sup></b>	\$ 0.22	0.19	0.07	0.17	0.15	0.21
<b>Net assets, end of period</b>	\$ 18.30	16.79	19.19	17.38	16.57	15.67

## Series F2 Shares

	Period ended		Periods ended Sep. 30			
	Mar. 31	2022	2021	2020	2019	2018
	2023					
Net assets, beginning of period	\$ 10.25	11.97	11.07	10.77	10.37	10.08
<b>Increase (decrease)</b>						
<b>from operations:</b>						
Total revenue	\$ 0.22	0.31	0.43	0.34	0.37	0.34
Total expenses <sup>(2)</sup>	\$ -0.04	-0.05	-0.05	-0.06	-0.07	-0.06
Realized gains (losses)						
for the period	\$ 0.10	0.13	0.17	0.02	0.11	0.14
Unrealized gains (losses)						
for the period	\$ 0.76	-1.76	0.65	0.25	0.27	0.01
<b>Total increase (decrease)</b>						
<b>from operations <sup>(3)</sup></b>	\$ 1.04	-1.37	1.20	0.55	0.68	0.43
<b>Distributions:</b>						
From net investment income						
(excluding dividends)	\$ —	—	—	—	—	—
From dividends	\$ —	0.06	0.06	0.05	0.04	0.02
From capital gains	\$ 0.13	0.07	—	0.07	0.05	0.10
Return of capital	\$ 0.12	0.24	0.23	0.21	0.20	0.20
<b>Total Annual Distributions <sup>(4)</sup></b>	\$ 0.25	0.37	0.29	0.33	0.29	0.32
<b>Net assets, end of period</b>	\$ 11.05	10.25	11.97	11.07	10.77	10.37

## Series F6 Shares

	Period ended		Period ended Sep. 30	
	Mar. 31	2022 <sup>(6)</sup>	2021	2020
	2023			
Net assets, beginning of period	\$ 16.31	20.00*		
<b>Increase (decrease)</b>				
<b>from operations:</b>				
Total revenue	\$ 0.34	0.46		
Total expenses <sup>(2)</sup>	\$ -0.06	-0.08		
Realized gains (losses)				
for the period	\$ 0.16	0.03		
Unrealized gains (losses)				
for the period	\$ 1.18	-3.96		
<b>Total increase (decrease)</b>				
<b>from operations <sup>(3)</sup></b>	\$ 1.62	-3.55		
<b>Distributions:</b>				
From net investment income				
(excluding dividends)	\$ —	—		
From dividends	\$ —	0.00		
From capital gains	\$ 0.21	0.11		
Return of capital	\$ 0.55	1.11		
<b>Total Annual Distributions <sup>(4)</sup></b>	\$ 0.76	1.22		
<b>Net assets, end of period</b>	\$ 17.20	16.31		

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## Series D Shares

	Period ended		Periods ended Sep. 30			
	Mar. 31 2023	2022	2021	2020	2019	2018 <sup>(5)</sup>
Net assets, beginning of period	\$ 10.80	12.39	11.26	10.74	10.17	10.00*
<b>Increase (decrease) from operations:</b>						
Total revenue	\$ 0.23	0.30	0.43	0.36	0.36	0.30
Total expenses <sup>(2)</sup>	\$ -0.04	-0.10	-0.09	-0.09	-0.09	-0.09
Realized gains (losses) for the period	\$ 0.10	0.25	0.18	0.03	0.10	0.19
Unrealized gains (losses) for the period	\$ 0.80	-0.76	0.66	0.32	0.23	-0.21
<b>Total increase (decrease) from operations<sup>(3)</sup></b>	\$ 1.09	-0.31	1.18	0.62	0.60	0.19
<b>Distributions:</b>						
From net investment income (excluding dividends)	\$ —	—	—	—	—	—
From dividends	\$ —	0.06	0.05	0.02	0.03	—
From capital gains	\$ 0.14	0.07	—	0.06	0.05	0.09
Return of capital	\$ —	—	—	—	—	—
<b>Total Annual Distributions<sup>(4)</sup></b>	\$ 0.14	0.13	0.05	0.08	0.08	0.09
<b>Net assets, end of period</b>	\$ 11.75	10.80	12.39	11.26	10.74	10.17

\* Initial net assets.

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

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

<sup>(3)</sup> Net assets and distributions are based on the actual number of shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of shares outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per share.

<sup>(4)</sup> Distributions were either paid in cash or reinvested in additional shares of the Fund, or both.

<sup>(5)</sup> The information shown in this column is for the period beginning November 20, 2017 (the series' inception date) and ending September 30, 2018.

<sup>(6)</sup> 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 Shares

	Period ended		Periods ended Sep. 30			
	Mar. 31 2023	2022	2021	2020	2019	2018
Total net asset value (000's) <sup>(1)</sup>	\$ 530,075	498,086	541,438	429,519	430,208	452,940
Number of shares						
outstanding (000's) <sup>(1)</sup>	32,496	33,095	31,143	26,975	27,988	30,773
Management expense ratio <sup>(2)</sup>	% 1.71	1.71	1.71	1.71	1.70	1.71
Management expense ratio						
before waivers or absorptions	% 1.72	1.71	1.71	1.71	1.70	1.71
Trading expense ratio <sup>(3)</sup>	% 0.06	0.04	0.02	0.03	0.04	0.02
Portfolio turnover rate <sup>(4)</sup>	% 21.42	31.52	7.01	14.11	26.26	17.76
Net asset value per share	\$ 16.31	15.05	17.39	15.92	15.37	14.72

### Advisor Series Shares

	Period ended		Periods ended Sep. 30			
	Mar. 31 2023	2022	2021	2020	2019	2018
Total net asset value (000's) <sup>(1)</sup>	\$ 123,420	118,840	143,458	127,778	135,191	144,142
Number of shares						
outstanding (000's) <sup>(1)</sup>	7,852	8,194	8,556	8,315	9,110	10,141
Management expense ratio <sup>(2)</sup>	% 1.72	1.72	1.72	1.72	1.72	1.72
Management expense ratio						
before waivers or absorptions	% 1.75	1.75	1.75	1.75	1.75	1.75
Trading expense ratio <sup>(3)</sup>	% 0.06	0.04	0.02	0.03	0.04	0.02
Portfolio turnover rate <sup>(4)</sup>	% 21.42	31.52	7.01	14.11	26.26	17.76
Net asset value per share	\$ 15.72	14.50	16.77	15.37	14.84	14.21

## Series T6 Shares

	Period ended		Periods ended Sep. 30			
	Mar. 31 2023	2022	2021	2020	2019	2018
Total net asset value (000's) <sup>(1)</sup>	\$ 84,524	81,927	91,895	73,782	73,403	78,837
Number of shares						
outstanding (000's) <sup>(1)</sup>	11,408	11,599	10,542	8,702	8,439	8,923
Management expense ratio <sup>(2)</sup>	% 1.72	1.72	1.72	1.72	1.72	1.72
Management expense ratio						
before waivers or absorptions	% 1.74	1.74	1.73	1.73	1.72	1.73
Trading expense ratio <sup>(3)</sup>	% 0.06	0.04	0.02	0.03	0.04	0.02
Portfolio turnover rate <sup>(4)</sup>	% 21.42	31.52	7.01	14.11	26.26	17.76
Net asset value per share	\$ 7.41	7.06	8.72	8.48	8.70	8.83

## Series F Shares

	Period ended		Periods ended Sep. 30			
	Mar. 31 2023	2022	2021	2020	2019	2018
Total net asset value (000's) <sup>(1)</sup>	\$ 217,471	208,025	218,853	176,471	149,567	122,330
Number of shares						
outstanding (000's) <sup>(1)</sup>	11,884	12,388	11,406	10,153	9,024	7,807
Management expense ratio <sup>(2)</sup>	% 0.61	0.61	0.61	0.61	0.61	0.61
Management expense ratio						
before waivers or absorptions	% 0.62	0.62	0.61	0.61	0.61	0.61
Trading expense ratio <sup>(3)</sup>	% 0.06	0.04	0.02	0.03	0.04	0.02
Portfolio turnover rate <sup>(4)</sup>	% 21.42	31.52	7.01	14.11	26.26	17.76
Net asset value per share	\$ 18.30	16.79	19.19	17.38	16.57	15.67

## Series F2 Shares

	Period ended		Periods ended Sep. 30			
	Mar. 31 2023	2022	2021	2020	2019	2018
Total net asset value (000's) <sup>(1)</sup>	\$ 3,427	3,125	3,750	3,898	3,545	2,824
Number of shares						
outstanding (000's) <sup>(1)</sup>	310	305	313	352	329	272
Management expense ratio <sup>(2)</sup>	% 0.61	0.61	0.61	0.61	0.61	0.61
Management expense ratio						
before waivers or absorptions	% 0.63	0.63	0.62	0.63	0.62	0.62
Trading expense ratio <sup>(3)</sup>	% 0.06	0.04	0.02	0.03	0.04	0.02
Portfolio turnover rate <sup>(4)</sup>	% 21.42	31.52	7.01	14.11	26.26	17.76
Net asset value per share	\$ 11.05	10.25	11.97	11.07	10.77	10.37

## Series F6 Shares

	Period ended		Period ended Sep. 30	
	Mar. 31 2023	2022 <sup>(6)</sup>	2021	2020
Total net asset value (000's) <sup>(1)</sup>	\$ 9,097	6,506		
Number of shares				
outstanding (000's) <sup>(1)</sup>	529	399		
Management expense ratio <sup>(2)</sup>	% 0.61	0.61		
Management expense ratio				
before waivers or absorptions	% 0.62	0.62		
Trading expense ratio <sup>(3)</sup>	% 0.06	0.04		
Portfolio turnover rate <sup>(4)</sup>	% 21.42	31.52		
Net asset value per share	\$ 17.20	16.31		

# BMO Balanced ETF Portfolio Class

## Series D Shares

	Period ended Mar. 31 2023	2022	Periods ended Sep. 30			
			2021	2020	2019	2018 <sup>(1)</sup>
Total net asset value (000's) <sup>(1)</sup>	\$ 117	106	7,358	6,678	461	359
Number of shares						
outstanding (000's) <sup>(1)</sup>	10	10	594	593	43	35
Management expense ratio <sup>(2)</sup>	% 0.90	0.89	0.89	0.90	0.90	0.90
Management expense ratio						
before waivers or absorptions	% 0.91	0.89	0.89	0.90	0.90	0.99
Trading expense ratio <sup>(3)</sup>	% 0.06	0.04	0.02	0.03	0.04	0.02
Portfolio turnover rate <sup>(4)</sup>	% 21.42	31.52	7.01	14.11	26.26	17.76
Net asset value per share	\$ 11.75	10.80	12.39	11.26	10.74	10.17

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

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

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

<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 November 20, 2017 (the series' inception date) and ending September 30, 2018.

<sup>(6)</sup> 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 Shares	1.40	71	29
Advisor Series Shares	1.40	70	30
Series T6 Shares	1.40	71	29
Series F Shares	0.40	0	100
Series F2 Shares	0.40	0	100
Series F6 Shares	0.40	0	100
Series D Shares	0.65	38	62

## PAST PERFORMANCE

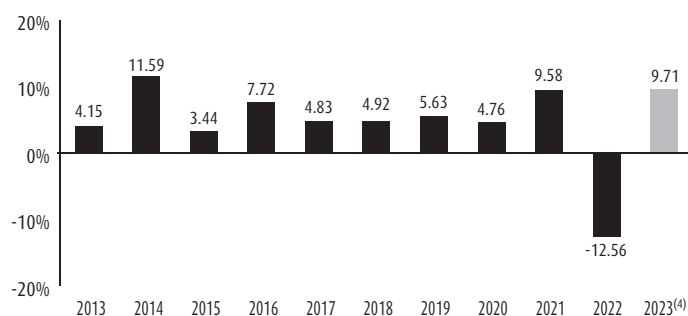
The Fund's performance information assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund and is based on the net asset value of the Fund. The reinvestment of distributions increases returns. The performance information does not take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

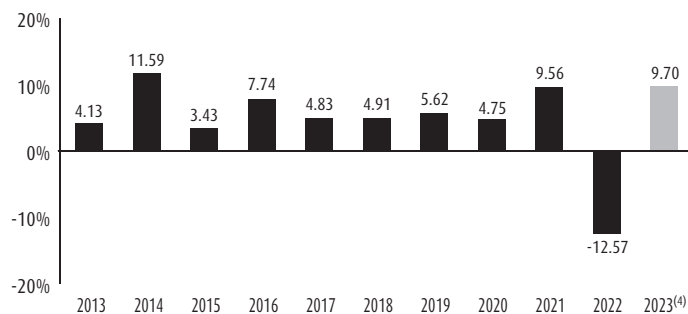
## Year-by-Year Returns

The following bar charts show the performance of each series of the Fund for each of the financial years shown and for the six-month period ended March 31, 2023, 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 Shares

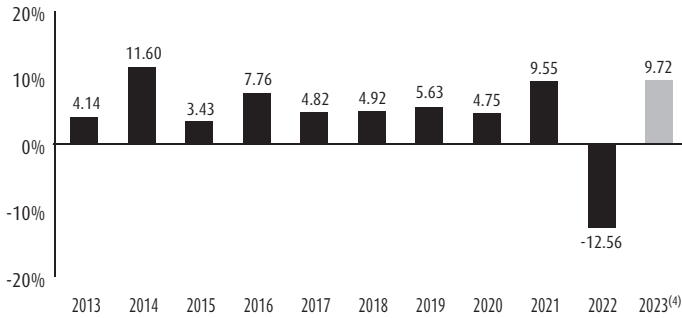


### Advisor Series Shares

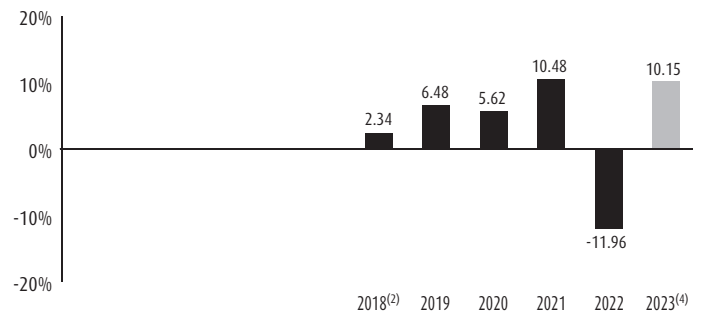


# BMO Balanced ETF Portfolio Class

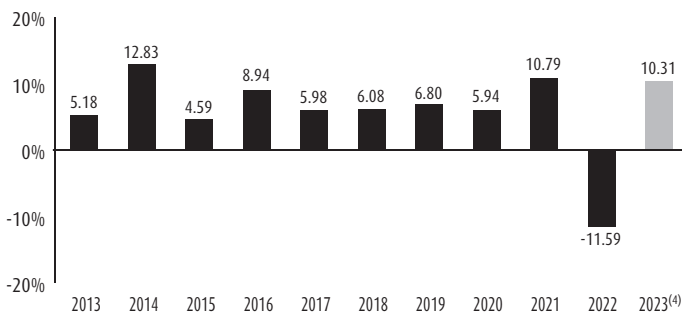
## Series T6 Shares



## Series D Shares

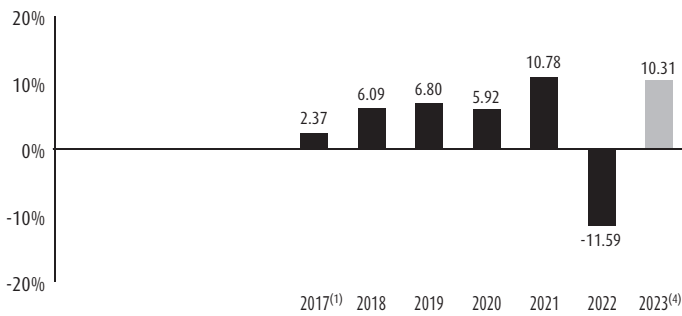


## Series F Shares



- (1) For the period beginning with the performance launch date of February 17, 2017 to September 30, 2017.
- (2) For the period beginning with the performance launch date of November 21, 2017 to September 30, 2018.
- (3) For the period beginning with the performance launch date of October 22, 2021 to September 30, 2022.
- (4) For the six-month period ended March 31, 2023.

## Series F2 Shares



## Series F6 Shares





# BMO Balanced ETF Portfolio Class

## SUMMARY OF INVESTMENT PORTFOLIO

As at March 31, 2023

<b>Portfolio Allocation</b>	<b>% of Net Asset Value</b>	<b>Holdings**+ Issuer</b>	<b>% of Net Asset Value</b>
Canadian Fixed Income Funds	22.7	BMO S&P 500 Index ETF	16.3
U.S. Equity Funds	19.1	BMO S&P/TSX Capped Composite Index ETF	16.1
International Equity Funds	18.8	BMO Discount Bond Index ETF	14.4
Canadian Equity Funds	17.1	BMO MSCI EAFE Index ETF	13.5
U.S. Fixed Income Funds	11.9	BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF	10.2
Emerging Markets Equity Funds	4.8	BMO MSCI Emerging Markets Index ETF	4.1
Emerging Markets Fixed Income Fund	3.4	BMO Core Plus Bond Fund, ETF Series	3.5
Money Market Investments	1.0	BMO Emerging Markets Bond Hedged to CAD Index ETF	3.4
Commodity Fund	0.8	BMO Long Federal Bond Index ETF	3.1
Cash/Receivables/Payables	0.4	BMO MSCI Europe High Quality Hedged to CAD Index ETF	2.7
<b>Total Portfolio Allocation</b>	<b>100.0</b>	BMO Japan Index ETF	2.6
		BMO Canadian MBS Index ETF	1.7
		BMO High Yield US Corporate Bond Hedged to CAD Index ETF	1.7
		Industrial Select Sector SPDR Fund	1.0
		iShares S&P/TSX Capped Materials Index ETF	1.0
		BMO Nasdaq 100 Equity Index ETF	0.9
		iShares Gold Trust	0.8
		BMO MSCI China ESG Leaders Index ETF	0.7
		BMO S&P US Small Cap Index ETF	0.5
		Cash/Receivables/Payables	0.4
		Government of Canada, Treasury Bills, 4.240% Apr 13, 2023	0.4
		Government of Canada, Treasury Bills, 4.206% Apr 13, 2023	0.4
		Energy Select Sector SPDR Fund	0.4
		Government of Canada, Treasury Bills, 4.354% Aug 3, 2023	0.2
		<b>Total Holdings as a Percentage of Total Net Asset Value</b>	<b>100.0</b>
		<b>Total Net Asset Value</b>	<b>\$968,130,787</b>

\*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](http://www.sedar.com). For BMO Exchange Traded Funds, this information is also available 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.**

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[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