BMO Mutual Funds

Corporate Class

BMO ETF Portfolios are an all-in-one mutual fund portfolio solution that offers investors the ability to switch between ETF Portfolios without triggering immediate tax consequences.

Benefits of Investing in BMO's Corporate Class

Tax Deferral

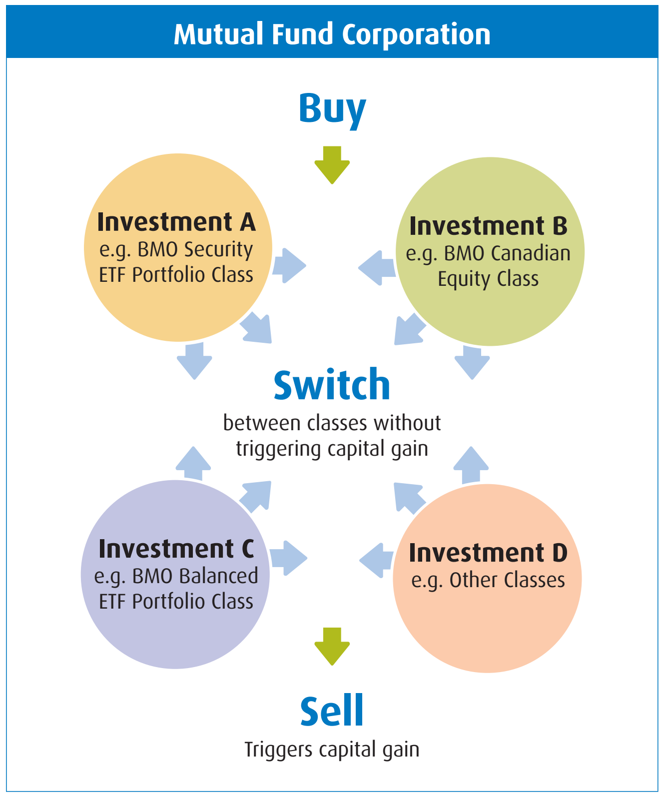
With Corporate Class, investors can switch among portfolios without triggering an immediate tax liability until they decide to redeem the Portfolio.

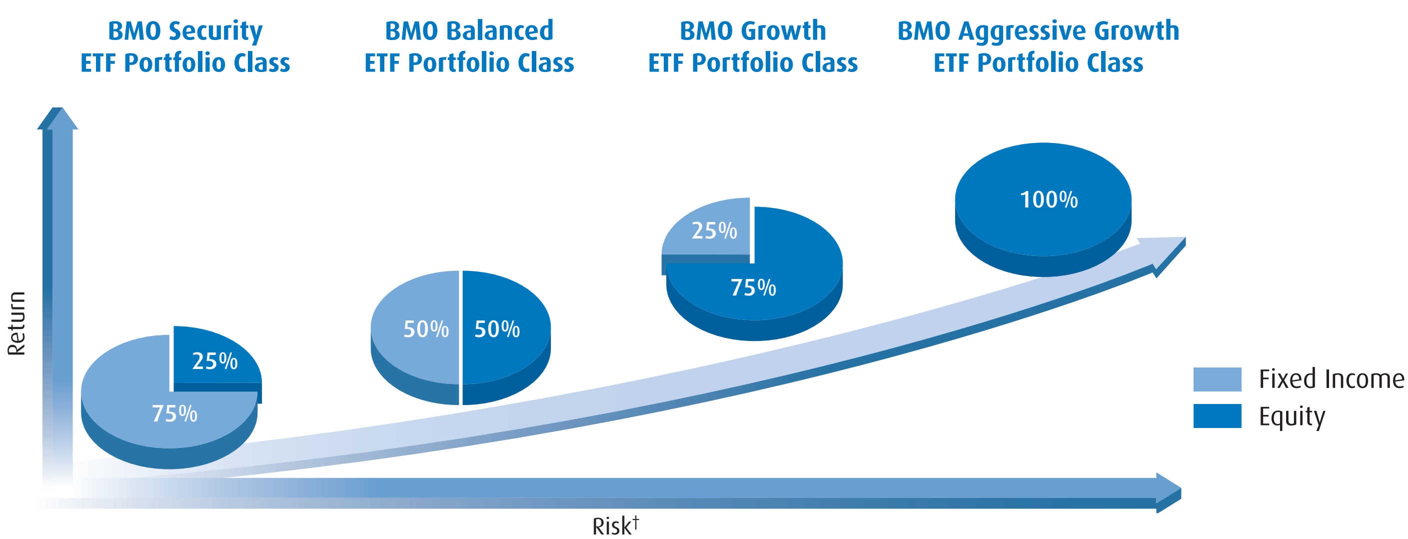
Tax Efficient Distributions

The mutual fund corporation aims to minimize the distributions flowed to investors. Typically profits are distributed as capital gains and/or dividend income, which are taxed at lower rates compared to interest income.

Comprehensive Flexibility

BMO ETF Portfolios are part of BMO Global Tax Advantage Funds Inc. This is attractive for non-registered investments, as it allows investors to switch among our corporate class mutual funds if there is a change in their objectives.

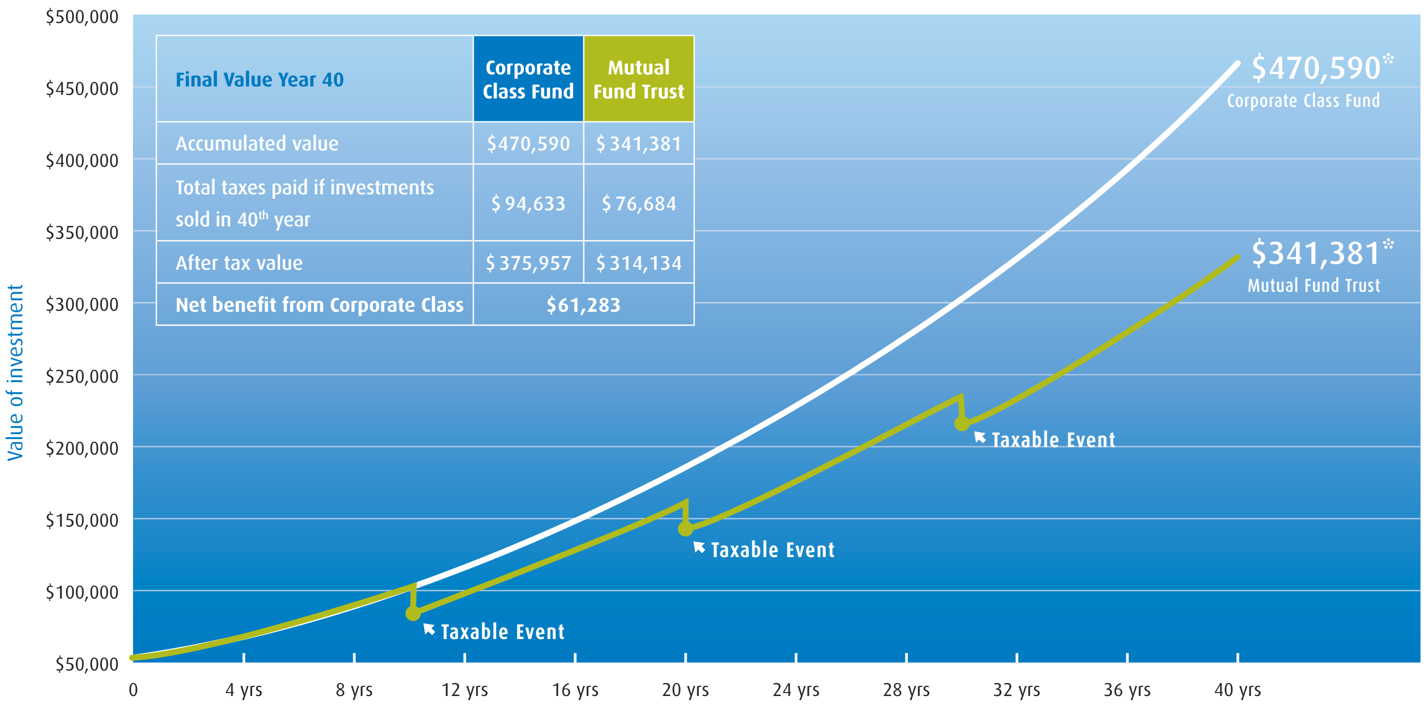




†Risk is defined as the uncertainty of a return and the potential for capital loss in your investment.

Keep more of your money working for you

With BMO ETF Portfolios, investors can switch from the four different options to suit their evolving risk/reward profile. This switch can be done in a tax-efficient manner by deferring your capital gains tax liability, so that you can continue to keep your money invested and working for you.



Final Value Year 40	Corporate Class Fund	Mutual Fund Trust
Accumulated value	$470,590	$341,381
Total taxes paid if investments sold in 40th year	$94,633	$76,684
After tax value	$375,957	$314,134
Net benefit from Corporate Class	$61,283	

Example: Benefits of BMO's ETF Portfolio Corporate Class Structure

Two investors each invest $50,000 over a 40 year period in a non-registered account. **Investor A** invests in the BMO ETF Portfolio corporate class structure and **Investor B** invests in a standard mutual fund trust. Both investors hold the same underlying investments and achieve the same returns – but hold the investments in different structures – corporate class vs. a mutual fund trust.

Both investors initially start in all equity portfolios, but as their investment goals change the investors switch into more conservative portfolios every 10 years. By deferring the tax liability from switching, the corporate class investor **(Investor A)** benefits from the tax-deferred compounded growth by maintaining more of their overall return versus the mutual fund trust investor **(Investor B)**.

*Assumptions:

- Both investments begin with the same asset allocation for the BMO Aggressive Growth ETF Portfolio Class, after 10 years using the BMO Growth ETF Portfolio Class, after 10 more years using the BMO Balanced ETF Portfolio Class and for the last 10 years in the BMO Security ETF Portfolio Class.
- Full switches made within their respective fund structures every 10 years. The mutual fund trust investor immediately realizes a capital gains tax liability, whereas the corporate class investor's liability is deferred.
- Net rates of returns for both investments are based on 7% equity and 3.5% for fixed income exposure with no distributions.
- Capital gains inclusion rate of 50% and marginal tax rate of 45%. Capital gains tax liability is paid using the investment proceeds in each respective account.

For more information, please visit us at **bmo.com/mutualfunds**

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