INFORMATION STATEMENT DATED SEPTEMBER 18, 2006

This Information Statement has been prepared solely for assisting prospective purchasers in making an investment decision with respect to these Deposit Notes. This Information Statement constitutes an offering of these Deposit Notes only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell the Deposit Notes. No securities commission or similar authority in Canada has in any way passed upon the merits of the Deposit Notes offered hereunder and any representation to the contrary is an offence. The Deposit Notes offered under this Information Statement have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or any State securities laws and may not be offered for sale or sold in the United States or to United States persons.

BMO Bank of Montreal

Bank of Montreal

GGOF® C.O.R.E. Protected Deposit Notes™, Yield Class™, Series 1

PRICE: $100 PER NOTE

Minimum Subscription: $2,000 (20 Deposit Notes)

The Bank of Montreal GGOF C.O.R.E. Protected Deposit Notes, Yield Class, Series 1 (the "Deposit Notes") issued by Bank of Montreal will mature on or about April 25, 2014 ("Maturity"). The Deposit Notes are a principal protected product that endeavours to provide up to 200% exposure to the total return of a notional investment in Mutual Fund Units of the GGOF Dividend Growth Fund (the "Fund") that could otherwise have been purchased with the net proceeds of the offering of the Deposit Notes (the "Offering"), assuming that the management expense ratio of such units is nil and the value of such units is increased by the value of any distributions thereon (the notional units resulting from such adjustments being referred to as "Units"). An investment in the Deposit Notes is subject to certain fees and expenses. See "Fees and Expenses of the Note Program".

Bank of Montreal has engaged Jones Heward Investment Counsel Inc. (the "Investment Manager") to manage a portfolio (the "Fund Portfolio") of holdings primarily intended to replicate the total return of the Units. The investment objectives of the Fund and the Fund Portfolio are to generate a high level of tax-effective returns which includes dividend income and some capital gains from the increase in the value of the securities held in the Fund's portfolio or the Fund Portfolio, as the case may be. The Fund and the Fund Portfolio will invest primarily in dividend-yielding common and preferred shares of established Canadian companies. They may also invest in fixed income securities. Both the Fund and the Fund Portfolio are managed by the Investment Manager.

Although the Fund Portfolio will be managed with the primary objective of replicating the total return of the Units, there can be no assurance that returns, if any, on the Fund Portfolio will be the same as returns on the Units. See "Risk Factors – No Guarantee that Performance of the Fund Portfolio will Replicate the Performance of the Fund".

The return, if any, on the Deposit Notes will be based on the return on a notional investment of the net proceeds of the Offering in a basket of assets (the "Basket") generally consisting of the Fund Portfolio and a notional bond portfolio. Where the Basket does not include a notional investment in the Fund Portfolio, the Basket will consist of a notional investment in a notional bond portfolio and, except in certain circumstances described herein as an extraordinary event, options (the "Options"). Each Option represents, on a per Deposit Note basis, a notional right to receive at maturity an amount equal to 20% of the increase in value in excess of $100, if any, of a notional investment of the net proceeds per Deposit Note in Units made as of the closing of the Offering, assuming a notional investment of the net proceeds of the Offering only in Units on the closing of the Offering and throughout the term of the Deposit Notes and assuming the notional deduction of applicable fees, expenses and aggregate interest payments that would have been made in respect of the Deposit Notes in such case during such term. It is anticipated that 100% of the Basket will be allocated to the Fund Portfolio on the closing of the Offering. See "Note Program", "The Fund Portfolio" and "The Fund".

Within 10 business days of the end of May, 2007 and each month thereafter prior to Maturity (each a "Payment Date") Bank of Montreal will pay to each Holder interest on the Deposit Notes based on the positive Total Return (as hereinafter defined), if any, on the Fund Portfolio.

On the last day of each May and November during the term of the Deposit Notes, beginning in May, 2007 and ending in November, 2013 (each a "Determination Date"), the Total Return on the aggregate Fund Portfolio will be determined.

If the Total Return on a Determination Date is positive, Bank of Montreal will make interest payments to each Holder in an aggregate amount equal to such Holder's pro rata share of 50% of such positive Total Return. This amount will be paid in equal instalments on each Payment Date occurring from and including the Determination Date to, but excluding, the next Determination Date (or Maturity if no further Determination Dates remain).

There is no guarantee that any distributions will be made on the Fund Portfolio or that the value of the Fund Portfolio will appreciate during the term of the Deposit Notes. As a result, the interest payments on the Deposit Notes could be zero. No payments will be made to a Holder prior to Maturity so long as the Basket includes Options and does not include the Fund Portfolio. The amount and frequency of interest payments during the term of the Deposit Notes will not affect a Holder's right to receive at least $100 per Deposit Note at Maturity. See "Description of the Deposit Notes".

At Maturity, each Holder will receive an amount per Deposit Note equal to the greater of (i) the amount deposited of $100 (the "Deposit Amount") and (ii) the Deposit Amount plus a variable return, if any, calculated in accordance with the Variable Return Payment Formula (as hereinafter defined). Under the Variable Return Payment Formula, the variable return will be based on the return on the Basket after payments of interest, if any, to Holders prior to Maturity. See "Description of the Deposit Notes".

During the term of the Deposit Notes, the allocations to the Fund Portfolio, the notional bond portfolio and Options in the Basket will be determined in accordance with the methodology (the "Asset Allocation Methodology") hereinafter described. See "Note Program – Reallocation of Assets". Each business day, the Calculation Agent (as hereinafter defined) will determine whether the proportion of the Fund Portfolio and the notional bond portfolio in the Basket needs to be reallocated under the Asset Allocation Methodology and whether Options need to be included in the Basket. A number of factors will affect the reallocation between the Fund Portfolio and the notional bond portfolio under the Asset Allocation Methodology, including the performance of the Fund Portfolio, the remaining term of the Deposit Notes and interest rates as of the relevant date of determination. If and only so long as 0% is allocated to the Fund Portfolio, the Basket will, except in certain circumstances described herein as an extraordinary event, include Options. If the allocation to the Fund Portfolio in the Basket exceeds 100%, the Calculation Agent will employ leverage by borrowing under a notional loan facility to make additional investments in the Fund Portfolio in order to provide up to 200% exposure to the total return of the Units that could otherwise have been purchased with the net proceeds of the Offering. The Calculation Agent may also borrow under the notional loan facility in order to fund any interest payments payable during the term of the Deposit Notes. Any notional borrowing by the Calculation Agent is without personal liability to any Holder, but may affect the value of or return on the Deposit Notes. The variable return that a Holder receives at Maturity will be reduced by the aggregate fees and expenses paid by the note program during the term of the Deposit Notes including the amount of interest payable to BMO Nesbitt Burns Inc. ("BMO Capital Markets") on the notionally borrowed money, calculated at an annual interest rate equal to the bankers' acceptance rate plus one quarter of one percent. Any reallocation of assets in the Basket between the Fund Portfolio and the notional bond portfolio, the use of any notional borrowing and any notional investment in Options will occur as of the business day next following the date on which it was determined that any such reallocation or notional investment was necessary. See "Definitions" and "Note Program – Reallocation of Assets".

Holders of Deposit Notes will not have an ownership interest in the Fund, its units or its holdings, the Fund Portfolio or its holdings, the Options or the notional bond portfolio as a result of their investment in the Deposit Notes and will not have the rights of a holder of units of the Fund, the Fund Portfolio, the notional bond portfolio or the Options.

The Deposit Notes will constitute direct, unconditional obligations of Bank of Montreal. The Deposit Notes will be issued on an unsubordinated basis and will rank *pari passu*, as among themselves, and with all other outstanding direct, unsecured and unsubordinated, present and future obligations (except as otherwise prescribed by law) of Bank of Montreal, and will be payable rateably without any preference or priority. **The Deposit Notes will not be deposits insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime.** See "Description of the Deposit Notes".

There is no assurance that an investment in the Deposit Notes will be eligible for protection under the Canadian Investor Protection Fund. A Holder should consult his or her investment advisor on whether the Holder's investment in the Deposit Notes is eligible for protection in light of such Holder's particular circumstances. See "Description of the Deposit Notes".

The Deposit Notes have certain characteristics that differ from conventional fixed income investments in that they do not provide Holders with a return or income stream prior to Maturity, or a return at Maturity, calculated by reference to a fixed or floating rate of interest that is determinable prior to Maturity. The return on the Deposit Notes, if any, unlike the return on many deposit liabilities of Canadian chartered banks, is uncertain in that, if the Basket does not generate positive returns, the Deposit Notes could produce no return on the Holder's original investment. There is no assurance that the Basket will generate positive returns. Therefore, the Deposit Notes are not suitable investments for an investor if the investor needs or expects to receive any payments during the term of the Deposit Notes or any return or a specific return on investment. The Deposit Notes are designed for investors with a long-term investment horizon who are prepared to hold the Deposit Notes to Maturity and are prepared to assume risks with respect to a return based on the performance of the Basket. Prospective purchasers should take into account additional risk factors associated with this Offering. Also, there is no assurance that the Fund Portfolio will be able to meet its investment objectives or achieve the intended benefits of its strategies or avoid losses. See "Risk Factors".

BMO Capital Markets is the selling agent (the "Selling Agent") and is a subsidiary of Bank of Montreal. **As a result, Bank of Montreal is a related issuer of the Selling Agent under applicable securities legislation**. See "Plan of Distribution".

In this Information Statement, "$" refers to Canadian dollars, unless otherwise expressly specified.

The closing of this Offering is scheduled to occur on or about November 8, 2006 (the "Closing Date"). Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Subscription for Deposit Notes may be made through the mutual fund order entry system FundSERV under the mutual fund order code "JHN 801" which will result in funds being accumulated in a non-interest bearing account of BMO Capital Markets pending execution of all documents required for this transaction and satisfaction of closing conditions, if any. Upon acceptance of a subscription, a confirmation of acceptance will be sent out by prepaid mail or other means of delivery to the subscriber. If for any reason the closing of this Offering does not occur, all subscription funds will be returned to subscribers without interest or deduction. See "Plan of Distribution".

A global deposit note for the aggregate principal amount of the Deposit Notes issued on the Closing Date will be issued in registered form to The Canadian Depository for Securities Limited ("CDS") and will be deposited with CDS on the Closing Date. Subject to certain exceptions, certificates evidencing the Deposit Notes will generally not be available to Holders under any circumstances and registration of interests in the Deposit Notes will be made through CDS's book-entry system. See "Description of the Deposit Notes – Book-Entry System".

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This Information Statement has been prepared for the sole purpose of assisting prospective investors in making an investment decision with respect to the Deposit Notes. Bank of Montreal has taken reasonable care to ensure that the facts stated in this Information Statement with respect to the description of the Deposit Notes are true and accurate in all material respects. All information in this Information Statement relating to the Investment Manager has been provided by the Investment Manager. All information in this Information Statement relating to the Fund or units of the Fund has been provided by Guardian Group of Funds Ltd., the manager of the Fund. Bank of Montreal makes no assurances, representations or warranties with respect to the accuracy, reliability or completeness of information obtained from third parties including information provided by the Investment Manager. Furthermore, Bank of Montreal makes no recommendation concerning the Investment Manager, units of the Fund, the Fund, mutual funds or the suitability of investing in securities generally or the Deposit Notes in particular. No person has been authorized to give any information or to make any representation not contained in this Information Statement and Bank of Montreal does not accept any responsibility for any information not contained in this Information Statement.

SUITABILITY FOR INVESTMENT

An investment in Deposit Notes is suitable only for investors prepared to assume risks with respect to a return based on the performance of the Fund Portfolio. The return on the Deposit Notes, if any, is uncertain and an investor may not receive anything more at Maturity than the Deposit Amount. The Deposit Amount will be repaid only if the Deposit Notes are held to Maturity. A person should reach a decision to invest in the Deposit Notes after carefully considering, with his or her advisors, the suitability of such an investment in light of his or her investment objectives and the information set out in this Information Statement. The Deposit Notes are not conventional indebtedness in that they have no fixed yield. If the Total Return on the Fund Portfolio (each as hereinafter defined) is positive during the term of the Deposit Notes (after payment of fees and expenses), there will be interest payments to Holders during the term of the Deposit Notes. However, it is possible that no distributions will be made on the Fund Portfolio or that the Fund Portfolio will not appreciate or will depreciate in value during the term of the Deposit Notes and therefore the Deposit Notes could produce no payments during the term of the Deposit Notes and/or no yield at Maturity. Therefore, the Deposit Notes are not suitable investments for investors requiring or expecting certainty of yield.

ELIGIBILITY FOR INVESTMENT

In the opinion of Torys LLP, counsel to Bank of Montreal, the Deposit Notes offered hereby will, at the date of issue, be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans and deferred profit sharing plans (other than a trust governed by a deferred profit sharing plan to which contributions are made by Bank of Montreal or by an employer with which Bank of Montreal does not deal at arm's length within the meaning of the *Income Tax Act* (Canada)).

SUMMARY OF THE OFFERING

This is a summary of the offering of Deposit Notes under this Information Statement. Because this is a summary, it does not contain all of the information that may be important to you and you should read the more detailed information appearing elsewhere in this Information Statement. In this summary, "$" refers to Canadian dollars, unless otherwise specified, "we", " us" and "our" each refer to Bank of Montreal and "BMO Capital Markets" refers to a company owned by us called BMO Nesbitt Burns Inc. and any of its affiliates.

Issue:	Bank of Montreal GGOF C.O.R.E. Protected Deposit Notes, Yield Class, Series 1 (the "Deposit Notes").
Issuer:	We will issue the Deposit Notes.
Subscription Price:	The price for each Deposit Note is $100.
Minimum Subscription:	You must invest a minimum of $2,000 (20 Deposit Notes).
Issue Size:	Concurrently with offering Bank of Montreal GGOF C.O.R.E. Protected Deposit Notes, Yield Class, Series 1, we are also offering Bank of Montreal GGOF C.O.R.E. Protected Deposit Notes, Total Return Class, Series 1 and Bank of Montreal GGOF C.O.R.E. Protected Deposit Notes, R.O.C. Class, Series 1, which will all have the same closing date. The maximum issue size is an aggregate of $100,000,000 for all three offerings. We may change the maximum aggregate size of the offerings at our discretion.
Closing Date:	The Deposit Notes will be issued on or about November 8, 2006.
Maturity Date:	The Deposit Notes will mature on or about April 25, 2014. The term to maturity is approximately 7.5 years.
Fund Portfolio:	The amount of variable return you receive, if any, will depend on the returns of a portfolio of holdings, referred to in this summary as the "fund portfolio", primarily intended to replicate the total return of a notional investment in Mutual Fund Units of the GGOF Dividend Growth Fund (the "fund") that could otherwise have been purchased with the net proceeds of the offering of the Deposit Notes, assuming that the management expense ratio of such units is nil and the value of such units is increased by the value of any distributions thereon. The notional units resulting from the foregoing adjustments are referred to in this summary as "Units". The investment objectives of the fund portfolio are the same as those of the fund: to generate a high level of tax-effective returns which includes dividend income and some capital gains from the increase in the value of the securities held in the fund's portfolio or the fund portfolio, as the case may be. The fund and the fund portfolio will invest primarily in dividend-yielding common and preferred shares of Canadian companies. They may also invest in fixed income securities. However, returns, if any, on the fund portfolio may not be

the same as returns on the Units.

The holdings of the fund portfolio are primarily intended to replicate the holdings of the fund. The notional accumulation of holdings of the fund portfolio may potentially begin up to 10 business days prior to, and may not be completed until 10 business days following, the closing of the offering of the Deposit Notes (or such other period as determined by BMO Capital Markets). Similarly, the fund portfolio may be notionally sold over a period beginning approximately 10 business days prior to the final valuation date of the fund portfolio (or such other period as determined by BMO Capital Markets).

The return on the fund portfolio is based on its performance for the period beginning approximately 10 business days prior to the closing of the offering of the Deposit Notes and ending on the final valuation date. The return is determined using the average cost at which holdings of the fund portfolio are notionally acquired and sold.

The holdings of the fund portfolio will be adjusted from time to time to reflect changes in the holdings of the fund. Such adjustments may be made gradually over a period of 5 business days or such longer period of time as Jones Heward Investment Counsel Inc., as investment manager of the fund portfolio, determines.

After the Deposit Notes are issued, the composition of the basket, as described further below, may change based on the performance of the fund portfolio or the occurrence of certain circumstances, described herein as an extraordinary event, affecting the fund portfolio. See "The Fund Portfolio" and "Note Program – Extraordinary Events".

The fund portfolio is described under "The Fund Portfolio" and the fund is described under "The Fund".

There is no assurance that the investment objectives and strategies of the fund portfolio and the investment decisions made by the investment manager will generate any positive returns for the fund portfolio and the Deposit Notes. Therefore, there is no assurance that you will receive any interest payments during the term of the Deposit Notes or any amount at maturity other than repayment of the amount you deposited with us. It is important for you to know that you will not have, and the Deposit Notes do not represent, a direct or indirect ownership interest in the fund, its units or its holdings, the fund portfolio or its holdings, the notional bond portfolio or the options (as described below). All fees and expenses in respect of the Deposit Notes will be deducted from the value of the Basket prior to a return, if any, being paid to you. See "The Fund Portfolio" and "Fees and Expenses of the Note Program".

Investment Manager to the Fund: Jones Heward Investment Counsel Inc., our indirect wholly-owned subsidiary. See "The Fund - The Investment Manager" and "Risk Factors - Conflicts of Interest".

Offering: This offering provides you with the opportunity to purchase a principal protected product that endeavours to provide up to 200% exposure to the total return of the Units that could otherwise have been purchased with the net proceeds of the offering of the Deposit Notes. The return, if any, on the Deposit Notes will be based on a notional investment of the net proceeds of the offering of the Deposit Notes in a basket of assets generally consisting of the fund portfolio and a notional bond portfolio maturing on or about April 25, 2014. The basket of assets is referred to in this summary as the "basket".

Where the basket does not include the fund portfolio, the basket will consist of a notional bond portfolio and, except in certain circumstances described herein as an extraordinary event, options (the "options"). Each option represents, on a per Deposit Note basis, a notional right to receive at maturity an amount equal to 20% of the increase in value in excess of $100, if any, of a notional investment of the net proceeds per Deposit Note in Units made as of the closing of the offering of the Deposit Notes, assuming a notional investment of the net proceeds of the offering of Deposit Notes only in Units on the closing of the offering and throughout the term of the Deposit Notes and assuming the notional deduction of applicable fees, expenses and aggregate interest payments that would have been made in respect of the Deposit Notes in such case during such term. It is anticipated that 100% of the basket will be allocated to the fund portfolio on the closing of the offering of the Deposit Notes. See "Note Program".

Weighting: When the term "Weighting" is used in this Information Statement we are referring to the value of the fund portfolio in the basket expressed as a percentage of the total value of the basket. The Weighting will vary during the term of the Deposit Notes based on the difference between (i) the value of the basket calculated on a per Deposit Note basis and (ii) how much it would cost to purchase a bond that would provide you with a payment of $100 at maturity. This difference is then divided by 100 and expressed as a percentage referred to in this summary as the "distance".

It is possible to have Weighting from 0% up to 200%. If the Weighting exceeds 100%, the basket will have notionally borrowed money to make additional investments in the fund portfolio. The basket may also notionally borrow money to fund interest payments during the term of the Deposit Notes. You will not have any personal liability for the notional borrowing but it may affect the value of or return on the Deposit Notes. The variable return you receive at maturity will be reduced by the interest payable to BMO Capital Markets on the notional borrowing, calculated at an annual interest rate equal to the bankers' acceptance rate plus one-quarter of one percent.

If and only so long as Weighting is 0%, the basket will consist of only the notional bond portfolio and, except in certain circumstances described herein as an extraordinary event, options and thus will not include the fund portfolio. If Weighting again becomes a positive percentage, the basket at that time will not include options and instead will again include the fund portfolio with holdings intended to be in proportion to holdings of the fund at the time the Weighting again became positive. Where Weighting is 0%, you will not receive any interest payments. The possibility of you receiving more than $100 for each of your Deposit Notes at maturity is significantly reduced if the basket does not include the fund portfolio or options. See "Definitions" and "Note Program".

Reallocation of Assets: During the term of the Deposit Notes, the allocations and reallocations to the fund portfolio, the notional bond portfolio and the options in the basket will be determined in accordance with the methodology (the "asset allocation methodology") described in this Information Statement. See "Note Program – Reallocation of Assets". Each business day, BMO Capital Markets or a third party appointed by BMO Capital Markets will, as calculation agent, calculate the distance, determine the Weighting and determine whether the proportion of the fund portfolio and the notional bond portfolio in the basket needs to be reallocated in accordance with the asset allocation methodology and whether options need to be included in the basket.

Any reallocation of assets in the basket between the fund portfolio and the notional bond portfolio and any notional investment in options will occur as of the business day next following the date on which it was determined that such a reallocation or notional investment was necessary. A number of factors will affect the reallocation between the fund portfolio and the notional bond portfolio under the asset allocation methodology, including the performance of the fund portfolio, the remaining term of the Deposit Notes and interest rates as of the relevant date of determination.

Consequences of an Extraordinary Event: If one or more of the events described as an "Extraordinary Event" in the definitions on page 13 of this Information Statement occurs, the basket may, on the determination of BMO Capital Markets, thereafter consist of only the notional bond portfolio. No interest payments will be made on the Deposit Notes prior to maturity and no variable return will be earned after the occurrence of an extraordinary event, even though the Units may earn a positive return following the extraordinary event. If an extraordinary event occurs, you will receive at maturity but not earlier the amount you deposited with us. The entire value of the Fund Portfolio as of the day of the occurrence of the extraordinary event will be notionally reinvested in the notional bond portfolio. If an extraordinary event occurs, the possibility of you receiving more than $100 for each of your Deposit Notes at maturity is significantly reduced and you will not receive any interest payments during the remainder of the term of the Deposit Notes. See "Note Program – Extraordinary Events".

If an extraordinary event occurs in respect of the fund, however, BMO Capital Markets may, in its discretion, with the consent of the investment manager and Guardian Group of Funds Ltd., decide in certain circumstances to replace the fund with another mutual fund managed or sponsored by Guardian Group of Funds Ltd. for which Jones Heward Investment Counsel Inc. acts as portfolio manager instead of making a determination to allocate all of the assets in the basket to the notional bond portfolio. See "Note Program – Extraordinary Events".

Payments Prior to Within 10 business days of the end of May, 2007 and each month thereafter prior to Maturity

Maturity: (each such day being referred to for purposes of this summary as a payment date), we will make interest payments to you based on the positive semi-annual total return, if any, on the fund portfolio.

On the last day of each May and November during the term of the Deposit Notes, beginning in May, 2007 and ending in November, 2013, BMO Capital Markets will determine the total return on the fund portfolio. Each such day is referred to in this summary as a determination date. When we use the term "total return" in this summary in respect of a determination date, we are referring to aggregate changes in the value of the fund portfolio during the period from, but excluding, the previous determination date (or from and including the closing date of the offering of the Deposit Notes, if there are no previous determination dates) to and including the determination date for which the total return is being calculated. For these purposes, changes in the value of the fund portfolio includes changes attributable to changes in the value of the holdings of the fund portfolio but excludes changes in value attributable solely to the reallocation of assets in the basket. The total return also excludes any accrued and unpaid interest on notional borrowings by the basket as at the end of the relevant period. This determination of total return assumes that any distributions made on the fund portfolio during that period remain invested in the fund portfolio.

If the total return on a determination date is positive, we will make interest payments to you in an aggregate amount equal to your pro rata share of 50% of such positive total return. This amount will be paid in equal instalments on each payment date occurring from and including the determination date for which the total return was calculated to, but excluding, the next determination date (or maturity if no further determination dates remain).

There is no guarantee that any distributions will be made on the fund portfolio or that the value of the holdings of the fund portfolio will appreciate during the term of each Deposit Note. As a result, the interest payments on the Deposit Notes could be zero. No payments will be made to you prior to maturity so long as the basket includes options and does not include the fund portfolio. See "Note Program – Payments to Holders – Payments Prior to Maturity" and "Description of the Deposit Notes – Settlement of Payments".

The return, if any, on the Deposit Notes is linked to the return on a notional investment of the net proceeds of the offering of the Deposit Notes in the Basket, consisting of the fund portfolio and a notional bond portfolio. The fund portfolio will be managed with the primary objective of replicating the total return of the Units. However, there can be no assurance that returns, if any, on the fund portfolio will be the same as returns on the Units. See "Risk Factors – No Guarantee that Performance of the Fund Portfolio will Replicate the Performance of the Fund".

Payment at Maturity: For each Deposit Note you hold to maturity, you will receive at least $100 at maturity. When we use the term "Variable Return" in this Information Statement, we are referring to the amount that you receive at maturity in excess of $100, if any. The amount of this Variable Return, if any, will be determined using a formula that we refer to in this Information Statement as the Variable Return Payment Formula, which determines the Variable Return based on the performance of a basket consisting of the fund portfolio, the notional bond portfolio and/or options, as the case may be. Any Variable Return on your investment will fluctuate and may be zero. See "Note Program".

The amount and frequency of interest payments made to you during the term of the Deposit Notes will not affect your right to receive at least $100 per Deposit Note at maturity.

The Deposit Notes are Canadian dollar deposits. We will pay all amounts on the Deposit Notes in Canadian dollars.

Federal laws of Canada prohibit anyone from receiving interest at an effective rate that is greater than 60% each year. Therefore, in the event that the interest payments during the term of the Deposit Notes and the Variable Return are greater than 60% a year at maturity, we will pay to you at maturity only the amount of the Variable Return that constitutes 60% a year, and will pay the balance together with interest at our equivalent term deposit rate as soon as such laws permit.

Variable Return Payment The Variable Return Payment Formula is the formula used to determine the amount of Variable Return on the Deposit Notes at maturity. The Variable Return Payment Formula is

Formula: as follows:

Deposit Amount x the greater of (i) Basket Appreciation and (ii) zero.

Under the Variable Return Payment Formula, the Variable Return will equal the positive return on the basket consisting of notional investments in the fund portfolio, a notional bond portfolio and/or options, as the case may be, for the period from the closing of the offering to the final valuation date, after the payment of interest, if any, to you prior to maturity. You should be aware that, for you to receive an amount at maturity that is greater than the amount you deposited with us, the return on the notional assets in the basket over the term of the Deposit Notes will have to exceed the aggregate fees and expenses paid in respect of the Deposit Notes. See “Note Program”, “The Fund” and “Fees and Expenses of the Note Program”.

The Fund: The Deposit Notes endeavour to provide holders of the Deposit Notes with up to 200% exposure to the total return of a notional investment in Units that could otherwise have been purchased with the net proceeds of the offering of the Deposit Notes.

Under its investment objectives, the fund seeks to generate a high level of tax-effective returns which includes dividend income and some capital gains from the increase in the value of the securities held in the fund’s portfolio.

The fund is described under “The Fund” beginning at page 20 of this Information Statement. You may obtain further information about the fund at www.sedar.com or through your advisor.

Secondary Market: BMO Capital Markets will use reasonable efforts to arrange for a secondary market for the sale of Deposit Notes by you through FundSERV. This secondary market is only available for Deposit Notes purchased through FundSERV and is the only way that you can sell your Deposit Notes purchased through FundSERV prior to maturity. The price that BMO Capital Markets will pay to you for Deposit Notes prior to maturity will be determined by BMO Capital Markets, acting in its sole discretion, and will be based on, among other things:

- how much the value of the assets in the basket has risen or fallen since the closing of the offering;
- the fact that during the term of the Deposit Notes assets in the basket will be reallocated from time to time between the fund portfolio and the notional bond portfolio and, where 0% is allocated to the fund portfolio and a determination has not been made in respect of an extraordinary event, will include options; and
- a number of other interrelated factors, including, without limitation, the volatility of the value of the assets in the basket, prevailing interest rates and the time remaining to maturity.

The relationship among these factors is complex and may also be influenced by various political, economic and other factors that can affect the secondary market price of a Deposit Note. In particular, you should realize that any trading price for the Deposit Notes (a) may not rise and fall with changes in the value of the fund portfolio and (b) may be substantially affected by changes in current interest rates independent of performance of the assets in the basket. If you sell your Deposit Notes prior to maturity, you may have to do so at a discount from the original principal amount even if the performance of the units of the fund has been positive, and as a result, you may suffer a loss.

If you sell a Deposit Note within the first three years from the closing of this offering, the proceeds from the sale of the Deposit Note will be reduced by an early trading charge. The early trading charge is $6.95 on each Deposit Note sold in the first year following the closing of this offering, $4.65 on each Deposit Note sold in the second year following the closing of this offering and $2.30 on each Deposit Note sold in the third year following the closing of this offering. After the end of the third year following the closing of this offering there will not be an early trading charge on a sale of your Deposit Notes. See “Secondary Market”. The Deposit Notes are generally not suitable for an investor who requires liquidity prior to maturity. You should consult your investment advisor on whether it would be more favourable in the circumstances at any time to sell the Deposit Note on the secondary market, if available, or hold the Deposit Note until maturity. You should also consult your tax advisor as to the income tax consequences arising from a sale of the Deposit Notes prior to maturity as compared to holding the Deposit Notes until maturity.

BMO Capital Markets is under no obligation to facilitate or arrange for such secondary market, and such secondary market, when commenced, may be suspended at any time at the sole discretion of BMO Capital Markets, without notice to you. If there is no secondary market, you will not be able to sell your Deposit Notes. The Deposit Notes will not be listed on any stock exchange. The Deposit Notes are intended to be instruments held to maturity with their principal repayable on the maturity date. If you sell the Deposit Notes in the secondary market you may receive less than the amount you deposited with us. Order and settlement of the Deposit Notes following closing will be through a registered dealer either manually or electronically through the mutual fund order system FundSERV. A sale of Deposit Notes originally purchased through FundSERV will be subject to certain additional procedures and limitations established by FundSERV. See "FundSERV" and "Secondary Market".

Rank: The Deposit Notes will rank equally with all of our other deposit liabilities. **The Deposit Notes will not be deposits insured under the *Canada Deposit Insurance Corporation Act* or under any other deposit insurance regime designed to ensure the payment of all or a portion of a deposit upon the insolvency of the deposit taking financial institution**. See "Description of the Deposit Notes – Rank; No Deposit Insurance".

Canadian Investor Protection Fund: **There is no assurance that your investment in the Deposit Notes will be eligible for protection under the Canadian Investor Protection Fund**. You should consult your investment advisor on whether your investment in the Deposit Notes is eligible for protection in light of your particular circumstances.

Credit Rating: As at the date of this Information Statement, our deposit liabilities with a term of more than one year to maturity are rated AA (low) by Dominion Bond Rating Service Limited, AA- by Standard & Poor's Ratings Services and Aa3 by Moody's Investors Service Inc. The Deposit Notes have not been rated. There can be no assurance that, if the Deposit Notes were specifically rated by these rating agencies, they would have the same rating as our other deposit liabilities. **A rating is not a recommendation to buy, sell or hold investments, and may be subject to revision or withdrawal at any time by the relevant rating agency.** See "Description of the Deposit Notes – Credit Rating".

Use of Proceeds: The proceeds we receive from the issuance of the Deposit Notes will be deposits with us. We will use the net proceeds from the issuance of the Deposit Notes for our general banking purposes. See "Plan of Distribution".

Expenses of the Offering: Expenses of this offering of $4.75 (4.75%) per Deposit Note will be paid out of the proceeds of this offering to BMO Capital Markets for its services as selling agent. Accordingly, you will pay 4.75% of your initial deposit amount to BMO Capital Markets as an upfront expense for its services as selling agent. The selling agent will pay all or a portion of this amount to qualified selling members for selling the Deposit Notes. See "Expenses of the Offering".

Fees and Expenses: **The following fees and expenses will be paid prior to payment to you of any amounts during the term of the Deposit Notes or of any Variable Return at maturity of the Deposit Notes:**

The total annual fees that will be paid in respect of the basket under the note program will vary depending on the allocations between the fund portfolio and the notional bond portfolio in the basket from time to time during the term of the Deposit Notes.

For each of the first seven years from the closing of this offering, we will pay a portion of total annual fees under the note program in an amount equal to $0.25 per Deposit Note to qualified selling members in respect of Deposit Notes held by their clients.

While you will be repaid the amount you deposited if you hold your Deposit Notes to maturity, in order for you to receive a return on the Deposit Notes at maturity, the return on the notional assets in the basket over the term of the Deposit Notes will have to exceed the aggregate fees and expenses (including interest on notional borrowings, if any) paid by the note program during the term of the Deposit Notes.

The total annual fees applicable to the fund portfolio under the note program will be comprised of annual fund portfolio fees equal to 2.60% of the value of the fund portfolio (including any portion of the fund portfolio acquired with notionally borrowed money resulting from Weighting of greater than 100%). By comparison, the annual management expense ratio as of June 30, 2006 for Mutual Fund Units of GGOF Dividend Growth Fund (including performance fees) was 1.89%, being 0.71% less than the annual fund portfolio fees of 2.60% applicable to the fund portfolio under the note program. The annual fund portfolio fees of 2.60% account for all fees and expenses (other than interest on notional borrowings, if any) applicable to the fund portfolio under the note program including management fees for the management services provided by Jones Heward Investment Counsel Inc. and fees for services provided by Guardian Group of Funds Ltd., the manager of the fund. The actual annual management expense ratio for the Mutual Fund Units of the fund may go up or down during the term of the Deposit Notes, however, the annual fund portfolio fees will remain at 2.60%. See “Fees and Expenses of the Note Program”.

Annual fund portfolio fees of 2.60% will be calculated and accrued daily and paid to us monthly by notionally selling holdings of the fund portfolio. We will pay a portion of the annual fund portfolio fees to Jones Heward Investment Counsel Inc. and Guardian Group of Funds Ltd., and we will retain the remainder. The annual fund portfolio fees reduce the value of the fund portfolio and will therefore affect the amounts paid to you during the term of the Deposit Notes and the Variable Return, if any, paid to you at maturity.

The total annual fees applicable to the notional bond portfolio under the note program will be comprised of annual bond portfolio fees equal to 0.75% of the face amount of the coupon bonds in the basket, which account for all fees and expenses applicable to the notional bond portfolio under the note program. We will be paid the annual bond portfolio fees. For further clarity, the 0.75% coupon paid on the coupon bonds in the basket will be used to pay annual bond portfolio fees and will not accrue to the benefit of the holders of the Deposit Notes.

No annual fee will apply under the note program to the portion, if any, of the basket comprised of options. Accordingly, where the basket consists of only the notional bond portfolio and options, the total annual fees under the note program will be limited to annual bond portfolio fees of 0.75% of the face amount of the coupon bonds in the basket.

Leverage

In consideration for BMO Capital Markets providing leverage to the basket, interest on any amounts notionally borrowed under the note program will be calculated and accrued daily at an annual interest rate equal to the bankers’ acceptance rate plus one-quarter of one percent and paid to BMO Capital Markets monthly by notionally selling holdings of the fund portfolio. See “Note Program”.

Book-Entry System: All of the Deposit Notes will be evidenced by a single global deposit note held by The Canadian Depository for Securities Limited, or its nominee (“CDS”), as registered holder of the Deposit Notes. Registration of the interests in and transfers of the Deposit Notes will be made through CDS’ book-entry system. Subject to certain exceptions, you will not be entitled to any certificate or other instrument from us or from CDS evidencing your ownership of Deposit Notes. See “Description of the Deposit Notes – Book-Entry System”.

Eligibility for Investment: Unless Canadian law changes, you will be able to hold your Deposit Notes in a registered retirement savings plan, registered retirement income fund, registered education savings plan or deferred profit sharing plan (other than a trust governed by a deferred profit sharing plan to which contributions are made by us or by an employer with which we do not deal at arm’s length within the meaning of the *Income Tax Act* (Canada)).

Risk Factors: You should take into account various risk factors associated with the ownership of the Deposit Notes. See “Risk Factors”. The Deposit Notes have certain characteristics that differ from conventional fixed income investments in that they do not provide you with a return or income stream prior to maturity, or a return at maturity, calculated by reference to a fixed or floating rate of interest that can be determined prior to maturity. The return on the Deposit Notes, if any, unlike the return on many deposit liabilities of Canadian chartered banks, is uncertain in that, if the basket does not generate positive returns, the Deposit Notes could produce no return on your original investment. There is no assurance that the basket will generate positive returns. Therefore, the Deposit Notes are not suitable investments for you if you need or expect to receive payments during the term of the Deposit Notes or a return on investment at maturity. The Deposit Notes are designed for investors with a long-term investment horizon who are prepared to hold the Deposit Notes to maturity and are prepared to assume risks with respect to a return based on the performance of the fund portfolio. Also, there is no assurance that the fund portfolio will be able to meet its investment objectives or avoid losses.

Certain Canadian Federal Income Tax Considerations:	This income tax summary is subject to the limitations and qualifications set out under "Certain Canadian Federal Income Tax Considerations" in the body of this Information Statement. In the opinion of Torys LLP, counsel to Bank of Montreal, you will be required to include monthly interest on Deposit Notes in your income for the year in which you receive such interest or such interest became receivable (depending on the method you regularly follow in computing your income) to the extent such interest was not included in your income for a preceding year. If you hold Deposit Notes at maturity, you will be required to include in your income the amount, if any, by which the payment at maturity exceeds the amount you deposited with us. Generally, you should not have to report any amount in your tax return in respect of the Variable Return, if any, for any taxation year ending before the year in which the Deposit Notes mature; provided that if the Weighting is fixed at 0% by reason of an extraordinary event, you may have to report the accrued Variable Return, if any, prior to maturity. Bank of Montreal will file an information return with the Canada Revenue Agency in respect of any interest or deemed interest to be included in your income and will provide you with a copy of such return. A disposition of a Deposit Note by you should give rise to a capital gain (or capital loss) to you to the extent your proceeds of disposition exceed (or are less than) the aggregate of your adjusted cost base of the Deposit Note and any reasonable costs of disposition. Any interest accrued to the date of disposition will be excluded from your proceeds of disposition and included in your income as interest for the taxation year in which the disposition occurs. Monthly interest, if any, will accrue but no amount in respect of the Variable Return should be considered to accrue unless there has been an Extraordinary Event or the disposition occurs after the final valuation date. You should consult your tax advisor with respect to your particular circumstances if you plan to sell a Deposit Note prior to maturity. See "Certain Canadian Federal Income Tax Considerations".

DEFINITIONS

In this Information Statement, unless the context otherwise requires:

"**Asset Allocation Methodology**" means the methodology set out under "Note Program – Reallocation of Assets" and used by the Calculation Agent to determine the thresholds for allocating and reallocating assets in the Basket between the Fund Portfolio, the Notional Bond Portfolio and Options, which methodology is based on a number of factors including the characteristics and performance of the Fund Portfolio, the remaining term of the Deposit Notes and interest rates as at the relevant date of determination;

"**Bankers' Acceptance Rate**" means, on any Business Day, the average bid rate of interest (expressed as an annual percentage rate) rounded to the nearest one-hundred-thousandth of one percent (with decimal fractions of 0.000005 percent and greater being rounded up) for Canadian dollar bankers' acceptances with maturities of one month which appear on the Reuters Screen CDOR Page as of approximately 10:00 a.m., Toronto time, on such Business Day, provided that if such rate does not appear on the Reuters Screen CDOR Page on such Business Day, the Bankers' Acceptance Rate for such Business Day shall be the average of the bid rates of interest (expressed and rounded as set forth above) for Canadian dollar bankers' acceptances with maturities of one month for same day settlement as quoted by such banks listed on Schedule 1 to the Bank Act (Canada) as may quote such a rate as of approximately 10:00 a.m., Toronto time, on such Business Day, such rate to be determined and (upon each change to such rate) adjusted automatically by the Calculation Agent and provided further that if the Calculation Agent is unable to determine such rate in accordance with the foregoing, the Calculation Agent shall adjust the foregoing as it determines appropriate to determine Bankers' Acceptance Rate.

"**Basket**" means a basket of notional investments consisting of (i) if the Weighting is equal to or greater than 100%, entirely of notional investments in the Fund Portfolio, or (ii) if the Weighting is less than 100%, notional investments in the Fund Portfolio as well as in the Notional Bond Portfolio, provided that (iii) if the Weighting is 0% (other than by reason of a determination in respect of an Extraordinary Event), the Basket will consist of notional investments in Options as well as in the Notional Bond Portfolio. The Basket may also include cash from time to time attributable to the Fund Portfolio;

"**Basket Appreciation**" means the result of the following formula: $\left({Basket_F}/{Basket_0} - 1 \right)$;

"**Basket $_F$** " is the Basket Value on or about April 25, 2014, provided that the value of the Fund Portfolio component of, or Options in, the Basket at such time will be determined as of the Final Valuation Date;

"**Basket $_0$**" means 100;

"**Basket Value**" means, on a per Deposit Note basis as at any Calculation Date, the amount equal to:

Fund Portfolio Value + Notional Bond Portfolio Value + Option Value – Loan Value;

"**BMO Capital Markets**" means, collectively, BMO Nesbitt Burns Inc. and any of its affiliates;

"**Book-Entry System**" means the record entry securities transfer and pledge system established and governed by one or more agreements between CDS and CDS Participants pursuant to which the operating rules and procedures for such system are established and administered by CDS, including in relation to CDS;

"**Business Day**" means any day (other than a Saturday, a Sunday or a statutory holiday) on which commercial banks are open for business in Toronto, Ontario;

"**Calculation Agent**" means BMO Capital Markets or a third party appointed by BMO Capital Markets to act as calculation agent for the Note Program;

"**Calculation Date**" means any Business Day on which the Calculation Agent calculates Basket Value;

"**CDS**" means The Canadian Depository for Securities Limited or its nominee;

"**CDS Participant**" means a broker, dealer, bank or other financial institution or other person for whom CDS effects book-entry transfers and pledges of Deposit Notes under the Book-Entry System;

"**Closing Date**" means on or about November 8, 2006;

"**Coupon Bond**" means a hypothetical bond denominated in Canadian dollars maturing on or about April 25, 2014 with an annual coupon of 0.75%, calculated on an actual number of days/365 unadjusted basis, and a notional principal of $100; provided however that the coupon received on this bond will not increase the return to the Basket but will instead be used to pay annual bond portfolio fees under the Note Program;

"**Coupon Bond Price**" means, as at the relevant date of determination, the present value of the Coupon Bond calculated by the Calculation Agent based on yields equal to the prevailing Canadian dollar inter-bank swap rate (using the bid swap rate for purchases and offer swap rate for sales) for a term equivalent to the remaining term of the Coupon Bond, provided however that if the Calculation Agent is unable to make the determinations or calculations necessary, the Calculation Agent shall adjust the procedures as it determines appropriate to determine the Coupon Bond Price;

"**CRA**" means Canada Revenue Agency;

"**Custodian**" means Bank of Montreal or a person appointed by Bank of Montreal;

"**DBRS**" means Dominion Bond Rating Service Limited;

"**Deposit Amount**" means $100 per Deposit Note;

"**Deposit Notes**" means the Bank of Montreal GGOF C.O.R.E. Protected Deposit Notes, Yield Class, Series 1;

"**Determination Date**" means the last day of each May and November during the term of the Deposit Notes, commencing in May, 2007 and ending in November, 2013;

"**Distance**" or "$\mathbf{D_t}$" means, as at any Calculation Date, the quotient expressed as a percentage equal to (i) the Basket Value at such time less the sum of the Coupon Bond Price and the Distribution Component at such time divided by (ii) 100;

"**Distribution Component**" means, in respect of the Fund Portfolio as at any Calculation Date, the quotient obtained by dividing (i) 50% of the Total Return, if any, determined in respect of the most recent Determination Date less any interest payments made to Holders since such Determination Date and prior to the Calculation Date on which the Distribution Component is being determined by (ii) the number of Deposit Notes outstanding at such time;

"**Early Trading Charge**" means the early trading charge per Deposit Note, if any, described under "Secondary Market";

"**Extraordinary Event**" means any of the following events that occurs after the Closing Date and prior to Maturity where the Manager, acting in its sole and absolute discretion, has determined in good faith that such event constitutes an "Extraordinary Event": (i) the winding-up, dissolution or liquidation of the Fund or the Fund Portfolio or other cessation of trading of any units of the Fund; (ii) the Investment Manager or any affiliate of the Investment Manager ceases to act as the investment manager of the Fund or the Fund Portfolio or Guardian Group of Funds Ltd. ceases to act as manager of the Fund; (iii) the investment objectives, investment restrictions or investment policies of the Fund, the Fund Portfolio or any units of the Fund are modified (except where such modification is of a formal, minor or technical nature); (iv) a material modification (other than any modifications referred to in (iii) above) of the terms and conditions relating to the Fund or any units of the Fund (including but not limited to a material modification of the constating documents of the Fund) or the occurrence of any event or change having a material adverse effect on the Fund, the Fund Portfolio or any units of the Fund (including, in respect of the Fund, but not limited to, the interruption, breakdown or suspension for a significant period of time of the calculation or publication of the net asset value per unit); (v) the non-execution or partial-execution by the Fund of a subscription or redemption order given by an investor in any units of the Fund or a refusal to transfer any units of the Fund to an eligible transferee except where such non-execution, partial execution or refusal is the result of circumstances beyond the control of the Fund; (vi) any mandatory redemption or other reduction (actual or potential as determined by the Manager in its sole discretion) in the number of units of the Fund held by any holder of such units for any reason beyond the control of such holder; (vii) any failure by Guardian Group of Funds Ltd. to calculate or publish the daily official net asset value per unit of the Fund within five Business Days after the relevant valuation date except as provided in the case of a suspension of determination of the net asset value per unit in accordance with the provisions set out in the constating documents of the Fund; (viii) the Fund imposes in whole or part any restriction, charge or fee in respect of a redemption or subscription of any units of the Fund by any holder thereof (other than any fee applicable to a holder of units of the Fund as at the Closing Date); (ix) any relevant activities of or in relation to the Fund, the Fund Portfolio or the Investment Manager are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof; (x) a relevant authorisation or licence is revoked or is under review by a competent authority in respect of the Fund, the Fund Portfolio or the Investment Manager; (xi) any change in or in the official interpretation or administration of any laws or regulation relating to taxation that has or is likely to have a material adverse effect on any unitholder of the Fund or on the Fund Portfolio or in respect of any hedge established in connection with the Offering; (xii) a party is unable to effectively acquire, establish, re-establish, substitute, maintain, unwind or dispose of any hedge transaction in connection with the Offering or to realize, recover or remit the proceeds of any such hedging transaction; (xiii) an increase in the cost of acquiring, establishing, re-establishing, substituting, maintaining, unwinding or disposing of any hedging transaction or in the cost of realizing, recovering or remitting the proceeds of any such hedging transaction; or (xiv) as a result of any adoption of, or any change in, any law, order, regulation, decree or notice, howsoever described, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other event, (1) it would become unlawful (a) for any unitholder of the Fund to hold, purchase or sell any units of the Fund, (2) the cost of investing in any units of the Fund or in the Fund Portfolio would materially increase, other than ordinary course increases in the market value of such investments, or (3) a unitholder of the Fund or holder of an interest in the Fund Portfolio would be subject to a material loss as a result of holding any such units or interests; or (xv) the breach by the Investment Manager of the Investment Management Agreement;

"**Final Valuation Date**" means April 22, 2014;

"**Fund**" means, GGOF Dividend Growth Fund, a mutual fund trust created under the laws of Ontario, subject to adjustments required to give effect to a Replacement Fund, if any, in respect of the Fund, in the circumstances of an Extraordinary Event;

"**Fund Portfolio**" means a portfolio of holdings notionally invested in the Note Program that are primarily intended to provide exposure to the total return of a notional investment in the Units that could have otherwise been purchased with the net proceeds of the Offering by investing primarily in a diversified portfolio of dividend-yielding common and preferred shares of established Canadian companies and, to a lesser extent, in fixed income securities, assuming any dividends or other distributions on such portfolio remain invested in the portfolio, and subject to any adjustments required to give effect to a Replacement Fund, if any, in the circumstances of an Extraordinary Event;

"**Fund Portfolio Value**" means, as at any Calculation Date, the quotient obtained by dividing (i) the value of the holdings of the Fund Portfolio at such time less accrued but unpaid annual fund portfolio fees applicable to the Fund Portfolio at such time by (ii) the number of Deposit Notes outstanding at such time;

"**Holder**" means a beneficial owner of a Deposit Note;

"**Initial Basket Value**" means $95.25;

"**Investment Management Agreement**" means the investment management agreement entered into as of September 18, 2006 between the Investment Manager and Bank of Montreal;

"**Investment Manager**" means Jones Heward Investment Counsel Inc.;

"**Loan**" means the notional amount, if any, borrowed from time to time by the Note Program to provide leverage to the Basket and to fund interest payments, if any, bearing notional interest to be calculated and accrued daily at a notional rate of interest equal to the sum of the Bankers' Acceptance Rate plus one-quarter of one percent and paid monthly by notionally selling holdings of the Fund Portfolio;

"**Loan Value**" means, as at any Calculation Date, the quotient obtained by dividing (i) the sum of the Loan amount plus accrued and unpaid interest on the Loan at such time by (ii) the number of Deposit Notes outstanding at such time;

"**Manager**" means BMO Capital Markets or a person appointed by BMO Capital Markets;

"**Maturity**" or "**Maturity Date**" means on or about April 25, 2014;

"**Moody's**" means Moody's Investors Service Inc.;

"**NAV of the Notes**" means, as at any time, the product of the NAV per Note at such time and the number of Deposit Notes outstanding at such time;

"**NAV per Note**" means, as at any time, the amount equal to the Basket Value;

"**Note Program**" means the Bank of Montreal GGOF C.O.R.E. Protected Deposit Notes, Yield Class, Series 1 note program administered by BMO Capital Markets;

"**Notional Bond Portfolio**" means, from time to time, the portfolio of Coupon Bonds in which the Note Program has made a notional investment;

"**Notional Bond Portfolio Value**" means, as at any Calculation Date, (a) if Weighting is greater than 0% or an Extraordinary Event has occurred, the quotient obtained by dividing (i) the value of the Notional Bond Portfolio based on the sum of the Coupon Bond Prices at such time by (ii) the number of Deposit Notes outstanding at such time, or (b) if Weighting equals 0% and no Extraordinary Event has occurred, the Coupon Bond Price of one Coupon Bond;

"**Offering**" means the offering of the Deposit Notes to prospective investors under this Information Statement;

"**Option**" means, in respect of a Deposit Note, a notional right to receive at Maturity an amount equal to 20% of any increase in the value of a notional investment of the net proceeds of the Offering in Units in excess of $100 where Fund Portfolio Value is determined by the Calculation Agent in respect of the period commencing on the Closing Date and terminating on the Final Valuation Date assuming a notional investment of the net proceeds of the Offering in Units made on the Closing Date in an amount equal to the Initial Basket Value and Weighting of 100% throughout the period and assuming the notional deduction of applicable fees, expenses and aggregate interest payments that would have been made in respect of the Deposit Notes in such case during such term;

"**Option Value**" means, on a per Deposit Note basis as at any Calculation Date, the value of an Option at such time as determined by the Calculation Agent;

"**Payment at Maturity**" means the payment to be made at Maturity in an amount per Deposit Note equal to the Deposit Amount plus the Variable Return, if any, as determined in accordance with the Variable Return Payment Formula;

"**Payment Date**" means a Business Day within 10 Business Days after the last day of May, 2007 and each month thereafter ending in March, 2014;

"**Replacement Fund**" means a mutual fund managed or sponsored by Guardian Group of Funds Ltd. for which the Investment Manager acts as portfolio manager, as further described under "Note Program - Extraordinary Events";

"**S&P**" means Standard & Poor's Ratings Services;

"**Selling Agent**" means BMO Capital Markets;

"**Subscription Price**" means $100 per Deposit Note;

"**Total Return**" means, with respect to any Determination Date, the aggregate change in the value of the Fund Portfolio attributable to changes in the value of holdings of the Fund Portfolio (but excluding changes in value attributable solely to the reallocation of assets in the Basket) during the period from, but excluding, the previous Determination Date (or, in respect of the first Determination Date, from and including the Closing Date) to and including the Determination Date in respect of which the Total Return is being calculated, less any accrued and unpaid interest on the Loan as at the last day of such period;

"**Units**" means, at any time, notional units of the Fund whose performance will reflect the observable performance of the Mutual Fund Units of the Fund that would otherwise occur if the management expense ratio of such Mutual Fund Units was nil and assuming that the value of each such notional unit is increased by its pro rata share of any distributions paid on such Mutual Fund Units, and each is a "**Unit**" (subject to adjustments required to give effect to a Replacement Fund, if any, in the circumstances of an Extraordinary Event). Each Unit notionally represents an equivalent Mutual Fund Unit on which any distributions are not paid out but are instead used to increase the value thereof, and on which no management expense ratio is charged;

"**Variable Return**" means the amount of the variable return to be paid to the Holder of each Deposit Note at Maturity determined in accordance with the Variable Return Payment Formula;

"**Variable Return Payment Formula**" means the formula used by the Calculation Agent to calculate the payment of Variable Return, if any, to Holders on Maturity as follows:

Deposit Amount x the greater of (i) Basket Appreciation and (ii) zero;

"**Weight**" **or** "**Weighting**" refers to the percentage of the notional assets in the Basket allocated to the Fund Portfolio and means, on a per Deposit Note basis as at any Calculation Date, the quotient obtained by dividing (i) the Fund Portfolio Value at such time by (ii) Basket Value at such time;

"**$**" means Canadian dollars, unless otherwise specified.

NOTE PROGRAM

The Note Program has been developed to provide investors with the opportunity to purchase, with a minimum investment of $2,000, a principal protected product that provides a Variable Return based on the performance of a basket of notional investments consisting (i) if the Weighting is equal to or greater than 100%, entirely of notional investments in the Fund Portfolio, or (ii) if the Weighting is less than 100%, of notional investments in the Fund Portfolio as well as in the Notional Bond Portfolio, provided that (iii) if the Weighting is 0% (other than by reason of a determination in respect of an Extraordinary Event), the Basket will consist of notional investments in Options as well as the Notional Bond Portfolio. The Basket may also include cash from time to time attributable to the Units.

"Weight" or "Weighting" refers, on a per Deposit Note basis, to the percentage of the assets of the Basket notionally allocated to the Fund Portfolio, expressed as a percentage of the Basket Value. The Weighting will vary during the term of the Deposit Notes based on the Distance in accordance with the Asset Allocation Methodology. The Weighting will be adjusted from time to time by notionally buying and selling holdings of the Fund Portfolio. If Weighting exceeds 100%, the Basket will have notionally borrowed funds at an annual interest rate equal to the Bankers' Acceptance Rate plus one-quarter of one percent, calculated and accrued daily and paid monthly to the Manager for providing such leverage. The Basket may notionally borrow up to a maximum of 100% of the Basket Value, in which case the Weighting will be at a maximum of 200%. Leverage may also be employed to fund any interest payments payable during the term of the Deposit Notes (see "Payments to Holders — Payments Prior to Maturity"). Any leverage employed by the Calculation Agent is without personal liability to any Holder, will be paid monthly by notionally selling holdings of the Fund Portfolio and may affect the value of or return on the Deposit Notes. It is possible to have Weighting from 0% up to 200% as set out in the table in the Asset Allocation Methodology. It is expected that on the Closing Date the Weighting will be 100%. If and only so long as the Distance is 3% or less and the Weighting is 0%, the Basket will consist of only the Notional Bond Portfolio and, provided a determination has not been made in respect of an Extraordinary Event, Options and will not include the Fund Portfolio. Where Distance is 3% or less and Weighting is 0%, a Holder will not receive any interest payments. If Distance then recovers to a level greater than 3% and Weighting subsequently becomes a positive percentage, the Basket at that time will not include Options and instead will again include the Fund Portfolio with holdings intended to be in proportion to holdings of the Fund at the time the Weighting subsequently became positive. The possibility of a Holder receiving any Variable Return is significantly reduced if the Basket does not include the Fund Portfolio or Options.

Payments to Holders

A Deposit Note provides for monthly interest payments to a Holder based on the positive Total Return, if any, in respect of each Payment Date. It also provides for repayment of the Deposit Amount at Maturity.

Payments Prior to Maturity

Within 10 Business Days of the end of May, 2007 and on each subsequent Payment Date prior to Maturity, each Holder will receive from Bank of Montreal interest payments based on the positive Total Return, if any, on the Fund Portfolio.

On each Determination Date, the Calculation Agent will determine the Total Return on the Fund Portfolio. If the Total Return in respect of that Determination Date is positive, each Holder will receive interest payments in an aggregate amount equal to such Holder's pro rata share of 50% of such positive Total Return. This amount will be paid in equal instalments on each Payment Date occurring from and including such Determination Date to, but excluding, the next Determination Date (or the Maturity Date if no further Determination Dates remain).

There is no guarantee that any distributions will be made on the Fund Portfolio or that the value of the Fund Portfolio will appreciate during the term of the Deposit Notes, in which case interest payments could be zero. See also "Description of the Deposit Notes – Settlement of Payments".

The return, if any, on the Deposit Notes is linked to the return on a notional investment of the net proceeds of the Offering of the Deposit Notes in the Basket, consisting of the Fund Portfolio and the Notional Bond Portfolio. The Fund Portfolio will be managed with the primary objective of achieving a return on the Fund Portfolio that replicates the total return of the Units for the period beginning approximately 10 Business Days prior to the Closing Date to the Final Valuation Date using the average cost at which holdings of the Fund Portfolio are notionally acquired or sold. The return, if any, on the Fund Portfolio may not be the same as the return that would have been obtained through a direct investment in the Units. There is no assurance that the Investment Manager will be able to meet the Fund Portfolio's investment objectives, achieve the intended benefits of its strategy or avoid losses in the Fund Portfolio. In order for the Payment at Maturity to exceed the Deposit Amount, the return on the notional assets in the Basket at Maturity will have to exceed the aggregate fees and expenses paid by the Note Program during such period.

Maturity and Principal Repayment

The Deposit Notes provide for payment of Variable Return plus the Deposit Amount at Maturity.

At Maturity, each Holder will receive an amount equal to the Deposit Amount of $100 per Deposit Note plus the Variable Return, if any, based on the performance of the Basket, determined in accordance with the following formula (the "Variable Return Payment Formula"):

Deposit Amount x the greater of (i) Basket Appreciation and (ii) zero.

The Variable Return Payment Formula assumes that assets in the Basket will be allocated between the Fund Portfolio and the Notional Bond Portfolio, from time to time based on the Asset Allocation Methodology, and in certain circumstances will include Options. The allocation between the Fund Portfolio and the Notional Bond Portfolio will depend on various factors including the performance of the Fund Portfolio, the remaining term of the Deposit Notes and interest rates as of the relevant date of determination and assumes that notional leverage, by way of funds notionally borrowed under the Note Program, could be used to obtain Weighting of greater than 100%. Where Weighting is 0% (other than by reason of a determination in respect of an Extraordinary Event), the Basket will not include a notional investment in the Fund Portfolio but will include a notional investment in Options, in addition to a notional investment in the Notional Bond Portfolio. Accordingly, during the term of the Deposit Notes, the Basket generally will include a notional investment in the Fund Portfolio or Options, but not both. The Calculation Agent will determine Distance and Weight on each Business Day and whether the Fund Portfolio and the Notional Bond Portfolio in the Basket need to be reallocated in accordance with the Asset Allocation Methodology and whether a notional investment in Options needs to be included in the Basket. Any reallocation of assets between the Fund Portfolio and the Notional Bond Portfolio, use of leverage or notional investment in Options will occur as of the Business Day next following the date on which it was determined that a reallocation or, if applicable, a notional investment in Options was necessary. There may be circumstances which result in the actual Weight of the Fund Portfolio or actual inclusion of Options in the Basket being different from the "target" Weighting as set by the Asset Allocation Methodology or "target" inclusion of Options contemplated hereby. If, at any time, the Calculation Agent determines that it is unable to determine Distance or Weight or make any calculations required by the Asset Allocation Methodology, the Calculation Agent may make such adjustments as it determines necessary. See "Description of the Deposit Notes – Maturity and Principal Repayment" and "Description of the Deposit Notes – Settlement of Payments".

The return on the Deposit Notes is based on the performance of the Fund Portfolio and Options in the Basket for the period from the Closing Date to the Final Valuation Date. There is no assurance that the respective investment objectives of the Fund or the Fund Portfolio will be met or that the Fund Portfolio will achieve the intended benefits of its strategy or avoid losses. In order for the Payment at Maturity to exceed the Deposit Amount, the return on the notional assets in the Basket over the term of the Deposit Notes will have to exceed the aggregate fees and expenses paid by the Note Program during such period.

Extraordinary Events

If an Extraordinary Event occurs, the Manager and the Calculation Agent may determine that the Note Program will no longer have exposure to the Fund Portfolio or Options and that the Basket will consist of only the Notional Bond Portfolio. Upon such determination by the Manager and the Calculation Agent, no further interest payments will be made during the remaining term of the Deposit Notes and no further Variable Return will be earned even though the Units may earn a positive return following the occurrence of an Extraordinary Event. If an Extraordinary Event occurs, the Deposit Amount will be paid at, but not prior to, Maturity. The entire value of the Fund Portfolio calculated as of the date of the occurrence of the Extraordinary Event will be notionally reinvested in the Notional Bond Portfolio. If an Extraordinary Event occurs, the possibility of a Holder receiving any Variable Return at Maturity is significantly reduced and a Holder will not receive any interest payments during the remainder of the term of the Deposit Notes. Following the occurrence of an Extraordinary Event, a Holder would continue to be able to sell a Deposit Note in accordance with the terms of, and subject to the restrictions of, the secondary market offered by BMO Capital Markets. See "Secondary Market".

If an event occurs in respect of the Fund which would otherwise constitute an Extraordinary Event, then in lieu of making a determination in respect of an Extraordinary Event, the Manager may in its discretion, with the consent of the Investment Manager and Guardian Group of Funds Ltd. and in consultation with the Calculation Agent, and upon notice to the Holders to be given effective on a Business Day (the date of such notification being the "Substitution Date"), replace the Fund (the "Deleted Fund") with another mutual fund managed or sponsored by Guardian Growth Funds Ltd. for which Jones Heward Investment Counsel Inc. acts as the portfolio manager (the "Replacement Fund"), provided that such replacement will, in the determination of the Manager in consultation with the Calculation Agent, have the effect of eliminating the Extraordinary Event. In calculating the value of the Fund Portfolio and Options (including, for greater certainty, the units of the Replacement Fund following the Substitution Date) for purposes of determining the Variable Return, if any, payable on the Deposit Notes, the return for the Deleted Fund and the Replacement Fund shall together be the number (which may be positive or negative) equal to the sum of (a) the return for the Deleted Fund from the Closing Date to the Substitution Date, calculated as if the Substitution Date was the Final Valuation Date, and (b) the return for the Replacement Fund from the Substitution Date to the Final Valuation Date, calculated as if the Substitution Date were the Closing Date. The Calculation Agent may make such other adjustments, if any, to the Variable Return Payment Formula as it reasonably determines appropriate to account for the substitution of the Replacement Fund for the Deleted Fund.

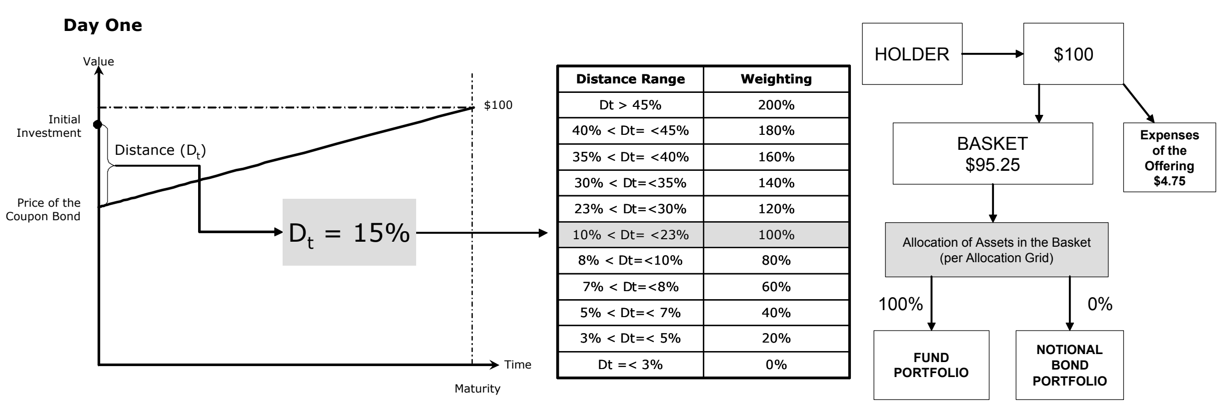
Reallocation of Assets

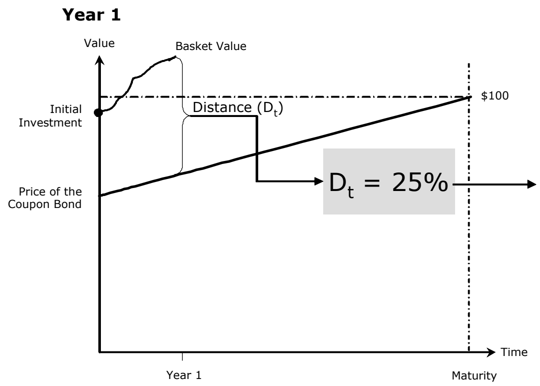
The allocation and reallocation of assets in the Basket between the Fund Portfolio and the Notional Bond Portfolio and whether a notional investment in Options needs to be included in the Basket will be undertaken in accordance with the methodology (the "Asset Allocation Methodology") set out below.

The Calculation Agent will determine Distance (or D_t) and the Weight on each Calculation Date. If Distance on a given Calculation Date is in a new distance range in the table of distance ranges below (as compared to the distance range applicable for the Calculation Date immediately preceding such Calculation Date), then (but not otherwise) (i) the assets in the Basket will be reallocated to closely achieve the new Weighting applicable to the new distance range and (ii) if and only so long as the new Weighting is 0% (other than by reason of a determination in respect of an Extraordinary Event), the assets in the Basket will include Options in addition to the Notional Bond Portfolio. The foregoing reallocation between the Fund Portfolio and Notional Bond Portfolio and inclusion of Options, as applicable, will occur as of the Business Day next following such Calculation Date. There may be circumstances that result in the actual Weighting of the Fund Portfolio or actual inclusion of Options in the Basket being different from the "target" Weighting or "target" inclusion of Options. If at any time the Calculation Agent determines that it is unable to make the calculations and determinations required for the Asset Allocation Methodology, the Calculation Agent may make such adjustments as it determines necessary.

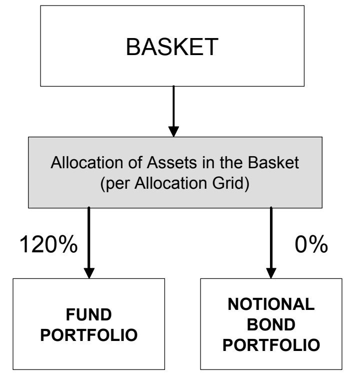
Distance Range	Weighting
Dt > 45%	200%
40% < Dt <= 45%	180%
35% < Dt <= 40%	160%
30% < Dt <= 35%	140%
23% < Dt <= 30%	120%
10% < Dt <= 23%	100%
8% < Dt <= 10%	80%
7% < Dt <= 8%	60%
5% < Dt <= 7%	40%
3% < Dt <= 5%	20%
Dt <= 3%	0%

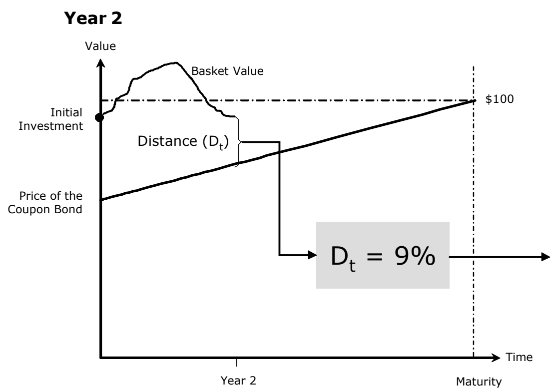
The following diagrams, based on hypothetical scenarios, demonstrate how the notional assets in the Basket will be allocated and reallocated between the Fund Portfolio and the Notional Bond Portfolio based on the Distance (D_t). The diagrams on the left-hand side show the calculation of the Distance (a) as at the closing of the Offering, (b) as at the end of Year 1 where the Basket Value has increased and (c) as at the end of Year 2 where the Basket Value has decreased. The diagrams on the right-hand side for the corresponding time periods show the reallocation of the assets in the Basket based upon the changes in the "Distance" or "D_t" where a change in "Distance" or "D_t" has been determined as of a given Calculation Date.



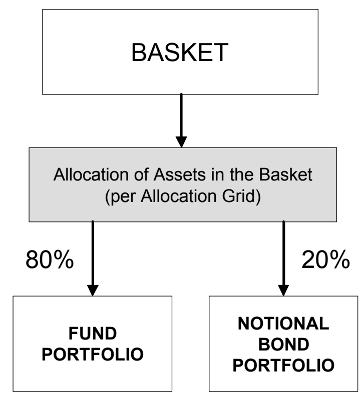


Distance Range	Weighting
Dt > 45%	200%
40% < Dt= <45%	180%
35% < Dt= <40%	160%
30% < Dt=<35%	140%
23% < Dt=<30%	120%
10% < Dt= <23%	100%
8% < Dt=<10%	80%
7% < Dt=<8%	60%
5% < Dt=< 7%	40%
3% < Dt=< 5%	20%
Dt =< 3%	0%





Distance Range	Weighting
Dt > 45%	200%
40% < Dt= <45%	180%
35% < Dt= <40%	160%
30% < Dt=<35%	140%
23% < Dt=<30%	120%
10% < Dt= <23%	100%
8% < Dt=<10%	80%
7% < Dt=<8%	60%
5% < Dt=< 7%	40%
3% < Dt=< 5%	20%
Dt =< 3%	0%



In each of the above hypothetical scenarios, Weighting is greater than 0% under the Asset Allocation Methodology and the Basket therefore includes a notional investment in the Fund Portfolio. If the Weight were to become 0% (other than by reason of a determination in respect of an Extraordinary Event), then only so long as such 0% Weighting continues, the Basket would only include notional investments in Options and the Notional Bond Portfolio. However, if the Weight subsequently were to become a positive percentage under the Asset Allocation Methodology, then so long as Weighting continues to be a positive percentage, the Basket would not include a notional investment in Options but would again include a notional investment in the Fund Portfolio with holdings intended to be in proportion to holdings of the Fund at the time the Weighting subsequently became positive and a notional investment in the Notional Bond Portfolio.

THE FUND

The Fund is an open-end unit trust established under the laws of Ontario pursuant to a declaration of trust. The Fund began operations on November 9, 2001. More information about the Fund is available on SEDAR at www.sedar.com and on the website of Guardian Group of Funds Ltd., the manager of the Fund, at www.ggof.com.

The Investment Manager

The Investment Manager is an indirect wholly-owned subsidiary of Bank of Montreal. The Investment Manager also acts as the portfolio advisor to the Fund. See "Risk Factors – Conflicts of Interest".

Investment Objectives and Strategies of the Fund

Investment Objective

GGOF Dividend Growth Fund seeks to generate a high level of tax-effective returns which includes dividend income and some capital gains from the increase in the value of the securities held in the Fund's portfolio. The Fund and the Fund

Portfolio will invest primarily in dividend-yielding common and preferred shares of established Canadian companies. They may also invest in fixed income securities. Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders held for that reason.

Investment Strategies

The Investment Manager attempts to achieve the Fund's investment objectives by selecting its securities through a bottom-up selection process which emphasizes growth in earnings and dividend payouts, while also taking into account the valuation of the companies so chosen. This style of investment is sometimes described as a blend of growth and value methodologies. The Fund may hold foreign investments.

The Fund has received from the Canadian securities regulators an exemption allowing it to engage in certain transactions in debt securities in which, without the exemption, it would be prohibited from engaging. Pursuant to such exemption the Fund may, in accordance with certain conditions imposed by the regulators:

- invest in non-government debt securities when a related underwriter acts as an underwriter of such securities; and
- purchase from or sell to related dealers that are principal dealers in the Canadian debt securities market, non-government debt securities or government debt securities in secondary market.

The Fund may engage in securities lending and repurchase/reverse repurchase transactions as permitted by the securities regulators. These types of transactions are used by the Fund to increase income.

Cash or short-term notes may be held temporarily for defensive purposes.

Fund Holdings

The following investments represent the top 10 holdings of GGOF Dividend Growth Fund as at August 31, 2006.

Investment	*% of Assets*
Royal Bank of Canada	7.1%
The Toronto-Dominion Bank	6.8%
Manulife Financial Corporation	6.6%
Bank of Nova Scotia	6.4%
Canadian Imperial Bank of Commerce	6.0%
Sun Life Financial Inc.	5.0%
Power Financial Corporation	3.7%
TransCanada Corporation	3.6%
Telus Corporation	3.4%
Imperial Oil Ltd.	3.3%

Aggregate % of Top Holdings = 51.9%

Past Performance

The following chart contains applicable historical total returns (YTD, 1 month and 3 months) and applicable annualized compounded returns (1 year, 3 years and since inception) as of August 31, 2006 for Mutual Fund Units of the Fund and is not intended to be, nor should it be construed to be, an indication as to the future returns or volatility of the Fund or the potential return, if any, on the Deposit Notes. The following chart assumes that all distributions on Mutual Fund Units of the Fund were reinvested in additional Mutual Fund Units of the Fund and does not include any applicable sales, redemption, distribution or optional charges or taxes, which would have reduced returns. Returns are shown after the payment of expenses and fees of the Fund.

As of August 31, 2006:

	YTD	1 month	3 months	1 year	3 years	Since Inception
GGOF Dividend Growth Fund - Mutual Fund Units (November 9, 2001)	4.7%	3.0%	2.7%	12.9%	16.8%	13.2%

The performance figures in the foregoing chart reflect the payment of the actual management expense ratio for the Fund for the indicated periods. In contrast, the Fund Portfolio is subject to annual fund portfolio fees which may be higher than the respective actual management expense ratio of the Fund. As a result of the potential for differing fees, the performance of the Fund Portfolio could have been lower than the past performance figures reflected above.

Units of the Fund

The Fund is authorized to issue separate classes of its units. The performance of the Note Program will be based on the performance of the Mutual Fund Units of the Fund. The net asset value per unit of each class of units of the Fund, including the Mutual Fund Units, is calculated by: (i) adding the market value of the assets of the Fund and determining the proportionate share therein of the class; (ii) subtracting the liabilities of the Fund allocated to that class; and (iii) dividing the difference by the total number of outstanding units of that class. However, because of the class differences, the net asset value per Mutual Fund Unit and the net asset value of other classes of units of the Fund may differ over time.

NAV PER NOTE

Determination of the NAV per Note

The NAV per Note as at the close of business on any Business Day will be calculated by the Manager when the Basket Value and the Weighting are made available by the Calculation Agent. Prior to Maturity, the NAV per Note at any time will be equal to the Basket Value at that time.

Temporary Suspension of Calculation of the NAV per Note

The Manager may suspend the calculation of the NAV per Note during the existence of any state of affairs that makes the calculation of the NAV per Note impossible, impractical or prejudicial to Holders, including, without limitation:

(A) the interruption, breakdown or suspension of the calculation or publication of the net asset value of the Mutual Fund Units of the Fund or the Fund Portfolio;

(B) any period when any emergency exists as a result of which disposal by the Fund or the Fund Portfolio of investments which constitute a material portion of its assets is not practically feasible;

(C) any period when for any reason the prices of a material portion of the investments of the Fund or the Fund Portfolio cannot be reasonably, promptly or accurately ascertained by the Fund or the Fund Portfolio, as applicable;

(D) any period when remittance of monies which will, or may be, involved in the realisation of, or in the payment for, investments of the Fund or the Fund Portfolio cannot be carried out at normal rates of exchange; or

(E) any period when proceeds of the sale or redemption of any Mutual Fund Units or assets of the Fund Portfolio cannot be transmitted to or from the Fund's account or the Fund Portfolio's account, as applicable.

Consequences of Suspension of Calculation of the NAV per Note

If the Manager suspends the calculation of the NAV per Note, BMO Capital Markets will not be able to fairly and accurately determine the bid price for Deposit Notes in order to facilitate a secondary market. Without limiting BMO Capital Markets' sole discretion to suspend without notice the secondary market in the Deposit Notes, BMO Capital Markets may suspend the secondary market for the Deposit Notes if the Manager suspends the calculation of the NAV per Note. See "Secondary Market". Certain situations where the determination of the NAV per Note is suspended may also result in the occurrence of an Extraordinary Event. See "Note Program – Extraordinary Events".

SECONDARY MARKET

Secondary Market

Deposit Notes purchased through FundSERV may be "redeemed" in FundSERV on a daily basis. Any such redemption would actually be a sale to BMO Capital Markets in the secondary market. BMO Capital Markets will use reasonable efforts, subject to normal market conditions, to arrange for a secondary market for the sale of Deposit Notes by Holders through FundSERV.

In order to sell a Deposit Note, a Holder must arrange through his or her investment advisor to give notice to BMO Capital Markets either in writing or electronically through the FundSERV system. However, BMO Capital Markets is under no obligation to facilitate or arrange for such a secondary market, and such secondary market, when commenced, may be suspended at any time at the sole discretion of BMO Capital Markets, without notice. Therefore, there can be no assurance that a secondary market will be available or that such market will be liquid or sustainable. The Deposit Notes will not be listed on any stock exchange. See also "FundSERV" below for details in respect of secondary market trading where the Deposit Notes are held through participants in FundSERV. The sale of a Deposit Note to BMO Capital Markets will be effected at a price equal to (i) the bid price for the Deposit Note, determined by BMO Capital Markets in its sole discretion, minus (ii) any applicable Early Trading Charge as set out below.

The Deposit Notes are intended to be instruments held to maturity with their principal repayable on the Maturity Date. As a result, sale of the Deposit Notes prior to the Maturity Date may result in a bid price that is less than the Deposit Amount of the Deposit Notes. The bid price of a Deposit Note at any time will be determined by BMO Capital Markets, acting in its sole discretion, and will be dependent upon a number of factors, which may include, among other things: (i) how much the Basket Value has risen or fallen since the Closing Date; (ii) the fact that during the term of the Deposit Notes assets in the Basket will be reallocated from time to time between the Fund Portfolio and the Notional Bond Portfolio and, where Weighting is 0% and a determination has not been made in respect of an Extraordinary Event, will include Options; and (iii) a number of other interrelated factors, including, without limitation, the volatility of the Basket Value, prevailing interest rates and the time remaining to the Maturity Date. The relationship among these factors is complex and may also be influenced by various political, economic and other factors that can affect the trading price of a Deposit Note. In particular, Holders should realize that any trading price for a Deposit Note: (a) may have a non-linear sensitivity to the increases and decreases in the value of the Fund Portfolio (i.e., the trading price of a Deposit Note will increase and decrease at a different rate compared to the percentage increases and decreases in the value of the Fund Portfolio); and (b) may be substantially affected by changes in the level of interest rates independent of performance of the assets in the Basket.

If a Holder sells a Deposit Note within the first three years from the Closing Date, the proceeds from the sale of the Deposit Note will be reduced by an Early Trading Charge that will be equal to the percentage of the Deposit Amount of the Deposit Note, as set out in the following table:

If Sold Within	*Early Trading Charge*
one year	6.95%
two years	4.65%
three years	2.30%
Thereafter	Nil

A Holder should be aware that any valuation price for the Deposit Notes appearing in his or her periodic investment account statements, as well as any bid price quoted to the Holder to sell his or her Deposit Notes, within the first three years of the Closing Date, will be before the application of any applicable Early Trading Charge. A Holder wishing to sell a Deposit Note prior to Maturity should consult his or her investment advisor on whether a sale of the Deposit Note will be subject to an Early Trading Charge and, if so, the amount of the Early Trading Charge. If a Holder sells his or her Deposit Notes prior to Maturity, such Holder may have to do so at a discount from the Deposit Amount of the Deposit Note even if the performance of the Fund Portfolio has been positive, and as a result, such Holder may suffer losses.

A Holder will not be able to redeem or sell a Deposit Note prior to Maturity other than through the secondary market, if available.

A Holder should consult his or her investment advisor on whether it would be more favourable in the circumstances at any time to sell the Deposit Notes on the secondary market, if available, or hold the Deposit Notes until the Maturity Date. A Holder should also consult his or her tax advisor as to the tax consequences arising from a sale of a Deposit Note prior to the Maturity Date as compared to holding the Deposit Note until the Maturity Date. See "Certain Canadian Federal Income Tax Considerations".

BMO Capital Markets, or any of its associates or successors, may at any time, subject to applicable laws, purchase Deposit Notes at any price in the open market or by private agreement.

FUNDSERV

Holders may purchase Deposit Notes through dealers and other firms that facilitate purchase and related settlement through a clearing and settlement service operated by FundSERV Inc. ("FundSERV"). The following information about FundSERV is relevant for Holders. Holders should consult with their financial advisors as to whether their Deposit Notes have been purchased through FundSERV and to obtain further information on applicable FundSERV procedures.

Where a Holder's purchase order for Deposit Notes is effected by a dealer or other firm through FundSERV, such dealer or other firm may not be able to accommodate a purchase of Deposit Notes through certain registered plans for purposes of the *Income Tax Act* (Canada). Holders should consult their financial advisors as to whether their orders for Deposit Notes will be made through FundSERV and any limitations on their ability to purchase Deposit Notes through registered plans.

General Information

FundSERV is owned and operated by both fund sponsors and distributors and provides distributors of funds and certain other financial products with online order access for such financial products. FundSERV was originally designed and is operated as a mutual fund communications network facilitating members in electronically placing, clearing and settling mutual fund orders. In addition, FundSERV is currently used in respect of other financial products that may be sold by financial advisors, such as the Deposit Notes. FundSERV enables its participants to clear certain financial product transactions between participants, to settle the payment obligations arising from such transactions, and to make other payments between themselves.

Deposit Notes Held Through the Custodian

All Deposit Notes will initially be issued in the form of a fully registered global deposit note (a "Global Note") that will be deposited with CDS. Deposit Notes purchased through FundSERV ("FundSERV Notes") will also be evidenced by the Global Note, as are all other Deposit Notes. Holders holding FundSERV Notes will therefore have a beneficial interest in the Global Note. The Deposit Notes will be recorded in CDS as being held by BMO Capital Markets (as a direct participant in CDS). BMO Capital Markets will, in turn, hold the Deposit Notes for the Custodian. The Custodian will record or cause to be recorded respective beneficial interests in the FundSERV Notes which recordings will be made as instructed through FundSERV by CDS Participants or non-CDS Participants, as the case may be.

Purchase Through FundSERV

In order to purchase FundSERV Notes, the full aggregate Subscription Price therefor must be delivered to BMO Capital Markets in immediately available funds prior to the Closing Date. Despite delivery of such funds, BMO Capital Markets reserves the right not to accept any offer to purchase FundSERV Notes. If the FundSERV Notes are not issued to the subscriber for any reason, such funds will be returned without delay to the subscriber. In any case, whether or not the FundSERV Notes are issued, no interest or other compensation will be paid to the subscriber on such funds.

Sale Through FundSERV

A Holder wishing to sell FundSERV Notes prior to Maturity is subject to certain procedures and limitations. Any Holder wishing to sell a FundSERV Note should consult with his or her financial advisor in advance in order to understand the timing and other procedural requirements and limitations of selling. A Holder must sell FundSERV Notes by using the "redemption" procedures of FundSERV. A sale or redemption of FundSERV Notes through any other means is not possible. Accordingly, a Holder will not be able to negotiate a sale price for FundSERV Notes. Instead, the financial advisor for the Holder will need to initiate an irrevocable request to "redeem" the FundSERV Note in accordance with the then established procedures of FundSERV. Generally, this will mean the redemption request will need to be initiated by 1:00 p.m. (Toronto time, or such other time as may hereafter be established by FundSERV) on a Business Day. Any request received after such time will be deemed to be a request sent and received in respect of the next following Business Day. Sale of a FundSERV Note will be effected at a sale price equal to (i) the bid price for the FundSERV Note determined by BMO Capital Markets, acting in its sole discretion minus (ii) any applicable Early Trading Charge. The Holder should be aware of the limitations and restrictions surrounding the secondary market. See "Secondary Market".

The Holder should also be aware that, although the "redemption" procedures of FundSERV would be utilized, the FundSERV Notes of the Holder will actually be sold in the secondary market to BMO Capital Markets. In turn, BMO Capital Markets will be able to deal with such FundSERV Notes in its discretion, including, without limitation, selling those FundSERV Notes to other parties at any price or holding them in its inventory.

Holders should also be aware that from time to time such "redemption" mechanism to sell FundSERV Notes might be suspended for any reason without notice, thus effectively preventing Holders from selling their FundSERV Notes. Potential Holders requiring liquidity should carefully consider this possibility before purchasing FundSERV Notes.

The Manager is required to post or arrange to be posted the NAV per Note on each Business Day, subject to a suspension of the calculation of the NAV per Note described under "NAV per Note - Temporary Suspension of Calculation of the NAV per Note". The posted NAV per Note may also be used for valuation purposes in any statement sent to Holders. The sale price will actually represent BMO Capital Markets' bid price for the Deposit Notes (i.e., the price it is offering to purchase Deposit Notes in the secondary market) as of the applicable Business Day, less any applicable Early Trading Charge. There is no guarantee that the sale price for any day is the highest bid price possible in any secondary market for the Deposit Notes, but will represent BMO Capital Markets' bid price generally available to all Holders as at the relevant close of business, including clients of BMO Capital Markets.

A Holder holding FundSERV Notes should realize that in certain circumstances FundSERV Notes may not be transferable to another dealer, if the Holder were to decide to move his or her investment accounts to such other dealer. In that event, the Holder would have to sell the FundSERV Notes pursuant to the procedures outlined above.

DESCRIPTION OF THE DEPOSIT NOTES

The following is a summary of the material attributes and characteristics of the Deposit Notes offered hereby. Reference is made to the certificate representing the Global Note referred to below that contains the full text of such attributes and characteristics.

Offering

The Bank of Montreal GGOF C.O.R.E. Protected Deposit Notes, Yield Class, Series 1 are being issued by Bank of Montreal with a Subscription Price of $100 per Deposit Note and a minimum subscription of $2,000 (20 Deposit Notes). Concurrently with offering the Deposit Notes, Bank of Montreal is also offering Bank of Montreal GGOF C.O.R.E. Protected Deposit Notes, Total Return Class, Series 1 and Bank of Montreal GGOF C.O.R.E. Protected Deposit Notes, R.O.C. Class, Series 1, which will all have the same closing date. The maximum issue size is an aggregate of $100,000,000 for all three offerings. Bank of Montreal may change the maximum aggregate size of the offerings at its discretion.

Bank of Montreal is offering the Deposit Notes through the mutual fund order entry system FundSERV. Subscriptions for Deposit Notes may be made through FundSERV under the mutual fund order code "JHN 801" which will result in funds being accumulated in a non-interest bearing account of BMO Capital Markets pending execution of all documents required for this transaction and satisfaction of closing conditions, if any. Funds in respect of all subscriptions shall be payable at the time of subscription.

A Global Note for the aggregate Deposit Amounts of the Deposit Notes issued on the Closing Date will be issued in registered form to CDS on the Closing Date. Subject to certain exceptions, certificates evidencing the Deposit Notes will not be available to Holders and registration of ownership of the Deposit Notes will be made through the Book-Entry System of CDS or through FundSERV, as applicable. The Deposit Notes may not be called for redemption by Bank of Montreal prior to Maturity.

Orders for purchases of Deposit Notes may be accepted in whole or in part, and the right to allot Deposit Notes to investors in an amount less than that subscribed for by the investor is reserved by Bank of Montreal. Bank of Montreal reserves the right to discontinue accepting subscriptions at any time without notice. Bank of Montreal may at any time prior to the Closing Date, in its discretion, elect whether or not to proceed in whole or in part with the issue of the Deposit Notes.

Bank of Montreal may from time to time issue any additional series of notes or any other notes or other debt instruments (which may or may not resemble the Deposit Notes) and offer any such notes or debt instruments concurrently with the Offering.

Payments Prior to Maturity

Within 10 Business Days of the end of May, 2007 and on each subsequent Payment Date prior to Maturity, each Holder will receive from Bank of Montreal interest payments based on the positive Total Return, if any, on the Fund Portfolio.

On each Determination Date, the Calculation Agent will determine the Total Return on the Fund Portfolio. If the Total Return in respect of that Determination Date is positive, each Holder will receive interest payments in an aggregate amount equal to such Holder's pro rata share of 50% of such positive Total Return. This amount will be paid in equal instalments on each Payment Date occurring from and including such Determination Date to, but excluding, the next Determination Date (or the Maturity Date if no further Determination Dates remain).

There is no guarantee that any distributions will be made on the Fund Portfolio or that the value of the Fund Portfolio will appreciate, or will not depreciate, during the term of the Deposit Notes, in which case interest payments could be zero. See also "Description of the Deposit Notes – Settlement of Payments" and "Note Program - Payments to Holders".

Maturity and Principal Repayment

The Deposit Notes will mature on or about April 25, 2014. At Maturity, each Holder of the Deposit Notes will be entitled to receive, in respect of each Deposit Note, an amount equal to the NAV per Note. The NAV per Note at Maturity will be an amount equal to the Deposit Amount plus the Variable Return, if any. See "Description of the Deposit Notes – Settlement of Payments".

The amount and frequency of interest payments made to Holders during the term of the Deposit Notes will not affect the right of Holders to receive at least the Deposit Amount at Maturity.

The Deposit Notes are Canadian dollar deposits. Bank of Montreal will pay all amounts on the Deposit Notes in Canadian dollars.

The Deposit Notes have certain characteristics that differ from conventional fixed income instruments in that they do not provide Holders with a return or income stream prior to Maturity, or a return at Maturity, calculated by reference to a fixed or floating rate of interest that is determinable prior to Maturity. The return on the Deposit Notes, if any, unlike the return on many deposit liabilities of Canadian chartered banks, is uncertain in that, if the Basket does not generate positive returns, the Deposit Notes could produce no return on the Holder's original investment. There is no assurance that the Basket will generate positive returns. Therefore, the Deposit Notes are not suitable investments for an investor if the investor needs or expects to receive any payments during the term of the Deposit Notes or any return or a specific return on investment. The Deposit Notes are designed for investors with a long-term investment horizon who are prepared to hold the Deposit Notes to Maturity and are prepared to assume risks with respect to a return based on the performance of the Fund Portfolio. Prospective purchasers should take into account additional risk factors associated with this Offering. Also, there is no assurance that the Fund Portfolio will be able to meet its investment objectives or achieve the intended benefits of its strategies or avoid losses. See "Risk Factors".

Rank; No Deposit Insurance

The Deposit Notes will constitute direct unconditional obligations of Bank of Montreal. The Deposit Notes will be issued on an unsubordinated basis and will rank *pari passu*, as among themselves and with all other outstanding direct, unsecured and unsubordinated, present and future obligations (except as otherwise prescribed by law) of Bank of Montreal, and will be payable rateably without any preference or priority. **The Deposit Notes will not be insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime.**

Canadian Investor Protection Fund

There is no assurance that an investment in the Deposit Notes will be eligible for protection under the Canadian Investor Protection Fund. A Holder should consult his or her investment advisor on whether the Holder's investment in the Deposit Notes is eligible for protection in light of such Holder's particular circumstances.

Credit Rating

The Deposit Notes have not been rated. As of the date of this Information Statement, the deposit liabilities of Bank of Montreal with a term to maturity of more than one year are rated AA (low) by DBRS, AA- by S&P and Aa3 by Moody's. There can be no assurance that, if the Deposit Notes were specifically rated by these rating agencies, they would have the same rating as other deposit liabilities of Bank of Montreal. A rating is not a recommendation to buy, sell or hold investments, and may be subject to revision or withdrawal at any time by the relevant rating agency.

Settlement of Payments

Bank of Montreal will be required to make available to CDS, no later than 10:00 a.m. (Toronto time) on each Payment Date, funds in an amount sufficient to pay the monthly interest payments, if any, then payable under the Deposit Notes.

Bank of Montreal will be required to make available to CDS, no later than 10:00 a.m. (Toronto time) on the third Business Day following the Maturity Date, funds in an amount sufficient to pay the amounts then due under the Deposit Notes. If there is a delay in payment on redemption to a holder of Mutual Fund Units, payment of any portion of the proceeds at Maturity in excess of the aggregate Deposit Amounts of the Deposit Notes may be delayed.

All amounts payable in respect of the Deposit Notes will be made available by Bank of Montreal through CDS or its nominee. CDS or its nominee will, upon receipt of any such amount, facilitate payment to the applicable CDS Participants or credit the respective accounts of such CDS Participants, in amounts proportionate to their respective interests as shown on the records of CDS. The Custodian will facilitate payment by FundSERV to non-CDS Participants (or CDS Participants, if applicable) or credit the respective accounts of such non-CDS Participants (or CDS Participants, if applicable) in amounts proportionate to their respective interests. See "Description of the Deposit Notes – Custodian".

Bank of Montreal expects that payments by CDS Participants and non-CDS Participants to Holders will be governed by standing instructions and customary practices, as is the case with securities or instruments held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of such CDS Participants or non-CDS Participants. The responsibility and liability of Bank of Montreal, except in its capacity as the Custodian, in respect of Deposit Notes represented by a Global Note is limited to making payment of the amounts due in respect of the Global Note to CDS or its nominee. Neither Bank of Montreal, except in its capacity as the Custodian, nor the Manager will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership of the Deposit Notes represented by the Global Note or for maintaining, supervising or reviewing records relating to any such ownership.

Bank of Montreal retains the right, as a condition to payment of amounts at Maturity, to require the surrender for cancellation of any certificate evidencing the Deposit Notes.

Neither Bank of Montreal nor CDS will be bound to see to the execution of any trust affecting the ownership of any Deposit Note or be affected by notice of any equity that may be subsisting with respect to any Deposit Note.

Deferred Payment

Federal laws of Canada prohibit anyone from receiving interest at an effective rate that is greater than 60% each year. Therefore, in the event that the interest payments during the term of the Deposit Notes and the Variable Return are greater than 60% a year at Maturity, Bank of Montreal will pay to the Holder at Maturity only the amount of the Variable Return that constitutes 60% a year, and pay the balance together with interest at Bank of Montreal's equivalent term deposit rate as soon as such laws permit. In addition, Bank of Montreal may withhold a portion of any payment to a Holder that Bank of Montreal is legally able or required to withhold.

Book-Entry System

Each Deposit Note will generally be represented by a Global Note representing the entire issuance of Deposit Notes. Bank of Montreal will issue Deposit Notes evidenced by certificates in definitive form to a particular Holder only in limited circumstances. Both any certificated Deposit Notes in definitive form and any Global Note will be issued in registered form, whereby Bank of Montreal's obligation will run only to the holder named on the face of such note. Definitive Deposit Notes if issued will name Holders or nominees as the owners of the Deposit Notes, and in order to transfer or exchange these definitive Deposit Notes or to receive payment, the Holders or nominees (as the case may be) must physically deliver the Deposit Notes to Bank of Montreal. A Global Note will name a depository or its nominee as the owner of the Deposit Notes, initially to be CDS. (All references to the Deposit Notes and a Deposit Note contained in this Information Statement will include the Global Note unless the context otherwise requires.) Each Holder's beneficial ownership of Deposit Notes will be shown on the records maintained by the Holder's broker/dealer, bank, trust company or other representative that is a participant in the relevant depository, as explained more fully below. Interests of participants will be shown on the records maintained by the relevant depository. Neither Bank of Montreal nor any depository will be bound to see to the execution of any trust affecting the ownership of any Deposit Note or be affected by notice of any equitable interest that may be subsisting with respect to any Deposit Note.

Global Note

Bank of Montreal will issue the registered Deposit Notes in the form of the fully registered Global Note that will be deposited with a depository (initially being CDS) and registered in the name of such depository or its nominee in denominations equal to the aggregate Deposit Amounts of the Deposit Notes. Unless and until it is exchanged in whole for Deposit Notes in definitive registered form, the registered Global Note may not be transferred except as a whole by and among the depository, its nominee or any successors of such depository or nominee.

Bank of Montreal anticipates that the following provisions will apply to all arrangements in respect of a depository.

Ownership of beneficial interests in a Global Note will be limited to persons that hold interests directly or indirectly through persons, called "participants", that have accounts with the relevant depository. Upon the issuance of a registered Global Note, the depository will credit, on its book-entry registration and transfer system, the participants' accounts with the respective Deposit Amounts of the Deposit Notes beneficially owned by the participants. Any dealers, underwriters or agents participating in the distribution of the Deposit Notes will designate the accounts to be credited. Ownership of beneficial interests in a registered Global Note will be shown on, and the transfer of ownership interests will be effected only through, records maintained by the depository, with respect to interests of participants, and on the records of participants, with respect to interests of persons holding through participants.

So long as the depository, or its nominee, is the registered owner of a registered Global Note, that depository or its nominee, as the case may be, will be considered the sole owner or holder of the Deposit Notes represented by the registered Global Note for all purposes. Except as described below, owners of beneficial interests in a registered Global Note will not be entitled to have the Deposit Notes represented by the registered Global Note registered in their names, will not receive or be entitled to receive physical delivery of the Deposit Notes in definitive form and will not be considered the owners or holders of Deposit Notes. Accordingly, each person owning a beneficial interest in a registered Global Note must rely on the procedures of the depository for that registered Global Note and on the procedures of the participant(s) and the Custodian, if any, through which the person owns its interest, to exercise any rights of a Holder. Bank of Montreal understands that under existing industry practices, if Bank of Montreal requests any action of Holders or if an owner of a beneficial interest in a registered Global Note desires to direct or take any action that a Holder is entitled to direct or take in respect of the Deposit Notes, the depository for the registered Global Note would authorize the participants to direct or take that action, and the participants and the Custodian, if any, would authorize beneficial owners owning through them to direct or take that action or would otherwise act upon the instructions of beneficial owners holding through them. See "Description of the Deposit Notes – Custodian".

Payments on the Deposit Notes represented by a registered Global Note registered in the name of a depository or its nominee will be made to the depository or its nominee, as the case may be, as the registered owner of the registered Global Note. Neither Bank of Montreal, except in its capacity as the Custodian, nor any agent thereof will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the registered Global Note or for maintaining, supervising or reviewing any records relating to those beneficial ownership interests.

Bank of Montreal expects that the depository for any of the Deposit Notes represented by a registered Global Note, upon receipt of any payment on the Deposit Notes, will immediately credit participants' accounts in amounts proportionate to their respective interests in that registered Global Note as shown on the records of the depository. Bank of Montreal also expects that payments by participants to owners of beneficial interests in a registered Global Note held through participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of those participants.

Custodian

The Custodian will hold Deposit Notes for CDS Participants and non-CDS Participants (including, in certain cases, Holders) in accordance with their respective entitlements as reflected in a register to be maintained by the Custodian solely on the basis of and in reliance upon instructions received from such CDS Participants and non-CDS Participants, as the case may be. Upon receiving amounts payable in respect of Deposit Notes from BMO Capital Markets, the Custodian will arrange for payment to CDS Participants and non-CDS Participants (including Holders) in amounts proportionate to their respective interests in the Deposit Notes recorded in the register maintained by the Custodian.

All records maintained by the Custodian shall, absent manifest error, be final for all purposes and binding on all persons including the Holders. The Custodian shall not be responsible for its errors if made in good faith.

Definitive Notes

If the depository for any of the Deposit Notes represented by a registered Global Note is at any time unwilling or unable to continue to properly discharge its responsibilities as depository, and a successor depository is not appointed by Bank of Montreal within 90 days, Bank of Montreal will issue Deposit Notes in definitive form in exchange for the registered Global Note that had been held by the depository.

In addition, Bank of Montreal may at any time and in its sole discretion decide not to have any of the Deposit Notes represented by one or more registered Global Notes. If Bank of Montreal makes that decision, Bank of Montreal will issue Deposit Notes in definitive form in exchange for all of the registered Global Notes representing the Deposit Notes.

Except in the circumstances described above, beneficial owners of the Deposit Notes will not be entitled to have any portions of such Deposit Notes registered in their name, will not receive or be entitled to receive physical delivery of the Deposit Notes in certificated, definitive form and will not be considered the owners or holders of a Global Note.

Any Deposit Notes issued in definitive form in exchange for a registered Global Note will be registered in the name or names that the depository gives to Bank of Montreal or its agent, as the case may be. It is expected that the depository's instructions will be based upon directions received by the depository from participants with respect to ownership of beneficial interests in the registered Global Note that had been held by the depository.

The text of any Deposit Notes issued in definitive form will contain such provisions as Bank of Montreal may deem necessary or advisable. Bank of Montreal will keep or cause to be kept a register in which will be recorded registrations and transfers of Deposit Notes in definitive form if issued. Such register will be kept at the offices of the paying and transfer agent, or at such other offices notified by Bank of Montreal to Holders.

No transfer of a definitive Deposit Note will be valid unless made at such offices and entered on such register upon surrender of the certificate in definitive form for cancellation with a written instrument of transfer in form and as to execution satisfactory to Bank of Montreal or its agent, and upon compliance with such reasonable conditions as may be required by Bank of Montreal or its agent and with any requirement imposed by law.

Payments on a definitive Deposit Note, if issued, will be made by cheque mailed to the applicable registered Holder at the address of the Holder appearing in the aforementioned register in which registrations and transfers of Deposit Notes are to be recorded or, if requested in writing by the Holder at least five Business Days before the date of the payment and agreed to by Bank of Montreal, by electronic funds transfer to a bank account nominated by the Holder with a bank in Canada. Payment under any definitive Deposit Note is conditional upon the Holder first delivering the Deposit Note to the paying and transfer agent who reserves the right on behalf of Bank of Montreal, in the case of payment of the return on the Deposit Note prior to the Maturity Date, to mark on the Deposit Note that the return has been paid in full or in part (as the case may be), or, in the case of payment of the Variable Return on the Deposit Note and the Deposit Amount under the Deposit Note in full at any time, to retain the Deposit Note and mark the Deposit Note as cancelled.

Notices to Holders

All notices to the Holders regarding the Deposit Notes will be validly given if published once in a French language Canadian newspaper and in the national edition of an English language Canadian newspaper. The Manager will give notice as aforesaid to the Holders of any material change or material fact relating to the Deposit Notes including a complete discontinuance of investing in holdings providing exposure to the Fund Portfolio.

Amendments to the Notes

The Global Note may be amended without the consent of the Holders by agreement between Bank of Montreal and the Manager if, in the reasonable opinion of Bank of Montreal and the Manager, the amendment would not materially and adversely affect the interests of the Holders. In all other cases, the Global Note may be amended if the amendment is approved by a resolution passed by the favourable votes of Holders representing not less than 66⅔% of the outstanding aggregate Deposit Amounts of the Deposit Notes represented for the purpose of considering the resolution. Each Holder is entitled to one vote per Deposit Note held for the purpose of voting at meetings convened to consider a resolution. The Deposit Notes do not carry the right to vote in any other circumstances.

Holders' Right of Rescission

A person may rescind any order to buy a Deposit Note (or its purchase if issued) within 48 hours following the earlier of actual receipt or deemed receipt of this Information Statement. Upon rescission, the person is entitled to a refund of the Subscription Price and any fees relating to the purchase that have been paid by the person. This rescission right does not extend to Holders buying a Deposit Note in the secondary market. A person will be deemed to have received this Information Statement: (i) on the day recorded as the time of sending by the server or other electronic means, if provided by electronic means; (ii) on the day recorded as the time of sending by fax machine, if provided by fax; (iii) five days after the postmark date, if provided by mail; and (iv) when it is received, in any other case.

Determinations

All calculations and determinations of each of the Calculation Agent and the Manager shall, absent manifest error, be final and binding on Bank of Montreal and the Holders.

EXPENSES OF THE OFFERING

Expenses of the Offering of $4.75 (4.75%) per Deposit Note will be paid out of the Offering proceeds on or about the Closing Date to the Selling Agent. The Selling Agent will pay all or a portion of this amount to sub-agency groups including other qualified selling members for selling the Deposit Notes.

FEES AND EXPENSES OF THE NOTE PROGRAM

The total annual fees that will be paid in respect of the Basket under the Note Program will vary depending on the allocations between the Fund Portfolio and the Notional Bond Portfolio in the Basket from time to time during the term of the Deposit Notes.

For each of the first seven years from the closing of this Offering, a portion of total annual fees under the Note Program in an amount equal to $0.25 per Deposit Note will be paid by Bank of Montreal to qualified selling members in respect of Deposit Notes held by their clients.

In order for the Payment at Maturity to exceed the Deposit Amount, the return generated by the Fund Portfolio and the Options during the term of the Deposit Notes will have to exceed the aggregate fees and expenses (including interest on notional borrowings, if any) paid by the Note Program during the term of the Deposit Notes.

Annual Fund Portfolio Fees

The total annual fees applicable to the Fund Portfolio in the Basket under the Note Program will be comprised of annual fund portfolio fees equal to 2.60% of the value of the Fund Portfolio (including any portion of the Fund Portfolio acquired with notionally borrowed money resulting from Weighting of greater than 100%). By comparison, the annual management expense ratio as of June 30, 2006 for Mutual Fund Units of the Fund (including performance fees) was 1.89%, being 0.71% less than the annual fund portfolio fees of 2.60% applicable to the Fund Portfolio under the Note Program. The annual fund portfolio fees of 2.60% account for all fees and expenses (other than interest on notional borrowings, if any) applicable to the Fund Portfolio under the Note Program including management fees for the management services provided by the Investment Manager and its affiliates and fees for services provided by Guardian Group of Funds Ltd., the manager of the Fund. The actual management expense ratios for the Mutual Fund Units of the Fund may go up or down during the term of the Deposit Notes, however, the annual fund portfolio fees will remain at 2.60%.

Annual fund portfolio fees of 2.60% will be calculated and accrued daily and paid to Bank of Montreal monthly by notionally selling holdings of the Fund Portfolio. Bank of Montreal will pay a portion of such fees to the Investment Manager and Guardian Group of Funds Ltd. and will retain the remainder. The annual fund portfolio fees reduce the value of the Fund Portfolio and will therefore affect the amounts paid to Holders during the term of the Deposit Notes and the Variable Return, if any, paid to Holders at Maturity.

Annual Bond Portfolio Fees

The total annual fees applicable to the Notional Bond Portfolio under the Note Program will be comprised of annual bond portfolio fees equal to 0.75% of the face amount of the Coupon Bonds in the Basket, which account for all fees and expenses applicable to the Notional Bond Portfolio under the Note Program. Bank of Montreal will be paid the annual bond portfolio fees. For further clarity, the 0.75% coupon paid on the Coupon Bonds in the Basket will be used to pay such annual fees and will not accrue to the benefit of the Holders of the Deposit Notes.

No annual fee will apply under the Note Program to the portion, if any, of the Basket comprised of Options. Accordingly, where the Basket consists of only the Notional Bond Portfolio and Options, the total annual fees under the Note Program will be limited to annual bond portfolio fees of 0.75% of the face amount of the Coupon Bonds in the Basket.

Leverage

In consideration for the Manager providing leverage to the Basket, interest on any amounts notionally borrowed under the Note Program will be calculated and accrued daily at an annual interest rate equal to the Bankers' Acceptance Rate plus one-quarter of one percent and paid to the Manager monthly by notionally selling Units in the Fund Portfolio in such manner as to preserve the then existing proportions by value of Units of each Fund in the Fund Portfolio. See "Note Program".

RISK FACTORS

An investment in the Deposit Notes is subject to certain risk factors that prospective investors should carefully consider before acquiring Deposit Notes, including the following risk factors:

Suitability of Deposit Notes for Investment

An investor should invest in the Deposit Notes only after carefully considering with his or her advisor whether the Deposit Notes are a suitable investment in light of the information set out in this Information Statement. Neither Bank of Montreal, BMO Capital Markets, including in its capacity as Selling Agent, Calculation Agent and Manager, the Investment Manager, nor Guardian Group of Funds Ltd., the manager of the Fund, makes any recommendation as to whether the Deposit Notes are a suitable investment for any person.

The Deposit Notes have certain investment characteristics that differ from conventional fixed income investments. The Deposit Notes may not provide investors with an income stream or return prior to Maturity and do not provide a return at Maturity that is calculated or determined with reference to a fixed or floating rate of interest. Therefore, an investment in the Deposit Notes is only suitable for investors prepared to assume the risks associated with an investment whose return is based on the performance of the Basket. The Deposit Amount is only repaid if the Deposit Notes are held to Maturity. The Deposit Notes are not conventional indebtedness. Interest will be paid to Holders during the term of the Deposit Notes only if the total return on the Fund Portfolio is positive during the term of the Deposit Notes (after payment of fees and expenses). The Deposit Notes do not have a fixed yield and could produce no yield. Therefore, the Deposit Notes are not suitable investments for investors who need or expect any payments during the term of the Deposit Notes or any return or a specific return on investment.

Investors should understand that the risk involved in this type of investment is greater than that normally associated with other types of investments. The investments in which the Investment Manager proposes to invest as part of the Fund Portfolio can be subject to sudden, unexpected and substantial price movements and various other risks. Consequently, the trading of investments can lead to substantial losses in the value of the Basket within a short period of time.

Non-Conventional Deposit Notes

The Deposit Notes are not conventional notes or debt instruments. The Deposit Notes do not provide Holders with a return or income stream prior to Maturity, or a return at Maturity, calculated using a fixed or floating rate of interest that can be determined prior to Maturity. Holders of Deposit Notes may not have an opportunity to reinvest any amounts generated by the Deposit Notes prior to Maturity nor will they be able, prior to Maturity, to determine the amount of the return, if any, that they will receive on their Deposit Notes at Maturity.

Uncertain Return Until Maturity

There is no assurance that the Fund or the Fund Portfolio will be able to achieve their respective investment objectives and that the total return on the Fund Portfolio will be positive. The amount of interest, if any, paid to Holders prior to Maturity depends on the total return on the Fund Portfolio and the Weighting of the Basket. Accordingly, Bank of Montreal's obligation to pay interest on the Deposit Notes will be determined by the positive total returns on the Fund Portfolio. In certain circumstances, the Fund Portfolio may not generate positive total returns. Accordingly, a Holder may receive no interest payments prior to Maturity.

The return, if any, on the Deposit Notes will be uncertain until the Maturity Date. Generally, whether or not there is a return on the Deposit Notes at the Maturity Date will depend on the performance of the Fund Portfolio, as measured by the change, if any, in the value of the Fund Portfolio. There can be no assurance that the Fund Portfolio will generate positive total returns or succeed in achieving its investment objectives. Depending on the performance of the Fund Portfolio at Maturity, Holders may receive only the Deposit Amounts of their Deposit Notes. Holders have no influence over the determinations made under the Asset Allocation Methodology, the Basket Value or the Variable Return Payment Formula.

No Guarantee that Performance of the Fund Portfolio will Replicate the Performance of the Fund

The Fund Portfolio will be managed with the primary objective of replicating the total return of the Units. However, there can be no assurance that returns, if any, on the Fund Portfolio will be the same as returns on the Units. Although the Fund Portfolio under the Note Program primarily endeavours to provide Holders with approximately the same return that could have been obtained through a corresponding investment in the Fund, there may be certain differences between the management of the Fund Portfolio and the Fund. In addition, annual fund portfolio fees applicable to the Fund Portfolio will generally not be the same as management expense ratios applicable to units of the Fund. Holders of Deposit Notes will bear the risk of differences in the return, if any, of the Fund Portfolio under the Note Program compared to the return of the Fund.

Dependence on Management

The success of the Fund and the Fund Portfolio depends on the skill and acumen of the management and portfolio management teams of the Investment Manager and any portfolio sub-advisors appointed by the manager of the Fund. These individuals will not devote all of their time to the business of the Fund or the Fund Portfolio. If these individuals should cease to participate in the business of the Fund and the Fund Portfolio, the ability of the Fund and the Fund Portfolio to select attractive investments and manage their portfolios could be severely impaired. There can be no assurance that: (a) the investment objectives of the Fund and the Fund Portfolio will be realized; (b) the investment strategies of the Fund or the Fund Portfolio will prove successful; (c) the distribution policy of the Fund or the Fund Portfolio can be maintained; or (d) the Fund or the Fund Portfolio can avoid losses. Past performance of the Investment Manager is not indicative of future returns.

Generally speaking, the Investment Manager (and any sub-advisor appointed by the manager of the Fund) has exclusive and absolute discretion and authority over the management and control of the investments of the Fund and the Fund Portfolio.

Reliance on Investment Manager

The Investment Manager is responsible for the management of the Fund's portfolio, the Fund Portfolio and their respective investments. The Investment Manager's decisions will influence the overall performance of the Fund and the Fund Portfolio. There can be no assurance that the Investment Manager's management of the Fund and the Fund Portfolio will generate a positive return for the Fund, the Fund Portfolio and the Deposit Notes.

Secondary Trading of Notes

The Deposit Notes are designed for investors with long-term investment horizons who are prepared to hold the Deposit Notes to Maturity. The Deposit Notes are not designed as a short-term investment.

There is currently no market through which the Deposit Notes may be sold. Bank of Montreal does not intend to apply to have the Deposit Notes listed on any securities exchange.

BMO Capital Markets may (but is not obligated to) arrange for a secondary market for the purchase and sale of the Deposit Notes. Should there be such a secondary market, it is not possible to predict, due to several factors, at what price the Deposit Notes will trade in the secondary market or whether such market will be liquid or illiquid.

A Holder who sells his or her Deposit Notes in the secondary market may receive less than the Deposit Amount, even if the performance of the Fund Portfolio has been positive and, as a result, could incur a loss in respect of such sale.

The Deposit Amount is repaid by Bank of Montreal only at Maturity. There is no assurance that any premium that may have been paid by a Holder having purchased Deposit Notes in the secondary market will be repaid. The Deposit Notes will not constitute deposits under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime. The price that BMO Capital Markets will pay to a Holder for a Deposit Note prior to Maturity will be determined by BMO Capital Markets, acting in its sole discretion, and will be based on, among other things:

- how much the value of the assets in the Basket has risen or fallen since the Closing Date;

- the fact that during the term of the Deposit Notes assets in the Basket will be reallocated from time to time between the Fund Portfolio and the Notional Bond Portfolio and, where 0% is allocated to the Fund Portfolio and a determination has not been made in respect of an Extraordinary Event, will include Options; and
- a number of other interrelated factors including, without limitation, the volatility of the value of the assets in the Basket, prevailing interest rates and the time remaining to Maturity.

The relationship among these factors is complex and may also be influenced by various political, economic and other factors that can affect the trading price of a Deposit Note. In particular, Holders should realize that the secondary market price for the Deposit Notes (a) may not rise and fall with changes in the value of the Fund Portfolio and (b) may be substantially affected by changes in current interest rates independent of performance of the assets in the Basket. The Holders may wish to consult their respective investment advisors on whether it would be more appropriate in the circumstances at any time to sell or to hold their Deposit Notes until Maturity.

A Holder will not be able to redeem or sell Deposit Notes prior to Maturity, other than through the secondary market, if available.

Reallocation of the Basket

If, pursuant to the Asset Allocation Methodology, assets are reallocated from the Fund Portfolio to the Notional Bond Portfolio during the term of the Deposit Notes, such allocation will reduce the exposure of the Note Program to the Fund Portfolio. Any allocation between the Fund Portfolio and the Notional Bond Portfolio will be determined in accordance with the Asset Allocation Methodology. If and only so long as the Weighting to the Fund Portfolio is 0% (other than by reason of a determination in respect of an Extraordinary Event), the Basket will include a notional investment in Options and will not include the Fund Portfolio unless and until Weighting exceeds 0% and assets in the Basket are again allocated to the Fund Portfolio under the Asset Allocation Methodology. If the Manager and Calculation Agent so determine upon the occurrence of an Extraordinary Event, the Note Program will no longer have any exposure to the Fund Portfolio or the Options and the Basket will consist of only the Notional Bond Portfolio. Following the occurrence of an Extraordinary Event, the entire value of the Fund Portfolio calculated as of the date of such occurrence will be notionally reinvested in the Notional Bond Portfolio. If an Extraordinary Event occurs, the Deposit Amount will be paid at, but not prior to, Maturity, a Holder will not receive any interest payments or earn any Variable Return during the remainder of the term of the Deposit Notes, and the possibility of a Holder receiving any Variable Return is significantly reduced.

Fees and Expenses

In order for the Payment at Maturity to exceed the Deposit Amount, the return on the notional assets in the Basket over the term of the Deposit Notes will have to exceed the aggregate fees and expenses paid by the Note Program during the term of the Deposit Notes.

Borrowings

It is possible to have a Weighting to the Fund Portfolio in the Basket of up to 200%. If the Weighting exceeds 100%, the Basket will have notionally borrowed money to acquire the additional investments in the Fund Portfolio. The Basket may also notionally borrow money in order to fund any interest payment payable during the term of the Deposit Notes. The use of borrowed money creates an opportunity for increased exposure to the Units and the potential of an increased return. At the same time, however, borrowing money creates special risks. Although the principal amount of the money notionally borrowed will be fixed, the value of the Fund Portfolio may change during the time a borrowing is outstanding. Since any decline in the value of the Fund Portfolio will be borne entirely by the Note Program (and not by those persons providing the borrowed money), a decline in the value of the Fund Portfolio will result in a greater decrease in the Basket Value than if no money was borrowed. Decreases in the Basket Value can lead to an increased allocation to the Notional Bond Portfolio under the Asset Allocation Methodology.

Notionally borrowing funds will create interest expense for the Note Program. The interest expense may exceed the net return made from the borrowed funds. To the extent that the net return on the additional investments in the Fund Portfolio made with borrowed funds is greater than the interest expense incurred by the Note Program on the borrowed funds, then the return on the Note Program assets will be greater than the return if no funds were borrowed. Conversely, if the net return on the additional investments in the Fund Portfolio made with borrowed funds is not sufficient to cover the interest expense incurred by the Note Program on the borrowed funds, then the return on the Note Program assets will be less than if no funds were borrowed.

Conflicts of Interest

The Investment Manager or any of its affiliates may conduct any other business. Such other business may include investing in securities and may be a business in competition with the Fund Portfolio or the Deposit Notes. For example, the Investment Manager or any of its affiliates may act as a general partner, managing member, investment advisor or investment manager for others (including the issuers of securities owned by the Fund Portfolio). The Investment Manager or any of its affiliates may also manage funds or capital for others, may have, make and maintain investments in its own name or through other entities, may serve as a consultant, managing member, partner or stockholder of one or more investment advisors, partnerships, securities firms or advisory firms, and may act as a director, officer or employee of any corporation, a trustee of any trust, an executor or manager of any estate, or an administrative official of any other business entity. The investment objectives and policies relating to these other entities and activities may not be consistent with the investment objectives and strategies of the Fund and the Fund Portfolio. As a result, the investments taken, held or liquidated by the Fund and the Fund Portfolio may vary in kind, terms or price from those taken, held or liquidated by or on behalf of these other entities or in connection with these other activities. The Investment Manager also may be subject to certain limitations, bylaws or its own internal code of ethics or other policies that may prevent the Investment Manager from taking certain actions or making certain investments for the Fund and the Fund Portfolio. The Investment Manager is an indirect wholly-owned subsidiary of the Bank. Accordingly, the Bank could influence the investment, consulting, advisory and other activities in which the Investment Manager engages. As a result of the foregoing, the Investment Manager and its affiliates may have conflicts of interest in allocating their time and activity between the Fund and the Fund Portfolio and other entities and activities, and in allocating investments among the Fund and the Fund Portfolio and other clients, including those in which the Bank or the Investment Manager and their respective affiliates may have a greater financial interest.

In addition to the Bank's ownership interest in the Investment Manager, each of Bank of Montreal, BMO Capital Markets and any of their respective affiliates, may from time to time, in the course of its normal business operations, hold interests linked to the Fund or the Fund Portfolio or hold securities of, extend credit to or enter into other business dealings with the Investment Manager, the Fund, the Fund Portfolio or one or more of the entities whose securities are owned by the Fund or the Fund Portfolio, including under hedging arrangements relating to the Deposit Notes. Each has agreed that all such actions taken by it shall be taken based on normal commercial criteria in the particular circumstances, which may include payment of trailer fees. Such actions may not take into account the effect, if any, of such actions on the amount or frequency of interest payments on the Deposit Notes or the amount of Variable Return that may be payable on the Deposit Notes.

Regulatory Change

Future regulatory changes in applicable jurisdictions could limit the ability of the Investment Manager to carry out its business and could have a material adverse effect on the Note Program.

Credit Rating

As at the date of this Information Statement, the deposit liabilities of Bank of Montreal with a term to maturity of more than one year are rated AA (low) by DBRS, AA- by S&P and Aa3 by Moody's. There can be no assurance that, if the Deposit Notes were specifically rated by these rating agencies, they would have the same rating as other deposit liabilities of Bank of Montreal. A rating is not a recommendation to buy, sell or hold investments, and may be subject to revision or withdrawal at any time by the relevant rating agency.

Credit Risk

Because the obligation to make payments to Holders of Deposit Notes is an obligation of Bank of Montreal, the likelihood that such Holders will receive the payments owing to them in connection with the Deposit Notes will be dependent upon the financial health and creditworthiness of Bank of Montreal.

No Deposit Insurance

The Deposit Notes will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* (Canada) or any other deposit insurance regime. Therefore a Holder will not be entitled to Canada Deposit Insurance Corporation protection.

Canadian Investor Protection Fund

There is no assurance that an investment in the Deposit Notes will be eligible for protection under the Canadian Investor Protection Fund. A Holder should consult an investment advisor on whether the Holder's investment in the Deposit Notes is eligible for protection in light of such Holder's particular circumstances.

Extraordinary Events

If an Extraordinary Event occurs, the Deposit Notes may no longer have exposure to the Fund Portfolio or the Options and may have exposure only to the Notional Bond Portfolio. Following the occurrence of an Extraordinary Event, the Deposit Notes may not participate in any return that may have been realized on the Fund Portfolio following an Extraordinary Event in which case, the possibility of a Holder receiving any Variable Return is significantly reduced and a Holder will not receive any interest payments during the remainder of the term of the Deposit Notes. See “Note Program – Extraordinary Events”.

No Independent Calculation

As part of its responsibilities, the Manager will be solely responsible for computing the NAV per Note based on the calculations of the Basket Value, Weighting and the Asset Allocation Methodology made by the Calculation Agent. No independent calculation agent will be retained to make or confirm the determinations and calculations made by the Manager or the Calculation Agent.

Valuation of the Fund Portfolio

The trading prices of the holdings comprising the assets of the Fund Portfolio from time to time will determine the net asset value of the Fund Portfolio. Other activities of the Fund Portfolio may impact on the value of Fund Portfolio. Holders should recognize that it is impossible to know whether the value of the holdings comprising the assets of the Fund Portfolio at any time will rise or fall and whether the investment decisions of the manager of the Fund Portfolio will prove to be successful. Trading prices of the securities comprising the assets of the Fund Portfolio will be influenced by complex and inter-related political, economic, financial and other factors that can affect the capital markets generally or the equity trading markets on which the securities comprising the assets of the Fund Portfolio are trading.

Risks Relating to the Fund

The interest payments to Holders prior to Maturity will depend on the level of total returns on the Fund Portfolio and the Weighting of the Basket. The interest paid to Holders will not equal total returns on the Fund and it is possible that no interest will be paid to Holders. The amount of Variable Return, if any, payable on the Deposit Notes is based on the Basket Value, of which the Fund Portfolio component is primarily intended to reflect the performance of the Fund. Accordingly, certain risk factors applicable to investors who invest directly in units of the Fund are also applicable to an investment in Deposit Notes to the extent that such risk factors could adversely affect the performance of the Fund Portfolio. Such risk factors may include the following:

Market Risk: The value of the equity securities in which the Fund invests is affected (i.e., it may go up or down) by individual company developments, stock market conditions and general economic conditions.

Volatility Risk: Equity funds generally tend to be more volatile than fixed income funds, and the value of their units may vary more widely than fixed income funds.

Foreign Market Risk: Issuers of non-North American securities are generally not subject to the same degree of regulation as are Canadian or US issuers. The reporting, accounting and auditing standards of foreign countries may differ, in some cases significantly, from Canadian or US standards.

Currency Risk: A decline in the value of foreign currencies relative to the Canadian dollar will reduce the value of securities denominated in those currencies.

Securities Lending Risk: Mutual funds may lend their securities as permitted by securities legislation. The Fund may lend securities it holds for a set period of time in exchange for collateral, which can include cash, qualified securities or securities that can be immediately converted into the securities that are on loan. There is a risk that the other party to the transaction may not live up to its obligations under the transaction, leaving the Fund holding collateral which could be worth less than the loaned securities, if the value of the loaned securities increases relative to the value of the collateral.

Repurchase/Reverse Repurchase Risk: The Fund may enter into repurchase agreements and reverse repurchase agreements. In a repurchase agreement, the Fund sells a security as one price and agrees to buy it back at an agreed price, which is usually lower, on a specified date. It is a way for the Fund to borrow short-term cash and earn fees. In a reverse repurchase agreement, the Fund buys a security and agrees to sell it back at an agreed price, which is usually higher, on a specified date. It is a way for a fund to earn income and for the other party to borrow short-term cash. Though no more than 50% of the Fund’s total assets may be subject to repurchase agreements, the Fund could experience a loss if the counterparty becomes insolvent and the value of the securities decreases before the Fund can recover its investment.

No Ownership of Fund Portfolio, Units, Notional Bond Portfolio or Options

The Deposit Notes will not entitle a Holder to any direct or indirect ownership of or entitlement to the Fund Portfolio or Units, to the holdings comprising the assets of the Fund Portfolio or the Fund, to any assets comprising the Notional Bond Portfolio or to the Options. As such, a Holder will not be entitled to the rights and benefits of a unitholder, shareholder or a securityholder, including any right to receive distributions or dividends or to vote at or attend meetings of unitholders, shareholders or securityholders.

Owning the Deposit Notes is different from owning the Fund Portfolio or the Units. The Deposit Notes do not represent a substitute for an investment in, the Fund Portfolio or the Fund. Investing in the Deposit Notes provides the opportunity to participate in the Basket Value, while receiving at maturity repayment of the Deposit Amount invested in each Deposit Note. As such, the Deposit Notes serve as a way of participating in the total return, if any, on the Fund Portfolio (which is managed to, but may not, replicate an investment in Units), based on the Basket Value, while assuring the ultimate return of the Deposit Amount invested if held to Maturity.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Torys LLP, counsel to Bank of Montreal, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Deposit Notes by a Holder who purchases Deposit Notes at the time of their issuance (an "Initial Holder"). This summary is applicable only to an Initial Holder who is an individual (other than a trust) and, for the purposes of the *Income Tax Act* (Canada) (the "Act"), is a resident of Canada, deals at arm's length with and is not affiliated with Bank of Montreal and holds Deposit Notes as capital property.

The Deposit Notes will generally be considered to be capital property to an Initial Holder unless (i) the Initial Holder holds the Deposit Notes in the course of carrying on or otherwise as part of a business of trading or dealing in or buying and selling securities; or (ii) the Initial Holder acquired the Deposit Notes as an adventure in the nature of trade. Certain Initial Holders whose Deposit Notes might not otherwise be considered to be capital property or who desire certainty with respect to the treatment of the Deposit Notes as capital property may be entitled to make an irrevocable election to have the Deposit Notes and all of the Initial Holder's other "Canadian securities" deemed to be capital property pursuant to subsection 39(4) of the Act.

This summary is based on the current provisions of the Act and the regulations thereunder as in force on the date hereof, counsel's understanding of the current administrative and assessing practices of the CRA and all specific proposals to amend the Act and regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof. This summary does not otherwise take into account or anticipate any changes in law or the CRA's administrative or assessing practices, whether by legislative, governmental or judicial action. This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Deposit Notes and does not take into account provincial, territorial or foreign income tax legislation or considerations.

This summary is of a general nature only and is not intended to be legal or tax advice to any particular Holder. Holders should consult their tax advisors for advice with respect to the income tax consequences of an investment in Deposit Notes, based on their particular circumstances.

Monthly Interest

An Initial Holder will be required to include in income for the taxation year in which it is received or became receivable (depending on the method regularly followed by the Initial Holder in computing income), all monthly interest on the Deposit Notes, to the extent such interest was not included in computing the Initial Holder's income for a preceding taxation year. Bank of Montreal will file an information return with the CRA in respect of any such interest to be included in an Initial Holder's income and will provide the Initial Holder with a copy of such return.

Variable Return

A Deposit Note is a "prescribed debt obligation" within the meaning of the Act. The rules ("prescribed debt obligation rules") in the regulations applicable to a prescribed debt obligation generally require a taxpayer to accrue the amount of any interest, bonus or premium receivable in respect of the obligation over the term of the obligation, based on the maximum amount of interest, bonus or premium receivable on the obligation. Based in part on counsel's understanding of the CRA's administrative practice with regard to "prescribed debt obligations", there should be no deemed accrual of the Variable Return on the Deposit Notes under these rules prior to the Final Valuation Date, provided that no Extraordinary Event has occurred. If an Extraordinary Event occurs and the Manager and the Calculation Agent determine that the Note Program will no longer have exposure to the Fund Portfolio and the Options and the Basket will only consist of the Notional Bond Portfolio, an Initial Holder would be required to include in income for each taxation year commencing in the taxation year in which the Extraordinary Event occurred the portion of the Variable Return deemed to accrue as interest to the Initial Holder to the end of the "anniversary day" of the Deposit Note in the taxation year determined in accordance with the prescribed debt obligation rules, except to the extent that the amount was otherwise included in income for the taxation year or a preceding taxation year. Bank of Montreal will file an information return with the CRA in respect of any such amount to be included in an Initial Holder's income and will provide the Initial Holder with a copy of such return.

Disposition of Deposit Notes

Upon a disposition of a Deposit Note at Maturity, an Initial Holder will be required to include in income for the taxation year in which the disposition occurs, the amount, if any, of the Variable Return, except to the extent otherwise included in income in the taxation year or a preceding taxation year. Bank of Montreal will file an information return with the CRA in respect of any such amount to be included in an Initial Holder's income and will provide the Initial Holder with a copy of such information return.

In certain circumstances, where an investor assigns or otherwise transfers a debt obligation, the amount of interest accrued on the debt obligation to that time, but unpaid, will be excluded from the proceeds of disposition of the obligation and will be required to be included as interest in computing the investor's income for the taxation year in which the transfer occurs, except to the extent that it has been otherwise included in income for that year or a preceding year. Under the terms of the Deposit Notes, any monthly interest will accrue to the date of assignment or transfer but there should be no amount in respect of Variable Return that will be treated as accrued interest on an assignment or transfer of a Deposit Note prior to the Final Valuation Date unless there has been an Extraordinary Event. Except as described above, while the matter is not free from doubt, a disposition or deemed disposition of a Deposit Note by an Initial Holder should give rise to a capital gain (or capital loss) to the extent the Initial Holder's proceeds of disposition exceed (or are less than) the aggregate of the Initial Holder's adjusted cost base of the Deposit Note and any reasonable costs of disposition. An Initial Holder who disposes of a Deposit Note prior to Maturity should consult his or her tax advisor with respect to his or her particular circumstances.

One-half of a capital gain (a "taxable capital gain") realized by an Initial Holder must be included in the income of the Initial Holder. One-half of a capital loss (an "allowable capital loss") realized by an Initial Holder is deductible against taxable capital gains realized in the taxation year. Allowable capital losses in excess of taxable capital gains may be carried back and deducted against net taxable capital gains realized in the three preceding taxation years or carried forward and deducted against net realized capital gains in subsequent taxation years, subject to the rules in the Act.

Capital gains realized by an individual may give rise to a liability for alternative minimum tax.

PLAN OF DISTRIBUTION

Pursuant to an agreement between Bank of Montreal and the Selling Agent, the Selling Agent has agreed to offer Deposit Notes for sale as agent of Bank of Montreal on a best efforts basis, if, as and when issued by Bank of Montreal. The Deposit Notes are being offered through the mutual fund order entry system FundSERV. Subscriptions for Deposit Notes may be made through FundSERV under the mutual fund order code "JHN 801" which will result in funds being accumulated in a non-interest bearing account of BMO Capital Markets pending execution of all documents required for this transaction and satisfaction of closing conditions if any. Holders should recognize that, unless they have purchased the Deposit Notes directly through a representative of BMO Nesbitt Burns Inc., they do not have an account with BMO Nesbitt Burns Inc. Funds in respect of all subscriptions shall be payable at the time of subscription. Bank of Montreal will have the sole right to accept offers to purchase Deposit Notes and may reject any proposed purchase of Deposit Notes in whole or in part, and the right is reserved to close the subscription book at any time. The Selling Agent is a subsidiary of Bank of Montreal. **As a result, Bank of Montreal is a related issuer of the Selling Agent under applicable securities legislation**. The decision to offer the Deposit Notes and the terms of this Offering were negotiated at arm's length between Bank of Montreal and the Selling Agent.

Each Deposit Note will be issued at 100% of its Deposit Amount of $100.00. Concurrently with offering the Deposit Notes, Bank of Montreal is also offering Bank of Montreal GGOF C.O.R.E. Protected Deposit Notes, Total Return Class, Series 1 and Bank of Montreal GGOF C.O.R.E. Protected Deposit Notes, R.O.C. Class, Series 1, which will all have the same closing date. The maximum issue size is an aggregate of $100,000,000 for all three offerings. Bank of Montreal may change the maximum aggregate size of the offerings at its discretion. The Selling Agent will be paid an upfront commission of $4.75 (4.75%) per Deposit Note. The Selling Agent may form a sub-agency group including other qualified selling members and determine the fee payable to the members of such group, which fee will be paid by the Selling Agent out of its own fees. While the Selling Agent has agreed to use its best efforts to sell the Deposit Notes offered hereby, the Selling Agent will not be obligated to purchase any Deposit Notes that are not sold. For greater certainty, BMO Capital Markets may purchase Deposit Notes offered hereby as principal.

The proceeds to Bank of Montreal from the issuance of the Deposit Notes will constitute deposits received by Bank of Montreal and will be used for general banking purposes.

The closing of this Offering is scheduled to occur on or about November 8, 2006. Bank of Montreal may, at any time prior to the Closing Date, in its discretion, elect whether or not to proceed in whole or in part with the issue of the Deposit Notes. If for any reason the closing of this Offering does not occur, all subscription funds will be returned to subscribers without interest or deduction.

Bank of Montreal may from time to time issue any additional series of notes or any other notes or other debt instruments (which may or may not resemble the Deposit Notes) and may offer such notes or debt instruments concurrently with the Offering.

Bank of Montreal reserves the right to purchase for cancellation at its discretion any amount of Deposit Notes in the secondary market, without notice to Holders.

No Deposit Notes will be sold to U.S. Persons, as defined in Regulation S of the *United States Securities Act of 1933*.

A Global Note for the aggregate Deposit Amounts of the Deposit Notes issued on the Closing Date will be issued in registered form to CDS and will be deposited with CDS on the Closing Date. Subject to certain exceptions, certificates evidencing the Deposit Notes will not be available to Holders under any circumstances and registration of interests in and transfers of Deposit Notes will be made through the Book-Entry System of CDS or through FundSERV, as applicable. See "Description of the Deposit Notes – Book-Entry System".

In connection with the issue and sale of the Deposit Notes by Bank of Montreal, no person is authorized to give any information or to make any representation not expressly contained in this Information Statement or the Global Note and Bank of Montreal does not accept responsibility for any information not contained herein. This Information Statement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation and no action is being taken to permit an offering of the Deposit Notes or the distribution of this Information Statement in the United States or to U.S. Persons (as defined in Regulation S of the *United States Securities Act of 1933*) or in any jurisdiction outside Canada where any action is required.