

## INFORMATION STATEMENT DATED JUNE 10, 2008

*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.*



### Bank of Montreal

## GGOF C.O.R.E. Protected Deposit Notes™, Yield Class™, Series 8 and Series 9

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**PRICE: \$100 PER DEPOSIT NOTE**

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

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The Bank of Montreal GGOF C.O.R.E. Protected Deposit Notes, Yield Class, Series 8 and Series 9 (each a "Series"), with each Series having a different issue date and maturity date as described herein (the "Deposit Notes"), will be issued by Bank of Montreal and will have a term to maturity of approximately 7.5 years. The Deposit Notes of each Series are a principal protected product that provides up to 200% exposure to the distributions and capital appreciation of a fund portfolio of notional units (collectively the "Units" and each a "Unit") of a fund (GGOF Dividend Growth Fund) that could have been notionally purchased with the net proceeds of the offering of Deposit Notes of such Series. The closings of the offerings of Series 8 and Series 9 are scheduled to occur on or about July 23, 2008 and September 10, 2008, respectively.

The return, if any, on Deposit Notes of a Series will be based on the return on a notional investment of the net proceeds of the offering of Deposit Notes of such Series in a basket of assets (the "Basket") consisting of a fund portfolio and/or a notional bond portfolio, as applicable. A separate note program with a separate Basket providing for separate interest payments and variable return, if any, will be maintained for each Series. It is anticipated that on the closing of the offering of the Deposit Notes of each Series, 100% of the Basket for such Series will be comprised of a fund portfolio. See "Note Program" and "GGOF Dividend Growth Fund".

Within 10 business days of the end of the month of closing of an offering of Deposit Notes of a Series and each month thereafter prior to maturity, Bank of Montreal will pay a holder interest on a Deposit Note based on the monthly distribution rate of the fund on its T5 Class units. The entire amount of annual year-end excess distributions, if any, on the T5 Class units will be notionally reinvested in the Basket for the applicable Series. No payments will be made to a holder for a period prior to maturity where the Basket of the relevant Series does not include the fund portfolio including in circumstances described herein as an extraordinary event.

At maturity, a holder of a Deposit Note will be entitled to an amount equal to (i) the amount deposited of \$100 (the "Deposit Amount"), plus (ii) a variable return, if any, calculated in accordance with the Variable Return Payment Formula described herein based on the return on a Basket after payments of interest, if any, to holders prior to maturity. The amount and frequency of interest payments during the term of the Deposit Notes will not affect a holder's entitlement to at least \$100 per Deposit Notes at maturity. See "Description of the Deposit Notes".

During the term of the Deposit Notes of a Series, the allocations to a fund portfolio and a notional bond portfolio in a Basket will be determined in accordance with a methodology referred to in this Information Statement as the Asset Allocation Methodology. See "Note Program – Reallocation of Assets". On each calculation date, the calculation agent will determine, for each Series, whether the proportion of a fund portfolio and a notional bond portfolio in a Basket needs to be reallocated

**JHN 830 – Series 8 Notes**

**JHN 831 – Series 9 Notes**

under the Asset Allocation Methodology. A number of factors will affect reallocation between a fund portfolio and a notional bond portfolio under the Asset Allocation Methodology including the performance of the fund portfolio, the remaining term of the Deposit Notes of a Series and interest rates as at the relevant date of determination. Weighting of a fund portfolio in a Basket will be between 0% and 200%. If weighting exceeds 100%, the calculation agent will employ leverage by borrowing under a notional loan facility to notionally acquire additional Units. Any notional borrowing by the calculation agent is without personal liability to any holder, but may affect the value of or return on Deposit Notes. The variable return, if any, on Deposit Notes of a Series that a holder will be entitled to at maturity will be determined after deducting the aggregate fees and expenses paid by the note program for such Series during the term of such Deposit Notes including the amount of interest payable to BMO Nesbitt Burns Inc. on any notional borrowing, calculated at an annual interest rate equal to the bankers' acceptance rate plus one quarter of one percent. See "Definitions" and "Note Program – Reallocation of Assets".

BMO Nesbitt Burns Inc. is the selling agent (the "Selling Agent") and a wholly-owned subsidiary of BMO Nesbitt Burns Corporation Limited which, in turn, is an indirect majority-owned subsidiary of Bank of Montreal. **Consequently, Bank of Montreal is a related issuer of the Selling Agent under applicable securities legislation.** See "Plan of Distribution". Guardian Group of Funds Ltd., the fund manager of the fund, is an indirect wholly-owned subsidiary of Bank of Montreal. See GGOF Dividend Growth Fund -The Fund Manager.

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 fund manager and/or the portfolio adviser, the T5 Class units of the fund and the fund has been provided by Guardian Group of Funds Ltd. 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 Guardian Group of Funds Ltd. Furthermore, Bank of Montreal makes no recommendation concerning Guardian Group of Funds Ltd., the portfolio adviser, the T5 Class units of the fund, the fund, mutual funds or the suitability of investing in securities generally or the Deposit Notes in particular. In connection with the issue and sale of Deposit Notes by Bank of Montreal, no person is 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 herein.

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## SUMMARY OF THE OFFERINGS

*This is a summary of the offerings of two series of Deposit Notes under this Information Statement. Please note that this summary is not intended to be a detailed description of the offerings and may not contain all the information that you may need to make a decision as to whether to purchase any Deposit Notes. For more detailed and complete information please refer to the body of 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.*

- Issuer:** We will issue the Bank of Montreal GGOF C.O.R.E. Protected Deposit Notes, Yield Class, Series 8 and Series 9 (each a "series") as described below (the "Deposit Notes").
- Subscription Price:** The price for each Deposit Note is \$100.
- Minimum Subscription:** The minimum that you may invest in each series is \$2,000 (20 Deposit Notes).
- Closing Date:** Series 8 will be issued on or about July 23, 2008.  
Series 9 will be issued on or about September 10, 2008.
- Term and Maturity Date:** The term of each series is approximately 7.5 years.  
Series 8 will mature on or about January 22, 2016.  
Series 9 will mature on or about March 10, 2016.
- Offerings:** The offering of Deposit Notes of a series provides you with the opportunity to purchase a principal protected product that provides, except in circumstances described herein as an extraordinary event, up to 200% exposure to the distributions and capital appreciation of notional units (collectively, the "Units" and individually a "Unit") of GGOF Dividend Growth Fund (the "fund") that could have been notionally purchased with the net proceeds of the offering of Deposit Notes of such series.
- A Unit comprises a notional unit of the fund, the investment performance of which reflects the actual investment performance of a T5 Class unit of the fund that would otherwise occur if the management expense ratio of the T5 Class units of the fund was nil and the entire amount of annual year-end excess distributions, if any, on the T5 Class units of the fund were reinvested in the basket for the relevant series. The term "fund portfolio" refers to the Units of a series collectively as a portfolio.
- The return, if any, on Deposit Notes of a series will be based on the return on a notional investment of the net proceeds of the offering of Deposit Notes of such series in a basket of assets (each, a "basket") consisting of a fund portfolio and/or a notional bond portfolio maturing on the maturity date of a series.
- A separate note program with a separate basket providing for separate interest payments and variable return, if any, will be maintained for each series. It is anticipated that on the closing of the offering of the Deposit Notes of each series 100% of the basket for such series will be comprised of a fund portfolio. See "Note Program".
- Payments before Maturity:** Within 10 business days of the end of the month of closing of the offering of Deposit Notes of a series and each month thereafter prior to maturity, Bank of Montreal will pay you interest on each Deposit Note of such series held by you. The amount of the payment will be calculated by multiplying (i) the value of the fund portfolio for the series on a per Deposit Note basis by (ii) a rate equal to 100% of the monthly distribution rate of the fund on its T5 Class units. The entire amount of annual year-end excess distributions, if any, on the T5 Class units will be notionally reinvested in the basket for the relevant series. No payments will be made to you for a period prior to maturity during which the basket for the relevant series does not include the fund portfolio.
- Based on the distribution and net asset value of a T5 Class unit as of April 25, 2008, the annualized distribution rate of the T5 Class units was 5.23%. Based on this distribution level and net asset value and assuming, for example, that "weighting" of a fund portfolio in a basket is from 100% to 200%, annual interest payments would be approximately 4.96% to 9.93%, respectively, of the deposit amount of \$100 per Deposit Note. The annual distribution rates of the fund portfolio referred to above are not a guarantee of the future annual distribution amounts or performance of the fund or the fund portfolio and are not a guarantee of the amount of interest paid in any year or the variable return, if any, on the Deposit Notes. Future distributions of the fund may be lower than current distributions.

There is no assurance that the fund will make any distributions and accordingly interest paid on the Deposit Notes in any year could be less than 4.96% and could be zero. See “Description of the Deposit Notes – Payments Prior to Maturity” and “Description of the Deposit Notes – Settlement of Payments”.

**Payment at Maturity:**

You will be entitled to at least \$100 per Deposit Note of a series at maturity. The term “variable return” refers to the amount, if any, that you are entitled to at maturity in excess of \$100, as determined under the “Variable Return Payment Formula” based on the performance of a basket consisting of a fund portfolio and/or a notional bond portfolio, as applicable. 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 entitlement to at least \$100 per Deposit Note at maturity.**

Federal laws of Canada prohibit anyone from receiving interest at an effective rate that is greater than 60% each year. Accordingly, in the event that interest payments and variable return on Deposit Notes of a series are greater than 60% a year at any time, only the amount of interest payments or variable return that constitutes 60% a year will be payable to you at the applicable time and the balance together with interest at our equivalent term deposit rate will be paid to you as soon as such laws permit.

**Variable Return Payment Formula:**

The variable return payment formula used to determine the amount of variable return on the Deposit Notes of each series at maturity is as follows:

*Deposit Amount x the greater of (i) basket appreciation and (ii) zero.*

Under the variable return payment formula, the variable return for a series will equal the positive return on the basket for such series consisting of notional investments in a fund portfolio and/or a notional bond portfolio, as applicable, for the period from the closing of the offering to the final valuation date of such series, determined after deducting the payment of interest, if any, prior to maturity. In order for you to be entitled to an amount at maturity that is greater than the amount you deposited with us, the return on the notional assets in a 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 under the note program in respect of such Deposit Notes. See “Note Program”, “GGOF Dividend Growth Fund” and “Fees and Expenses of the Note Program”.

**Weighting:**

The term “weighting” when used for a series refers to the value of a fund portfolio in a basket expressed as a percentage of the value of such basket. Weighting during the term of the Deposit Notes of a series will be based on the difference between (i) the value of the basket for such series calculated on a per Deposit Note basis and (ii) how much it would cost to purchase a notional bond that would provide you with a payment of \$100 at maturity, which difference is then divided by 100 and expressed as a percentage referred to as “distance”.

It is possible to have weighting from 0% up to 200%. If weighting for a series exceeds 100%, the basket for such series will have notionally borrowed money to acquire additional Units. You will not have any personal liability for the notional borrowing but it may affect the value of or return on Deposit Notes for such series. The variable return, if any, that you will be entitled to at maturity will be determined after deducting 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 weighting for a series is 0%, the basket for such series will consist entirely of a notional bond portfolio and thereafter you will not receive any interest payments prior to maturity. The possibility of you being entitled to more than \$100 for each of your Deposit Notes of a series at maturity is significantly reduced if the basket for such series does not include a fund portfolio. See “Definitions” and “Note Program”.

**Reallocation of Assets:**

On each calculation date, BMO Capital Markets or a third party appointed by BMO Capital Markets will, for each series, as calculation agent, calculate distance, determine weighting and determine whether the proportion of the fund portfolio and the notional bond portfolio

in the basket for such series needs to be reallocated in accordance with the asset allocation methodology described in this Information Statement. See “Note Program – Reallocation of Assets”.

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

**Fund Manager and Fund:** Guardian Group of Funds Ltd., our indirect wholly-owned subsidiary, is the fund manager of the fund. See “GGOF Dividend Growth Fund - The Fund Manager”.

The return on the Deposit Notes of a series will be based on the performance of the fund. The investment objectives of the fund are to seek to generate a relatively high return which includes dividend income and some capital gains from the increase in the value of the securities held in the portfolio of the fund. The fund is described under “GGOF Dividend Growth Fund” in this Information Statement. You may obtain further information about the fund at [www.ggof.com](http://www.ggof.com) or [www.sedar.com](http://www.sedar.com) or through your advisor.

There is no assurance that the investment objectives and strategies of the fund and the investment decisions made by the portfolio adviser will generate any positive returns for the fund. Accordingly, there is no assurance that you will receive any interest payments during the term of the Deposit Notes or be entitled to any amount at maturity other than the repayment of the amount you deposited with us. See “GGOF Dividend Growth Fund”.

**Expenses of the Offering:** Expenses of the offering of each series of \$5.00 (5.00%) per Deposit Note will be paid out of the proceeds of the offering of the applicable series to BMO Nesbitt Burns Inc. for its services as selling agent and will be deducted from the amount of \$100 per Deposit Note in determining the initial value of the basket of such series. The selling agent will pay all or a portion of the applicable amount to qualified selling members for selling the Deposit Notes of such series. 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 of a series or of any variable return on such Deposit Notes:**

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

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

#### **Annual Fund Portfolio Fees**

The total annual fees applicable to the fund portfolio under the note program for each series will be comprised of annual fund portfolio fees equal to 2.60% of the value of the fund portfolio (including any Units acquired with notionally borrowed money to increase weighting above 100%). See “Fees and Expenses of the Note Program”.

Annual fund portfolio fees of 2.60% in respect of Deposit Notes of each series will be calculated and accrued daily and paid to us monthly by notionally selling Units in the fund portfolio for such series. We will pay a portion of such annual fund portfolio fees to Guardian Group of Funds Ltd. and will retain the remainder. Such annual fund portfolio fees reduce the value of the fund portfolio and will therefore affect the amounts paid to you during the term of such Deposit Notes and the variable return, if any, that you are entitled to at maturity.

#### **Annual Bond Portfolio Fees**

The total annual fees applicable to the notional bond portfolio under the note program for each series will be comprised of annual bond portfolio fees equal to 0.79% of the face

amount of the coupon bonds in the basket for such series. We will be paid the annual bond portfolio fees. For further clarity, the 0.79% coupon paid on the coupon bonds in the basket for Deposit Notes of a series will be used to pay annual bond portfolio fees and will not accrue to the benefit of the holders of such Deposit Notes.

**Leverage**

In consideration for BMO Capital Markets providing leverage to a basket for a series, interest on any amounts notionally borrowed under the note program for such series 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 Units in the fund portfolio for such series. See "Note Program".

**Secondary Market:**

The Deposit Notes will not be listed on any stock exchange. Moreover, we do not have the right to redeem Deposit Notes prior to maturity and you do not have the right to require us to redeem (that is, buy or repay) the Deposit Notes prior to maturity. However, BMO Capital Markets will use reasonable efforts to arrange for a secondary market for the sale of Deposit Notes of a series by you using the FundSERV network. This secondary market is only available for Deposit Notes purchased using the FundSERV network and is the only way that you can sell such Deposit Notes prior to maturity. The price that BMO Capital Markets will pay for Deposit Notes sold by you in the secondary market prior to maturity will be determined by BMO Capital Markets, acting in its sole discretion, and will be based on, among other things, factors described under "Secondary Market". Changes in laws and regulations may impact the procedures and timing relating to selling Deposit Notes in the secondary market. If you sell your Deposit Notes of a series prior to maturity, you may receive less than the amount you deposited with us even if the performance of the fund portfolio for the series has been positive, and as a result, you may suffer a loss.

If you sell a Deposit Note of a series within the first 720 days from the closing of the applicable offering, the proceeds from the sale of the Deposit Note will be reduced by an early trading charge equal to the applicable amount set out in the table below.

<i>If Sold Within</i>	<i>Early Trading Charge per Deposit Note</i>
1 – 90 days	\$5.70
91 – 180 days	\$5.00
181 – 270 days	\$4.30
271 – 360 days	\$3.60
361 – 450 days	\$2.90
451 – 540 days	\$2.20
541 – 630 days	\$1.50
631 – 720 days	\$0.80
Thereafter	Nil

See "Secondary Market".

BMO Capital Markets is under no obligation to facilitate or arrange for such a secondary market and such secondary market, if commenced, may be suspended at any time at the sole discretion of BMO Capital Markets, without notice to you. Accordingly, if there is no secondary market, you will not be able to sell your Deposit Notes. The Deposit Notes are intended to be instruments held to maturity with the amount you deposited with us being repayable at maturity. The Deposit Notes are generally not suitable for an investor who requires liquidity prior to maturity. You should consult your financial advisor on whether it would be more favourable in the circumstances at any time to sell your Deposit Notes on the secondary market, if available, or hold your Deposit Notes until maturity. You should also consult your tax advisor as to the income tax consequences arising from a sale of Deposit Notes prior to maturity as compared to holding Deposit Notes until maturity.

**Consequences of an Extraordinary Event:**

Where an "Extraordinary Event" has occurred and BMO Capital Markets has determined that a basket for Deposit Notes of a series will consist entirely of a notional bond portfolio, (i) the entire value of such basket (including cash, if any), calculated as of the date of the extraordinary event will be notionally invested in the notional bond portfolio, (ii) no further

interest payments will be made to you on your Deposit Notes of such series prior to maturity, (iii) any positive return on the T5 Class units of the fund following the extraordinary event will not increase the value of such basket, (iv) you will be entitled to the amount you deposited with us at, but not prior to, maturity, and (v) the possibility of you being entitled to more than \$100 for each of your Deposit Notes of such series at maturity is significantly reduced. See “Note Program - Extraordinary Events”.

However, if an event occurs that would otherwise be an extraordinary event, BMO Capital Markets may, in its discretion with the consent of the fund manager, decide in certain circumstances to replace the fund with another mutual fund managed or sponsored by Guardian Group of Funds Ltd. or an affiliate instead of making a determination to allocate all of the assets in a basket to a notional bond portfolio. See “Note Program - Extraordinary Events”.

**Suitability and  
Appropriateness for  
Investment:**

An investment in Deposit Notes may be suitable and appropriate for you if you:

- are prepared to invest for the mid to long-term and accept moderate investment risk;
- want the potential to earn interest and a variable return that (i) are based on the performance of the fund, (ii) are not based on a fixed, floating or other specified interest rate, (iii) in the case of variable return, is uncertain until maturity, and (iv) may be zero;
- want to ensure that you receive at least the amount you deposited with us if you hold Deposit Notes at maturity; and
- are prepared to accept the risks described in this Information Statement.

You should make a decision to invest in Deposit Notes after carefully considering, with your advisors, the suitability of this investment in light of your investment objectives, investment constraints and the information in this Information Statement. See “Suitability and Appropriateness for Investment”.

**Eligibility for Investment:**

Unless Canadian law changes, you will be able to hold your Deposit Notes in a trust governed by a registered retirement savings plan, registered retirement income fund, registered education savings plan, registered disability 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)).

**Income Tax  
Considerations:**

This income tax summary is subject to the limitations and qualifications set out under “Income Tax Considerations” in the body of this Information Statement.

In the opinion of McMillan LLP, counsel to Bank of Montreal, you will be required to include monthly interest, if any, on Deposit Notes in your income for the year in which you receive the monthly interest or the monthly interest became receivable (depending on the method you regularly follow in computing your income) to the extent the monthly interest was not included in your income for a preceding year. If you hold Deposit Notes of a series 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 respect of the variable return, if any, in your tax return for any taxation year ending before the year in which the Deposit Notes of a series mature; provided that if weighting becomes fixed at 0% or an extraordinary event occurs, 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 information return. Provided that weighting has not become fixed at 0% and an extraordinary event has not occurred, and while the matter is not free from doubt, a disposition of a Deposit Note by you prior to the final valuation date should give rise to a capital gain (or capital loss) to you to the extent your proceeds of disposition, other than accrued and unpaid interest, if any, exceed (or are less than) the aggregate of your adjusted cost base of such Deposit Note and any reasonable costs of disposition. You should consult your tax advisor with respect to your particular circumstances if you plan to sell a Deposit Note prior to maturity. See



“Income Tax Considerations”.

**Rank:** The Deposit Notes will rank equally with all of our other deposit liabilities. See “Description of the Deposit Notes – Rank”.

**Amendments:** We may amend the terms of the Deposit Notes of a series after they have been issued without your consent if we and BMO Capital Markets agree that the amendment would not materially and adversely affect your interests. In all other cases, amendments to the terms of the Deposit Notes of a series must be approved by the votes of holders representing at least two-thirds of the outstanding Deposit Notes of such series. See “Description of the Deposit Notes – Amendments to the Global Notes”.

**Date of Agreement to Purchase:** If you place an order to purchase a Deposit Note in person, the agreement to purchase the Deposit Note will be entered into two days after you place your order. In all other circumstances, the agreement will be entered into on the day your purchase order is received.

**Right to Cancel:** You can cancel an order to purchase a Deposit Note (or cancel its purchase if the Deposit Note has been issued) by providing instructions to your financial advisor up to 48 hours after the later of (i) the day on which the agreement to purchase the Deposit Note is entered into and (ii) deemed receipt of this Information Statement. See “Description of the Deposit Notes – Investor’s Right to Cancel the Agreement to Purchase a Deposit Note”.

**Risk Factors:** These Deposit Notes may not be suitable for all investors and in deciding whether to invest in Deposit Notes you should take into account various risks associated with such an investment. The following is a summary list of these risks in addition to those described above beside the headings “Consequences of an Extraordinary Event” and “Suitability and Appropriateness for Investment”. For a complete description of risks, please see “Risk Factors”.

#### **Non-Conventional Deposit Notes**

The Deposit Notes differ from conventional fixed income investments in that they do not provide you with a return or income stream prior to maturity and do not provide a return at maturity that is calculated by reference to a specified fixed or floating rate of interest. There will be interest payments to you during the term of the Deposit Notes only if distributions are made on the Units. The variable return, if any, on the Deposit Notes generally will be uncertain until maturity and it is possible that you will not be entitled to any variable return at maturity.

#### **Dependence on Management**

The decisions of the fund manager and any portfolio adviser appointed by the fund manager will influence the performance of the fund and the fund’s success depends on the skill and acumen of the management and portfolio management teams of the fund manager and portfolio adviser. There is no assurance that the fund will be able to meet its investment objectives, achieve the intended benefits of its strategies, maintain its distribution policy or avoid losses.

#### **Secondary Trading of Deposit Notes**

There is currently no market through which the Deposit Notes may be sold and it is possible that no such market will be arranged.

#### **Reallocation of a Basket**

Pursuant to the asset allocation methodology, notional assets may be reallocated from a fund portfolio to a notional bond portfolio, which will reduce the exposure of a note program to a fund portfolio.

#### **Fees and Expenses**

In order for you to receive a variable return on the Deposit Notes, the return on the notional assets in a 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 a note program

during the term of the Deposit Notes.

**Leverage**

If weighting exceeds 100%, a basket will have notionally borrowed money to acquire additional Units up to a maximum weighting of 200%. A decline in the value of a fund portfolio will result in a greater decrease in a basket value than if no money was borrowed. Decreases in a basket value can lead to an increased allocation to a notional bond portfolio under the asset allocation methodology. Notionally borrowing funds will create interest expense for a note program, which may exceed the net return from the Units acquired with the borrowed funds and result in a lower return on note program assets than if no funds were borrowed.

**Conflicts of Interest**

In the course of normal business operations, we and BMO Capital Markets may hold interests linked to the fund or enter into business dealings with the fund manager and/or portfolio adviser. If we take any such actions, we and BMO Capital Markets will not necessarily take into account the effect, if any, that such actions could have on the amount or frequency of interest payments or the amount of variable return that may be payable on the Deposit Notes. Moreover, the fund manager and/or portfolio adviser may have conflicts of interest in allocating its time between the fund and other activities, and in allocating investments among the fund and other clients in which it may have a greater financial interest.

**Legislative and Regulatory Change**

Changes in laws, regulations or administrative practices could have a material adverse effect on a note program and your investment in Deposit Notes.

**Credit Rating**

There is no assurance that the Deposit Notes, if rated, would have the same rating as our other deposit liabilities.

**Credit Risk**

The likelihood that you will receive all the payments owing to you under the Deposit Notes will depend on our financial health and creditworthiness.

**No Deposit Insurance**

Unlike conventional bank deposits, the Deposit Notes are not insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime designed to ensure that depositors receive payment of all or a portion of their deposits if the deposit taking financial institution becomes insolvent.

**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.

**No Independent Valuation**

We will not retain an independent person to make or confirm the determinations and calculations made for the Deposit Notes.

**Valuation of Fund Portfolio**

In valuing a fund portfolio, BMO Capital Markets will, as calculation agent, depend on information that is generally unaudited. Neither we nor BMO Capital Markets will have access to readily available information to verify the information reported by the fund.

**Risks Relating to the Fund**

Certain risk factors applicable to investors who invest directly in units of the fund are also applicable to an investment in Deposit Notes. For a complete description of these risk factors you should consult the current simplified prospectus of the fund made publicly available at [www.ggof.com](http://www.ggof.com) or [www.sedar.com](http://www.sedar.com).

**No Ownership of Units or Notional Bond Portfolio**

You will have no rights of ownership in the Units, the T5 Class units of the fund, the assets of the fund or the assets of the notional bond portfolio.

You may request information about the Deposit Notes or another copy of this Information Statement by calling BMO Capital Markets at 1-866-864-7760 to speak to someone in English and 1-866-529-0017 to speak to someone in French. A copy of this Information Statement is also posted at [www.bmosp.com](http://www.bmosp.com).

During the term of the Deposit Notes, you may inquire as to the net asset value of a Deposit Note and the method for determining variable return, if any, by contacting BMO Capital Markets at the above numbers.

## DEFINITIONS

The definitions set out below should be read in light of the fact that this Information Statement pertains to two Series of Deposit Notes (designated Series 8 and Series 9, respectively) and each such Series will be administered under a separate Note Program with a separate Basket comprising a Fund Portfolio and/or a Notional Bond Portfolio, as applicable, providing for separate interest payments and Variable Return, if any. For greater certainty, any reference in a definition set out below to “Deposit Note” (whether in the singular or plural) or another term defined herein respectively means, unless the context otherwise requires, a Deposit Note (in the singular or plural, as applicable) of the Series earlier referenced in the definition or the other term as defined herein in respect of such Series.

In this Information Statement, unless the context otherwise requires:

“**Asset Allocation Methodology**” means, in respect of Deposit Notes of a Series, 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 and the Notional Bond Portfolio which methodology is based on a number of factors including the characteristics and performance of the T5 Class Units, the remaining term of the Deposit Notes of such Series 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 I 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 the Bankers’ Acceptance Rate;

“**Basket**” means, in respect of Deposit Notes of a Series, a basket of notional investments consisting (i) if Weighting is equal to or greater than 100%, entirely of notional investments in the Fund Portfolio, or (ii) if Weighting is less than 100%, of notional investments in the Fund Portfolio and/or the Notional Bond Portfolio. The Basket, in respect of Deposit Notes of a Series, may also include cash from time to time attributable to the Units;

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

“**Basket<sub>F</sub>**” means, in respect of Deposit Notes of a Series, the Basket Value on the Maturity Date for the Deposit Notes of such Series, provided that the value of any Units in the Basket at such time will be determined as of the Final Valuation Date for the Deposit Notes of such Series;

“**Basket<sub>0</sub>**” means 100;

“**Basket Value**” means, on a per Deposit Note basis in respect of Deposit Notes of a Series as at any Calculation Date, the amount calculated by the Calculation Agent equal to:

Fund Portfolio Value + Notional Bond Portfolio 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 of each Series;

“**Calculation Date**” means each Business Day on which the Calculation Agent calculates Basket Value;

“**CDS**” means CDS Clearing and Depository Services Inc. 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 (i) in respect of Series 8 Notes, on or about July 23, 2008, and (ii) in respect of Series 9 Notes, on or about September 10, 2008;

“**Coupon Bond**” means, in respect of Deposit Notes of a Series, a hypothetical bond denominated in Canadian dollars maturing on the Maturity Date for Deposit Notes of such Series with an annual coupon of 0.79%, 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 in respect of Deposit Notes of such Series but will instead be used to pay annual bond portfolio fees under the Note Program of such Series;

“**Coupon Bond Price**” means, in respect of a Coupon Bond 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 DBRS Limited;

“**Deposit Amount**” means \$100 per Deposit Note;

“**Deposit Notes**” means the Bank of Montreal GGF C.O.R.E. Protected Deposit Notes, Yield Class, Series 8 and Series 9 with each such Series having a different issue date and maturity date;

“**Distance**” or “**D<sub>i</sub>**” means, in respect of Deposit Notes of a Series as at any Calculation Date, the quotient expressed as a percentage equal to (i) the Basket Value in respect of the Deposit Notes of such Series at such time less the Coupon Bond Price at such time divided by (ii) 100;

“**Distribution**” means an actual distribution on a T5 Class Unit made by the Fund such that the net effect to holders of T5 Class Units is that they receive cash or additional T5 Class Units and “**Distributions**” means, collectively, all Distributions made by the Fund during the relevant period;

“**Distribution Amount**” means, in respect of each month prior to the month of Maturity for Deposit Notes of a Series, commencing July 2008 and September 2008, in the case of the Series 8 Notes and Series 9 Notes, respectively, the amount of the Distribution Component calculated by the Calculation Agent as of the close of business on the last Business Day of the month, which is payable to a Holder of a Deposit Note of such Series on or before the 10<sup>th</sup> Business Day of the following month; provided however that if an Extraordinary Event has occurred, Distribution Amount shall be nil;

“**Distribution Component**” means, in respect of the Fund Portfolio of a Series as at any Calculation Date, the quotient obtained by dividing:

- (i) (a) the sum of each product obtained by multiplying 100% of the Distribution Rate of the Fund by the value of the Units in such Fund Portfolio as at each Calculation Date since the Closing Date of such Series less (b) the sum of the Distribution Amounts that have been paid to Holders of such Series prior to the Calculation Date on which the Distribution Component is being determined; by
- (ii) the number of Deposit Notes of such Series outstanding at such time;

“**Distribution Rate**” means, in respect of the Fund as at any Calculation Date, the quotient obtained by dividing (i) the monthly Distribution made by the Fund since the preceding Calculation Date by (ii) the net asset value of a T5 Class Unit as at such Calculation Date;

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

“**Extraordinary Event**” means, in respect of Deposit Notes of a Series, any of the following that occurs after the Closing Date and prior to Maturity in respect of such Series, where the Manager, acting in its sole and absolute discretion, has determined in good faith that such event constitutes an “**Extraordinary Event**” and in respect of which the Manager and the Calculation Agent have determined that the Note Program in respect of such Series will no longer have exposure to a Fund Portfolio and the Basket in respect of such Series will consist entirely of a Notional Bond Portfolio: (i) the winding-up, dissolution or liquidation of the Fund or other cessation of trading of any units of the Fund; (ii) the Fund Manager or any affiliate of the Fund Manager ceases to act as the manager of the Fund; (iii) the investment objectives, investment

restrictions or investment policies of the Fund 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 any units of the Fund (including, 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 the Fund Manager 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 in respect of such Series); (ix) any relevant activities of or in relation to the Fund or the Fund 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 or the Fund Manager; (xi) any change in or in the official interpretation or administration of any laws or regulations relating to taxation that has or is likely to have a material adverse effect on any unitholder of the Fund or in respect of any hedge established in connection with the Offering in respect of the Deposit Notes of such Series; (xii) a party is unable to effectively acquire, establish, re-establish, substitute, maintain, unwind or dispose of any hedging transaction in connection with the Offering in respect of the Deposit Notes of such Series 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 in connection with the Offering in respect of the Deposit Notes of such Series 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 the issuance of any directive or the 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 the date thereof or as a result of any other event, (1) it would become unlawful 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 would materially increase, other than ordinary course increases in the market value of units of the Fund, or (3) a unitholder of the Fund would be subject to a material loss as a result of holding any units of the Fund;

“**Final Valuation Date**” means in respect of a Series, the third Business Day prior to the Maturity Date of the Series;

“**Fund**” means GGOF Dividend Growth Fund, a mutual fund trust existing under the laws of Ontario, subject to adjustments required to give effect to a Replacement Fund, if any, in the circumstances of what would otherwise be an Extraordinary Event;

“**Fund Manager**” means Guardian Group of Funds Ltd.;

“**Fund Portfolio**” means, in respect of Deposit Notes of a Series from time to time, the portfolio of Units in which the Note Program in respect of such Series has made a notional investment;

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

“**FundSERV**” means FundSERV Inc.;

“**Holder**” means a beneficial owner of a Deposit Note;

“**Initial Basket Value**” means \$95.00;

“**Loan**” means, in respect of Deposit Notes of a Series, the notional amount, if any, borrowed from time to time by the Note Program of such Series to provide leverage to the Basket of such Series, 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 Units in the Fund Portfolio of such Series;

“**Loan Value**” means, in respect of Deposit Notes of a Series 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 in respect of Deposit Notes of such Series by (ii) the number of the Deposit Notes of such Series outstanding at such time;

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

“**Maturity**” or “**Maturity Date**” means (i) in respect of Series 8 Notes, on or about January 22, 2016, and (ii) in respect of Series 9 Notes, on or about March 10, 2016;

“**Moody’s**” means Moody’s Investors Service Inc.;

“**Note Value**” means, in respect of Deposit Notes of a Series as at any time, an amount equal to: Basket Value + Distribution Component, at such time;

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

“**Notional Bond Portfolio**” means, in respect of Deposit Notes of a Series from time to time, the portfolio of Coupon Bonds in which the Note Program of such Series has made a notional investment;

“**Notional Bond Portfolio Value**” means, in respect of Deposit Notes of a Series as at any Calculation Date, the quotient obtained by dividing (i) the value of the Notional Bond Portfolio of such Series at such time by (ii) the number of the Deposit Notes of such Series outstanding at such time;

“**Offering**” means, in respect of the Deposit Notes of a Series, the offering of such Deposit Notes to prospective investors under this Information Statement;

“**Payment at Maturity**” means, in respect of Deposit Notes of a Series, the amount per Deposit Note of such Series payable at Maturity equal to the Deposit Amount plus the Variable Return for such Series, if any, calculated by the Calculation Agent in accordance with the Variable Return Payment Formula;

“**Replacement Fund**” means a mutual fund managed or sponsored by the Fund Manager or an affiliate, as further described under “Note Program – Extraordinary Events”;

“**S&P**” means Standard & Poor’s Rating Services;

“**Selling Agent**” means BMO Nesbitt Burns Inc.;

“**Series**” means the Series 8 Notes and/or the Series 9 Notes, as the context may require;

“**Series 8 Notes**” means the Deposit Notes which are sold under FundSERV mutual fund order code “JHN 830”;

“**Series 9 Notes**” means the Deposit Notes which are sold under FundSERV mutual fund order code “JHN 831”;

“**Subscription Price**” means \$100 per Deposit Note;

“**T5 Class Unit**” means a T5 Class unit of the Fund, subject to adjustments required to give effect to a Replacement Fund, if any, in the circumstances of what would otherwise be an Extraordinary Event;

“**Unit**” means, from time to time, a notional unit of the Fund in which the Note Program of a Series has made a notional investment, the investment performance of which reflects the actual investment performance of a T5 Class Unit that would otherwise occur if the management expense ratio of the T5 Class Units was nil and 100% of the amount of annual year-end excess Distributions, if any, on T5 Class Units of the Fund were reinvested in a Basket, and “**Units**” means, collectively, all Units in which such a notional investment has been made, subject to adjustments required to give effect to a Replacement Fund, if any, in the circumstances of what would otherwise be an Extraordinary Event;

“**Variable Return**” means, in respect of Deposit Notes of a Series, the amount of the variable return payable to the Holder of each Deposit Note of the Series at Maturity determined by the Calculation Agent in accordance with the Variable Return Payment Formula;

“**Variable Return Payment Formula**” means the formula set out below used by the Calculation Agent to calculate the Variable Return, if any, payable to Holders at Maturity:

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

“**Weight**” or “**Weighting**” means, on a per Deposit Note basis in respect of a Series as at any Calculation Date, the quotient obtained by dividing (i) Fund Portfolio Value of such Series at such time by (ii) Basket Value of such Series at such time; and

“\$” means Canadian dollars, unless otherwise specified.

## TWO SERIES

Two Series of Deposit Notes (Series 8 Notes and Series 9 Notes) are being offered under this Information Statement. Each Series has a different Closing Date and Maturity Date and is administered under a separate Note Program with a separate Basket comprising a Fund Portfolio and/or a Notional Bond Portfolio, as applicable, providing for separate interest payments and Variable Return, if any.

An investor should consider the disclosure in this Information Statement from the perspective of each Series of Deposit Notes pertaining to the particular circumstances of the investor.

## NOTE PROGRAM

Each 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 Weighting is equal to or greater than 100%, entirely of notional investments in a Fund Portfolio, or (ii) if Weighting is less than 100%, of notional investments in a Fund Portfolio and/or in a Notional Bond Portfolio, as applicable. A 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 a Basket notionally allocated to a Fund Portfolio, expressed as a percentage of a Basket Value. Weighting will vary during the term of the Deposit Notes based on Distance in accordance with the Asset Allocation Methodology. Weighting will be adjusted from time to time by notionally buying and selling Units. It is possible to have Weighting from 0% up to 200% as set out in the table in the Asset Allocation Methodology. If Weighting exceeds 100%, a 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. A Basket may notionally borrow up to a maximum of 100% of Basket Value in respect of a Series, in which case Weighting will be at a maximum of 200%. Any leverage employed by the Calculation Agent is without personal liability to any Holder, will be paid monthly by notionally selling Units in a Fund Portfolio and may affect the value of or return on Deposit Notes. It is anticipated that on the Closing Date Weighting will be 100%. If Weighting is 0% or if an Extraordinary Event occurs, a Basket will consist entirely of a Notional Bond Portfolio and a Holder will not receive any further interest payments prior to Maturity. The possibility of a Holder receiving any Variable Return is significantly reduced if a Basket does not include a Fund Portfolio.

### Payments to Holders

A Deposit Note provides for (i) monthly interest payments, if any, to Holders based on the Distribution Rate of the Fund in the Basket, and (ii) entitlement to the Deposit Amount at Maturity together with Variable Return, if any.

Within 10 Business Days of the end of the month of closing of an offering of Deposit Notes of a Series and each month thereafter prior to Maturity, each Holder will receive interest payments in respect of each Deposit Note held by such Holder equal to the Distribution Amount, if any, at the end of the applicable month. The entire amount of annual year-end excess Distributions, if any, on the T5 Class Units will be reinvested in a Basket. No payments will be made to a Holder for a period prior to Maturity during which the Basket of the relevant Series does not include a Fund Portfolio.

Based on the distribution and net asset value of a T5 Class Unit as of April 25, 2008, the annualized Distribution Rate of the T5 Class Units was 5.23%. Based on this distribution level and net asset value and assuming, for example, that Weighting of the Fund Portfolio in the Basket is from 100% to 200%, annual Distribution Amounts would be approximately 4.96% to 9.93%, respectively, of the Deposit Amount. The annual Distribution Amounts of the Fund Portfolio referred to above are not a guarantee of the future Distributions or performance of the Fund or the Fund Portfolio and are not a guarantee of the amount of interest paid in any year or the return, if any, on the Deposit Notes. Future Distributions of the Fund may be lower than current Distributions. There is no assurance that the Fund will make any Distributions and accordingly interest payments on the Deposit Notes in any year could be less than 4.96% and could be zero. 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 – “Payments Prior to Maturity” and “Description of the Deposit Notes – Settlement of Payments”.

If Distributions, other than monthly Distributions or annual year-end excess Distributions, are made on the T5 Class Units, such Distributions will result in interest payments to Holders and/or notional reinvestments in a Basket in the amounts and manner determined by the Manager in its discretion in consultation with the Calculation Agent and Fund Manager.



At Maturity, a Holder will be entitled to an amount equal to the Deposit Amount of \$100 plus the Variable Return, if any, based on the performance of a Basket, determined in accordance with the following Variable Return Payment Formula:

$$\text{Deposit Amount} \times \text{the greater of (i) Basket Appreciation and (ii) zero;}$$

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

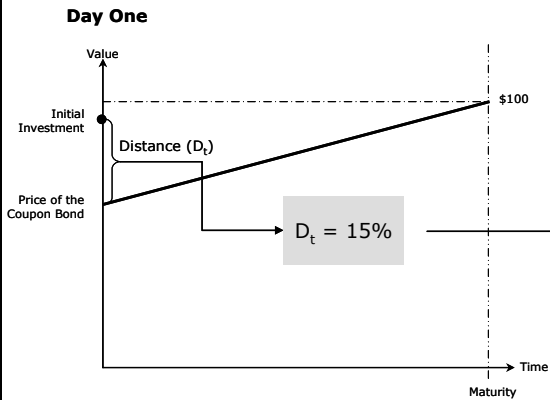
### Reallocation of Assets

The assets in a Basket will be allocated between a Fund Portfolio and a Notional Bond Portfolio from time to time in accordance with the Asset Allocation Methodology. The allocation between a Fund Portfolio and a Notional Bond Portfolio will depend on various factors including the performance of the Fund Portfolio, the remaining term of the Deposit Notes, interest rates as at the relevant date of determination and the fact that notional leverage, by way of funds notionally borrowed under a Note Program, could be used to obtain Weighting of greater than 100%.

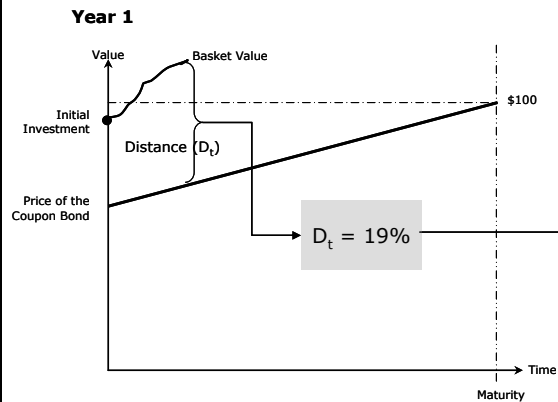
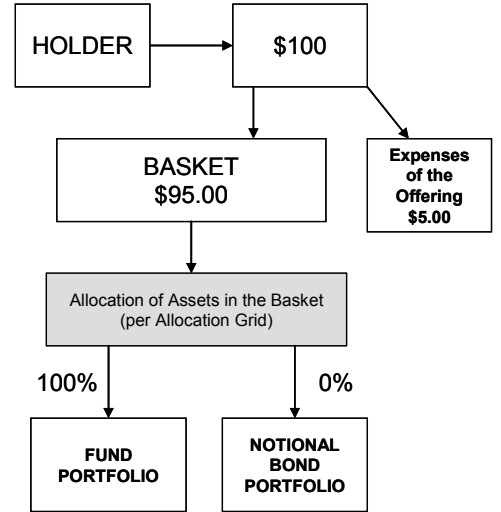
The Calculation Agent will determine Distance (or  $D_t$ ) and Weight on each Calculation Date. If Distance for each of three consecutive Calculation Dates is in a new distance range in the table of distance ranges below (as compared to the distance range applicable for the Calculation Date immediately preceding the first of such three consecutive Calculation Dates), then (but not otherwise) the assets in a Basket will be reallocated to closely achieve the new Weighting applicable to the new distance range. The foregoing reallocation between a Fund Portfolio and a Notional Bond Portfolio, and use of leverage, if any, will occur as of the next Business Day following such third consecutive Calculation Date. There may be circumstances that result in the actual Weighting of a Fund Portfolio in a Basket being different from the “target” Weighting. 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
$D_t > 40\%$	200%
$35\% < D_t \leq 40\%$	180%
$30\% < D_t \leq 35\%$	160%
$25\% < D_t \leq 30\%$	140%
$18\% < D_t \leq 25\%$	120%
$10\% < D_t \leq 18\%$	100%
$7\% < D_t \leq 10\%$	80%
$5\% < D_t \leq 7\%$	60%
$3\% < D_t \leq 5\%$	40%
$2\% < D_t \leq 3\%$	20%
$D_t \leq 2\%$	0%

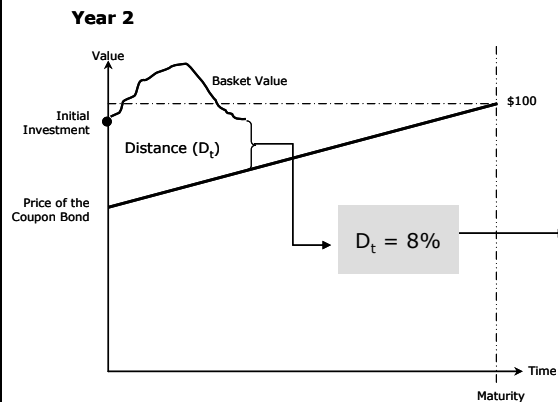
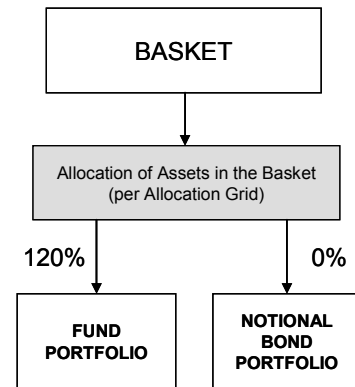
The following diagrams, based on hypothetical scenarios, demonstrate how the notional assets in a Basket will be allocated and reallocated between a Fund Portfolio and a Notional Bond Portfolio based on Distance ( $D_t$ ). The diagrams on the left-hand side show the calculation of Distance (a) as at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



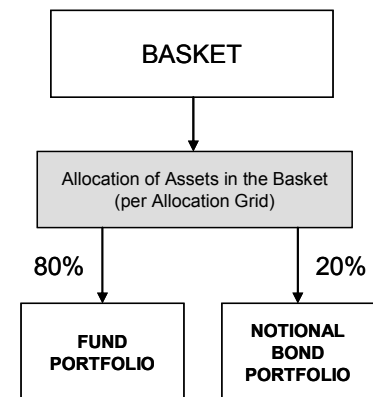
Distance Range	Weighting
$D_t > 40\%$	200%
$35\% < D_t \leq 40\%$	180%
$30\% < D_t \leq 35\%$	160%
$25\% < D_t \leq 30\%$	140%
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$7\% < D_t \leq 10\%$	80%
$5\% < D_t \leq 7\%$	60%
$3\% < D_t \leq 5\%$	40%
$2\% < D_t \leq 3\%$	20%
$D_t \leq 2\%$	0%



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$D_t > 40\%$	200%
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$5\% < D_t \leq 7\%$	60%
$3\% < D_t \leq 5\%$	40%
$2\% < D_t \leq 3\%$	20%
$D_t \leq 2\%$	0%



Distance Range	Weighting
$D_t > 40\%$	200%
$35\% < D_t \leq 40\%$	180%
$30\% < D_t \leq 35\%$	160%
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$18\% < D_t \leq 25\%$	120%
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$7\% < D_t \leq 10\%$	80%
$5\% < D_t \leq 7\%$	60%
$3\% < D_t \leq 5\%$	40%
$2\% < D_t \leq 3\%$	20%
$D_t \leq 2\%$	0%



In each of the above hypothetical scenarios, Weighting is greater than 0% under the Asset Allocation Methodology and a Basket therefore includes a notional investment in a Fund Portfolio. If Weighting becomes 0% or if an Extraordinary Event occurs, thereafter a Basket would only include a notional investment in a Notional Bond Portfolio.

### Extraordinary Events

Where the Manager and the Calculation Agent have determined in respect of an Extraordinary Event that a Note Program will no longer have exposure to a Fund Portfolio and a Basket will consist entirely of a Notional Bond Portfolio, (i) the entire value of the Basket (including cash, if any) calculated as of the date of the Extraordinary Event will be notionally invested in a Notional Bond Portfolio, (ii) no further interest payments will be made prior to Maturity, (iii) any positive

return on the T5 Class Units following the Extraordinary Event will not increase the Basket Value, (iv) Deposit Amount will be payable at, but not prior to, Maturity, and (v) the possibility of a Holder being entitled to any Variable Return at Maturity is significantly reduced. Following an Extraordinary Event, a Holder would continue to be able to sell a Deposit Note in accordance with the terms and subject to the restrictions of the secondary market offered by BMO Capital Markets. See “Secondary Market”.

If an event occurs that 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 Fund Manager and in consultation with the Calculation Agent, replace the Fund (the “Deleted Fund”) with another mutual fund that is managed or sponsored by the Fund Manager or an affiliate (the “Replacement Fund”). Such replacement may be effected upon giving notice to the Holders on a Business Day (the date of such notification being the “Substitution Date”), 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. The Manager will replace the Deleted Fund with the Replacement Fund by notionally redeeming all of the Units of the Deleted Fund in a Fund Portfolio on the Substitution Date and notionally purchasing Units of the Replacement Fund with the notional proceeds from the redemption of the Units of the Deleted Fund. Upon and following such replacement, the Replacement Fund will be deemed to be the Fund (in lieu of the Deleted Fund) for purposes of applying the Asset Allocation Methodology and Variable Return Payment Formula. The Calculation Agent may make such adjustments, if any, to the Variable Return Payment Formula as it reasonably determines to be appropriate to account for the Replacement Fund replacing the Deleted Fund.

## **GGOF DIVIDEND GROWTH FUND**

The Fund is a mutual fund trust established under the laws of Ontario pursuant to a declaration of trust. The Fund was started on November 9, 2001. More information about the Fund is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the website of Guardian Group of Funds Ltd., the manager of the Fund, at [www.ggof.com](http://www.ggof.com).

### **The Fund Manager**

100% of the issued shares of the Fund Manager are wholly owned by BMO Trust Company, a wholly-owned subsidiary of Bank of Montreal. Jones Heward Investment Counsel Inc. is the portfolio adviser of the Fund and is an indirect wholly-owned subsidiary of Bank of Montreal. See “Risk Factors – Conflicts of Interest”.

### **Investment Objectives and Strategies of the Fund**

#### Investment Objectives

The Fund seeks to generate a relatively high return 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 will invest primarily in dividend-yielding common and preferred shares of established Canadian companies. The Fund 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 portfolio adviser 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.

Subject to certain conditions, the Fund has received an exemption from the Canadian securities regulators allowing it to 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 the secondary market provided that the purchase or sale is consistent with, or necessary to meet the investment objectives of the portfolio.

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 the Fund as at April 30, 2008.

<i><b> Holding </b></i>	<i><b> % </b></i>
Manulife Financial Corporation	6.0
Toronto-Dominion Bank (The)	5.9

Royal Bank of Canada	5.3
Bank of Nova Scotia (The)	5.3
Sun Life Financial Inc.	5.0
EnCana Corporation	4.7
Enbridge Inc.	4.1
Imperial Oil Limited	3.4
Husky Energy Inc.	3.4
Canadian Imperial Bank of Commerce	3.4

Aggregate % of Top Holdings = 46.6%

### Distribution Policy

Under its current distribution policy for T5 Class Units, the Fund will make monthly distributions of an amount comprised of net income and/or return of capital based on 5% of the net asset value per T5 Class Unit of the Fund determined as at December 31 of the prior year. Such monthly distributions will be reinvested in more T5 Class Units of the Fund unless instructed by the investor to be paid in cash. Any additional net income and/or net realized capital gains will be distributed and automatically reinvested in more T5 Class Units of the Fund in December of each year.

### Past Performance

The following chart contains historical total returns (1 month, 3 months, 6 months and year to date) and annualized compounded returns (1 year and since inception) as of April 30, 2008 for T5 Class Units 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 a Deposit Note. The following chart assumes that all distributions on units of the Fund were reinvested in additional 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. The performance figures in the chart reflect the payment of the management expense ratio of the Fund for the indicated periods. In contrast, a Fund Portfolio is subject to annual fund portfolio fees which may be higher than the management expense ratio of the Fund. As a result of the potential for differing fees, the performance of a Fund Portfolio could have been lower than the past performance figures reflected below.

As at April 30, 2008 (%):

	1 month	3 months	6 months	Year to date	1 year	Since inception (January 22, 2007)
GGOF Dividend Growth Fund T5 Class Units	3.9	3.7	-7.6	-2.7	-4.2	-0.4

### Units of the Fund

The Fund is authorized to issue separate classes of its units. The performance of a Note Program will be based on the performance of the T5 Class Units of the Fund. The net asset value per unit of each class of units of the Fund, including the T5 Class 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 T5 Class Unit and the net asset value of other classes of units of the Fund may differ over time.

### Additional Disclosure

Additional disclosure in respect of the Fund may be obtained from time to time at [www.ggof.com](http://www.ggof.com) or [www.sedar.com](http://www.sedar.com).

## NOTE VALUE

### Determination of Note Value

Note Value as at the close of business on any Business Day will be calculated by the Manager when Basket Value, Distribution Component and Weighting are made available by the Calculation Agent. Prior to Maturity, Note Value at any time is equal to Basket Value plus Distribution Component, as at such time.

### **Temporary Suspension of Calculation of Note Value**

The Manager may suspend the calculation of Note Value during the existence of any state of affairs that makes the calculation 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 T5 Class Units;
- (B) any period when any emergency exists as a result of which disposal by the Fund 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 cannot be reasonably, promptly or accurately ascertained by the Fund;
- (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 cannot be carried out at normal rates of exchange; or
- (E) any period when proceeds of the sale or redemption of any units cannot be transmitted to or from the Fund's account.

### **Consequences of Suspension of Calculation of Note Value**

If the Manager suspends the calculation of Note Value, BMO Capital Markets will not be able to fairly and accurately determine the net asset value and 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 Note Value. See "Secondary Market". Certain situations where the determination of Note Value is suspended may also result in an Extraordinary Event. See "Note Program – Extraordinary Events".

### **SECONDARY MARKET**

The Deposit Notes will not be listed on any stock exchange. Moreover, Bank of Montreal does not have a right to redeem the Deposit Notes prior to Maturity and a Holder may not require Bank of Montreal to make such redemption. However, Deposit Notes purchased using the FundSERV network may be "redeemed" using the FundSERV network 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 to BMO Capital Markets using the FundSERV network. Changes in laws and regulations may impact the procedures and timing relating to the sale of Deposit Notes by Holders to BMO Capital Markets in the secondary market.

In order to sell a Deposit Note, a Holder must arrange through his or her financial advisor to give notice to BMO Capital Markets either in writing or electronically through FundSERV's investment fund transaction processing system. See "FundSERV - Sale of FundSERV Notes". 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. See also "FundSERV" below for details in respect of secondary market trading where the Deposit Notes are held through dealers and other firms that are on the FundSERV network. 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.

A Deposit Note is intended to be an instrument held to maturity with its Deposit Amount repayable on its Maturity Date. As a result, sale of a Deposit Note prior to its Maturity Date may result in a bid price that is less than the Deposit Amount of such Deposit Note. The bid price of a Deposit Note at any time will be determined by BMO Capital Markets, acting in its sole discretion, and will depend upon a number of factors, which may include, among other things: (i) how much a Basket Value has risen or fallen since the applicable Closing Date; (ii) the fact that during the term of the Deposit Notes assets in a Basket will be reallocated from time to time between a Fund Portfolio and a Notional Bond Portfolio; and (iii) a number of other interrelated factors, including, without limitation, volatility of a Basket Value, prevailing interest rates and the time remaining to the Maturity Date of the Deposit Note. 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 T5 Class Units (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 T5 Class Units); and (b) may be substantially affected by changes in the level of interest rates independent of performance of the Fund Portfolio.

If a Holder sells a Deposit Note within the first 720 days from the applicable Closing Date, the proceeds from the sale of such Deposit Note will be reduced by an Early Trading Charge equal to the applicable amount set out in the following table:

<i>If Sold Within</i>	<i>Early Trading Charge per Deposit Note</i>
1 - 90 days	\$5.70
91 – 180 days	\$5.00
181 – 270 days	\$4.30
271 – 360 days	\$3.60
361 – 450 days	\$2.90
451 – 540 days	\$2.20
541 – 630 days	\$1.50
631 – 720 days	\$0.80
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 720 days of the applicable 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 financial advisor on whether a sale of such Deposit Note will be subject to an Early Trading Charge and, if so, the amount of the Early Trading Charge. If a Holder sells a Deposit Note prior to Maturity, such Holder may have to do so at an amount less than the Deposit Amount of such Deposit Note even if the performance of the applicable 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 financial 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 Maturity. 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 Maturity as compared to holding the Deposit Note until Maturity. See “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 use the transaction processing system or network operated by FundSERV. The following information about FundSERV and its network is relevant for Holders. Holders should consult with their financial advisors as to whether their Deposit Notes have been purchased using the FundSERV network 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 using the FundSERV network, 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 using the FundSERV network 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 an online transaction processing system for such financial products including the Deposit Notes. FundSERV’s network facilitates the matching of orders to settlement instructions, facilitates reconciliation, aggregates and reports net settlement amounts and distributes settlement instruction information to the financial product distribution channel.

### **Deposit Notes Held Through the Custodian**

All Deposit Notes of the same Series will initially be issued in the form of one or more fully registered global deposit notes (each a “Global Note” and collectively, the “Global Notes”) that will be deposited with CDS. Deposit Notes purchased using the FundSERV network (“FundSERV Notes” and each a “FundSERV Note”) will also be evidenced by the applicable Global Note. Holders holding FundSERV Notes will therefore have a beneficial interest in the applicable 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 interests in the FundSERV Notes which recordings will be made as instructed by CDS Participants or non-CDS Participants, as the case may be using the FundSERV network.

### **Purchase of FundSERV Notes**

In order to purchase FundSERV Notes, the aggregate Subscription Price must be delivered to the Selling Agent in immediately available funds prior to the applicable Closing Date. Despite delivery of such funds, the Selling Agent 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 event, whether or not the FundSERV Notes are issued, no interest or other compensation will be paid to the subscriber on such funds.

### **Sale of FundSERV Notes**

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’s transaction processing system. 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 Notes 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. A Holder should be aware of the limitations and restrictions surrounding the secondary market. See “Secondary Market”.

A Holder should also be aware that, although the “redemption” procedures of FundSERV’s transaction processing system 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 net asset value per Deposit Note of a Series on each Business Day, subject to a suspension of the calculation of Note Value described under “Note Value - Temporary Suspension of Calculation of Note Value”. The posted net asset value per Deposit Note of a Series 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 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.

### **SUITABILITY AND APPROPRIATENESS FOR INVESTMENT**

A person should make a decision to invest in Deposit Notes after carefully considering, with his or her advisor, the suitability of this investment in light of his or her investment objectives, investment constraints and the information in this Information Statement.

An investment in Deposit Notes may be suitable and appropriate for investors who:

- are prepared to invest for the mid to long-term and accept moderate investment risk;
- want the potential to earn interest and a variable return that (i) are based on the performance of the Fund (ii) are not based on a fixed, floating or other specified interest rate (iii) in the case of Variable Return, is uncertain until Maturity, and (iv) may be zero;
- want to ensure they receive at least the amount they deposited if they hold Deposit Notes at Maturity; and
- are prepared to accept the risks described in this Information Statement.

## 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 certificates representing the Global Notes referred to below that contain the full text of such attributes and characteristics.

### Offering

The Bank of Montreal GGOF C.O.R.E. Protected Deposit Notes, Yield Class, Series 8 and Series 9 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) per subscribed Series. Bank of Montreal GGOF C.O.R.E. Protected Deposit Notes, Yield Class, Series 8 and Series 9, Bank of Montreal GGOF C.O.R.E. Protected Deposit Notes, R.O.C. Class, Series 8 and Series 9 and Bank of Montreal GGOF C.O.R.E. Protected Deposit Notes, Total Return Class, Series 8 and Series 9 are being offered concurrently. The maximum issue size for the offerings is an aggregate of \$50,000,000. Bank of Montreal may change the maximum aggregate size of the offerings at its discretion.

Bank of Montreal is offering the Deposit Notes through FundSERV's transaction processing system. Subscriptions may be made using the FundSERV network for Series 8 Notes and Series 9 Notes under the mutual fund order codes "JHN 830" and "JHN 831", respectively. Such subscriptions will result in funds being accumulated in a separate non-interest bearing account of BMO Capital Markets for each Series pending execution of all documents required for such Series and satisfaction of closing conditions, if any. Funds in respect of all subscriptions shall be payable at the time of subscription.

One or more Global Notes for the aggregate Deposit Amounts of the Deposit Notes issued on a Closing Date for a Series will be issued in registered form to CDS on the applicable 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's transaction processing system, 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 a Closing Date, in its discretion, elect whether or not to proceed in whole or in part with the issue of the Deposit Notes of a Series.

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 an Offering.

### Payments Prior to Maturity

Within 10 Business Days of the end of the month of closing of an offering of Deposit Notes of a Series and each month thereafter prior to Maturity, each Holder will receive interest payments in respect of each Deposit Note held by such Holder equal to the Distribution Amount, if any, at the end of the month. The entire amount of annual year-end excess Distributions, if any, on the T5 Class Units will be notionally reinvested in the Basket for the applicable Series. No further payments will be made to a Holder prior to Maturity if the Basket of such Series does not include a Fund Portfolio. See "Description of the Deposit Notes – Settlement of Payments" and "Note Program – Payments to Holders".

### Maturity and Principal Repayment

Series 8 Notes and Series 9 Notes will mature on or about January 22, 2016 and March 10, 2016, respectively. At Maturity, a Holder of a Deposit Note will be entitled to 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.

### Rank

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.



## **Settlement of Payments**

Bank of Montreal will be required to make available to CDS, no later than 10:00 a.m. (Toronto time) on the tenth Business Day following the end of the month of closing of an offering of Deposit Notes of a Series and each month thereafter prior to Maturity, funds in an amount sufficient to pay the monthly interest payment, if any, then due 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 T5 Class 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 to non-CDS Participants (or CDS Participants, if applicable) through FundSERV's transaction processing system 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 Global Notes is limited to making payment of the amounts due in respect of the Global Notes 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 Notes 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.

## **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 of a Series and the Variable Return are greater than 60% a year at any time, only the amount of the interest payments or Variable Return that constitutes 60% a year will be payable to a Holder at the applicable time and the balance together with interest at Bank of Montreal's equivalent term deposit rate will be payable to a Holder 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 (one or more Global Notes representing all Deposit Notes issued on a Closing Date). 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 each 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 Notes**

Bank of Montreal will issue registered Deposit Notes on the Closing Date for a Series in the form of one or more fully registered Global Notes 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, a 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 who shall designate the accounts to be credited with respect to their participation in the distribution of the Deposit Notes. 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.

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. See “Description of the Deposit Notes - Settlement of Payments”.

### **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 Deposit 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 Notes 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 Bank of Montreal 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 interest payments on the Deposit Note prior to 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 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 securities providing exposure to the Fund.

#### **Amendments to the Global Notes**

A Global Note may be amended without the consent of the applicable 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 such Holders. In all other cases, a Global Note may be amended if the amendment is approved by a resolution passed by the favourable votes of Holders representing not less than 66 $\frac{2}{3}$ % of the outstanding aggregate Deposit Amounts of Deposit Notes of a Series represented at the meeting of the Holders 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.

#### **Investor's Right to Cancel the Agreement to Purchase a Deposit Note**

An investor may cancel an order to purchase a Deposit Note (or cancel the purchase of a Deposit Note if the Deposit Note has been issued) by providing instructions to Bank of Montreal through his or her financial advisor any time up to 48 hours after the later of (i) the day on which the agreement to purchase the Deposit Note is entered into and (ii) deemed receipt of this Information Statement. Upon cancellation, the investor is entitled to a refund of the Deposit Amount and any fees relating to the purchase that have been paid by the investor. This right of cancellation does not extend to investors who buy a Deposit Note in the secondary market.

An investor will be deemed to have received this Information Statement on the earlier of (i) the day recorded as the time of sending by the server or other electronic means, if provided by electronic means; (ii) the day recorded as the time of sending by fax machine, if provided by fax; (iii) five Business Days after the postmark date, if provided by mail; and (iv) when it is received.

#### **Date of Agreement to Purchase a Deposit Note**

The agreement to purchase a Deposit Note will be entered into, if an order to purchase a Deposit Note is received in person, on the second day after the purchase order is received. In all other circumstances, the agreement to purchase a Deposit Note will be entered into on the day on which the purchase order is received.

#### **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. The Calculation Agent will not be responsible for its errors or omissions if made in good faith, except in the case of its negligence or wilful misconduct.

## **EXPENSES OF THE OFFERING**

Expenses of each Offering of \$5.00 (5.00%) per Deposit Note will be paid out of the proceeds of the applicable Offering on or about the applicable Closing Date to the Selling Agent and will be deducted from the Deposit Amount in determining Initial Basket Value. The Selling Agent will pay all or a portion of this amount to sub-agency groups including other qualified selling members for selling such Deposit Notes.

## **FEES AND EXPENSES OF THE NOTE PROGRAM**

The total annual fees that will be paid in respect of a Basket under a Note Program for Deposit Notes of a Series 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 such Deposit Notes.

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

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

### **Annual Fund Portfolio Fees**

The total annual fees applicable to a Fund Portfolio under a Note Program will be comprised of annual fund portfolio fees equal to 2.60% of the value of such Fund Portfolio (including any Units acquired with notionally borrowed money to increase Weighting above 100%). By comparison the unaudited annual management expense ratio for T5 Class Units as of December 31, 2007 was 1.99%, being 0.61% less than the annual fund portfolio fees of 2.60% applicable to a Fund Portfolio under a 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 a Fund Portfolio under a Note Program including management fees for the management services provided by the Fund Manager and its affiliates. The annual management expense ratio for the T5 Class Units 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 Units in the applicable Fund Portfolio. Bank of Montreal will pay a portion of such fees to the Fund Manager and will retain the remainder. The annual fund portfolio fees reduce the value of a Fund Portfolio and will therefore affect the Variable Return, if any, paid to Holders at Maturity.

### **Annual Bond Portfolio Fees**

The total annual fees applicable to a Notional Bond Portfolio under a Note Program will be comprised of annual bond portfolio fees equal to 0.79% of the face amount of the Coupon Bonds in a Basket, which account for all fees and expenses applicable to a Notional Bond Portfolio under a Note Program. Bank of Montreal will be paid the annual bond portfolio fees. For further clarity, the 0.79% coupon paid on the Coupon Bonds in a Basket will be used to pay such annual fees and will not accrue to the benefit of Holders of the Deposit Notes.

### **Leverage**

In consideration for the Manager providing leverage to a Basket, interest on any amounts notionally borrowed under a 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. See "Note Program".

## **RISK FACTORS**

An investment in 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 make a decision to invest in Deposit Notes only after carefully considering with his or her advisors whether the Deposit Notes are a suitable investment in light of his or her investment objectives, investment horizon and risk tolerance and the information set out in this Information Statement. None of Bank of Montreal, BMO Capital Markets, including in its capacity as Selling Agent, Calculation Agent and Manager, Jones Heward Investment Counsel Inc. in its

capacity as the portfolio adviser nor Guardian Group of Funds Ltd. in its capacity as fund manager of the Fund, make any recommendation as to whether the Deposit Notes are a suitable investment for any person.

### **Non-Conventional Deposit Notes**

The Deposit Notes have certain characteristics that differ from conventional fixed income investments. The Deposit Notes do not provide Holders with a return or income stream prior to Maturity and do not provide a return at Maturity that is calculated or determined with reference to a specified fixed or floating rate of interest.

There will be interest payments to Holders during the term of the Deposit Notes only if Distributions are made on the T5 Class Units and the Deposit Amount will be payable only at Maturity.

The Variable Return, if any, on Deposit Notes generally will be uncertain until Maturity and will depend on the performance of a Fund Portfolio, as measured by the change, if any, in the value of such Fund Portfolio over the term of the applicable Deposit Notes. Depending on such performance, Holders at Maturity may be entitled to only the Deposit Amounts of their Deposit Notes. 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 Variable Return, if any, that they will be entitled to on their Deposit Notes at Maturity. 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. Accordingly, the Deposit Notes are not suitable investments for investors who need or expect any payments during the term of the Deposit Notes or a return on investment and are not prepared to assume the risks associated with an investment whose return is based on the performance of a Basket.

### **Dependence on Management**

The Fund Manager together with any portfolio adviser that the Fund Manager may appoint from time to time are responsible for the management of the Fund and its investments and generally have exclusive and absolute discretion and authority over the management and control of the investments of the Fund. The decisions of the Fund Manager and portfolio adviser will influence the overall performance of the Fund. Accordingly, the Fund's success depends on the skill and acumen of the management and portfolio management teams of the Fund Manager and any portfolio advisers appointed by the Fund Manager. These individuals will not devote all of their time to the business of the Fund. If these individuals should cease to participate in the Fund's business, the Fund's ability to select attractive investments and manage its portfolio could be severely impaired. There can be no assurance that (a) the Fund's investment objectives will be realized, (b) the Fund's investment strategies will prove successful, (c) the Fund's distribution policy can be maintained, or (d) the Fund can avoid losses. Past performance of the Fund Manager or any portfolio advisers appointed by the Fund Manager is not indicative of future returns.

### **Secondary Trading of Deposit Notes**

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 a Fund Portfolio has been positive and, as a result, could incur a loss in respect of such sale. In addition, an Early Trading Charge will apply to a sale of a Deposit Note within the first 720 days from the applicable Closing Date.

The Deposit Amount is payable 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 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 a Basket has risen or fallen since a Closing Date;
- the fact that during the term of the Deposit Notes assets in a Basket will be reallocated from time to time between a Fund Portfolio and a Notional Bond Portfolio; and
- a number of other interrelated factors including, without limitation, volatility of the value of the assets in a 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 T5 Class Units and (b) may be substantially affected by changes in current interest rates independent of performance of the Fund Portfolio. The Holders may wish to consult their respective financial 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 a Fund Portfolio to a Notional Bond Portfolio during the term of the Deposit Notes, such allocation will reduce the exposure of a Note Program to a Fund Portfolio. Any allocation between a Fund Portfolio and a Notional Bond Portfolio will be determined in accordance with the Asset Allocation Methodology. If Weighting to a Fund Portfolio is 0%, a Basket will not include a Fund Portfolio.

### **Extraordinary Events**

Where the Manager and the Calculation Agent have determined in respect of an Extraordinary Event that a Note Program will no longer have any exposure to a Fund Portfolio and a Basket will consist entirely of a Notional Bond Portfolio, (i) the entire value of a Basket (including cash, if any) calculated as of the date of the Extraordinary Event will be notionally invested in a Notional Bond Portfolio, (ii) no further interest will be paid prior to Maturity, (iii) any positive return on the T5 Class Units following the Extraordinary Event will not increase a Basket Value, (iv) the Deposit Amount will be payable at, but not prior to, Maturity, and (v) the possibility of a Holder being entitled to any Variable Return at Maturity is significantly reduced. See “Note Program — Extraordinary Events”.

### **Fees and Expenses**

In order for a Payment at Maturity to exceed a Deposit Amount, the return on the notional assets in a 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 a Note Program during the term of the Deposit Notes.

### **Leverage**

It is possible to have a Weighting to the Fund Portfolio in a Basket of up to 200%. If Weighting exceeds 100%, a Basket will have notionally borrowed money to acquire additional Units. The use of borrowed money creates an opportunity for increased exposure to 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 a Fund Portfolio may change during the time a borrowing is outstanding. Since any decline in the value of a Fund Portfolio will be borne entirely by a Note Program (and not by those persons providing the borrowed money), a decline in the value of a Fund Portfolio will result in a greater decrease in a Basket Value than if no money was borrowed. Decreases in a Basket Value can lead to an increased allocation to a Notional Bond Portfolio under the Asset Allocation Methodology.

Notionally borrowing funds will create interest expense for a Note Program. The interest expense may not exceed the net return made from the Units acquired with the borrowed funds. If the net return on the Units acquired with borrowed funds is greater than the interest expense incurred by a Note Program on the borrowed funds, then the return on Note Program assets will be greater than the return if no funds were borrowed. Conversely, if the net return on the Units acquired with borrowed funds is not sufficient to cover the interest expense incurred by a Note Program on the borrowed funds, then the return on Note Program assets will be less than if no funds were borrowed.

### **Conflicts of Interest**

The Fund Manager, any portfolio advisers appointed by the Fund Manager, or any of their respective affiliates (i) may conduct any other business including a business of investing in securities that may be in competition with the Fund or the Deposit Notes (for example, acting as a general partner, managing member, portfolio adviser or fund manager for others including the issuers of securities owned by the Fund), and/or (ii) may 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. As a result, the investments taken, held or liquidated by the Fund 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 Fund Manager (or any portfolio advisers appointed by the Fund Manager) also may be subject to certain limitations, bylaws or its own internal code of ethics or other policies that may prevent the Fund Manager (or any portfolio advisers appointed by the Fund Manager) from taking certain actions or making certain investments for the Fund. As a result of the foregoing, the Fund Manager, any portfolio advisers appointed by the

Fund Manager, or their respective affiliates may have conflicts of interest in allocating their time and activity between the Fund and other entities and activities, and in allocating investments among the Fund and other clients, including those in which the Fund Manager, any portfolio advisers appointed by the Fund Manager, or their respective affiliates may have a greater financial interest.

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 hold securities of, extend credit to or enter into other business dealings with the Fund Manager, the portfolio adviser, the Fund or one or more of the entities whose securities are owned by the Fund, 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 payments of interest on the Deposit Notes of a Series or the amount of Variable Return that may be payable on such Deposit Notes.

### **Legislative and Regulatory Change**

Changes may be made to federal and provincial legislation, regulations or administrative practices, including with respect to taxation, that could have a material adverse effect on a Note Program and a Holder. In addition, future regulatory changes in applicable jurisdictions could limit the ability of the Fund Manager and portfolio adviser to carry out its business and have a material adverse effect on a Note Program.

### **Credit Rating**

The Deposit Notes have not been rated. 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 by DBRS, A+ by S&P and Aa1 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* or 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. Accordingly, 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 a financial advisor on whether the Holder's investment in the Deposit Notes is eligible for protection in light of such Holder's particular circumstances.

### **No Independent Calculation**

As part of its responsibilities, the Manager will be solely responsible for computing Note Value based on the determinations of Weighting under the Asset Allocation Methodology and the calculation of Distribution Component and Basket Value 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 Units**

In valuing Units, the Calculation Agent will be dependent on information reported by the Fund and the Fund's determinations as to the fair value of its assets, which generally will be unaudited. Readily available market prices or quotations normally may not be available for all interests in the Fund and neither Bank of Montreal, the Manager nor the Calculation Agent will have access to information about the holdings of the Fund that could be used to verify the fair value of the T5 Class Units as reported by the Fund.

The trading prices of the securities comprising the assets of the Fund from time to time will determine the net asset value of the Fund. Other activities of the Fund may impact the value of a Fund Portfolio. See disclosure filed by the Fund, which may be obtained at [www.ggof.com](http://www.ggof.com) or [www.sedar.com](http://www.sedar.com). Holders should recognize that it is impossible to know whether the

value of the securities comprising the assets of the Fund at any time will rise or fall and whether the investment decisions of any portfolio adviser will prove to be successful. Trading prices of the securities comprising the assets of the Fund will be influenced by complex and inter-related political, economic, financial, and other factors that can affect the capital markets generally or the markets on which the securities comprising the assets of the Fund are trading. Holders should familiarize themselves with the basic features of the T5 Class Units, including the general method of calculating the net asset value of the Fund.

### **Risks Relating to the Fund**

Interest paid to Holders prior to Maturity will depend on the level of Distributions, if any, made on the T5 Class Units by the Fund and the Weighting of a Basket. Interest paid to Holders may not equal the Distributions made on the T5 Class Units 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 a Basket Value, which, to the extent a Basket includes Units, is based on 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 Distributions made by, and the performance of, the Fund. Such risk factors may include the following: *class risk* (if the Fund cannot pay the expenses of one class using that class' proportionate share of the Fund's assets it may have to pay those expenses out of the other class' proportionate share of the assets, which could lower the investment return of those other class), *currency risk* (in the case of international investments, factors relating to a decline in the value of foreign currencies will reduce the value of the Fund's assets denominated in those currencies), *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; reporting, accounting and auditing standards of foreign countries may differ, in some cases significantly, from Canadian or US standards), *market risk* (the value of the equity securities in which the Fund invests is affected (i.e., may go up or down) by individual company developments, stock market conditions and general economic conditions), *repurchase/reverse repurchase agreements risk* (in the case where the Fund enters into repurchase or reverse repurchase transactions, risks arising in the event the other party to the transaction may become insolvent), *securities lending risk* (where a third party defaults on its obligations to repay, resell or repurchase securities to or from the Fund, the Fund may suffer a loss), *substantial unitholder risk* (where the Fund has investors who own a large proportion of the outstanding units of the Fund, if such investors redeem large amounts of their investments in the Fund, the Fund may have to sell its investments at unfavourable prices to meet the redemption requests), and *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). This is not a complete description of the risks applicable to the Fund. A complete description of the risks as they apply to the Fund is contained in the current simplified prospectus of the Fund, which may be obtained at [www.sedar.com](http://www.sedar.com).

### **No Ownership of Units or Notional Bond Portfolio**

The Deposit Notes will not entitle a Holder to any direct or indirect ownership of or entitlement to (i) Units or T5 Class Units, (ii) the assets of the Fund, or (iii) the assets of a Notional Bond Portfolio. As such, a Holder will not be entitled to the rights and benefits of a unitholder or a securityholder, including any right to receive distributions or dividends or to vote at or attend meetings of unitholders or securityholders.

Owning a Deposit Note is different from owning T5 Class Units. A Deposit Note does not represent a substitute for an investment in the Fund. Investing in a Deposit Note provides the opportunity to participate in a Basket Value, while being entitled to the Deposit Amount at Maturity. As such, a Deposit Note serves as a way of participating in the appreciation, if any, in the T5 Class Units, based on a Basket Value, while assuring the ultimate return of the Deposit Amount if held at Maturity.

## **INCOME TAX CONSIDERATIONS**

In the opinion of McMillan 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 ("Initial Holder") who purchases Deposit Notes only at the time of their issuance. 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 resident in Canada 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 (the "Regulations") 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 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 Holder. Holders should consult their own 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, if any, on the Deposit Notes of a Series, 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 information return.

### **Variable Return**

A Deposit Note is a "prescribed debt obligation" within the meaning of the Act. The rules in the Regulations applicable to a prescribed debt obligation ("prescribed debt obligation rules") 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 the prescribed debt obligation rules prior to the Final Valuation Date, provided that Weighting has not become fixed at 0% and an Extraordinary Event has not occurred. If the amount of the Variable Return becomes limited to a maximum amount as a result of the Weighting becoming fixed at 0% or the occurrence of an Extraordinary Event, an Initial Holder would be required to include in income for each taxation year, commencing in the taxation year in which the amount of the Variable Return becomes so limited, 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 information 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 the investor's income for that year or a preceding year. Under the terms of the Deposit Notes of a Series, provided that Weighting has not become fixed at 0% and an Extraordinary Event has not occurred, 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 its Final Valuation Date.

Provided that Weighting has not become fixed at 0% and an Extraordinary Event has not occurred, and while the matter is not free from doubt, a disposition or deemed disposition of a Deposit Note by an Initial Holder (other than on or following the Final Valuation Date) should give rise to a capital gain (or capital loss) to the extent the Initial Holder's proceeds of disposition, excluding accrued and unpaid interest, if any, 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 realized by an Initial Holder must be included in the income of the Initial Holder. One-half of a capital loss realized by an Initial Holder is deductible against the taxable portion of capital gains realized in the year, in the three preceding years or in subsequent years, subject to the rules in the Act.

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

### **Eligibility for Investment by Registered Plans**

In the opinion of McMillan LLP, counsel to Bank of Montreal, the Deposit Notes of a Series will, at the date of issue, be qualified investments under the Act for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability 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 an employer with which Bank of Montreal does not deal at arm's length within the meaning of the Act).

Where a Holder's purchase order for Deposit Notes is effected through dealers and other firms that place and clear orders for Deposit Notes through FundSERV's transaction processing system, such dealers or other firms may not be able to accommodate a purchase of Deposit Notes through certain registered plans. Holders should consult their financial advisors as to whether their orders for Deposit Notes will be made through FundSERV's transaction processing system and any limitations on their ability to purchase Deposit Notes through registered plans.

## **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 FundSERV's investment fund transaction processing system. Subscriptions may be made on the FundSERV network for Series 8 Notes and Series 9 Notes under the mutual fund order codes "JHN 830" and "JHN 831", respectively. Such subscriptions will result in funds being accumulated in a separate non-interest bearing account of BMO Capital Markets for each Series pending execution of all documents required for such Series 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 wholly-owned subsidiary of BMO Nesbitt Burns Corporation Limited which, in turn, is an indirect majority-owned subsidiary of Bank of Montreal. **Consequently, 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 the Offerings 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. Bank of Montreal GGOF C.O.R.E. Protected Deposit Notes, Yield Class, Series 8 and Series 9, Bank of Montreal GGOF C.O.R.E. Protected Deposit Notes, R.O.C. Class, Series 8 and Series 9 and Bank of Montreal GGOF C.O.R.E. Protected Deposit Notes, Total Return Class, Series 8 and Series 9 are being offered concurrently. The maximum issue size for the offerings is an aggregate of \$50,000,000. 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 five percent (5.00%) of the Deposit Amount. 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 closings of Offerings of Series 8 Notes and Series 9 Notes are scheduled to occur on or about July 23, 2008 and September 10, 2008, respectively. Bank of Montreal may, at any time prior to the applicable 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 a closing of an Offering does not occur, all subscription funds in respect of such Offering 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 an 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*.

One or more Global Notes for the aggregate Deposit Amounts of the Deposit Notes issued on a Closing Date will be issued in registered form to CDS and will be deposited with CDS on such 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's transaction processing system, 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 a 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.

*An investor may request information about the Deposit Notes or another copy of this Information Statement by calling BMO Capital Markets at 1-866-864-7760 to speak to someone in English and 1-866-529-0017 to speak to someone in French. A copy of this Information Statement is also posted at [www.bmosp.com](http://www.bmosp.com).*

*During the term of the Deposit Notes, a Holder may inquire as to the net asset value of a Deposit Note and the method for determining Variable Return, if any, by contacting BMO Capital Markets at the above numbers.*