

# BMO U.S. High Yield Bond Fund (the "Fund")

For the six-month period ended March 31, 2024 (the "Period")

Manager: BMO Investments Inc. (the "Manager" or "BMOI")

Portfolio manager: Columbia Management Investment Advisers, LLC, Boston, Massachusetts

## 2024 Semi-Annual Management Report of Fund Performance

This semi-annual management report of fund performance contains financial highlights but does not contain the complete semi-annual or annual financial statements of the Fund. If the semi-annual financial statements of the Fund do not accompany the mailing of this report, you may obtain a copy of the semi-annual or annual financial statements at your request, and at no cost, by calling 1-800-665-7700 and 1-800-668-7327, by writing to us at BMO Investments Inc., First Canadian Place, 100 King Street West, 43rd Floor, Toronto, Ontario, M5X 1A1 or by visiting our website at [www.bmogam.com/ca-en/legal-and-regulatory/](http://www.bmogam.com/ca-en/legal-and-regulatory/) or SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). You may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record and/or quarterly portfolio disclosure.

### MANAGEMENT DISCUSSION OF FUND PERFORMANCE

#### Results of Operations

During the Period, the Fund's total net asset value changed from approximately \$642 million to approximately \$401 million. Series A units of the Fund returned 7.54%. Please see the *Past Performance* section for information on the performance returns of the Fund's other series.

The U.S. high-yield fixed income market, as measured by ICE BofA BB-B Global High Yield Constrained Index (CS hedged), returned 7.99% over the Period. Credit spreads (the difference in yield between securities of similar maturity but differing credit quality) narrowed by 101 basis points, while the five-year U.S. Treasury yield decreased by 40 basis points to end the Period at 4.62%.

U.S. high-yield returns were strong and concentrated in the fourth quarter of 2023 as spreads tightened dramatically amid resilient economic data, surging U.S. equities and sharply lower U.S. Treasury rates.

Interest rates were sharply lower as inflation data continued to show gradual progress. The U.S. Federal Reserve Board's rhetoric reinforced the probability that the interest rate hiking cycle was complete. Default and distressed exchange activity remained moderate and in line with long-term averages.

Security selection within the Communication Services sector contributed to the Fund's performance, mainly driven by overweight allocations to select non-U.S. issuers. Selection within the Chemicals as well as Software and Services sub-sectors was also a notable contributor to

performance. An underweight position in Lumen Technologies Inc. was the largest individual contributor to performance. The telecommunications company's fundamental position continued to struggle. Overweight positions in NFP Corp. (4.875%, 15/08/2028) and various Virgin Media Inc. bonds contributed to the Fund's performance. NFP Corp. outperformed after it agreed to be acquired by Aon PLC. Virgin Media Inc., outperformed, benefiting from solid company operating fundamentals.

Security selection within the cable and satellite television industry was the largest detractor from the Fund's performance amid slowing growth. Security selection within specialty retail and media content also detracted from performance. The largest individual detractors from performance were overweight holdings in DISH Network Corp., iHeartMedia Inc., and LogMeIn Inc. DISH Network Corp. was affected by market concerns around potential debt exchange activity and aggressive collateral stripping by certain company bondholders. A holding in iHeartMedia Inc. was affected by investor concerns about the potential for the company to strip assets. LogMeIn Inc. reported weak business results, and the company completed a coercive exchange of its outstanding bonds.

The portfolio manager added NOVA Chemicals Corp. (9.00%, 15/02/2030) to the Fund. While commodity chemical producers continue to face destocking pressures and demand uncertainty, the company has some of the best assets globally and is positioned attractively on the global cost curve. The new issue presented an attractive risk-adjusted opportunity.



Mutual Funds

# BMO U.S. High Yield Bond Fund

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The Fund's exposure to the insurance brokerage, chemicals, and gas distribution industries was increased. A mix of new issues from INEOS Group Holdings Ltd. and INEOS Quattro Holdings Ltd. as well as secondary market additions, were added. New issues from Hub Group Inc., Truist Insurance Holdings LLC, and Assured Partners Inc. were also added to the Fund.

The portfolio manager eliminated holdings that had been upgraded to investment-grade or were acquired by an investment-grade company. These included Holly Energy Partners L.P., Occidental Petroleum Corp., and Black Knight Inc. Positions in DISH Network Corp. and iHeartMedia Inc. were exited, given fundamental uncertainty and the potential for downgrade to CCC ratings.

The Fund's allocations to the support services, cable and satellite television, and packaging industries were reduced. Holdings in ABC Supply Holding Corp., Uber Technologies Inc., and Ardagh Metal Packaging SA were trimmed.

*For information on the Fund's performance and composition, please refer to the Past Performance section and Summary of Investment Portfolio section of this report.*

## Recent Developments

The portfolio manager is not expecting a recession scenario, but the market confidence priced into current valuations seems high. It does not reflect the potential range of outcomes. The portfolio manager believes that a continued moderation in corporate fundamental levels is likely. The historically strong technical support of the past two years will likely be more balanced in 2024.

In an environment with tight valuations, modest fundamentals and less technical support, the portfolio manager believes that value creation should come from a few key themes. These are default avoidance, recovery in the credit theses of specific issuers, continued progress of long-term debt reduction stories, and rebounds in specific sectors that faced early cycle challenges.

## RELATED PARTY TRANSACTIONS

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

### Manager

BMO Investments Inc., an indirect, wholly-owned subsidiary of Bank of Montreal ("BMO"), is the Manager and trustee of the Fund. The Manager is paid a management fee by the Fund as compensation for its services, which is described in the "Management Fees" section later in this document.

### Administration Fee and Operating Expenses

The Fund pays a fixed administration fee to the Manager in respect of each series other than Series I. The Manager in return pays the operating expenses of these series of the Fund, other than certain specified expenses that are paid directly by the Fund ("Fund Expenses"). Fund Expenses are allocated proportionately among the relevant series. If the Fund Expenses are specific to a series, the Fund Expenses are allocated to that series. The fixed administration fee is calculated as a fixed annual percentage of the net asset value of each relevant series of the Fund. The annual fixed administration fee rate for each series of the Fund, other than Series I, is 0.25%. The administration fee is subject to applicable taxes. The Manager may, in certain cases, waive a portion of the administration fee that it receives from the Fund or from certain series of the Fund. Separate fees and expenses are negotiated and paid directly by each Series I investor. Further details about the fixed administration fee, Fund Expenses and/or operating expenses can be found in the Fund's most recent simplified prospectus at [www.bmogam.com/ca-en/legal-and-regulatory/](http://www.bmogam.com/ca-en/legal-and-regulatory/) or [www.sedarplus.ca](http://www.sedarplus.ca).

# BMO U.S. High Yield Bond Fund

## Buying and Selling Securities

During the Period and pursuant to applicable securities legislation, the Fund relied on standing instructions provided by the independent review committee (“IRC”) with respect to one or more of the following related party transactions (each, a “Related Party Transaction”):

- (a) investments in securities issued by BMO;
- (b) investments in a class of securities of an issuer during the period of distribution of those securities to the public and/or the 60-day period following the distribution period where a related party dealer acted as an underwriter in the distribution;
- (c) trades in debt securities of any issuer from or to a related party dealer acting as principal; and
- (d) trades of a security of any issuer from or to another investment fund or managed account managed by the Manager or an affiliate of the Manager.

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

## Other Transactions with a Related Party

During the Period and pursuant to applicable securities legislation, the Fund relied on standing instructions and positive recommendations provided by the IRC with respect to engaging a Related Party as a derivatives counterparty or service provider.

## Distribution Services

The Manager markets and distributes the Fund through BMO branches and/or (depending on the series) through registered dealers and brokers, including BMO InvestorLine Inc. and BMO Nesbitt Burns Inc., both affiliates of the Manager. The Manager pays to these affiliates a service fee called a “trailing commission” based on the average daily value of the units that are held in investor accounts. This service fee is paid monthly or quarterly and varies by purchase option and by series.

## FINANCIAL HIGHLIGHTS

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

### The Fund’s Net Assets per Unit <sup>(1)</sup>

#### Series A Units

	Period ended		Periods ended Sep. 30			
	Mar. 31	2023	2022	2021	2020	2019
	2024					
Net assets, beginning of period	\$ 6.86	6.75	8.34	8.07	8.67	8.85
<b>Increase (decrease)</b>						
<b>from operations:</b>						
Total revenue	\$ 0.22	0.41	0.40	0.50	0.49	0.52
Total expenses <sup>(2)</sup>	\$ -0.06	-0.11	-0.12	-0.15	-0.17	-0.18
Realized gains (losses)						
for the period	\$ -0.39	-0.34	-0.57	-0.38	-0.08	-1.24
Unrealized gains (losses)						
for the period	\$ 0.73	0.51	-0.86	0.58	-0.39	1.18
<b>Total increase (decrease)</b>						
<b>from operations <sup>(3)</sup></b>	\$ 0.50	0.47	-1.15	0.55	-0.15	0.28
<b>Distributions:</b>						
From net investment income (excluding dividends)	\$ 0.14	0.27	0.33	0.30	0.44	0.30
From dividends	\$ —	—	—	—	—	—
From capital gains	\$ —	—	—	—	—	—
Return of capital	\$ 0.04	0.11	0.09	0.14	0.04	0.18
<b>Total Annual Distributions <sup>(4)</sup></b>	\$ 0.18	0.38	0.42	0.44	0.48	0.48
<b>Net assets, end of period</b>	\$ 7.19	6.86	6.75	8.34	8.07	8.67

# BMO U.S. High Yield Bond Fund

## Advisor Series Units

	Period ended Mar. 31 2024	2023	Periods ended Sep. 30			
			2022	2021	2020	2019
Net assets, beginning of period	\$ 7.72	7.61	9.41	9.09	9.69	9.85
<b>Increase (decrease) from operations:</b>						
Total revenue	\$ 0.25	0.46	0.46	0.55	0.56	0.58
Total expenses <sup>(2)</sup>	\$ -0.07	-0.12	-0.14	-0.17	-0.19	-0.20
Realized gains (losses) for the period	\$ -0.46	-0.41	-0.65	0.15	-0.09	0.76
Unrealized gains (losses) for the period	\$ 0.85	0.65	-0.98	0.30	-0.41	-0.84
<b>Total increase (decrease) from operations <sup>(3)</sup></b>	\$ 0.57	0.58	-1.31	0.83	-0.13	0.30
<b>Distributions:</b>						
From net investment income (excluding dividends)	\$ 0.16	0.31	0.37	0.36	0.45	0.34
From dividends	\$ —	—	—	—	—	—
From capital gains	\$ —	—	—	—	—	—
Return of capital	\$ 0.05	0.13	0.11	0.12	0.03	0.14
<b>Total Annual Distributions <sup>(4)</sup></b>	\$ 0.21	0.44	0.48	0.48	0.48	0.48
<b>Net assets, end of period</b>	\$ 8.08	7.72	7.61	9.41	9.09	9.69

## Series F Units

	Period ended Mar. 31 2024	2023	Periods ended Sep. 30			
			2022	2021	2020	2019
Net assets, beginning of period	\$ 8.96	8.77	10.75	10.26	10.81	10.88
<b>Increase (decrease) from operations:</b>						
Total revenue	\$ 0.29	0.53	0.53	0.62	0.62	0.64
Total expenses <sup>(2)</sup>	\$ -0.03	-0.07	-0.08	-0.08	-0.08	-0.08
Realized gains (losses) for the period	\$ -0.55	-0.44	-0.74	0.16	-0.10	0.25
Unrealized gains (losses) for the period	\$ 1.00	0.69	-1.19	0.32	-0.47	-0.32
<b>Total increase (decrease) from operations <sup>(3)</sup></b>	\$ 0.71	0.71	-1.48	1.02	-0.03	0.49
<b>Distributions:</b>						
From net investment income (excluding dividends)	\$ 0.22	0.46	0.52	0.54	0.54	0.57
From dividends	\$ —	—	—	—	—	—
From capital gains	\$ —	—	—	—	—	—
Return of capital	\$ 0.04	0.06	0.02	0.00	0.00	—
<b>Total Annual Distributions <sup>(4)</sup></b>	\$ 0.26	0.52	0.54	0.54	0.54	0.57
<b>Net assets, end of period</b>	\$ 9.41	8.96	8.77	10.75	10.26	10.81

## Series D Units

	Period ended Mar. 31 2024	2023	Periods ended Sep. 30			
			2022	2021	2020	2019
Net assets, beginning of period	\$ —	6.95	8.54	8.19	8.70	8.81
<b>Increase (decrease) from operations:</b>						
Total revenue	\$ —	0.27	0.42	0.49	0.49	0.52
Total expenses <sup>(2)</sup>	\$ —	-0.05	-0.09	-0.09	-0.09	-0.10
Realized gains (losses) for the period	\$ —	-0.32	-0.54	0.14	-0.11	0.48
Unrealized gains (losses) for the period	\$ —	0.70	-0.78	0.27	-0.38	-0.52
<b>Total increase (decrease) from operations <sup>(3)</sup></b>	\$ —	0.60	-0.99	0.81	-0.09	0.38
<b>Distributions:</b>						
From net investment income (excluding dividends)	\$ —	0.21	0.38	0.37	0.46	0.42
From dividends	\$ —	—	—	—	—	—
From capital gains	\$ —	—	—	—	—	—
Return of capital	\$ —	0.05	0.04	0.07	0.02	0.06
<b>Total Annual Distributions <sup>(4)</sup></b>	\$ —	0.26	0.42	0.44	0.48	0.48
<b>Net assets, end of period</b>	\$ —	—	6.95	8.54	8.19	8.70

## Series I Units

	Period ended Mar. 31 2024	2023	Periods ended Sep. 30			
			2022	2021	2020	2019
Net assets, beginning of period	\$ 7.08	6.91	8.46	8.07	8.51	8.60
<b>Increase (decrease) from operations:</b>						
Total revenue	\$ 0.23	0.42	0.41	0.49	0.49	0.51
Total expenses <sup>(2)</sup>	\$ —	—	-0.00	-0.00	-0.00	-0.00
Realized gains (losses) for the period	\$ -0.42	-0.36	-0.57	0.12	-0.05	-2.92
Unrealized gains (losses) for the period	\$ 0.77	0.69	-0.86	0.24	-0.37	2.71
<b>Total increase (decrease) from operations <sup>(3)</sup></b>	\$ 0.58	0.75	-1.02	0.85	0.07	0.30
<b>Distributions:</b>						
From net investment income (excluding dividends)	\$ 0.20	0.40	0.48	0.48	0.50	0.55
From dividends	\$ —	—	—	—	—	—
From capital gains	\$ —	—	—	—	—	—
Return of capital	\$ 0.01	0.04	0.00	0.00	0.00	0.00
<b>Total Annual Distributions <sup>(4)</sup></b>	\$ 0.21	0.44	0.48	0.48	0.50	0.55
<b>Net assets, end of period</b>	\$ 7.46	7.08	6.91	8.46	8.07	8.51

# BMO U.S. High Yield Bond Fund

## Series O Units

	Period ended		Periods ended Sep. 30			
	Mar. 31 2024	2023	2022	2021	2020	2019
Net assets, beginning of period	\$ 7.41	7.25	8.89	8.49	8.95	9.00
<b>Increase (decrease) from operations:</b>						
Total revenue	\$ 0.24	0.44	0.43	0.51	0.51	0.53
Total expenses <sup>(2)</sup>	\$ -0.02	-0.04	-0.04	-0.04	-0.04	-0.04
Realized gains (losses) for the period	\$ -0.43	-0.38	-0.62	0.16	-0.07	-0.03
Unrealized gains (losses) for the period	\$ 0.67	0.59	-0.93	0.24	-0.43	-0.05
<b>Total increase (decrease) from operations<sup>(3)</sup></b>	\$ 0.46	0.61	-1.16	0.87	-0.03	0.41
<b>Distributions:</b>						
From net investment income (excluding dividends)	\$ 0.20	0.38	0.46	0.47	0.48	0.49
From dividends	\$ —	—	—	—	—	—
From capital gains	\$ —	—	—	—	—	—
Return of capital	\$ 0.01	0.06	0.02	0.01	0.00	0.00
<b>Total Annual Distributions<sup>(4)</sup></b>	\$ 0.21	0.44	0.48	0.48	0.48	0.49
<b>Net assets, end of period</b>	\$ 7.80	7.41	7.25	8.89	8.49	8.95

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

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

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

<sup>(4)</sup> Distributions were either paid in cash or reinvested in additional units of the Fund, or both. The allocation of the distributions from each of income, dividends, capital gains and return of capital is based on the Manager's estimate as at March 31 or September 30 of the period shown, as applicable, which is the Fund's financial period-end. However, the actual allocation of distributions is determined as at December 15, the Fund's tax year-end. Accordingly, the actual allocation among income, dividends, capital gains and return of capital may differ from these estimates.

## Ratios and Supplemental Data

### Series A Units

	Period ended		Periods ended Sep. 30			
	Mar. 31 2024	2023	2022	2021	2020	2019
Total net asset value (000's) <sup>(1)</sup>	\$ 11,286	9,323	8,181	12,265	4,267	5,302
Number of units						
outstanding (000's) <sup>(1)</sup>	1,570	1,359	1,212	1,470	528	612
Management expense ratio <sup>(2)</sup>	% 1.59	1.59	1.59	1.81	2.04	2.03
Management expense ratio before waivers or absorptions	% 1.59	1.59	1.59	1.81	2.04	2.03
Trading expense ratio <sup>(3)</sup>	% —	—	0.00	0.00	0.00	—
Portfolio turnover rate <sup>(4)</sup>	% 20.67	27.74	87.56	46.31	51.43	27.21
Net asset value per unit	\$ 7.19	6.86	6.75	8.34	8.07	8.67

## Advisor Series Units

	Period ended		Periods ended Sep. 30			
	Mar. 31 2024	2023	2022	2021	2020	2019
Total net asset value (000's) <sup>(1)</sup>	\$ 18,404	19,172	21,586	32,149	33,856	46,159
Number of units						
outstanding (000's) <sup>(1)</sup>	2,277	2,484	2,836	3,415	3,726	4,763
Management expense ratio <sup>(2)</sup>	% 1.60	1.60	1.61	1.82	2.05	2.05
Management expense ratio before waivers or absorptions	% 1.61	1.60	1.61	1.93	2.05	2.06
Trading expense ratio <sup>(3)</sup>	% —	—	0.00	0.00	0.00	—
Portfolio turnover rate <sup>(4)</sup>	% 20.67	27.74	87.56	46.31	51.43	27.21
Net asset value per unit	\$ 8.08	7.72	7.61	9.41	9.09	9.69

## Series F Units

	Period ended		Periods ended Sep. 30			
	Mar. 31 2024	2023	2022	2021	2020	2019
Total net asset value (000's) <sup>(1)</sup>	\$ 8,710	8,897	8,964	11,527	10,814	11,960
Number of units						
outstanding (000's) <sup>(1)</sup>	926	993	1,022	1,072	1,054	1,107
Management expense ratio <sup>(2)</sup>	% 0.78	0.78	0.77	0.77	0.77	0.77
Management expense ratio before waivers or absorptions	% 0.78	0.78	0.77	0.77	0.77	0.77
Trading expense ratio <sup>(3)</sup>	% —	—	0.00	0.00	0.00	—
Portfolio turnover rate <sup>(4)</sup>	% 20.67	27.74	87.56	46.31	51.43	27.21
Net asset value per unit	\$ 9.41	8.96	8.77	10.75	10.26	10.81

## Series D Units

	Period ended		Periods ended Sep. 30			
	Mar. 31 2024	2023	2022	2021	2020	2019
Total net asset value (000's) <sup>(1)</sup>	\$ —	—	17	2,948	3,028	769
Number of units						
outstanding (000's) <sup>(1)</sup>	—	—	2	345	370	88
Management expense ratio <sup>(2)</sup>	% —	1.12	1.11	1.11	1.09	1.10
Management expense ratio before waivers or absorptions	% —	1.12	1.12	1.11	1.09	1.10
Trading expense ratio <sup>(3)</sup>	% —	—	0.00	0.00	0.00	—
Portfolio turnover rate <sup>(4)</sup>	% —	27.74	87.56	46.31	51.43	27.21
Net asset value per unit	\$ —	—	6.95	8.54	8.19	8.70

## Series I Units

	Period ended		Periods ended Sep. 30			
	Mar. 31 2024	2023	2022	2021	2020	2019
Total net asset value (000's) <sup>(1)</sup>	\$ 17,664	16,342	28,806	43,736	51,433	51,084
Number of units						
outstanding (000's) <sup>(1)</sup>	2,369	2,308	4,170	5,169	6,372	6,005
Management expense ratio <sup>+</sup>	% —	—	—	—	—	—
Management expense ratio before waivers or absorptions <sup>+</sup>	% —	—	—	—	—	—
Trading expense ratio <sup>(3)</sup>	% —	—	0.00	0.00	0.00	—
Portfolio turnover rate <sup>(4)</sup>	% 20.67	27.74	87.56	46.31	51.43	27.21
Net asset value per unit	\$ 7.46	7.08	6.91	8.46	8.07	8.51

# BMO U.S. High Yield Bond Fund

## Series O Units

	Period ended		Periods ended Sep. 30			
	Mar. 31 2024	2023	2022	2021	2020	2019
Total net asset value (000's) <sup>(1)</sup>	\$ 344,943	588,298	617,735	803,710	762,364	788,713
Number of units						
outstanding (000's) <sup>(1)</sup>	44,232	79,369	85,262	90,422	89,785	88,153
Management expense ratio <sup>(2)</sup>	% 0.47	0.47	0.47	0.47	0.47	0.47
Management expense ratio						
before waivers or absorptions	% 0.47	0.47	0.47	0.47	0.47	0.47
Trading expense ratio <sup>(3)</sup>	% —	—	0.00	0.00	0.00	—
Portfolio turnover rate <sup>(4)</sup>	% 20.67	27.74	87.56	46.31	51.43	27.21
Net asset value per unit	\$ 7.80	7.41	7.25	8.89	8.49	8.95

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

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

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

<sup>(3)</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. For the financial periods ended March 31, 2024, September 30, 2023 and September 30, 2019, no commissions or other portfolio transaction costs were incurred by the Fund. As a result, the trading expense ratio for these periods was nil.

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

## Management Fees

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

	Annual Management Fee Rate %	As a Percentage of Management Fees	
		Dealer Compensation %	General Administration, Investment Advice and Profit %
Series A Units	1.20	63	37
Advisor Series Units	1.20	55	45
Series F Units	0.45	0	100
Series I Units <sup>(1)</sup>	—	—	—
Series O Units	0.175	0	100

<sup>(1)</sup> For Series I Units, separate Series I fees are negotiated and paid directly by each Series I investor. The combined management and administration fees for Series I Units will not exceed the management fee charged for Advisor Series or Series A Units.

## PAST PERFORMANCE

The Fund's performance information assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund and is based on the net asset value of the Fund. The reinvestment of distributions increases returns. The performance information does not take into account sales, redemption, distribution, other optional charges or income taxes payable that, if applicable, would have reduced returns or performance. Please remember that how the Fund has performed in the past does not indicate how it will perform in the future.

The returns of each series may differ from one another for a number of reasons, including if the series was not issued and outstanding for the entire reporting period and because of the different levels of management fees and expenses allocated and payable by each series.

On July 15, 2016, the management fees on Series A and Advisor Series units were lowered from 1.75% to 1.60%. In addition, the management fee on Series F units was lowered from 0.55% to 0.45%.

On July 15, 2016, the administration fee applicable to the Fund (except Series O units) was lowered from 0.28% to 0.25%. In addition, the administration fee on Series O units was lowered from 0.275% to 0.25%.

On October 14, 2016, after obtaining all necessary unitholder and regulatory approvals, BMO High Yield Bond Fund merged into the Fund.

On March 6, 2017, BMO Asset Management Inc. replaced Money, Inc. as portfolio manager of the Fund and Taplin, Canida & Habacht, LLC became the sub-advisor of the Fund.

On June 24, 2021, the Manager reduced the annual management fees for Series A and Advisor Series units of the Fund from 1.60% to 1.20%.

On June 25, 2021, after receiving all necessary unitholder and regulatory approvals, BMO Floating Rate Income Fund merged into the Fund.

# BMO U.S. High Yield Bond Fund

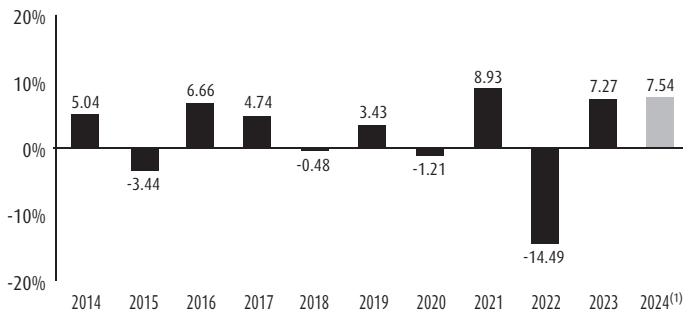
On November 15, 2021 Columbia Management Investment Advisers, LLC replaced BMO Asset Management Inc. as portfolio manager of the Fund and Taplin Canida & Habacht LLC ceased to act as sub-advisor for the Fund. In addition, a corresponding change was made to the investment strategies as the portfolio manager may invest up to 30% of the Fund's assets in securities of underlying funds, with such underlying funds expected to be predominantly or exclusively underlying funds that are managed by the Manager or one of its affiliates or associates.

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

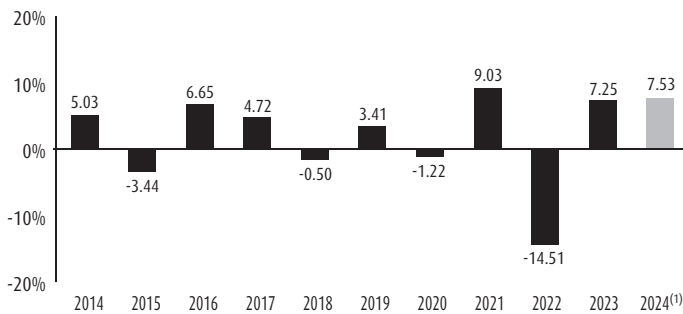
## Year-by-Year Returns

The following bar charts show the performance of each series of the Fund for each of the financial years shown and for the six-month period ended March 31, 2024, and illustrate how the Fund's performance has changed from year to year. The charts show in percentage terms how an investment made on the first day of each financial year would have increased or decreased by the last day of each financial year.

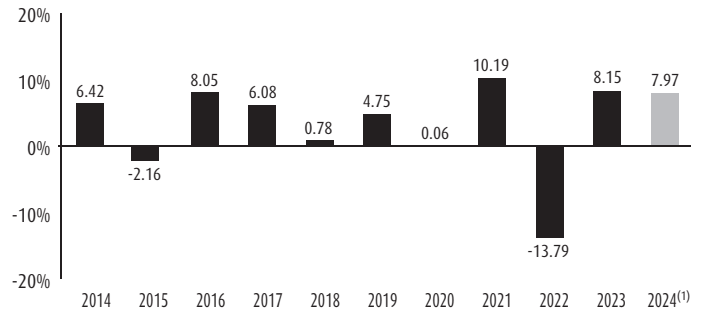
### Series A Units



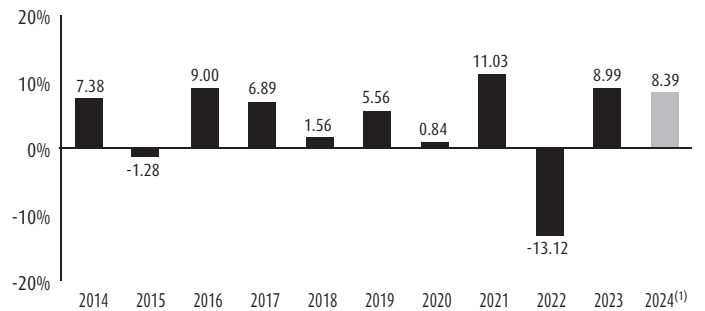
### Advisor Series Units



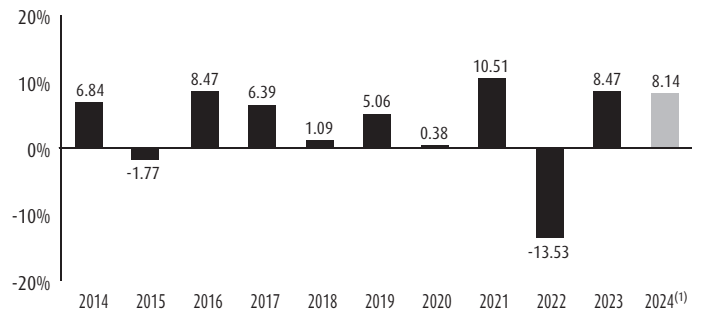
### Series F Units



### Series I Units



### Series O Units



<sup>(1)</sup> For the six-month period ended March 31, 2024.

# BMO U.S. High Yield Bond Fund

## SUMMARY OF INVESTMENT PORTFOLIO

As at March 31, 2024

Portfolio Allocation	% of Net Asset Value
Corporate Bonds & Debentures	96.2
Cash/Receivables/Payables	2.8
Floating Rate Loans	0.8
U.S. Equities	0.2
<b>Total Portfolio Allocation</b>	<b>100.0</b>

Top 25 Holdings Issuer	% of Net Asset Value
Cash/Receivables/Payables	2.8
Venture Global Calcasieu Pass, LLC, Series 144A, Senior, Secured, Notes, Callable, 4.125% Aug 15, 2031	1.1
Alliant Holdings Intermediate LLC/Alliant Holdings Co-Issuer, Series 144A, Senior, Secured, Notes, Callable, 4.250% Oct 15, 2027	1.0
NFP Corp., Series 144A, Senior, Secured, Notes, Callable, 4.875% Aug 15, 2028	1.0
Clearway Energy Operating LLC, Series 144A, Senior, Unsecured, Notes, Callable, 3.750% Jan 15, 2032	1.0
Hilcorp Energy I, L.P., Series 144A, Senior, Unsecured, Notes, Callable, 6.250% Nov 1, 2028	0.9
Constellium SE, Series 144A, Senior, Unsecured, Notes, Callable, 3.750% Apr 15, 2029	0.8
Charles River Laboratories International, Inc., Series 144A, Senior, Unsecured, Notes, Callable, 3.750% Mar 15, 2029	0.8
Southwestern Energy Company, Senior, Unsecured, Notes, Callable, 4.750% Feb 1, 2032	0.8
Outfront Media Capital LLC/Outfront Media Capital Corp., Series 144A, Senior, Unsecured, Notes, Callable, 4.625% Mar 15, 2030	0.8
American Airlines Inc./AAAdvantage Loyalty IP Ltd., Series 144A, Senior, Secured, Notes, 5.500% Apr 20, 2026	0.8
Permian Resources Operating, LLC, Series 144A, Senior, Unsecured, Notes, Callable, 5.875% Jul 1, 2029	0.8
W. R. Grace Holdings LLC, Series 144A, Senior, Secured, Notes, Callable, 4.875% Jun 15, 2027	0.8
Uber Technologies Inc., Series 144A, Senior, Unsecured, Notes, Callable, 6.250% Jan 15, 2028	0.7
HUB International Limited, Series 144A, Senior, Secured, Notes, Callable, 7.250% Jun 15, 2030	0.7
Iliad Holding, Series 144A, Senior, Secured, Notes, Callable, 6.500% Oct 15, 2026	0.7
CCO Holdings, LLC/CCO Holdings Capital Corp., Series 144A, Senior, Unsecured, Notes, Callable, 5.125% May 1, 2027	0.7
Mozart Debt Merger Sub Inc., Series 144A, Senior, Unsecured, Notes, Callable, 5.250% Oct 1, 2029	0.7

Top 25 Holdings Issuer	% of Net Asset Value
Royal Caribbean Cruises Ltd., Series 144A, Senior, Unsecured, Notes, Callable, 7.250% Jan 15, 2030	0.7
H&E Equipment Services, Inc., Series 144A, Senior, Unsecured, Notes, Callable, 3.875% Dec 15, 2028	0.6
Cloud Software Group, Inc., Series 144A, Senior, Secured, Notes, Callable, 6.500% Mar 31, 2029	0.6
Waste Pro USA, Inc., Series 144A, Senior, Unsecured, Notes, Callable, 5.500% Feb 15, 2026	0.6
American Builders & Contractors Supply Co., Inc., Series 144A, Senior, Secured, Notes, Callable, 4.000% Jan 15, 2028	0.6
Transocean Titan Financing Limited, Series 144A, Senior, Secured, Notes, Callable, 8.375% Feb 1, 2028	0.6
Mileage Plus Holdings LLC/ Mileage Plus Intellectual Property Assets Ltd., Series 144A, Senior, Secured, Notes, Callable, 6.500% Jun 20, 2027	0.6
<b>Top Holdings as a Percentage of Total Net Asset Value</b>	<b>21.2</b>
<b>Total Net Asset Value</b>	<b>\$401,006,765</b>

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



**BMO Investments Inc.**

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[www.bmo.com/mutualfunds](http://www.bmo.com/mutualfunds) and [www.bmo.com/gam/ca](http://www.bmo.com/gam/ca)

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

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

**Caution regarding forward-looking statements**

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Mutual Funds