

# Annual Management Report of Fund Performance

BMO NESBITT BURNS BALANCED PORTFOLIO FUND

DECEMBER 31, 2009

Portfolio Manager: Jones Heward Investment Counsel Inc., Toronto, Ontario

This annual management report of fund performance contains financial highlights, but does not contain the complete annual financial statements of the Fund. If the annual financial statements of the Fund do not accompany the mailing of this report, you can get a copy of the annual financial statements at your request, and at no cost, by calling 1-800-361-1392, by writing to us at BMO Nesbitt Burns Inc., 1 First Canadian Place, 54th Floor, P.O. Box 150, Toronto, Ontario, M5X 1H3 or by visiting our website at [www.bmonesbittburns.com](http://www.bmonesbittburns.com) or SEDAR at [www.sedar.com](http://www.sedar.com). You may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record and/or quarterly portfolio disclosure.

## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objectives and Strategies

The principal investment objective of BMO Nesbitt Burns Balanced Portfolio Fund is to achieve long-term capital growth consistent with the preservation of capital by investing primarily in other mutual funds that have long-term growth potential or that pay or are expected to pay above-average distributions.

The Fund seeks to achieve its investment objective by investing primarily in securities of mutual funds that are recommended by BMO Capital Markets' team of research analysts.

The Fund's underlying equity mutual funds will primarily invest in securities of Canadian and foreign companies with market capitalizations in excess of \$1 billion. These underlying mutual funds may also invest in preferred shares and unit trusts such as royalty income trusts, real estate investment trusts and business trusts.

The Fund's underlying fixed income mutual funds will primarily invest in fixed income securities including government and corporate bonds, high yield bonds and debentures issued by Canadian governments and corporations, and asset and mortgage-backed securities issued by Canadian entities. These underlying mutual funds may also invest in government bonds denominated in U.S. dollars, which may, from time to time include U.S. Treasury Bonds.

### Risk

No changes affecting the overall level of risk of investing in the Fund were made in the one-year period ended December 31, 2009. The risks of this Fund remain as discussed in the Simplified Prospectus.

### Results of Operations

The Fund's Class A units returned 16.1%, net of expenses for the one year period ended December 31, 2009.

The period was characterized by two very distinct phases in the market: a declining phase to early March and then a powerful recovery staged from that date to the end of the year. In this changing environment, the Portfolio Manager made three significant changes over the year to the asset mix and fund selection, the first in mid-February, then in mid-June and lastly at the end of July.

Toward mid-February, the Portfolio Manager increased the U.S. Equity exposure of the Fund and replaced CI Value Trust Corporate Class with CI American Value Corporate Class which is believed to offer a broader market coverage and diversification. As well, the sector specific funds (Mackenzie

**MANAGEMENT DISCUSSION OF FUND PERFORMANCE** (cont.)

Universal Canadian Resource Fund and Renaissance Global HealthCare Fund), and the Trimark Europlus Fund were eliminated in favour of a reallocation to existing holdings and the addition of a Global Equity Fund which in the Portfolio Manager's opinion has better defensive characteristics (non-cyclical fund which is not dependent on the overall economic cycle): Mackenzie Cundill Value. The Emerging Markets weighting was also lowered at this particular time and the Templeton Emerging Markets Fund was replaced by the AGF Emerging Markets Fund.

In mid-June, the second significant change was made to the asset mix as the U.S. and International exposures were lowered in favour of Canadian Equity. This change was a reflection of the Portfolio Manager's view that the resource-sensitive Canadian market will be a primary beneficiary of a potential recovery.

At the end of July, the Portfolio Manager initiated an approximately 5% weighting in Fidelity American High Yield Fund, Series O and reduced by that same amount from CI American Value Corporate Class, I Shares. In the Portfolio Manager's opinion, this strategic allocation to US High Yield Fixed Income offers superior diversification benefits while also providing equity-like potential returns.

The TD Canadian Bond Fund, Class O (29.4% of the Fund) returned 11.0% for the period, outperforming the DEX Universe Bond Index which returned 5.4%. The significant overweight to corporate bonds during the period was the main contributor to positive performance. The TD Canadian Bond Fund's allocation to real return bonds also contributed to the positive performance. After increasing the allocation to corporate bonds in early 2009 to take advantage of the added yield opportunities, this exposure has been reduced recently as the yield over government bonds have contracted to less attractive levels.

The Fidelity American High Yield Fund, Series O (5.0% of the Fund) returned 28.1% for the period, underperforming the Bank of America Merrill Lynch US High Yield Master II Constrained Index (C\$) which returned 34.3%. The underperformance against the benchmark is primarily attributable to an overweight exposure to defensive industries, as the lowest-quality credit tiers rallied the most during the review period. During the period, the exposure to BBB- and BB-rated issues was lowered in favour of CCC-rated issues, while defensive industries such as Utilities and Health Care continued to have an overweight position relative to the benchmark.

The CI Synergy Canadian Corporate Class, I Shares (23.3% of the Fund) returned 28.9% for the period, underperforming the S&P/TSX Composite Index (S&P/TSX) which returned 35.1%. Stock selection added to overall performance, with picks in the

Energy and Materials sectors generating the greatest returns whereas selections in Information Technology and Utilities detracted from performance. Sector allocation decisions also detracted from performance relative to the benchmark due to the underweight calls in the Industrials and Consumer Discretionary sectors. Fortunately, some of this was offset by positive contributions from the underweight positions in both the Telecommunications and Materials sectors.

The CI Harbour Fund, Class I (22.0% of the Fund) returned 29.9% for the period, underperforming the S&P/TSX which returned 35.1%. At the start of the period, on January 1, 2009, 90.6% of the CI Harbour Fund was invested in common stocks (Canadian common 49.0%, foreign common 41.6%), while the cash and equivalent position was 9.4%. During 2009 the cash position ranged from a high of 22.6% to a low of 8.6% and was the largest detractor to performance. Exposure to foreign stocks had a slightly positive impact. The CI Harbour Fund's performance was not affected by the volatility of the Canadian Dollar as all foreign currency positions were fully hedged. Sectors that added to the performance include Energy, Financials, Materials and Information Technology. There were no major sectors that detracted from CI Harbour Fund's performance.

The CI American Value Corporate Class, I Shares (14.5% of the Fund) returned approximately 12.0%, outperforming the S&P 500 Total Return Index (C\$) which returned 8.1% for the period. The outperformance can be attributed largely to positive sector allocation. Overweight exposures to the Information Technology and Financials sectors and an underweight exposure to the Consumer Staples sector added value.

The Capital International Global Equity Fund, Class I (2.5% of the Fund) returned 18.6% for the period, outperforming the MSCI World Index (C\$) which returned 11.1%. Positive results were attributable to several factors, most notably the holdings of several U.S. companies that generated strong returns. Although the Canadian dollar strengthened versus the U.S. dollar over the course of the year, holdings of U.S. companies appreciated strongly, outweighing any negative effects of currency movements. The underweight in U.S. also contributed to the returns relative to the index. Other factors that contributed positively to results included a decisive increase in Consumer Discretionary holdings and a continuing emphasis on Information Technology companies. The underweight to Financials and the stock selection within this sector detracted from Capital International-Global Equity Fund's performance.

The Mackenzie Cundill Value Fund, Class O (2.3% of the Fund) returned 17.4% for the period and outperformed the MSCI World Index (C\$) which returned 11.1%. The Mackenzie

Cundill Value Fund's currency hedging strategy contributed positively to returns as the Canadian Dollar appreciated versus the U.S. Dollar and other major currencies over the period. The significant decrease in Japanese equities exposure over the period and a larger U.S. equity weighting also added to performance.

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

### **Recent Developments**

Following the sharp rally in equity markets that started in March 2009, the Portfolio Manager believes that equity markets may experience a pause until more clarity on the economic and earnings recovery is established. In the view of the Portfolio Manager, equity markets are still modestly undervalued at this juncture and the asset mix continues to favour equities over fixed income and cash. In the Portfolio Manager's opinion, investment grade fixed income and in particular government bonds are likely to provide little in terms of total returns over the next few years as inflationary policies being pursued by global central banks worldwide will start to push yields higher. In this context, the Portfolio Manager believes that the leadership in the next leg of this bull market is likely to be once again the inflation beneficiaries such as the Energy and Materials sectors.

### **Change in the Composition of the Fund's Independent Review Committee**

On April 29, 2009, Charles W. White was appointed a Judge of the Court of Appeal of the Supreme Court of Newfoundland and Labrador and, as a result was required to resign from his position as Chair of the Fund's Independent Review Committee (IRC). On May 28, 2009, the Fund's IRC appointed Louise Vaillancourt-Châtillon to act as Chair.

The current members of the Fund's IRC are Allen B. Clarke, Kenneth W. McArthur, John K. McBride, R. Jamie Plant and Louise Vaillancourt-Châtillon (Chair). Additional information regarding the Fund's IRC is available in the Fund's most recent annual information form.

### **Transition to International Financial Reporting Standards**

Canadian publicly accountable enterprises, which include mutual funds, will be required to prepare their financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board, for financial years beginning on or after January 1, 2011. Effective January 1, 2011, the Fund will adopt IFRS as the basis for preparing its financial statements. The Fund will issue its financial results for the annual period ending December 31, 2011 prepared in accordance with IFRS,

which will include comparative data on an IFRS basis, and an opening statement of net assets as at January 1, 2010.

In order to meet the requirement to transition to IFRS, the Manager established a committee for the development and implementation of a transition plan and to provide oversight of the transition to IFRS. The transition plan is comprised of three phases: IFRS diagnostic assessment; implementation and education; and completion of all integration changes.

The Manager has not currently identified any changes that will impact net asset value per unit as a result of the changeover to IFRS. However, this present determination is subject to change resulting from the issuance of new standards or new interpretations of existing standards.

### **Adoption of New Accounting Policies**

#### *Emerging Issues Committee – 173 ("EIC-173")*

For the year ended December 31, 2009, the Fund adopted EIC-173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities". EIC-173 clarifies that credit risk and counter party risk should be considered in determining the fair value of financial instruments. The adoption of this new standard did not have a significant impact on the Fund's financial statements.

#### *Financial Instruments Disclosure and Presentation*

On January 1, 2008, the Fund adopted Canadian Institute of Chartered Accountants Handbook ("CICA") Section 3862, "Financial Instruments – Disclosures" and Section 3863, "Financial Instruments – Presentation". These standards replaced Section 3861, "Financial Instruments – Disclosure and Presentation" and increase the emphasis on the disclosure of risks associated with financial instruments and how those risks are managed. The adoption of the standards did not impact the daily price of the Fund's securities for subscription and redemption purposes, nor for the calculation of net assets.

The Accounting Standards Board of the CICA recently issued an amendment to CICA Handbook Section 3862, "Financial Instruments – Disclosures". The Fund adopted this amendment for the fiscal 2009 financial statements in line with the requirement of the standard. The amendments to the existing standard require classification of the Fund's financial instruments into three levels based on the inputs used to value the financial instruments. Level 1 securities are based on quoted prices in active markets for identical securities. Level 2 securities are based on significant observable market inputs, such as quoted prices from similar securities and quoted prices in inactive markets. Level 3 securities are based on significant unobservable inputs that reflect the Fund's determination of assumptions that market participants might reasonably use in valuing the securities. The valuation levels are not necessarily

an indication of the risk or liquidity associated with the underlying investment. For example, Canadian government bonds are generally high-quality and liquid; however, they may be reflected as Level 2 because the inputs used to determine fair value may not always be quoted prices in an active market.

### Related Party Transactions

BMO Nesbitt Burns Inc., an indirect, wholly-owned subsidiary of Bank of Montreal is the Manager, and principal distributor of the Fund. From time to time, BMO Nesbitt Burns Inc. may, on behalf of the Fund enter into transactions or arrangements with or involving other members of Bank of Montreal Group of Companies, or certain other persons or companies that are related or connected (a Related Party).

### Portfolio Manager

BMO Nesbitt Burns Inc., as Manager of the Fund, has hired Jones Heward Investment Counsel Inc. (JHIC), a Related Party, to provide investment advice and make investment decisions for the Fund's investment portfolio. JHIC receives an investment advisory fee based on assets under management that is paid monthly. JHIC is paid by BMO Nesbitt Burns Inc. and not by the Fund.

### Distribution Services

BMO Nesbitt Burns Inc. sells units of the Fund through its sales representatives. The Manager pays trailer fees to these sales representatives based on the amount of assets held in the investor's account and additionally, in some cases, on the amount of the initial purchase. There may be other fees and expenses payable in respect to the operation of the investor's account with BMO Nesbitt Burns Inc. that could affect the investment in units of the Fund, if the investor receives special services, such as switch fees and registered plan fees. The amount of these fees should be discussed with your sales representative at the time of purchase or switch and when your account or registered tax plan is established.

### Unitholder Services

The Fund is provided with certain facilities and services by Related Parties. Unitholder services, such as fund accounting, record keeping and purchase/redemption order processing, are provided by Bank of Montreal Ireland p.l.c. and JHIC, in its capacity as the Fund's Registrar. Fees associated with these services are paid by the Manager and charged to the Fund. The fees charged to the Fund during the period were as follows:

	December 31, 2009	December 31, 2008
<b>Unitholder Servicing Fees</b>	\$113,718	\$115,638

## FINANCIAL HIGHLIGHTS

### Management Fees

As Manager of the Fund, BMO Nesbitt Burns Inc. is responsible for the day-to-day management of the business and operations of the Fund. It 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, BMO Nesbitt Burns Inc. is entitled to receive a management fee payable monthly, calculated based on the daily net asset value of each class of the Fund at the maximum annual rate set out in the below table.

	Annual Management Fee Rate*	As a percentage of Management Fees	
		Dealer Compensation	General Administration Investment Advice and Profit
	%	%	%
<b>Class A Units</b>	2.25	47.62	52.38
<b>Class F Units</b>	1.25	-	100.00

\* Because the Manager pays lower or no distribution, service or trailing fees on Class F units, Class F units have a lower management fee than Class A.

### 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>

CLASS A	2009 (\$)	2008 (\$)	2007 (\$)	2006 (\$)	2005 (\$)
Net Assets, beginning of year	9.44	11.89	12.27 <sup>2</sup>	11.52	10.32
<b>Increase (decrease) from operations:</b>					
Total revenue	0.20	0.44	0.77	0.51	0.46
Total expenses <sup>3</sup>	(0.26)	(0.29)	(0.32)	(0.31)	(0.30)
Realized gains (losses) for the period	(0.98)	(0.16)	(0.06)	0.45	-
Unrealized gains (losses) for the period	2.55	(2.09)	(0.24)	0.46	1.23
<b>Total increase (decrease) from operations<sup>4</sup></b>	<b>1.51</b>	<b>(2.10)</b>	<b>0.15</b>	<b>1.11</b>	<b>1.39</b>
<b>Distributions:</b>					
From income (excluding dividends)	-	-	0.56	0.08	-
From dividends	0.16	0.19	-	-	-
From capital gains	-	-	-	0.260	-
Return of capital	-	0.16	-	-	-
<b>Total annual distributions<sup>5</sup></b>	<b>0.16</b>	<b>0.35</b>	<b>0.56</b>	<b>0.34</b>	<b>-</b>
<b>Net Assets, end of period</b>	<b>\$10.79</b>	<b>\$9.44</b>	<b>\$11.89</b>	<b>\$12.27</b>	<b>\$11.52</b>

<b>CLASS F</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>
Net Assets, beginning of year	9.75	10.00	-	-	-
<b>Increase (decrease) from operations:</b>					
Total revenue	0.26	0.46	-	-	-
Total expenses	(0.16)	(0.03)	-	-	-
Realized gains (losses) for the period	(0.82)	(0.02)	-	-	-
Unrealized gains (losses) for the period	2.34	0.13	-	-	-
<b>Total increase (decrease) from operations<sup>4</sup></b>	<b>1.62</b>	<b>0.54</b>	-	-	-
<b>Distributions:</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	0.16	0.18	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	0.25	-	-	-
<b>Total annual distributions<sup>5</sup></b>	<b>0.16</b>	<b>0.43</b>	-	-	-
<b>Net Assets, end of period</b>	<b>\$11.21</b>	<b>\$9.75</b>	-	-	-

<sup>1)</sup> This information is derived from the Fund's audited financial statements. The net assets per unit presented in the financial statements differs from the net asset value per unit calculated for Fund pricing purposes. An explanation of these differences can be found in the notes to the Fund's financial statements.

<sup>2)</sup> The provisions of Section 3855 have been applied retroactively without restatement of prior periods. Accordingly the opening Net Assets for the period ended December 31, 2007 has been adjusted.

<sup>3)</sup> Prior to 2007, commissions and other Fund transaction costs were not included in expenses as they were included in realized and unrealized gains/(losses).

<sup>4)</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.

<sup>5)</sup> Distributions were paid in cash or reinvested in additional units of the Fund, or both, where applicable.

## Ratios and Supplemental Data

### CLASS A

	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Total net assets (000's) <sup>1</sup>	\$51,855	\$45,943	\$55,813	\$47,065	\$24,977
Number of units outstanding <sup>1</sup>	4,804,566	4,868,557	4,694,464	3,836,584	2,168,368
Management expense ratio <sup>2</sup>	2.57%	2.60%	2.59%	2.65%	2.78%
Management expense ratio before waivers or management absorptions <sup>2</sup>	2.57%	2.60%	2.59%	2.65%	3.16%
Portfolio turnover rate <sup>3</sup>	92.80%	28.77%	21.78%	19.90%	0.20%
Trading expense ratio <sup>4</sup>	0.09%	0.13%	-	-	-
<b>Net asset value per unit<sup>5</sup></b>	<b>\$10.79</b>	<b>\$9.44</b>	<b>\$11.89</b>	<b>\$12.27</b>	<b>\$11.52</b>

### CLASS F

	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Total net assets (000's) <sup>1</sup>	\$122	\$49	-	-	-
Number of units outstanding <sup>1</sup>	10,880	5,014	-	-	-
Management expense ratio <sup>2</sup>	1.52%	1.52%	-	-	-
Management expense ratio before waivers or management absorptions <sup>2</sup>	1.52%	1.52%	-	-	-
Portfolio turnover rate <sup>3</sup>	92.80%	28.77%	-	-	-
Trading expense ratio <sup>4</sup>	0.09%	0.13%	-	-	-
<b>Net asset value per unit<sup>5</sup></b>	<b>\$11.21</b>	<b>\$9.75</b>	-	-	-

<sup>1)</sup> This information is provided as at December 31 of the period shown.

<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. In the period a Fund is established, the management expense ratio is annualized from the date of inception to December 31.

Nesbitt Burns absorbed certain expenses or waived certain fees otherwise payable by a class. In doing so, Nesbitt Burns attempts to maintain the overall MER of the Fund at a relatively consistent level. Nesbitt Burns may discontinue the absorption or waiver at any time.

<sup>3)</sup> The Fund's portfolio turnover rate indicates how actively the Fund's Portfolio Adviser 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. The rate is calculated based on the lesser of purchases or sales of investments divided by the average market value of the portfolio investments, excluding short-term investments.

<sup>4)</sup> The trading expense ratio represents the total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

<sup>5)</sup> This information is derived from the Fund's audited financial statements. The net assets per unit presented in the financial statements differs from the net asset value per unit calculated for portfolio pricing purposes. An explanation of these differences can be found in the notes to the financial statements.

## PAST PERFORMANCE

### General

The Fund's performance information assumes that all distributions made by the Fund in the periods shown were used to purchase additional units of the Fund and is based on the net asset value of the Fund.

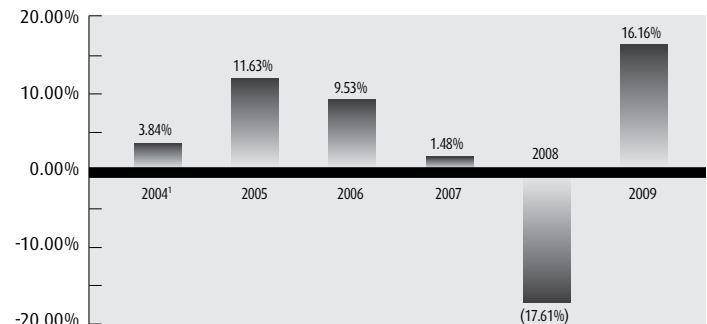
The performance information does not take into account sales, redemption, distribution or other optional charges that, if applicable, would have reduced returns or performance. Please remember, how the Fund has performed in the past does not indicate how it will perform in the future.

If a Fund offers more than one class, the class returns may differ for a number of reasons, including if the class was not issued and outstanding for the entire reporting period and because of the different levels of management fees payable by each class.

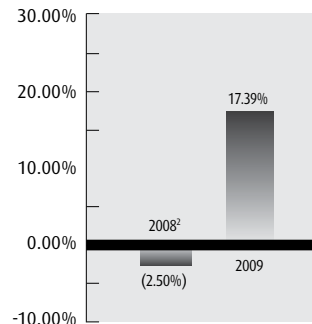
### Year-by-Year Returns

The following bar charts show the performance for each class of the Fund for each of the financial years shown. The charts show in percentage terms how much an investment made on the first day of each financial year would have increased or decreased by the last day of the financial year.

#### CLASS A



#### CLASS F



<sup>1</sup> For the period beginning November 1, 2004 to December 31, 2004.

<sup>2</sup> For the period beginning October 31, 2008 to December 31, 2008.

## Annual Compound Returns

This chart compares the historical annual compound returns of the Fund with the DEX Universe Bond Index (DEX), the S&P/TSX Composite Index (S&P/TSX), the Wilshire 5000 Total Return Index (Wilshire 5000), the Morgan Stanley Capital International – Europe, Australasia, Far East Index (MSCI-EAFE) and with a blended return of 45% DEX, 25% S&P/TSX, 15% Wilshire 5000, 10% MSCI-EAFE and 5% 91-Day Canada T-Bill.

DEX is a broad measure of total return on Canadian bonds that mature in more than one year. It was formerly known as the Scotia Capital Universe Bond Index prior to October 2007.

The S&P/TSX reflects the price movements of a floating list of companies on the Toronto Stock Exchange that meet the S&P criteria for inclusion in the index.

The Wilshire 5000 represents the broadcast index for the U.S. equity market weighted by market capitalization, and measures the performance of all publicly traded U.S. headquartered securities.

The MSCI-EAFE is a free float-adjusted market capitalization index that is designed to measure developed market equity performance. The index includes 21 country indices, excluding the U.S. and Canada.

Class A	BMO Nesbitt Burns Balanced Portfolio Fund <sup>1</sup>	DEX UBI	S&P/ TSX	Wilshire 5000	MSCI- EAFE	Blended Benchmark
Since Inception <sup>2</sup>	4.14%	5.42%	8.35%	(0.50%)	3.89%	5.18%
One year	16.16%	5.41%	35.05%	10.93%	14.30%	(1.29%)
Three years	(0.97%)	5.16%	(0.21%)	(8.40%)	(8.77%)	0.45%
Five years	3.49%	5.20%	7.66%	(0.74%)	2.41%	5.04%
<b>Class F</b>						
Since Inception <sup>3</sup>	15.10%	9.43%	21.30%	11.13%	4.79%	7.51%
One year	17.39%	5.41%	35.05%	10.93%	14.30%	(1.29%)

<sup>1</sup> The Fund's return is after the deduction of expenses, while the benchmark does not include any cost of investing.

<sup>2</sup> The inception date for Class A is November 1, 2004.

<sup>3</sup> The inception date for Class F is October 31, 2008.

A commentary on the market and/or information regarding the relative performance of the Fund as compared to its benchmark can be found under the Results of Operations section of this report.

## SUMMARY OF INVESTMENT PORTFOLIO

As at December 31, 2009

Portfolio Allocation	% of Net Asset Value
Canadian Focused Equity	47.6
Canadian Fixed Income	29.3
Global Equity	2.5
US Equity	14.5
US Fixed Income	5.0
Cash/Receivables/Payables	1.1

Top Holdings*	% of Net Asset Value
TD Canadian Bond Fund, Class O	29.3
CI Synergy Canadian Corporate Class, I Shares	23.3
CI Harbour Fund, Class I	22.0
CI American Value Corporate Class, I Shares	14.5
Fidelity American High Yield Fund, Series O	5.0
Capital International Global Equity Fund, Class I	2.5
Mackenzie Cundill Value Fund, Class O	2.3
Cash/Receivables/Payables	1.1

Total holdings as a percentage of total net asset value 100.0

**Total Net Asset Value \$52.0 million**

\* Represents entire portfolio

The prospectus and other information about the underlying investment funds held in this portfolio are available on the internet at [www.sedar.com](http://www.sedar.com).

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

This document may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent our beliefs regarding future events. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking statements will not prove to be accurate. We caution readers of this document not to place undue reliance on our forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements. Actual results may differ materially from management expectations as projected in such forward-looking statements for a variety of reasons, including but not limited to market and general economic conditions, interest rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the Fund may invest and the risks detailed from time to time in BMO Nesbitt Burns Group of Funds' simplified prospectus. We caution that the foregoing list of factors is not exhaustive and that when relying on forward-looking statements to make decisions with respect to investing in the Fund, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Due to the potential impact of these factors, BMO Nesbitt Burns Inc. does not undertake, and specifically disclaims, any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

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