

This semi-annual management report of fund performance contains financial highlights, but does not contain either 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 can get a copy of the semi-annual financial statements or 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, M5K 1H3 or by visiting our website at www.bmonesbittburns.com or SEDAR at 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

Results of Operations

The BMO Nesbitt Burns International Equity Fund's net asset value increased by 248.0% to \$3.6 million (\$C) from \$1.0 million (\$C) as at December 31, 2008. The increase in net asset value can be attributed to an increase of sales of \$2.4 million (\$C) in Class F units of the Fund.

For the six month period ending June 30, 2009, the Fund's Class A units returned -2.3% (\$C), net of expenses whereas the Morgan Stanley Capital International EAFE Index (MSCI EAFE) returned 3.5% (\$C).

Stock selection was the primary contributor to this relative underperformance as speculation that a rapid return to economic growth was imminent drove the performance of the more cyclical sectors of Materials and Financials in which the Fund is underweight. The most significant areas of negative stock selection were the Euro Area (-1.9%), United Kingdom (UK) (-1.2%) and Australia (-0.8%).

Country allocation was a positive contributor over the period. The most significant elements within this were the underweight position in the UK (+0.5%) and the overweight position in the Pacific Basin excluding Japan (+0.7%), specifically Hong Kong (+0.7%), Malaysia (+0.9%), Thailand (+0.7%) and Singapore (+0.7%).

Currency allocation was also a positive contributor; the key positive contribution came from the underweight exposure to the Japanese Yen.

The Fund remained significantly underweight Japan and the UK relative to the MSCI EAFE throughout the period under review. The significant overweight positions were in the Asia-excluding Japan region, namely in Hong Kong, Malaysia, Thailand, Singapore and Taiwan which continue to enjoy superior economic fundamentals and growth prospects. This was a positive contribution to Fund performance.

Markets experienced significant volatility over the period as the bursting of house price bubbles wrought havoc with the balance sheets of the banking systems in Europe. The Fund is very underweight European banks and has a zero weighting in UK banks, which was a positive contribution to Fund performance. After steep declines in January and February, markets staged a strong rally from the first week of March to early June. In both phases the markets were led by deep cyclical and financials. The rally reflected a sharp change in sentiment as investors focussed on an end to the recession and a sharp economic recovery.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE (cont.)

¹ Morningstar PALTrak December 31, 2007

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

The Portfolio Manager expects the current global economic weakness to continue, leading to significant declines in corporate profitability as margins subside from levels which remain substantially above long term trends.

Following the bursting of housing and credit bubbles in several economies (USA, UK, Spain, Australia and Ireland) the world will need to endure a significant period of deleveraging and balance sheet repair. This will inevitably result in significantly slower personal consumption which accounts for the majority of economic activity. The effect of this deleveraging is also necessarily deflationary.

Governments and central banks have responded to this economic threat with massive fiscal and monetary stimulus. These measures have included the previously taboo practice of “quantitative easing” or the printing of money. The success of these measures remains to be seen, the Eurozone has joined the USA and UK in the camp of consumer price deflation. Such deflation is clearly a massive risk to a hugely overleveraged world as it increases the real value of the outstanding debt burden. The other major effect of these stimulus measures is that budget deficits have ballooned, in some cases to double digit levels as a percentage of GDP.

Equity markets have responded to these stimulus measures with an explosive rally from their early March lows. Consensus expectations are now for an end to the current recession and a sharp rebound in corporate profits. The rally has been led by precisely the same sectors which led the market down during 2008 and the first two months of 2009, namely industrial cyclicals and European Financials.

The Portfolio Manager has conducted a great deal of investment research in recent weeks into these cyclical sectors, involving a large number of one-to-one meetings with senior management, and the clear message from this is that the strong consensus optimism regarding a near-term rebound in profitability is misplaced. Margins in these sectors clearly have some way further to fall and this is not priced into the prevailing valuations.

The focus of stock selection within the Fund remains value and quality. Higher than average dividend yields provide downside protection during periods of turbulence. Strong balance sheet ratios along with visibility and sustainability of return on equity will also provide highly defensive characteristics.

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

On April 29, 2009, Charles W. White resigned from his position as Chair of the Fund's Independent Review Committee (IRC). On May 28, 2009, the Fund's Independent Review Committee appointed Louise Vaillancourt-Châtillon to act as Chair.

The current members of the Fund's Independent Review Committee are Allen B. Clarke, Kenneth W. McArthur, John K. McBride, R. Jamie Plant and Louise Vaillancourt-Châtillon (Chair).

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 ended December 31, 2011 prepared in accordance with IFRS. It will also provide comparative data on an IFRS basis, including an opening statement of net assets as at January 1, 2010.

In order to meet the requirement to changeover to IFRS, the Manager is following an orderly transition plan. Due to anticipated changes to IFRS prior to transition, the Manager is not in a position to determine the impact on the Fund's financial statements.

Adoption of Future Accounting Standards

The Accounting Standards Board of the Canadian Institute of Chartered Accountants (“CICA”) recently issued an amendment to CICA Handbook Section 3862: Financial Instruments-Disclosures. The new financial reporting standards are effective for annual financial statements relating to fiscal years ending after September 30, 2009.

The amendments to the existing standard require classification of the Fund's assets and liabilities into three levels based on the method used to value the assets or liabilities. Level 1 values are based on quoted prices in active markets for identical securities. Level 2 values are based on significant observable market inputs, such as quoted prices for similar securities and quoted prices in inactive markets. Level 3 values 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.

The Fund has a financial year ending December 31, 2009, and as such, these changes will not be reflected until the annual financial statements are prepared for December 31, 2009.

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 to (a Related Party).

Portfolio Manager

BMO Nesbitt Burns Inc., as Manager of the Fund, has hired Pyrford International Limited (Pyrford), a Related Party, to provide investment advice and make investment decisions for the Fund's investment portfolio. Pyrford receives an investment advisory fee based on assets under management that is paid monthly. Pyrford 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 affiliates of the Manager. 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. These expenses are paid by the Manager and charged to the Fund. The fees charged to the Fund during the period were as follows:

	Six-month ended June 30, 2009	Six-month ended June 30, 2008
Unitholder Servicing Fees	\$759	-

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.

	As a percentage of Management Fees		
	Annual Management Fee Rate %	Dealer Compensation %	General Administration Investment Advice and Profit %
Class A Units	1.75	57.14	42.86
Class F Units	0.75	-	-

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 Unit¹

CLASS A	Period ended June 30, 2009 (\$)	October 31 to December 31, 2008 (\$)
Net Assets, beginning of period	10.11	10.00
Increase (decrease) from operations:		
Total revenue	0.22	0.05
Total expenses	(0.14)	(0.07)
Realized gains (losses) for the period	(0.14)	(0.09)
Unrealized gains (losses) for the period	(0.06)	0.23
Total increase (decrease) from operations²	(0.12)	0.12
Distributions:		
From income (excluding dividends)	-	-
From dividends	-	-
From capital gains	-	-
Return of capital	-	-
Total Annual Distributions	-	-
Net assets at end of period	\$9.90	\$10.11

CLASS F	Period ended June 30, 2009 (\$)	October 31 to December 31, 2008 (\$)
Net Assets, beginning of period	10.11	10.00
Increase (decrease) from operations:		
Total revenue	0.26	0.04
Total expenses	(0.09)	(0.05)
Realized gains (losses) for the period	(0.08)	(0.09)
Unrealized gains (losses) for the period	1.66	0.22
Total increase (decrease) from operations²	1.75	0.13
Distributions:		
From income (excluding dividends)	-	0.02
From dividends	-	-
From capital gains	-	-
Return of capital	-	-
Total Annual Distributions³	-	0.02
Net assets at end of period	\$9.96	\$10.11

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

²⁾ 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.

³⁾ Distributions were paid in cash or reinvested in additional units of the Fund, or both, where applicable.

Ratios and Supplemental Data

CLASS A	Period ended June 30, 2009	October 31 to December 31, 2008
Total net asset value (000's) ¹	\$1,126	\$1,023
Number of units outstanding ¹	113,718	100,971
Management Expense Ratio ²	2.36%	2.14%
Management expense ratio before waiver or management absorptions ²	2.36%	2.14%
Portfolio turnover rate ³	16.80%	4.18%
Trading expense ratio ⁴	0.33%	-
Net asset value per unit⁵	\$9.90	\$10.13

CLASS F	Period ended June 30, 2009	October 31 to December 31, 2008
Total net asset value (000's) ¹	\$2,468	\$10
Number of units outstanding ¹	247,662	1,002
Management Expense Ratio ²	1.26%	0.88%
Management expense ratio before waiver or management absorptions ²	1.26%	0.88%
Portfolio turnover rate ³	16.80%	4.18%
Trading expense ratio ⁴	0.33%	-
Net asset value per unit⁵	\$9.96	\$10.13

¹⁾ This information is provided as at June 30 or December 31 of the period shown, as applicable.

²⁾ 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.

³⁾ 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.

⁴⁾ 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. The trading expense ratio is provided from 2005 onwards.

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

PAST PERFORMANCE

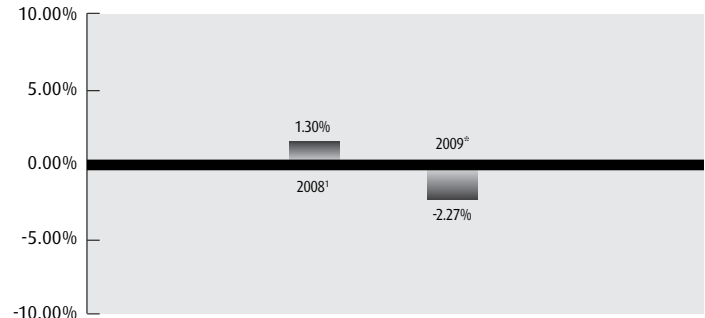
General

The Fund's performance assumes all distributions made by the Fund in the periods shown were used to purchase additional units of the Fund. If you hold this Fund outside of a registered plan, income and capital gains distributions that are paid to you increase your income for tax purposes whether paid to you in cash or reinvested in additional units. The amount of the reinvested taxable distributions is added to the adjusted cost base of the units that you own. This would decrease your capital gains or increase your capital loss when you later redeem from the Fund, thereby ensuring that you are not taxed on this amount again. Please consult your tax adviser regarding your personal tax situation. 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 the Fund's performance in the past does not indicate how it will perform in the future.

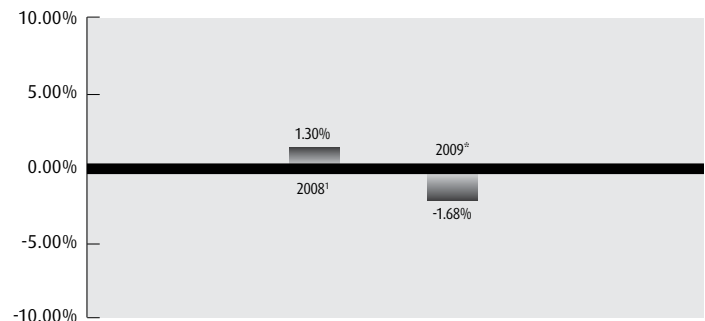
Year-by-Year Returns

The following bar charts show the performance for each class of the Fund for each of the financial years shown and for the six-month period ended June 30, 2009. 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



^{*} For the six-month period ended June 30, 2009.

¹ For the period beginning October 31, 2008 to December 31, 2008.

² For the period beginning October 31, 2008 to December 31, 2008.

SUMMARY OF INVESTMENT PORTFOLIO

As at June 30, 2009

Portfolio Allocation	% of Net Asset Value
United Kingdom	13.1
Japan	10.7
Cash/Receivables/Payables	10.5
Australia	8.1
The Netherlands	7.1
Switzerland	7.0
France	6.1
Germany	6.1
Singapore	4.8
Hong Kong	4.8
Taiwan	4.5
Spain	4.4
Malaysia	3.6
Thailand	2.7
Belgium	2.3
Italy	1.2
Austria	1.2
Sweden	0.9
Norway	0.9

Top 25 Holdings	% of Net Asset Value
Cash/ Receivables/Payables	10.5
iShares MSCI Taiwan Index Fund	4.5
Total SA	3.3
Telefonica S.A.	2.3
Royal Dutch Shell Plc	2.3
Nestle SA	1.8
Vodafone Group Plc	1.8
BP Plc	1.8
Roche Holding SA	1.8
Sumitomo Rubber Industries Limited	1.7
Reed Elsevier NV	1.7
Deutsche Post AG	1.7
Belgacom SA	1.6
Koninklijke (Royal) KPN NV	1.6
Hongkong Electric Holdings Limited	1.6
Woolworths Limited	1.6
RWE AG	1.5
Air Liquide SA	1.5
QBE Insurance Group Limited	1.5
TNT NV	1.5
Novartis SA	1.4
Makita Corporation	1.4
Takeda Pharmaceutical Company Limited	1.4
Hoya Corporation	1.4
Hang Seng Bank Limited	1.4
Top holdings as a percentage of total net asset value	54.6
Total Net Asset Value	\$3.6 million

* The prospectus and other information about the underlying investment funds held in this portfolio are available on the internet at 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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