

# BMO U.S. Dollar Money Market Fund (the "Fund")

For the six-month period ended March 31, 2016 (the "period")

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

Portfolio manager: BMO Asset Management Corp., Chicago, Illinois (the "portfolio manager")

## 2016 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.bmo.com/mutualfunds](http://www.bmo.com/mutualfunds) and [www.bmo.com/gam/ca](http://www.bmo.com/gam/ca) 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. **All figures in U.S. currency.**

### MANAGEMENT DISCUSSION OF FUND PERFORMANCE

#### Results of Operations

During the period, the Fund's total net asset value changed from approximately \$25 million to approximately \$22 million. Series A units of the Fund returned 0.03%. Please see the *Past Performance* section for information on the performance returns of the Fund's other series.

During the period, the final revision of gross domestic product ("GDP") for the fourth quarter of 2015 was 1.4%, which was twice as large as the original estimate, but was made up largely of improved consumer services spending and a change in inventories. Expectations for the first quarter of 2016 GDP had been ratcheted down -1%, with economists even suggesting it could be as low as 0.6%. A slight increase to salaries and stagnant- to-declining productivity weighed heavily on corporate earnings.

In the fourth quarter of 2015, in anticipation of the Federal Open Market Committee ("FOMC") interest rate increase, interest rates rose across the yield curve and there was a bearish yield curve steepening, especially in the three to six-month and the one-year to two and half- year maturities. Conversely, in the first quarter 2016, as central banks around the globe began to embrace a policy of negative interest rates, U.S. treasury securities maturing in less than six-months saw their interest rates increase, while those maturities longer than eighteen months had dramatic yield declines.

After raising interest rates in December for the first time in nearly a decade, the FOMC kept interest rates steady in the first quarter of 2016. The FOMC believed that global financial and economic development posed a risk to

domestic growth potential, and cited these external forces as a large factor in its decision. The FOMC expects the transitory effects of lower energy and import prices are likely to subside and inflation will pick up to a 2% pace in the medium-term.

Over the period, the portfolio manager continued their focus on the Nordic region of Europe, Canada, Australia and the U.S. for its corporate exposure. With the rising global unease, the corporate sector began trading significantly more expensive than short-dated commercial paper. A direct result of this was that, on a six-month basis, the percent allocated to corporate sector declined from 24% to 5%, while the percent allocated to commercial paper rose from 63% to 82%. The Fund underperformed its Lipper Peer group on a net basis over period.

Anticipation of an increase in the Fed's interest rate before the end of 2015 and the tremendous volatility in the first 45 days of 2016, both pointed to the wisdom of allowing the weighted average maturity ("WAM") of the Fund to roll down. The WAM finished the first quarter of 2016 at 50 days, which was shorter by 13 days from where the third quarter in 2015 ended. While the Fed's interest rate increased and year-end inefficiencies were the initial impetus for shortening up the WAM, some unexpectedly large flows, both in and out of the Fund, a couple of expected flows that never occurred, as well as the extreme market unease to start the year, further demonstrated the wisdom of a declining average maturity.



Mutual Funds

# BMO U.S. Dollar Money Market Fund

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Liquidity continues to be maintained with U.S. Agencies and short-dated commercial paper. The allocation to highly-liquid U.S. Agencies was largely static over the period, as the fourth quarter of 2015 began with a 13% exposure and the first quarter of 2016 finished with a 12% allocation.

Liquidity is assured as nearly 47% of the Fund is projected to mature within thirty days. Yield was able to be garnered by taking maximum advantage of the year-end inefficiencies existing in the commercial paper market and buying longer-dated securities. Consequently, the percentage allocation to commercial paper rose nearly 20% percentage points during the period.

In an effort to ensure a positive yield and preserve the Fund's net asset value, the Manager continues to temporarily waive, in part, the management and administration fees normally charged to the Fund.

The Manager confirms that the Fund did not borrow money during the period.

*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

Given the volatility in the marketplace and the goals of the FOMC, the portfolio manager will make certain that the Fund not only has sufficient liquidity, but has ready liquidity available to be put to use if significant inefficiencies present themselves. The portfolio manager expects that as we get further into 2016, there will be a diminishing supply of government debt. Interest rates should be subdued and it is to be expected that the percentage exposure to the U.S. Government Agency sector will remain static, between 10% and 15%. The portfolio manager will look to increase exposure to the Corporate sector when appropriate, focusing on the Financial sub-sector in particular.

## Subsequent Event

### Multi-Series Structure Change

Effective April 28, 2016, in addition to the types of units currently available for sale to investors, the Manager began offering BMO Private U.S. Money Market Fund Series O ("Series O") units. Series O units are available to institutional investors for use within managed asset programs and/or structured products.

## RELATED PARTY TRANSACTIONS

BMO Investments Inc., an indirect, wholly-owned subsidiary of Bank of Montreal ("BMO"), is the Manager of the Fund. 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.

### Portfolio Manager

The Fund's portfolio manager is BMO Asset Management Corp. ("BMOAM Corp."), an affiliate of the Manager. BMOAM Corp. provides portfolio management services to the Fund. BMOAM Corp. receives from the Fund a management fee based on assets under management, calculated daily and payable quarterly.

### Administration Fees 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 include interest or other borrowing expenses, costs and expenses related to the operation of the Fund's Independent Review Committee ("IRC"), including fees and expenses of IRC members, taxes to which the Fund is or might be subject, and costs associated with compliance with any new governmental or regulatory requirement introduced after December 1, 2007 (e.g., cost associated with the production of fund facts, filed in compliance with the relevant amendments to NI 81-101). 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 average net asset value of each relevant series of the Fund. Separate fees and expenses are negotiated and paid by each Series I investor. Further details about the fixed administration fee and/or Fund Expenses can be found in the Fund's most recent simplified prospectus at [www.bmo.com/mutualfunds](http://www.bmo.com/mutualfunds) and [www.bmo.com/gam/ca](http://www.bmo.com/gam/ca) or [www.sedar.com](http://www.sedar.com).

# BMO U.S. Dollar Money Market Fund

## Distribution Services

The Manager markets and distributes the Fund through Bank of Montreal 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 and/or shares that are held in investor accounts. This service fee is paid monthly or quarterly and varies by purchase option and by series.

## 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 maximum annual rate set out in the table below.

	Maximum Annual Management Fee Rate* %	As a Percentage of Management Fees	
		Dealer Compensation %	General Administration, Investment Advice and Profit %
Series A Units	1.00	24	76
Advisor Series Units	1.00	50	50
Series I Units	—	—	—
Classic Series Units	0.75	26	74

\* For Series I Units, separate Series I fees are negotiated and paid by each Series I investor. Since the Manager pays no distribution, service or trailing fees on Series I Units, the combined management and administrative fees for Series I Units will not exceed the management fee charged for Series A Units.

## 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 Mar. 31 2016	2015	Periods ended Sep. 30			2011
		2014	2013	2012			
Net assets, beginning of period	\$	1.00	1.00	1.00	1.00	1.00	1.00
<b>Increase (decrease)</b>							
from operations:							
Total revenue	\$	0.00	0.00	0.00	0.00	0.00	0.00
Total expenses	\$	-0.00	-0.00	0.00	-0.00	-0.00	-0.00
Realized gains (losses)							
for the period	\$	—	—	—	—	—	—
Unrealized gains (losses)							
for the period	\$	—	—	—	—	—	—
<b>Total increase (decrease)</b>							
from operations <sup>(2)</sup>	\$	0.00	0.00	0.00	0.00	0.00	0.00
<b>Distributions:</b>							
From income							
(excluding dividends)	\$	0.00	0.00	0.00	0.00	0.00	0.00
From dividends	\$	—	—	—	—	—	—
From capital gains	\$	—	—	—	—	—	—
Return of capital	\$	—	—	—	—	—	—
<b>Total Annual Distributions<sup>(3)</sup></b>	\$	0.00	0.00	0.00	0.00	0.00	0.00
<b>Net assets, end of period</b>	\$	1.00	1.00	1.00	1.00	1.00	1.00

#### Advisor Series Units

		Period ended Mar. 31 2016	2015	Periods ended Sep. 30			2011
		2014	2013	2012			
Net assets, beginning of period	\$	1.00	1.00	1.00	1.00	1.00	1.00
<b>Increase (decrease)</b>							
from operations:							
Total revenue	\$	0.00	0.00	0.00	0.00	0.00	0.00
Total expenses	\$	-0.00	-0.00	0.00	-0.00	-0.00	-0.00
Realized gains (losses)							
for the period	\$	—	—	—	—	—	—
Unrealized gains (losses)							
for the period	\$	—	—	—	—	—	—
<b>Total increase (decrease)</b>							
from operations <sup>(2)</sup>	\$	0.00	0.00	0.00	0.00	0.00	0.00
<b>Distributions:</b>							
From income							
(excluding dividends)	\$	0.00	0.00	0.00	0.00	0.00	0.00
From dividends	\$	—	—	—	—	—	—
From capital gains	\$	—	—	—	—	—	—
Return of capital	\$	—	—	—	—	—	—
<b>Total Annual Distributions<sup>(3)</sup></b>	\$	0.00	0.00	0.00	0.00	0.00	0.00
<b>Net assets, end of period</b>	\$	1.00	1.00	1.00	1.00	1.00	1.00

# BMO U.S. Dollar Money Market Fund

## Series I Units

	Period ended Mar. 31 2016	2015	Periods ended Sep. 30 2014	2013	2012	2011
Net assets, beginning of period	\$ 1.00	1.00	1.00	1.00	1.00	1.00
<b>Increase (decrease) from operations:</b>						
Total revenue	\$ 0.00	0.00	0.00	0.00	0.00	0.00
Total expenses	\$ —	—	—	—	—	—
Realized gains (losses) for the period	\$ —	—	—	—	—	—
Unrealized gains (losses) for the period	\$ —	—	—	—	—	—
<b>Total increase (decrease) from operations<sup>(1)</sup></b>	\$ 0.00	0.00	0.00	0.00	0.00	0.00
<b>Distributions:</b>						
From income (excluding dividends)	\$ 0.00	0.00	0.00	0.00	0.00	0.00
From dividends	\$ —	—	—	—	—	—
From capital gains	\$ —	—	—	—	—	—
Return of capital	\$ —	—	—	—	—	—
<b>Total Annual Distributions<sup>(1)</sup></b>	\$ 0.00	0.00	0.00	0.00	0.00	0.00
<b>Net assets, end of period</b>	\$ 1.00	1.00	1.00	1.00	1.00	1.00

## Classic Series Units

	Period ended Mar. 31 2016	2015	Periods ended Sep. 30 2014	2013	2012	2011
Net assets, beginning of period	\$ 1.00	1.00	1.00	1.00	1.00	1.00
<b>Increase (decrease) from operations:</b>						
Total revenue	\$ 0.00	0.00	0.00	0.00	0.00	0.00
Total expenses	\$ -0.00	-0.00	-0.00	-0.00	-0.00	-0.00
Realized gains (losses) for the period	\$ —	—	—	—	—	—
Unrealized gains (losses) for the period	\$ —	—	—	—	—	—
<b>Total increase (decrease) from operations<sup>(1)</sup></b>	\$ 0.00	0.00	0.00	0.00	0.00	0.00
<b>Distributions:</b>						
From income (excluding dividends)	\$ 0.00	0.00	0.00	0.00	0.00	0.00
From dividends	\$ —	—	—	—	—	—
From capital gains	\$ —	—	—	—	—	—
Return of capital	\$ —	—	—	—	—	—
<b>Total Annual Distributions<sup>(1)</sup></b>	\$ 0.00	0.00	0.00	0.00	0.00	0.00
<b>Net assets, end of period</b>	\$ 1.00	1.00	1.00	1.00	1.00	1.00

<sup>(1)</sup> This information is derived from the Fund's audited and unaudited financial statements. The financial information presented for the periods ended March 31, 2016, September 30, 2015 and September 30, 2014 is derived from the financial statements determined in accordance with IFRS. Information for periods prior to October 1, 2013 is derived from prior period financial statements prepared in accordance with Canadian GAAP.

<sup>(2)</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>(3)</sup> Distributions were either paid in cash or reinvested in additional units of the Fund, or both.

## Ratios and Supplemental Data

### Series A Units

	Period ended Mar. 31 2016	2015	Periods ended Sep. 30 2014	2013	2012	2011
Total net asset value (000's) <sup>(1)</sup>	\$ 13,692	17,042	24,164	27,194	27,657	25,350
Number of units outstanding (000's) <sup>(1)</sup>	13,692	17,042	24,164	27,194	27,657	25,350
Management expense ratio <sup>(2)</sup>	% 0.37	0.19	0.09	0.11	0.12	0.10
Management expense ratio before waivers or absorptions	% 1.28	1.29	1.29	1.28	1.27	1.26
Net asset value per unit	\$ 1.00	1.00	1.00	1.00	1.00	1.00

### Advisor Series Units

	Period ended Mar. 31 2016	2015	Periods ended Sep. 30 2014	2013	2012	2011
Total net asset value (000's) <sup>(1)</sup>	\$ 2,430	2,273	1,764	2,061	4,319	6,028
Number of units outstanding (000's) <sup>(1)</sup>	2,430	2,273	1,764	2,061	4,319	6,028
Management expense ratio <sup>(2)</sup>	% 0.38	0.19	0.09	0.11	0.12	0.10
Management expense ratio before waivers or absorptions	% 1.26	1.27	1.28	1.30	1.25	1.27
Net asset value per unit	\$ 1.00	1.00	1.00	1.00	1.00	1.00

### Series I Units

	Period ended Mar. 31 2016	2015	Periods ended Sep. 30 2014	2013	2012	2011
Total net asset value (000's) <sup>(1)</sup>	\$ 0	1	1	1	1	1
Number of units outstanding (000's) <sup>(1)</sup>	0	1	1	1	1	1
Management expense ratio <sup>+</sup>	% —	—	—	—	—	—
Management expense ratio before waivers or absorptions <sup>+</sup>	% —	—	—	—	—	—
Net asset value per unit	\$ 1.00	1.00	1.00	1.00	1.00	1.00

### Classic Series Units

	Period ended Mar. 31 2016	2015	Periods ended Sep. 30 2014	2013	2012	2011
Total net asset value (000's) <sup>(1)</sup>	\$ 6,016	6,056	6,344	6,650	6,885	7,190
Number of units outstanding (000's) <sup>(1)</sup>	6,016	6,056	6,344	6,650	6,885	7,190
Management expense ratio <sup>(2)</sup>	% 0.37	0.19	0.09	0.11	0.12	0.10
Management expense ratio before waivers or absorptions	% 1.03	1.03	1.03	1.01	0.97	0.97
Net asset value per unit	\$ 1.00	1.00	1.00	1.00	1.00	1.00

<sup>+</sup> Operating expenses are paid by BMOII and management fees are paid directly to BMOII 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.

# BMO U.S. Dollar Money Market Fund

## PAST PERFORMANCE

The Fund's performance information assumes that all distributions made by the Fund in the periods shown were used to purchase additional securities 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 that how the Fund has performed in the past does not indicate how it will perform in the future.

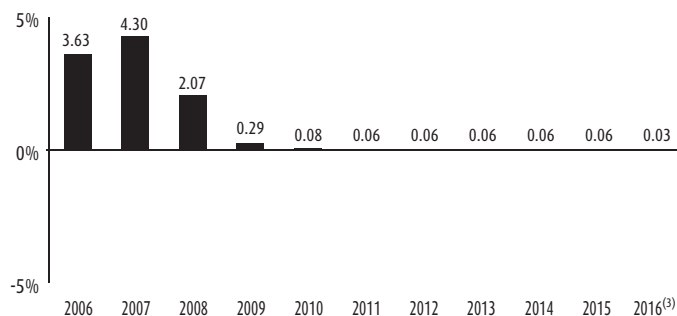
The returns of each series may differ from one another for a number of reasons, including if the series was not issued and outstanding for the entire reporting period and because of the different levels of management fees and expenses allocated and payable by each series.

On November 13, 2009, BMO Guardian U.S. Money Market Fund merged into the Fund. This change could have affected the performance of the Fund, had it been in effect throughout the performance measurement periods presented.

## Year-by-Year Returns

The following bar charts show the performance for each series of the Fund for each of the financial years shown and for the six-month period ended March 31, 2016. 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.

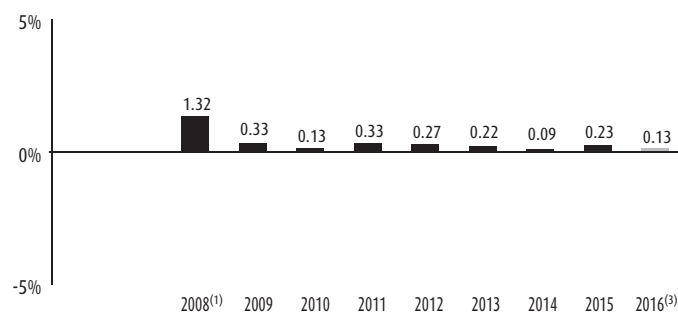
### Series A Units



### Advisor Series Units



### Series I Units



### Classic Series Units



<sup>(1)</sup> For the period beginning March 5, 2008 to September 30, 2008.

<sup>(2)</sup> For the period beginning November 11, 2009 to September 30, 2010.

<sup>(3)</sup> For the six-month period ended March 31, 2016.

# BMO U.S. Dollar Money Market Fund

## SUMMARY OF INVESTMENT PORTFOLIO

As at March 31, 2016

Portfolio Allocation	% of Net Asset Value
Commercial Paper	84.0
Money Market – Federal Agencies	11.8
Corporate Bonds	4.6
Cash/Receivables/Payables	-0.4
<b>Total Portfolio Allocation</b>	<b>100.0</b>

Top 25 Holdings	% of Net Asset Value
<b>Issuer</b>	
Suncorp-Metway Ltd., Commercial Paper, 0.915% Jul 6, 2016	3.4
Freddie Mac, Commercial Paper, 0.241% Apr 4, 2016	3.2
Federal National Mortgage Association, Commercial Paper, 0.326% Apr 14, 2016	2.7
Atlantic Asset Securitization LLC, Commercial Paper, 0.610% May 25, 2016	2.7
Regency Markets No. 1, LLC, Commercial Paper, 0.447% Apr 26, 2016	2.6
Federal Home Loan Banks, Commercial Paper, 0.283% Apr 6, 2016	2.3
Air Products and Chemicals, Inc., Commercial Paper, 0.437% Apr 5, 2016	2.3
MetLife Short Term Funding LLC, Commercial Paper, 0.493% Apr 5, 2016	2.3
Suncorp-Metway Ltd., Commercial Paper, 0.529% Apr 6, 2016	2.3
Legacy Capital Co., LLC, Commercial Paper, 0.661% Apr 20, 2016	2.3
Victory Receivables Corporation, Commercial Paper, 0.549% May 2, 2016	2.3
Skandinaviska Enskilda Banken AB (SEB), Commercial Paper, 0.701% Jul 26, 2016	2.3
Svensk Exportkredit AB (SEK), Commercial Paper, 0.819% Aug 17, 2016	1.9
Emerson Electric Co., Commercial Paper, 0.376% Apr 1, 2016	1.8
Erste Abwicklungsanstalt, Commercial Paper, 0.437% Apr 4, 2016	1.8
Federal Farm Credit Banks, Commercial Paper, 0.192% Apr 4, 2016	1.8
Chariot Funding LLC, Commercial Paper, 0.508% May 4, 2016	1.6
General Electric Capital Corporation, Senior, Unsecured, Notes, 2.950% May 9, 2016	1.4
Federal Home Loan Banks, Commercial Paper, 0.233% Apr 1, 2016	1.4
Thunder Bay Funding LLC, Commercial Paper, 0.406% Apr 15, 2016	1.4
Regency Markets No. 1, LLC, Commercial Paper, 0.447% Apr 20, 2016	1.4
Air Products and Chemicals, Inc., Commercial Paper, 0.477% May 2, 2016	1.4
Manhattan Asset Funding Co. LLC, Commercial Paper, May, 13, 2016, 0.519% May 13, 2016	1.4
Toronto-Dominion Bank, The, Senior, Unsecured, Notes, 2.375% Oct 19, 2016	1.2
PACCAR Financial Corporation, Medium Term Notes, Senior, Unsecured, 0.750% May 16, 2016	1.1
<b>Top Holdings as a Percentage of Total Net Asset Value</b>	<b>50.3</b>
<b>Total Net Asset Value</b>	<b>\$22,138,086</b>

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

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

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For more information please call BMO Investment Centre at 1-800-665-7700 (investors who purchased BMO Mutual Funds through a BMO Bank of Montreal branch or BMO Online Banking) or call Client Services toll-free at 1-800-668-7327 (investors who purchased BMO Mutual Funds through a full-service or discount broker) or at 1-800-361-1392 (investors who purchased Series NBA and NBF through a full-service or discount broker).



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 or implied 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 in and the risks detailed from time to time in BMO Mutual 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 Investments 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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