

BMO Diversified Monthly Income Fund  
Annual Report and Audited Financial Statements  
For the year ended:

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30.04.2022

# BMO Diversified Monthly Income Fund

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\*The Authorised Manager's Report (hereon referred to as the "Manager's Report") in accordance with the Investment Management Association (IMA) SORP (2014) and the Collective Investment Schemes Sourcebook comprises those items denoted above along with the Scheme Objective, Manager's Review and Performance Summary of the Scheme.

# BMO Diversified Monthly Income Fund

## Directory

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### Scheme Information

BMO Diversified Monthly Income Fund  
Exchange House  
Primrose Street  
London  
EC2A 2NY

### Authorised Fund Manager (to 4 July 2022)

BMO Fund Management Limited  
Exchange House  
Primrose Street  
London  
EC2A 2NY

### Authorised Fund Manager (from 4 July 2022)

Columbia Threadneedle Fund Management Limited  
Exchange House  
Primrose Street  
London  
EC2A 2NY  
Telephone: 0800 085 2752, Facsimile: (0207) 600 4180  
Registration No: 2170242 England  
The Manager is authorised and regulated in the UK by the Financial Conduct Authority and is a member of the Investment Association.

### Directors of the AFM

D. Logan, R. Thorpe, W.M. Tonkin, R. Watts, T. Watts  
C. Porter (independent), R. Fuller (independent)

### Company Secretary

BMO Asset Management (Holdings) plc.

### Investment Manager

BMO Asset Management Limited  
Exchange House  
Primrose Street  
London  
EC2A 2NY  
Registration No: 02219464 England  
Authorised and regulated in the UK by the Financial Conduct Authority

### Independent Auditors

PricewaterhouseCoopers LLP  
Level 4  
Atria One  
144 Morrison Street  
Edinburgh  
EH3 8EX

### Depository

State Street Trustees Limited  
**Registered Office**  
20 Churchill Place  
London  
E14 5HJ

### *Head Office and Principal Place of Business*

Quartermile 3  
10 Nightingale Way  
Edinburgh  
EH3 9EG

### Fund Accounting and Unit Pricing

State Street Bank and Trust Company  
20 Churchill Place  
London  
E14 5HJ

### Administrator and Registrar

SS&C Financial Services Europe Limited  
SS&C House  
St Nicholas Lane  
Basildon  
Essex  
SS15 5FS

### Legal Advisors

CMS Cameron McKenna Nabarro Olswang LLP  
Cannon Place  
78 Cannon Street  
London  
EC4N 6AF

# BMO Diversified Monthly Income Fund

## Scheme Information

(continued)

### Authorised Status

BMO Diversified Monthly Income Fund ('the Scheme') is an Authorised Unit Trust Scheme under Section 243 of the Financial Services and Markets Act 2000 and is a UCITS scheme within the meaning of the FCA's Collective Investment Schemes sourcebook (COLL).

Effective 4 July 2022, the Investment Manager of the Scheme has changed from BMO Asset Management Limited to Columbia Threadneedle Management Limited.

Effective 4 July 2022, the Manager of the Scheme has changed from BMO Fund Management Limited to Columbia Threadneedle Fund Management Limited.

### Other Information

The Operating charges figure for each unit class can be found in the Scheme's Comparative Tables.

There were no cross holdings in BMO Diversified Monthly Income Fund as at 30 April 2022.

Following the announcement on 12 April 2021 regarding Ameriprise Financial's proposed acquisition of BMO's EMEA Asset Management business, including BMO GAM Asia Limited (BMO GAM (EMEA)), Columbia Threadneedle confirmed that this acquisition completed on 8 November 2021. BMO GAM (EMEA) is now part of Columbia Threadneedle Investments, the global asset management business of Ameriprise Financial.

### Company Secretary

Effective 4 July 2022, the Company Secretary has changed from BMO Asset Management (Holdings) plc to Columbia Threadneedle AM (Holdings) plc.

### Scheme Name

Effective 4 July 2022 the Scheme name has changed as follows:

#### Old Name

BMO Diversified Monthly Income Fund

#### New Name

CT Diversified Monthly Income Fund

### Value Assessment

A statement on the Assessment of Value is published on the 'Documents' section of our website at <https://www.bmogam.com/gben/retail/documents/>. The document is published annually on the 30 June with an annual 'reference date' 31 March.

### Report on Remuneration

This section of the annual report has been prepared in accordance with Article 14a(4) of Directive 2009/65/EC, as amended by Directive 2014/91/EU ("UCITS V Directive") and the Financial Conduct Authority's Handbook (SYSC 19E: UCITS Remuneration Code).

In accordance with the UCITS V Directive, BMO Fund Management Limited (formerly F&C Fund Management Limited), the Authorised Fund Manager (AFM) for BMO Diversified Monthly Income Fund has adopted a remuneration policy which is consistent with the remuneration principles applicable to UCITS management companies and aligned with the BMO Global Asset Management (EMEA) Remuneration Policy. The size of the Company and the size of the funds it manages, the internal organisation and the nature, the scope and the complexity of their activities have been taken into consideration in this disclosure.

#### Remuneration policy

The purpose of the Company's remuneration policy is to describe the remuneration principles and practices within the Company and for such principles and practices:

- a) to be consistent with, and promote, sound and effective risk management;
- b) to be in line with the business strategy, objectives, values and interests of the Company;
- c) not to encourage excessive risk-taking as compared to the investment policy of the relevant sub-funds of the Company;
- d) to provide a framework for remuneration to attract, motivate and retain staff (including directors) to which the policy applies in order to achieve the objectives of the Company; and
- e) to ensure that any relevant conflicts of interest can be managed appropriately at all times.

### Decision making and governance

The board of directors (the "Board") of the Company is responsible for the remuneration policy of the Company and for determining the remuneration of the directors of the Company and other staff who undertake professional activities for the Company. The Board has delegated to the Risk and Remuneration Committee (the "Committee") of BMO Asset Management (Holdings) plc (formerly F&C Asset Management plc) responsibility for maintaining a compliant remuneration policy. The Committee solely comprises non-executive directors of BMO Asset Management (Holdings) plc. The Board has adopted the remuneration policy applicable to all members of the Group ("BMO Global Asset Management (EMEA)") for this financial year as reviewed and approved by the Committee periodically (at least annually). The Committee is responsible for, and oversees, the implementation of the remuneration policy in line with the UCITS Regulations. The Board considers that the members of the Committee have appropriate expertise in risk management and remuneration to perform this review.

### Applicability

The remuneration policy, which incorporates compliance with UCITS V requirements, applies to staff whose professional activities have a material impact on the risk profile of the Company or of the funds it manages ("Identified Staff") and so covers:

- a) senior management;
- b) risk takers;
- c) control functions; and
- d) employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profile of the Company.

The Identified Staff list and the selection criteria above are subject to regular review (at least annually) by the Committee as well as formally reviewed in the event of significant organisation changes and changes in remuneration regulations the Company is subject to.

### Linking remuneration with performance

The Company's remuneration policy is part of the BMO Global Asset Management (EMEA) framework for promoting sound remuneration management, with the objective of providing total compensation to its employees that is warranted by corporate, business unit/function and individual performance and is comparable to market competitors, whilst being consistent with and promoting sound and effective risk management and the achievement of fair outcomes for all customers. Its purpose is to facilitate achievement of the business objectives and corporate values of the Company, with the primary focus on clients, whilst ensuring that BMO Global Asset Management (EMEA) is able to attract, retain and motivate the key talent required to achieve these business objectives and corporate values without incentivising excessive or inappropriate risk.

When setting remuneration levels, the following components and principles form part of the remuneration management framework:

- Fixed remuneration is determined taking into account factors including the requirements of the particular role and the staff member's experience, expertise, contribution level and the fixed pay for comparable roles. Fixed remuneration is set, with reference to market data, at a level that is sufficient to attract high calibre staff as well as to permit the operation of a fully-flexible remuneration policy (including the possibility of a staff member receiving reduced or no variable remuneration in a particular year). The Committee keeps the balance between fixed and variable remuneration under review.
- Variable remuneration is determined annually by reference to both financial and non-financial company performance considerations. External competitor practices are included in the funding review to ensure compensation opportunities in the markets within which the Company operates are given due consideration and retention risks are effectively managed. Incentive funding is developed in view of current and projected economics and risks, supported by BMO Global Asset Management (EMEA) Audit and Compliance Committee inputs, ensuring risk-adjustments and qualitative and quantitative considerations, such as the cost and quantity of capital and liquidity are actively considered as funding adjustments. The Committee ensures that all incentive awards are not paid through vehicles or methods that facilitate the avoidance of the requirements with regard to remuneration imposed by applicable law and/or regulations.
- Variable remuneration is allocated to respective business functions by reference to:
  - contribution of the respective business function or unit to corporate performance
  - business function performance relative to pre-determined targets and objectives, including adherence to risk management obligations; and
  - competitive market pay data.

Individual award allocations are referenced to the individual achievement during the performance year relative to pre-agreed objectives and assessment of market comparability. Performance is assessed in relation to pre-agreed objectives, which include financial and non-financial goals (including the achievement of fair customer outcomes), compliance with the BMO Group's policies and procedures, adherence to risk management and compliance requirements and the BMO Code of Conduct. The assessment of performance for Identified Staff reflects multi-year performance in a manner appropriate to the life-cycle of the funds that are managed by the Company.

- Application of Financial Conduct Authority's Handbook (SYSC 19E: UCITS Remuneration Code) pay-out process rules, save for disapplication at individual or Company level, which is determined by an annual proportionality assessment.

# BMO Diversified Monthly Income Fund

## Scheme Information

(continued)

### Quantitative remuneration disclosure

The total remuneration paid by BMO Fund Management Limited to its staff is zero, as all UCITS staff are employed by other companies in BMO Global Asset Management (EMEA).

The table below provides an overview of aggregate total remuneration paid to UCITS Identified Staff in respect of the proportion of their pay aligned to their UCITS responsibilities. It is not possible to apportion remuneration by individual Identified Staff working a specific UCITS fund, therefore figures are provided in aggregate on a UCITS management company basis.

	Headcount	Fixed Remuneration £m	Variable Remuneration £m	Total Remuneration £m
<b>As at 31 October 2021</b>				
<b>Remuneration of UCITS Identified Staff</b>				
of which:	<b>55</b>	<b>0.53</b>	<b>1.45</b>	<b>1.98</b>
<b>Senior Management</b>	14	0.12	0.39	0.51
<b>Other Code Staff</b>	41	0.41	1.06	1.47

### Notes on the quantitative remuneration disclosure

Total remuneration reported is the sum of salary, cash bonus, any deferred annual bonus, value of any long-term incentive awards granted in respect of performance in the reportable financial year, plus the value of any applicable cash allowances.

“Senior Management” are defined in this table as the UCITS Directors, Executive and Non-Executive Directors and Group Management Team members of BMO Global Asset Management. “Other Code Staff” includes all other identified Code staff in business areas, internal control functions and corporate functions.

The Identified Staff disclosure represents total compensation of those staff who are fully or partly involved in the activities of the UCITS funds, apportioned to the estimated time relevant to the UCITS or to the amount attributable to the UCITS allocated on an AUM basis.

# BMO Diversified Monthly Income Fund

## Scheme Information

(continued)

### Securities Financing Transactions (SFTs)

#### BMO Diversified Monthly Income Fund

##### 1) Global Data

Assets engaged in SFTs and total return swaps as at 30 April 2022	£000	%
Fund assets under management (AUM)	44,664	
Absolute value of assets engaged in:		
Total return swaps	785	1.76%

##### 2) Concentration Data

#### Top 10 Collateral Issuers

Name and value of collateral and commodities received as at 30 April 2022	£000
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#### Top 10 Counterparties

Name and value of outstanding transactions as at 30 April 2022	£000
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#### Total return swaps

Citigroup	(77)
JP Morgan Securities	304

##### 3) Aggregate Transaction Data

#### Type, Quality and Currency of Collateral as at 30 April 2022

Type	Quality	Currency	£000
Total return swaps			
Bonds	Investment Grade	Sterling	299

#### Maturity Tenor of Collateral (remaining period to maturity) as at 30 April 2022

Type	Less than one day £000	One day to one week £000	One week to one month £000	One to three months £000	Three months to one year £000	Above one year £000	Open maturity £000	Total £000
Total return swaps	-	-	-	299	-	-	-	299
	-	-	-	299	-	-	-	299

#### Counterparty details as at 30 April 2022

Type	Country of counterparty establishment	Settlement and clearing	£000
Total return swaps	UK, Europe	Tri-party	299
Total collateral held			299

#### Maturity Tenor of SFTs and Total Return Swaps (remaining period to maturity) as at 30 April 2022

Type	Less than one day £000	One day to one week £000	One week to one month £000	One to three months £000	Three months to one year £000	Above one year £000	Open maturity £000	Total £000
Total return swaps	-	-	-	(218)	445	-	-	227
	-	-	-	(218)	445	-	-	227

# BMO Diversified Monthly Income Fund

## Scheme Information

(continued)

### 4) Re-use of Collateral

The Fund does not engage in re-use of collateral.

### 5) Safekeeping of Collateral Received

Names and value of custodians safekeeping collateral as at 30 April 2022	£000
Citigroup	299
Number of custodians safekeeping collateral	1

### 6) Safekeeping of Collateral Granted

The Fund does not borrow stock from counterparties; therefore, no collateral has been granted.



## BMO Diversified Monthly Income Fund

### Statement of the Manager's Responsibilities in relation to the Report & Financial Statements of the Scheme

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The Collective Investment Schemes sourcebook, (the "COLL sourcebook") as issued and amended by the Financial Conduct Authority require the Manager to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Scheme and of its net revenue and the net capital losses on the property of the Scheme for the year. In preparing the financial statements the Manager is required to:

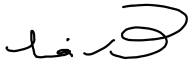
- select suitable accounting policies and then apply them consistently;
- comply with the requirements of the UK Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice for Financial Statements of Authorised Funds issued by the Investment Management Association (IMA) in May 2014;
- follow generally accepted accounting principles and applicable United Kingdom accounting standards;
- keep proper accounting records, which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- take reasonable steps for the prevention and detection of fraud and non-compliance with laws or regulations;
- make judgements and estimates that are prudent and reasonable; and
- prepare financial statements on a going concern basis unless it is inappropriate to presume that the Scheme will continue in operation.

The Manager is responsible for the management of the Scheme in accordance with its Prospectus, COLL sourcebook and the Trust Deed.

### Certification of Financial Statements by Directors of the Manager

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This report contains the information required by the Statement of Recommended Practice (SORP) for Financial Statements of Authorised Funds issued in May 2014, and FCA's Collective Investment Schemes sourcebook (COLL) in the case of annual financial statements and was approved for publication on 24 August 2022.



Director

On behalf of Columbia Threadneedle Fund Management Limited  
(formerly BMO Fund Management Limited)

Manager

24 August 2022



## BMO Diversified Monthly Income Fund

### Statement of the Depositary's Responsibilities in respect of the Scheme and Report of the Depositary to the Unitholders of the BMO Diversified Monthly Income Fund ("the Scheme")

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for the year ended 30 April 2022

The Depositary in its capacity as Trustee of BMO Diversified Monthly Income Fund must ensure that the Scheme is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Scheme and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Scheme in accordance with the Regulations.

The Depositary must ensure that:

- the Scheme's cash flows are properly monitored and that cash of the Scheme is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Scheme are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Scheme's assets is remitted to the Scheme within the usual time limits;
- the Scheme's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM") which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Scheme is managed in accordance with the Regulations and Scheme documents in relation to the investment and borrowing powers applicable to the Scheme.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Scheme, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Scheme, acting through the AFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Scheme's units and the application of the Scheme's income in accordance with the Regulations and the documents of the Scheme, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Scheme.



State Street Trustees Limited

24 August 2022

# BMO Diversified Monthly Income Fund

## Independent Auditors' Report to the Unitholders of BMO Diversified Monthly Income Fund

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### Report on the audit of the financial statements

#### Opinion

In our opinion, the financial statements of BMO Diversified Monthly Income Fund (the "Scheme"):

- give a true and fair view of the financial position of the Scheme as at 30 April 2022 and of the net revenue and the net capital losses on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report and Audited Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 30 April 2022; the Statement of Total Return and the Statement of Change in Net Assets Attributable to Unitholders for the year then ended; the Distribution Tables; and the notes to the financial statements, which include a description of the significant accounting policies (within the Accounting and distributions policies section).

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We remained independent of the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Scheme's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Authorised Fund Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Scheme's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Authorised Fund Manager with respect to going concern are described in the relevant sections of this report.

#### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Fund Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on our work undertaken in the course of the audit, the Collective Investment sourcebook requires us also to report certain opinions as described below.

### Authorised Fund Manager's Report

In our opinion, the information given in the Authorised Fund Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Responsibilities for the financial statements and the audit

#### *Responsibilities of the Authorised Fund Manager for the financial statements*

As explained more fully in the Statement of the Manager's Responsibilities in relation to the Report & Accounts of the Scheme, the Authorised Fund Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Fund Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Fund Manager is responsible for assessing the Scheme's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Fund Manager either intends to wind up or terminate the Scheme, or has no realistic alternative but to do so.

#### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Scheme /industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of the Scheme. Audit procedures performed included:

- Discussions with the Authorised Fund Manager, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Authorised Fund Manager's board of directors;
- Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

This report, including the opinions, has been prepared for and only for the Scheme's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## BMO Diversified Monthly Income Fund

### Independent Auditors' Report to the Unitholders of BMO Diversified Monthly Income Fund

(continued)

#### Other required reporting

##### Opinion on matter required by the Collective Investment Schemes sourcebook

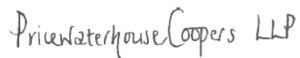
In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

##### Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

The logo for PricewaterhouseCoopers LLP, featuring the company name in a stylized, handwritten-style font.

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Edinburgh  
25 August 2022

# BMO Diversified Monthly Income Fund

## Manager's Investment Report

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for the year ended 30 April 2022

### Fund Objective

The investment objective is to provide a monthly income with the potential for capital growth.

The Scheme invests the majority of its assets in fixed interest securities (securities that pay a fixed level of income on a periodic basis and generally repay a specific amount at a pre-determined date).

The investment manager selects the fixed interest securities with the intention of achieving a wide degree of diversification across issuers, regions and industry sectors, while managing exposure to credit and company specific risks. The securities may be issued anywhere in the world and may include issuers that are governments, supranational entities or companies. Non-sterling exposure to fixed interest securities will normally be hedged back to sterling.

The fixed interest securities will generally be of investment grade but may include some non-investment grade securities. Investment grade securities are considered by the investment manager to be either those rated by independent ratings agencies such as S&P as BBB- or higher (or their equivalent) or those which are not rated by an independent ratings agency but which the investment manager believes to be of comparable quality.

The Scheme will also invest in equities of companies based anywhere in the world, which will be diversified by region and sector. The equities will almost exclusively be dividend bearing, generally with an above average dividend yield. Non-sterling equity exposure will not normally be hedged back to sterling.

To the extent that the Scheme is not fully invested in fixed interest securities and equities, the Scheme may also invest in other transferable securities, cash, near cash, money market instruments and collective investment schemes; which may include schemes or funds managed by the AFM or an associate of the AFM.

The Scheme may use derivatives for the purposes of efficient portfolio management or for investment purposes for example, by the writing of call and put options which may impact the growth potential of the Scheme.

Hedging is an investment technique that may be used to protect the value of the Scheme or income from adverse price movements in transferable securities in currencies other than the Fund's accounting currency, which is sterling.

In order to distribute income monthly as interest, it is the investment manager's intention to maintain over 60% of the portfolio in fixed interest securities and cash, with less than 40% of the portfolio in equities or other assets. The investment manager has no monthly income distribution target for the Scheme, but aims to deliver an annual income return of UK base rates plus 2%, with a current minimum distribution target overall of 5%.

### Synthetic Risk and Reward Indicator

The Synthetic Risk and Reward Indicator ("SRRI"), is calculated in accordance with the Key Investor Information Regulations and is disclosed in a scheme's KIIDs (Key Investor Information Documents). It is calculated from the last five years' performance data and shows the historic volatility of the Scheme and is updated periodically. The SRRI is reported against standard bands ranging from 1 (lower risk/reward) to 7 (higher risk/reward). This classification is intended as a general indication of the overall level of risk of a scheme in order to facilitate comparisons between funds.

The most recent value of the SRRI for the Scheme was 4, published on 26 January 2022. From the most recent review it has been determined that this is still appropriate.

A fuller explanation of the SRRI and the risk and reward profile of the Scheme is contained in the Scheme's KIIDs.

Fund manager	Simon Holmes
Fund size	£44.3 million
Launch date	26 January 1993

### Manager's Review

Global equity markets rose over the twelve-month period. Shares rallied against accommodative monetary policy and fiscal support measures as well as the rollout of Covid-19 vaccines. However, global stocks fell back during the first four months of 2022 given worries over rising inflation and the Russia-Ukraine war. Brent crude oil futures surged from \$67 to \$109 per barrel, boosted by economic reopening and given supply concerns against the war in Ukraine. With inflation hitting multi-decade highs in developed economies central banks have moved to reverse quantitative easing programmes and started to raise interest rates. The Bank of England was among the first to take action in December 2020, citing a tight labour market and the threat posed by rising inflation when it hiked interest rates for the first time in over three years, from 0.1% to 0.25%. Interest rates were increased following each of its February and March meetings, taking UK base rates to 0.75% together with a warning that UK inflation could hit 8% by the second quarter. In response, global government bond yields rose, for example, US 10-year Treasury bond yields moved from around 1.6% to end the period at approximately 2.9%.

The strategy remained focused on providing income by investing primarily in fixed income, equities and derivatives. The core structure of the Fund is a conservative mix of investment grade corporate bonds, UK large cap equities and global equities. Around this core are allocations to government bonds, non-investment grade securities and alternatives. In addition, we employ an income generating overlay strategy, which has ensured that the target yield has been delivered consistently over the period.

## Manager's Investment Report

(continued)

for the year ended 30 April 2022

Russia's invasion of Ukraine and the ongoing conflict has exacerbated inflationary pressures as the price of key commodities has surged, increasing the risk of a pronounced global economic slowdown in the second half of 2022. Along with the accelerating cost of raw materials, companies face rising wage costs amid tight labour markets and lingering constraints due to supply chain challenges. Central banks have responded to soaring inflation with hawkish pivots, especially the US Federal Reserve, and in the current environment we believe certain growth stocks will continue to struggle. Nevertheless, the overall resilience of the market during March was encouraging, limiting the losses during a highly volatile quarter. While we expect elevated risk and volatility to prevail in the short term, we remain broadly constructive on equity markets for the longer term.

### Performance Summary

The BMO Diversified Monthly Income Fund continued to make a monthly distribution of 5% on an annualised basis. The total return of the Fund was -2.7% over the twelve-month period. All figures are net of fees, on a total return basis and in sterling.

**BMO Fund Management Limited**

**20 May 2022**

# BMO Diversified Monthly Income Fund

## Portfolio Statement

as at 30 April 2022

	Holdings	Market Value £000	Total Net Assets %
<b>EQUITIES (43.94%*)</b>		<b>19,875</b>	<b>44.87</b>
<b>BASIC MATERIALS (1.96%*)</b>		<b>661</b>	<b>1.48</b>
<b>Chemicals</b>			
Dow	3,132	169	0.38
<b>Industrial Metals and Mining</b>			
Anglo American	3,807	134	0.30
Fastenal	3,333	152	0.34
Iskenderun Demir ve Celik	10,258	14	0.03
Kumba Iron Ore	2,595	68	0.15
Rio Tinto	1,921	124	0.28
<b>CONSUMER DISCRETIONARY (5.23%*)</b>		<b>1,938</b>	<b>4.38</b>
<b>Automobiles and Parts</b>			
Fiat Chrysler Automobiles	12,799	139	0.31
Honda Motor	7,100	148	0.33
<b>Consumer Services</b>			
eBay	2,934	126	0.29
<b>Household Goods and Home Construction</b>			
Lennar	2,360	148	0.33
Newell Brands	4,347	80	0.18
PulteGroup	4,030	140	0.32
<b>Media</b>			
Discovery	2,004	29	0.07
<b>Retailers</b>			
Best Buy	1,772	132	0.30
Costco Wholesale	292	131	0.30
Home Depot	677	168	0.38
Lowe's	909	148	0.33
Target	480	90	0.20
Tractor Supply	875	145	0.33
Walmart	1,609	200	0.45
<b>Travel and Leisure</b>			
Yum China	3,503	114	0.26
<b>CONSUMER STAPLES (0.00%*)</b>		<b>225</b>	<b>0.51</b>
<b>Beverages</b>			
Keurig Dr Pepper	3,607	109	0.25
<b>Personal Care, Drug and Grocery Stores</b>			
Woolworths	5,274	116	0.26
<b>ENERGY (0.82%*)</b>		<b>379</b>	<b>0.86</b>
<b>Oil, Gas and Coal</b>			
BP	42,037	164	0.37
China Petroleum & Chemical	214,000	84	0.19
Gazprom ADR **	16,106	-	-
Petroleo Brasileiro ADR	1,230	13	0.03
Shell	5,446	118	0.27



# BMO Diversified Monthly Income Fund

## Portfolio Statement

(continued)

as at 30 April 2022

	Holdings	Market Value £000	Total Net Assets %
<b>FINANCIALS (19.24%*)</b>		<b>9,774</b>	<b>22.07</b>
<b>Banks</b>			
Bank of China	489,000	154	0.35
China Merchants Bank	21,000	102	0.23
<b>Closed End Investments</b>			
Digital 9 Infrastructure	501,000	573	1.29
GCP Asset Backed Income Fund	550,692	542	1.22
GCP Infrastructure Investments	473,455	561	1.27
HICL Infrastructure	362,560	643	1.45
Princess Private Equity	69,235	699	1.58
Renewables Infrastructure	461,747	623	1.41
Sequoia Economic Infrastructure Income Fund	523,205	515	1.16
<b>Investment Banking and Brokerage Services</b>			
Blackstone	603	52	0.12
Morgan Stanley	2,512	167	0.38
<b>Life Insurance</b>			
MetLife	2,824	152	0.34
<b>Mortgage Real Estate Investment Trusts</b>			
AGNC Investment	14,615	133	0.30
Annaly Capital Management	28,986	152	0.34
<b>Open End and Miscellaneous Investment Vehicles</b>			
BMO Enhanced Income Euro Equity Fund B Inc †	98,231	1,000	2.26
BMO Enhanced Income UK Equity Fund 3 Inc †	1,951,600	1,106	2.50
BMO Multi-Sector Higher Income Bond Fund C Inc †	5,197,602	2,600	5.87
<b>HEALTH CARE (2.94%*)</b>		<b>1,610</b>	<b>3.64</b>
<b>Health Care Providers</b>			
UnitedHealth	531	222	0.50
<b>Medical Equipment and Services</b>			
Baxter International	1,902	107	0.24
<b>Pharmaceuticals and Biotechnology</b>			
Amgen	942	178	0.40
Bristol-Myers Squibb	3,082	189	0.43
Eli Lilly	627	148	0.34
Gilead Sciences	3,096	152	0.34
GlaxoSmithKline	9,954	179	0.41
Pfizer	5,082	204	0.46
Roche	623	185	0.42
Viatis	5,555	46	0.10
<b>INDUSTRIALS (2.33%*)</b>		<b>557</b>	<b>1.26</b>
<b>General Industrials</b>			
ITOCHU	3,300	79	0.18
Turkiye Sise ve Cam Fabrikalari	139,881	133	0.30
<b>Industrial Transportation</b>			
Grupo Aeroportuario del Centro Norte	1,742	10	0.02
Nippon Yusen	1,800	104	0.24
Royal Mail	37,371	129	0.29
United Parcel Service	676	102	0.23

# BMO Diversified Monthly Income Fund

## Portfolio Statement

(continued)

as at 30 April 2022

	Holdings or Nominal Values	Market Value £000	Total Net Assets %
<b>REAL ESTATE (2.83%*)</b>		<b>1,596</b>	<b>3.60</b>
<b>Real Estate Investment Trusts</b>			
Assura	861,763	571	1.29
Fibra Uno Administracion	21,825	20	0.04
Impact Healthcare REIT	538,289	673	1.52
Welltower	2,038	153	0.35
Weyerhaeuser	5,373	179	0.40
<b>TECHNOLOGY (4.20%*)</b>		<b>1,705</b>	<b>3.84</b>
<b>Software and Computer Services</b>			
Microsoft	848	195	0.44
SAP	1,942	159	0.36
<b>Technology Hardware and Equipment</b>			
Advantest	1,300	71	0.16
Apple	1,943	254	0.57
Broadcom	232	107	0.24
Canon	8,000	147	0.33
FUJIFILM	1,700	75	0.17
Innolux	220,000	81	0.18
Intel	4,888	182	0.41
Lam Research	320	123	0.28
Seagate Technology	1,958	128	0.29
Skyworks Solutions	943	88	0.20
Taiyo Yuden	3,000	95	0.21
<b>TELECOMMUNICATIONS (4.39%*)</b>		<b>1,120</b>	<b>2.53</b>
<b>Telecommunications Equipment</b>			
VTech	2,000	11	0.02
<b>Telecommunications Service Providers</b>			
AT&T	8,287	128	0.29
Comcast	5,003	166	0.38
Deutsche Telekom	10,663	159	0.36
KDDI	6,100	162	0.37
Lumen Technologies	7,675	64	0.14
Nippon Telegraph & Telephone	7,000	165	0.37
TELUS	5,363	110	0.25
Vodafone	126,600	155	0.35
<b>UTILITIES (0.00%*)</b>		<b>310</b>	<b>0.70</b>
<b>Electricity</b>			
DTE Energy	1,458	157	0.35
<b>Gas, Water and Multi-utilities</b>			
RWE	4,595	153	0.35
<b>DEBT SECURITIES (51.03%*)</b>		<b>23,822</b>	<b>53.79</b>
<b>FIXED INTEREST (44.90%*)</b>		<b>21,071</b>	<b>47.58</b>
Abbott Ireland Financing 0.875% 27/09/2023	EUR119,000	101	0.23
AbbVie 2.6% 21/11/2024	USD115,000	89	0.20
Africa Finance 3.125% 16/06/2025	USD200,000	154	0.35
Ally Financial 4.625% 19/05/2022	USD215,000	171	0.39
Ally Financial 1.45% 02/10/2023	USD126,000	97	0.22
Amazon.com 0.45% 12/05/2024	USD318,000	241	0.54
American Tower 1.375% 04/04/2025	EUR200,000	166	0.38

# BMO Diversified Monthly Income Fund

## Portfolio Statement

(continued)

as at 30 April 2022

	Nominal Values	Market Value £000	Total Net Assets %
American Tower 0.45% 15/01/2027	EUR111,000	85	0.19
Apple 0.875% 24/05/2025	EUR100,000	83	0.19
Asahi 0.155% 23/10/2024	EUR200,000	163	0.37
Ashland Services 2% 30/01/2028	EUR105,000	80	0.18
Astrazeneca Finance 1.2% 28/05/2026	USD101,000	73	0.16
AT&T 5.5% 15/03/2027	GBP250,000	277	0.63
Autostrade per l'Italia 1.75% 26/06/2026	EUR135,000	108	0.24
AXA Logistics Europe Master 0.375% 15/11/2026	EUR175,000	134	0.30
Ball 0.875% 15/03/2024	EUR181,000	148	0.33
Banco Bilbao Vizcaya Argentaria 0.75% 11/09/2022	EUR100,000	84	0.19
Banco Santander 2.75% 12/09/2023	GBP200,000	199	0.45
Banco Santander Mexico 5.375% 17/04/2025	USD150,000	122	0.28
Bank of China 0.875% 14/01/2024	USD200,000	153	0.35
Banque Federative du Credit Mutuel 3.75% 20/07/2023	USD200,000	160	0.36
Banque Federative du Credit Mutuel 1.25% 05/12/2025	GBP100,000	94	0.21
Barclays 2.375% 06/10/2023	GBP325,000	325	0.73
Barry Callebaut Services 5.5% 15/06/2023	USD200,000	161	0.36
Becton Dickinson Euro Finance 0.632% 04/06/2023	EUR105,000	88	0.20
Bharti Airtel International Netherlands 5.35% 20/05/2024	USD200,000	163	0.37
Blackstone Property Partners Europe 0.5% 12/09/2023	EUR100,000	83	0.19
Blackstone Property Partners Europe 2% 15/02/2024	EUR217,000	182	0.41
BMW Finance 0.5% 22/02/2025	EUR130,000	107	0.24
Booking 0.1% 08/03/2025	EUR200,000	162	0.37
BPCE 1% 22/12/2025	GBP300,000	277	0.63
Carrier Global 2.242% 15/02/2025	USD31,000	24	0.05
Charter Communications Operating / Charter Communications Operating Capital 4.5% 01/02/2024	USD125,000	101	0.23
Charter Communications Operating / Charter Communications Operating Capital 4.908% 23/07/2025	USD100,000	81	0.18
China Construction Bank 0.86% 22/04/2024	USD406,000	309	0.70
China Development Bank 1.25% 21/01/2023	GBP324,000	321	0.73
Citigroup 2.75% 24/01/2024	GBP121,000	121	0.27
Citigroup 2.014% 25/01/2026	USD121,000	91	0.21
Crown European 0.75% 15/02/2023	EUR100,000	83	0.19
Crown European 2.625% 30/09/2024	EUR100,000	84	0.19
Daimler Finance North America 1.45% 02/03/2026	USD150,000	109	0.25
Dell International / EMC 4% 15/07/2024	USD382,000	306	0.69
Deutsche Bank 0.898% 28/05/2024	USD150,000	113	0.26
Diageo Finance 0.125% 12/10/2023	EUR145,000	121	0.27
Discovery Communications 2.5% 20/09/2024	GBP200,000	198	0.45
DNB Bank 0.05% 14/11/2023	EUR170,000	141	0.32
DS Smith 1.375% 26/07/2024	EUR222,000	185	0.42
eircom Finance 1.75% 01/11/2024	EUR100,000	81	0.18
Enel Finance International 0% 17/06/2024	EUR133,000	109	0.25
EssilorLuxottica 0% 27/05/2023	EUR100,000	84	0.19
Experian Finance 0.739% 29/10/2025	GBP300,000	281	0.63
Faurecia 3.125% 15/06/2026	EUR100,000	77	0.17
Fidelity National Information Services 1.7% 30/06/2022	GBP100,000	100	0.23
Fidelity National Information Services 0.125% 03/12/2022	EUR100,000	84	0.19
First Abu Dhabi Bank 1.375% 19/02/2023	GBP100,000	99	0.22
First Abu Dhabi Bank 1.125% 07/09/2026	GBP136,000	125	0.28
Fiserv 2.25% 01/07/2025	GBP100,000	98	0.22
Ford Motor Credit 2.748% 14/06/2024	GBP100,000	95	0.21
Ford Motor Credit 1.744% 19/07/2024	EUR100,000	81	0.18
Fox 4.03% 25/01/2024	USD111,000	89	0.20

# BMO Diversified Monthly Income Fund

## Portfolio Statement

(continued)

as at 30 April 2022

	Nominal Values	Market Value £000	Total Net Assets %
General Mills 0.125% 15/11/2025	EUR100,000	80	0.18
General Motors Financial 2.2% 01/04/2024	EUR121,000	103	0.23
General Motors Financial 2.35% 03/09/2025	GBP200,000	193	0.44
GKN 5.375% 19/09/2022	GBP155,000	156	0.35
Grifols 1.625% 15/02/2025	EUR100,000	79	0.18
GSK Consumer Healthcare Capital UK 3.125% 24/03/2025	USD360,000	281	0.63
HCA 5.875% 01/05/2023	USD100,000	82	0.19
HCA 5.25% 15/04/2025	USD100,000	82	0.19
Hiscox 2% 14/12/2022	GBP151,000	150	0.34
Honeywell International 0% 10/03/2024	EUR100,000	82	0.19
Industrial & Commercial Bank of China 1.5% 31/07/2022	GBP188,000	187	0.42
Industrial & Commercial Bank of China 1.625% 28/12/2025	GBP100,000	93	0.21
International Development Association 0.75% 12/12/2024	GBP177,000	171	0.39
International Game Technology 6.5% 15/02/2025	USD200,000	162	0.37
IQVIA 2.875% 15/09/2025	EUR100,000	83	0.19
IQVIA 1.75% 15/03/2026	EUR100,000	79	0.18
Iron Mountain 3.875% 15/11/2025	GBP120,000	118	0.27
iStar 4.75% 01/10/2024	USD167,000	130	0.29
JAB 1.75% 25/06/2026	EUR100,000	83	0.19
Korea Water Resources 3.875% 15/05/2023	USD200,000	161	0.36
Kraft Heinz Foods 4.125% 01/07/2027	GBP160,000	165	0.37
Kreditanstalt fuer Wiederaufbau 1.375% 09/12/2024	GBP275,000	271	0.61
Lennar 4.875% 15/12/2023	USD195,000	158	0.36
LKQ Italia Bondco 3.875% 01/04/2024	EUR100,000	87	0.20
Lloyds Banking 2.25% 16/10/2024	GBP310,000	302	0.68
Marks & Spencer 3.75% 19/05/2026	GBP115,000	110	0.25
Medtronic Global 0.375% 07/03/2023	EUR300,000	253	0.57
Medtronic Global 0.25% 02/07/2025	EUR100,000	81	0.18
Mizuho Financial 0.118% 06/09/2024	EUR272,000	222	0.50
MPT Operating Partnership / MPT Finance 2.55% 05/12/2023	GBP135,000	133	0.30
Nestle Finance International 0% 12/11/2024	EUR150,000	123	0.28
Netflix 5.875% 15/02/2025	USD150,000	124	0.28
New York Life Global Funding 1.625% 15/12/2023	GBP200,000	197	0.44
New York Life Global Funding 1.5% 15/07/2027	GBP100,000	93	0.21
Newell Brands 4.45% 01/04/2026	USD150,000	117	0.26
Nexi 1.75% 31/10/2024	EUR114,000	94	0.21
Nexi 1.625% 30/04/2026	EUR107,000	83	0.19
OP Corporate Bank 1.375% 04/09/2026	GBP205,000	190	0.43
Oracle 2.625% 15/02/2023	USD225,000	179	0.40
Orange 1.125% 15/07/2024	EUR400,000	338	0.76
Oztel SPC 5.625% 24/10/2023	USD200,000	160	0.36
P3 0.875% 26/01/2026	EUR210,000	163	0.37
Pinewood Finance 3.25% 30/09/2025	GBP100,000	95	0.21
PPF Telecom 3.125% 27/03/2026	EUR100,000	81	0.18
PPF Telecom 3.25% 29/09/2027	EUR100,000	79	0.18
Qatar Government International Bond 3.375% 14/03/2024	USD200,000	160	0.36
QNB Finance 2.625% 12/05/2025	USD200,000	154	0.35
RAC Bond 4.565% 06/05/2023	GBP120,000	121	0.27
RCI Banque 1.875% 08/11/2022	GBP100,000	100	0.23
RELX Finance 0% 18/03/2024	EUR100,000	82	0.19
Rongshi International Finance 2.875% 04/05/2022	USD200,000	159	0.36
Roper Technologies 2.35% 15/09/2024	USD35,000	27	0.06
Saudi Arabian Oil 2.875% 16/04/2024	USD300,000	236	0.53

# BMO Diversified Monthly Income Fund

## Portfolio Statement

(continued)

as at 30 April 2022

	Nominal Values	Market Value £000	Total Net Assets %
Saudi Government International Bond 2.875% 04/03/2023	USD200,000	160	0.36
SBAB Bank 0.125% 27/08/2026	EUR177,000	139	0.31
Schaeffler 1.875% 26/03/2024	EUR150,000	126	0.28
Siemens Financieringsmaatschappij 0% 05/09/2024	EUR97,000	80	0.18
Siemens Financieringsmaatschappij 1% 20/02/2025	GBP100,000	96	0.22
Siemens Financieringsmaatschappij 1.2% 11/03/2026	USD250,000	181	0.41
Sirius XM Radio 3.125% 01/09/2026	USD130,000	96	0.22
Stellantis 3.875% 05/01/2026	EUR100,000	89	0.20
Swedbank 1.625% 28/12/2022	GBP271,000	270	0.61
Swedbank 1.3% 17/02/2027	EUR192,000	155	0.35
Tencent 3.28% 11/04/2024	USD200,000	158	0.36
Tenet Healthcare 4.875% 01/01/2026	USD125,000	97	0.22
Tesco Corporate Treasury Services 1.375% 24/10/2023	EUR100,000	85	0.19
Tesco Corporate Treasury Services 2.5% 02/05/2025	GBP200,000	196	0.44
Three Gorges Finance II Cayman Islands 1.7% 10/06/2022	EUR272,000	229	0.52
T-Mobile USA 1.5% 15/02/2026	USD75,000	54	0.12
Toyota Motor Finance Netherlands 1.375% 23/05/2023	GBP100,000	99	0.22
Travis Perkins 3.75% 17/02/2026	GBP110,000	108	0.24
UBS 0.375% 01/06/2023	USD200,000	155	0.35
UK Treasury 0.5% 22/07/2022	GBP1,275,000	1,274	2.88
United Rentals North America 3.875% 15/11/2027	USD125,000	96	0.22
UnitedHealth 1.15% 15/05/2026	USD118,000	86	0.19
Vantage Towers 0% 31/03/2025	EUR300,000	239	0.54
Virgin Money UK 3.125% 22/06/2025	GBP175,000	173	0.39
Volkswagen Financial Services 1.625% 10/02/2024	GBP100,000	98	0.22
Volkswagen Financial Services 0.875% 20/02/2025	GBP100,000	93	0.21
Volkswagen Financial Services 3.25% 13/04/2027	GBP100,000	98	0.22
Vonovia 0% 16/09/2024	EUR100,000	81	0.18
Vonovia 0% 01/12/2025	EUR100,000	78	0.18
Vonovia Finance 0.125% 06/04/2023	EUR100,000	84	0.19
Vonovia Finance 1.625% 07/04/2024	EUR100,000	84	0.19
Wells Fargo 1.338% 04/05/2025	EUR100,000	84	0.19
ZF North America Capital 4.75% 29/04/2025	USD150,000	117	0.26
<b>FLOATING RATE NOTES (6.13%*)</b>		<b>2,751</b>	<b>6.21</b>
Bank of China (FRN) 1.135% 10/08/2023	GBP107,000	106	0.24
BAT Capital (FRN) 1.3864% 15/08/2022	USD251,000	200	0.45
Bayer US Finance II (FRN) 1.836% 15/12/2023	USD300,000	239	0.54
Credit Agricole (FRN) 0.074% 06/03/2023	EUR200,000	168	0.38
European Investment Bank (FRN) 1.0406% 29/06/2023	GBP1,350,000	1,355	3.06
Ford Motor Credit (FRN) 2.366% 03/08/2022	USD200,000	159	0.36
ING (FRN) 0.357% 20/09/2023	EUR100,000	85	0.19
Nationwide Building Society (FRN) 1.1202% 02/08/2022	GBP273,000	273	0.62
RCI Banque (FRN) 0% 12/01/2023	EUR55,000	46	0.10
TSB Bank (FRN) 1.0174% 07/12/2022	GBP120,000	120	0.27

# BMO Diversified Monthly Income Fund

## Portfolio Statement

(continued)

as at 30 April 2022

	Holdings	Market Value £000	Total Net Assets %
<b>DERIVATIVES (0.97%*)</b>		<b>149</b>	<b>0.34</b>
<b>Forward Currency Contracts</b>			
<b>Euro</b>			
Sold EUR4,163,185 for GBP3,507,858 Settlement 31/05/2022		5	0.01
Sold EUR4,163,185 for GBP3,507,608 Settlement 31/05/2022		4	0.01
Sold EUR26,217 for GBP22,090 Settlement 31/05/2022		-	-
Sold EUR26,217 for GBP22,089 Settlement 31/05/2022		-	-
Sold EUR8,677 for GBP7,326 Settlement 31/05/2022		-	-
<b>US Dollar</b>			
Bought USD4,638 for GBP3,721 Settlement 31/05/2022		-	-
Sold USD51,472 for GBP40,911 Settlement 31/05/2022		-	-
Sold USD74,976 for GBP59,116 Settlement 31/05/2022		-	-
Sold USD74,976 for GBP59,113 Settlement 31/05/2022		-	-
Sold USD4,424,977 for GBP3,488,945 Settlement 31/05/2022		(32)	(0.07)
Sold USD4,424,977 for GBP3,488,813 Settlement 31/05/2022		(32)	(0.07)
<b>Futures</b>			
E-Mini Russell Growth 1000 Index Futures June 2022	(5)	(5)	(0.01)
E-Mini Russell Value 1000 Index Futures June 2022	7	4	0.01
Euro Stoxx 50 Futures June 2022	(30)	(14)	(0.03)
FTSE 100 Index Futures June 2022	(15)	(50)	(0.11)
MSCI World Index Futures June 2022	14	42	0.09
<b>Total Return Swaps</b>			
Citi: BMO Global Asset Management IR Index - USD - Total Return Index - May 2022	13,966,546	(218)	(0.49)
Citi: BMO Managed FX Index - USD - Total Return Index - April 2023	16,157,770	141	0.32
JPMorgan: BMO Merger Arbitrage Strategy - USD - Total Return Index - September 2022	12,700,644	119	0.27
JPMorgan: F&C Gear Strategy - USD - Total Return Index - April 2023	14,261,718	(61)	(0.14)
JPMorgan: JPM JMABRP10 Index - USD - Total Return Index - April 2023	15,585,928	246	0.55
<b>Portfolio of investments<sup>^</sup></b>		<b>43,846</b>	<b>99.00</b>
<b>Net other assets</b>		<b>441</b>	<b>1.00</b>
<b>Total net assets</b>		<b>44,287</b>	<b>100.00</b>

Collective Investment Schemes are regulated within the meaning of the FCA rules. Debt securities and Equity Investment Instruments are traded on a regulated market, unless otherwise stated. Derivative contracts can be Exchange Traded on a regulated market or Over the Counter (OTC).

\* Comparative figures shown in brackets relate to 30 April 2021.

\*\*Manually priced securities. See note 20.

<sup>^</sup> Including derivative liabilities.

<sup>†</sup> This investment is a related party.

Stocks shown as ADRs represent American Depositary Receipts.

## BMO Diversified Monthly Income Fund

### Material Portfolio Changes

for the year ended 30 April 2022

	Cost		Proceeds
Major purchases	£000	Major sales	£000
E-Mini Russell Growth 1000 Index Futures December 2021	2,454	UK Treasury 3.75% 07/09/2021	3,407
E-Mini Russell Growth 1000 Index Futures September 2021	2,401	E-Mini Russell Growth 1000 Index Futures December 2021	2,399
E-Mini Russell Growth 1000 Index Futures June 2021	2,164	E-Mini Russell Growth 1000 Index Futures September 2021	2,162
UK Treasury 4% 07/03/2022	2,145	UK Treasury 4% 07/03/2022	2,103
E-Mini Russell Value 1000 Index Futures December 2021	2,036	E-Mini Russell Value 1000 Index Futures December 2021	2,082
E-Mini Russell Value 1000 Index Futures June 2021	2,016	E-Mini Russell Growth 1000 Index Futures June 2021	2,062
E-Mini Russell Value 1000 Index Futures September 2021	2,011	E-Mini Russell Value 1000 Index Futures September 2021	2,043
UK Treasury 0.5% 22/07/2022	1,599	E-Mini Russell Value 1000 Index Futures June 2021	2,018
UK Treasury 3.75% 07/09/2021	1,215	MSCI World Index Futures December 2021	1,199
MSCI World Index Futures March 2022	1,200	MSCI World Index Futures September 2021	1,140

Purchases and sales of Futures have been included at the value of their exposure.

# BMO Diversified Monthly Income Fund

## Comparative Tables

as at 30 April 2022

	30/04/22 (p)	30/04/21 (p)	30/04/20 (p)
<b>Unit Class 1 - Income</b>			
<b>Change in net assets per unit</b>			
Opening net asset value per unit	12.79	11.78	13.31
Return before operating charges*	(0.08)	1.89	(0.58)
Operating charges#	(0.25)	(0.26)	(0.27)
Return after operating charges*	(0.33)	1.63	(0.85)
Distributions on income units	(0.66)	(0.62)	(0.68)
Closing net asset value per unit	11.80	12.79	11.78
*after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(2.58)%	13.84%	(6.39)%
<b>Other information</b>			
Closing net asset value (£'000)	30,542	36,009	49,050
Closing number of units	258,719,534	281,583,716	416,452,235
Operating charges#	1.99%	2.15%	2.11%
Direct transaction costs**	0.03%	0.03%	0.02%
<b>Prices</b>			
Highest unit price	12.91	12.86	13.32
Lowest unit price	11.56	11.56	9.91

\*\*Dilution adjustment has not been deducted within direct transaction costs.

#Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the unit class.



# BMO Diversified Monthly Income Fund

## Comparative Tables

(continued)

as at 30 April 2022

	30/04/22 (p)	30/04/21 (p)	30/04/20 (p)
<b>Unit Class C - Income</b>			
<b>Change in net assets per unit</b>			
Opening net asset value per unit	45.00	41.15	46.16
Return before operating charges*	(0.29)	6.62	(2.03)
Operating charges#	(0.40)	(0.47)	(0.47)
Return after operating charges*	(0.69)	6.15	(2.50)
Distributions on income units	(2.48)	(2.30)	(2.51)
Closing net asset value per unit	41.83	45.00	41.15
*after direct transaction costs of:	0.01	0.01	0.01
<b>Performance</b>			
Return after charges	(1.53)%	14.95%	(5.42)%
<b>Other information</b>			
Closing net asset value (£'000)	2,605	2,052	969
Closing number of units	6,227,817	4,561,071	2,354,571
Operating charges#	0.91%	1.10%	1.06%
Direct transaction costs**	0.03%	0.03%	0.02%
<b>Prices</b>			
Highest unit price	45.50	45.46	46.21
Lowest unit price	41.10	40.40	34.79

\*\*Dilution adjustment has not been deducted within direct transaction costs.

#Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the unit class.

# BMO Diversified Monthly Income Fund

## Comparative Tables

(continued)

as at 30 April 2022

	30/04/22 (p)	30/04/21 (p)
<b>Unit Class L - Income</b>		
<b>Change in net assets per unit</b>		
Opening net asset value per unit	54.35	50.00†
Return before operating charges*	(0.33)	6.34
Operating charges#	(0.69)	(0.50)
Return after operating charges*	(1.02)	5.84
Distributions on income units	(2.78)	(1.49)
Closing net asset value per unit	50.55	54.35
*after direct transaction costs of:	0.02	0.01
<b>Performance</b>		
Return after charges	(1.88)%	11.68%
<b>Other information</b>		
Closing net asset value (£'000)	11,140	12,678
Closing number of units	22,038,676	23,325,569
Operating charges#	1.30%	1.58%
Direct transaction costs**	0.03%	0.03%
<b>Prices</b>		
Highest unit price	54.93	54.66
Lowest unit price	49.48	49.81

†Price at launch date.

\*\*Dilution adjustment has not been deducted within direct transaction costs.

#Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the unit class.

Unit Class L Income was launched on 25 September 2020.

# BMO Diversified Monthly Income Fund

## Statement of Total Return

for the year ended 30 April 2022

	Notes	01/05/21 to 30/04/22		01/05/20 to 30/04/21	
		£000	£000	£000	£000
Income					
Net capital (losses)/gains	2		(3,161)		4,792
Revenue	3	2,825		2,819	
Expenses	4	(748)		(934)	
Interest payable and similar charges	6	(2)		-	
Net revenue before taxation		2,075		1,885	
Taxation	5	(47)		(51)	
Net revenue after taxation			2,028		1,834
<b>Total return before distributions</b>			<b>(1,133)</b>		<b>6,626</b>
Distributions	6		(2,546)		(2,470)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>(3,679)</b>		<b>4,156</b>

## Statement of Change in Net Assets Attributable to Unitholders

for the year ended 30 April 2022

	01/05/21 to 30/04/22		01/05/20 to 30/04/21	
	£000	£000	£000	£000
<b>Opening net assets attributable to unitholders</b>		<b>50,739</b>		<b>50,019</b>
Amounts receivable on creation of units	2,338		2,624	
Amounts payable on cancellation of units	(5,212)		(6,148)	
		(2,874)		(3,524)
Dilution adjustment		82		70
Change in net assets attributable to unitholders from investment activities		(3,679)		4,156
Unclaimed distributions		19		18
<b>Closing net assets attributable to unitholders</b>		<b>44,287</b>		<b>50,739</b>

Notes to the Financial Statements are on pages 27 to 41.

# BMO Diversified Monthly Income Fund

## Balance Sheet

as at 30 April 2022

	Notes	30/04/22 £000	30/04/21 £000
<b>Assets</b>			
Investments		44,258	49,031
Current assets			
Debtors	8	285	325
Cash and bank balances	9	896	2,163
<b>Total assets</b>		<b>45,439</b>	<b>51,519</b>
<b>Liabilities</b>			
Investment liabilities		(412)	(353)
Creditors			
Bank overdrafts		(3)	-
Distribution payable		(259)	(203)
Other creditors	10	(478)	(224)
<b>Total liabilities</b>		<b>(1,152)</b>	<b>(780)</b>
<b>Net assets attributable to unitholders</b>		<b>44,287</b>	<b>50,739</b>

*Notes to the Financial Statements are on pages 27 to 41.*

# BMO Diversified Monthly Income Fund

## Notes to the Financial Statements

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for the year ended 30 April 2022

### 1. Accounting and distribution policies

#### (a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with UK Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association (IMA) in May 2014.

#### (b) Revenue recognition

Dividends on equities are recognised when the security is quoted ex-dividend. Revenue from unquoted equity investments is recognised when the dividend is declared. Dividends received include any withholding taxes but exclude attributable tax credits. Dividends from UK Real Estate Investment Trusts ('REITs') are recognised as distributable revenue when the securities are quoted ex-dividend.

Dividends received from UK REITs are split into PID (Property Income Distributions) and Non-PID components for tax purposes. Revenue arising from UK REITs tax-exempt rental business is colloquially known as PID revenue and is taxable in the hands of the Fund. A UK REIT may also carry out activities that give rise to taxable profits and gains. It is from these that the REIT will make a Non-PID distribution. These are treated for tax purposes in the same way as dividends from UK companies.

Dividends received from US Real Estate Investment Trusts ("REITs") are recognised as revenue when the security is quoted ex-dividend. An assessment of capital/income split is performed, based on prior year dividend announcement for each security. The capital element of the dividend is reallocated to the capital of the fund. Subsequently, when the capital/income split is announced for the dividend a final assessment is performed to determine the correct distribution to unitholders.

Distributions from collective investment schemes are recognised when the security is quoted ex-dividend. Equalisation on distributions received is deducted from the cost of the investment. Distributions on investments in accumulation units are recognised gross in the Statement of Total Return, with a transfer being made from the capital property to the revenue property of the Fund.

Interest on debt securities comprises the coupon interest and the difference between the purchase price and the expected maturity price spread over its expected remaining life. This is treated as revenue with the difference adjusting the cost of the units and treated as capital.

The Fund receives ACD fee rebates on their holdings internal collective investment schemes. This ACD fee rebate is accrued within the Fund on a daily basis in line with the agreements held, and is recognised within the Fund as either revenue or capital, in line with where the ACD fee was paid from within the underlying fund.

Derivative premium revenue where the contract is written out of the money is accrued onto the Fund on a daily basis over the lifetime of the derivative contract unless it is exercised early in which case the remainder will also be taken to revenue.

Other revenue, including interest on bank balances, is accounted for on an accruals basis.

#### (c) Interest on debt securities bought or sold

Interest on debt securities bought or sold is excluded from the capital cost of securities, and is dealt with as part of the revenue of the Fund.

#### (d) Treatment of stock dividends

The ordinary element of stock dividends is treated as revenue and therefore forms part of the distribution. Any enhancement above the cash dividend is treated as capital, and taken to net capital gains/(losses).

#### (e) Treatment of special dividends

Special dividends may be treated as repayments of capital or as revenue dependent on the facts of the particular case.

#### (f) Basis of valuation of investments

The investments have been valued at Market Value at 12pm on 29 April 2022, which is the last trading day of the financial year. Market value is defined by the IMA SORP 2014 as fair value which generally is bid value of each security, excluding any accrued interest in the case of fixed and floating rate securities.

For exchange traded Futures and Options the fair value is the cost of closing out the contract at the balance sheet date. All unquoted securities and Over-The-Counter derivative positions are valued at the Broker's valuation, calculated by applying current market information to pricing or valuation models.

#### (g) Deferred taxation

Deferred tax is provided on all timing differences that have originated but not reversed by the balance sheet date other than those differences regarded as permanent. Any liability to deferred tax is provided at the average rate of tax expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

Deferred tax assets are recognised only to the extent that it is more likely than not that there will be taxable profits from which underlying timing differences can be deducted.

for the year ended 30 April 2022

### 1. Accounting and distribution policies (continued)

#### (h) Current taxation

The charge for taxation is based at the current rate on taxable revenue for the period less allowable expenses. UK dividend income is disclosed net of any related tax credit. Overseas dividends are disclosed gross of any foreign tax suffered, with the tax element being separately disclosed in the taxation note.

#### (i) Distribution policy

The revenue on income units is distributed to unitholders monthly on the 28th of each month. The Fund satisfied the qualifying investments test of Section 19 The Authorised Investment Funds (Tax) Regulations 2006 (S2006/964) throughout the period. All distributions made are therefore made as interest distributions.

#### (j) Manager's charge

The Manager's periodic charge is charged to the revenue property of the Fund.

#### (k) Expenses

Other expenses are recognised on an accruals basis and are charged to the revenue property of the Fund with the exception of the expenses, such as transaction charges, which relate to the purchases and sales of investments. These are charged to capital.

#### (l) Exchange rates

Transactions in overseas currencies are translated to Sterling at the rates of exchange ruling on the day of any such transaction. Foreign currency balances are converted to Sterling at the exchange rates applicable at the end of the accounting period.

#### (m) Derivative contracts

Derivative contracts are shown in the portfolio statement at market value. The exposure to the open position on these contracts is shown in the balance sheet as open derivatives commitment and the resulting profit or loss is reflected in the net capital gains/(losses). The margins paid on these contracts are included in the amounts held at derivative clearing houses and brokers.

Open Over-The-Counter derivative contracts are shown in the Portfolio Statement at fair value per the counterparty which is independently verified by the Investment Adviser. The net gains/ (losses) are reflected within Derivative contracts in the Net capital gains/(losses) note.

#### (n) Dilution adjustment

All client transactions into and out of a Fund may result in the Investment Adviser buying or selling the underlying investments of the Fund, thereby attracting dealing costs which would otherwise be borne by the Fund's current investors.

As a result, long-term investors could be adversely affected by other investors trading in and out of the Fund. This effect is known as dilution. However, an adjustment to the NAV can be made if the Fund experiences net subscriptions or redemptions on a particular dealing day, to reduce the impact of dilution costs. This adjustment is called swing pricing. This is a technique which reduces the impact of dilution and helps to protect existing investors. It aims to ensure that investors subscribing or redeeming from a Fund bear the trading costs, i.e. the underlying bid/offer spreads and transaction costs.

The extent to which prices are swung is based on an estimated dealing cost made up of a number of elements, including bid-offer spreads, commissions and other transaction costs. Commissions and other costs (e.g. transaction tax) will be based on an historic analysis of actual trades. The estimated rates are reviewed and updated periodically.

#### (o) Gains and losses on investments

Gains and losses on investments held by the Fund, including future, option and swap contracts and structured Bonds, are taken to the capital account.

## Notes to the Financial Statements

(continued)

for the year ended 30 April 2022

**2. Net capital (losses)/gains**

The net capital (losses)/gains during the year comprise:

	01/05/21 to 30/04/22	01/05/20 to 30/04/21
	£000	£000
Non-derivative securities	435	4,326
Derivative contracts	(3,177)	(1,022)
Forward foreign exchange currency contracts	(559)	1,511
Currency gains	150	1
Rebate of capital management fees from underlying investments	3	-
Handling charges	(13)	(24)
Net capital (losses)/gains	(3,161)	4,792

**3. Revenue**

	01/05/21 to 30/04/22	01/05/20 to 30/04/21
	£000	£000
UK dividends	69	62
Overseas taxable revenue	5	(1)
Overseas non-taxable revenue	469	538
Property revenue from UK REITs - PID	47	42
Property revenue from UK REITs - Non PID	13	17
Property revenue from taxable overseas REITs	19	(1)
Distributions from Regulated Collective Investment Schemes:		
Franked investment income	35	2
Unfranked investment income	37	3
Interest distributions	97	161
Offshore distribution non-taxable	108	-
Interest on capital	-	2
Interest on debt securities	409	406
Derivative premiums	1,499	1,569
Rebate of revenue management fees from underlying investments	18	20
Broker interest	-	(1)
Total revenue	2,825	2,819

## Notes to the Financial Statements

(continued)

for the year ended 30 April 2022

## 4. Expenses

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
<b>Payable to the Manager, associates of the Manager, and agents of either of them:</b>		
Manager's periodic charge	517	685
Manager's expense rebate*	(7)	-
	<u>510</u>	<u>685</u>
<b>Payable to the Trustee, associates of the Trustee, and agents of either of them:</b>		
Depositary's fee	10	10
Safe custody fees	1	2
	<u>11</u>	<u>12</u>
<b>Other expenses:</b>		
Accounting & administration fees	3	2
Audit fee	37	37
Fees paid to PricewaterhouseCoopers LLP for non-audit services**	2	-
Out of pocket expenses	1	-
Registrar's fees	184	198
	<u>227</u>	<u>237</u>
<b>Total expenses</b>	<u><u>748</u></u>	<u><u>934</u></u>

Expenses include irrecoverable VAT where applicable.

\*This relates to a rebate paid by the Manager in order to maintain the Fund's Ongoing Charges Figure at a level considered appropriate by the Manager.

\*\*Fee paid during the year in relation to preparation and submission of German tax certificates, exclusive of VAT, is £1,707.

The PwC audit fee for the year, exclusive of VAT, is £31,000 (30/04/21: £31,000).



## Notes to the Financial Statements

(continued)

for the year ended 30 April 2022

## 5. Taxation

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
(a) Analysis of charge in year:		
Corporation tax	10	9
Irrecoverable overseas tax	37	42
Total tax charge for the year (note 5b)	47	51

## (b) Factors affecting current tax charge for the year:

The tax assessed for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK for an Authorised Unit Trust. The differences are explained below:

Net revenue before taxation	2,075	1,885
Corporation tax of 20% (2021: 20%)	415	377
Effects of:		
UK dividends*	(21)	(13)
Other non-taxable revenue*	(115)	(107)
Irrecoverable overseas tax	37	42
Tax deductible interest distributions	(267)	(245)
Property revenue from UK REITs - Non PID	(3)	(3)
Rebated capital expenses deductible for tax purposes	1	-
Total tax charge for the year (note 5a)	47	51

\*As an Authorised Unit Trust these items are not subject to corporation tax. UK dividends comprises effects of UK dividends and franked investment income.

Authorised Unit Trusts are exempt from tax on capital gains, subject to certain exceptions. Therefore, any capital return is not included within the above reconciliation.

## (c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

## 6. Finance costs

## Distributions and interest

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units, and comprise:

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Interim gross interest allocations	2,281	2,259
Final gross interest allocations	259	203
	2,540	2,462
Add: Revenue deducted on cancellation of units	19	20
Deduct: Revenue received on creation of units	(13)	(12)
Net distributions for the year	2,546	2,470
Bank interest	2	-
Total finance costs	2,548	2,470

Details of the distributions per unit are set out in the Distribution Tables on pages 42 to 44.

# BMO Diversified Monthly Income Fund

## Notes to the Financial Statements

(continued)

for the year ended 30 April 2022

### 7. Movement between net revenue and net distributions

	01/05/21 to 30/04/22 £000	01/05/20 to 30/04/21 £000
Net revenue after taxation	2,028	1,834
Manager's periodic charge taken to capital	517	685
Net revenue received/(deducted) on unit class conversions	1	(49)
Net distributions for the year	2,546	2,470

### 8. Debtors

	30/04/22 £000	30/04/21 £000
Sales awaiting settlement	-	57
Amounts receivable for issue of units	68	73
Accrued revenue	198	191
Accrued Manager fee rebates	3	1
Accrued Manager expense rebate	7	-
Income tax recoverable	7	1
Overseas tax recoverable	2	2
Total debtors	285	325

### 9. Cash and bank balances

	30/04/22 £000	30/04/21 £000
Cash and bank balances	735	1,817
Amounts held at futures clearing houses and brokers	161	346
Total cash and bank balances	896	2,163

### 10. Other creditors

	30/04/22 £000	30/04/21 £000
Purchases awaiting settlement	283	-
Amounts payable for cancellation of units	70	103
Accrued expenses	78	60
Accrued Manager's periodic charge	38	53
Corporation tax payable	9	8
Total other creditors	478	224

## Notes to the Financial Statements

(continued)

for the year ended 30 April 2022

## 11. Portfolio transaction costs

	Purchases		Sales	
	01/05/21 to 30/04/22	01/05/20 to 30/04/21	01/05/21 to 30/04/22	01/05/20 to 30/04/21
	£000	£000	£000	£000
Equities	9,468	14,455	12,852	16,721
Bonds	11,367	12,605	12,759	11,996
Collective Investment Schemes	-	2,005	-	2,242
Trades in the year before transaction costs	20,835	29,065	25,611	30,959
<b>Commissions</b>				
Equities	2	3	(2)	(3)
Bonds	-	-	-	-
Collective Investment Schemes	-	-	-	-
Total commissions	2	3	(2)	(3)
<b>Taxes</b>				
Equities	6	5	(4)	(3)
Bonds	-	-	-	-
Collective Investment Schemes	-	-	-	-
Total taxes	6	5	(4)	(3)
Total costs	8	8	(6)	(6)
<b>Total net trades in the year after transaction costs</b>	<b>20,843</b>	<b>29,073</b>	<b>25,605</b>	<b>30,953</b>

Derivatives have incurred broker commissions of £nil (30/04/21: £nil) and taxes of £nil (30/04/21: £nil).

Total transaction cost expressed as a percentage of asset type cost.

	Purchases		Sales	
	01/05/21 to 30/04/22	01/05/20 to 30/04/21	01/05/21 to 30/04/22	01/05/20 to 30/04/21
	%	%	%	%
<b>Commissions</b>				
Equities	0.02	0.02	0.02	0.02
Bonds	-	-	-	-
Collective Investment Schemes	-	-	-	-
<b>Taxes</b>				
Equities	0.06	0.03	0.03	0.02
Bonds	-	-	-	-
Collective Investment Schemes	-	-	-	-

Total transaction cost expressed as a percentage of average net asset value.

	01/05/21 to 30/04/22	01/05/20 to 30/04/21
	%	%
Commissions	0.01	0.02
Taxes	0.02	0.01
Total costs	0.03	0.03

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.35% (30/04/21: 0.26%).

for the year ended 30 April 2022

## 12. Related party transactions

BMO Fund Management Limited, as The Manager of BMO Diversified Monthly Income Fund, is a related party, and acts as principal in respect of all transactions of units in the Scheme. Management fees paid to the Manager are shown in note 4 and details of units created and cancelled by the Manager are shown in the Statement of Change in Net Assets Attributable to Unitholders. The amount outstanding at the balance sheet date due to the Manager (including amounts due to associates and agents) was £39,853 (30/04/21: £82,531).

Trustee fees and other expenses paid to the Trustee are shown in note 4. The amount outstanding at the balance sheet date due to the Trustee (including amounts due to associates and agents) was £1,494 (30/04/21: £1,712).

Neither the Manager nor the Trustee entered into any other transactions with the Fund during the year.

Investments considered to be related parties have been identified in the portfolio statement if held at the year end. The revenue from these investments was £227,284 (30/04/21: £165,516). The value of these investments held was £4,705,805 (30/04/21: £4,990,627).

## 13. Shareholders' funds

The Fund has three unit classes in issue: Class 1, Class C and Class L.

The Manager's periodic charge on each unit class is as follows:

	%
Unit Class 1 - Income:	1.30
Unit Class C - Income:	0.55
Unit Class L - Income:	0.55

The net asset value of each unit class, the net asset value per unit and the number of units in each unit class are given in the Comparative Tables on pages 22 to 24.

The distributions per unit class are given in the Distribution Tables on pages 42 to 44.

All unit classes have the same rights on winding up.

Reconciliation of the units movement in the year:

	01/05/21				30/04/22
	Opening units in issue	Creations	Cancellations	Units converted	Closing units in issue
Unit Class 1 - Income:	281,583,716	6,537,837	(25,560,393)	(3,841,626)	258,719,534
Unit Class C - Income:	4,561,071	2,747,362	(1,288,774)	208,158	6,227,817
Unit Class L - Income:	23,325,569	756,480	(2,768,841)	725,468	22,038,676

## 14. Capital commitments and contingent liabilities

On 30 April 2022, the Fund had no capital commitments (30/04/21: £nil) and no contingent liabilities (30/04/21: £nil).

## 15. Ultimate controlling party

BMO Diversified Monthly Income Fund is an Authorised Unit Trust and consequently the Manager, BMO Fund Management Limited and State Street Trustees Limited, acting in concert, are considered to be the ultimate controlling party of the BMO Diversified Monthly Income Fund.

## 16. Equalisation

This applies only to units purchased during the distribution period (Group 2 units). It is the average amount of income included in the purchase price of all Group 2 units and is refunded to the holders of these units as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

for the year ended 30 April 2022

**17. Fund Risk Profile**

The portfolio does and historically has contained risk from a variety of sources. The major sources of risk in the Fund are:

- Equity exposure with a heavy bias to the components of the FTSE 100 Index.
- Government and high quality corporate bonds exposure with maturities generally under five years.
- A derivatives overlay which primarily uses equity derivatives with developed market underlyings, and uses both exchange traded (ETD) and OTC derivatives.

Risk Management procedures are performed at both a security and portfolio level to ensure that the total exposure of the Fund is consistent with its objectives and a reasonable level of prudence. The actual value at risk is dependent upon the factors referred to above and the current level of the market.

***Derivative overlay***

The Fund employs derivatives within a number of its sub-strategies; Tactical Asset Allocation, Risk Mitigation, Alternative Beta.

**Tactical Asset Allocation**

Tactical investment decisions typically have an investment horizon of one to six months and may involve allocating across but also within asset classes. Typically this is implemented using index futures, price return swaps, total return swaps and options, both ETD, and OTC.

**Risk Mitigation**

From time to time the Fund will purchase options both on equity indices but also on volatility indices in order to protect the assets of the Fund against a significant fall in the markets. These options are typically ETD but may be OTC.

**Alternative Beta**

The Fund seeks to diversify across asset class, sources of risk and return generating 'alpha' strategies. Alternative Beta are sources of return that can be gained by taking a concentrated exposure to particular sources of risk. This exposure is typically achieved via the use of derivatives, but may also only be achievable by using derivatives.

**(i) Volatility**

The Fund uses equity index futures and options to gain exposure to the difference between implied and realised volatility. The strategy typically involves selling out-of-the money options and hedging the resulting directional risk using index futures. The end result is to have a return that is a function of the difference between implied and realised volatility. The same strategy is also applied within the fixed income markets, again hoping to benefit from the demand and supply imbalance that results in implied volatility typically being above subsequent realised volatility.

From time to time the Fund may employ OTC contracts such as variance swaps and options on variance to gain a similar exposure.

The Fund also uses ETD and OTC options on single equities to gain long/short exposure to the volatility of the equity in question.

The volatility strategy has the benefit of generating income for the Fund as the premium from any option that is out-of-the-money at the time of its sale (short) is treated, for accountancy purposes, as income.

**(ii) Dividends**

An important risk in the world of equity derivatives is that of future index dividend flows. The healthy structured product market, particularly within Europe, results in a number of interesting risks that are typically held by investment banks on their trading books. Longer dated equity options have a significant dividend risk associated with them and this risk is then sold by the issuing bank into the derivative market. The impact of this excess of supply is that future dividends are able to be bought at a significant discount to the level of dividends actually paid by companies. This activity is enacted using ETD dividend futures, ETD & OTC options and OTC dividend swaps (a form of contract-for-difference).

**(iii) Risk Premia**

The Fund uses OTC total return swaps on equity indices to gain exposure to a range of different risk premia that exist in a number of asset classes. The most commonly recognised would be in the equity markets where it is possible to construct indices on a basket of long and short equities that result in that index having a very focused exposure to a specific equity feature e.g. value, growth, size, momentum etc.

for the year ended 30 April 2022

**17. Fund Risk Profile (continued)****Instruments Traded**

Options - The Fund primarily sells out of the money and at the money options for the purpose of generating premium income, however the risk is often mitigated (capped) by buying a further out of the money and cheaper option to form either a call spread or a put spread. The Fund may also buy options for capital gain.

Futures - Used for hedging option exposures (Delta).

Variance Swaps and Options on Variance Swaps - Taking positions on equity and equity index volatility.

Correlation and Dispersion Swaps - Taking positions on equity index correlation.

Dividend Swaps and Options on Dividend Swaps - Taking positions on equity index dividends.

Price Return Swaps - Taking positions on equity and equity index volatility.

Total Return Swaps - Taking positions on equity and equity index volatility.

Apart from the option selling, the other derivative trading is done for the purposes of capital gain. The Fund's option selling effectively allows the Fund to generate higher income at the expense of a reduced potential for capital gain. Most of the options the Fund writes are as part of a spread which put a cap on potential losses but the few that are not in a spread, the delta exposure is measured, monitored and hedged, therefore controlling and limiting the losses, often it is just the option premium that is lost.

**Risk Management of Derivative Exposures**

As summarised earlier in this note, the Fund is exposed to a number of different risks and the management of those risks is part of the Manager's responsibilities. As part of this, the Manager has an Investment Risk Oversight function that provides independent oversight and challenge of the positioning of the portfolios and the risks therein. Risk profiles, sensitivities and exposures are reviewed with the management teams monthly. Additionally, the Performance Review & Risk Oversight Committee provides formal oversight of both risk and performance issues on a monthly basis.

**18. Financial instruments*****Market price risk***

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements.

The Fund Manager monitors on a daily basis the asset allocation of the portfolio in order to minimise the risk associated with particular countries and industry sectors whilst continuing to follow the investment objective. An individual Fund manager has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameter and seeks to ensure that individual stocks also meet the risk reward profile that is acceptable.

***Foreign currency risk***

The revenue and capital value of the Fund's investments can be significantly affected by currency translation movements as some of the Fund's assets and revenue are denominated in currencies other than Sterling which is the Fund's functional currency.

The Manager has identified three principal areas where foreign currency risk could impact the Fund:

- Movements in rates affect the value of investments;
- Movements in rates affect short term timing differences; and
- Movements in rates affect the revenue received.

Currency exposure is monitored closely and is considered to be part of the overall investment process. Currency hedges via forward exchange contracts or futures will only be used in the event of a specific currency risk being identified.

The Fund may be subject to short-term exposure to exchange rate movements, for instance, where there is a difference between the date an investment purchase or sale is entered into and the date when settlement of the proceeds occurs. The Manager may elect to hedge against this risk.

The Manager receives revenue in currencies other than Sterling and the Sterling values of this revenue can be affected by movements in exchange rates. The Manager may elect to hedge against this risk.

Where a Fund enters into a forward foreign exchange contract to hedge against interest rate movements the difference between the spot and forward contract rate, when the contract is first acquired, is recognised as revenue over the duration of the contract.

for the year ended 30 April 2022

## 18. Financial instruments (continued)

### *Liquidity risk*

The primary source of this risk to the Fund is the liability to unitholders for any cancellation of units. The Fund's assets comprise mainly of readily realisable securities. If insufficient cash is available to finance unitholder redemptions then securities held by the Fund may need to be sold.

The risk of low market liquidity, through reduced trading volumes, may affect the ability of the Fund to trade financial instruments at values indicated by market data vendors. From time to time, liquidity may also be affected by stock specific or economic events.

To manage these risks the Investment Manager undertakes detailed research to select appropriate investment opportunities in line with the Fund's objectives. All stocks are valued daily but those stocks identified as being less liquid are reviewed on a regular basis for pricing accuracy.

### *Interest rate risk*

The Fund invests in a mix of equities, fixed and floating rate securities. Any change to the interest rates relevant for particular securities may result in either revenue increasing or decreasing or the Manager being unable to secure similar returns on the expiry of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held.

In general, if interest rates rise, the revenue potential of the Fund also rises, but the value of fixed rate securities will decline. A decline in interest rates will generally have the opposite effect.

The interest rate risk is managed by matching the target monthly revenue distributions of the Fund to short-term interest rates. The yield is calculated at 2% above short-term interest rates, by reference to the offer price of the Fund at the beginning of each quarter.

### *Credit risk*

The Fund invests in bonds issued by a number of companies.

If any individual company fails to perform well, the credit rating of the company may well fall and the bonds would fall in price. All investments are monitored internally and externally by a number of different agencies and assigned ratings, which often change over time. The Fund closely monitors the ratings of the bonds within the portfolio.

### *Default risk*

The Fund invests in bonds that are at risk of default at any time.

Bond defaults may be characterised by any missed or delayed payment of interest or principal, bankruptcy or breach of certain financial covenants that may render them financially distressed. This risk is minimised by regularly monitoring the bonds internally and externally through the ratings agencies.

### *Derivatives risk*

The Fund may use derivative instruments for the purposes of investment as well as efficient portfolio management.

The underlying exposure relating to derivatives are shown in the portfolio statement of the Fund on pages 14 to 20. Details of the derivatives risk are shown in note 17.

The counterparties for these transactions were Citigroup, Goldman Sachs International and JP Morgan Securities (30/04/21: Goldman Sachs International, JP Morgan Securities and Merrill Lynch).

## Notes to the Financial Statements

(continued)

for the year ended 30 April 2022

## 18. Financial instruments (continued)

*Other risk*

Certain transactions in securities that the Fund enters into expose it to the risk that the counter-party will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities.

The Fund mainly deals, however, on a 'delivery versus payment' basis which reduces counter-party risk. The Fund only buys and sells investments through brokers which have been approved by the Manager as an acceptable counter-party. In addition, limits are set as to the maximum exposure to any individual broker that may exist at any time; these limits are reviewed quarterly.

The Fund may use derivatives for the purpose of efficient portfolio management and/or meeting its investment objective. Such use is not expected to have a detrimental effect on the risk profile of the Fund.

The Fund does not engage in Securities Lending, another form of efficient portfolio management.

As at 30 April 2022 the Financial Derivative Instrument Exposure is 9.47% NAV (30/04/21: 9.47%).

Collateral held by counterparties is as following:

	30/04/22	30/04/21
Counterparty	£000	£000
Citigroup	299	-
JP Morgan Securities	-	540
Total	299	540

This collateral was held in the form of bonds £299k (30/04/21: cash £540k)

*Currency exposure*

A proportion of the financial net assets of the Fund are denominated in currencies other than Sterling with the effect that the balance sheet and total return can be affected by currency movements.

The Fund holds an insignificant Australian dollar, Canadian dollar, Danish krone, Euro, Hong Kong dollar, Japanese yen, Mexican peso, South African rand, Swiss franc, Taiwanese dollar, Turkish lira and US dollar currency exposure at 30 April 2022 therefore a currency table has not been disclosed.



## Notes to the Financial Statements

(continued)

for the year ended 30 April 2022

## 18. Financial instruments (continued)

*Interest rate risk profile of financial assets and liabilities*

The interest rate risk profiles of the Fund's financial assets and liabilities at 30 April were:

Currency	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
<b>30/04/22</b>				
Sterling	2,703	7,960	24,770	35,433
Australian dollar	-	-	239	239
Canadian dollar	-	-	110	110
Euro	347	6,732	(6,529)	550
Hong Kong dollar	-	-	351	351
Japanese yen	-	-	1,056	1,056
Mexican peso	-	-	29	29
South African rand	-	-	68	68
Swiss franc	-	-	184	184
Taiwanese dollar	-	-	81	81
Turkish lira	-	-	148	148
US dollar	595	6,379	(936)	6,038
<b>Total</b>	<b>3,645</b>	<b>21,071</b>	<b>19,571</b>	<b>44,287</b>
<b>30/04/21</b>				
Sterling	3,859	8,023	28,939	40,821
Australian dollar	-	-	269	269
Canadian dollar	-	-	253	253
Danish krone	-	-	241	241
Euro	464	7,458	(8,644)	(722)
Hong Kong dollar	-	-	670	670
Japanese yen	-	-	1,105	1,105
Swiss franc	-	-	69	69
Taiwanese dollar	-	-	492	492
US dollar	949	7,308	(716)	7,541
<b>Total</b>	<b>5,272</b>	<b>22,789</b>	<b>22,678</b>	<b>50,739</b>

The Fund's net cash holding of £0.893m (30/04/21: holding £2.163m) is held in a floating rate deposit account. Interest is earned by to overnight benchmark rates for the following currencies : GBP (SONIA), USD (EFFR), EUR (€STR), CHF (SARON), and JPY (TONAR). For all other currencies interest is earned by reference to their international benchmark equivalents.

The Fund receives revenue from holdings in equities and fixed interest investments. The cash flow from these investments may fluctuate depending upon the particular decisions made by each company. Given that the Fund's objective is to seek capital growth, these cash flows are considered to be of secondary importance and are not actively managed.

*Maturity of financial liabilities*

The financial liabilities of the Fund as at 30 April 2022 are payable either within one year or on demand, as were the financial liabilities of the previous year ended 30 April 2021.

*Fair values of financial assets and liabilities*

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet and their fair value.

## Notes to the Financial Statements

(continued)

for the year ended 30 April 2022

**19. Value at Risk (VaR)**

The Investment Advisor uses derivative contracts comprising futures, options and forward currency contracts to manage the currency and market risks arising from the Fund's investment activities and to add additional returns. As at 29 April 2022, the Fund's net economic exposure to equity (primarily UK equities) was 39.46% (30/04/21: 39.17%). Had the derivative overlay not been in place, the equity exposure would have been 39.27% (30/04/21: 39.04%). Economic exposure to equity is calculated as the market value of underlying equities and the prevailing equity-equivalent of derivatives.

Derivative contracts form an integral part of the structure of the Fund. In order to generate additional income, the Fund sells equity index put and call options. To control the resultant equity exposure, the Fund buys and sells equity futures. Equity derivatives contracts are also employed by the Fund to add additional value to the Fund.

Based on the equity exposure in the Fund as at 29 April 2022, a 10% decline in the market price of underlying equities held by the Fund would result in a Fund decline of 15.63%. As at 30/4/21, a 10% decline in equities would have resulted in a 12.92% fall in the value of the Fund.

A 10% increase in the market price of underlying equities held by the Fund would result in an increase in the Fund value of 15.63%. As at 30/4/21 a 10% increase in equities would have resulted in a 12.87% increase in the value of the Fund.

By way of comparison, the average absolute daily percentage change in UK FTSE 100 Index for the 12 month period ending 29 April 2022 was 0.63% (30/04/21: 1.30%).

The VaR measure for the Fund is calculated using Historical Simulation.

Actual market value outcomes will be compared to VaR estimates on a routine basis ("back testing") to ensure to on-going accuracy and adequacy of the VaR model. This process provides an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. The VaR is calculated on a 99% confidence level with a 20 day horizon & 250 days of history. As at 29 April 2022 the VaR was 3.66% (30/04/21: 11.26%), representing a 1% probability that the NAV could suffer a monthly fall of 3.66% (30/04/21: 11.26%), or greater over the upcoming month.

**20. Manually priced securities**

The following security prices were not readily available through published sources, and as such required to be manually calculated or had to be sourced from a third party.

Security name	Price	Price Source	Method of valuation
Gazprom ADR	£nil	AFM	Stock valued at zero due to international sanctions over Russia.

**21. Non Adjusting Post Balance Sheet Event**

The Fund changed name from BMO Diversified Monthly Income Fund to CT Diversified Monthly Income Fund on 4 July 2022.

**22. Fair value**

For financial instruments held at fair value in the balance sheet, the Fund is required to disclose for each class of financial instrument, an analysis of the level in the fair value hierarchy (as set out in FRS 102 paragraph 11.27) into which the fair value measurements are categorised. The three levels of the fair value hierarchy under FRS 102 are as follows:

Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date;

Level 2 Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly;

Level 3 Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Valuation technique	30/04/22		30/04/21	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	16,489	(69)	19,740	(280)
Level 2	27,769	(343)	29,291	(73)
Level 3*	-	-	-	-
Total fair value	44,258	(412)	49,031	(353)

\*The level 3 holding is Gazprom ADR (30/04/21: none).

## Notes to the Financial Statements

(continued)

for the year ended 30 April 2022

## 23. Summary of portfolio by credit ratings

	30/04/22		30/04/21	
	Market Value £000	Total Net Assets %	Market Value £000	Total Net Assets %
<b>Rating block</b>				
Investment grade (AAA to BBB-)	20,691	46.74	22,105	43.55
Non-Investment grade (BB+ to B+)	3,131	7.05	3,793	7.48
<b>Total bonds</b>	<b>23,822</b>	<b>53.79</b>	<b>25,898</b>	<b>51.03</b>
<b>Other*</b>	<b>20,465</b>	<b>46.21</b>	<b>24,841</b>	<b>48.97</b>
<b>Total net assets</b>	<b>44,287</b>	<b>100.00</b>	<b>50,739</b>	<b>100.00</b>

\*Other were restated from £16,327,000 to £24,841,000, movement of £8,514,000, due to amendment in prior year disclosure to exclude equities from Unrated within the Rating block and present them consistently between accounting periods.

# BMO Diversified Monthly Income Fund

## Distribution Tables

for the year ended 30 April 2022

### Distribution in pence per unit

#### Unit Class 1 - Income

31/05/21: Group 1: Units purchased prior to 1 May 2021  
 30/06/21: Group 1: Units purchased prior to 1 June 2021  
 31/07/21: Group 1: Units purchased prior to 1 July 2021  
 31/08/21: Group 1: Units purchased prior to 1 August 2021  
 30/09/21: Group 1: Units purchased prior to 1 September 2021  
 31/10/21: Group 1: Units purchased prior to 1 October 2021  
 30/11/21: Group 1: Units purchased prior to 1 November 2021  
 31/12/21: Group 1: Units purchased prior to 1 December 2021  
 31/01/22: Group 1: Units purchased prior to 1 January 2022  
 28/02/22: Group 1: Units purchased prior to 1 February 2022  
 31/03/22: Group 1: Units purchased prior to 1 March 2022  
 30/04/22: Group 1: Units purchased prior to 1 April 2022

Group 2: Units purchased from 1 May 2021 to 31 May 2021  
 Group 2: Units purchased from 1 June 2021 to 30 June 2021  
 Group 2: Units purchased from 1 July 2021 to 31 July 2021  
 Group 2: Units purchased from 1 August 2021 to 31 August 2021  
 Group 2: Units purchased from 1 September 2021 to 30 September 2021  
 Group 2: Units purchased from 1 October 2021 to 31 October 2021  
 Group 2: Units purchased from 1 November 2021 to 30 November 2021  
 Group 2: Units purchased from 1 December 2021 to 31 December 2021  
 Group 2: Units purchased from 1 January 2022 to 31 January 2022  
 Group 2: Units purchased from 1 February 2022 to 28 February 2022  
 Group 2: Units purchased from 1 March 2022 to 31 March 2022  
 Group 2: Units purchased from 1 April 2022 to 30 April 2022

	Net revenue (p)	Equalisation (p)	Distributions paid/payable to 27/05/22 (p)	Distributions paid to 28/05/21 (p)
Group 1				
31/05/21	0.0551	-	0.0551	0.0494
30/06/21	0.0551	-	0.0551	0.0494
31/07/21	0.0562	-	0.0562	0.0522
31/08/21	0.0562	-	0.0562	0.0522
30/09/21	0.0562	-	0.0562	0.0522
31/10/21	0.0434	-	0.0434	0.0522
30/11/21	0.0550	-	0.0550	0.0522
31/12/21	0.0550	-	0.0550	0.0522
31/01/22	0.0549	-	0.0549	0.0541
28/02/22	0.0549	-	0.0549	0.0541
31/03/22	0.0549	-	0.0549	0.0465
Final	0.0627	-	0.0627	0.0491
Group 2	(p)	(p)	(p)	(p)
31/05/21	-	0.0551	0.0551	0.0494
30/06/21	0.0066	0.0485	0.0551	0.0494
31/07/21	0.0178	0.0384	0.0562	0.0522
31/08/21	0.0087	0.0475	0.0562	0.0522
30/09/21	0.0017	0.0545	0.0562	0.0522
31/10/21	0.0022	0.0412	0.0434	0.0522
30/11/21	-	0.0550	0.0550	0.0522
31/12/21	-	0.0550	0.0550	0.0522
31/01/22	-	0.0549	0.0549	0.0541
28/02/22	-	0.0549	0.0549	0.0541
31/03/22	-	0.0549	0.0549	0.0465
Final	0.0064	0.0563	0.0627	0.0491

# BMO Diversified Monthly Income Fund

## Distribution Tables

(continued)

for the year ended 30 April 2022

### Unit Class C - Income

31/05/21: Group 1: Units purchased prior to 1 May 2021  
 30/06/21: Group 1: Units purchased prior to 1 June 2021  
 31/07/21: Group 1: Units purchased prior to 1 July 2021  
 31/08/21: Group 1: Units purchased prior to 1 August 2021  
 30/09/21: Group 1: Units purchased prior to 1 September 2021  
 31/10/21: Group 1: Units purchased prior to 1 October 2021  
 30/11/21: Group 1: Units purchased prior to 1 November 2021  
 31/12/21: Group 1: Units purchased prior to 1 December 2021  
 31/01/22: Group 1: Units purchased prior to 1 January 2022  
 28/02/22: Group 1: Units purchased prior to 1 February 2022  
 31/03/22: Group 1: Units purchased prior to 1 March 2022  
 30/04/22: Group 1: Units purchased prior to 1 April 2022

Group 2: Units purchased from 1 May 2021 to 31 May 2021  
 Group 2: Units purchased from 1 June 2021 to 30 June 2021  
 Group 2: Units purchased from 1 July 2021 to 31 July 2021  
 Group 2: Units purchased from 1 August 2021 to 31 August 2021  
 Group 2: Units purchased from 1 September 2021 to 30 September 2021  
 Group 2: Units purchased from 1 October 2021 to 31 October 2021  
 Group 2: Units purchased from 1 November 2021 to 30 November 2021  
 Group 2: Units purchased from 1 December 2021 to 31 December 2021  
 Group 2: Units purchased from 1 January 2022 to 31 January 2022  
 Group 2: Units purchased from 1 February 2022 to 28 February 2022  
 Group 2: Units purchased from 1 March 2022 to 31 March 2022  
 Group 2: Units purchased from 1 April 2022 to 30 April 2022

	Net revenue (p)	Equalisation (p)	Distributions paid/payable to 27/05/22 (p)	Distributions paid to 28/05/21 (p)
Group 1				
31/05/21	0.1853	-	0.1853	0.1652
30/06/21	0.1853	-	0.1853	0.1652
31/07/21	0.1886	-	0.1886	0.1741
31/08/21	0.1886	-	0.1886	0.1741
30/09/21	0.1886	-	0.1886	0.1741
31/10/21	0.1852	-	0.1852	0.1741
30/11/21	0.1852	-	0.1852	0.1758
31/12/21	0.1852	-	0.1852	0.1758
31/01/22	0.1855	-	0.1855	0.1815
28/02/22	0.1855	-	0.1855	0.1815
31/03/22	0.1855	-	0.1855	0.1815
Final	0.4303	-	0.4303	0.3770
Group 2	(p)	(p)	(p)	(p)
31/05/21	0.0227	0.1626	0.1853	0.1652
30/06/21	0.0192	0.1661	0.1853	0.1652
31/07/21	0.0473	0.1413	0.1886	0.1741
31/08/21	0.0047	0.1839	0.1886	0.1741
30/09/21	-	0.1886	0.1886	0.1741
31/10/21	-	0.1852	0.1852	0.1741
30/11/21	-	0.1852	0.1852	0.1758
31/12/21	-	0.1852	0.1852	0.1758
31/01/22	-	0.1855	0.1855	0.1815
28/02/22	-	0.1855	0.1855	0.1815
31/03/22	-	0.1855	0.1855	0.1815
Final	0.0812	0.3491	0.4303	0.3770

# BMO Diversified Monthly Income Fund

## Distribution Tables

(continued)

for the year ended 30 April 2022

### Unit Class L - Income

31/05/21: Group 1: Units purchased prior to 1 May 2021  
 30/06/21: Group 1: Units purchased prior to 1 June 2021  
 31/07/21: Group 1: Units purchased prior to 1 July 2021  
 31/08/21: Group 1: Units purchased prior to 1 August 2021  
 30/09/21: Group 1: Units purchased prior to 1 September 2021  
 31/10/21: Group 1: Units purchased prior to 1 October 2021  
 30/11/21: Group 1: Units purchased prior to 1 November 2021  
 31/12/21: Group 1: Units purchased prior to 1 December 2021  
 31/01/22: Group 1: Units purchased prior to 1 January 2022  
 28/02/22: Group 1: Units purchased prior to 1 February 2022  
 31/03/22: Group 1: Units purchased prior to 1 March 2022  
 30/04/22: Group 1: Units purchased prior to 1 April 2022

Group 2: Units purchased from 1 May 2021 to 31 May 2021  
 Group 2: Units purchased from 1 June 2021 to 30 June 2021  
 Group 2: Units purchased from 1 July 2021 to 31 July 2021  
 Group 2: Units purchased from 1 August 2021 to 31 August 2021  
 Group 2: Units purchased from 1 September 2021 to 30 September 2021  
 Group 2: Units purchased from 1 October 2021 to 31 October 2021  
 Group 2: Units purchased from 1 November 2021 to 30 November 2021  
 Group 2: Units purchased from 1 December 2021 to 31 December 2021  
 Group 2: Units purchased from 1 January 2022 to 31 January 2022  
 Group 2: Units purchased from 1 February 2022 to 28 February 2022  
 Group 2: Units purchased from 1 March 2022 to 31 March 2022  
 Group 2: Units purchased from 1 April 2022 to 30 April 2022

	Net revenue	Equalisation	Distributions paid/payable to 27/05/22	Distributions paid to 28/05/21
	(p)	(p)	(p)	(p)
Group 1				
31/05/21	0.2229	-	0.2229	-
30/06/21	0.2229	-	0.2229	-
31/07/21	0.2277	-	0.2277	-
31/08/21	0.2277	-	0.2277	-
30/09/21	0.2277	-	0.2277	0.0160
31/10/21	0.2197	-	0.2197	0.2083
30/11/21	0.2233	-	0.2233	0.2118
31/12/21	0.2233	-	0.2233	0.2118
31/01/22	0.2235	-	0.2235	0.2185
28/02/22	0.2235	-	0.2235	0.2185
31/03/22	0.2235	-	0.2235	0.2036
Final	0.3169	-	0.3169	0.2043
Group 2	(p)	(p)	(p)	(p)
31/05/21	0.0108	0.2121	0.2229	-
30/06/21	-	0.2229	0.2229	-
31/07/21	0.0376	0.1901	0.2277	-
31/08/21	0.0022	0.2255	0.2277	-
30/09/21	0.0287	0.1990	0.2277	0.0160
31/10/21	0.0071	0.2126	0.2197	0.2083
30/11/21	0.0095	0.2138	0.2233	0.2118
31/12/21	-	0.2233	0.2233	0.2118
31/01/22	-	0.2235	0.2235	0.2185
28/02/22	-	0.2235	0.2235	0.2185
31/03/22	-	0.2235	0.2235	0.2036
Final	0.0305	0.2864	0.3169	0.2043