

BMO LIFESTAGE RETIREMENT INCOME PORTFOLIO NOTE PROGRAM

Current Pay series 36

Introduction

We have prepared this Supplement to help you decide whether to invest in a deposit note (the “**LifeStage Retirement Income Notes**”) with exposure to the returns of a portfolio of mutual funds managed by BMO Investments Inc. (referred to as the “**underlying funds**”). To get all the information you should know about LifeStage Retirement Income Notes, you will also need to review the “**Master Information Statement**” that we refer to on the header of this document.

Product Details

Price Per LifeStage Retirement Income Note:	\$100
Minimum Purchase:	\$5,000
Issue Date:	February 9, 2011
Maturity Date:	February 10, 2026
Approximate Term:	15 years
Available at any BMO Bank of Montreal branch until:	4:00 p.m (Toronto time) January 31, 2011

LifeStage Retirement Income Portfolio

Underlying Funds	Issue Date Weighting	Maturity Date Weighting
Equity Component		
BMO Dividend Fund	33.0%	20.0%
BMO U.S. Equity Fund	13.5%	7.5%
BMO International Value Class	13.5%	7.5%
Total Equity Component	60.0%	35.0%
Fixed Income Component		
BMO Bond Fund	33.0%	35.0%
BMO T-Bill Fund	7.0%	30.0%
Total Fixed Income Component	40.0%	65.0%
Total	100.0%	100.0%

Investment Phases

Accumulation Phase:	Not applicable
De-accumulation Phase:	15 years

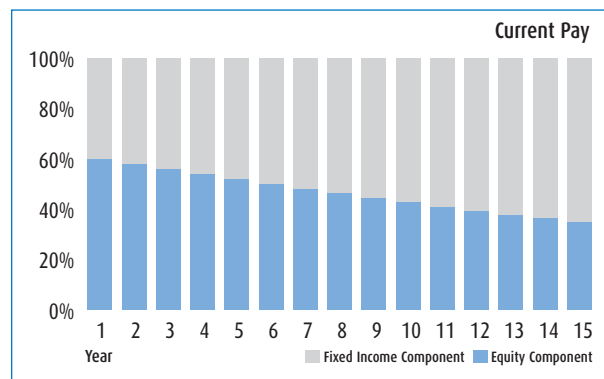
Allocations & Rebalancing

The LifeStage Retirement Income Portfolio table shows the weighting of each underlying fund in the Portfolio on the issue date and on the maturity date.

Over the term of the LifeStage Retirement Income Notes, we will periodically “rebalance” the LifeStage Retirement Income Portfolio by decreasing the percentage of the equity component and increasing the percentage of the fixed income component. We accomplish this by gradually changing the percentage weighting of each underlying fund in the LifeStage Retirement Income Portfolio from the “Issue Date Weighting” shown in the middle column of the table to the “Maturity Date Weighting” shown in the last column of the table. Rebalancing between the equity component and the fixed income component is illustrated in the diagram at the top of the next page.

We will rebalance the LifeStage Retirement Income Portfolio on or about each anniversary of the issue date for these LifeStage Retirement Income Notes. If any of these days is not a business day, rebalancing will take place on the next business day

Illustration of Rebalancing



Capital Distributions

Amount:	\$6.00 (6.00%) per year of each LifeStage Retirement Income Note (equivalent to \$0.50 each month), subject to adjustments for inflation as described below.
Frequency:	Monthly, payable on 20th day of each month during the de-accumulation phase (or, if that day is not a business day, on the next business day. See item 3 of “Key Features of the LifeStage Retirement Income Notes”).
First Payment Date:	March 21, 2011
Last Payment Date:	January 20, 2026 (or the date, if earlier, on which aggregate capital distributions made to you reach \$99 for each \$100 LifeStage Retirement Income Note of this version and series.)
Inflation Adjustment:	Capital distributions will be adjusted annually on each rebalancing date set out in “Allocations & Rebalancing” to reflect percentage changes, if any, in the Canadian consumer price index during the 15-year term. Adjustments to capital distributions are subject to the occurrence of “Special circumstances” as set out in the Master Information Statement.

Fees & Expenses

Annual LifeStage Retirement Income Portfolio Fee

Up to 2.75% per annum, calculated daily and payable monthly in arrears. The Annual LifeStage Retirement Income Portfolio Fee may change over the term of the LifeStage Retirement Income Notes but will never exceed 2.75% per year. We will publish the current Annual LifeStage Retirement Income Portfolio Fee at www.bmo.com/mutualfunds.

The LifeStage Retirement Income Portfolio

Equity Component:

BMO Dividend Fund

Objective – To achieve a high after-tax return, including dividend income and capital gains, from growth in the value of an investment primarily in dividend-yielding common and preferred shares of established Canadian companies.

Strategy – The manager uses a bottom-up fundamental investment process to identify attractively priced equities. This process includes analyzing financial statements, company management and valuations, with an emphasis on companies that generate stable and predictable cash flows.

BMO International Value Class

Objective – To increase the value of an investment in the fund over the long term by investing primarily in equity securities of established companies located outside of Canada and the United States.

Strategy – The manager invests in equities of established companies trading at a discount to their long term value, which trade on recognized exchanges in countries around the world. The manager employs a value-driven, absolute return approach. At the stock level, the portfolio manager identifies companies that it believes are fairly valued or undervalued in relation to their potential long term earnings growth. At the country level, the portfolio manager seeks to heavily overweight holdings in countries that are expected to provide good value relative to their long term prospects and underweight or avoid holdings in countries that are not. The Fund may invest in bonds issued by governments or supranational organizations, such as the World Bank, and may also use derivatives, such as options, futures and forward contracts.

BMO U.S. Equity Fund

Objective – To increase the value of an investment in the fund over the long term by investing in equities of well-established U.S. companies that may be undervalued by the marketplace.

Strategy – The manager applies a disciplined, quantitative investment process to screen companies for consistent earnings and attractive valuations, and completes the stock selection process through fundamental analysis.

Fixed Income Component:

BMO Bond Fund

Objective – To provide a high level of interest income and to provide some opportunity for growth in the value of an investment in the fund. As part of its investment objectives, the fund invests primarily in high quality fixed-income securities that are issued by governments and corporations in Canada and that mature in more than one year.

Strategy – The manager examines various economic indicators to construct an interest rate outlook then builds the fund's portfolio using a disciplined investment approach. Overall maturity structure and sector positioning of the fund's portfolio are based on anticipated changes in the direction of interest rates, while the selection of individual securities is determined by fundamental analysis and relative valuations.

BMO T-Bill Fund

Objective – To preserve the value of an investment in the fund and to provide a high level of liquidity and interest income generally by investing in Canadian federal and provincial government treasury bills.

Strategy – The manager invests in Canadian federal and provincial government treasury bills and in other

high quality money market instruments that are guaranteed by the federal and provincial governments.

You may obtain copies of the Master Information Statement on our public website at www.bmo.com/mutualfunds.

If any information in this Supplement is different from information contained in the Master Information Statement, the information in this Supplement will be considered to be correct, but only for the version and series of LifeStage Retirement Income Notes described in this Supplement. Terms that we use, but do not define, in this Supplement have the meanings given to them in the Master Information Statement.

The different information in this Supplement will not apply to any other version and series of LifeStage Retirement Income Notes unless the same information is also contained in the Supplement for that other version and series of LifeStage Retirement Income Notes.

The information about the underlying funds set out is subject to any disclosure filed publicly by each underlying fund and could change. For further information about an underlying fund, including further details of its investment objectives and strategies, please refer to the most recent simplified prospectus of that fund, and any amendments to its simplified prospectus, filed at www.sedar.com. A copy of the simplified prospectus, together with information about the performance and holdings of each underlying fund, may also be obtained at www.bmo.com/mutualfunds.

For more information about LifeStage Retirement Income Notes:

Please contact an investment professional at any BMO Bank of Montreal branch during normal business hours or call the BMO Investment Centre at 1 800 665-7700.

Key Features Of The LifeStage Retirement Income Notes

The important features of this version and series of LifeStage Retirement Income Notes are highlighted below for your reference. The Master Information Statement contains additional information about the BMO LifeStage Retirement Income Portfolio Note Program and your investment in LifeStage Retirement Income Notes. Please read the Master Information Statement together with this Supplement for a complete understanding of your investment in these LifeStage Retirement Income Notes.

1. The LifeStage Retirement Income Notes provide a return based on the performance of the LifeStage Retirement Income Portfolio. The LifeStage Retirement Income Portfolio offers exposure to five (5) underlying funds managed by BMO Investments Inc. The LifeStage Retirement Income Notes will reflect the performance of the units of the underlying funds except that the performance of the LifeStage Retirement Income Notes is calculated as if (i) the management expenses charged on the actual units of the underlying funds are not charged on the portfolio units (so that management fees are not duplicated) and (ii) the amount of any distributions on the actual units are credited to the LifeStage Retirement Income Portfolio and notionally reinvested in more portfolio units of the relevant underlying fund for the LifeStage Retirement Income Portfolio.
2. The LifeStage Retirement Income Portfolio is divided into an **equity component** and a **fixed income component**, each of which will have weighted exposure to underlying funds.

The weighting of each underlying fund in the LifeStage Retirement Income Portfolio will be systematically rebalanced to become more conserva-

tive over the term of your LifeStage Retirement Income Notes. The initial equity weighting set out on the first page of this supplement will be gradually reduced so that by the maturity date the LifeStage Retirement Income Portfolio will be allocated 35% to the equity component and 65% to the fixed income component. The asset allocation of the LifeStage Retirement Income Portfolio will be rebalanced on or about each anniversary of the issue date for these LifeStage Retirement Income Notes. You can find more information about the weighting of each underlying fund in the LifeStage Retirement Income Portfolio and rebalancing in “LifeStage Retirement Income Portfolio” and “Allocations & Rebalancing” above.

3. The entire 15-year term of your LifeStage Retirement Income Notes will be comprised of the **de-accumulation phase**. There will be no accumulation phase. Accordingly, we will begin making monthly payments to you in the first year of the term of your LifeStage Retirement Income Notes in an amount equal to \$6.00 per LifeStage Retirement Income Note each year (6.00% of the amount invested by you in your LifeStage Retirement Income Notes). We refer to these payments, which are repayments of a portion of the principal you invested in your LifeStage Retirement Income Notes, as **capital distributions**. They will be adjusted on each date on which the LifeStage Retirement Income Portfolio is rebalanced to reflect any changes in inflation based on the percentage changes, if any, in the Canadian consumer price index (subject to events described under “Special circumstances” in the Master Information Statement).

The first capital distribution will be made to you on March 21, 2011 and will continue on a monthly basis until the earlier of (i) the day your LifeStage

Retirement Income Notes mature (February 10, 2026 for this version and series), and (ii) the date on which aggregate capital distributions to you reach \$99 for each \$100 LifeStage Retirement Income Note of this version and series. If capital distributions reach \$99 per LifeStage Retirement Income Note, then no further capital distributions will be made to you by Bank of Montreal until the maturity of your LifeStage Retirement Income Notes. Subject to this limit, capital distributions will be made on the 20th day of each month (or, if that day is not a business day, on the next business day). Since capital distributions are repayments of a portion of the principal you invested in your LifeStage Retirement Income Notes, they will not be taxable but they will reduce the adjusted cost based of your LifeStage Retirement Income Notes.

4. The performance of the underlying funds, measured from the issue date until the third business day before the maturity date, will affect the amount of return payable on your LifeStage Retirement Income Notes. The Annual LifeStage Retirement Income Portfolio Fee will not exceed 2.75% of the value of the LifeStage Retirement Income Portfolio, calculated daily and payable monthly in arrears. For you to receive a return at maturity, the value of the LifeStage Retirement Income Portfolio must grow at a rate that exceeds the aggregate fees and expenses described in the Master Information Statement and in this Supplement. It is possible that you will receive no return on your LifeStage Retirement Income Notes.
5. This version and series of LifeStage Retirement Income Notes will mature on or about February 10, 2026 and will have a term of approximately 15 years.

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6. On the maturity date of your LifeStage Retirement Income Notes, we will pay you the remaining principal balance invested in the LifeStage Retirement Income Notes (which will equal \$100 per Deposit less any capital distributions you received during the de-accumulation phase). We refer to this amount as the “**Deposit Balance**”. You may also receive a return equal to the amount, if any, by which the Deposit Value exceeds the Deposit Balance at maturity.

On the maturity date, the Deposit Balance and any return payable on your LifeStage Retirement Income Notes will be transferred to a money market mutual fund managed by us or one of our affiliates.

7. LifeStage Retirement Income Notes are available for purchase in either a registered retirement income fund (RRIF) or a non-registered account, but not a registered retirement savings plan (RRSP). Monthly capital distributions paid on LifeStage Retirement Income Notes held in a RRIF will be invested in a BMO Mutual Fund of your choice. If you do not specify a fund at the time you purchase your LifeStage Retirement Income Notes, capital distributions will automatically be invested in the BMO T-Bill Fund or another money market mutual fund managed by us or one of our affiliates. Monthly capital distributions paid on a LifeStage Retirement Income Note held in a non-registered account must be received by you in cash and, based on your instructions at the time of purchase, will either be deposited in a bank account you designate or paid to you by cheque.

8. Unlike conventional fixed income investments whose return is based on a fixed, floating or other

specified rate of interest, the return you receive on your LifeStage Retirement Income Notes, if any, will be based solely on the performance of the underlying funds. While you will receive the full amount you invested in LifeStage Retirement Income Notes if you hold them until they mature, it is possible that you will not receive any return beyond the principal amount you invested with us. If the Deposit Value is equal to or less than the Deposit Balance at maturity then you will not receive any return.

9. The deposit amount of \$100 for each LifeStage Retirement Income Note will be fully repaid to you only if your LifeStage Retirement Income Note is held until the maturity date. You cannot elect to receive any amounts on your LifeStage Retirement Income Notes before the maturity other than scheduled capital distributions, and your LifeStage Retirement Income Notes will not be redeemable by us or by you before maturity.

10. BMO Capital Markets will use reasonable efforts to arrange a secondary market allowing you to sell your LifeStage Retirement Income Notes to BMO Capital Markets prior to maturity, but there may be circumstances where a secondary market may not exist for the LifeStage Retirement Income Notes. There will be no other way for you to liquidate your investment in a LifeStage Retirement Income Note prior to maturity. If you sell the LifeStage Retirement Income Notes in the secondary market prior to maturity, you may receive less than the Deposit Balance of your LifeStage Retirement Income Notes. The market price of each series and version of LifeStage Retirement Income Notes can be found on our website at www.bmo.com/mutualfunds.

11. The Master Information Statement contains a discussion of the risks of investing in the LifeStage Retirement Income Notes. A summary list of these risks can be found on the next page. Please consider these risks carefully before investing in LifeStage Retirement Income Notes.

12. We can amend the terms of a version and series of LifeStage Retirement Income Notes without the consent of their holders if, in our reasonable opinion, the amendment would not materially and adversely affect the interests of holders of that version and series of LifeStage Retirement Income Notes. In all other cases, amendments of the terms of a version and series of LifeStage Retirement Income Notes must be approved at a meeting of holders of LifeStage Retirement Income Notes of that version and series.

13. Part D of the Master Information Statement entitled “CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS” contains a summary of the main tax considerations relating to an investment in LifeStage Retirement Income Notes. You should consult your own tax advisor for advice about the income tax consequences of an investment in LifeStage Retirement Income Notes in your particular circumstances.

14. In certain unusual circumstances, your LifeStage Retirement Income Notes may no longer be exposed to the performance of the underlying funds. A description of these circumstances is set out in the Master Information Statement under the heading “DESCRIPTION OF THE BMO LIFESTAGE RETIREMENT INCOME NOTE PROGRAM – Special Circumstances”.

BMO LIFESTAGE RETIREMENT INCOME PORTFOLIO NOTE PROGRAM**Current Pay series 36****Are LifeStage Retirement Income Notes suitable for you?**

LifeStage Retirement Income Notes may be suitable for you if:

- you are preparing for or entering your retirement years,
- you are prepared to invest for the long-term,
- you want the potential to earn a return based on the performance of equity and fixed income mutual funds,
- you want to ensure that you receive at least the amount you invested in LifeStage Retirement Income Notes if you hold them until they mature, and
- you are prepared to assume the risks summarized below and described in the Master Information Statement.

You should consult an investment professional at any BMO Bank of Montreal branch to discuss whether LifeStage Retirement Income Notes are suitable in your particular circumstances.

What are the risks of investing in LifeStage Retirement Income Notes?

An investment in LifeStage Retirement Income Notes is subject to the risks set out in the Master Information Statement under the heading “What are the risks of investing in the LifeStage Retirement Income Notes?”. The following is a summary list of these risks. For a complete description of these risks, please refer to the Master Information Statement:

- LifeStage Retirement Income Notes may not be suitable for all investors,
- LifeStage Retirement Income Notes differ from conventional fixed income investments and may pay no return,
- There is currently no market for you to sell your LifeStage Retirement Income Notes early and it is possible that no such market will be created,
- Capital distributions and fees will reduce the value of the LifeStage Retirement Income Portfolio,

- LifeStage Retirement Income Notes are not insured by the Canada Deposit Insurance Corporation or any other entity,
- If certain unusual events occur, the LifeStage Retirement Income Notes may no longer have exposure to the performance of the underlying funds,
- We may not be able to verify an underlying fund’s fair value, which could postpone valuation of your LifeStage Retirement Income Notes,
- We will not hire an independent person to make or confirm calculations and decisions for the LifeStage Retirement Income Note Program,
- Investors have no rights of ownership in the underlying funds, their units or their investments,
- We and the manager or advisor of an underlying fund may have conflicts of interest in dividing our time and activities between the underlying funds and the LifeStage Retirement Income Note Program and other entities and activities,
- There is no guarantee that LifeStage Retirement Income Notes, if rated, would receive the same ratings as our other deposit liabilities,
- Payments on LifeStage Retirement Income Notes depend on our financial health and creditworthiness,
- Risk factors that apply to a direct investment in the underlying funds also apply to an investment in LifeStage Retirement Income Notes,
- The performance of an underlying fund’s investments are unpredictable and the investment decisions of the manager and advisors of an underlying fund may not be successful,
- An underlying fund may not meet its investment objectives, its investment strategies may be unsuccessful, and it may be unable to avoid losses and produce a positive return,
- Changes in laws and regulations can adversely affect the LifeStage Retirement Income Note Program, the underlying funds and holders of LifeStage Retirement Income Notes.

What are your rights to cancel an order or purchase of LifeStage Retirement Income Notes?

You can cancel in writing an order to buy LifeStage Retirement Income Notes of a particular version and series under the BMO LifeStage Retirement Income Portfolio Note Program (or you can cancel your purchase if the LifeStage Retirement Income Notes have been issued) within 48 hours of when we consider you to have received the Master Information Statement and the Supplement for that version and series, as described under “Your Legal Rights” in the Master Information Statement. If you purchase LifeStage Retirement Income Notes, we will send you the Master Information Statement by mail. You will also find the Master Information Statement on our public website at www.bmo.com/mutualfunds.

Where can I find more details about LifeStage Retirement Income Notes?

More details can be found in the Master Information Statement, available on our public website at www.bmo.com/mutualfunds. This document can be mailed to you at your request.

We will publish the price of LifeStage Retirement Income Notes daily at www.bmo.com/mutualfunds unless BMO Capital Markets suspends the secondary market. Recent net asset values of the units of the underlying funds are also available at www.bmo.com/mutualfunds.

LifeStage Retirement Income Notes are only available for sale at BMO Bank of Montreal branches.

No securities regulatory authority has expressed an opinion on the Deposits offered under this Supplement and it is an offence to claim otherwise.

“BMO (M-bar rounded symbol)” is a registered trademark and “BMO Capital Markets” is a trademark of Bank of Montreal.

MUTUAL FUND DEALERS ASSOCIATION OF CANADA

Client Complaint Information Form

Clients of a mutual fund dealer who are not satisfied with a financial product or service have a right to make a complaint and to seek resolution of the problem. MFDA Member dealers have a responsibility to their clients to ensure that all complaints are dealt with fairly and promptly. If you have a complaint, these are some of the steps you can take:

- Contact your mutual fund dealer. Member firms are responsible to you, the investor, for monitoring the actions of their representatives to ensure that they are in compliance with by-laws, rules and policies governing their activities. The firm will investigate any complaint that you initiate and respond back to you with the results of their investigation within the time period expected of a Member acting diligently in the circumstances, in most cases within three months of receipt of the complaint. It is helpful if your complaint is in writing.
- Contact the Mutual Fund Dealers Association of Canada (“MFDA”), which is the self-regulatory organization in Canada to which your mutual fund dealer belongs. The MFDA investigates complaints about mutual fund dealers and their representatives, and takes enforcement action where appropriate. You may make a complaint to the MFDA at any time, whether or not you have complained to your mutual fund dealer. The MFDA can be contacted:
 - By completing the on-line complaint form at www.mfda.ca
 - By telephone in Toronto at (416) 361-6332, or toll free at 1-888-466-6332
 - By e-mail at complaints@mfda.ca¹
 - In writing by mail to 121 King Street West, Suite 1000, Toronto, ON M5H 3T9 or by fax at (416) 361-9073

Compensation:

The MFDA does not order compensation or restitution to clients of Members. The MFDA exists to regulate the operations, standards of practice and business conduct of its Members and their representatives with a mandate to enhance investor protection and strengthen public confidence in the Canadian mutual fund industry. If you are seeking compensation, you may consider the following:

- Ombudsman for Banking Services and Investments (“OBSI”): After the dealer’s Compliance Department has responded to your complaint, you may contact OBSI. You may also contact OBSI if the dealer’s Compliance Department has not responded within

¹ You may wish to consider issues of internet security when sending sensitive information by standard e-mail.

90 days of the date you complained. OBSI provides an independent and impartial process for the investigation and resolution of complaints about the provision of financial services to clients. OBSI can make a non-binding recommendation that your firm compensate you (up to \$350,000) if it determines that you have been treated unfairly, taking into account the criteria of good financial services and business practice, relevant codes of practice or conduct, industry regulation and the law. The OBSI process is free of charge and is confidential. OBSI can be contacted:

- By telephone in Toronto at (416) 287-2877, or toll free at 1-888-451-4519
- By e-mail at ombudsman@obsi.ca
- Legal Assistance: You may consider retaining a lawyer to assist with the complaint. You should be aware that there are legal time limits for taking civil action. A lawyer can advise you of your options and recourses. Once the applicable limitation period expires, you may lose rights to pursue some claims.
- Manitoba, New Brunswick and Saskatchewan: Securities regulatory authorities in these provinces have the power to, in appropriate cases, order that a person or company that has contravened securities laws in their province pay compensation to a claimant. The claimant is then able to enforce such an order as if it were a judgment of the superior court in that province. For more information, please visit:
 - Manitoba: www.msc.gov.mb.ca
 - New Brunswick: www.nbsc-cvmb.ca
 - Saskatchewan: www.sfsc.gov.sk.ca
- Québec: The Autorité des marchés financiers (“AMF”) pays indemnities to victims of fraud, fraudulent tactics or embezzlement where those responsible are individuals or firms authorized to practice under the legislation governing the provision of financial services in Quebec. It also rules on the eligibility of claims and sets the amount of the indemnities to be paid to victims. Consumers can thus be compensated to a maximum of \$200,000 per claim, through funds accumulated in a financial services compensation fund. For more information, please visit www.lautorite.qc.ca.