



VIA SEDAR

February 7, 2002

Borden Ladner Gervais

Attention: Donna Spagnola

Dear Sirs/Mesdames:

**Re: BMO International Bond Fund
MRRS Application under National Instrument 81-102 Mutual Funds ("NI 81-102")
SEDAR Project Nos. 413873, Application No. 024/02**

By letter dated January 8, 2002 (the "Application"), you applied to the securities regulatory authority or regulator in each of the provinces and territories of Canada (collectively, the "Decision Makers"), on behalf of BMO Investments Inc. (the "Manager"), the manager of BMO International Bond Fund (the "Fund"), for an exemption from subsection 2.1(1) of NI 81-102, being the concentration restriction imposed upon a mutual fund to not invest more than 10% of its net assets in any one issuer.

This letter confirms that, based on the information and representations made in the Application and for the purposes described in the Application, the Decision Makers hereby exempt the Fund from the concentration restriction set forth in subsection 2.1(1) of NI 81-102 to permit:

- (a) the Fund to invest up to 20 percent of its net assets, taken at market value at the time of purchase, in evidences of indebtedness of any one issuer if those evidences of indebtedness are issued, or guaranteed fully as to principal and interest, by permitted supranational agencies (as defined in NI 81-102) or governments other than the government of Canada, the government of a jurisdiction or the government of the United States of America and are rated "AA" by Standard & Poor's, or have an equivalent rating by one or more other approved credit rating organizations; and
- (b) the Fund to invest up to 35 percent of its net assets, taken at market value at the time of purchase, in evidences of indebtedness of any one issuer, if those securities are issued by issuers described in paragraph (a) and are rated "AAA" by Standard & Poor's, or have an equivalent rating by one or more other approved credit rating organizations.

The relief described herein in paragraphs (a) and (b) of this exemption shall not be combined for one issuer.

Yours truly,

“Meryln Dasil”
Meryln Dasil
Senior Legal Counsel, Investment Funds
Capital Markets