

U.S. Denominated Issues

Treasury Bills, Bankers' Acceptances, Bearer Deposit Notes and Commercial Paper are also available in U.S. currency. U.S. Treasury Bills, Bankers' Acceptances, Bearer Deposit Notes and Commercial Paper are available with a minimum investment of US\$5,000 par value.

The Canadian and U.S. money markets offer institutional and individual investors a wide range of high-quality short-term securities from which to choose. Whether you are seeking an alternative to cash and term deposits, a high degree of liquidity or asset diversification, the money market offers many opportunities.

Ask your BMO Nesbitt Burns Investment Advisor about the choice of investments and returns currently available in the money market or visit us on the Web at www.bmonesbittburns.com to find the BMO Nesbitt Burns office nearest you.

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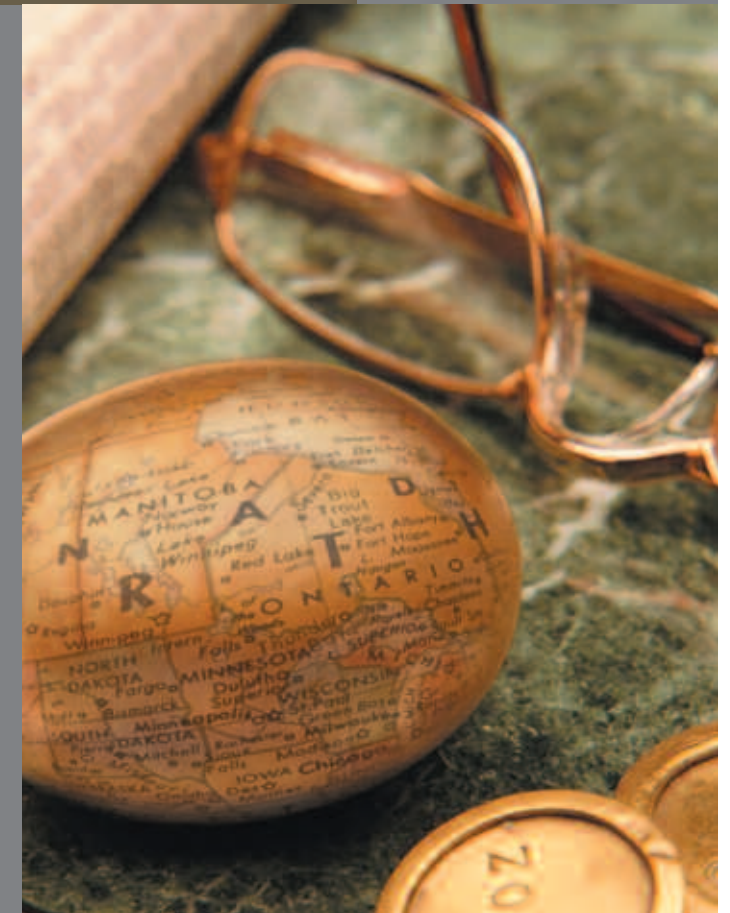
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Investing in Treasury Bills and the Money Market



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Treasury Bills and the Money Market

The money market offers investors access to short-term debt securities issued by government entities, financial institutions and corporations.

With terms of one month to one year, these securities appeal to investors who have funds to place for short periods or who require a high degree of liquidity.

Due to their high quality, relatively short term to maturity, and competitive yield, money market investments are an attractive alternative to cash or term deposits.

What Is The Money Market?

The money market is a specialized segment of the debt market where short-term investments are issued and marketed. Money market instruments are discount securities, meaning that they are sold to investors at a discount to their maturity (or par) value. The difference between the discounted purchase price and the maturity value is an investor's return.

The money market offers clients a place to invest funds for relatively short periods at competitive rates. This is an advantage for those involved in managing short-term cash flows. Issuers (i.e., borrowers) use the money market as an alternative source of funds to bank lines of credit. These issuers include the federal government, the provinces, financial institutions and major corporations. Investors (i.e., lenders) include individual investors, pension funds, money managers and mutual funds.

Security

Issuers are rated as to their credit-worthiness by the Dominion Bond Rating Service (DBRS), a major Canadian rating agency. Ratings vary from R-1 for high grade to R-2 for medium grade and R-3 for speculative grade. High, mid or low are used to indicate relative standing within each rating category.

Competitive Return

The yield on short-term bonds is normally lower than the yield on long-term bonds. As such, money market yields tend to be the lowest in the fixed income market. As a rule of thumb, the higher the issuer's credit rating, the lower the yield-to-maturity on their debt.

Taxation

The difference between the discounted purchase price and the maturity value of the investment is considered interest income for tax purposes.

Types Of Money Market Securities

Canada Treasury Bills

Canada treasury bills (T-bills) are the shortest-term marketable debt instrument issued by the federal government. T-bills carry the highest credit rating of R-1 (High) and are highly liquid. The minimum investment amount is \$5,000 par value.

Provincial Treasury Bills and Notes

Guaranteed by the issuing province, provincial T-bills and notes range in quality from R-1 (High) to R-2 (Mid). The minimum investment amount varies from \$5,000 to \$100,000 par value, depending on the issue. The yield advantage is 10 to 15 basis points higher than Canada T-bills*.

Bankers' Acceptances and Bearer Deposit Notes

A Bankers' Acceptance (B/A) is a commercial draft drawn by a corporate borrower. Repayment of the debt is guaranteed (or "accepted") by the borrower's bank. Bank Bearer Deposit Notes are issued by Schedule I and II banks for general funding purposes and constitute general obligations or direct liabilities of the issuing bank. Ratings range from R-1(High) to R-1 (Low). The minimum investment amount is \$50,000 par value. The yield advantage is 15 to 20 basis points higher than Canada T-bills*

Commercial Paper

Commercial paper (C/P) is issued by major corporations. Credit ratings generally range from R-1 (High) to R-1 (Low). The minimum investment amount is \$50,000 par value. The yield advantage is 20 to 25 basis points higher than Canada T-bills, depending on the issuer's credit rating, the term to maturity and market conditions.

Asset-Backed Commercial Paper

Asset-backed commercial paper is a well-established money market instrument based on securitization. Securitization involves the establishment of a special purpose trust to acquire consumer assets that generate cash flow over time, such as residential mortgages, auto loans and credit card receivables, from the originators of those assets. The trust funds the purchase of these assets by issuing highly rated securities to investors, typically rated R-1 (high) by DBRS. The trust is not a corporation; however, it exists as a separate legal entity.

BMO Nesbitt Burns currently has six trusts in place with aggregate outstanding asset-backed commercial paper of approximately \$20 billion. Programs include Canadian Master Trust, Stars Trust, CARE Trust, Summit Trust, Diversified Trust and Ridge Trust. Total outstanding asset-backed commercial paper issued in Canada exceeds \$100 billion, second only to T-bills in the Canadian short-term debt market. As a result of the strong performance of the underlying assets and the inclusion of credit enhancements such as over-collateralization and/or cash reserve accounts to help protect investors' principal, the securities are generally rated R-1 (high) ("AAA"). The minimum investment amount is \$50,000 par value and multiples of \$1,000 thereafter. The yield advantage is approximately 15-20 basis points higher than Canada T-bills.*

* May change due to market conditions.