

BMO Financial Group

2<sup>nd</sup> November 2007

## BMO Announces Agreement to Purchase London, UK-Based Institutional Asset Manager

BMO's proposed acquisition of Pырford International will provide clients with access to more international investment opportunities

In response to increasing interest from institutional and retail investors for international investment opportunities, BMO Financial Group today announced that it has signed an agreement to purchase Pырford International plc, a London, UK-based institutional asset manager. Terms of the transaction were not disclosed.

Pырford has been providing international asset management services for pension funds, charities, endowments, foundations and high net worth individuals since 1987. It had approximately US\$3 billion (CDN\$3 billion) assets under management (AUM) as at September 30, 2007 and client relationships in Canada, the United States, UK, Europe and the Middle East. North American clients currently account for more than 65 per cent of Pырford's AUM.

"Today's announcement marks an important move for BMO into the international money management space as we continue to expand our internal investment management capabilities outside of North America," said Gilles Ouellette, President and Chief Executive Officer, Private Client Group, BMO Financial Group. "The acquisition of Pырford will provide us with investment expertise in a number of regions that complement our current wealth management presence in Canada, the U.S. and in China with our stake in Fullgoal Fund Management."

"BMO has an established reputation for managing money in Canada and the U.S. and we're pleased to have Pырford join the group of companies that make up BMO Asset Management to add an important international scope to our investment management talent," said Harold Hillier, Head of BMO Asset Management.

"Pырford and BMO share a commitment to exceptional client service and a reputation for delivering strong performance. By leveraging BMO's extensive experience in investment management, product manufacturing and distribution, we are confident we will continue to grow our business," said Bruce Campbell, Chief Executive Officer and Chief Investment Officer, Pырford International.

Subject to regulatory approval, the acquisition is expected to close in December, 2007. It is intended that Pырford International will retain its name and will be part of BMO Asset Management when the acquisition is approved. The transaction will not have a material impact on BMO Financial Group's earnings per share.

## About Pырford International

Pырford International has been operating from its base in London since 1987. The company focuses on fundamental long-term analysis of markets and stocks and delivers products ranging from International Equity to Absolute Return, Shariah Compliant and various Regional mandates. Pырford's niche has been its concentration on value and low absolute volatility together with a very personal level of client service. Pырford's three senior investment professionals have worked together for over 18 years.

## About BMO Asset Management

BMO Asset Management offers a range of investment management products and services to clients in North America through the following investment managers, which are wholly owned by BMO Financial Group: Guardian Group of Funds, a Canadian mutual fund company; Jones Heward Investment Counsel Inc., a Canadian institutional money manager; Harris Investment Management, a U.S.-based institutional asset manager and HIM Money, its high yield manager subsidiary. Pырford International will be part of BMO Asset Management when the acquisition is approved.

BMO Asset Management is part of BMO Financial Group's Private Client Group. The Private Client Group provides integrated wealth management services in Canada and the United States and had total assets under management and administration and term investments of \$277 billion as at July 31, 2007, of which \$98 billion are assets under management.

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