

BMO Global Asset Management

– Global Exclusion Policy on Cluster Munitions and Anti-personnel Mines

April 2021

BMO Global Asset Management (“BMO GAM”)¹ will not invest in companies that manufacture controversial weapons. The exclusions are framed by BMO GAM’s Responsible Investment Approach², its Sustainability Risk Policy³, and its Principal Adverse Sustainability Impacts Statement⁴ with a view to acting in what we consider to be clients’ best interests by investing in sustainable investment opportunities and avoiding excessive long-term economic, ESG, regulatory and reputational risks.

Excluded Companies

Investments in companies that generate revenues from developing, manufacturing, or trading “controversial” weapons, including cluster munitions and anti-personnel landmines.

Scope – Investment Mandates

For all discretionary actively managed investment funds (whether public or private) and segregated mandates managed &/or distributed by BMO GAM entities globally, other than as set out below, the exclusions cover investments in publicly-listed and private equity, and interest-bearing securities/commercial paper (including those issued by directly affiliated financial vehicles).

The policy does not apply to:

- Mandates designed to track indices, including index ETFs⁵
- Segregated client mandates whose investment guidelines prevent application of the exclusions without further revision or whose portfolios would otherwise be materially affected by the exclusions. In such circumstances BMO GAM will consult with clients about making revisions to accommodate these exclusions

- Investment funds (public or private) managed by BMO GAM whose offering documents currently would not allow application of the exclusions without further revision or whose portfolios would otherwise be materially affected by the exclusions. In such circumstances BMO GAM will look, where possible, to make the necessary revisions to the investment guidelines
- Any mandates managed by Pyrford International Limited
- Any mandates that are prohibited from applying the exclusions because of the requirements of applicable law and/or regulation, including ERISA mandates in the United States

Scope – Investment Instruments

The following investments are considered out of scope of this policy:

- Investments in index tracking products or derivatives, manufactured by BMO GAM or third parties
- Investments in third-party managed investment funds (whether public or private). However, we will engage with those third-party managers to encourage them to adopt equivalent exclusions

¹ BMO Global Asset Management is the brand name for various affiliated entities of BMO Financial Group that provide investment management services across Asia, Canada, the U.S. and EMEA. This policy does not cover Pyrford International, which has its own independent ESG policies.

² [BMO Global Asset Management – Responsible Investment Approach](#)

³ [BMO Global Asset Management – Sustainability Risk Policy](#)

⁴ [BMO Global Asset Management – Principal Adverse Sustainability Impacts Statement-EN](#)

⁵ “Passive” investment vehicles are considered to be any fund or ETF with an investment objective that tracks a specific index or utilizes a portfolio construction methodology based on a defined set of rules which must be followed to achieve a targeted exposure or outcome.

Application

BMO Global Asset Management maintains a list of entities that are in scope of the excluded activities or industries as outlined above.

The list is updated on a regular basis and reviewed by BMO Global Asset Management's Responsible Investment team. The updated list is then communicated to investment teams and control functions.

Pre-trade and post-trade monitoring are undertaken by independent Investment Compliance teams to monitor adherence.

The data that forms the basis of these exclusions is independently sourced from leading 3rd party data providers.

Governance and oversight

This document will be subject to annual review by BMO GAM's Global Investment Committee – supported by the Responsible Investment team, as mandated by the BMO GAM Executive Committee.

Contact

For a more information about this policy or the funds to which it applies, please contact the BMO Global Asset Management Sales Support team at Sales.support@bmogam.com.



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