

A commitment shared

BMO
Fiduciary
Solutions

A delegated investment solution you can
trust from BMO Global Asset Management



Understanding
your challenges is
our starting point



Managing pensions is increasingly complex. More than ever, you need a partner with both the flexibility and capability to make your life easier, and your outcomes more assured.

Financial markets are becoming more complex. In addition to the traditional asset classes of fixed income and equities, trustees now have to consider a range of alternative asset classes and risk management strategies which may use derivatives.

At the same time, market volatility and new investment solutions require speed and efficiency in decision-making and implementation. Overall, it can be tough to strike the right balance between ongoing supervision of existing strategy while also considering and acting on new ideas.

The pressure on trustees is intense – short of time, but required to provide a high duty of care, while ensuring schemes are hitting targets and controlling risks.

This is a commitment by trustees that can be shared.

Delegation will help to manage these challenges and meet the needs of members. We know the investment challenge can be daunting, but at BMO Global Asset Management we aim to help clients navigate the complexities.

As far as we're concerned, your challenges are ours too. We will share the breadth of our specialist investment expertise with you, helping you explore the potential, plan the strategy, and make the right decisions around both delegation and investments.

We are committed to your success.



How can fiduciary management support Trustees?

Fiduciary management allows pension scheme trustees to delegate a range of investment management duties to an expert. The fiduciary manager takes on the responsibility for managing the assets in the scheme, ensuring that they are invested in line with the scheme's goals and within pre-agreed investment parameters. This is typically with an overall funding level goal in mind and incorporates ongoing advisory services. This frees up trustee time to focus on more strategic matters.

With fiduciary management, pension scheme trustees can entrust asset selection and liability risk management to experts who understand their requirements and take responsibility for investment decisions. So, it is important to choose a partner with the right capabilities and a track record of delivering outcomes in line with expectations.

Fiduciary management should offer degrees of delegation, enabling trustees to shape the solution to their exact needs.

Specifically, fiduciary management can help with:

- › Designing a long-term strategy for the pension scheme
- › Implementation and oversight choices
- › Selecting 'best of breed' investment managers
- › Liability risk management
- › Ensuring investments are responsibly managed
- › Tactical asset allocation
- › Controlling all aspects of costs



Things to consider

Can the provider offer the right level of investment expertise?

Do they offer credible investment processes? Are investment outcomes at the core of any decision making?

Will the provider help to bring clarity to our decision making?

Will advice be easy to understand? Do they have the breadth and depth of expertise we need?

Can they help us to deal with liabilities and risks?

How will they identify and monitor risks? Do they offer proven LDI capabilities and strategies?

Will I get access to the widest range of assets?

Will the assets be invested with best of breed in each category? Will their asset allocation capabilities meet our needs?

How transparent is their service, reporting and solutions?

How easy is it for the trustees to understand the strategies and maintain control?

“Obtaining knowledge and objective advice enables us to make the right assessments in the interest of the fund.”

**Fiduciary client:
Pension fund trustee**

The value of investments and any income derived from them can go down as well as up as a result of market or currency movements and investors may not get back the original amount invested.

Delegation, defined by you

Execution, powered by us

BMO Global Asset Management provides bespoke investment governance solutions. We work in partnership with trustees to build a flexible approach that suits your needs. This could be anything from full fiduciary management to implementation-only mandates. We have fiduciary clients in the UK, US and the Netherlands with an established record of tailoring solutions for clients of all sizes.

No two clients are the same

Our team will tailor offerings around trustees' existing in-house expertise, and we only recommend delegation where it adds value. We aim to bring insightful investment advice, concise training and simple reporting all under one roof.

Some Boards will choose to delegate broadly, setting us simple risk and return targets, plus additional parameters for the type of asset classes used. A fully delegated mandate may include responsibility for full manager selection or replacement, tactical asset allocation, LDI hedge construction, funding level monitoring and de-risking trade implementation.

Others will combine existing in-house skills, selecting our expertise where necessary. We work closely with you to shape the right solution and ensure you remain in full control.

We adapt as your needs change

We recognise that over time your needs may evolve, for example you may require:

- › A less active, lower cost, end-game solution as funding improves
- › An insurance buy-in ready portfolio
- › Increased liquidity as the scheme ages
- › A revised ESG policy as best practice changes

We have a full suite of capabilities, so we can respond quickly.

A proven process

We start by gaining an understanding of your current position and needs. We advise trustees on a suitable strategic asset allocation, tactical asset allocation policy and potential longer-term de-risking plan to meet trustee objectives. Our aim is to bring insight and clarity to what is often a complex set of challenges.



Advise

Advice on all aspects of the investment and governance model:

Level of delegation

Investment portfolio goals

Strategic and tactical asset allocation policy including liability hedging

Longer term 'end game' goals and de-risking plan

Liquidity policy



Implement

Manager research and selection

Liability hedge construction

Strategic and tactical asset allocation

De-risking plan implementation



Monitor

Manager oversight

Daily funding level monitoring

Liability hedge/collateral monitoring

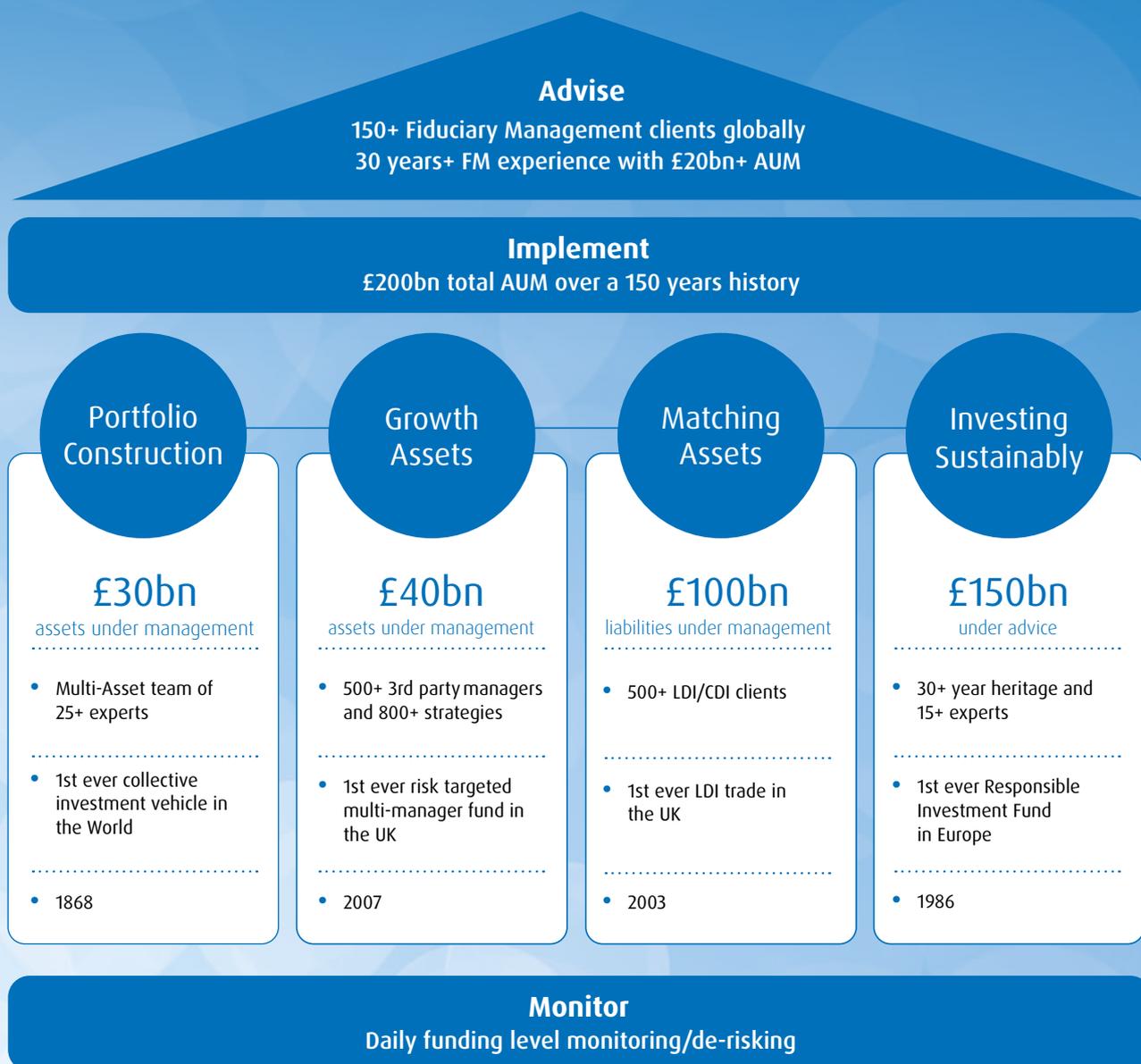
Overall portfolio risk management

Cash flow management

Simple effective reporting

A breadth of specialist fiduciary solutions focused on delivering the outcomes you need

At BMO Global Asset Management, we have an extensive range of global capabilities which means we offer a greater depth and breadth in our fiduciary solutions.



Source: BMO Global Asset Management. All data is correct as at 31 December 2019.



“Our fiduciary solutions are tailored to each client’s needs. We support trustees with clear and pragmatic advice with delegation, only where it adds value. We simplify the investment challenges our clients face.”

David Hickey, FCA
Managing Director, Head of UK
Fiduciary Solutions

A service committed to the needs of trustees.

Our committed fiduciary experts will build a full understanding of your needs, liabilities and investment goals.

We have a flexible attitude to delegation and we will help to shape the right service for you. We build tailored services that take the weight off your shoulders and help you to navigate and resolve problems.

It is a fiduciary management service offering proven expertise in every key discipline. Our dedicated team will always engage in a concise and helpful manner.

With BMO Fiduciary Solutions, you can always be sure of cost effective implementation and clear, focussed reporting.

With us, it’s a commitment, shared.

Proud to be part of a world leading financial services company

BMO Global Asset Management is a part of BMO Financial Group, a highly diversified financial services provider with total assets of CAD\$852 billion and more than 45,000 employees.

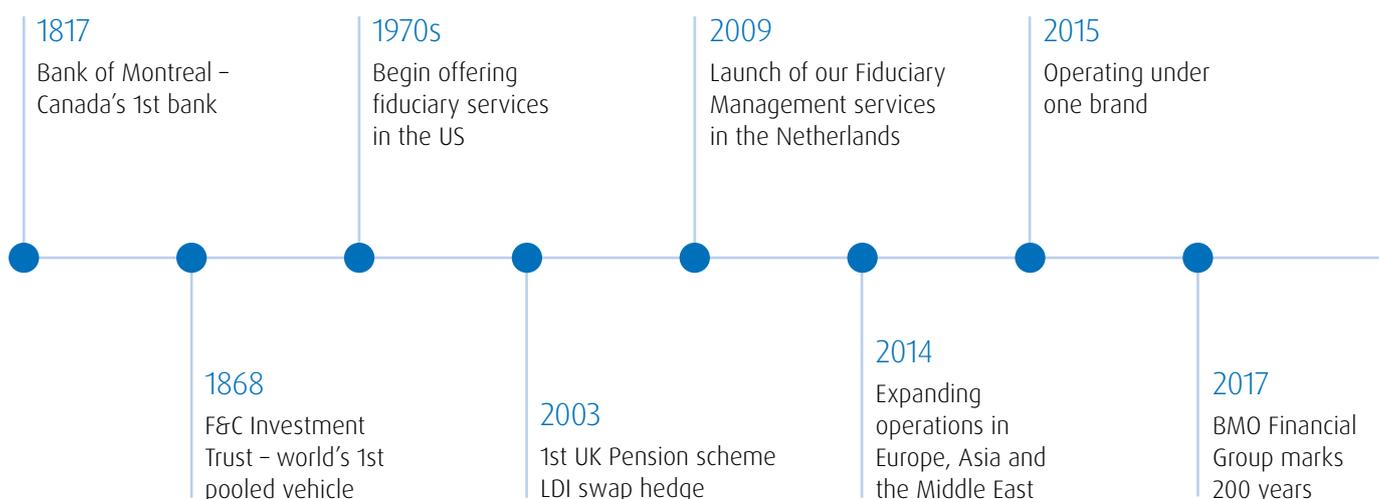
As a global asset manager, our primary role is to connect our clients with the investment outcomes they want to achieve. We have offices strategically located across the globe in more than 20 cities in 14 countries, delivering service excellence to clients across five continents.

Bank of Montreal was the first bank in Canada and is now over 200 years old. We acquired F&C Investments

in 2014, which is now operating under the BMO brand. F&C has a 150 year-pedigree, having built the first collective investment vehicle in 1868 (the F&C Investment Trust) which is still running today.

So when you partner with us you get a shared commitment from a dedicated team, a depth of expertise from industry leading investment specialists, and the strength of a world-leading financial institution.

Our history



All data correct as at 31 October 2019.



"I am proud of our heritage and track record in responsible investing, which allow us to offer our clients a range of market-leading funds."

**Kristi Mitchem, Chief Executive Officer
BMO Global Asset Management**

BMO Founded in
1817
as the Bank of
Montreal

BMO Global Asset
Management has
20+
offices around the
world

1,000+
Employees

£207bn+
Assets under
management

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Telephone calls may be recorded.