

For professional clients and qualified investors only.

Investing to improve

BMO SDG
Engagement Global
Equity Fund



“We exist to convene,
catalyse and empower change
that sustains growth for good.”

Darryl White, Chief Executive Officer
BMO Financial Group
World Economic Forum, 2019

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The Sustainable Development Goals – roadmap to a better future

By investing in companies and using the Sustainable Development Goals (SDGs) as an engagement framework, we believe we can contribute to building a more sustainable world.

Finding solutions typically requires a global perspective together with commitment and coordinated action from international organisations, governments, companies and individuals. We all have a role to play and the SDGs were designed with that in mind.

The 17 goals were developed by the United Nations (UN) and cross-industry

stakeholders with a view to providing a roadmap towards a more sustainable world. The SDGs are ambitious, high-level goals with 169 granular targets that were endorsed by all 193 UN member states.

The SDGs provide a clear framework for our investment specialists to encourage improvement within investee companies.



An optometrist tests a patient's eyesight in a small hospital in Nepal. SDG target 3.8

BMO SDG Engagement Global Equity Fund – investing to improve

Individuals increasingly want to make a positive impact. As consumers, there is a growing recognition that we can align our investment decisions with our values. Ultimately, we want our money to drive improvement in the world around us.

This is exactly what our BMO SDG Engagement Global Equity Fund is designed to achieve.

This document does not constitute, and should not be construed as, investment advice or a recommendation to buy, sell or otherwise transact in the fund.

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 and in a worst case scenario there is a risk of total loss.

Investments may not be suitable for all investors and independent professional advice, including tax advice should be sought, where appropriate.

Making food healthier Closing the gender gap
Enhancing water security Affordable healthcare
Encouraging safer working environments
Access to finance Action on climate change
Producing and consuming responsibly

Invest

Engage

Improve



Invest – quality matters

Containing 40-60 carefully selected small and mid-sized companies, the BMO SDG Engagement Global Equity Fund has a remit to seek investment opportunities right across the world.

Investing checklist

The bar we set when investing is high. Alongside strict criteria around the quality and value of a company, there must be clear opportunity for SDG-linked engagement. We aim to invest for the long term, with low portfolio turnover, facilitating stronger relationships with companies which enhances the effectiveness of our dialogue.

- ✓ **Quality matters**
Alongside factors like ‘competitive advantage’ we look for companies that effectively manage environmental, social and governance (ESG) issues – factors integral to assessing risk and reward potential.
- ✓ **Well managed**
Companies should be run by proven management teams, responsible in how they do business, appropriately incentivised and open to shareholder engagement.
- ✓ **Price matters**
We have a disciplined approach to valuation with a view to investing in companies at an attractive price and maintaining our holding for 5+ years.
- ✓ **Scope to drive improvement**
Only companies where we see scope for achieving improvement towards SDG targets warrant a place in the portfolio.

Investments in smaller companies carry a higher degree of risk as their shares may be less liquid and investment values can be volatile.



Our aim is to enhance long-term performance, reduce risk and encourage a positive contribution to broader environmental and social issues.

Right: An employee of the Global Tuberculosis Institute in Newark, New Jersey, collects blood for a QIAGEN QuantiFERON-TB In-Tube test. SDG target 3.3

Image: © QIAGEN, all rights reserved.

Invest
Access our global network of small and mid-cap specialists with a rich heritage of identifying investment opportunities

Engage – driving improvement

We seek to drive targeted improvement, focusing on how companies address ESG risks, opportunities and impacts. Constructive and informed engagement with companies is a critical component of our approach. For over 20 years, BMO has been an active owner, which plays a major role in allowing us to be better stewards of our clients’ assets.

Engagement is structured around the SDGs and their underlying targets. To engage effectively we strive to understand the company’s corporate strategy, culture and the materiality of ESG factors.

We believe that the best way to achieve our engagement goals is by constructive dialogue with key decision makers on the most relevant ESG issues to each company, in order to drive improvement. Close collaboration between the Global Equities and Responsible Investment teams is at the heart of successful engagement.

We have also developed an online engagement database for over 12,500 companies, allowing us to log interactions, progress and results, which we can do at an SDG target level.



We have set clear engagement objectives for every company we hold in order to drive improvement towards key SDG targets.

Focusing our dialogue

17 **SUSTAINABLE DEVELOPMENT GOALS**

169 Underlying targets

80 Targets, identified by the Responsible Investment team, where there is opportunity for engagement to drive change

Example: Dali Foods Group

Produces and sells six major categories of food and beverage items in China

SDG targets	2.1	12.2 12.5
		14.1

Polluted Caribbean shore. SDG target 12.5 and 14.1

Engage

We engage deeply, having identified 80 SDG targets to focus on, and talk directly with key decision makers

Improve – measuring our impact

For each company in the portfolio we monitor and measure the impact of our dialogue around defined SDG targets. We want to see improvement and continually assess the progress each company is making.

The focus of our engagement varies from company to company depending on the products and services they provide, and how they conduct their business. We log activity and progress on our engagement database. Over time we will assess and report on the progress companies are making.

Engagement with Kerry Group Plc

	<p>Target 15.2</p>	<p>Dialogue Engaged on responsible sourcing practices</p>	<p>Change No deforestation across high risk supply chains by 2025</p>
<p>Promote the implementation of sustainable forest management and halt deforestation.</p>	<p>Engaged to encourage better management of risks associated with raw material sourcing within its supply chain.</p>	<p>Committed to full supply chain traceability and to using RSPO* certified palm oil for own branded products – benefiting the environment and mitigating risks.</p>	
	<p>Target 6.4</p>	<p>Dialogue Engaged on water management</p>	<p>Change Improved disclosure and risk assessment</p>
<p>Increase water-use efficiency and ensure sustainable withdrawals.</p>	<p>Engaged on water management in relation to its supply chain and direct operational exposure, and encouraged stringent assessment procedures.</p>	<p>Has disclosed to CDP Water for the last two years and developed methodology using the WRI Aqueduct Tool for assessing water risk within operations.</p>	

*Roundtable on Sustainable Palm Oil



Improve
Our ambition is to deliver attractive investment returns and clearly demonstrate positive progress towards achieving SDG targets

Scandinavian forest. SDG target 15.2

Engagement in focus – global reach

At BMO Global Asset Management, engagement is a core activity for our investment professionals, spearheaded by our 16-strong Responsible Investment team, with specialists across a breadth of ESG issues and markets.

Around the world, we work to understand the impact of ESG issues on businesses, build long-term relationships with management, gain local knowledge and use our position as a large investor to engage directly with senior management and board members.

2018 highlights

Engagement

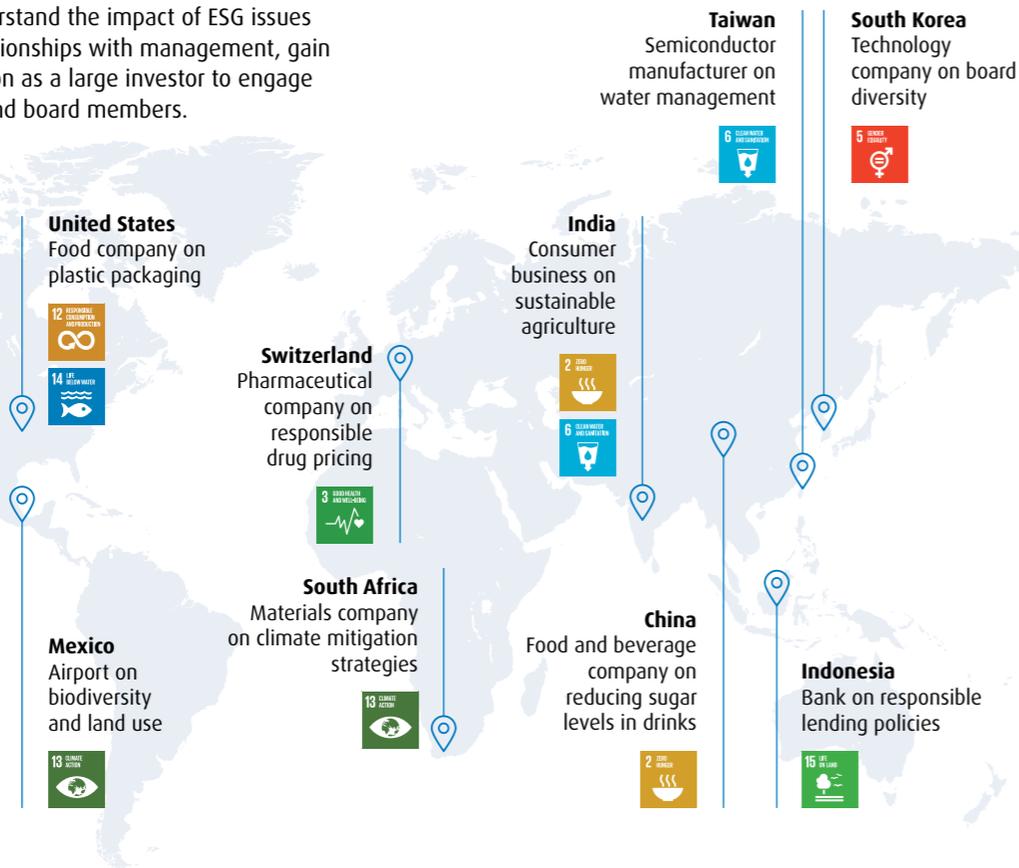
665 company engagements

46 countries

Outcomes

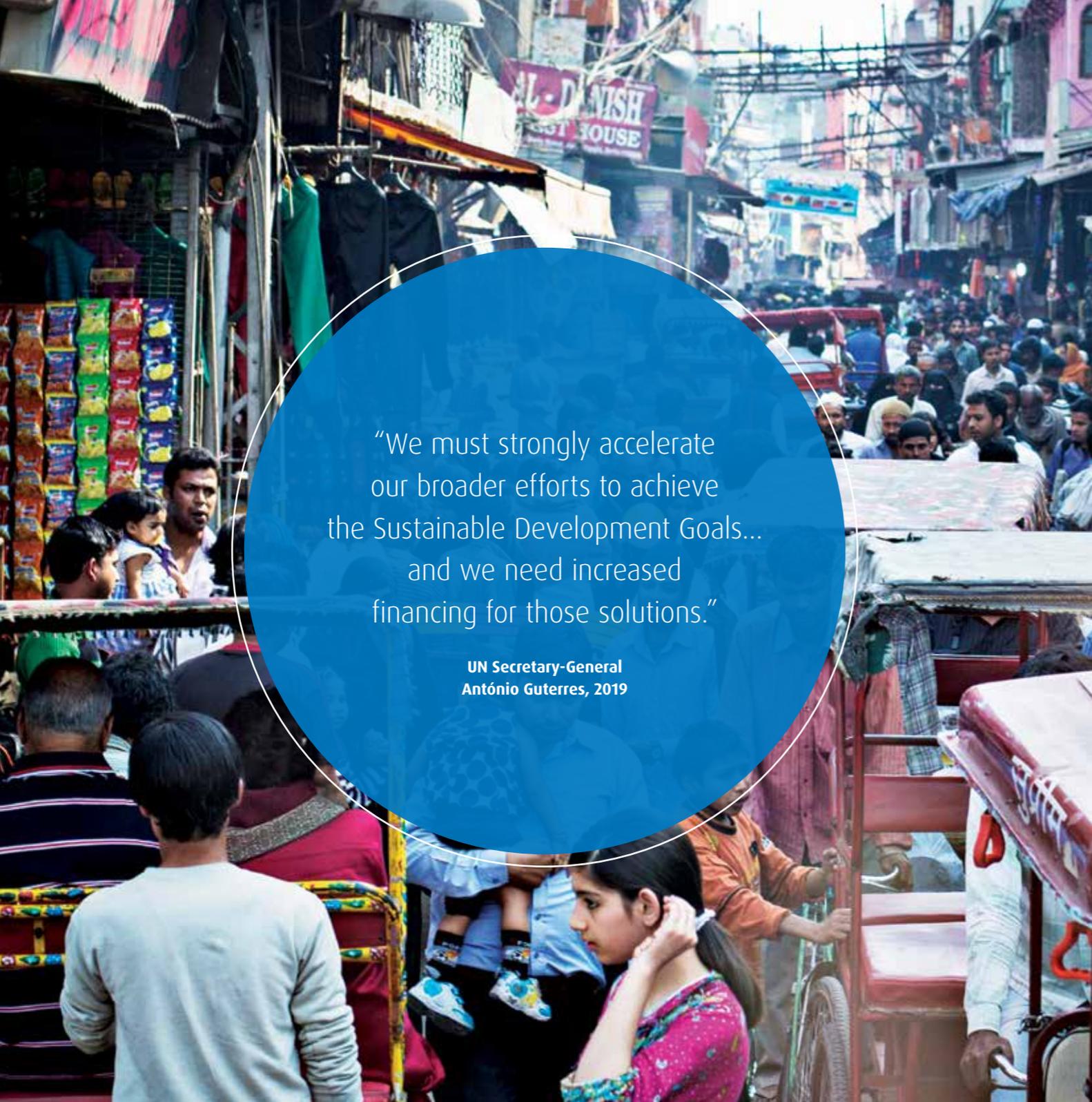
237 improvements achieved

57% link to SDG targets



With a 16-strong Responsible Investment team, we're able to build dialogue with companies around the world on a host of key ESG issues.





“We must strongly accelerate our broader efforts to achieve the Sustainable Development Goals... and we need increased financing for those solutions.”

UN Secretary-General
António Guterres, 2019

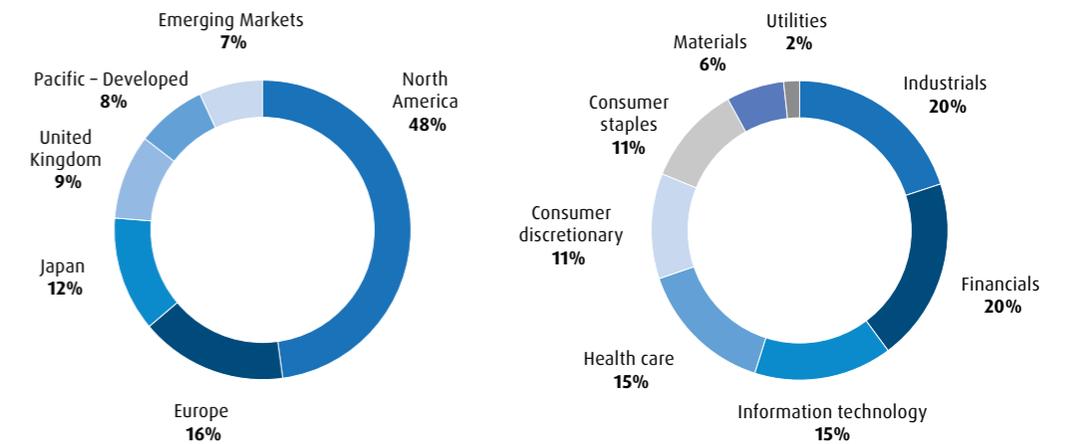
BMO SDG Engagement Global Equity Fund – facts and stats

The BMO SDG Engagement Global Equity Fund aims to provide capital growth by investing in a well-diversified selection of global small and mid-sized companies. The fund seeks to achieve a positive impact through targeted, impact-focused, active engagement with companies, using the SDG framework.

At a glance

Name	BMO SDG Engagement Global Equity Fund
Launch date	01-Mar-19
Invests in	Global equities, Small & mid-sized companies (US\$1-25bn)
Style	Quality growth
Typical holdings	40-60
Benchmark	MSCI ACWI SMID Cap Index NR
Fund managers	Jamie Jenkins, Nick Henderson
Fund type and domicile	SICAV, Luxembourg

Typical geographic and sector allocations



Source: BMO Global Asset Management, 31-Dec-18, for illustrative purposes only.

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 and in a worst case scenario there is a risk of total loss. Investments in smaller companies carry a higher degree of risk as their shares may be less liquid and investment values can be volatile.

BMO Global Asset Management – heritage and innovation

Over 30 years we've developed a range of specialist ESG products, ESG-integrated investment strategies, a deep commitment to active ownership and our Responsible Engagement Overlay service, **reo**®.

We are a global investment manager with offices in more than 25 cities in 14 countries, delivering service excellence to clients across five continents.

We have over US\$248bn in assets under management, as at 31 October 2018, and are part of the BMO Financial Group. Established in 1817, BMO Financial Group is a diversified financial services provider headquartered in North America. With more than 45,000 employees, BMO provides a broad range of personal and commercial banking, wealth management and investment banking products to more than 12 million customers globally.

BMO Financial Group has the longest-running dividend pay-out record of any company in Canada, at 190 years.

Past performance should not be seen as an indication of future performance.

Source: BMO Financial Group, 2018th Annual Report 2018.

We are committed to investing responsibly because we believe that it is the right thing to do as a custodian of our clients' money and for the world we live in.



Rated A+ by the UN Principles for Responsible Investment* for our overall strategy and governance.



*This rating is for our Strategy and Governance and should be taken in the context of the full methodology of the UN Principles for Responsible Investment reporting framework. See www.unpri.org for details.

reo® is a registered trademark of BMO Asset Management (Holdings) plc



Globally connected investing

The BMO SDG Engagement Global Equity Fund draws on BMO Global Asset Management's worldwide investment platform and combines expertise in active equity management and responsible investment.

Our Global Equities team is responsible for stock picking and day-to-day portfolio management. Based in London, they are able to draw on BMO Global Asset Management's entire active equities expertise, including specialists in developed and emerging markets. Throughout the process, our fund managers work alongside our Responsible Investment team – an approach that ensures ESG-related factors are hardwired into company analysis and engagement.

Expertise in numbers

- 60+** **60+ specialists** researching companies for potential inclusion in the portfolio.
- 16** **16-strong** Responsible Investment team working within the SDG framework to drive improvement through engagement.
- 30+** **30+ years** of responsible investing.

 bmogam.com/sdg

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BMO Global Asset Management

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The Fund is a sub fund of BMO Investments (Lux) I Fund, a société d'investissement à capital variable (SICAV), registered in Luxembourg and authorised by the Commission de Surveillance du Secteur Financier (CSSF).

English and German language copies of the Fund's Prospectus, latest annual and semi-annual Report & Accounts and Dutch, English, Finnish, French, German, Italian, Norwegian Spanish and Swedish language copies of the key investor information document (KIID) can be obtained from either www.fundsinfo.com, www.bmogam.com, your local distributor or BMO Global Asset Management, Exchange House, Primrose Street, London EC2A 2NY. **Please read the Prospectus before taking any investment decision.**

The information, opinions, estimates or forecasts contained in this document were obtained from sources reasonably believed to be reliable and are subject to change at any time.

In **France**, French language copies of the Fund's KIID and English language copies of the Prospectus, latest annual and semi-annual Report & Accounts and Articles of Incorporation may be obtained from the Centralising Agent: CACEIS, 1-3 place Valhubert, 75013, Paris Tel. +33 (0)1 57 78 00 00 Email KYC-REMEDIATION@caceis.com. In **Italy**, A list of placing agents appointed for the UCITS distribution in Italy can be found at www.bmogam.com. In **Spain**, BMO Investments (Lux) I Fund is registered with the CNMV under No. 668. The Fund is a non-Spanish collective investment scheme duly registered with the CNMV for marketing in Spain. The fund should be subscribed to through locally authorised appointed distributors. Investors must read the relevant Prospectus and KIID for each fund they want to invest before subscribing. English language copies of the Fund's Prospectus and Spanish language copies of the key investor information document (KIID) can be obtained from www.bmogam.com. All other statutory documentation, as well as the NAV can be obtained from www.bmogam.com. The Fund is a sub-fund of an umbrella structure. In **Switzerland**, this document is issued by BMO Global Asset Management (Swiss) GmbH, which is authorised and regulated by FINMA. The Prospectus, Key Investor Information Document, Articles of Association, Annual and Interim Reports in German, as well as further information, can be obtained free of charge from our Swiss Representative: Carnegie Fund Services S.A., 11, rue du Général Dufour, CH-1204 Geneva, Switzerland, Web: www.carnegie-fund-services.ch. The paying agent is Banque Cantonale de Genève, 17, quai de l'Île, CH-1204 Geneva. The current prices can be found at: www.fundinfo.com. The sub-funds are authorised by the Swiss Financial Supervisory Authority FINMA for distribution to non-qualified investors in and from Switzerland.

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