

# BMO MM Lifestyle Funds – managing risk and reward



Any investment designed to counter the eroding impact of inflation, grow the value of capital and/or generate an income requires an acceptance to a greater or lesser degree of the risks associated with investing. That willingness to take on risk with a view to generating long-term returns however, varies between individuals depending on their circumstances, objectives and attitudes.

## Designed for clear alignment

Launched in 2007, our BMO MM Lifestyle range is designed as key tool in the financial planning toolkit – helping adviser and individual determine a route to investing that suits them best. Each fund is built on common-sense investment principles. Diversification is key – each invests across a range of asset types through up to 30 or more carefully selected holdings. Robust asset allocation discipline together with an active approach to portfolio construction aim to ensure ongoing alignment with defined client requirements.

### Appropriate diversification



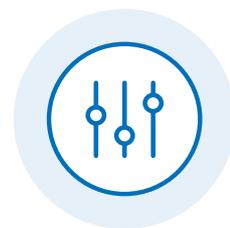
The portfolios invest across a range of geographies and asset classes including equities, bonds, property and cash. Strategic asset allocation is determined by an independent specialist and combined with a tactical overlay to manage risks and harness opportunity on a more short-term perspective.

### Multi-Manager fund selection



A true ‘whole of market’ mindset is applied as our team work hard to find the finest investment talent from across the investment industry, together with the most efficient vehicles. Seeking to balance performance potential and cost considerations, the portfolios blend active and passive strategies.

### Risk-targeted client alignment



Each fund is designed to deliver performance within defined risk parameters. This clarity allows adviser and client to determine together which is the most appropriate choice given individual circumstances and objectives. Over time, this structure facilitates clear alignment between expected outcome and requirements.

## Key risks

Past performance is not a guide to future performance. The value of investments and income derived from them can go down as well as up and investors may not get back the original amount invested.

# BMO MM Lifestyle Funds

## - aiming to deliver targeted outcomes

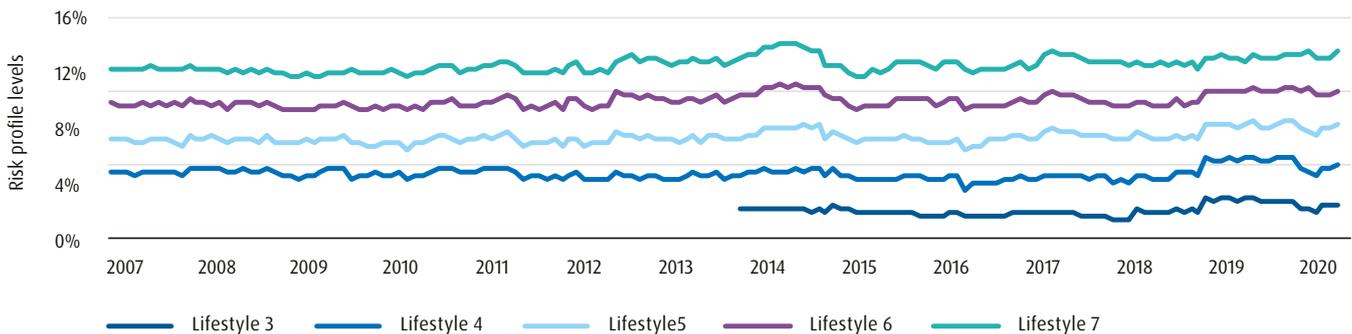
The fortunes of financial markets fluctuate over time and volatility will likely be a feature of the investment journey towards any long-term financial objective. Through careful asset allocation and portfolio management, the BMO MM Lifestyle funds aim to keep these fluctuations within defined parameters.

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### On target – performing within parameters

Each of the five funds in the range has performed within its expected risk profile range.

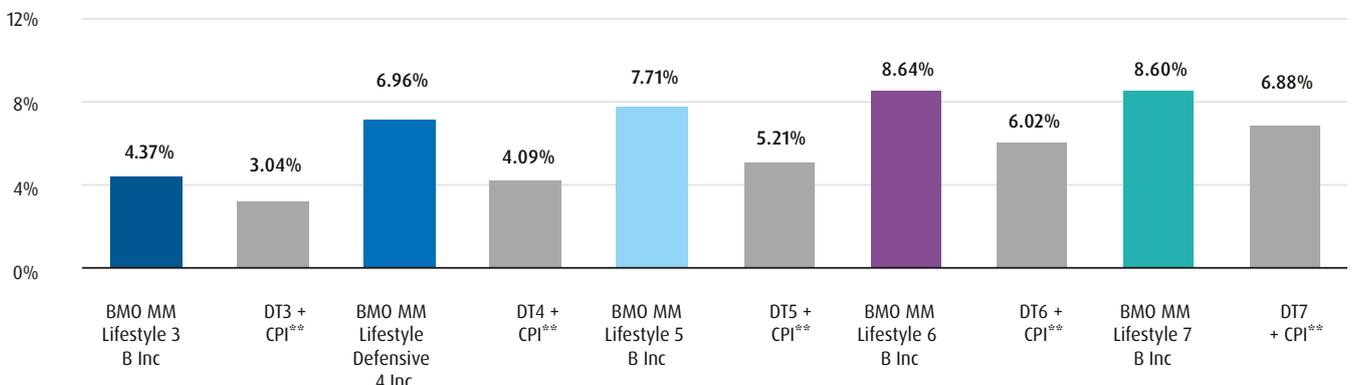
#### Volatility on target, performance ahead<sup>1</sup>



2

And each has delivered attractive returns relative to their respective benchmark.

#### Annualised performance since launch of clean share classes versus inflation adjusted benchmarks



Source: BMO Global Asset Management, Lipper for Investment Management (LIM) as at 31-Dec-20. % growth total return, net of fees, in GBP. \*Since launch dates of clean share class as follows: 3 B Inc 02-Dec-13, 4 B Inc 28-Jul-09, 5 B Inc 27-Jul-09, 6 B Inc & 7 B Inc 16-Jul-09. 1as at 30-Sep-19. \*\*Distribution Technology (DT) returns are provided by Distribution Technology Ltd. \*\*Latest DT + CPI figures are to 31-Dec-20. The discrete annual performance table refers to 12 month periods, ending at the date shown

## BMO MM Lifestyle Funds – key features

Launched in 2007, the BMO MM Lifestyle Range was among the first of its kind in the UK. In the years since, we've continued to refine and develop the funds – moves designed to ensure that the range remains an ideal option for advisers and their clients.



### 1st to market

Launched in 2007 as one of the first risk-targeted options for UK advisers



### Choice

Five strong range facilitating alignment with the most common client profiles



### Whole-of-market

A true 'whole-of-market' solution designed to harness the best available opportunities



### Cost effective

Competitively priced with an OCF capped at 1.09% max



### Expertise

Access three layers of expertise – asset allocation, fund selection, underlying stock selection



### Proven

Tried and tested through a range of market and economic conditions

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In accordance with regulations, this table shows one-year discrete periods for the last five years. Investors should consider holding these products over a long-term horizon of 5-7 years or more.

Discrete performance 12 month rolling (GBP, net of fees)					
	Mar-19/Mar-20	Mar-18/Mar-19	Mar-17/Mar-18	Mar-16/Mar-17	Mar-15/Mar-16
● BMO MM Lifestyle 3 B Inc	3.4	9.2	-3.1	5.2	7.9
● BMO MM Lifestyle 4 B Inc	4.0	11.9	-4.5	7.9	8.7
● BMO MM Lifestyle 5 B Inc	4.1	14.2	-5.9	11.2	10.0
● BMO MM Lifestyle 6 B Inc	2.9	15.6	-7.6	14.2	12.0
● BMO MM Lifestyle 7 B Inc	1.8	17.1	-9.6	17.2	13.9

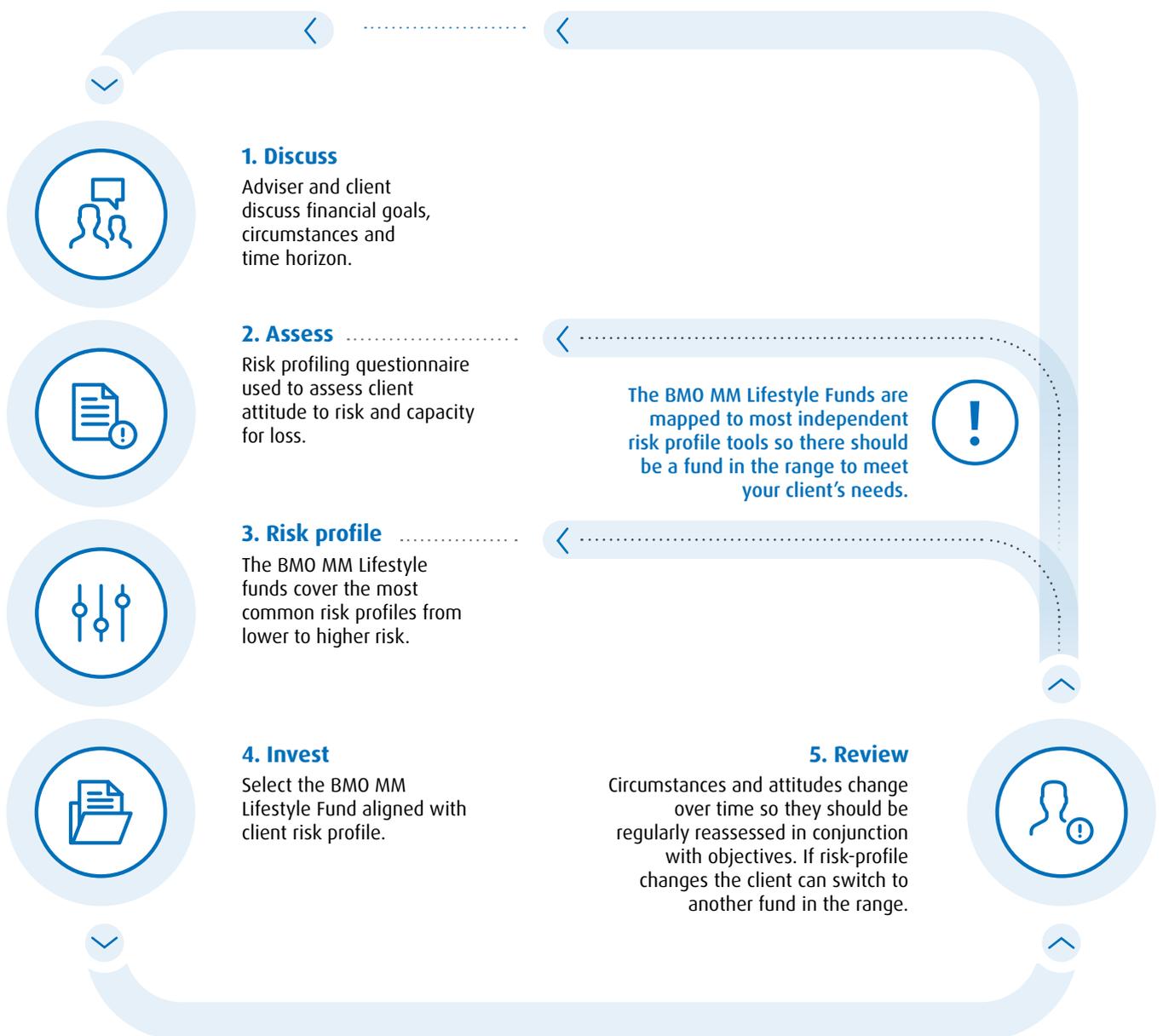
Source: BMO Global Asset Management, Lipper for Investment Management (LIM) as at 31-Dec-20. % growth total return, net of fees, in GBP.

### Key risks

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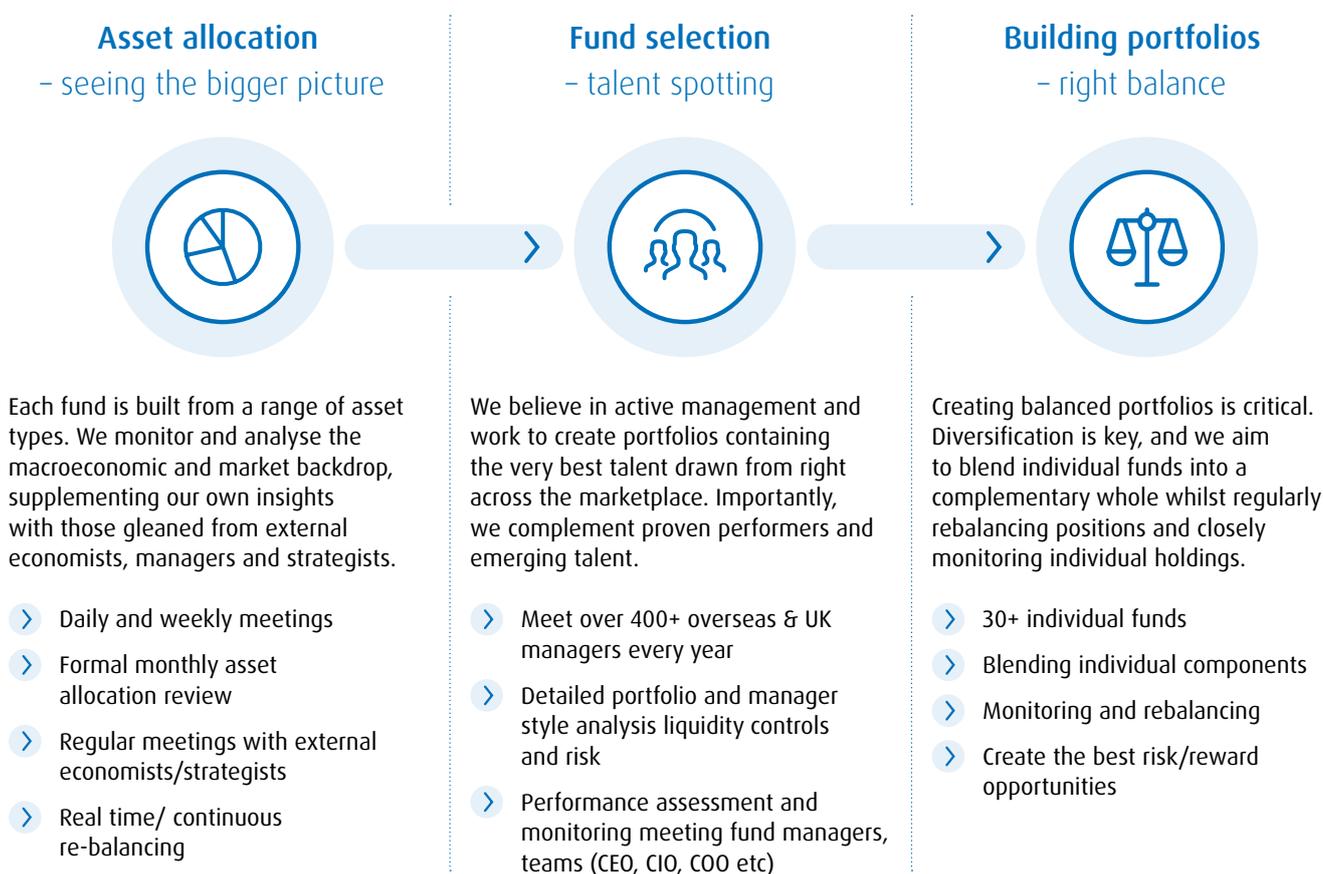
# BMO MM Lifestyle Funds – a practical planning tool

The BMO MM Lifestyle Funds are designed to provide a cost-effective high-quality core investment solution for deployment within the financial planning process. Each fund is managed to defined parameters, facilitating clear alignment between client circumstances and recommendation.



# How we manage money for real returns – active Multi-Manager investing

A proven and repeatable process is one of the key things we look for when selecting funds for the portfolios. We apply a similarly robust approach to managing our portfolios – actively managing investments at every stage.



Our focus is on creating highly diversified portfolios capable of generating consistent performance through an approach that blends art and science with a large dose of common sense.

**Rob Burdett, co-head of BMO Multi-Manager Solutions**

# BMO MM Lifestyle Funds – the portfolios

The range is comprised of five options, allowing advisers to select a portfolio with target risk characteristics aligned with their client’s individual risk requirements. The funds are aligned with profiles 3-7 on Distribution Technology’s Dynamic Planner but can also be mapped to all the commonly used risk profile tools including, Defaqto Engage, Synaptic, Finametrica and eValue.

## Diversified

Each provides access to a range of asset classes, management companies, managers, investment styles and underlying holdings through 30+ funds.

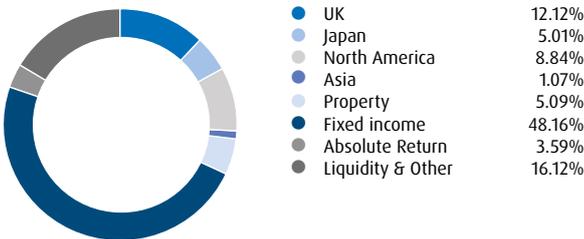
## Active

Access multiple layers of investment expertise including asset allocation, manager selection, stock picking, monitoring and rebalancing.

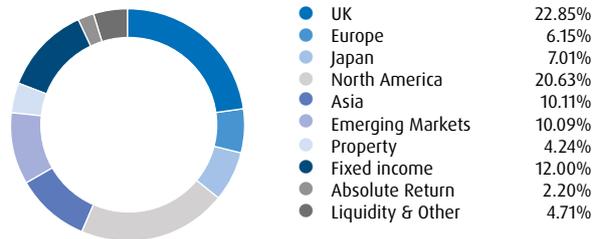
## Practical

Combining best of breed managers with cost-effective passive strategies to deliver performance potential at a value orientated price point.

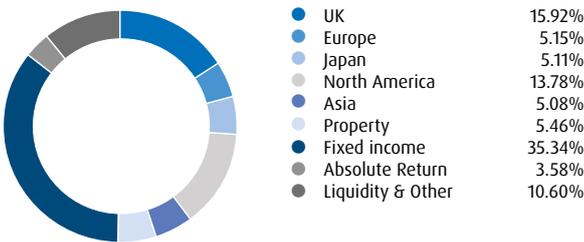
### MM Lifestyle 3 Fund



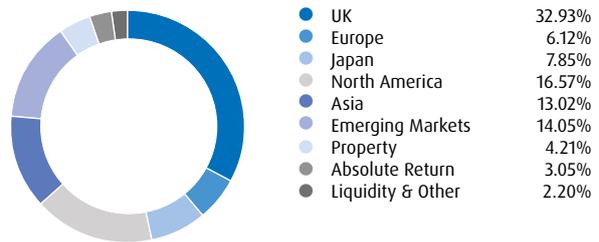
### MM Lifestyle 6 Fund



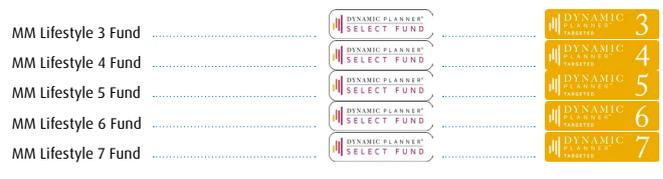
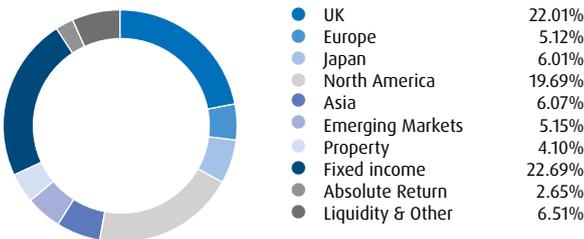
### MM Lifestyle 4 Fund



### MM Lifestyle 7 Fund



### MM Lifestyle 5 Fund



Source: BMO Global Asset Management 31-Dec-2020, for illustrative purposes only.

# Understanding risk and getting the right balance

Before investing it's important to think about financial goals and circumstances. These factors will help determine the choices that are made. Here we discuss the BMO MM Lifestyle Range and the risks associated with making an investment.

Making money work harder usually means taking greater risk with capital. Our BMO MM Lifestyle Funds offer a range of options so investors can choose the balance of risk and potential reward that's right for them.

How does this work? Each of the portfolios invests across a range of asset classes – the type and proportions in each tailored with a view to delivering defined investment outcomes. In the case of the BMO MM Lifestyle Funds, that means target volatility bands (volatility is a commonly used measure of risk).

For those comfortable with higher levels of risk, a growth portfolio with higher equity exposure may be appropriate. Why? Because equities can offer scope for higher returns, but that potential comes with greater risk of loss.

More cautiously minded investors meanwhile, can select a portfolio with a higher allocation to fixed income assets. The likes of government and high-quality corporate bonds tend to be less volatile in their performance than equities.

Adviser and individual work together to decide which of the Lifestyle funds is the right option, usually by discussing financial aims, circumstances and the likely timeframe as well as completing a questionnaire to accurately assess attitude to risk.

## Things to remember when considering investing

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

These funds invest principally in units in collective investment schemes. Please refer to the investment policy of each fund.

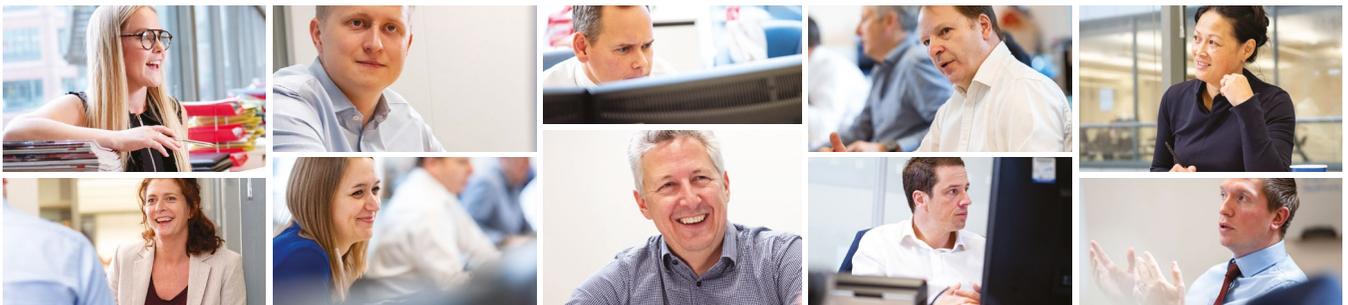
## Expertise in numbers

**1996** established in 1996; pioneers in multi-manager investing ever since

**10** strong team

**25+** years working together; a stability that's rare in this industry

**200+** years' combined investment experience



# The **Multi-Manager** People

Headed by Rob Burdett and Gary Potter, our 10-strong team is one of the most highly regarded in the industry. Established in 1996, we have defined a form of diversified investing that has consistently outperformed for over two decades. We're actively redefining how we can do it better, every day.

## Don't just take our word for it

The team have worked together for over 24 years amassing extensive experience, insights and knowledge. This fund is rated by a host of agencies including Morningstar, Square Mile, FundCalibre and Rayner Spencer Mills.



## Risk profiled

Conservative and capital aware management style and typical portfolio composition reflected in independent risk profiles.

## Want to know more?

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-  [bmogam.com/multi-manager](http://bmogam.com/multi-manager)
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English language copies of the Fund's Prospectus and English language copies of the key investor information document (KIID) can be obtained from BMO Global Asset Management, Exchange House, Primrose Street, London EC2A 2NY, telephone: Client Services on 0044 (0)20 7011 4444, email: [client.service@bmogam.com](mailto:client.service@bmogam.com) or electronically at [www.bmogam.com](http://www.bmogam.com). Please read the Prospectus before taking any investment decision.

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