

For professional investors only

Fund Insight

BMO Responsible Global Equity Fund

ESG is a mindset, not an asset class

A global equity fund that invests with both impact and investment performance in mind.

BMO  Global Asset Management

About the fund

The BMO Responsible Global Equity Fund is orientated around the Avoid, Invest and Improve philosophy that underpins all our ESG-focused offerings.



At inception, the emphasis of the fund was on **'avoid'** with the exclusion of companies perceived to be doing harm being central to our approach. Over time, however, recognition of broader 'responsible investment' implications have grown. That means a better understanding of the benefits of investing with an ESG-orientated mindset and an appreciation of the scope for driving broader positive impact on the world we live in through our decisions and activities.

Within the fund, **'invest'** reflects our ambition to harness long-term sustainability-orientated opportunities. The world is facing numerous challenges – and the response to these presents select businesses with real long-term structural growth potential. Stock picking drives portfolio composition but our search for high quality and attractively valued businesses is focused within themes like health & well-being, energy transition, resource efficiency

and technological innovation. We expect each of these megatrends to play out over many years, providing tailwinds to innovative market-leading companies.

Theme in focus – the energy transition is the pathway towards transforming the way we generate and use energy. That means a shift from fossil-fuels to zero-carbon sources, such as solar and wind, and increasing the efficiency with which energy is used. This shift is an essential part of achieving the goals



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of the Paris climate agreement. Companies providing battery materials are one area we have focused on, with Belgium's Umicore looking well placed for the structural change towards electric vehicles.

'Improve' is the third element. At BMO GAM we are active owners and use our position to exert a positive influence through dialogue (engagement) with companies around improving how they manage and address ESG-related factors. We believe this is the right thing to do as part of our broader ethos of making finance a force for good. Being an active owner also makes perfect sense from an investment perspective. Why? Because in-depth dialogue helps us better understand and make more informed decisions and it allows us to push for improvements in how businesses address and manage ESG-related risks and opportunities. Along the way, we also exercise our voting rights to further drive improvement.

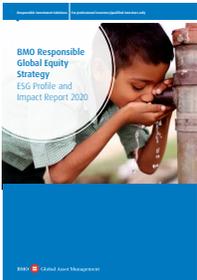
Did you know?

At BMO Global Asset Management, we have been engaging with companies for over 20 years. You can read more about our approach to active ownership and why we believe that the next decade is key.



Measuring our impact

We believe in the power of companies to address global problems and our role as an allocator of capital in helping drive positive change.



Our annual impact reports are a key part of this as we work to quantify the results of our investments together with the progress we make through active ownership. We use the Sustainable Development Goals (SDGs) as a framework for assessing impact.

The 17 goals were agreed by all the United Nation's member states in 2015 and aim to guide the world towards a more sustainable footing.

At a glance

The portfolio contains 40-60 high conviction, long-term equity ideas underpinned by a clear 'Avoid, Invest and Improve' ethos.



Quality is key – 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.



Approved names – ahead of inclusion in the portfolio, companies are screened against defined criteria by our Responsible Investment team. Independent oversight of ratings is provided by the external Responsible Investment Advisory Council.

Key risks

Screening out sectors or companies may result in less diversification and hence more volatility in investment values.

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.

ESG is a mindset, not an asset class



Read the latest update from the team on portfolio performance and investment activity.



Our Impact report details the fund's alignment with the SDGs, contains key sustainability metrics and engagement case studies.



At BMO we've been engaging with the companies we invest in on ESG issues for over 20 years. Read about the evolution of active ownership and why driving positive change is key from here.

Contact us

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The Fund is a sub fund of BMO Investment Funds (UK) ICVC V, an open ended investment company (OEIC), registered in the UK and authorised by the Financial Conduct Authority (FCA).

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 or electronically at www.bmogam.com. Please read the Prospectus before taking any investment decision.

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