

The best of both worlds

Responsible Global Emerging Markets strategy



ESG is a mindset, not an asset class

The BMO Responsible Global Emerging Markets strategy brings together the strong capabilities of LGM Investments and the expertise of the Responsible Investment team at BMO Global Asset Management. Since its launch in 2010, the strategy has built a track record in delivering sustainable, market leading returns by investing in high-quality companies that play a role in addressing sustainable development challenges in emerging markets.

Investment Approach

We are bottom-up investors who look for high quality companies with the aim of growing the absolute value of our client's capital over time. We invest in businesses with:

- Sustainable, well-managed business models
- Robust balance sheets and predictable and steady cash flows
- Consistent and elevated returns on invested capital
- A positive track record of respect for, and alignment with, minority shareholders.

Trust is implicit in our relationships with the management of the companies in which we invest. We look for businesses and managers who are strongly aligned with minority shareholders, act with integrity, excel at capital allocation and take a long-term, sustainable approach to decision making and strategy.



Key risks

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.

Investing in emerging markets is generally considered to involve more risk than developed markets.

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

Adding value through a sustainability lens

The economic growth and development story of emerging markets offers attractive investment opportunities. At the same time, these economies are poised to be the most impacted by environmental and social megatrends, including climate change, urbanisation and technological breakthrough. In addition, the growth in the purchasing power of large swaths of the population across emerging markets is putting ever more pressure on the world's natural resources. An enhanced approach to investing is, therefore, required. One where shareholder value creation is not solely calculated based on traditional financial metrics, but that critically incorporates ESG factors.

The BMO Responsible Global Emerging Markets Strategy takes this a step further by looking to invest in companies that help address sustainability challenges across the emerging world, both through their products and services as well as their own operations.

Responsible Investing



Two teams working together

The strategy seamlessly combines LGM's investment expertise in Emerging Markets with specialist ESG knowledge of BMO GAM's Responsible Investment team. Together we assess the impacts of global sustainability trends, identify sources of ESG risk and opportunity, and plan and execute active ownership activities. We actively engage with our holdings on significant ESG matters to mitigate risks, capitalise on opportunities and, ultimately, support enhanced long-term returns.

To maximise transparency, we provide comprehensive reporting on investment decisions on quarterly basis, engagement and voting activities, and how our companies align with the Sustainable Development Goals.



Views and opinions have been arrived at by BMO Global Asset Management and should not be considered to be a recommendation or solicitation to buy or sell any stocks or products that may be mentioned.

LGM Investments

Founded in 1991, LGM is the centre of excellence for emerging markets equities within BMO Global Asset Management. Our investment team constructs bottom-up, concentrated portfolios of high-quality emerging market companies. Our goal is to maximise returns by investing in the best companies we can find at attractive valuations.

BMO GAM Responsible Investment Team

BMO Global Asset Management's heritage and commitment to responsible investing runs deep. We take our responsibility seriously and that includes considering the impact of our investments on society and the environment. Over 35+ years we have developed a range that includes specialist ESG products, and a robust approach to ESG integration and active ownership, supported by a dedicated specialist team.

Heritage in Responsible Investment

- 1984** – Launch of Stewardship Growth – first ethical fund in UK
- 2000** – Launch of Responsible Engagement Overlay (**reo**[®])
- 2006** – Founding signatory to Principles for Responsible Investment (PRI)
- 2007** – Launch of Ethical Bond fund
- 2010** – Launch of Responsible Global Emerging Markets (GEM) Strategy
- 2012** – Launch of ESG Risk Tool
- 2016** – Launch of BMO Responsible GEM SICAV
Launch of ESG Profile & Impact Annual Report
- 2018** – Launch of BMO Responsible Euro Credit Fund
- 2019** – Launch of BMO SDG Engagement Global Equity portfolio

For more information please contact UK intermediary sales:

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BMO Global Asset Management

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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. All other statutory documentation, as well as the NAV can be obtained from www.bmogam.com.

In Switzerland, 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.

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