

# BMO AM Responsible Global Equity ESG Fund

## About the Fund

BMO AM Responsible Global Equity ESG Fund is for institutional investors looking for global equity exposure that will provide excellent long-term performance while recognizing the important role that environmental, social and governance (ESG) considerations play in the creation of superior long-term investment returns.

## Philosophy

Our responsible investment philosophy is focused on investing in quality, growth companies that demonstrate a clear commitment to sustainability. We look to 1) Invest in companies that make a positive contribution to society and the environment, 2) Avoid companies with damaging or unsustainable business practices, and 3) Use influence as an investor to encourage best practice management of ESG issues through engagement and voting.

## Investment Strategy

BMO AM Responsible Global Equity ESG Fund employs fundamental and long-term analysis at both the top-down and bottom-up levels to find opportunities from an ethically screened universe of global equity securities. This is achieved by focusing on four factors:

- Alignment with values – Screening potential investments against a range of defined criteria allows individuals and organizations to invest in a way that is aligned with their values and beliefs.
- Risk Management – Responsible investment means recognizing a broader range of material risks, including those posed by environmental, social and governance issues.
- Active ownership – Through engagement, and the active use of voting, investors and companies can work together to improve the management of risk, and create the conditions for long-term outperformance.
- Sustainability opportunities – Global trends including demographic shifts, climate change, water stress and natural resource constraints are changing our world and creating opportunities for companies able to provide solutions. Thematic funds offer a way for investors to gain access to companies in these high growth areas.

## Inception Date:

August 31, 2017

## Benchmark:

MSCI World

## Asset Class:

Global Equity

## Management Style:

Fundamental

## Objective:

The Fund aims to provide long-term capital growth by investing in an ethically screened and diversified portfolio of companies across the world. The Fund seeks to invest in companies making a positive contribution to society and the environment, while avoiding investment in companies with damaging or unsustainable business practices.

## Annualized Performance (%)

	Current Quarter	YTD	1 Year	3 Years	Since Inception**
<b>BMO AM Responsible Global Equity ESG Fund</b>	<b>7.01</b>	<b>8.73</b>	<b>27.30</b>	<b>17.26</b>	<b>17.92</b>
Benchmark*	6.28	10.09	26.96	12.76	13.69
Value Added	0.73	-1.36	0.34	4.50	4.23

## Calendar Returns (%)

	2020	2019	2018
<b>BMO AM Responsible Global Equity ESG Fund</b>	<b>24.12</b>	<b>27.66</b>	<b>-0.59</b>
Benchmark*	13.60	21.45	-0.85
Value Added	10.52	6.21	0.26

\*MSCI Daily TR Net World (CAD)

\*\*Since Inception: August 31, 2017.

Note: Performance is gross of fees. Past performance is not indicative of future results.

Source: BMO GAM, MSCI

## Top 10 Holdings (%)

Apple Inc	5.67
LINDE PLC	3.52
Thermo Fisher Scientific Inc	3.17
ILLUMINA INC	3.00
TAIWAN SEMICONDUCTOR MANUFACTURING	2.99
ACCENTURE PLC	2.89
MASTERCARD INC	2.87
PayPal Holdings Inc	2.70
ROPER TECHNOLOGIES INC	2.61
SCHNEIDER ELECTRIC SE	2.35
Total	31.77

Source: BMO GAM, MSCI

## Portfolio Metrics

AUM: \$159.29MM

	Fund	Benchmark
Upside Capture (%)	113.3	-
Downside Capture (%)	95.5	-
Maximum Drawdown (%)	-11.8	-15.5
Beta (%)	1.0	1.0
3 Yr Standard Deviation (%)	14.3	13.7
3 Yr Sharpe Ratio	1.0	0.8
3 Yr Information Ratio	1.1	-
3 Yr Tracking Error	3.9	-

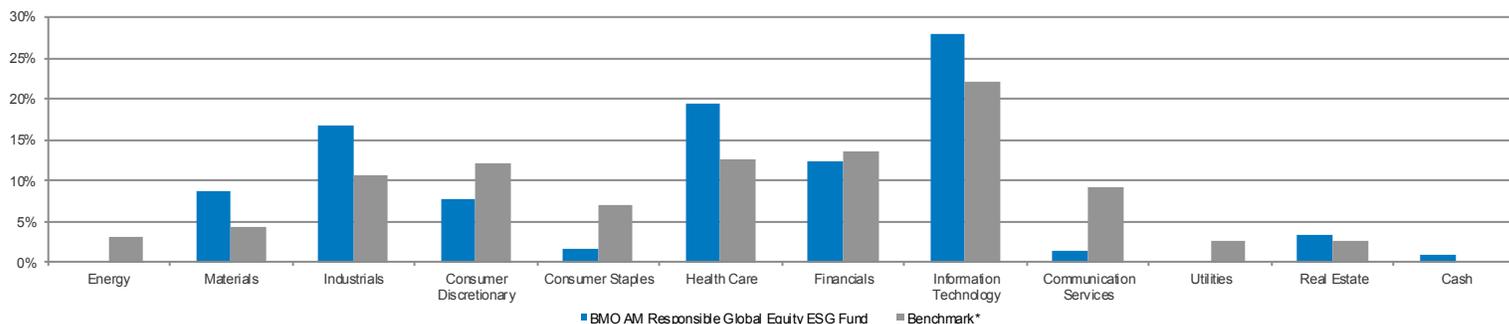
## Portfolio Characteristics

	Fund	Benchmark
Average Market Cap (\$B)	0.3	370.9
Long Term Debt to Equity (%)	97.5	155.5
Price to Forward Earnings	40.4	29.4
Price/Book Value	14.1	9.9
Yield on Expected Dividends (%)	1.2	2.1
Forward Return on Equity	33.3	10.4
One Year Forward EPS Growth	0.0	118.7

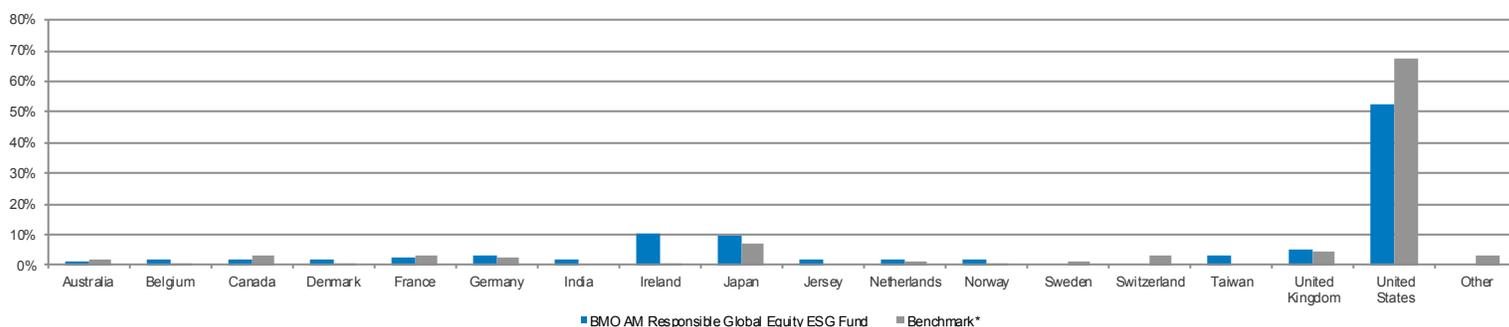
Source: Bloomberg, FactSet

June 30, 2021

## Sector Weightings (%)



## Geographic Breakdown (%)



\*MSCI Daily TR Net World (CAD)  
Source: BMO GAM, MSCI

## Investment Approach

There is a five step investment process:

- Idea Generation.** We consider long term social and environmental themes, looking across industries and along value chains. We identify key themes such as resource efficiency, water management, waste and recycling, health and wellness and responsible finance. The identification of themes helps to focus our analytical efforts rather than imposing a strict thematic structure on the portfolio. Additionally, we also look for companies who are leaders, or have the potential to show meaningful improvement, in how they manage key ESG issues.
- Ethical and sustainability screening.** Each company considered for the Fund is screened by the Governance and Sustainable Investment (GSI) team to ensure it meets our criteria. The strategy will exclude companies with exposure to any business activities deemed to be socially or environmentally damaging and that also do not meet sufficiently high standards in how they operate, based on a detailed assessment of their policies and performance with respect to overall sustainability management.
- Fundamental Analysis.** Sector research responsibilities are allocated across the team ensuring a thorough understanding of the drivers affecting each sector and theme as well as the relative position of the constituent companies within them. We assess valuation using a blended methodology, considering relative valuation metrics such as P/E, EV/EBITDA, P/Book and EV/Sales as well as establishing an intrinsic value estimate using DCF and comparing capital returns with the cost of capital.
- Portfolio Construction.** We consider higher quality companies will justify a larger active position in the portfolio. Timing, regional, sector and aggregate risk considerations are taken into account.
- Engagement and proxy voting.** We operate an active ownership policy and seek to influence positive change and support best practice through engagement and voting. We will engage companies and encourage them to meet or set emerging best practice in the management of key ESG issues. Our aim is to reduce risk, to enhance long term performance and to encourage a positive contribution to broader social and environmental issues.

## Risk Management

The portfolio management team continually assesses exposures and ensures that there is adequate diversification across different types of investments, targeting a favourable risk/return profile using a multi-dimensional risk management process. Further, detailed full analysis of business fundamentals are undertaken to ensure the Fund avoids unfamiliar or poorly understood companies.

Additionally, operational risk controls ensure a strong governance structure is in place to safeguard client's assets. These include segregation of portfolio management, research, and trading responsibilities which are reinforced by pre- and post-trade compliance activities, as well as daily monitoring of client and fund guidelines.

## Key Investment Professionals

**Jamie Jenkins, MA**  
Director and Head of Responsible Global Equities  
Years of Experience: 23

**Nick Henderson, CFA**  
Director, Responsible Global Equities  
Years of Experience: 12

## For More Information

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