

BMO Partners Group Private Markets Fund



INFRASTRUCTURE



REAL ESTATE



PRIVATE EQUITY

PRIVATE CREDIT

Introducing BMO Partners Group Private Markets Fund

Fund Highlights

Private Markets. Simplified. – single investment provides Canadian accredited investors with access to all of the major types of private markets

Key complement to portfolios – can be used as a long-term building block in portfolios, complementing public market holdings with potential to reduce risk and improve returns

Invest like an institution – sophisticated investors, like major Canadian pension plans, have long benefitted from exposure to private markets

Innovative evergreen structure – eliminates need for capital calls, provides immediate exposure to private markets and automatically reinvests cash, compounding capital long term

Investor-focused – flexibility to buy when you want and periodic ability to sell if you need,¹ with lower minimum investment amounts in a registered plan eligible format

A marquee collaboration – Partners Group is a leading firm delivering private markets solutions with >\$135Bn USD AUM globally, trusted by tier-one institutional investors

20+
year track
record

Managing diversified, private market solutions – among the longest track records globally

Target
10%-12%
Net
returns

Targeted returns in line with actual performance of Flagship Fund over the past 10 years²

4
private
market
strategies

Fund includes Private Equity, Credit, Real Estate and Infrastructure

¹ Investors can subscribe on a monthly basis and periodically adjust their position subject to redemption restrictions.
² Partners Group (2023). Performance shown for The Partners Fund USD 1 class as of 31 December 2022.
Past performance is not indicative of future results. For illustrative purposes only.
There is no assurance that similar returns will be achieved.

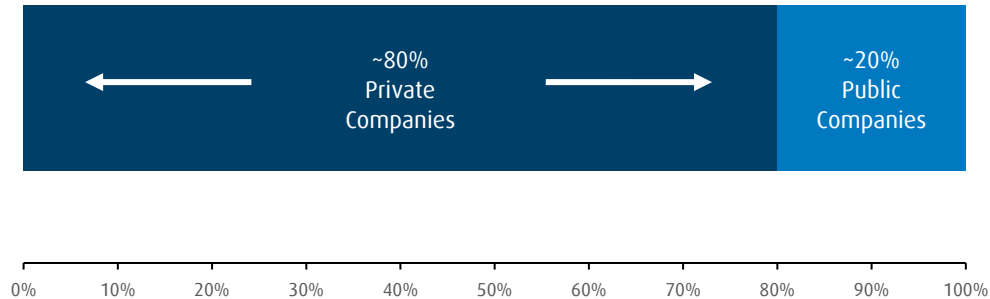
Private Markets: A Strong Complement to Public Markets, Providing Broader Exposure to the Economy

PRIVATE MARKETS DRIVE THE ECONOMY



Most large U.S. businesses today are private

Companies with US\$100M+ revenue²

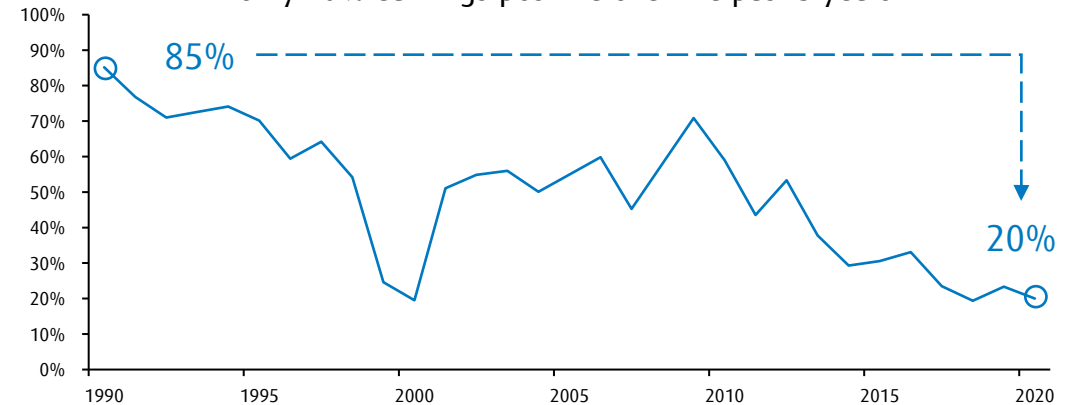


PUBLIC MARKETS OPPORTUNITY SET MORE CONCENTRATED AND SHRINKING

- Top seven S&P 500 companies represent nearly 25% of market cap, and these are all technology companies³
- Number of public stocks has declined by almost 50% since 1996⁴

% of U.S. IPO businesses with positive earnings has fallen

Only 20% earnings-positive over the past 5 years⁵



¹ Bain & Company, Global Private Equity Report 2023. Includes companies in OECD member countries with more than 250 employees.

² S&P Capital IQ, June 2023.

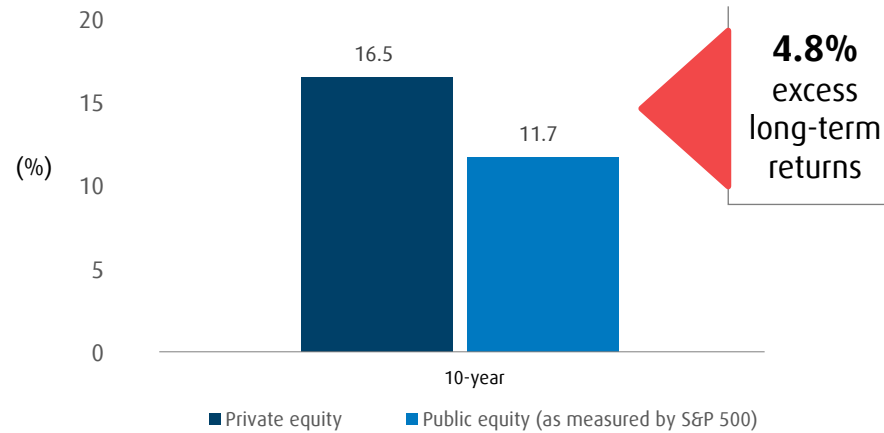
³ Slickcharts.com, S&P 500 Companies by Weight (AAPL, MSFT, AMZN, NVDA, GOOGL, GOOG, META), as of June 2023.

⁴ The World Bank, listed domestic companies; 1996: 8,090 companies; 2019: 4,266 companies.

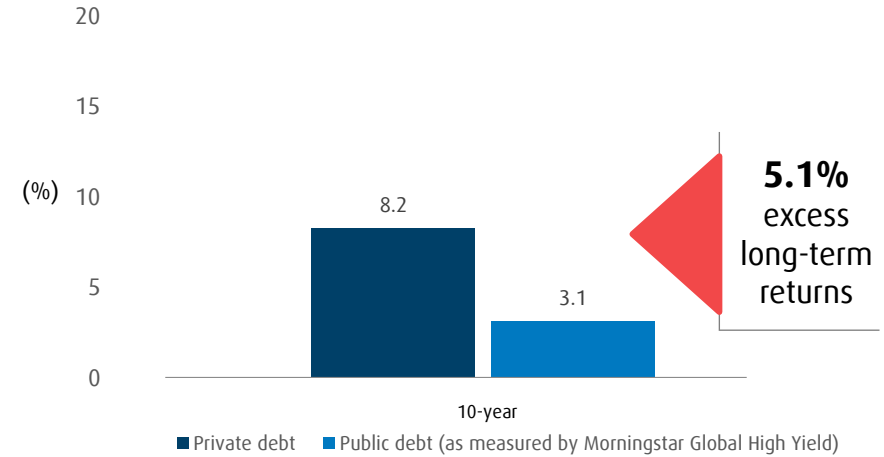
⁵ Partners Group, earnings per share >0; annual data, 8,775 IPOs in total.

Private Markets Have Historically Outperformed Their Public Market Equivalents

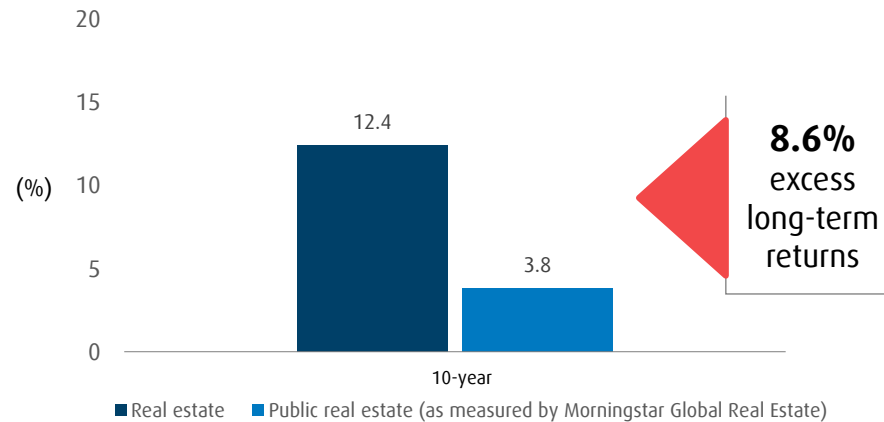
Private Equity vs. Public Equities



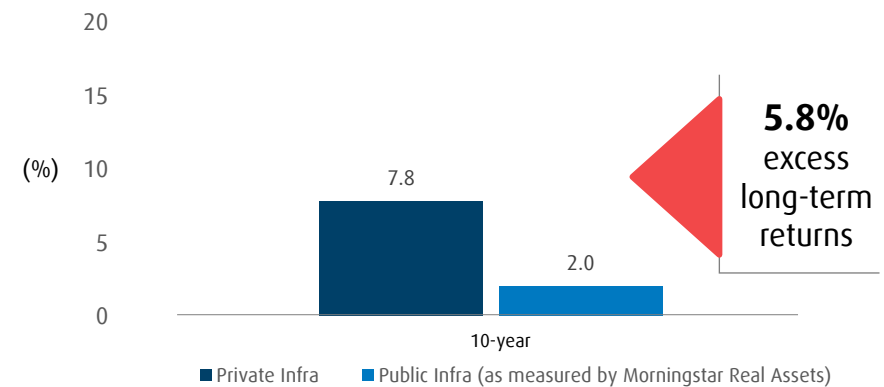
Private Debt vs. Public Debt



Real Estate vs. Public Real Estate Securities



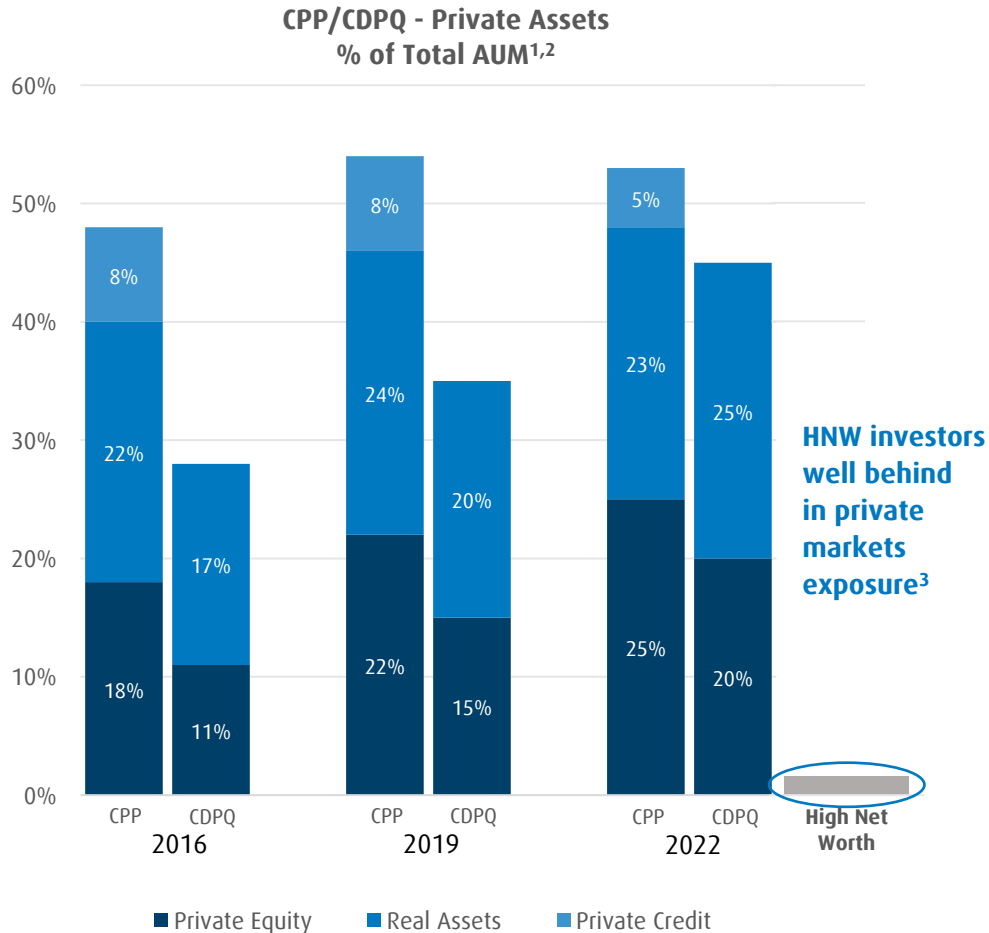
Infrastructure vs. Public Infrastructure Securities



Source: PitchBook, Global PitchBook Benchmarks, quarterly returns as of September 30, 2022. Annualized Returns. Private fund strategies are preliminary quarterly returns. Public index values are total return CAGRs.

Sophisticated Investors Have Significant Private Markets Exposure

Canadian pension plans continue to ramp-up exposures to private markets...



... While independent investors lag significantly

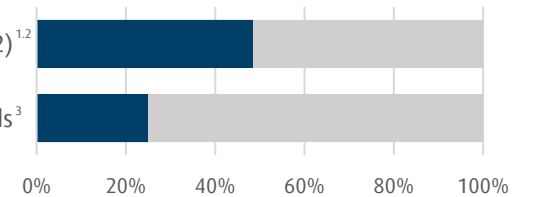
Wealth by Investor Type (2022)

Alternative allocation ■ Other allocations

Institutions worldwide are heavily invested in alternatives/private markets

Canadian pension plans (approx. CPP and CDPQ avg. for 2022)^{1,2}

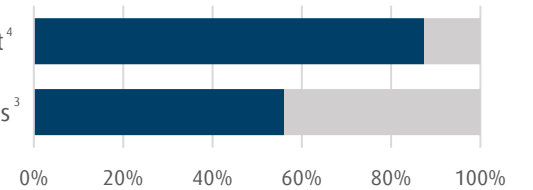
Public pension funds³



Top-performing endowments, like Yale, have led the way in private markets investing

Yale University endowment⁴

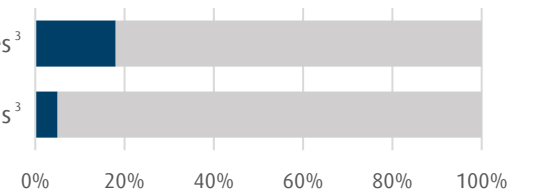
Endowments and foundations³



Allocation to alternatives considerably low among non-institutional investors

Ultra-high-net-worth individuals and family offices³

Mass affluent, high-net-worth and very-high-net-worth individuals³



¹ CPP Annual Reports (2019, 2022) (CPP 2022 private credit percentage is from the total in figure 10.3.2: Terms to Maturity).

² CDPQ Annual Reports (2016, 2019, 2022). While CDPQ does not divide private credit from public credit, it has noted private credit was a key driver of positive fixed income performance in 2016 and 2022 (cdpq.com).

³ Bain & Company, Global Private Equity Report 2023; Preqin, GlobalData.

⁴ Yale University, Financial Report 2021-2022 (based on % of total investment at NAV for leveraged buyouts, marketable alternatives, real assets, venture capital).

Canadian Pension Plans Allocate Extensively to Private Markets



“

Our diversified portfolio demonstrated resilience in 2022 with excellent returns from our **infrastructure, inflation sensitive and private equity assets** ... Assets correlated to inflation such as commodities, natural resources and **infrastructure** all performed well last year.”

- Ziad Hindo, Chief Investment Officer, commenting on 2022 performance¹



“

Equities class also posted a negative return, but resisted better given the preponderance of quality stocks in the Equity Markets portfolio and the good operational performance of companies **held in Private Equity. Activities in Real Estate and Infrastructure performed very well against rising inflation.**”

- News Release, February 23, 2023²

Plan Performance Driven by Increased Exposure to Private Markets



“

Our **significant allocations to private investments**, the strategic decisions to favour quality over growth stocks, and short-term credit over long-term bonds, **protected OMERS from the worst six month period of market losses incurred by investors in more than 50 years.**”

- Jonathan Simmons, OMERS Chief Financial and Strategy Officer³



“

Our investments in **Private Equity** continued to drive growth in the Fund with additional contributions from our investments in **Real Assets** and Credit Investments, despite volatility in public markets which impacted our equity investments.”

- John Graham, President and CEO⁴

¹ OTPP.com, 2022 Highlights, March 14, 2023.

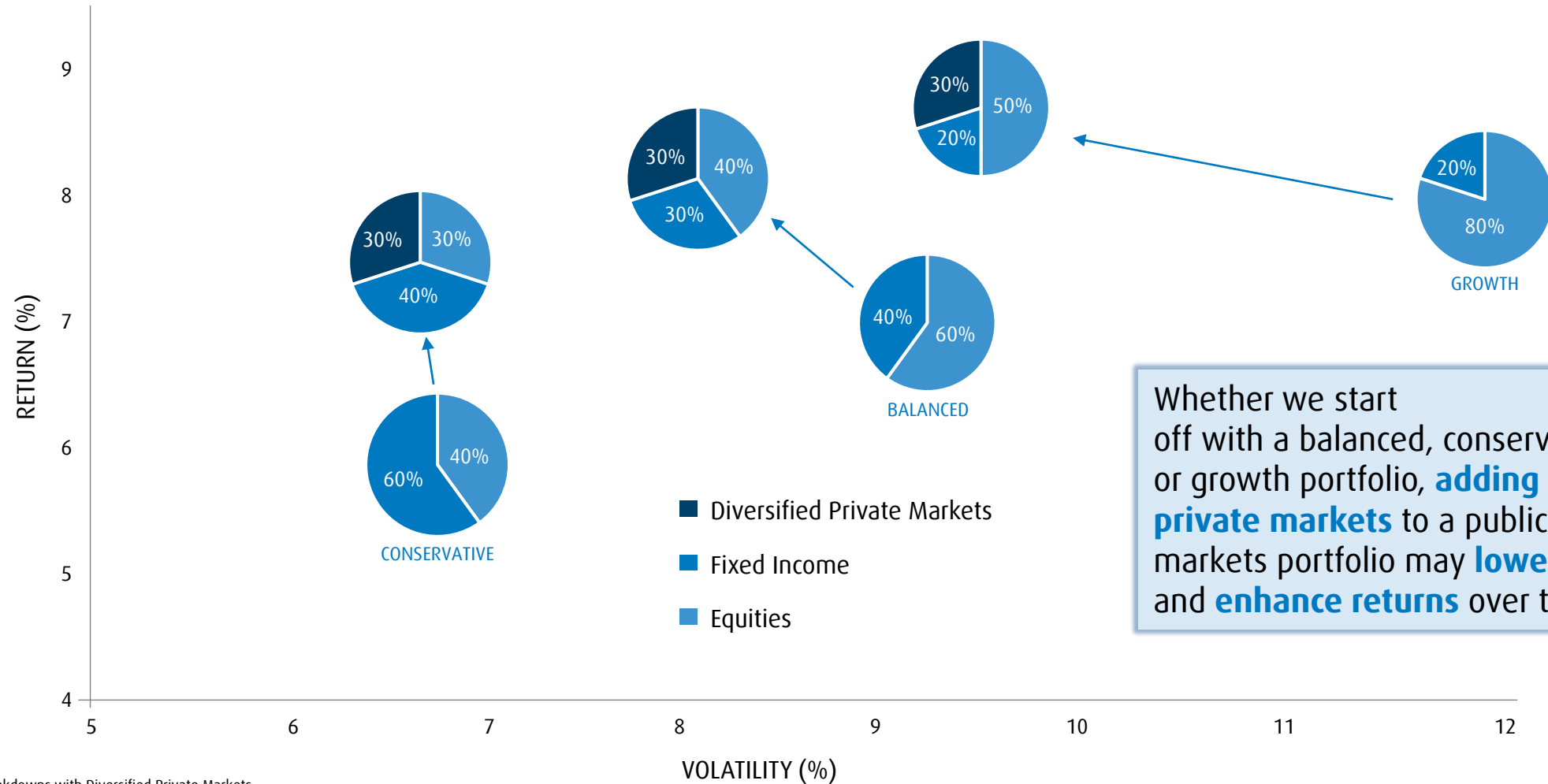
² CDPQ.com, press release, February 23, 2023.

³ OMERS.com, news release on 1H-22 performance, August 18, 2022.

⁴ CPP.com, Annual Report 2022.

Private Markets Can Improve Portfolio Risk-Reward Outcome vs. Traditional Allocations

PRIVATE MARKETS IMPACT ON RISK-RETURN OVER 20 YEARS (2002-2022)

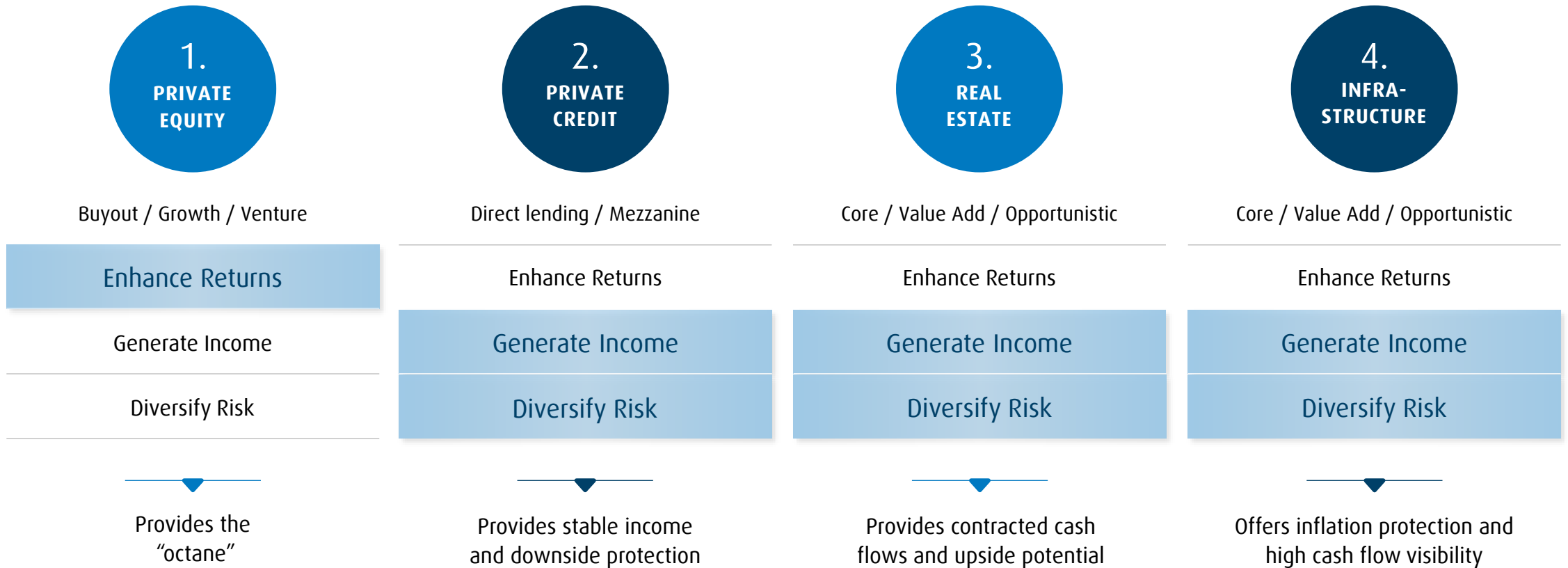


Whether we start off with a balanced, conservative or growth portfolio, **adding private markets** to a public markets portfolio may **lower risk** and **enhance returns** over time.

Portfolio breakdowns with Diversified Private Markets
 Equities: S&P/TSX Composite Index (Conservative 30%, Balanced 40%, Growth 50%).
 Fixed Income: S&P Canada Aggregate Bond Index (Conservative 40%, Balanced 30%, Growth 20%).
 Diversified Private Markets: Preqin Private Capital Index (Conservative 30%, Balanced 30%, Growth 30%).

Each Private Markets Sub-asset Class Plays a Different Role in Enhancing Risk-reward

Each asset class can shift risk-reward to complement investor portfolios.



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Collaborating With a Leading Global Private Markets Firm: Partners Group

In delivering a tier-one private markets solution to Canadian accredited investors, BMO Global Asset Management conducted extensive due diligence and is proud to collaborate with a globally renowned, best-in-class private markets manager, Partners Group.

GLOBAL SCALE

>1,800 employees, 20 offices and >550 private market investment professionals¹

Leading market share: **\$135B+** in AUM, USD \$71 billion in corporate equity and USD \$64 billion in real assets / credit²

ESTABLISHED REPUTATION WITH TIER-ONE CLIENTS/CO-INVESTORS

Global diversified client base of 800+ institutional clients, including major Canadian pension funds



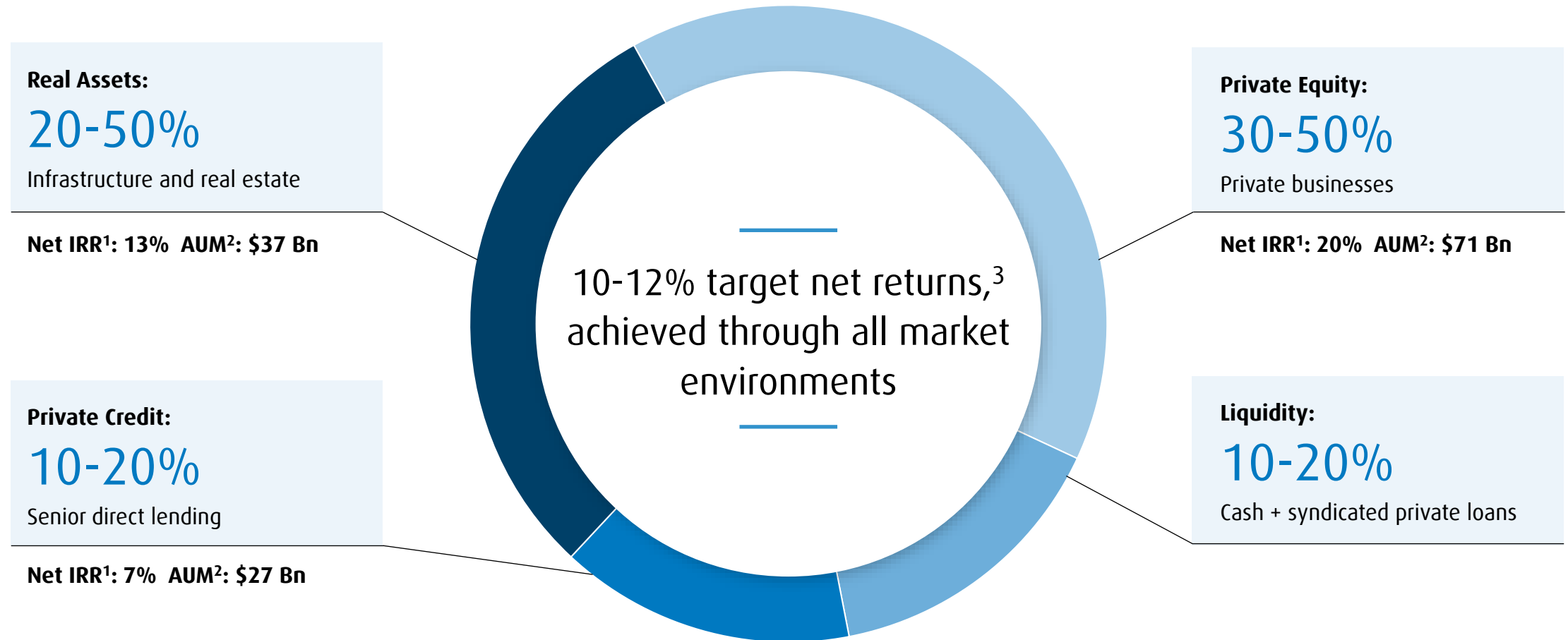
BMO GAM IS BRINGING PARTNERS GROUP'S GLOBAL PRIVATE MARKETS EXPERTISE TO CANADIAN ACCREDITED INVESTORS.

¹ Team figures as of 31 December 2022.

² Real assets credit includes Partners Group's asset under management relating to private real estate, private infrastructure and private debt as of 31 December 2022.

Fund's Target Asset Allocation Offers One-Ticket Diversification

Global Asset Mix Designed to Maximize Returns Through Cycles



¹ Since inception performance, as at 31 December 2022.

² Figures in USD, as at 31 December 2022.

³ Partners Group (2023). Performance shown for The Partners Fund USD I class as of 31 December 2022.

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The BMO PG Fund Breaks Down Traditional Barriers to Private Markets

A single-ticket access point to global private markets
– including private equity, credit, real estate and infrastructure for Canadian accredited investors.

TRADITIONAL PRIVATE MARKETS BARRIER	HOW BMO PARTNERS GROUP PRIVATE MARKETS FUND SOLVES FOR IT
Exclusive club	<ul style="list-style-type: none">• Accessible for accredited investors, not just institutional investors• Investment minimum of \$25,000
Due diligence	<ul style="list-style-type: none">• BMO GAM has conducted extensive due diligence to select and collaborate with a leading global private markets manager with scale and a track record in all key areas
Inability to sell/add	<ul style="list-style-type: none">• Investors can subscribe on a monthly basis ("buy when you want"); periodic ability to adjust your position ("sell if you need") subject to redemption terms
Multiple fees	<ul style="list-style-type: none">• Vast majority of the investments are direct, attracting only a single layer of fees
Capital calls	<ul style="list-style-type: none">• Open evergreen structure eliminates need for capital calls, provides immediate exposure to private markets and automatically reinvests cash, compounding capital long term
Exposure	<ul style="list-style-type: none">• Single fund provides diversified exposure to all of the major types of private markets

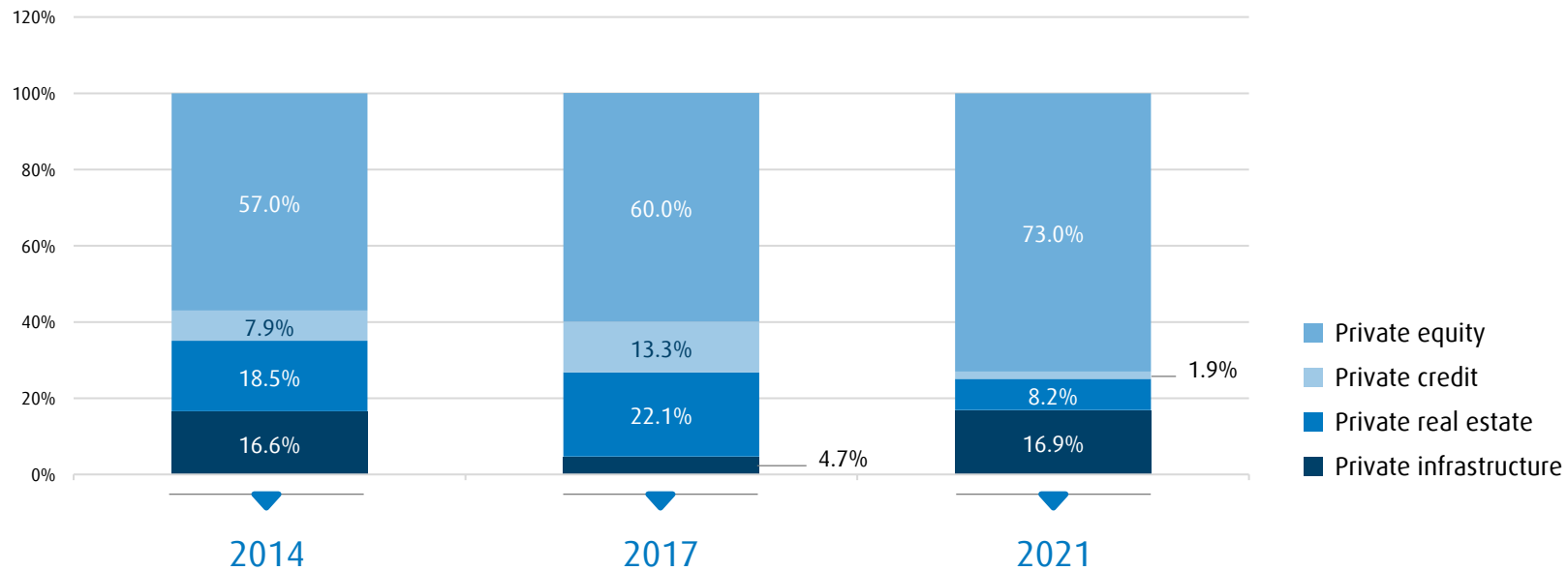
Partners Group's Relative Value Approach Dynamically Shifts Assets to the Most Compelling Areas of Private Markets

▶ **Actively seeks** relative value across global landscape

▶ **With access to a full menu of private markets options**, selects the right asset class, geography and vehicle type for current market conditions, eliminating the need for market timing

▶ **All-weather approach** dynamically shifts allocations, dialing up/down exposure to the most attractive areas where risk/reward is most compelling

SNAPSHOTS OF PARTNERS GROUP'S DYNAMIC ALLOCATIONS OVER TIME



Position your portfolio for the Future. Harness Themes That Are Changing the World.

BMO Partners Group Private Markets Fund gives accredited investors exposure to transformative themes that are driving long-term trends globally.

KEY THEMES

Overriding themes that ultimately lead to material changes at the company and asset levels.



Decarbonization
& Sustainability



New Living



Digitization
& Automation

PRIVATE EQUITY/ PRIVATE CREDIT

Asset Life Extension, Smart Cities,
Food and Agriculture Value Chain

Wellness and Self-Care, Digital
Consumer, New Luxury

Providers & Payors, Care Digitization,
Machine Learning

PRIVATE REAL ESTATE

Sustainable Buildings, Offices
of the Future

Ageing Demographics, Affordability,
Healthier Living

Increasing eCommerce Penetration,
Supply Chain Optimization

PRIVATE INFRASTRUCTURE

Clean Power, Low Carbon Fuels, Carbon
Management, Water Sustainability

New Mobility, Sustainable Living

Digital Infrastructure, Data Centres

Why BMO Partners Group Private Markets Fund? A Summary



¹ As an example, CPP and CDPQ had approximately 50% and 45% allocated to private markets in 2022, respectively.

BMO Partners Group Private Markets Fund: Terms & Structure¹

STRUCTURE	Ontario mutual fund trust distributed by offering memorandum (OM) to Canadian accredited investors (Feeder Fund), invested into Cayman Islands master fund (Master Fund)
FUND SERIES	Series F - retail; Series I - institutional
MINIMUM INVESTMENT	Series F: \$25,000 initial, \$5,000 additional; Series I: \$5,000,000 initial, \$1,000,000 additional
TERM	Open-end structure (Evergreen)
CURRENCY	CAD fund; CAD and USD series available
SUBSCRIPTIONS	Monthly subscriptions at NAV
REDEMPTIONS	Monthly redemptions at NAV (with 90 calendar days + 5 business days notice) Redemption gates (% beginning NAV): 7.5% per month, 20% per quarter, and 25% per year ²
EARLY REDEMPTION FEE	2% discount to NAV within first 2 years
MANAGEMENT FEE	Series F: 1.65% of NAV; Series I: 1.55% of NAV
PERFORMANCE FEE	15% above monthly high-water mark
INVESTOR QUALIFICATION	Canadian accredited Investor; Registered plan eligibility expected (RDSP, RRSP, RRIF, RESP, TFSA)
FUND CODES	Series F (CAD) - BMA80502; Series F (USD) - BMA80102; Series I (CAD) - BMA80602; Series I (USD) - BMA80202

¹ See offering memorandum dated June 23, 2023 of the BMO Partners Group Private Markets Fund (the **OM**) for full disclosure of all terms and conditions.

² See "Summary of Principal Terms" - "Redemptions" and "Redemption Gates" on page 6 of the OM, "Investment Risks" - "Limited Liquidity on Redemptions" and "Redemption Notes" on page 14 of the OM and "General Tax Risks" on page 16 of the OM.

Appendix

Diverse Toolkit to Participate in Private Markets Through Direct and Indirect Vehicles to Unlock Value



	Direct Investments			Indirect Investments	
Vehicle	Lead Investment <i>Controlled ownership of a business</i>	Co-Investments <i>Investing alongside another PE firm</i>	Private Debt <i>Lending in privately negotiated transactions</i>	Primary Investments <i>Committing to a fund</i>	Secondary Investments <i>Buying existing fund investments</i>
How it helps	Manager expertise drives value creation and control over outcomes (e.g., management change, M&A, ESG innovations) More fee efficient than indirect	Similar to lead, but control rests with another PE firm partner with dedicated expertise	Variety of typically floating-rate loans to corporate borrowers Opportunities for cash yield Opportunistically lend throughout the capital structure (junior/senior)	Accessing wide range of experienced managers globally	Diversified exposure Early distributions improve performance; avoid 'J-curve' in initial years

Key Differences Between Public and Private Markets Investments

	PUBLIC MARKETS	PRIVATE MARKETS	
		Traditional	Semi-liquid & Evergreen
INVESTMENT VEHICLES	<ul style="list-style-type: none"> Open-ended mutual funds or ETFs Fully deployed into underlying securities 	<ul style="list-style-type: none"> Closed-end funds Structured as a partnership between the manager and the investors 	<ul style="list-style-type: none"> Closed-end or evergreen funds Can be structured as a corporation
LIQUIDITY	<ul style="list-style-type: none"> Daily liquidity for purchasing or redeeming shares of mutual funds or ETFs 	<ul style="list-style-type: none"> Non-continuous subscription periods. Capital is called periodically and is locked up until distributed by the GP Secondary markets offer some liquidity, but transactions take time to complete and fund stakes often sell at a discount 	<ul style="list-style-type: none"> Perpetual life span. Proceeds from investment sales are redeployed into new opportunities Investors have flexibility in timing their fund subscriptions and redemptions. Monthly or quarterly windows are typical. Redemptions may be gated, and subscriptions can be subject to queues
REPORTING REQUIREMENTS	<ul style="list-style-type: none"> Strict regulatory requirements Standardized reporting which is publicly available 	<ul style="list-style-type: none"> Non-standard reporting Only available to asset owners 	<ul style="list-style-type: none"> Orderly and annual reporting Holdings disclosed via 10k or on public website
MARKET STRUCTURE	<ul style="list-style-type: none"> Offered by prospectus and may be traded on exchanges that provide pricing data and volume history 	<ul style="list-style-type: none"> Deals are not traded on exchanges Intermediaries and auctions are common 	
MEASURING PERFORMANCE	<ul style="list-style-type: none"> Annualized return: based on starting and ending investment value and assuming no intermediate cash flows 	<ul style="list-style-type: none"> IRR: accounts for both the change in investment value and the timing of cash flows Time Weighted Rate of Return: ignores the effects on growth rates created by inflows and outflows of money MOIC (Multiple on Invested Capital): the ratio between amount invested and the fund's value (realized and unrealized) 	
FEE STRUCTURE	<ul style="list-style-type: none"> Fees are charged on assets under management 	<ul style="list-style-type: none"> Management fees on assets committed or invested Performance fees 	<ul style="list-style-type: none"> Management fees on NAV (Net Asset Value) Performance fees

Disclaimer

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