

Navigating turbulent times

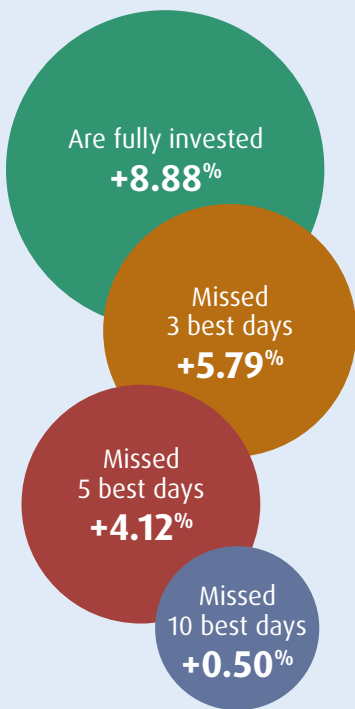
BMO Low Volatility Equity Fund

BMO Global Low Volatility Equity Fund

It pays to stay invested

We believe that investing for the long-term often yields the best results. In the short-run, attempting to time the market may help investors avoid negative returns, but it can also erode long-term results if just a handful of the market's best days are missed.

Russell 1000® returns over the past three years² when investors:



Low volatility investing can help investors stay in the market, while reducing the drawdowns that may occur.

² Annualized returns for the three-year period ended 11/30/2016.

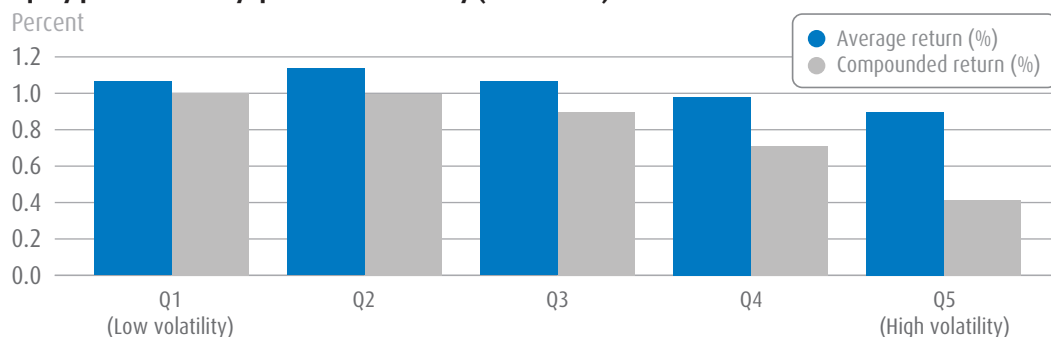
In recent years, volatility has had a meaningful impact throughout global markets. While market fluctuations may sometimes create opportunities for investors, the rapid swings of asset prices can more often be a detriment to our portfolios. As a result, many investors feel that they are left with a dilemma — either sacrifice returns, or endure the unpredictable movements of the market.

At BMO, we believe there is a third solution to that challenge — enter low volatility investing.

The low volatility anomaly

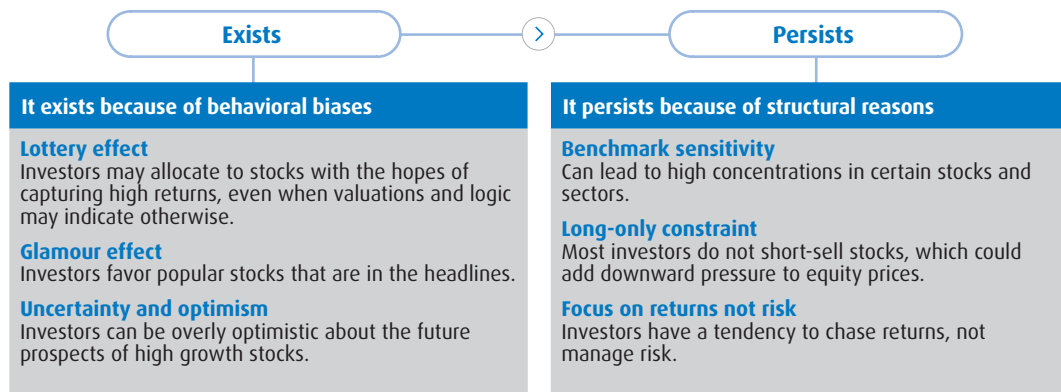
There is a widely held belief that the more risk investors take, the higher returns they can potentially generate. While this may sound intuitive, history has not supported this view. Contrary to academic theory, higher risk stocks have not outperformed lower risk stocks over time. This phenomenon is known as the “low volatility anomaly.”

Equity performance by quintiles of volatility (1970–2010)¹



¹ Includes 1000 largest U.S. stocks by market cap. Monthly rebalances. Volatility defined as 36-month price return volatility. Source: BMO Global Asset Management

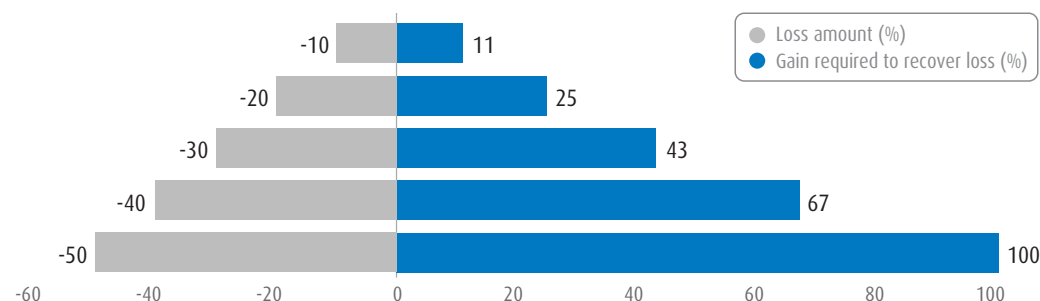
Why does this anomaly exist and persist?



The ups and downs of volatility

While volatility takes into account both the positive and negative movements of the market, most investors are concerned with the downside risks. This is because the further that asset prices fall, the more upside it takes to recover from the losses when markets rebound.

Size of gain required to recover from a prior loss



Source: BMO Global Asset Management






Investing in volatile markets

As shown, investors have not historically been compensated for taking on higher levels of risk. Successfully generating true equity-like returns while minimizing volatility, however, is not as simple as investing in the least volatile stocks and sectors.

At BMO, we take a data-driven approach to low volatility investing, allowing us to avoid the overcrowded segments of the market while building a portfolio of equities that complement one another. The result is a true low volatility portfolio — not just a portfolio of low volatility stocks.

One comprehensive approach. Two distinguished portfolios.



-  Risk management is integrated throughout our entire process. We use five risk models to identify both short- and long-term risks.
-  Valuation is key. Our alpha model ranks each stock in the universe — favoring the most attractively valued, fundamentally strong companies that have improving investor interests.
-  Using our proprietary tool called Market Monitor allows us to address emerging risks in the market and answer key questions regarding the current market environment.
-  Our portfolio construction process seeks to minimize total risk by selecting stocks with above average return potential and exploiting the correlation structure to further lower portfolio risk.
-  We recognize that even the most carefully designed models have limitations. Our team reviews all trades and characteristics, and examines both risk and potential returns from a quantitative and fundamental perspective before constructing the final portfolios.

	BMO Low Volatility Equity Fund	BMO Global Low Volatility Equity Fund
Up capture (%) ³	71	75
Down capture (%) ³	53	48
Overall Morningstar Rating™ Class I	★★★★★ ⁴	★★★★★★ ⁵
Benchmark	Russell 1000®	MSCI ACWI Net

³Up capture and Down capture are for the three-year periods ended 11/30/2016

⁴Overall Morningstar Rating™ among 1,082 Large Value Funds as of 11/30/2016 (Class I).

⁵Overall Morningstar Rating™ among 840 World Stock Funds as of 11/30/2016. (Class I).

All investments involve risk, including the possible loss of principal.

Past performance does not guarantee future results.

The Russell 1000® Index measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000® Index and includes approximately 1,000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000® represents approximately 92% of the Russell 3000® Index. The Russell 1000® Index is constructed to provide a comprehensive and unbiased barometer for the large-cap segment and is completely reconstituted annually to ensure new and growing equities are reflected.

The MSCI All Country World Index (ACWI) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets.

Investments cannot be made in an index.

Our investment philosophy

We believe in...

Low volatility anomaly

Investors overestimate the expected returns of high risk stocks.

Power of compounding

Reducing volatility can help minimize drawdowns and allow the portfolio to recover from losses more quickly.

Disciplined implementation

Our clients benefit from integrating the complementary strengths of fundamental and quantitative analysis.



Contact us
1-800-553-0332



Learn more
bmogam.com

All investments involve risk, including the possible loss of principal.

You should consider the Fund's investment objectives, risks, charges and expenses carefully before investing. For a prospectus, which contains this and other information about the BMO Funds, call 1-800-236-3863. Please read it carefully before investing.

For each fund with at least a 3-year history, Morningstar calculates a Morningstar Rating based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its 3-, 5- and 10-year (if applicable) Morningstar Rating metrics. Morningstar Rating is for the I share class only; other classes may have different performance characteristics.

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