

News

FOR IMMEDIATE RELEASE

BMO Global Asset Management Launches Universal Multi-Asset Portfolios

LONDON, 23 November 2017 – BMO Global Asset Management today announces the launch of the BMO Universal Multi-Asset Portfolios (MAP), an actively managed range of low-cost multi-asset solutions.

The portfolios bring institutional product design and expertise to the retail and wholesale market, providing investors with active management for the cost typically found in portfolios made up primarily with passive solutions. They have been designed for the adviser community to meet the needs of investors where cost is a key factor. In particular, the range is aimed at cost-constrained areas such as auto-enrolment or pension transfers where investment pots may be smaller and overall costs of advice and delivery may be a prohibiting factor.

The three funds launched within the BMO Universal MAP range are allocated globally across equities and fixed income, blending a range of investment styles and techniques. They mostly comprise of active strategies, providing a high allocation to active stock picking skills, but will access passive investments if appropriate. They are managed by BMO Global-Asset Managements (EMEA) Multi-Asset Investment team, which is headed by Paul Niven, who will utilise BMO Global Asset Management's global fund management capabilities in constructing the portfolios.

The three BMO Universal MAP are risk-targeted with an aim to provide long-term growth, consistent with a specific volatility level, and include:

- BMO Universal MAP Cautious, which targets a cautious volatility level of 6 - 8%
- BMO Universal MAP Balanced, targeting a balanced volatility level of 8 - 10%
- BMO Universal MAP Growth, which targets a mid to high volatility level of 10%-12%

Each of the funds has a medium return expectation in excess of CPI*.

Commenting on the launch, Rob Thorpe, Head of UK Intermediary at BMO Global Asset Management (EMEA), said:

“Up until now, investors seeking a low-cost multi-asset fund have mostly been limited to portfolios made up of passive solutions. We saw a clear gap in the market to provide a low-cost active management solution, particularly at a time of change within the retirement landscape and when many market commentators are arguing that market conditions appear to be favouring a more active approach to investing. We also recognise that investors and their advisers want a clear understanding of the likely volatility of their investments, which is why each fund is risk-targeted.”

The BMO Universal MAP are constructed with a medium-term strategic top-down asset allocation positioning coupled with more frequent tactical tilts. They will also benefit from the active allocations and bottom up security selection by BMO Global Asset Management's fund managers selected by BMO Global Asset Management's Multi-Asset team to run the underlying assets. There are differing minimum and maximum constraints for each asset class across the three funds, depending on their risk target.

Paul Niven, Head of Multi-Asset Investment at BMO Global Asset Management (EMEA), said:

"True diversification is about much more than combining different asset classes. It requires a cyclically aware, tactical approach which we employ in the management of the funds. Asset allocation is the primary driver of investment returns, however asset class prices can deviate from fair-value in the short-term and the active approach taken within the funds, including fundamental analysis at the asset class level, can help to extract additional value for investors. Risk mitigation is also an important part of the investment process. We look at risk factors, volatility analysis and stress tests from a portfolio-wide perspective, as well as specific risks from individual positions and strategies."

Providing a third party perspective on the launch, Dan Russell, Managing Director, SimplyBiz Investment Services, commented:

"Our job at Simply Biz Investment Services is to curate a supply chain of investment solutions that help advisers deliver exceptional client outcomes. We believe the new BMO Universal MAP range is an innovative addition to our supply chain that will provide advisers with a new option to blend active and passive management at an attractive cost. We believe this will be an interesting option for advisers, particularly in price sensitive financial planning scenarios. This sort of innovation in the multi-asset market is to be encouraged."

The funds are available to retail investors in the UK. The funds have a capped ongoing charge figure (OCF) of 0.29%.

Ends

*CPI = Consumer Price Inflation; annualised return expectation (5 years+)

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Notes to Editors

About BMO Global Asset Management

BMO Global Asset Management is a global investment manager with offices in more than 25 cities in 14 countries, delivering service excellence to clients across five continents.

Our four major investment centres in Toronto, Chicago, London and Hong Kong are complemented by a network of world-class boutique managers strategically located across the globe: BMO Real Estate Partners, LGM Investments, Pyrford International Ltd. and Taplin, Canida & Habacht, LLC. BMO Global Asset Management is a signatory of the United Nations-supported Principles for Responsible Investment initiative (UNPRI).

BMO Global Asset Management's Multi-Asset Team globally manages £32.8bn of assets. The team is led globally by Steve Ilott, Head of Multi-Asset and Alternative Investment, and consists of 21 investment professionals based in London, Toronto and Chicago.

BMO Global Asset Management is a part of BMO Financial Group, a highly diversified financial services provider based in North America with total assets of CDN \$709 billion, as of July 31, 2017, and over 45,000 employees. BMO Wealth Management has worldwide assets under management of CDN \$413 billion, as of July 31, 2017.

The value of investments and 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.