



Align your
Investments
**with your
values**

BMO Sustainable Portfolios

Holding investing to a higher standard



Your principles and values define who you are.

The decisions you make impact the world today and shape it for future generations. Historically, it has been challenging for investors to apply their principles and values to their investments, but now they can. We're proud to introduce a solution that allows you to raise the bar on your investments.

BMO Sustainable Portfolios are a new suite of portfolios that invest in companies committed to positive environmental, social and governance (ESG) outcomes. They're purpose-built for those investors who want to drive outcomes, while contributing to a better world.

With BMO Sustainable Portfolios, your investments have the power to effect real change in both your financial life and the greater world — you can do well by doing good.

BMO: Boldly growing the good in business and life.

At BMO Global Asset Management (BMO GAM), responsible investing has been in our DNA for over 30 years.

We believe in holding investments to a higher standard while empowering investors to do the same.

“WE EXIST TO CONVENE,
CATALYZE AND EMPOWER
CHANGE THAT SUSTAINS
GROWTH FOR GOOD.”

—Darryl White CEO, BMO Financial Group

ESG: A principled way to invest

What is responsible investing?

Responsible investment is an approach to investing that aims to incorporate environmental, social and governance (ESG) factors into investment decisions, to better manage risk and generate sustainable, long-term results.¹

¹ UN Principles for Responsible Investing



Examples of Environmental, Social and Governance factors

Environment
Climate Change
Water Management
Pollution

Social
Labour Standards
Human Rights
Health and Safety

Governance
Executive Pay
Business Ethics
Corporate Governance



How ESG benefits investors

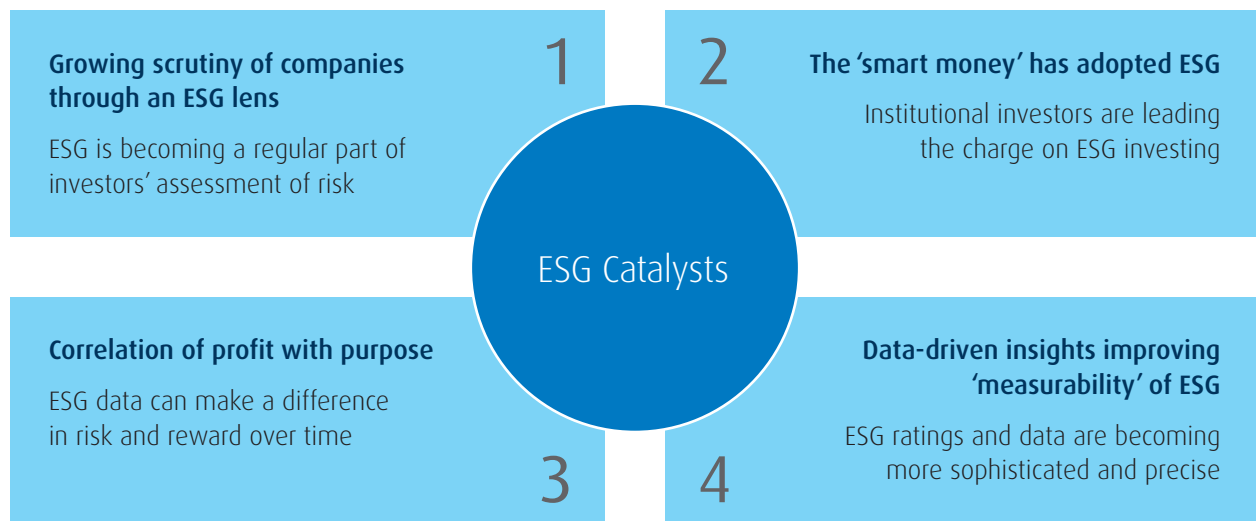
- ✓ Aligns client sustainability preferences with investments
- ✓ Builds a higher-quality portfolio with the potential to improve risk-adjusted returns
- ✓ Invests in companies that are well positioned to thrive based on future regulation changes
- ✓ Meets the needs of all investors who want to be active participants in making the world a better place

More than ever, responsible investing matters

Responsible investing is a better way to invest.

Responsible investing is increasingly shaping investors' perspectives and informing their decisions. It factors ESG issues into the traditional investment process, linking values with portfolios.

ESG has become an integral part of today's investment toolkit, helping to de-risk investment decisions and provide important insights into future investment outcomes.



Doing good is in our DNA

Our heritage and commitment to ESG investing runs deep.

At BMO GAM, responsible investing is far more than a catchphrase. It's something we take seriously and live and breathe as part of our culture and decision-making. We bring responsible investing to life through:

Thought leadership — promoting and encouraging the development of responsible investment across the broader marketplace and industries

Active ownership — using our position as an asset owner to drive positive change through engagement and proxy voting

Integration — ensuring financially material ESG issues are considered within our active investment processes

Products — offering a range of ESG-oriented investment solutions built around a clear sustainability philosophy

In our role as asset managers, we believe responsible investment is a mindset and that we have a privileged and trusted position as stewards of capital to take our influence and responsibility seriously.

On a global basis, we seek to understand the impact of ESG issues on businesses, build long-term relationships with management, gain local knowledge and use our position as a large investor to engage directly with senior management and board members.

A legacy of driving positive change.

For more than 30 years, BMO GAM has developed a range of specialist ESG investment options and strategies that incorporate ESG integration and engagement, including ESG ETFs, our Responsible Engagement Overlay service called reo® and now — to further raise the bar on ESG investing — BMO Sustainable Portfolios. **We are firmly committed to advancing the ESG dialogue and are proud to give Canadian investors a better way to invest.**

Responsible Investment at BMO GAM by the numbers*



44

countries where we engaged with companies in 2019



11,131

voted 11,131 times in 2019



765

companies engaged on ESG issues in 2019



313

company-improvement milestones achieved in 2019



12,500

companies in our engagement database



CA5.5bn

AUM in responsible funds as at 30 September 2019



72% engagements linked with an SDG in 2019

The Sustainable Development Goals provide an ideal framework to analyze the wider impact of our investment decisions

A+rated

by the UN Principles for Responsible Investment for strategy and governance*

*PRI Assessment Report 2019

Purpose-built to align values and mitigate risk

We believe that considering ESG factors can give investors a powerful edge that aims to generate returns while mitigating risks, which is why it plays an important role in our investment process.

A closer look at our criteria

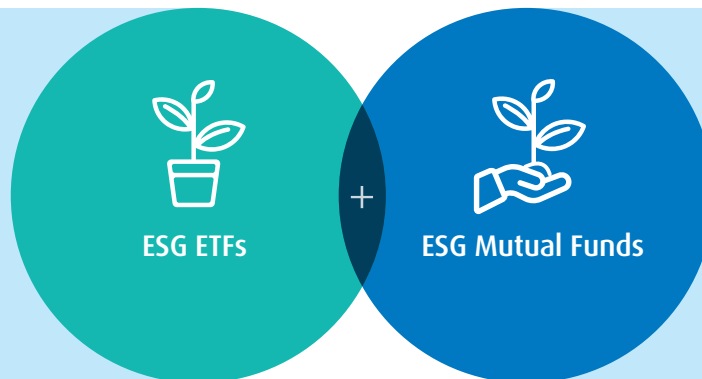
- ESG analysis is part of our active investment process from both a top-down and bottom-up perspective to enable us to evaluate investment opportunities at all levels
- We analyze a wide range of macroeconomic and geopolitical factors, which include ESG mega trends, as well as performing ESG analysis during the security selection process to identify specific ESG factors that may affect individual companies
- Short and long-term ESG risks are also mitigated by excluding companies that don't meet our ESG standards

A higher bar for investments

- All holdings must meet our ESG criteria for inclusion
- Active investments provide stock selection as an opportunity to enhance overall portfolio performance
- The portfolios' asset weighting will be constructed using our **5-lenses multi-asset approach** based on the key decisions our portfolio managers focus on to ensure strong portfolio returns

Powerful building blocks for truly principled investments

Equity and Fixed Income ETFs that are designed to represent the performance of companies that have high ESG ratings relative to their peers.



The opportunity to benefit from active fund management, which can provide downside protection, risk control, flexible mandates and the potential to outperform the market.

WHILE ALL OF OUR ACTIVE INVESTING TEAMS INTEGRATE ESG INTO THEIR DECISION PROCESSES, OUR ESG SOLUTIONS ARE HELD TO A HIGHER STANDARD.

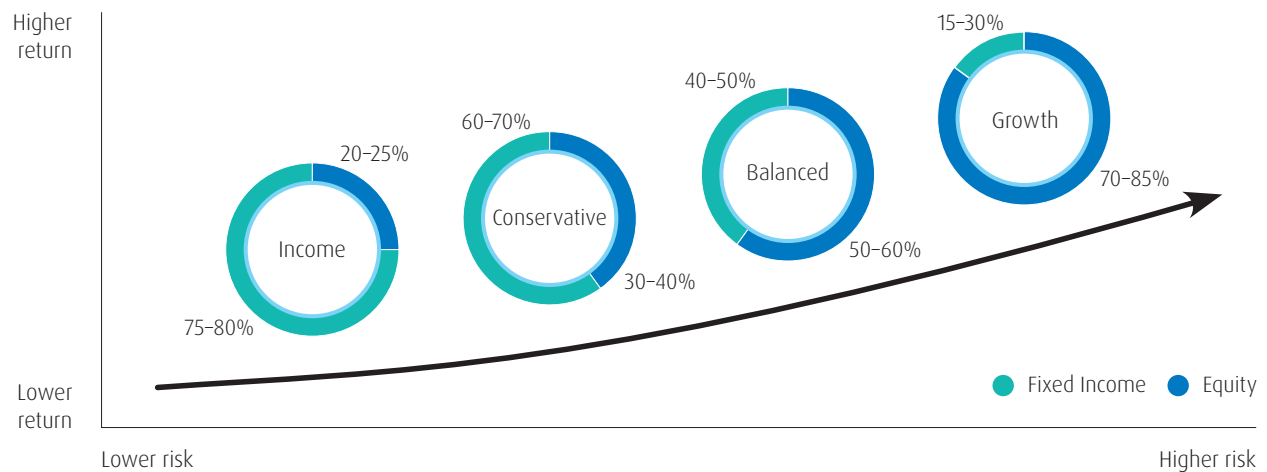
An all-in-one ESG investment solution

Investing with your values has never been easier.

BMO Sustainable Portfolios are purpose-built to help you hold your investments to a higher standard. Investors can select a BMO Sustainable Portfolio based on their individual investment goals and objectives – whether that’s saving for a future vacation home, helping a family member achieve their dreams, or funding a comfortable retirement.

All portfolios are designed to be well-diversified, key investments that deliver the highest potential returns based on your risk profile.

Target asset allocation



*Risk is defined as the uncertainty of return and the potential for capital loss in your investments.

BMO Sustainable Portfolios: Key benefits



The ability to invest in companies that follow ESG principles, and avoid those that don’t, allowing you to align your investments with your values.



Actively managed portfolios designed to achieve your investment goals.



Access to an all-in-one solution engineered to provide diversified global asset class exposure.



An innovative structure allowing financial planning tools like regular contributions and withdrawals (PACs, AWDs).



Reach new heights with BMO Sustainable Portfolios

Responsible investing brings a higher purpose to your portfolio by targeting investments that anticipate risk and seize opportunities.

To learn more about ESG and raising the bar on your investments, please contact your BMO investment professional.



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*Risk tolerance measures the degree of uncertainty that an investor can handle regarding fluctuations in the value of their portfolio. The amount of risk associated with any particular investment depends largely on your own personal circumstances including your time horizon, liquidity needs, portfolio size, income, investment knowledge and attitude toward price fluctuations. Investors should consult their financial advisor before making a decision as to whether this Fund is a suitable investment for them.

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Commissions, trailing commissions (if applicable), management fees and expenses all may be associated with mutual fund investments. Please read the fund facts or prospectus of the relevant mutual fund before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Distributions are not guaranteed and are subject to change and/or elimination. For a summary of the risks of an investment in BMO Mutual Funds, please see the specific risks set out in the prospectus.

BMO Sustainable Portfolios include: BMO Sustainable Income Portfolio, BMO Sustainable Conservative Portfolio, BMO Sustainable Balanced Portfolio, BMO Sustainable Growth Portfolio.

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