

It's All About the Future

BMO CONCENTRATED GLOBAL EQUITY FUND



Being Different by Being Patient

The BMO Concentrated Global Equity Fund (the Fund) offers a highly differentiated approach to the challenge of equity investment. It is not a typical “growth” or “value” strategy, but instead it exploits a pervasive, ongoing failure of equity markets: that they focus too much on the “here and now” or the short-term future. This means that the markets generally undervalue those companies which will be thriving in the future.

The Fund uses the U.K. based GuardCap Fundamental Global Equity Strategy mandate, which has produced strong returns when compared to the market by looking further ahead: long-term thinking, long-term forecasting and long holding periods enable us to find the real value in companies that short-term market operators miss.

- Sustained growth drives returns
- Quality protects against downside
- Valuation matters



- Above-market returns at below-benchmark risk over longer time horizons



- In-depth fundamental analysis
- 10 key “Confidence Criteria”
- High-conviction, confidence-building process



- Typically 20-25 names
- Stock selection drives sector and country weights
- Active share above 90%*

*Information is for the GuardCap Fundamental Global Equity Strategy as of December 31, 2021 on which BMO Concentrated Global Equity Fund is based.

What are the Companies of the Future?

The Portfolio Manager (the Manager) strictly applies a set of 10 growth and quality criteria to ensure it selects companies that will still be thriving in 5-10 years' time. The investment process involves "Total Immersion Analysis" of each company. The Managers take a year, sometimes more, to build conviction that the company really meets their strict criteria and, most importantly, will continue to grow over the long-term.

One of these key criteria is "Secular Growth Tailwind" – the Managers don't just invest in great companies, but great companies in industries that will grow over the long-term and offer strong resilience to economic downturns.

Some examples of companies in the BMO Concentrated Global Equity Fund, and the secular growth trends they are exposed to, are set out below:

COMPANY	PRODUCT/SERVICE	SECULAR GROWTH DRIVER
EssilorLuxottica	Glasses and prescription lenses	2.5 billion people have uncorrected vision today
Illumina	Genomic sequencing	Personalized medicine and opportunities in reproductive health and cancer screening
Booking Holdings	Digital travel websites, including booking.com	Global travel growth/switch to online booking and away from travel agents etc.
Intertek	Safety and environmental standards – inspection, testing, quality assurance and certification	Growth of government legislation around consumer safety and standards
Novo Nordisk®	World's leading supplier of treatments for diabetes and other obesity	Growth of obesity through unhealthy lifestyles and consequent greater incidence of diabetes



“...we don't just invest in great companies, but great companies in industries that will grow over the long-term and won't be too subject to economic downturns.”

– Michael Boyd, GuardCap

Portfolio Manager – GuardCap U.K.¹ What Does the Future Look Like?

Whatever your vision of the future, one thing is certain: the commercial world is changing.

Major new trends are emerging at an alarming rate and computing power has, for many years now, been growing exponentially. The next 20 years promise more change in the global business landscape than we have seen in the last 100. The Managers believe that several of the major companies of today will simply cease to exist (at least in their current form) in as little as five years' time.

When considering your existing equity portfolios, it is worth asking this question: will all of the companies in these portfolios still be thriving in 5-10 years' time? Or will they be superseded by new trends and new technologies? The leading mobile communications company 10 years ago, with over 1 billion users, was Nokia. The leading provider of photographic consumables for most of the 20th century - Kodak. Both companies are now a shadow of their former selves.

“ For us, it is not enough just to understand the future of the company. We also have to understand the future itself – the environment that our companies will face in the years to come. That’s why we have DORA... ”

– Giles Warren, GuardCap

The Manager’s work is all about the future – companies which are still doing well in 5-10 years' time will be good investments over that timeframe and potentially beyond. To build conviction in the case for each company, the Manager learns from the past and sets out to understand the future – not just of the Fund’s companies, but of the world they will be competing in.

BMO Concentrated Global Equity Fund is designed with the long-term future in mind. It is the Fund of the Future.

¹ GuardCap U.K. is a wholly owned subsidiary of Guardian Capital LP.

DORA DAYS: THE PORTFOLIO MANAGER’S VISION OF THE FUTURE

“Day Out Researching Anything”

The team will spend a day out of the office considering likely long term secular growth trends and whether there are companies benefiting from them which merit further investigation.

Perhaps more importantly, the team also consider whether the trends in question represent a threat to the longer-term future of any of the companies that we invest in – will a new technology or trend disrupt one or more of the stocks held in the strategy?

The Portfolio Manager’s library of “Dora Days’ papers includes over 50 publications, all of which are available to our clients.

Topics have included:

1. The Future of Flight
2. COVID-19: The Long-term Implications
3. Climate Change
4. The Digital Silk Road; Innovation in China
5. Future of Retailing

Since Inception:*

- Strong outperformance vs. MSCI World Index
- Quality bias and focus on long-term secular growth trends has provided meaningful downside protection since launch
- Strong outperformance in down years
- High active share (95%) with long holding periods: turnover between 10-20% per annum

*Performance of GuardCap Fundamental Global Equity Strategy on which the BMO Concentrated Global Equity Fund is based.

Experience Matters

Michael Boyd, Investment Manager

GuardCap

- 30+ years of investment experience
- Honours degree in economics from Heriot-Watt University, Edinburgh and qualified as an Associate of the Institute of Bankers in Scotland



Giles Warren, Investment Manager

GuardCap

- 20+ years of investment experience
- Honours degree in politics and economic history from Edinburgh University, and an Associate of the Society of Investment Professionals



Micheal Hughes, Senior Vice President & Client Portfolio Manager

GuardCap

- 25 + years of investment experience
- Joint honours degree in modern languages from the University of Bristol



Why is this Fund different from the competitors?

GENUINE LONG-TERM THINKING - The question the Managers ask is, "Will the company still be growing in five years and ten years?" Long-term thinking, long-term forecasting and long holding periods enable us to benefit from the market's short-termism.

NO COMPROMISE COMPANIES - The investment processes are extremely rigorous and detailed, and fully backed by in-depth written reports and models prepared on each company considered for inclusion. The Managers are highly selective and don't ever compromise on sustainable growth, quality or valuation.

REAL TEAMWORK - The team works in a highly collaborative way to ensure that the diverse perspectives of people with different ages, experience, gender, education, skills and nationalities are brought to bear on each company - the Managers think the best teams are made of people who work closely together but think differently from each other.

Forward-looking Disclaimer:

Any statement that necessarily depends on future events may be a forward-looking statement. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Although such statements are based on assumptions that are believed to be reasonable, there can be no assurance that actual results will not differ materially from expectations. Investors are cautioned not to rely unduly on any forward-looking statements. In connection with any forward-looking statements, investors should carefully consider the areas of risk described in the most recent simplified prospectus.

All data was provided by GuardCap Asset Management Limited based on the GuardCap Fundamental Global Equity Strategy, GuardCap Asset Management, in order to illustrate the portfolio information for BMO Concentrated Global Equity Fund. BMO Concentrated Global Equity Fund is a new fund managed by the same portfolio manager as GuardCap Fundamental Global Equity Strategy, GuardCap Asset Management. The new BMO Concentrated Global Equity Fund is invested in substantially similar holdings as the GuardCap Fundamental Global Equity Strategy. The GuardCap Fundamental Global Equity's performance is presented for illustrative purposes only and does not reflect the actual past performance of the BMO Concentrated Global Equity Fund nor does it guarantee future performance.

Commissions, trailing commissions, management fees and expenses may be associated with mutual fund investments. Please read the fund facts or prospectus before investing. The indicated rates of return are the historical annual compounded total returns for the period indicated including changes in unit value and reinvestment of all distributions and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

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