

Key facts

Fund objective: The Fund aims to deliver a positive return through a combination of income and capital growth by seeking out the best opportunities in global fixed income and currency markets.

Past performance should not be seen as an indication of future performance.

Fund launch:	21 June 2016	Share class currency:	CAD
Type:	Offering Memorandum Fund	Fund size:	CAD 1,520 m
Sector:	Unconstrained Bond	Price frequency:	Daily
Reference Market:	CAD 3 Month Cash		

F Series Code:	BMO88202
F Series MER:	0.43%

Key Investor Information Document and Prospectus for these shares is available from BMO Global Asset Management.

Fund characteristics	
Duration X Spread (DTS)	334
Interest Rate Duration (Years)	2.3
- GBP	1.1
- EUR	0.2
- USD	1.1
- JPY	-0.8
Maturity Exposure (%)	
- 0-7 yrs	88.7
- 7-15 yrs	10.4
- 15+ yrs	0.9
Yield Information(%)	
- Yield to Maturity	3.7
- Current Yield	3.6

Issuer Geographic Allocation (%)	
Developed Markets	
<i>Asia Pacific:</i>	2.1
<i>Canada:</i>	0.5
<i>Europe:</i>	30.3
<i>UK:</i>	20.7
<i>United States:</i>	35.5
Emerging Markets:	8.3
Other:	0.3
Cash:	1.8

Credit Rating	
AAA	1.1
AA	4.6
A	25.4
BBB	36.6
BB	20.2
B	9.8
CCC-CC	0.4
NR	0.0
Cash	1.8

Monthly Commentary

February proved a strong month for fixed income, amid signs of further softening in economic data in the US. This ranged from fading momentum in the services sector to a fall in consumer confidence. Trump's administration announced plans for tariffs on China, Canada, Mexico, and Europe creating a highly uncertain environment for trade. This fed through to a narrative in the marketplace that tariffs and retrenchment are likely to cast a mounting shadow over the US economy. The Fed continued to present a cautious front, highlighting still sticky services inflation, as well as increased policy uncertainty. Economic headwinds increased the prospect of a potential switch in focus from the Fed from inflation to a weakening growth outlook. The change in market dynamics led to the unwinding of short positions in the US Treasury market, magnifying the bond market rally. Price action in the US Treasury market set the tone for bond markets globally. Geopolitics was at the heart of the underperformance of European bonds relative to the US. The growing realisation amongst European politicians that the Transatlantic Alliance had become more brittle, and that Europe would have to pay more for its defence and for the continued support of Ukraine, increased investor concerns that the fiscal situation in Europe is set to deteriorate. While credit benefitted from the generalised fall in interest rates, investor sentiment towards the asset class ebbed, as concerns over future corporate profitability intensified.

Against this background, the fund returned 0.94% (gross of investment management fees and net of expenses). Exposure to interest rate risk was the major factor behind the fund's strong performance during the month. The fund benefitted from a cross-market position that saw us favour the US versus Europe, reflecting our concerns over Europe's fiscal outlook. A yield curve steepening position also enhanced returns, as investor appetite for longer-dated eurozone debt weakened. In addition, a strategic short duration position in Japan made a positive contribution to performance, as elevated inflation prints in Japan exerted upwards pressure on bond yields. While the return from credit was more muted, the fund still benefitted from security selection in the European Real Estate and utility sectors. In terms of activity, we allocated capital to an attractively priced new issue from US healthcare issuer, HCA (BBB-). HCA benefits from economies of scale in its core US market, and is strongly cash generative, enhancing its financial flexibility. We also participated in an attractive new issue from Italian gas utility, Italgas (BBB). Italgas has a solid BBB rating and benefits from a stable earnings profile. Elsewhere, we pared back the fund's holding in Telecom Italia (BB-) after a period of strong performance limited further upside potential.

Sector allocation (%)	
Banking	23.4
Consumer Goods & Services	20.7
Oil & Gas	3.7
Financial Services	3.7
Govt / Supra / Govt Related	5.6
Industrial	8.0
Insurance	3.2
Real Estate	4.8
Telecoms	5.8
Utilities	4.3
Technology	4.7
Health Care	8.7
Basic Materials	1.5
Cash	1.8

Top 10 Credit Issuers (%)	
South Africa	2.0
Goldman Sachs	1.9
HSBC	1.7
Nationwide	1.5
Barclays	1.4
HCA	1.4
Deutsche Bank	1.3
BNP	1.2
QNB Finance	1.2
GEHC	1.2

FX (Largest Active Exposures) (%)	
Turkey Lira	0.5
Japan Yen	0.4
US Dollar	0.4
British Pound	-0.1
Australia Dollar	-0.1
Canada Dollar	-1.5

Net trailing performance (%) of February 28, 2025

Series	YTD	1-Mth	3-Mth	1-Year	2-Year	3-Year	5-Year	SI (Ann.)*
F	1.52	0.91	1.26	6.26	5.58	3.23	2.58	2.47

*SI (Ann.) = Since Inception Annualised, F series inception date is February 21, 2017

Net Calendar year performance (%)

Series	2018	2019	2020	2021	2022	2023	2024
F	-1.79	8.20	3.33	2.07	-3.33	5.59	3.95

Note: Performance is shown net of investment management and net of expenses

Net Monthly Performance (%)

F Series	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
2025	0.61	0.91										
2024	0.43	-1.12	0.78	-1.05	1.28	0.67	1.65	1.18	0.74	-1.31		
2023	0.98	-1.03	0.49	0.32	-0.56	-0.86	1.64	0.02	-0.39	0.14	2.14	2.64
2022	-0.73	-1.37	-0.34	-1.11	-0.24	-2.87	1.93	-0.21	-1.45	0.48	1.51	1.11
2021	0.22	0.77	0.10	0.37	0.14	0.30	-0.27	0.36	0.43	-0.63	-0.28	0.57
2020	0.54	-0.54	-5.49	2.72	1.05	1.26	1.13	0.57	-0.08	0.42	1.16	0.78
2019	1.57	0.93	0.50	0.84	0.34	1.01	0.47	0.69	0.39	0.39	0.16	0.63
2018	0.37	0.06	-0.75	-0.04	0.19	-0.18	0.53	-0.29	0.12	-0.46	-1.01	-0.33
2017			0.40	0.44	0.36	-0.22	-0.01	-0.19	-0.24	0.24	-0.49	0.43

Portfolio Manager

Keith Patton
Head of Global Rates
Columbia Threadneedle Investments

Forward-looking Disclaimer:

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