

BMO Global Strategic Bond Fund

Ticker: ZGSB | Fund Code: BM095736 F Series

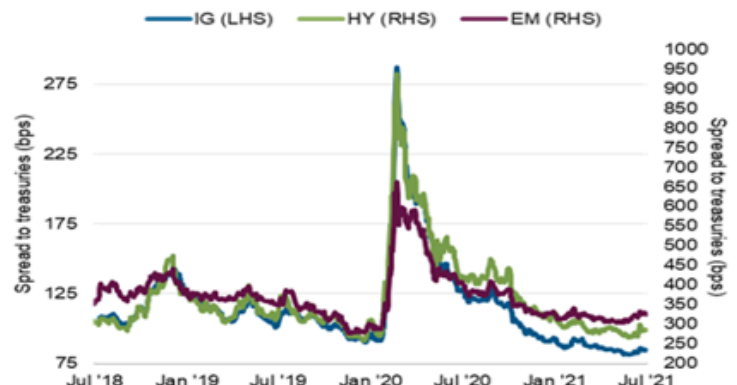
GLOBAL CREDIT

Global investment grade credit spreads widened 4 bps to 85 bps, and the sector returned 1.21% for the month, underperforming like-duration global government bonds by -0.26%. Credit spreads widened in July amid concerns surrounding a protracted economic recovery as Delta variant infections surged. Meanwhile, credit market technicals remained supportive on balance, with strong demand amid moderate new supply. Global high yield bond spreads widened 17 bps in July. The sector returned 0.38% for the month, underperforming like-duration Treasuries by 0.32%. High yield bond yields have declined to record lows while spreads are near multi-year lows, as risk assets have rallied amid growing confidence that inflation will prove transitory. The higher-quality BB segment returned 0.66% for the month, while the CCC segment returned -0.22%.

EMERGING MARKETS DEBT

In July, similar to June, a fall in U.S. Treasury yields buoyed external emerging markets (EM) assets, while currency moves hindered local assets. External debt returned 0.54%, driven by 21-bps fall in the underlying U.S. Treasury yields that overcame a 13-bps widening in spreads. Local debt posted weaker returns of -0.43%; the COVID-related depreciation of currencies versus the U.S. dollar (-1.16%) overcame a decline in local rates (0.74%).

Source: PIMCO, July 31st, 2021.



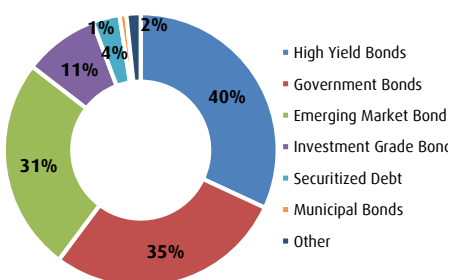
Source: PIMCO, July 31st, 2021.

IG- Investment Grade LHS- Left Hand Scale
 HY- High Yield RHS- Right Hand Scale
 EM- Emerging Markets

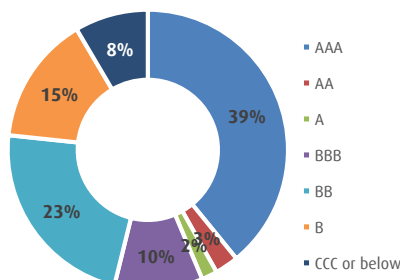
Portfolio Statistics

	Risk Rating	MER	Duration ¹	Yield To Maturity ¹
BMO Global Strategic Bond Fund (Series F / ETF Series)	Low to Medium	0.82%	5.82	4.47%

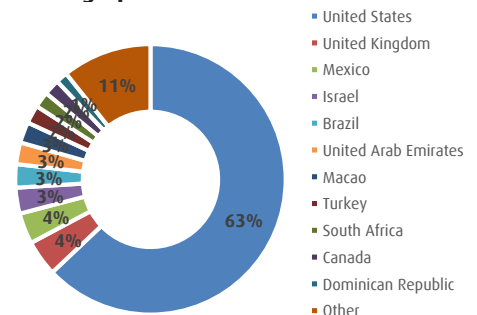
Asset Allocation



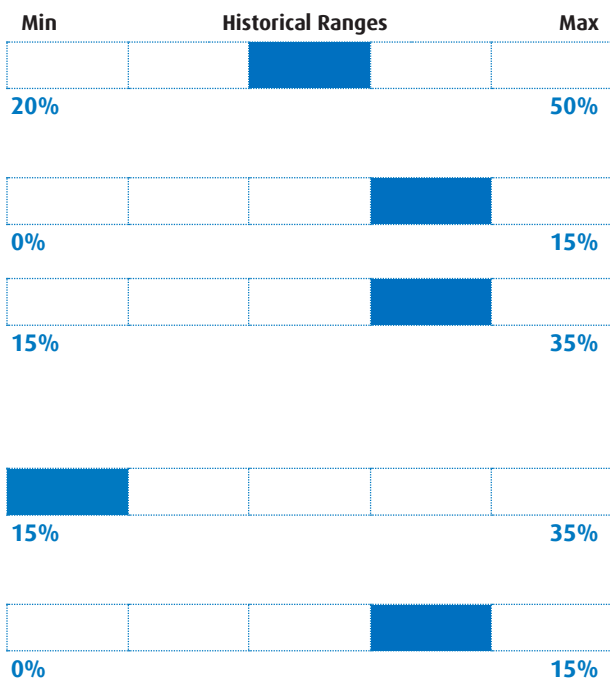
Credit Quality



Geographic Allocation



¹ Data as of July 31st, 2021. Source: PIMCO



Developed High Yield: We are cautiously constructive on high yield given the optimism surrounding an economic reopening, bolstered by the faster-than-expected vaccine rollout. We expect defaults to moderate over the next year, but spreads may continue to be volatile due to fears of rising rates in the face of improving economic activity.

Securitized Debt: We remain constructive on senior U.S. securitized credit broadly. Senior non-Agency MBS stands out as attractive and stands to benefit from the strong recovery in U.S. housing, which is being driven by limited supply and record low mortgage rates.

Emerging Market Debt: We remain cautious on EM, staying selective and sizing our positions conservatively. Our focus is on select opportunities that offer an attractive risk/reward balance in an environment of elevated uncertainty over global growth and low oil prices which place incremental pressure on oil exporting economies and those dependent on tourism. We emphasize a selective approach focusing on Sovereign and Quasi Sovereign issuers with strong fundamentals and ability to repay and seek to avoid the increasing number of lower quality issuers with the risk of permanent capital impairment.

Investment Grade Corporate Credit: IG credit remains a compelling carry trade, particularly for foreign investors, given higher US yields and low hedging costs vs USD. Our bottom-up positioning emphasizes companies with high barriers to entry, pricing power, asset coverage, and management teams that favor bondholders in the capital structure.

Government: Discretionary exposure mostly through interest rate swaps or Emerging Market linked bonds.

*Ranges are based on historical ranges only. The fund has the ability to move above or below these thresholds as the mandate is unconstrained.

ZGSB (ETF Series) Performance:							
1 month	3 month	6 month	YTD	1 year	3 year	5 year	Annualized Since Inception (May 29, 2018)
0.8%	2.6%	2.1%	1.9%	7.6%	6.1%	-	6.0%
Series F Performance:							
1 month	3 month	6 month	YTD	1 year	3 year	5 year	Annualized Since Inception (November 3, 2008)
0.8%	2.6%	2.1%	1.9%	7.6%	6.1%	5.2%	7.3%

As of July 31st, 2021.

Management Team



Alfred Murata
Managing Director and Portfolio Manager
PIMCO



Daniel Ivascyn
Managing Director and Group Chief
Investment Officer
PIMCO



Eve Tournier
Managing Director and Head of Pan-
European management
PIMCO



PIMCO is a premier global investment solutions provider managing over \$1.6 trillion in assets combining global capabilities, broad expertise and investment strategies to bring investors results.

BMO Global Asset Management is a brand name that comprises of BMO Asset Management Inc., BMO Investments Inc., BMO Asset Management Corp. and BMO's specialized investment management firms.

Commissions, management fees and expenses all may be associated with investments in BMO ETFs and ETF Series of the BMO Mutual Funds. Please read the ETF facts or prospectus of the relevant BMO ETF or ETF Series before investing. The indicated rates of return are the historical compounded total returns including changes in share or unit value and the reinvestment of all dividends or distributions and do not take into account the sales, redemption, distribution, optional charges or income tax payable by the unitholder that would have reduced returns BMO ETFs and ETF Series are not guaranteed, their values change frequently and past performance may not be repeated.

For a summary of the risks of an investment in the BMO ETFs or ETF Series of the BMO Mutual Funds, please see the specific risks set out in the prospectus. BMO ETFs and ETF Series trade like stocks, fluctuate in market value and may trade at a discount to their net asset value, which may increase the risk of loss. BMO ETFs are managed by BMO Asset Management Inc., which is an investment fund manager and a portfolio manager, and a separate legal entity from Bank of Montreal. ETF Series of the BMO Mutual Funds are managed by BMO Investments Inc., which is an investment fund manager and a separate legal entity from Bank of Montreal.

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