

BMO Global Strategic Bond Fund

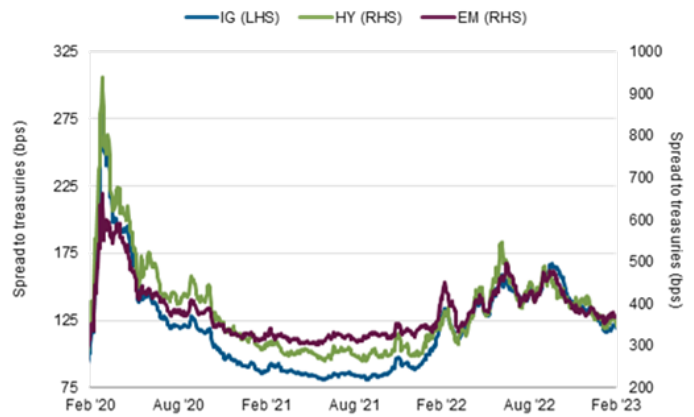
Ticker: ZGSB

GLOBAL CREDIT

Global investment grade credit spreads widened 1 bp, ending the month at 122 bps. The sector returned -2.28%, underperforming like-duration government bonds by -0.08%. Credit spreads modestly widened as continued uncertainty in the economic and policy outlook, as well as rate volatility, led to general risk-off sentiment. Global high yield bonds returned -1.4% in February and outperformed like-duration Treasuries by 0.3%. Spreads tightened 3 bps to 495 bps in February amid improving macro trends which contributed to an increasingly hawkish Fed narrative.

EMERGING MARKETS (EM) DEBT

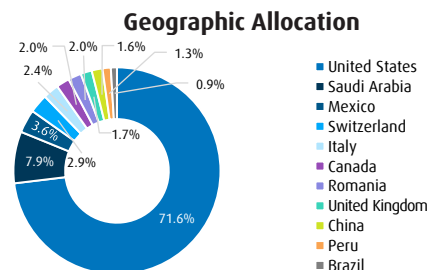
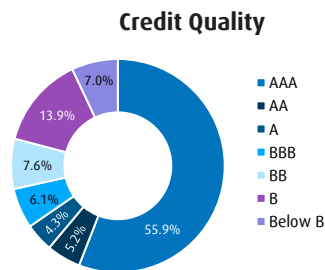
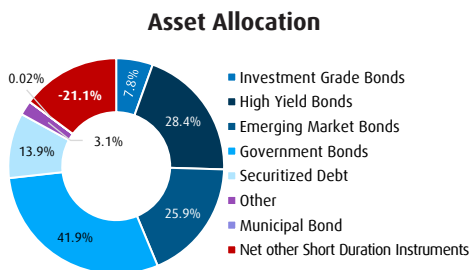
External debt returned -2.20%, driven by a 41-bp increase in underlying U.S. Treasury yields in addition to a modest 2-bp widening in spreads. Local debt returned -3.16% as EM currencies depreciated against the U.S. dollar and local interest rates rose. Emerging markets started the year on a bull run, driven by a global rally in rates, a weaker U.S. dollar, and cooling inflation data. However, optimism subsided in February given uncertainty over the Fed’s interest rate path, with more rate-tightening forecasted ahead.



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

Portfolio Statistics

ETF Series	Risk Rating	MER	Weighted Average Duration	Weighted Average Yield to Maturity
	Low to Medium	0.82%	5.01	8.30%



Trailing Performance as of February 28th, 2022

(F-Series) Performance:							
1 month	3 month	6 month	YTD	1 year	3 year	5 year	Annualized Since Inception (November 3 rd , 2008)
-2.32%	2.06%	0.48%	-2.20%	-9.10%	-3.23%	0.67	5.36%

Global Strategic Bond Fund Key Factors

	Corporate	High Yield	EM	Securitized
Max	27.2%	43.9%	40.2%	21.5%
Min	9.3%	21.7%	22.8%	3.0%
Average	13.8%	32.5%	31.5%	8.3%
Current	11.6%	29.4%	24.2%	18.0%

As of 12/31/2022, (%MV)

- **Investment Grade Corporate Credit:** We are cautious on generic corporate credit, and focus on sectors that have exhibited resiliency to rising rates such as banks. We are constructive on certain sectors that benefit from a strong consumer, such as airlines, lodging, and gaming.
- **High Yield:** We maintain an overweight to high yield, with a focus on active sector, issuer and security selection. Spreads are well above their pre and post-COVID average levels. We are cautiously constructive on fundamentals – while the level of stress in market has been increasing, in contrast to most prior periods heading into a slowdown, the health of corporate, consumer, and bank balance sheets appears reasonably sound.
- **Emerging Markets:** We have a cautious approach to EM exposure, staying selective and sizing our positions conservatively as we expect more dispersion in the near to medium-term. We focus on select opportunities that offer an attractive risk/reward balance in an environment of elevated uncertainty.
- **Securitized:** The Fund continues to focus on non-agency mortgages as a complement to traditional high yield corporates. We also maintain agency MBS exposure given diversification benefits and resilience in downside scenarios.

Management Team



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