

# Fee Based Solutions

BMO Mutual Funds Series F and  
BMO Exchange Traded Funds



# The Appeal of Fee Based Investing

Fee based investing is an increasingly important segment in the advisor industry. With over \$2.9 trillion in forecasted assets by 2026\*, the growth in fee based investing demonstrates advisors are moving away from traditional commission driven models. Clients benefit from potentially lower fees and advisors gain client trust by offering full transparency and a wealth management approach to their services.

## Benefits of Fee Based Investing

- Lower fees
- Transparency
- Wealth management approach
- Access to full suite of funds
- Client trust

## Why Now?

Advisors are now required to provide full fee disclosure to all of their clients. As clients seek greater transparency and understanding of fees, advisors are looking to meet their needs by expanding their fee based businesses.

## HOW CAN BMO GLOBAL ASSET MANAGEMENT HELP?

**BMO Global Asset Management (BMO GAM)** provides a comprehensive suite of fee based investment solutions, for both nominee and client name accounts, by offering unparalleled access to active and passive investment solutions. BMO GAM has emerged as an industry leader for fee based solutions and provides access to Series F, F4 and F6 mutual funds and exchange traded funds (ETFs), allowing you to decide which investments best meet the needs of your clients.

\*Source: Investor Economics, The Fee Based Report, Summer 2017.

# Blending Active & Passive Solutions

Leveraging the diverse capabilities of BMO GAM gives you the best of both worlds. By blending active and passive solutions you can help diversify your clients' investments, control costs and maximize risk adjusted returns.

Consider these different portfolio construction approaches:

- Combine a low cost passive core investment with active funds covering less efficient markets
- Combine an active core investment with passive satellites to gain market exposure
- Blend both by asset class or market to get the best opportunities to add alpha and low fees
- Build a portfolio of either active funds only or ETFs only



## Active and Passive Portfolio Blends

	5 Year Annualized Return (%) <sup>1</sup>	5 Year Annualized Standard Deviation (%)	5 Year Annualized Sharpe Ratio
BMO Low Volatility Canadian Equity ETF (ZLB) <sup>2</sup>	12.55	6.76	1.69
BMO Global Small Cap <sup>3</sup>	16.21	11.24	1.34
50/50	14.49	7.95	1.67
	5 Year Annualized Return (%) <sup>1</sup>	5 Year Annualized Standard Deviation (%)	5 Year Annualized Sharpe Ratio
BMO Mid Corporate Bond Index ETF (ZCM) <sup>4</sup>	3.30	3.92	0.67
BMO U.S. Equity Fund <sup>5</sup>	17.88	10.99	1.50
30/70	13.44	8.22	1.50

<sup>1</sup> The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemptions, distribution or optional charges or income taxes payable by any unit holder that would have reduced returns.

<sup>2</sup> The historical annual compounded rates of return for BMO Low Volatility Canadian Equity ETF (ZLB) as of March 31, 2018.

<sup>3</sup> The historical annual compounded rates of return for F Series of BMO Global Small Cap as of March 31, 2018.

<sup>4</sup> The historical annual compounded rates of return BMO Mid Corporate Bond Index ETF (ZCM) as of March 31, 2018.

<sup>5</sup> The historical annual compounded rates of return for F Series of BMO U.S. Equity Fund as of March 31, 2018.

Source: Morningstar, as of March 31, 2018.

# Industry Leading Solutions

## BMO Mutual Funds offers investment expertise in a variety of innovative core and satellite mutual fund strategies.

BMO Mutual Funds provides a diversified suite of core mutual fund solutions. Our portfolio managers are both market leaders and thought leaders, whose relentless focus on strategy drives exceptional fund performance. Along with innovative income, balanced and equity mandates, BMO Mutual Funds offers portfolios that package ETFs into easy-to-use investment solutions. Most Series F investments are available in client name fee-based.

**BMO GAM offers:**  
Series F, Series F4  
and Series F6  
mutual funds

- BMO ETF Portfolios
- BMO Global Dividend Fund
- BMO Retirement Portfolios
- BMO Tactical Dividend ETF Fund
- BMO Tactical Global Bond ETF Fund
- BMO Tactical Global Equity ETF Fund
- BMO U.S. Equity Plus Fund

## BMO ETFs delivers a comprehensive platform – a full spectrum of solutions to meet diverse investor needs.

### BMO ETFs

A full suite of solutions that exceed investor goals.

Superior Smart Beta	Innovative Solutions	Comprehensive Fixed Income	Effective Broad Market
ETFs that deliver factor exposures combined with effective portfolio construction.	ETFs that are at the forefront at recognizing and initiating industry development.	ETFs that cover broad market, targeted and non traditional exposures.	Efficient ETFs with the market leading indices.
<ul style="list-style-type: none"><li>• BMO Low Volatility Canadian Equity ETF (ZLB)</li><li>• BMO MSCI Europe High Quality Hedged to CAD Index ETF (ZEQ)</li><li>• BMO International Dividend Hedged to CAD ETF (ZDH)</li></ul>	<ul style="list-style-type: none"><li>• BMO US Put Write ETF (ZPW, ZPW.U)</li><li>• BMO US High Dividend Covered Call ETF (ZWH, ZWH.U)</li><li>• BMO Canadian High Dividend Covered Call (ZWC)</li><li>• BMO US Preferred Share Index ETF (ZUP, ZUP.U)</li></ul>	<ul style="list-style-type: none"><li>• BMO Short Corporate Bond Index ETF (ZCS, ZCS.L)</li><li>• BMO Aggregate Bond Index ETF (ZAG)</li><li>• BMO Floating Rate High Yield ETF (ZFH)</li><li>• BMO Discount Bond Index ETF (ZDB)</li></ul>	<ul style="list-style-type: none"><li>• BMO S&amp;P/TSX Capped Composite Index ETF (ZCN)</li><li>• BMO S&amp;P 500 Index ETF (ZSP, ZSP.U)</li><li>• BMO MSCI EAFE Hedged to CAD Index ETF (ZDM)</li><li>• BMO MSCI Emerging Markets Index ETF (ZEM)</li></ul>

# Our Commitment

With mutual funds and ETFs, BMO GAM is one of the fastest growing asset managers in the world. BMO GAM is committed to providing meaningful innovation through our comprehensive investment solutions. With global reach and specialized expertise, we can help you exceed your client’s needs.



Our Commitment to Support Your Fee Based Practice		
✓	✓	✓
BMO Mutual Funds offers a comprehensive suite of Series F, Series F4 and Series F6 mutual funds. Also available in client name fee-based.	BMO ETFs is the leader in new asset growth for the past eight years*, delivering superior smart beta ETFs, innovative specialty solutions, comprehensive fixed income and effective broad market ETFs.	Combined, these products deliver across investment styles, asset classes and regions, making BMO GAM an effective strategic partner.

\* Source: Investor economics, Insight Advisory Service.

# Looking for more information on how we can help build your fee based business?

[www.bmo.com/feebased](http://www.bmo.com/feebased)

Contact your BMO Mutual Funds Wholesaler  
or Internal Sale Representative



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BMO ETFs are managed and administered by BMO Asset Management Inc., an investment fund manager and portfolio manager and separate legal entity from the Bank of Montreal.

BMO Mutual Funds are offered by BMO Investments Inc., a financial services firm and separate legal entity from the Bank of Montreal.

Series F units are for investors who are enrolled in dealer sponsored wrap programs or flat fee accounts. You can buy Series F units only through dealers who have entered into a Series F agreement with BMO Investments Inc. and only with the prior approval of BMO Investments Inc.

The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemptions, distribution or optional charges or income taxes payable by any unit holder that would have reduced returns.

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