

# BMO Global Health Care Fund

## Invest in Demographic Trends & Innovation

Adding a Potential Dose of Growth to Your Portfolio

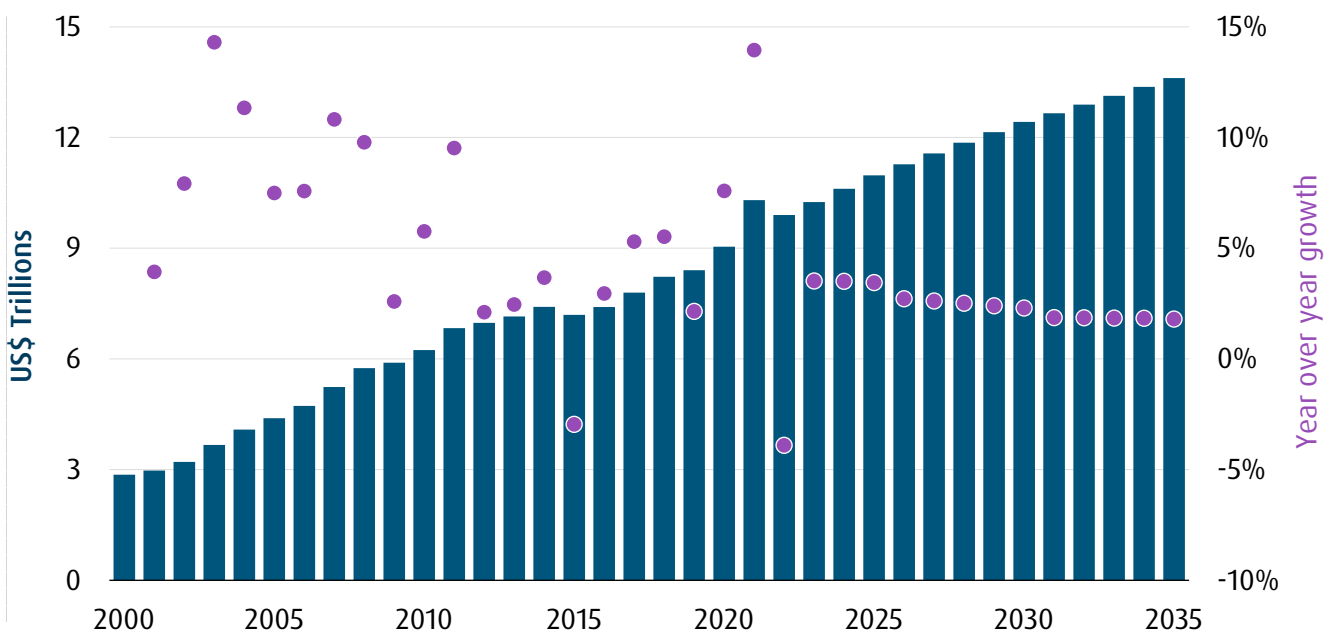
- The aging global population and novel therapies will continue to drive demand in the economically resistant health care sector.
- The most successful companies will be those that deliver truly innovative products or services and can meaningfully benefit the health and welfare of society.
- Experienced portfolio managers with extensive scientific and health care investment expertise

### Why Invest in Health Care?

The health care industry is underpinned by demographic tailwinds, breakthrough technological advancements, and resilient demand, making it an attractive sector for long-term investment. As the global population ages and developing economies become wealthier, the structural demand for health care will continue to increase.

#### Health expenditures will continue to increase:

##### Global Health Expenditures

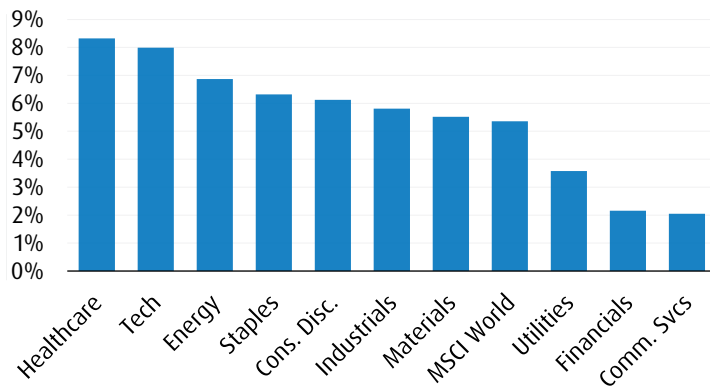


Source: World Health Organization Global Health Expenditure Database, Institute for Health Metrics and Evaluation forecasts, BMO GAM estimates

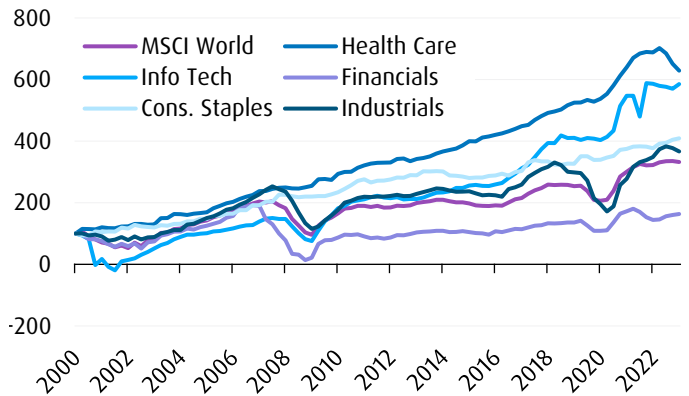
An attractive feature of the health care sector is the resilience of demand – in good or bad economic times, people still need health care goods and services, therefore the industry is uniquely positioned to perform well in many macroeconomic scenarios. This can be observed through the long-term growth in health care earnings and the frequency that health care earnings beat expectations. Health care earnings did not drop during the great financial crisis in 2008 and 2009 and were notably resilient during Covid in 2020.

## Health Care - Strong Earnings Growth with Low Volatility

### Annualized earnings growth since 2000



### Sector earnings vs MSCI



Source: Bloomberg, as of Dec 29 2023. Sector earnings rebased to 100 in 2000.

The COVID-19 pandemic demonstrated both the need for health care innovation and the industry’s ability to meaningfully benefit society through novel technologies and therapies. Advances in genome sequencing, the rise of targeted therapies and the advent of biologic based drugs represent a paradigm shift in therapeutic development. With the tools at hand, the health care industry is increasingly well positioned to dramatically change the outcome for myriad diseases and meaningfully benefit the health and welfare of society. There have been recent incredible advances in diseases such as cancer, Alzheimer disease, heart disease, diabetes, infectious diseases, and surgical procedures as a result of new and evolving technologies.\*

Drug name	Disease category	Indication	Drug class	FDA approval	2023 sales (USD)
Ibrance / Verzenio / Kisqali	Oncology	Breast cancer	Precision medicine	2017	\$4.8b / \$3.7b / \$2.1b
Dupixent	Immunology	Dermatitis, asthma	Antibody	2017	\$11.3b
Keytruda / Opdivo	Oncology	Solid tumours	Immuno-oncology	2016 / 2015	\$25b / \$6.6b
Trikafta	Genetic disorder	Cystic fibrosis	Precision medicine	2019	\$9b
Tagrisso	Oncology	Lung cancer	Precision medicine	2018	\$6.2b
Enhertu	Oncology	Breast cancer	Antibody-drug conjugate	2019	\$2.6b
Mounjaro / Zepbound Wegovy / Ozempic	Endocrinology	Obesity / Diabetes	Recombinant peptide	2022 / 2022	\$5.2b / \$176m / \$4.6b / \$14b
Arexvy / Abrysvo	Respiratory disease	RSV	Vaccine	2023	\$1.5b / \$515m
Vabysmmo	Ophthalmology	Wet age-related macular degeneration	Bispecific antibody	2022	\$2.6b
Bimzelx	Immunology	Psoriasis	Antibody	2023	\$160m
Winrevair	Cardiovascular disorder	Pulmonary Arterial Hypertension	Antibody	2024	-

\* Source: BMO GAM estimates and Bloomberg, September 30, 2024.

Health care costs continue to rise however, putting pressure on governments and individuals, which means successful companies will be those that either meaningfully impact human health, make health care more affordable or ideally both. This pressure on delivering value means that not all companies will benefit equally from the secular drivers of health care demand, and therefore selectivity is critical.



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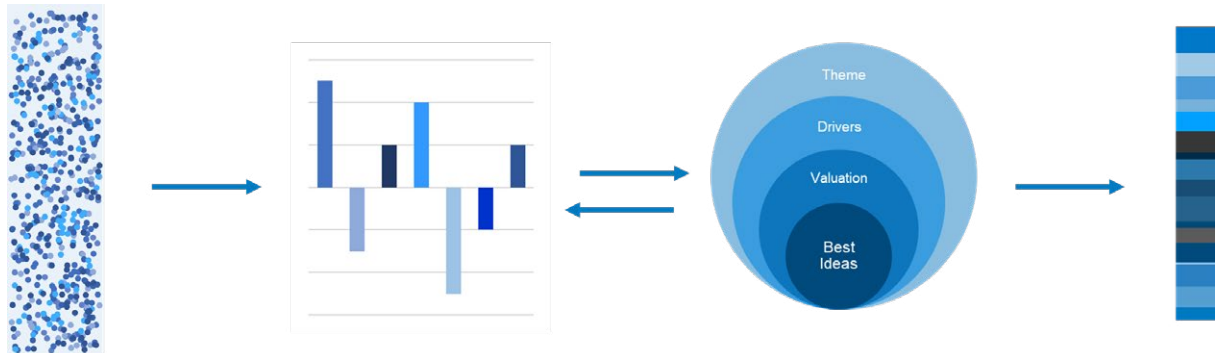


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## BMO GAM

BMO Global Asset Management (GAM) – With over 100 investment professionals covering traditional investments like fundamental fixed income and equities as well as alternative asset classes, BMO GAM offers a wide selection of products to meet investors needs. With extensive experience and in-depth scientific knowledge, the health care sector specialists at BMO GAM are well positioned to identify the most promising investment opportunities in the health care sector globally.

## Investment Process



### Sector Universe

- Health care universe – All subsectors
- All stocks globally ~1500

### Thematic Allocation

- Macro/politics/regulation/pipelines/capital flows
- Thematics for health care investing
- Iterative with security selection

### Stock Selection

- Due diligence on top 3 investment drivers and fundamentals
- Valuations – sub-sector specific
- Trade analysis and implementation

### Global Health Care Portfolio

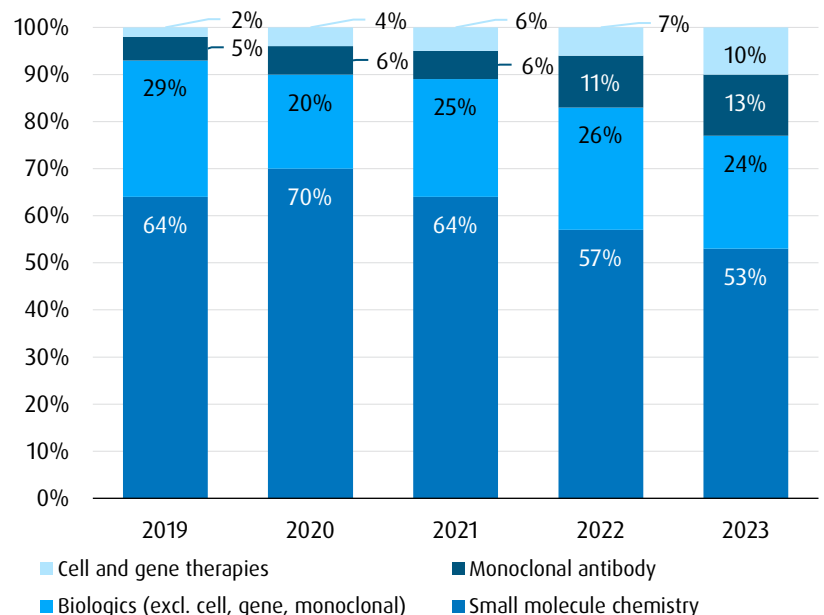
- ~40 Securities
- Optimization and monitoring using BMO GAM proprietary tools

## Case Study: Cell and Gene Therapies

The advent of genomic sequencing and subsequent advances in biologic target identification and drug development have unlocked new and exciting modalities for treating many previously untreatable conditions. An example is cell and gene therapies, which involve the use of whole cells or genetic material to treat underlying disease conditions. Previously poorly treated or untreatable conditions such as some cancers, hemophilia and other rare diseases have been successfully addressed using these novel technologies, with many more products currently in development.

Source: [2024's Market Outlook For Cell And Gene Therapies](#)

### Cell and Gene Approvals as a % of all Novel Approvals



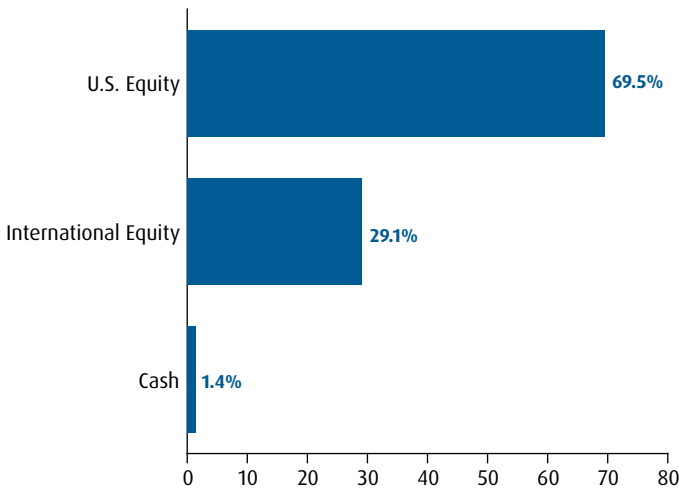
## Fund at a Glance

<b>Invests in</b>	This fund's objective is to provide long-term growth of capital through investment in a portfolio of equity health care securities of publicly-traded companies from around the world with significant growth potential.
<b>Investment process</b>	Top-down and bottom-up; health care sector focus
<b>Risk Rating</b>	Medium
<b>Typical Holdings</b>	35-45 positions
<b>Benchmark Index</b>	MSCI World Health Care Index
<b>Number of Issuers</b>	1,000+

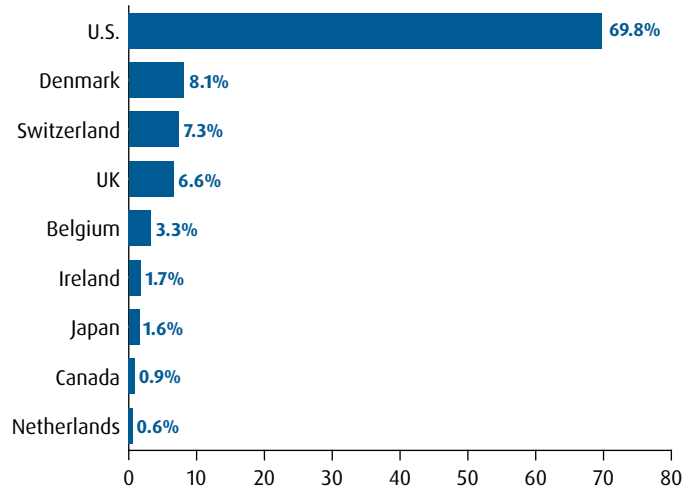
## Top 10 Holdings

Eli Lilly and Co.	11.1%
Unitedhealth Group Inc.	9.7%
Novo Nordisk A/S	7.1%
Thermo Fisher Scientific Inc.	5.6%
AstraZeneca PLC	5.2%
AbbVie Inc.	5.2%
Elevance Health Inc.	4.6%
Merck & Co. Inc.	3.5%
Intuitive Surgical Inc.	3.4%
Boston Scientific Corp.	3.4%
<b>TOTAL</b>	<b>58.7%</b>

## Asset Allocation



## Region Breakdown



Target allocation of the Fund's Top 10 Holdings, Sector and Region Breakdown as of September 30, 2024. For illustrative purposes only. The portfolio holdings are subject to change without notice and only represent a small percentage of portfolio holdings. They are not recommendations to buy or sell any particular security.

## Fund Codes & Fees

Series	Fund Code	MER*
Advisor Series	BM099335	2.15%
F Series†	BM095335	1.01%

\* Annual Management Expense Ratios (MERs) are as of September 30, 2023.

† Series F units are only available to investors who participate in eligible wrap programs or flat fee accounts with their registered dealers that have entered into a Series F Agreement with BMO Investment Inc.



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For a summary of the risks of an investment in BMO Mutual Funds, please see the specific risks set out in the simplified prospectus.

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