

**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.**

<b>Fund launch:</b>	21 June 2016	<b>Share class currency:</b>	CAD
<b>Type:</b>	Offering Memorandum Fund	<b>Fund size:</b>	CAD 1,689 m
<b>Sector:</b>	Unconstrained Bond	<b>Price frequency:</b>	Daily
<b>Reference Market:</b>	CAD T-Bills 90 Day		

<b>F Series Code:</b>	BMO88202
<b>F Series MER:</b>	0.43%

**Fund characteristics**

Duration X Spread (DTS)	484
Interest Rate Duration (Years)	0.3
- GBP	-0.1
- EUR	1.3
- USD	-0.2
- Other	-0.6
Maturity Exposure (%)	
- 0-5 yrs	75.2
- 5-10 yrs	18.2
- 10+ yrs	6.6
Yield Information*	(%)
- Yield to Maturity	1.8
- Current Yield	3.0

\*Includes forwards, swaps & futures

**Issuer Geographic Allocation (%)**

Developed Markets	
Asia Pacific:	4.1
Canada:	2.2
Europe:	30.3
UK:	17.7
United States:	30.9
Emerging Markets:	12.4
Other:	1.6
Cash:	0.8

**Credit Rating**

AAA	3.0
AA	7.4
A	23.4
BBB	38.6
BB	18.1
B	7.5
CCC	0.8
NR	0.6
Cash	0.8

**Monthly Commentary**

The recovery gained further traction during June, as COVID cases fell in response to increased vaccination rates. Price pressures also continued to build, largely due to supply chain blockages and higher commodity prices. The Federal Reserve, like other central banks, reiterated its core message that any rise in inflation was likely to be transitory and that it was prepared to take action to control prices. This contributed to further strength in the US Treasury market, and bond markets globally, as market participants demanded less inflation compensation. Credit continued to perform well, drawing support from low discount rates, better than expected corporate news and ample liquidity

Against this background, the fund delivered +0.22% (gross of investment management fees and net of expenses) for June. Performance benefited from exposure to credit spread risk and from security selection within the consumer and financial sectors. A short position in the US Treasury market detracted from performance, however. This had been expressed through a mix of outright and cross market strategies. We retain our bearish view on the US, as we expect bond yields to rise as the Federal Reserve lays out a roadmap for tapering asset purchases. In terms of activity, we increased exposure to rising star candidates, US consumer company, Kraft Heinz and Brazilian food producer, JBS. Both companies look set to make the transition from high yield to investment grade, which should generate capital gains for the fund. We also allocated capital to a new green bond from UK telecommunications company, Virgin Media, whose proceeds will be used for energy efficiency projects

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

**Sector allocation (%)**

Banking	25.9
Consumer Goods & Services	18.5
Energy	3.2
Financial Services	2.3
Government	2.6
Industrial	10.6
Insurance	3.6
Non-Cyclical Goods	11.4
Property	4.2
Securitized	0.6
Supranational / Govt Related	5.2
Telecoms	7.9
Utilities	3.2
Cash	0.8

**Top 10 Credit Issuers (%)**

Credit Suisse	1.1
Yorkshire Building Society	1.1
Blackstone Property	1.1
Volkswagen	1.1
Stellantis	1.1
HSBC	1.0
Takeda Pharmaceutical	1.0
Lloyds	1.0
BNP	1.0
Qatar National Bank	0.9

**FX (Largest Active Exposures) (%)**

Australia Dollar	1.0
Euro	0.6
Norway Krone	0.5
Sweden Krona	-0.5
Canada Dollar	-0.6
New Zealand Dollar	-1.0

**Net trailing performance (%) as at June 30, 2021**

Series	YTD	1-Mth	3-Mth	1-Year	2-Year	3-Year	SI (Ann.)*
F	1.90	0.30	0.81	6.02	4.02	3.94	2.79

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

**Net Calendar year performance (%)**

Series	2018	2019	2020
F	-1.79	8.20	3.33

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
2021	0.22	0.77	0.10	0.37	0.14	0.30						
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 Managers****Keith Patton**

Head of Unconstrained Fixed Income  
BMO Asset Management Ltd.

**Ian Robinson**

Global Co-Head of Income and Head of Credit EMEA  
BMO Asset Management Ltd.

**Forward-looking Disclaimer:**

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