Introducing BMO Growth Opportunities Fund

BMO Growth Opportunities Fund is a growth oriented portfolio investing in companies across the market-cap spectrum. The portfolio management team led by Tyler Hewlett and Mark Serdan at BMO Asset Management Inc. leverages a 9-member fundamental research team to seek out companies that exhibit strong growth characteristics. The Fund has a Canadian bias with the flexibility to invest in companies from around the world.

The portfolio management team uses a bottom-up, fundamental research based approach to security selection coupled with a strong portfolio construction and risk management methodology. This Fund represents a concentrated, high conviction portfolio with significant deviation from the benchmark.

The portfolio management team analyzes each company based on a specific set of criteria: quality, opportunity for growth, valuation and financial metrics. This ensures that only the most attractive growth companies are included in the fund. Prospective holdings are then analyzed in the context of the entire portfolio to determine which stocks are included in the fund, and how they are weighted in the portfolio construction process.

Rigorous Research Framework

<table>
<thead>
<tr>
<th>Quality</th>
<th>Opportunity</th>
<th>Valuation</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Strong management</td>
<td>• Higher growth than market</td>
<td>• Long term time horizon</td>
</tr>
<tr>
<td>• History of value creation</td>
<td>• Sustainable growth rate</td>
<td>• High probability of growth</td>
</tr>
<tr>
<td>• Distinctive competitive advantage</td>
<td>• Unique value proposition to capitalize industry opportunity</td>
<td>demonstrated over rigorous scenario analysis</td>
</tr>
</tbody>
</table>

Investors often get nervous when volatility rises. Active growth managers like Tyler and Mark embrace those moments because those are often the best times to find great entry points for their investments.

BMO Asset Management Inc.’s stringent approach to portfolio management provides the rigor and discipline to remove emotion from the investment equation.

This Fund’s high conviction style allows the portfolio managers an opportunity to truly demonstrate their excellent security selection capabilities.

With the help of a deep bench of research analysts to cultivate growth ideas, the portfolio managers build a Fund that invests in a carefully selected group of companies, which are growth leaders in their respective sectors, country, and region.
Rethinking Risk Management

Risk management is the single most important aspect of active management. This is especially true for growth stocks, which tend to experience larger price swings during market events. In order to successfully manage this, it is important to rethink how we view and manage risk.

The Fund has additional lenses in place to moderate the effects of market events and effectively manage downside risk. In addition to having sector and security diversification, the Fund also diversifies by both growth spectrum and market-cap.

<table>
<thead>
<tr>
<th>Risk / Return Opportunities</th>
<th>Conviction Level</th>
<th>Portfolio Characteristics</th>
<th>Risk Controls</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Optimize risk / reward opportunities</td>
<td>• Visibility of earnings and growth</td>
<td>• Typically invested in 30-40 companies</td>
<td>• Sector diversification</td>
</tr>
<tr>
<td>• Identifiable catalysts at point of entry</td>
<td>• Confidence in estimates</td>
<td>• Seek out companies with growth metrics better than benchmark</td>
<td>• Market-cap diversification</td>
</tr>
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<table>
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<tr>
<th>Cyclical Growth</th>
<th>Secular Growth</th>
<th>Stable Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Growth correlated with economic or industry cycles</td>
<td>• Multi-year high growth outlook</td>
<td>• Mature growth, yet higher than market average</td>
</tr>
<tr>
<td>• Fundamentals tend to more closely track the business cycle</td>
<td>• Potential for fundamentals to hold up in economic downturns</td>
<td>• Predictable, visible business model</td>
</tr>
<tr>
<td></td>
<td>• Higher valuations are well supported by high growth</td>
<td>• Fundamentals generally are insulated from business cycle</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Relatively lower overall risk</td>
</tr>
</tbody>
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Diversified Across the Growth Spectrum

Investing in growth companies also requires an understanding of where the companies are in the growth cycle.

In order to add rigor in our selection universe, the portfolio managers take a very critical assessment of where each company is in the overall growth cycle. The portfolio managers consciously monitor the allocation to growth opportunities with respect to the level of exposure to cyclical, secular, and stable growth companies throughout the market cycle.

The portfolio managers ensure that the Fund has the right blend of companies across the growth spectrum in order to enhance the portfolio’s risk and return profile.

The Fund diversifies across the growth spectrum to enhance the risk/return profile.
Rethinking Risk Management

Market cap diversification is critical to how the portfolio managers manage this Fund. As a risk management tool, we consciously construct the portfolio to have exposure across the market-cap spectrum to reduce the portfolio’s concentration risks and smooth out returns over time.

Depending on our position in the market cycle, small- and large-cap companies may lead at different times. The performance between the two can be quite divergent, similar to what we saw in 2014.

At any given time, opportunities can be found across the market cap spectrum. As a bottom-up fundamental manager, we focus on what we do best: finding great growth companies.

Portfolio Management Team

Tyler Hewlett, CFA

Vice President, Portfolio Manager, Fundamental Canadian Equities

Tyler is the lead portfolio manager for BMO Asset Management Inc.’s Canadian small cap mandates and co-lead of the all-cap growth mandates. He joined BMO Asset Management in 2007 as an analyst, covering multiple sectors with a focus on small capitalization equities and became a portfolio manager on the Canadian small cap team in 2009. He assumed his position as lead portfolio manager in 2012. He began his career in the industry in 2001 at a global financial institution, primarily in equity research. Tyler holds a Bachelor of Commerce degree from Queen’s University and is a CFA charterholder.

Mark Serdan, CFA, CA

Vice President, Portfolio Manager, Fundamental Canadian Equities

Mark joined BMO Asset Management Inc. in the fall of 2009 and has over 17 years of investment industry experience. Mark manages Canadian equity portfolios, with an emphasis on the resource sector. Prior to joining the firm, he was responsible for investing in the Canadian materials sector at a major international investment management firm. Mark holds an Honours Bachelor of Commerce degree from the University of Windsor, received his CA from the Institute of Chartered Accountants of Ontario, and is a CFA charterholder.
Fund Holding Information (as of April 15, 2015)

Country Breakdown

Sector Breakdown

Top 10 Holdings

Descartes Systems Group  
Element Financial Corp  
Google Inc.  
Onex Corp  
Pulte Group Inc.  
Apple Inc.  
Brookfield Asset Management Inc.  
Stericycle Inc.  
Tyler Technologies Inc.  
Visa Inc.

Insights on some Top Holdings

Descartes Systems Group Inc.
Descartes is a software-as-a-service company focused on the global transportation and logistics space. The company has had a distinguished track record of growing earnings steadily for the past several years while showing impressive visibility and stability in their earnings. The company is poised to capitalize on the growing end markets for their logistics management solutions both organically and through acquisitions.

Starbucks Corp.
Starbucks is a specialty retailer of coffee, tea, and various food items. Starbucks operates in over 64 countries with over 21,000 stores of which 60% are corporate owned and 40% franchise. Starbucks has a dominant U.S. retail coffee platform and significant international growth opportunity driven by China. Company financials are strong with consistent and visible free cash flows, double digit earnings growth, and high return on equity.

Follow BMO Asset Management Inc.’s Top 10 Holdings report to gain more insight.

Speak to your advisor or financial planner to learn more about this exciting investment opportunity...

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