

## BMO SmartFolio™ Balanced Portfolio

As of 30/06/2019

**Portfolio Details**

Inception Date	31/12/2015
# of Holdings	18
% Asset in Top 10 Holding	81.3
12 Month Yield	2.4

**Blended Benchmark:** 35% FTSE TMX Canada Universe Bond Index, 25% S&P 500, 20% MSCI EAFE, 10% Barclays U.S. Aggregate Bond Index hedged to CAD, 10% S&P TSX

**Style:** Quantitative

**Portfolio Managers****Kevin Gopaul**

Head, BMO Global Asset Management Canada and Global Head of Quantitative Strategies and ETFs, BMO Global Asset Management

Industry Experience: Since 1998

**Amit Prakash**

Managing Director, Multi-Asset & Alternative Investments

Industry Experience: Since 1995

**Irina Skrylev, M.A., CIM, RPM**

Senior Associate, Analyst, Multi-Asset Solutions

Industry Experience: Since 2011

**Adam Papallo, CFA**

Director, Research Analyst & Investment Strategist, Multi-Asset Solutions

Industry Experience: Since 2008

**Howard Lee, MSc, FRM**

Director, Research Analyst & Investment Strategist, Multi-Asset Solutions

Industry Experience: Since 2000

**Risk Statistics - 3 years**

Time Period: 01/07/2016 to 30/06/2019

	Portfolio	Bmk
Return	6.1	7.6
Std Dev	5.7	5.5
Sharpe Ratio	0.8	1.1
Beta	1.0	1.0
Up Capture Ratio	82.5	100.0
Down Capture Ratio	92.0	100.0
Tracking Error	1.2	0.0
Information Ratio	-1.2	—

**Company Profile:**

BMO Global Asset Management (BMO GAM) is a global investment manager focused on meeting the needs of investors, both locally and globally. The business is characterized by specialized regional investment teams that provide a wide range of investment solutions to clients across North America, Europe, Asia/Pacific and the Middle East. BMO GAM is a part of BMO Financial Group, a highly diversified financial services organization headquartered in Toronto, Canada.

**Investment Objective:**

The Portfolio's objective is to strike a balance between safety of principal and appreciation. This Portfolio will seek to provide long-term capital growth with some income (interest, dividends and capital gains) by investing in exchange traded funds (ETFs) that invest primarily in Canadian and foreign equity securities and Canadian and foreign fixed income securities.

**Investment Philosophy**

The Portfolio Manager believes that a structured, transparent and understandable process can efficiently achieve attractive long-term risk-adjusted returns across various risk profiles.

**Investment Process**

The Portfolio Manager identifies and focuses on themes that are expected to drive global market returns. This is achieved by connecting with their investment teams around the world and sourcing the trends that are driving market activity in each of their local regions. Their global team of portfolio managers meets in person on a quarterly basis to discuss their longer-term views while more-periodic discussion occurs regarding shorter-term opportunities driving relative market returns.

**Portfolio Construction/Risk Management**

The Portfolio Manager focuses on fixed income and equity ETFs that provide broad-based geographical and/or thematic exposures. Prior to entering the portfolio, each ETF is evaluated based on its risk/return characteristics and its contribution to the overall portfolio. In constructing the portfolio, they utilize sophisticated algorithms to weigh risk, return and costs. As a result, the portfolio is optimized to achieve the greatest return for the intended amount of risk.

Their process is systematic and thorough. However, the portfolio is not constructed entirely by robotic algorithms. Expert portfolio managers provide a human element by verifying every position and ensuring they are philosophically consistent with the portfolio's investment objectives. Their portfolio managers make each investment decision and conduct frequent checks.

**Sell Discipline/Rebalancing**

The Portfolio Manager's dynamic algorithms are utilized to ensure they deliver an ideal portfolio reducing unnecessary turnover and/or trading activity.

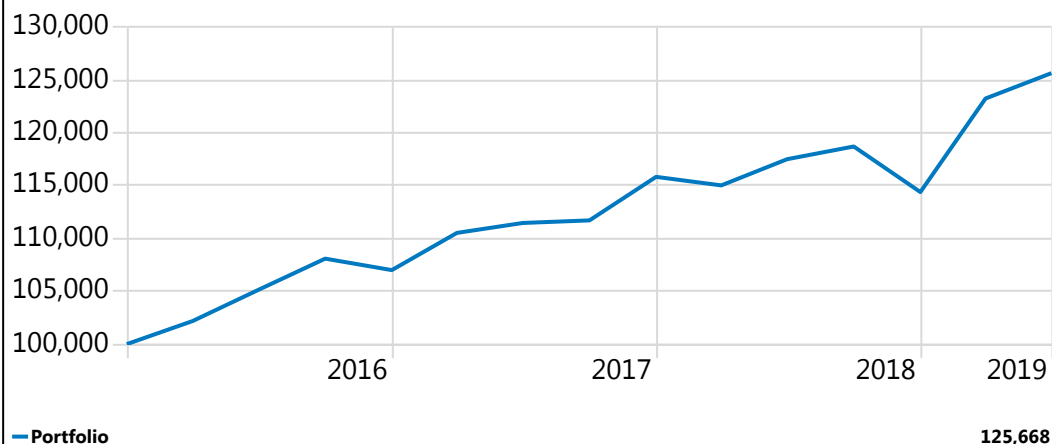
Annualized Returns (%)					
	3 months	YTD	1 year	3 years	Since Inception
Portfolio	1.9	9.8	6.9	6.1	6.7

Calendar Year Returns (%)										
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Portfolio	-1.2	8.3	7.0	—	—	—	—	—	—	—

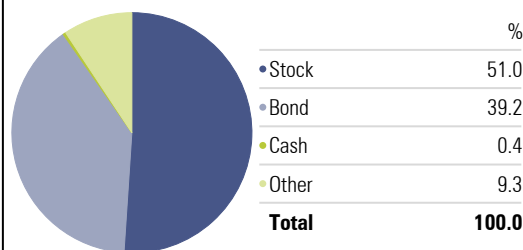
Top Holdings (%)	
BMO Low Volatility US Equity ETF (CAD)	13.9
BMO Short Corporate Bond ETF	13.3
BMO MT US IG Corp Bd Hdgd to CAD E	8.9
BMO MSCI USA High Quality ETF	7.8
BMO Long Federal Bond ETF	7.7
BMO Mid Corporate Bond ETF	7.5
BMO MSCI EAFE ETF	7.4
BMO S&P/TSX Capped Composite ETF	7.2
BMO Eq Wght US HlthCare Hdgd to CA	3.0
BMO Global Infrastructure ETF	2.7

**Investment Growth of \$100,000**

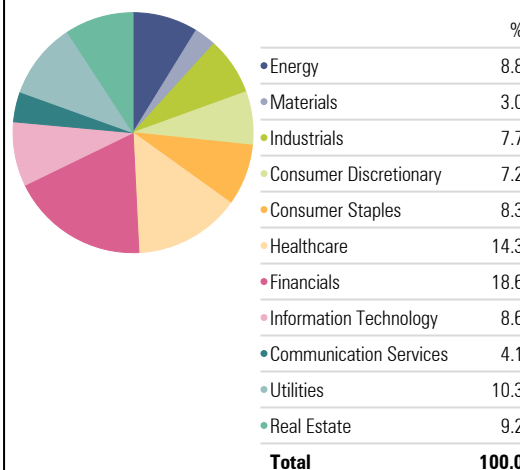
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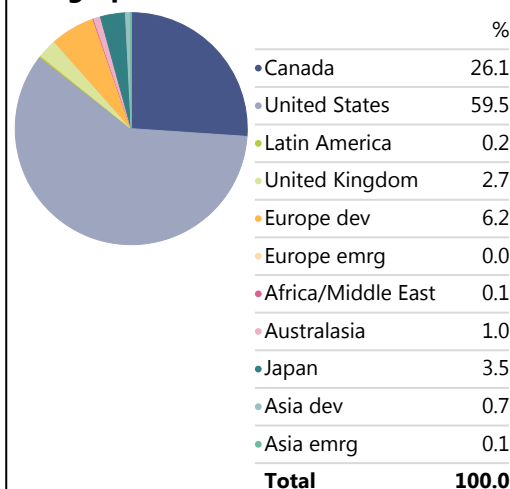
**Asset Allocation**



**Sector Allocation**



**Geographic Allocation**



Portfolio returns are presented gross of fees. Rates of return are time weighted, calculated on a total return basis, and annualized for all periods greater than one year. Past performance is not necessarily an indicator of future performance. The performance shown as indicated above and may not reflect the actual performance of clients in the BMO Nesbitt Burns SmartFolio Program. This report is prepared solely for information purposes in connection with the BMO Nesbitt Burns SmartFolio Program.

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