

Quarterly Report Card: June 30 2020

BMO ESG ETFs

Invest, Engage, Improve



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MSCI World ESG Leaders

MSCI World ESG Leaders Index (Portfolio)



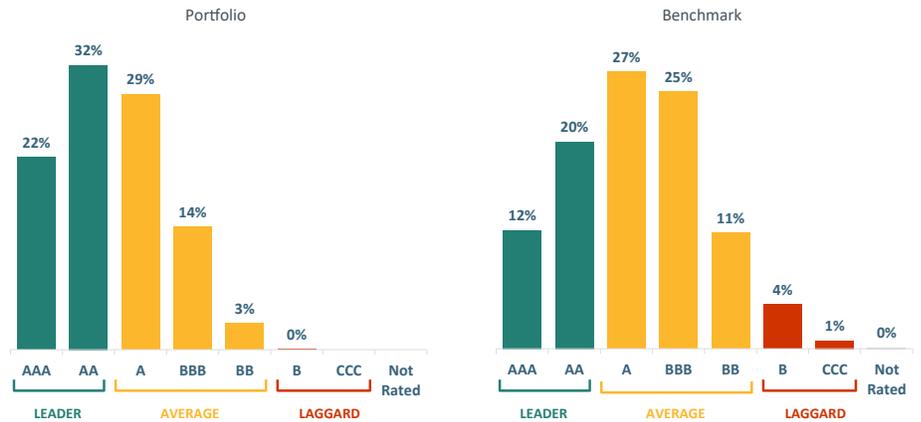
MSCI World Index (Benchmark)



ESG QUALITY SCORECARD

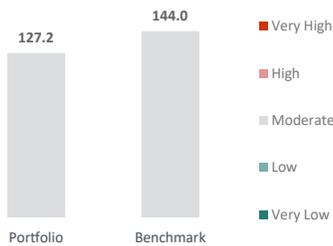
	Portfolio	Benchmark	Active
ESG QUALITY SCORE(0-10)	8.0	6.7	19.9%
ENVIRONMENTAL SCORE	6.3	5.7	10.7%
SOCIAL SCORE	5.4	4.9	10.3%
GOVERNANCE SCORE	5.9	5.5	7.1%

ESG RATING DISTRIBUTION



Carbon Risk

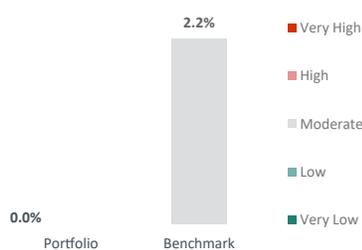
(T CO2E/\$M SALES)



Moderate Carbon Risk
11.7% less than benchmark

Reputational Risk

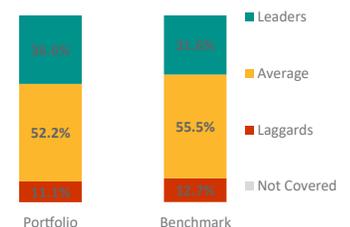
(Very Severe Controversy Exposure)



Very Low Reputational Risk
2.2% less than benchmark

Governance Risk

(Global Percentile)



Laggards 1.5% less than benchmark
Leaders 5.0% greater than benchmark

Risk Metrics

	Beta	Tracking Error	Turnover (%)	Standard Deviation (% , 10 Year)	Sharpe Ratio (10 year)
MSCI World ESG Leaders Index (CAD\$)	0.99	1.14	7.36	10.07	1.21
MSCI World Index (CAD\$)	1.00	0.00	3.06	10.28	1.19

Performance

	YTD	1 year	3 year	5 year	10 year
MSCI World ESG Leaders Index (CAD\$)	0.11	9.20	9.17	9.13	12.68
MSCI World Index (CAD\$)	-1.03	7.19	8.41	8.78	12.72

Source: MSCI Inc. Jun 30 2020

Invest in the best.

The BMO MSCI World ESG Leaders Index ETF (ticker: ESGG), managed by BMO GAM, is available for 0.25% management fee and provides exposure to the top ESG rated companies in each sector tracking MSCI's World ESG Leaders Index.

BMO MSCI Global ESG Leaders Index ETF
ESGG
 Distribution Yield: 2.1% | Q
 Mgmt. Fee: 0.25%
Risk Rating: Medium

MSCI Canada ESG Leaders Index

MSCI Canada ESG Leaders (Portfolio)



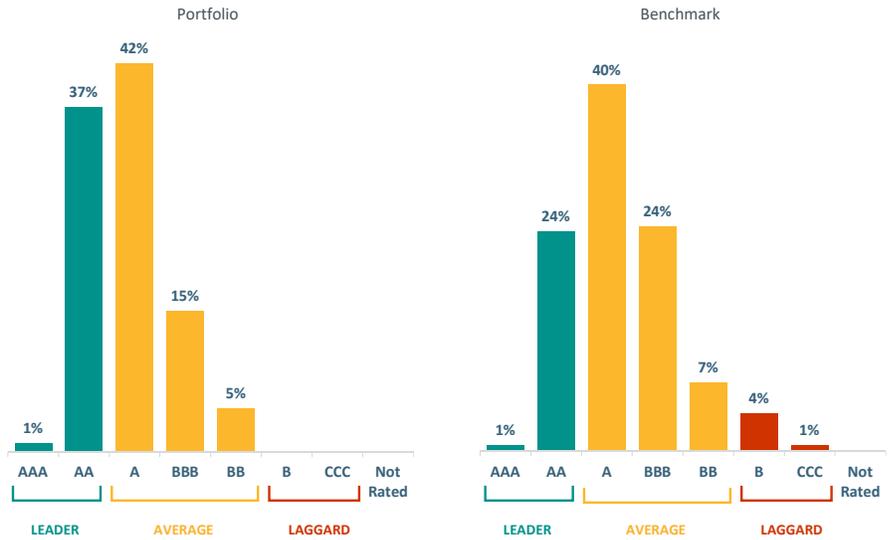
MSCI Canada Index (Benchmark)



ESG QUALITY SCORECARD

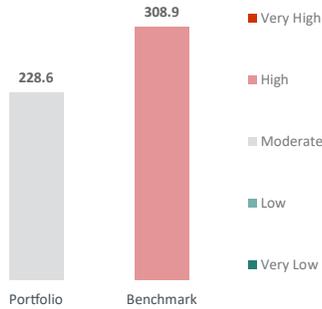
	Portfolio	Benchmark	Active
ESG QUALITY SCORE(0-10)	6.2	6.0	2.8%
ENVIRONMENTAL SCORE	5.1	4.7	9.5%
SOCIAL SCORE	4.6	4.7	-2.3%
GOVERNANCE SCORE	6.2	6.0	4.2%

ESG RATING DISTRIBUTION



Carbon Risk

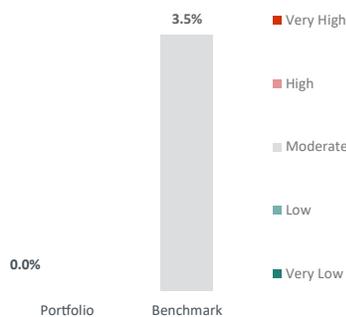
(T CO2E/\$M SALES)



Moderate Carbon Risk

Reputational Risk

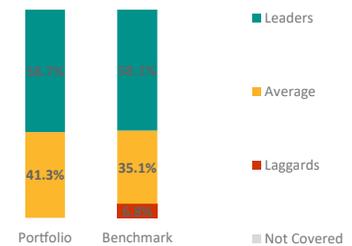
(Very Severe Controversy Exposure)



Very Low Reputational Risk

Governance Risk

(Global Percentile)



Laggards 6.8% less than benchmark

Risk Metrics

	Beta	Tracking Error	Turnover (%)	Standard Deviation (% , 10 Year)	Sharpe Ratio (10 year)
MSCI Canada ESG Leaders Index (CAD\$)	1.00	2.81	9.72	11.44	0.64
MSCI Canada Index (CAD\$)	1.00	0.00	4.66	11.23	0.49

Performance

	YTD	1 year	3 year	5 year	10 year
MSCI Canada ESG Leaders Index (CAD\$)	-5.91	-3.49	3.09	5.44	7.19
MSCI Canada Index (CAD\$)	-8.53	-4.36	2.75	3.39	5.29

Source: MSCI Inc. Jun 30 2020

Invest in the best.

The BMO MSCI Canada ESG Leaders Index ETF (ticker: ESGA), managed by BMO GAM, is available for 0.15% management fee and provides exposure to the top ESG rated companies in each sector tracking MSCI's Canada ESG Leaders Index.

BMO MSCI Canada ESG Leaders Index ETF
ESGA
 Distribution Yield: 3.7% | Q
 Mgmt. Fee: 0.15%
Risk Rating: Medium

MSCI USA ESG Leaders Index

MSCI USA ESG Leaders Index (Portfolio)



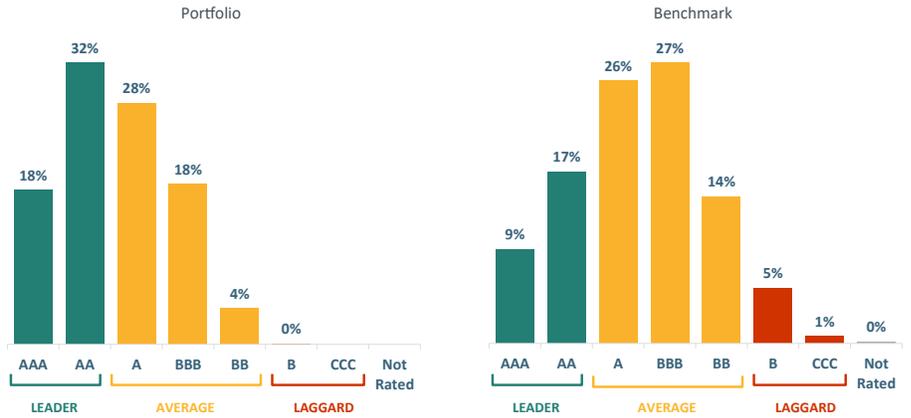
MSCI USA Index (Benchmark)



ESG QUALITY SCORECARD

	Portfolio	Benchmark	Active
ESG QUALITY SCORE(0-10)	7.9	6.5	21.6%
ENVIRONMENTAL SCORE	6.3	5.7	10.7%
SOCIAL SCORE	5.3	4.7	11.7%
GOVERNANCE SCORE	5.7	5.4	6.8%

ESG RATING DISTRIBUTION



Carbon Risk

(T CO2E/\$M SALES)



Moderate Carbon Risk
6.9% less than benchmark

Reputational Risk

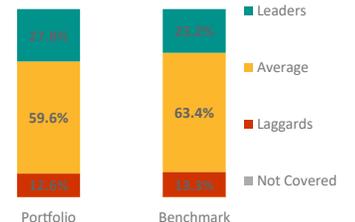
(Very Severe Controversy Exposure)



Very Low Reputational Risk
1.3% less than benchmark

Governance Risk

(Global Percentile)



Laggards 0.7% less than benchmark
Leaders 4.6% greater than benchmark

Risk Metrics

	Beta	Tracking Error	Turnover (%)	Standard Deviation (% , 5 Year)	Sharpe Ratio (5 year)
MSCI USA ESG Leaders Index (CAD\$)	0.97	1.68	6.70	11.98	1.02
MSCI USA Index (CAD\$)	1.00	0.00	3.12	12.52	0.97

Performance

	YTD	1 year	3 year	5 year
MSCI USA ESG Leaders Index (CAD\$)	2.84	13.41	12.76	12.09
MSCI USA Index (CAD\$)	2.46	12.35	12.16	12.03

Source: MSCI Inc. Jun 30 2020

Invest in the best.

The BMO MSCI USA ESG Leaders Index ETF (ticker: ESGY), managed by BMO GAM, is available for 0.20% management fee and provides exposure to the top ESG rated companies in each sector tracking MSCI's USA ESG Leaders Index.

BMO MSCI USA ESG Leaders Index ETF
ESGY
 Distribution Yield: 1.6% | Q
 Mgmt. Fee: 0.20%
Risk Rating: Medium new

MSCI EAFE ESG Leaders

MSCI EAFE ESG Leaders Index (Portfolio)

AAA

MSCI EAFE Index (Benchmark)

AA

ESG QUALITY SCORECARD

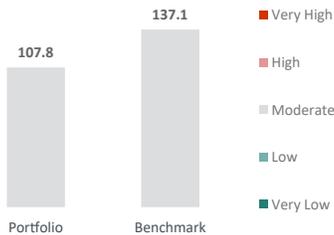
	Portfolio	Benchmark	Active
ESG QUALITY SCORE(0-10)	8.6	7.2	19.0%
ENVIRONMENTAL SCORE	6.5	5.8	11.0%
SOCIAL SCORE	5.6	5.2	8.7%
GOVERNANCE SCORE	6.2	5.8	7.5%

ESG RATING DISTRIBUTION



Carbon Risk

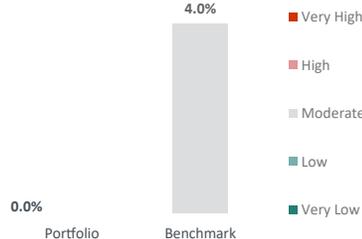
(T CO2E/\$M SALES)



Moderate Carbon Risk
21.4% less than benchmark

Reputational Risk

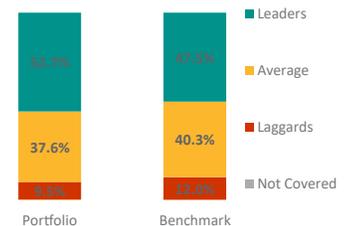
(Very Severe Controversy Exposure)



Very Low Reputational Risk
4.0% less than benchmark

Governance Risk

(Global Percentile)



Laggards 2.5% less than benchmark
Leaders 5.2% greater than benchmark

Risk Metrics

	Beta	Tracking Error	Turnover (%)	Standard Deviation (% , 5 Year)	Sharpe Ratio (5 year)
MSCI EAFE ESG Leaders Index (CAD\$)	0.98	1.38	9.02	11.59	0.45
MSCI EAFE Index (CAD\$)	1.00	0.00	2.77	11.51	0.38

Performance

	YTD	1 year	3 year	5 year
MSCI EAFE ESG Leaders Index (CAD\$)	-4.25	3.02	3.73	4.64
MSCI EAFE Index (CAD\$)	-6.88	-1.12	2.42	3.85

Source: MSCI Inc. Jun 30 2020

Invest in the best.

The BMO MSCI EAFE ESG Leaders Index ETF (ticker: ESGE), managed by BMO GAM, is available for 0.25% management fee and provides exposure to the top ESG rated companies in each sector tracking MSCI's EAFE ESG Leaders Index.

BMO MSCI EAFE ESG Leaders Index ETF
ESGE
 Distribution Yield: 3.0 | Q
 Mgmt. Fee: 0.25%
Risk Rating: Medium

Bloomberg MSCI Canada Corporate Sustainability SRI Index

Bloomberg MSCI Canada Corp Sustainability SRI Index (Portfolio)



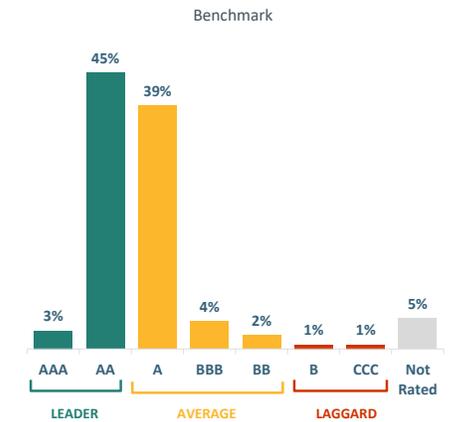
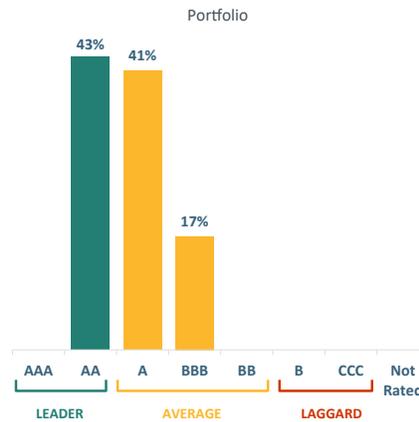
Bloomberg Canada Corporate Index (Benchmark)



ESG QUALITY SCORECARD

	Portfolio	Benchmark	Active
ESG QUALITY SCORE(0-10)	6.9	6.9	0.4%
ENVIRONMENTAL SCORE	5.9	6.7	-12.1%
SOCIAL SCORE	5.1	6.3	-19.5%
GOVERNANCE SCORE	5.8	7.2	-18.3%

ESG RATING DISTRIBUTION



Invest in the best.

The BMO ESG Canada Corporate Bond Hedged to CAD Index ETF (ticker: ESGB), managed by BMO GAM, is available for 0.15% management fee and provides exposure to the top ESG rated companies in each sector tracking Bloomberg Barclays MSCI Canada Corporate Sustainability SRI Index.

BMO ESG Corporate Bond Index ETF
ESGB
 Duration: 6.9
 Distribution Yield: 2.8% | Q
 Yield to Maturity: 1.6% Mgmt. Fee: 0.15%
Risk Rating: Low

Bloomberg MSCI US Corporate Sustainability SRI Index

Bloomberg MSCI US Corp Sustainability SRI Index (Portfolio)



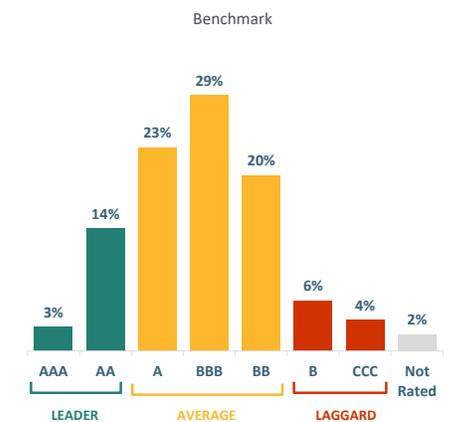
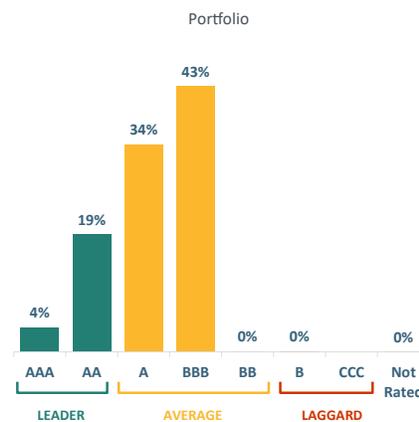
Bloomberg Barclays US Corp Index (Benchmark)



ESG QUALITY SCORECARD

	Portfolio	Benchmark	Active
ESG QUALITY SCORE(0-10)	7.0	5.4	31.0%
ENVIRONMENTAL SCORE	5.9	5.5	6.7%
SOCIAL SCORE	4.9	4.6	8.3%
GOVERNANCE SCORE	5.3	5.1	4.5%

ESG RATING DISTRIBUTION



Invest in the best.

The BMO ESG US Corporate Bond Hedged to CAD Index ETF (ticker: ESGF), managed by BMO GAM, is available for 0.20% management fee and provides exposure to the top ESG rated companies in each sector tracking Bloomberg MSCI US Corporate Sustainability SRI Index.

BMO ESG US Corporate Bond Index ETF
ESGF
 hedged to CAD
 Duration: 8.4 Distribution Yield: 2.8% | Q
 Yield to Maturity: 1.5% Mgmt. Fee: 0.20%
Risk Rating: Low

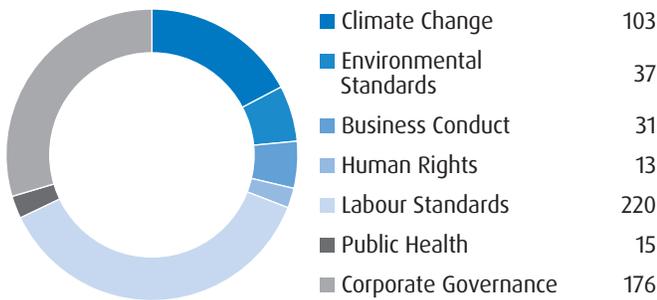
Companies engaged this quarter

Companies Engaged	Milestones achieved	Countries covered
302	139	36

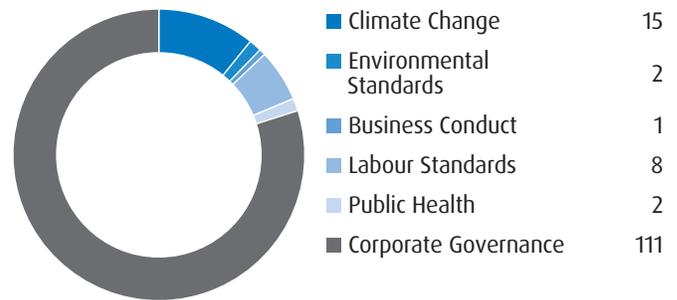
Companies engaged by region



Companies engaged by issue ***

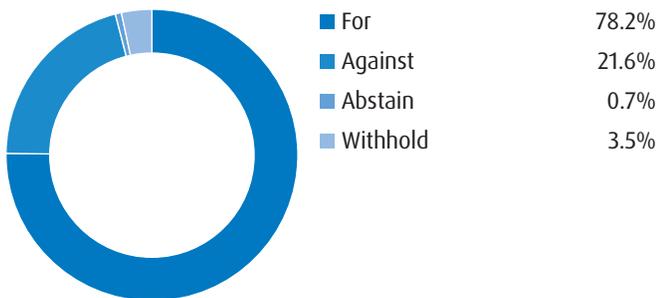


Milestones achieved by issue

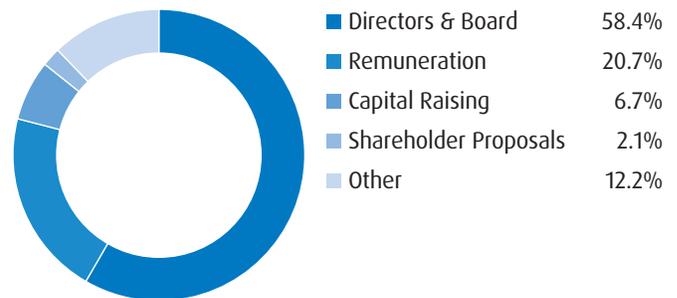


Share voting results ****

Company meetings voted	6,855
Items voted	77,975



Votes against and abstentions by category



* reo® is currently applied to £150bn (\$186billion / €170billion) of assets as at 31st March 2020.

** Companies may have been engaged on more than one issue.

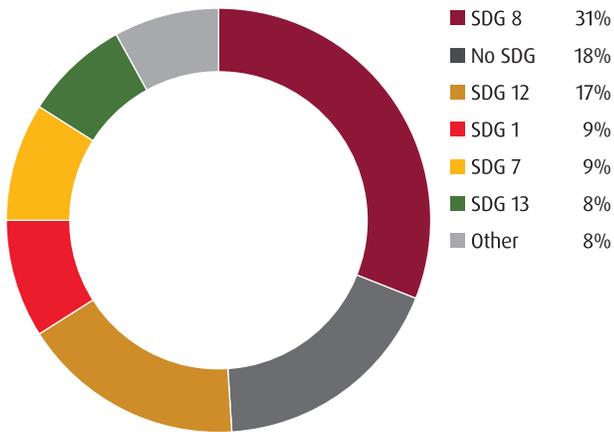
*** This report has been compiled using data supplied by a third-party electronic voting platform provider. The statistics exclude ballots with zero shares and re-registration meetings. Meetings/ballots/proposals are not considered voted if: ballots have been rejected by voting intermediaries (e.g. where necessary documentation (such as Powers of Attorney, beneficial owner confirmation, etc.) was not in place); instructed as "Do not vote" (e.g. in share-blocking markets); or left uninstrued. This document is for professional advisors only and should not be circulated to other investors. Past performance should not be seen as an indication of future performance. Stock market and currency movements mean the value of, and income from, investments in the Fund are not guaranteed. They can go down as well as up and you may not get back the amount you invest.

Engagements and Sustainable Development Goals (SDGs)

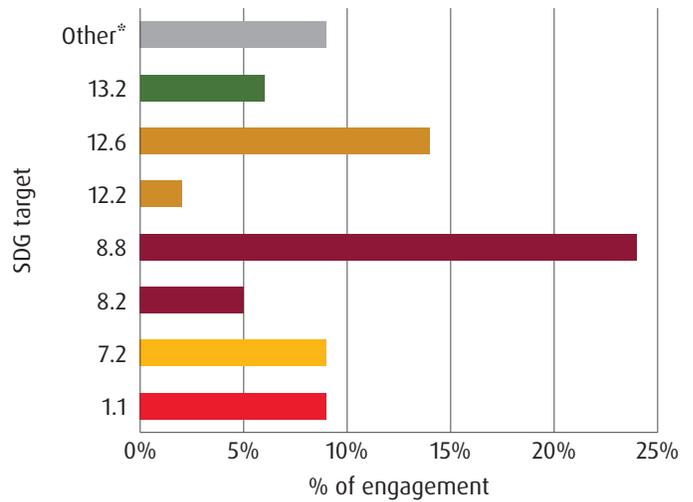
The 17 Sustainable Development Goals (SDGs) were developed by the UN and cross-industry stakeholders with a view to providing a roadmap towards a more sustainable world.

We use the detailed underlying SDG targets to frame company engagement objectives, where relevant, as well as to articulate the positive societal and environmental impacts of engagement. Engagements are systematically captured at a target level, to enable greater accuracy and achieve higher impact.

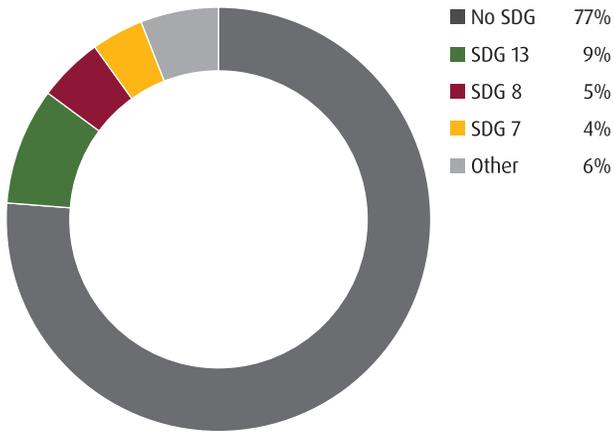
Engagement: SDG level



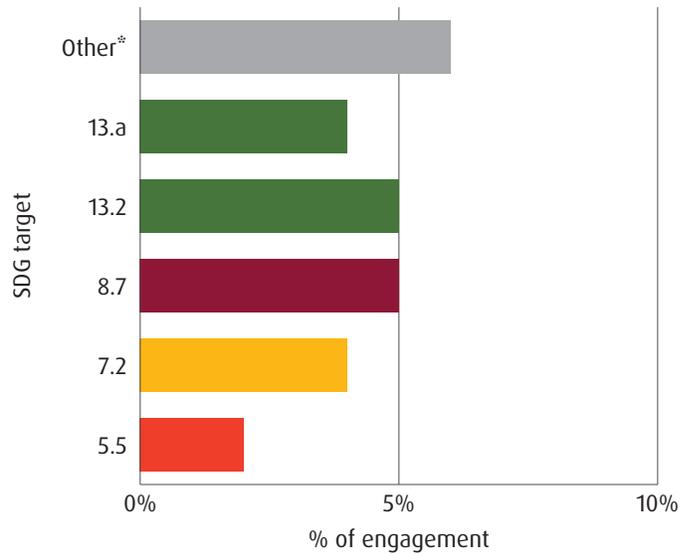
Engagement: SDG target level



Milestone: SDG level



Milestone: SDG target level



*Other represents SDG targets less than 2% of the relevant SDG Goal.

Engagement case studies

Company: Goldman Sachs Group Inc/The	Country: United States	Sector: Financials
Priority Company: -	ESG Risk Rating: 	Response to engagement: Adequate
Theme: Climate Change	Issue: Climate Finance	
SDG:  13.2 Climate Action		

Background

The OECD estimates that USD 6.9 trillion a year is required up to 2030 to meet climate and development objectives, including the transition to a low carbon economy, providing both risks and opportunities for banks. In 2019, we analysed major financial institutions in developed markets regarding their climate strategies, including whether any scenario stress testing has been performed and resulted in relevant business metrics. Our conclusion was that most banks lack sufficiently robust systems and practices to address climate risk, with Goldman Sachs, as one of the world’s largest and most influential investment banks, being no exception.

Action

We have engaged the company on several occasions over the past year to better understand how it integrates sustainability considerations, including climate risk, into its lending and underwriting activities. We became aware that a new environmental and social risk framework was forthcoming and further disclosure on their climate risk management procedures would be published in line with the recommendations of the Taskforce on Climate Related Financial Disclosures (TCFD). Our overall conclusion was that their work in this area was much stronger than their disclosure currently outlined and provided them with feedback on how to best address this imbalance. Towards the end of 2019, the company announced it will provide \$750 billion in financing, advisory services and investments for sustainable initiatives, including initiatives contributing to the transition to a low carbon economy. As part of this announcement, GS highlighted updates to its environmental policy framework to restrict any future financing of new coal mines or coal fired power generation worldwide, which is the strongest policy amongst the big U.S. banks. Finally, this quarter the company published its inaugural TCFD report.

Verdict

Alongside the high-level commitments, the company finally publishing its inaugural TCFD report is an essential step for management to better understand how climate risk impacts the business and for investors to analyse relevant exposure and mitigation strategies. This report, which brought together a lot of their existing work in this area, as well as more clarity on their climate-risk scenario analysis, explained the process but stopped short of providing details on the results. Our future dialogue with the company will focus on enhancing this disclosure and encouraging them to expand their restrictions and level of detailed provided on funding carbon intensive sectors.

ESG Risk Rating: Rating of a company’s ESG risk exposure and risk management compared to industry peers. Source: MSCI ESG Research Inc.
 Top quartile:  GREEN Second quartile:  YELLOW Third quartile:  ORANGE Bottom quartile:  RED

Appendix



SDG	Target	Target Summary
SDG1	1.1	Eradicate poverty and ensure a living wage for all
SDG2	2.1	End hunger and ensure access to safe and nutritious food
SDG3	3.3	End AIDS, TB, malaria and other water-borne and communicable diseases
SDG3	3.4	Reduce mortality from non-communicable diseases and promote mental health
SDG3	3.8	Access to medicines and health-care
SDG5	5.1	End all forms of discrimination against women and girls
SDG5	5.5	Ensure full equality of opportunity for women, including at leadership levels
SDG6	6.3	Improve water quality by reducing pollution
SDG6	6.4	Increase water-use efficiency to address water scarcity
SDG7	7.2	Substantially increase the global share of renewable energy
SDG7	7.3	Double the global rate of improvement in energy efficiency
SDG8	8.2	Achieve greater productivity through innovation.
SDG8	8.3	Promote development-oriented policies
SDG8	8.5	Achieve full and productive employment for all
SDG8	8.6	Reduce the proportion of youth not in employment or education
SDG8	8.7	Eradicate forced labour, modern slavery & human trafficking
SDG8	8.8	Protect and promote safe working environments for all workers
SDG9	9.1	Develop resilient and sustainable infrastructure
SDG9	9.4	Upgrade and retrofit industries to increase sustainability
SDG11	11.4	Strengthen efforts to safeguard the world's natural heritage
SDG12	12.2	Sustainably manage and make efficient use of natural resources
SDG12	12.4	Manage chemical usage and waste throughout their life cycle
SDG12	12.5	Reduce waste through prevention, reduction, recycling and reuse
SDG12	12.6	Encourage companies to adopt sustainable practices and enhance ESG reporting
SDG13	13.1	Strengthen adaptive capacity to climate-related events
SDG13	13.2	Integrate climate change plans into policies and strategies
SDG13	13.a	Address climate change mitigation for developing countries
SDG14	14.1	Prevent and reduce marine pollution of all kinds
SDG15	15.1	Ensure sustainable usage of terrestrial freshwater ecosystems
SDG15	15.2	Promote the implementation of sustainable management of forests
SDG15	15.a	Increase financial resources to conserve ecosystems
SDG16	16.5	Reduce corruption and bribery in all their forms
SDG16	16.6	Develop effective, accountable and transparent institutions

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