

# Your LDI Journey

Streamlining the  
future of pooled LDI



# A solution you can trust

No two pension schemes are alike. Some may be well-funded on the path to an insurance solution, others may be seeking excess returns in line with a long-term recovery plan. Whichever it may be, we have a solution for you. Our innovative set of liability-based pooled funds are designed to deliver a hedging solution which supports the full lifecycle of your funding journey. Embedded with the flexibility to cater for a long-term investment horizon, we are committed to providing a complete start-to-finish solution.

## ➤ Risk management

From valuations to liquidity and returns, trustees are faced with managing risk on a daily basis. That's why we remove this burden from you when it comes to your LDI strategy. BMO Global Asset Management's tried-and-tested risk management processes ensure that risks such as counterparty risk and leverage risk are monitored, controlled and mitigated.

## ➤ Adapting to your needs

Our LDI team's success has been underpinned by its flexibility and ability to deliver first-to-market products. This means that as your requirements change, you can be sure that our solutions are able to adapt and change with you. Our track record in this space has been recognised through numerous industry awards.

## ➤ Collateral efficiency

For those trustees electing to hold collateral assets alongside their LDI strategy, our first-rate investment solutions can help balance liquidity and return outcomes. A solution created via our liquidity, credit or multi-asset funds, or any combination of the above can also be used to automatically satisfy cash calls coming from the LDI fund.

## ➤ Exceptional service

Day-to-day investment management is only a part of what we offer. Liability analysis, support and hedge advice, as well as tailored training sessions are all included within the service we offer. This all-inclusive approach provides clients with transparency and certainty of cost and service.

## Additional funds

Alongside our main range of profile funds, the below complement the overall LDI solution.

### Target maturity gilts

Long-dated leveraged gilt funds, adding hedging for schemes with longer than average liability cashflows. Available in Real and Nominal ultra-long funds.

### Target maturity swaps

Single maturity leveraged inflation-only swap funds to allow for tactical inflation hedging. Can also be used to complement the interest rate hedging provided by corporate bond assets.

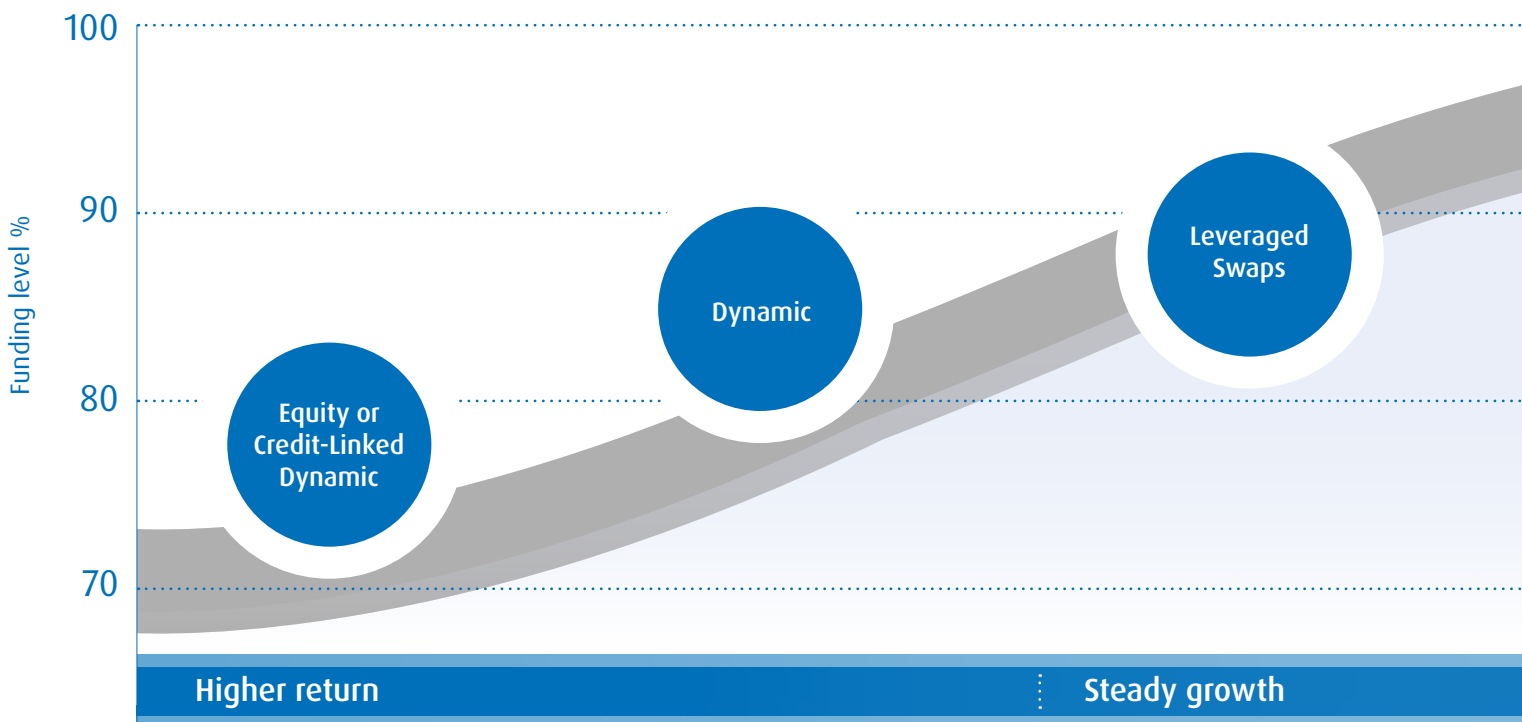
### Transition funds

Unique funds designed to facilitate the investment into or out of leveraged products whilst avoiding out-of-market risk and minimising transaction costs.

# Building your hedge

We're here to support you on your journey to full funding. Our comprehensive set of liability-based profile funds are designed to replicate actual pension liability cashflows and therefore provide a better, future-proofed LDI strategy. The building blocks that make up this set of funds provide a start-to-finish hedging solution: incorporating growth elements, dynamic hedging, passive hedging and complete de-risking. Our unique Transition funds also help with the smooth progression into and out of the overall solution.

## Journey progression



### What

Passive equity or credit exposure combined with dynamic LDI hedging.

### Why

To increase liability hedging without foregoing equity or credit market returns.

### Funds

Leveraged Real and Nominal standard profiles.

### What

Our market-leading dynamic LDI strategy.

### Why

To add value through dynamic selection of hedging instruments.

### Funds

Leveraged Real, Nominal and Inflation-Only standard profiles. Leveraged Real and Nominal short profiles.

### What

Passive LDI strategy providing 100% swaps-based hedging exposure.

### Why

To provide liability hedging using instruments consistent with a scheme's liability valuation basis.

### Funds

Leveraged Real and Nominal standard profiles. Leveraged Real and Nominal short profiles.

"Our reputation for client-focussed innovation is driven by our belief that a successful LDI partnership needs to adapt in sympathy to changing client needs. Our commitment to deliver solutions that support this change is unwavering."

**Alex Soulsby, Head of Investment Solutions EMEA, BMO Global Asset Management**

Leveraged Gilts

Unleveraged Gilts and Low Dependency Funds

## De-leveraging

### What

Passive LDI strategy providing 100% gilts-based hedging exposure.

### Why

To provide liability hedging using instruments consistent with a scheme's liability valuation basis.

### Funds

Leveraged Real and Nominal standard profiles. Leveraged Real and Nominal short profiles.

### What

Integrated hedging and physical credit solutions.

### Why

To match liabilities, generate a modest excess return and deliver cashflows to pay pensions.

### Funds

Real and nominal standard profiles, real and nominal short profiles with short duration global credit or longer dated cashflow matched credit.

## LDI Manager of the Year 2021 and 2020

**The Asset Management AWARDS 2021 WINNER**  
LDI MANAGER OF THE YEAR

**The Asset Management AWARDS 2020 WINNER**  
LDI MANAGER OF THE YEAR

## LDI Provider of the Year 2019, 2017, 2016, 2015, 2014, 2013 and 2012



## Asset Manager of the Year 2019



## LDI Manager of the Year 2019 and 2018



## Risk Management Provider of the Year 2020, 2018, 2017 and 2015



## UK LDI Manager of the Year 2018 and 2017



## UK LDI Manager of the Year 2016



## LDI Manager of the Year 2013, 2012 and 2011



Past performance should not be seen as an indication of future performance.

# Innovative. Flexible. Progressive.

BMO Global Asset Management is a market-leading provider of Liability Driven Investment (LDI) solutions with a reputation for innovation and delivery of exceptional client service. Our approach to LDI has risk management at its core, offered to trustees as a straight-forward hedging solution that avoids unnecessary complexity. With the LDI team's award-winning track record, our clients can be confident that their needs will be met both now and in the future.



## Accurate

Profile funds provide a high level of initial and ongoing hedge accuracy. A smooth profile accommodates incremental hedge implementation without distorting the shape of the overall solution.



## Partnering with you

We operate a partnership approach to LDI and advocate working closely with each of our clients to support them along their journey with us.



## Straight-forward

We aim to deliver solutions that are uncomplicated, easy to oversee, and which reduce the ongoing governance burden placed on pension scheme trustees.



## Efficient transition

By minimising the change in hedge characteristics, our funds allow schemes to move seamlessly through the phases of their funding journey.



## Flexible

Our range of funds offer schemes full flexibility to tailor the characteristics of their hedging portfolio, including the hedge shape, the asset mix and the amount of leverage employed.



## Cost effective

As a scheme progresses through its funding journey, our unique set of funds facilitate moving between strategies in a highly cost-effective manner.



## Key risks

The value of investments can go down as well as up as a result of market movements and investors may get back less than the original amount invested. Changes in interest rates and inflation expectations could also have an effect on the value of your investment.

Gearing is used for investment purposes to obtain, increase or reduce exposure to an asset, index or investment. The use of gearing can enhance returns to investors in a rising market, but if the market falls the losses may be greater.

## Contact us

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**BMO**  **Global Asset Management**

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The Fund is a sub fund of BMO LDI Fund, a fonds commun de placement, registered in Luxembourg and authorised by the Commission de Surveillance du Secteur Financier (CSSF).

English language copies of the Fund's Prospectus can be obtained from BMO Global Asset Management, Exchange House, Primrose Street, London EC2A 2NY, telephone: Client Services on 0044 (0)20 7011 4444, email: [client.service@bmogam.com](mailto:client.service@bmogam.com) or electronically at [www.bmogam.com](http://www.bmogam.com). Please read the Prospectus before taking any investment decision.

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