

# Introducing BMO Partners Group Private Markets Fund

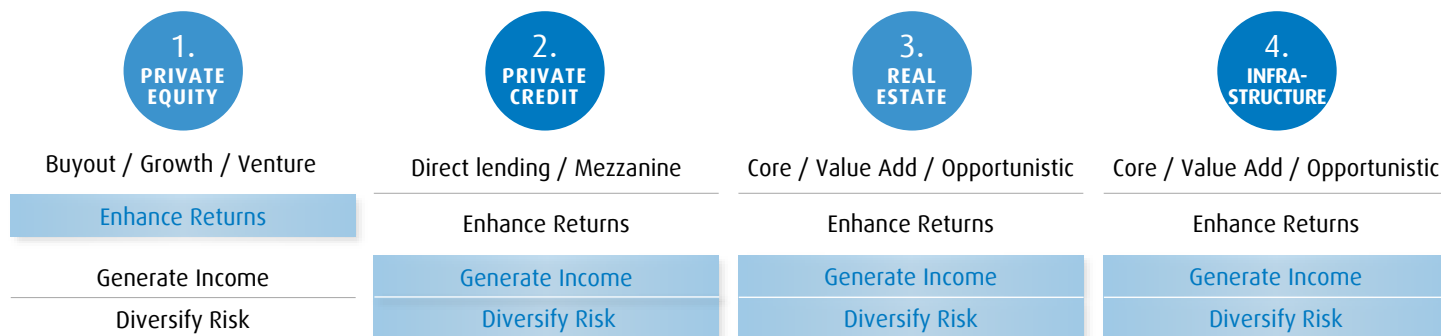


BMO Partners Group Private Markets Fund (the "Fund") provides single-ticket access to global diversified private markets for Canadian accredited investors. It can act as a core, long-term building block for portfolios, complementing public market holdings and enhancing risk-reward.

## What are Alternative Investments and Private Markets?

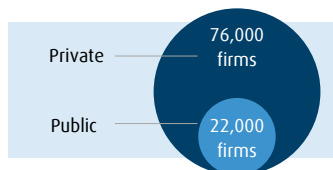
Alternative investments include virtually everything that isn't traded publicly. Alternatives deliver diversification, may lower volatility and can enhance risk-adjusted returns.

The below private market asset classes fall within alternatives, with each playing a different role in enhancing risk-reward:



## Private Markets: A Key Complement to Public Markets

Private Companies Outnumber Public Companies Globally<sup>1</sup> ...

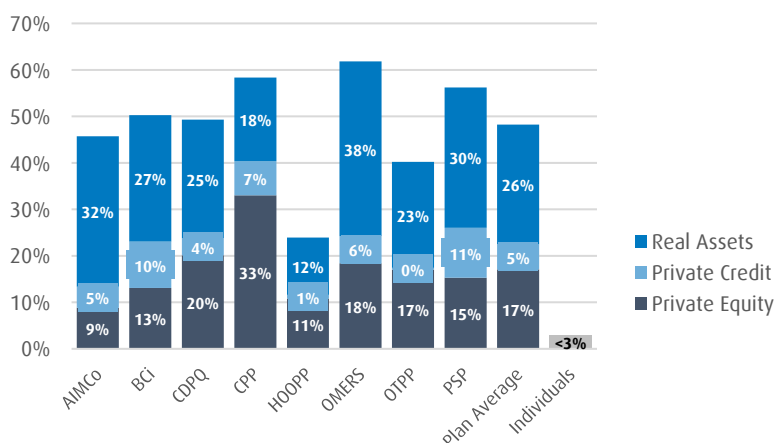


... While Public Markets Have Become Overly Concentrated

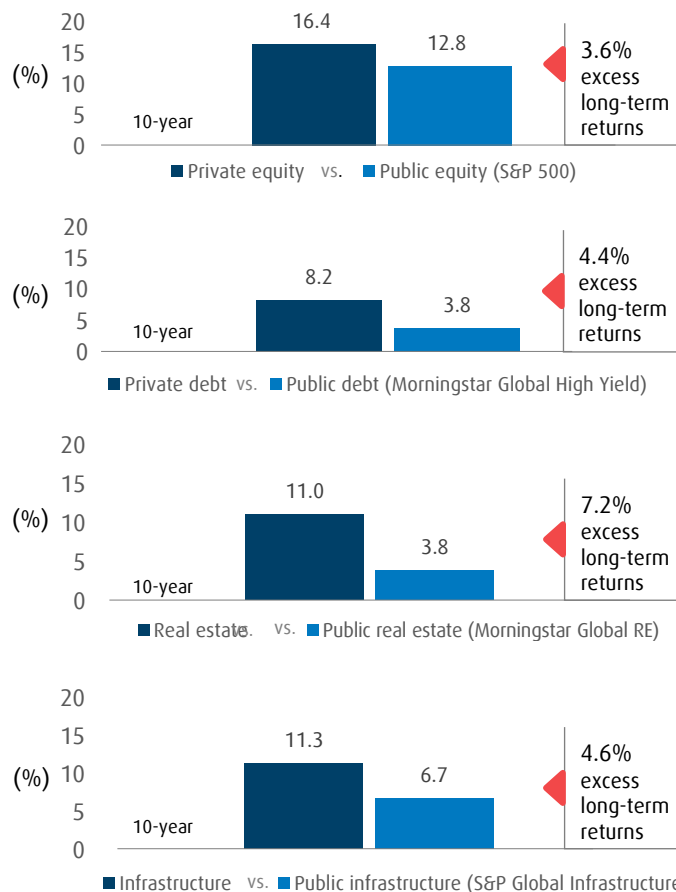
Top seven S&P 500 companies represent >25% of market cap, which are all technology companies<sup>2</sup>

Canadian Pension Plans Have Led the Charge

### "Maple Eight" private market allocations<sup>3</sup> versus High-Net-Worth individuals<sup>3</sup>



## Private Markets Have Historically Outperformed<sup>4</sup>



## BMO has Partnered with a Leading Global Private Markets Firm



Founded in Switzerland in 1996, Partners Group has a proud entrepreneurial history of investing in private markets and is rooted in long-term oriented partnerships. It has a **20+ year track record** in managing diversified, evergreen private market solutions – among the longest vs. peers globally.

**Leading market share:** US\$147B+ in AUM, US\$76B in corporate equity and US\$72B in real assets/credit<sup>5</sup>

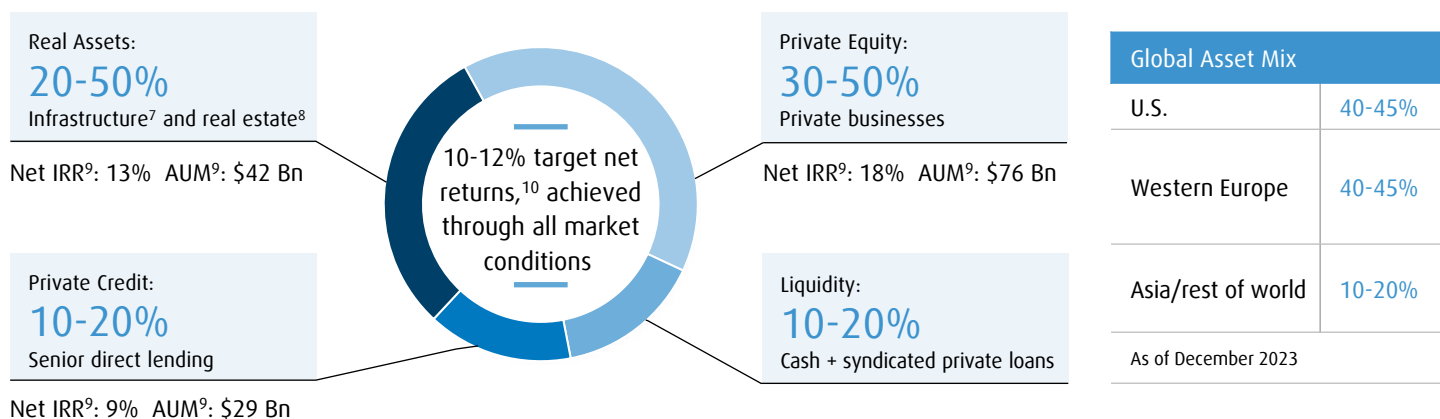
**Global diversified client base:** 800+ institutional clients, including major Canadian pensions



**Proprietary AI tool, PRIMERA:** Database of 36,000+ private assets provides exclusive intelligence, enhancing access to attractive opportunities globally

**Global scale:** >1,900 employees, 20 offices and >550 private market investment professionals<sup>6</sup>

## One-Ticket Diversification: Global Asset Mix Designed to Maximize Returns Through Cycles



## Fund Breaks Down Traditional Barriers to Private Markets

| TRADITIONAL PRIVATE MARKETS BARRIER | HOW BMO PARTNERS GROUP PRIVATE MARKETS FUND SOLVES FOR IT  |
|-------------------------------------|--|
| Exclusive club                      | <ul style="list-style-type: none"> <li>Accessible for accredited investors, not just institutional investors</li> <li>Investment minimum of \$25,000</li> </ul>  |
| Due diligence                       | <ul style="list-style-type: none"> <li>BMO GAM has conducted extensive due diligence to select and partner with a leading global private markets manager with scale and a track record in all key areas</li> </ul>           |
| Inability to sell/add               | <ul style="list-style-type: none"> <li>Investors can subscribe on a monthly basis ("buy when you want"); periodic ability to adjust your position ("sell if you need"), subject to redemption terms</li> </ul>               |
| Multiple fees                       | <ul style="list-style-type: none"> <li>Vast majority of the investments are direct, attracting only a single layer of fees</li> </ul>  |
| Capital calls                       | <ul style="list-style-type: none"> <li>Open evergreen structure eliminates need for capital calls, provides immediate exposure to private markets and automatically reinvests cash, compounding capital long term</li> </ul> |
| Exposure                            | <ul style="list-style-type: none"> <li>Single fund provides diversified exposure to all of the major types of private markets</li> </ul>   |

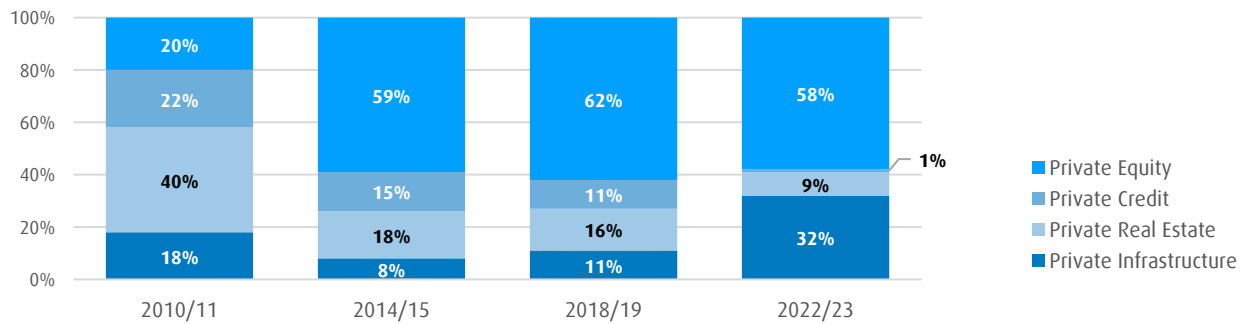
## Partners Group's Relative Value Approach: Purpose-Built to Find Undervalued Opportunities Across Private Markets

**Actively seeks** relative value across global landscape

**With access to a full menu of private markets options**, selects the right asset class, geography and vehicle type for current market conditions, eliminating the need for market timing

**All-weather approach** dynamically shifts allocations, dialing up/down exposure to the most attractive areas where risk/reward is most compelling

Snapshots Of Partners Group's Dynamic Allocations Over Time



## Proven Thematic Lens: Capitalizes on Opportunities That Are Changing the World

Each investment is guided by three key mega-themes that are driving long-term growth trends globally.

|   |   |   |
|---|---|---|
| <p><b>Decarbonization &amp; Sustainability</b></p> <p>Reducing emissions &amp; depletion of natural resources</p> <p>Clean power, smart cities, water efficiency, low carbon fuel</p> | <p><b>New Living</b></p> <p>Aiding in healthier habits and physical well-being</p> <p>Wellness and self-care, affordable living, new mobility</p> | <p><b>Digitization &amp; Automation</b></p> <p>Innovations that enhance connections and community</p> <p>Digital infrastructure, data centres, machine learning</p> |
|---|---|---|

## Partners Group Brings One of the Largest In-house Teams Dedicated to the Mid-market Space (\$30M to \$200M)...

|  |  |   |   |
|--|--|---|---|
| <p><b>Mid-market focus</b></p> <p><b>Private Equity</b></p> <p>Enhance models/ operations; buy add-on firms to grow platform</p>       | <p><b>Private Credit</b></p> <p>Invest with ownership mentality, helping firms position for future</p> | <p><b>Real Estate<sup>7</sup></b></p> <p>Buy, fix, sell approach, driving value creation at asset level</p> | <p><b>Infrastructure<sup>8</sup></b></p> <p>Build core, develop scale, create operational value</p> |
| <p><b>Thematic/non-cyclical approach</b></p> <p>Transformative trends across key verticals, like Health &amp; Life, Services, Tech</p> | <p>Companies/sectors with above-average resilience driven by growing demand</p>                        | <p>Select growth themes across high-conviction subsectors</p>   | <p>Leading growth segments that benefit from strong secular trends</p>                              |

## Diverse Toolkit of Direct and Indirect Vehicles Unlocks Value in Private Markets

|  |   |   |  |  |
|--|---|---|--|--|
| <p><b>Direct Investments</b><br/>Investing directly into a company</p> <p>Differentiator: Manager expertise drives value creation and control over outcomes; adds fee efficiency</p> | <p><b>Indirect Investments</b><br/>Investing in other managers' funds</p> |   |  |  |
| <p><b>Lead Investment</b><br/>Controlled ownership of a business</p>   | <p><b>Co-Investment</b><br/>Controlled alongside another PE firm</p>      | <p><b>Private Debt</b><br/>Leading in privately negotiated transactions</p> | <p><b>Primary Investments</b><br/>Committing to a fund</p> | <p><b>Secondary Investments</b><br/>Buying existing fund investments</p> |

## Private Market Investment Stories: Demonstrating Partners Group's Dynamic Thematic Strategy



### Resilient: Turning Waste Into Energy

Owns, operates and develops water/wastewater assets.

**Private markets strategy:** Private Equity

**Thematic approach:** Decarbonization & Sustainability

- Rapid growth of water management (~USD\$1T of investment required to maintain current service)

**Operational value creation:**

- Optimized plant capacity, production and technologies
- Built partnerships and contracts to construct new water assets

**Next steps & results:**

- Threemile system achieved a 10-15% increase in production
- Expected returns of ~15% nIRR and 1.5-1.9x MOIC



### EdgeCore: Powering the Cloud Ecosystem

Owner, operator and builder of scalable cloud-connected data centers

**Private markets strategy:** Infrastructure

**Thematic approach:** Digitization & Automation

- Ecommerce rising globally; data traffic expected to grow at 25% CAGR through 2027

**Operational value creation:**

- Executed on leasing additional megawatts at operational Phoenix site
- Ensure campus meets future megawatt requests from customers

**Next steps & results:**

- Recapitalized platform, stabilized via asset-backed securitization
- Closed acquisition of a controlling stake Nov. 10, 2022



### Atlanta High Street: Desirable Urban Lifestyle

Atlanta city centre that aims for a top-notch urban experience.

**Private markets strategy:** Real Estate

**Thematic approach:** Decarbonization & Sustainability

- Affordability, outdoor amenities, home-office potential key as remote work remains a reality

**Operational value creation:**

- Collect in-place rent to partially finance other buildings
- Increase occupancy from 69% to 93%

**Next steps & results:**

- Build 598 for-rent residential units over next three years
- Build 150,000 square feet of retail over next three years

## Fund Terms & Structure<sup>11</sup>

|                        |  |
|------------------------|--|
| STRUCTURE              | Ontario mutual fund trust distributed by offering memorandum (OM) for Canadian accredited investors (Feeder Fund), invested into Cayman Islands master fund (Master Fund)          |
| FUND SERIES            | Series F - retail  |
| MINIMUM INVESTMENT     | Series F: \$25,000 initial, \$5,000 additional   |
| TERM                   | Open-end structure (Evergreen)   |
| CURRENCY               | CAD fund; CAD and USD series available   |
| SUBSCRIPTIONS          | Monthly subscriptions at NAV   |
| REDEMPTIONS            | Monthly redemptions at NAV (with 90 calendar days + 5 business days notice)<br>Redemption gates (% beginning NAV): 7.5% per month, 20% per quarter, and 25% per year <sup>12</sup> |
| EARLY REDEMPTION FEE   | 2% discount to NAV within first 2 years  |
| MANAGEMENT FEE         | Series F: 1.65% of NAV   |
| PERFORMANCE FEE        | 15% above monthly high-water mark  |
| INVESTOR QUALIFICATION | Canadian accredited Investor; Registered plan eligible (RDSP, RRSP, RRIF, RESP, TFSA)  |
| FUND CODES             | Series F (CAD) - BMA80502; Series F (USD) - BMA80102   |

Connect with us to learn more about private markets  
and BMO Partners Group Private Markets Fund:

### BMO GAM Specialized Sales Team

|   |   |   |  |
|---|---|---|--|
| <b>Guillaume Lagourgue</b><br>Managing Director<br>Alternatives, Specialized<br>Solutions<br>416-779-7205<br><a href="mailto:guillaume.lagourgue@bmo.com">guillaume.lagourgue@bmo.com</a> | <b>Natalie Camara</b><br>Director<br>Alternatives, Specialized<br>Solutions<br>604-616-5485<br><a href="mailto:natalie.camara@bmo.com">natalie.camara@bmo.com</a> | <b>Lillian Ferndriger, CAIA</b><br>Director<br>Alternatives, Specialized<br>Solutions<br>437-332-0734<br><a href="mailto:lillian.ferndriger@bmo.com">lillian.ferndriger@bmo.com</a> | <b>Adam Abitbol, CIM</b><br>Vice President<br>Alternatives, Specialized<br>Solutions<br>514-242-1702<br><a href="mailto:adam.abitbol@bmo.com">adam.abitbol@bmo.com</a> |
|---|---|---|--|

<sup>1</sup>Bain & Company, Global Private Equity Report 2023 (published February 27, 2023). Includes companies in OECD member countries with more than 250 employees.

<sup>2</sup>Slickcharts.com, S&P 500 Companies by Weight. (AAPL, MSFT, AMZN, NVDA, GOOGL, GOOG, META), as of January 2024.

<sup>3</sup>Sources: 2022/23 Annual reports. Where not explicitly cited in annual reports, private credit allocation is approximated by "Level 3" credit assets divided by gross plan investments. Bain & Company, Global Private Equity Report 2023 (published February 27, 2023) for reference to "Individuals."

<sup>4</sup>PitchBook, Global PitchBook Benchmarks, quarterly returns as of June 30, 2023. Prequin, Private Capital Quarterly Index as of June 30, 2023. Annualized Returns. Private fund strategies are preliminary quarterly returns. Public index values are total return CAGRs.

<sup>5</sup>Team figures as of 31 December 2023.

<sup>6</sup>Real assets credit includes Partners Group's asset under management relating to private real estate, private infrastructure and private debt as of 31 December 2023.

<sup>7</sup>Private Infrastructure

<sup>8</sup>Private Real Estate

<sup>9</sup>Net IRR: Since inception performance, as at 30 September 2023. AUM: Figures in USD, as at 31 December 2023.

<sup>10</sup>Partners Group (2023). Performance shown for The Partners Fund USD I class as of 30 November 2023.

<sup>11</sup>See offering memorandum dated July 2023 of the BMO Partners Group Private Markets Fund (the **OM**) for full disclosure of all terms and conditions.

<sup>12</sup>See "Summary of Principal Terms" – "Redemptions" and "Redemption Gates" on page 6 of the OM, "Investment Risks" – "Limited Liquidity on Redemptions" and "Redemption Notes" on page 14 of the OM and "General Tax Risks" on page 16 of the OM.

Any offer or sale of any securities referenced will be made according to the BMO Partners Group Private Markets Fund's OM to eligible "accredited investors" under applicable Canadian securities laws.

Statements that depend on future events are forward-looking statements. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. These statements may be based on assumptions that are believed to be reasonable, however there is no assurance that actual results may not differ materially from expectations. Investors should not rely solely on forward-looking statements and should carefully consider the areas of risk described in the most recent offering documents.

In addition to the risks described in the OM of the BMO Partners Group Private Markets Fund (the **BMO PG Fund**), the BMO PG Fund will bear the risks associated with the Partners Group BMO Master Limited (**Master Fund**) in proportion to the amount of the BMO PG Fund's investment in the Master Fund. **Prospective investors in the BMO PG Fund should therefore carefully consider the risks described under "Certain risk factors", "Business and structure related risks", "Adviser related risks", "Investment-related risks" and "Limits of risk disclosure" in the confidential offering memorandum of the Master Fund.**

The information provided is for informational purposes only. It does not constitute a solicitation of an offer to buy or sell securities, nor should the information be relied upon as investment advice.

Past performance does not guarantee future results.

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