

# BMO AM Enhanced Total Equity & Enhanced Balanced Portfolios

## BMO Global Asset Management's (BMO GAM) Comprehensive Core Active Portfolios

### *No Stone Left Unturned*

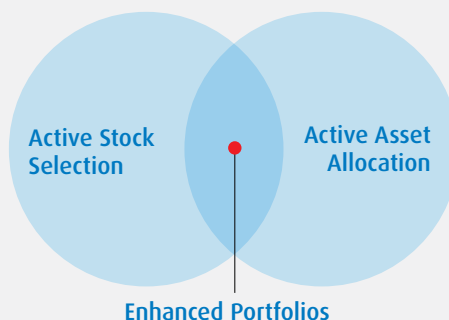
Accessible through the BMO Nesbitt Burns Architect Program, the BMO AM Enhanced Total Equity Portfolio and the BMO AM Enhanced Balanced Portfolio are **global strategies** with a strong bias to North American equities.

### COMPREHENSIVE, CORE, ACTIVE PORTFOLIOS

What does that mean?

- **Comprehensive:** Combining active, bottom-up North American stock selection with an asset allocation overlay and global perspective.
- **Core:** Diversified, growth-oriented strategies suitable as a core holding in a portfolio.
- **Active:** Our portfolio managers are active via:
  - Stock selection (approximately 50% individual names in the BMO AM Enhanced Total Equity Portfolio and 40% in the BMO AM Enhanced Balanced Portfolio)
  - The use of ETFs
  - Factor, sector, and geographic tilts
  - Asset allocation (equities vs. bonds vs. cash)

The Enhanced portfolios have **no sector or factor constraints** and are delivered with unparalleled value. At a base rate of **only 0.05%**, investors get the best of BMO GAM research and active management.



### Key Features

- Global portfolios with a strong bias to North American equities
- Active portfolio management
- ‘One team’ approach combining the best of BMO GAM research (Multi-Asset Solutions Team [MAST]) and Fundamental Equities (asset allocation, stock selection, and the use of ETFs)
- No constraints, sector or otherwise
- No closet indexing<sup>1</sup>
- Unmatched value at 0.05%

## Asset Allocation and Stock Picking Don't Have to Be Mutually Exclusive

As far back as the 1980s, investment research has shown that asset allocation—a portfolio’s mix of stocks, bonds, and cash—is the primary driver of long-term returns.<sup>2</sup> Recent years, however, have seen a remarkable rise in the popularity of ETFs. Since 2009, globally, ETF assets under management (AUM) have grown from US\$1 trillion to US\$21.24 trillion, and the number of ETFs has exploded from just under 2,000 listed in 2009 to 16,187 listed today.<sup>3</sup>

Concurrently, as ETF usage has grown, so have opportunities for portfolio managers to deliver outperformance via individual stock selection.

The BMO AM Enhanced Balanced and the BMO AM Enhanced Total Equity Portfolio offer the best of BMO GAM’s active asset allocation and stock picking through:

- **Bottom-up stock selection** to build a concentrated portfolio of high-conviction, North American growth-oriented equities
- **Top-down active asset allocation** to add diversification, manage risk, and broaden the opportunity set

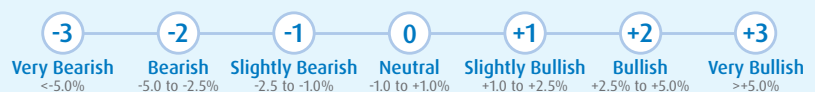
### BMO GAM’s “Five Lenses” Strategy<sup>4</sup>

The BMO AM Enhanced Total Equity Portfolio and the BMO AM Enhanced Balanced Portfolio benefit from MAST’s “Five Lenses” approach. This research-driven process helps ensure that portfolio holdings are in alignment with BMO GAM’s house view.

Five Lenses, as of March 2026

Lens 1 Asset Mix	Lens 2 Asset Class Equity	Lens 3 Asset Class Fixed Income	Lens 4 Style/Factor	Lens 5 Implementation
<ul style="list-style-type: none"> <li>• We remain slightly bullish on equities as we await more clarity on the ongoing military conflict in the Middle East.</li> <li>• We think higher oil prices will have a small negative impact on the growth outlook, which is notably supported by acceleration of global fiscal policy and acceleration of AI capex<sup>5</sup>.</li> <li>• We are still neutral on cash after maintaining the slight underweight to fixed income because rising oil prices should create some inflationary frictions into the summer.</li> </ul>	<ul style="list-style-type: none"> <li>• We remain slightly bullish on U.S. equities, we think they remain positioned to navigate through volatile oil markets, in sharp contrast to international (EAFE) equities where most countries are strongly dependent on energy imports.</li> <li>• Tech/AI also remains a dominant theme behind the U.S. leadership.</li> <li>• We remain bullish on EM equities, as they are an attractive alternative to U.S. tech and look well-positioned after recent wobbles from the conflict with Iran.</li> <li>• We remain slightly bearish on EAFE equities due to growth challenges worsened by rising energy prices.</li> <li>• We remain neutral on Canada.</li> </ul>	<ul style="list-style-type: none"> <li>• We shifted to a neutral weight of Canadian duration due to market expectations of a shorter conflict, reducing the degree of inflationary impacts and lowering the likelihood of a BoC intervention.</li> <li>• We preserved our overweight to high-yield credit as we maintain our view that the market overreacted to private credit concerns and recession heightening risks.</li> <li>• We maintained a neutral weight on EM bonds.</li> </ul>	<ul style="list-style-type: none"> <li>• We maintained our slight overweight to growth as we think fear of AI capex is overblown and growth is less sensitive to energy prices.</li> <li>• We remain slightly overweight to small caps as we continue to expect a broadening of economic growth in the U.S.</li> </ul>	<ul style="list-style-type: none"> <li>• We remain tactically bullish on gold as geopolitical uncertainty remains elevated and supports demand for gold.</li> <li>• Gold remains a superior long-term portfolio diversifier and hedge.</li> <li>• Investors continue to face geopolitical uncertainty, sticky fear of fiscal excess in the U.S. which are causing headwinds to fixed-income assets.</li> <li>• We remain neutral on the Canadian Dollar.</li> </ul>
<b>Tactical Score:</b> Equities <b>+1</b> Fixed Income <b>-1</b> Cash <b>0</b>	<b>Tactical Score:</b> Canada <b>0</b> U.S.A. <b>+1</b> EAFE <sup>6</sup> <b>-1</b> EM (Emerging Markets) <b>+1</b>	<b>Tactical Score:</b> High Yield <b>+1</b> Duration (U.S.) <b>0</b> Duration (Canada) <b>Δ 0</b> Emerging Markets <b>0</b>	<b>Tactical Score:</b> Value/Yield/Vol/Mmtm <b>0</b> Size <b>-1</b> Growth <b>+1</b> Quality <b>0</b>	<b>Tactical Score:</b> Canadian Dollar <b>0</b> Gold <b>+1</b>

▲ Indicates an increase in the tactical score month-over-month | ▼ Indicates a decrease in the tactical score month-over-month



## High-Conviction Holdings

### Ferrari NV (NYSE: RACE): Global premium car manufacturer

- **Unique, timeless asset** – Very exclusive luxury brands with two-year order visibility, 65% buyers already own a Ferrari, scarcity value of demand outstrips supply.
- **Growth through product, price and volume** – Personalization of the vehicle (colour, rims, interiors) drives higher average selling price and margins. Also, new E-Building increases capacity over the longer term.
- **Differentiated offering translates into compounding machine** – High return on equity (ROE), strong free cash flow generation and earnings growth drive long-term shareholder value.

### Constellation Software (TSE: CSU): Provider and acquirer of vertical market software (“VMS”)

- **Excellent capital allocation track record** – Primary driver of value creation is acquisitions of VMS businesses at high return on invested capital (ROIC). Recent years have demonstrated its business model is scalable and likely to continue to compound capital at high rates over the long term.
- **Cash compounding machine** – Vertical-Market Businesses (VMS) CSU targets are structurally more attractive with high cash conversion and negative working capital accelerate the compounding of free cash flow (FCF).
- **Resilient business model** – Business verticals are well-diversified across 141 vertical markets, and market dislocations provide additional merger and acquisition (M&A) opportunities.

### Brown & Brown, Inc. (NYSE: BRO): U.S. insurance broker

- **Attractive business attributes** – Capital light, recurring in nature with attractive margins and free-cash-flow conversion rates.
- **Acquisitions accelerate growth** – Brown & Brown has been highly acquisitive in this fragmented market and has grown revenues and cash flow per share at an impressive rate since its IPO. We believe there is further opportunity for organic and inorganic growth, in both their home market of the U.S. and internationally.

The portfolio holdings are subject to change without notice and only represent a small percentage of portfolio holdings. They are not recommendations to buy or sell any particular security. Past performance is not indicative of future results.

## Annualized Performance (as of March 31, 2026)

Reference Asset	Q1	Year-to-Date	1-Year	3-Year	5-Year	Since Inception	Inception Date
BMO AM Enhanced Total Equity Portfolio	-0.1%	-0.1%	13.6%	16.3%	11.2%	11.8%	09/30/2019
BMO AM Enhanced Balanced Portfolio	-1.5%	-1.5%	6.1%	10.8%	6.6%	7.3%	09/30/2019

Past performance is not indicative of future results.

## Allocation (as of Q1 2026)

BMO AM ENHANCED TOTAL EQUITY PORTFOLIO		BMO AM ENHANCED BALANCED PORTFOLIO	
Asset Class	Weight (%)	Asset Class	Weight (%)
Cash – CAD	2.2	Cash – CAD	2.3
Equity		Fixed Income	36.3
• Canadian Equity	48.7	Equity	
• U.S. Equity	31.9	• Canadian Equity	28.2
• EAFE Equity	10.5	• U.S. Equity	19.9
• Emerging Markets Equity	6.7	• EAFE Equity	8.0
		• Emerging Markets Equity	5.3

Asset allocations are subject to change without notice.

## Top Holdings (as of Q1 2026)

BMO AM ENHANCED TOTAL EQUITY PORTFOLIO					
Active Stock Selection			Active Asset Allocation		
		Weight (%)			Weight (%)
<b>RY</b>	ROYAL BANK OF CANADA	2.6	<b>ZCN</b>	BMO S&P/TSX CAPPED COMPOSITE INDEX ETF	24.1
<b>XLE-US</b>	STATE STREET ENERGY SELECT SECTOR SPDR ETF	2.4	<b>ZEA</b>	BMO MSCI EAFE INDEX ETF	9.8
<b>TD</b>	TORONTO-DOMINION BANK	1.9	<b>ZEM</b>	BMO MSCI EMERGING MARKETS INDEX ETF	6.7
<b>NVDA-US</b>	NVIDIA CORP	1.9	<b>ZSP</b>	BMO S&P 500 INDEX ETF	6.7
<b>SU</b>	SUNCOR ENERGY INC	1.8	<b>ZDY</b>	BMO US DIVIDEND ETF	3.5
<b>CNQ</b>	CANADIAN NATURAL RESOURCES	1.8			
<b>GOOG-US</b>	ALPHABET INC - CLASS C	1.8			
<b>MSFT-US</b>	MICROSOFT CORP	1.7			
<b>AEM</b>	AGNICO EAGLE MINES LTD	1.6			
<b>BN</b>	BROOKFIELD CORP	1.5			

BMO AM ENHANCED BALANCED PORTFOLIO					
Active Stock Selection			Active Asset Allocation		
		Weight (%)			Weight (%)
<b>RY</b>	ROYAL BANK OF CANADA	2.3	<b>ZCPB</b>	BMO CORE PLUS BOND FUND	26.4
<b>TD</b>	TORONTO-DOMINION BANK	1.7	<b>ZAG</b>	BMO AGGREGATE BOND INDEX ETF	7.1
<b>NVDA-US</b>	NVIDIA CORP	1.7	<b>BM083203</b>	BMO AM GLOBAL ABSOLUTE RETURN BOND FUND	2.7
<b>SU</b>	SUNCOR ENERGY INC	1.6	<b>EQUITY</b>		
<b>CNQ</b>	CANADIAN NATURAL RESOURCES	1.6	<b>ZEA</b>	BMO MSCI EAFE INDEX ETF	7.6
<b>GOOG-US</b>	ALPHABET INC - CLASS C	1.6	<b>ZCN</b>	BMO S&P/TSX CAPPED COMPOSITE INDEX ETF	6.5
<b>MSFT-US</b>	MICROSOFT CORP	1.5	<b>ZEM</b>	BMO MSCI EMERGING MARKETS INDEX ETF	5.3
<b>AEM</b>	AGNICO EAGLE MINES LTD	1.4	<b>ZSP</b>	BMO S&P 500 INDEX ETF	2.9
<b>BN</b>	BN BROOKFIELD CORP	1.3			
<b>WPM</b>	WHEATON PRECIOUS METALS CORP	1.2			

The portfolio holdings only represent a small percentage of total portfolio holdings. They are not recommendations to buy or sell any particular security. Portfolio holdings and asset allocations are subject to change without notice.

Contact your BMO Nesbitt Burns Investment Advisor for more information about the BMO AM Enhanced Total Equity Portfolio and the BMO AM Enhanced Balanced Portfolio available through the BMO Nesbitt Burns Architect Program.

## BMO GAM Managed Account contacts

### Western Canada



**Brent Chernenkoff**

Director,  
Western Region  
778-330-7169

[brent.chernenkoff@bmo.com](mailto:brent.chernenkoff@bmo.com)

### Central Canada



**Dimitri Mastoras**

Director,  
Central Region  
416-272-2720

[dimitrios.mastoras@bmo.com](mailto:dimitrios.mastoras@bmo.com)

### Eastern Canada



**Martin Lafrance**

Vice President,  
Eastern Region  
438-864-1842

[martin.lafrance@bmo.com](mailto:martin.lafrance@bmo.com)

### National



**Erika Toth**

Director & Head –  
ETFs & Portfolio Consulting  
514-358-2310

[erika.toth@bmo.com](mailto:erika.toth@bmo.com)

<sup>1</sup> Closet indexing is when a fund purports to actively manage investments but closely mirrors a benchmark index like the S&P 500, leading to near-similar returns. Investors are curious about closet indexing because it impacts their fees and overall returns, often resulting in dissatisfaction due to higher charges for quasi-passive management. Because of the shift from active to passive management, closet indexing has gained attention. Source: Investopedia.

<sup>2</sup> Gary P. Brinson, L. Randolph Hood, and Gilbert L. Beebower, "Determinants of Portfolio Performance," 1986.

<sup>3</sup> "ETFGI reports record US\$21.24 Trillion in Global ETF Assets as Inflows Reach Highest YTD Level on Record at end of February," ETFGI, March 24, 2026.

<sup>4</sup> The Five Lenses strategy is primarily based on a 12-month time horizon, however BMO's Multi-Asset Solutions Team may deviate from the longer term view in the short term especially with regards to currency. Any statement that necessarily depends on future events may be a forward-looking statement. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Although such statements are based on assumptions that are believed to be reasonable, there can be no assurance that actual results will not differ materially from expectations. Investors are cautioned not to rely unduly on any forward-looking statements. In connection with any forward-looking statements, investors should carefully consider the areas of risk described in the most recent prospectus.

<sup>5</sup> Capital expenditures (capex): Are funds used by a company to acquire, upgrade, and maintain physical assets such as property, plants, buildings, technology, or equipment.

<sup>6</sup> EAFE: Europe, Australasia and the Far East.

### Disclaimers:

This document is for information purposes. The information contained herein is not, and should not be construed as, investment, tax or legal advice to any party. Investments should be evaluated relative to the individual's investment objectives and professional advice should be obtained with respect to any circumstance.

The viewpoints expressed by the author represent their assessment of the markets at the time of publication. Those views are subject to change without notice at any time. The information provided herein does not constitute a solicitation of an offer to buy, or an offer to sell securities nor should the information be relied upon as investment advice. Past performance is no guarantee of future results.

The S&P/TSX Composite Index and the S&P 500 Index are products of S&P Dow Jones Indices LLC or its affiliates ("SPDJI"), and have been licensed for use by the Manager. S&P®, S&P 500®, US 500, The 500, iBoxx®, iTraxx® and CDX® are trademarks of S&P Global, Inc. or its affiliates ("S&P") and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"), and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by the Manager. The BMO S&P/TSX Capped Composite Index ETF and the BMO S&P 500 Index ETF are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the Index.

The BMO MSCI EAFE Index ETF and the BMO MSCI Emerging Markets Index ETF are not sponsored, endorsed, or promoted by MSCI and MSCI bear no liability with respect to the ETF or any index on which such ETF is based. The ETF's prospectus contains a more detailed description of the limited relationship MSCI has with the Manager and any related ETF.

Commissions, management fees and expenses (if applicable) may be associated with investments in mutual funds and exchange-traded funds (ETFs). Trailing commissions may be associated with investments in mutual funds. Please read the fund facts, ETF Facts or prospectus of the relevant mutual fund or ETF before investing. Mutual funds and ETFs are not guaranteed, their values change frequently and past performance may not be repeated.

For a summary of the risks of an investment in BMO Mutual Funds or BMO ETFs, please see the specific risks set out in the prospectus of the relevant mutual fund or ETF. BMO ETFs trade like stocks, fluctuate in market value and may trade at a discount to their net asset value, which may increase the risk of loss. Distributions are not guaranteed and are subject to change and/or elimination.

BMO Mutual Funds are managed by BMO Investments Inc., an investment fund manager and a separate legal entity from Bank of Montreal. BMO ETFs are managed by BMO Asset Management Inc., an investment fund manager, portfolio manager and a separate legal entity from Bank of Montreal.

BMO Global Asset Management is a brand name under which BMO Asset Management Inc. and BMO Investments Inc. operate.

BMO Nesbitt Burns Inc. is a Member of the Canadian Investor Protection Fund. BMO Nesbitt Burns Inc. is a Member of the Canadian Investment Regulatory Organization.

"BMO (M-bar roundel symbol)" is a registered trademark of Bank of Montreal, used under licence.