

BMO Managed Portfolio Trust PLC

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Investment Risks

- The value of investments and any income from them can go down as well as up and investors may not get back the original amount invested.
- The value of your investment is dependent on the supply and demand for the shares of the Investment Trust rather than its underlying assets. The value of your investment will not be the same as the value of the Investment Trust's underlying assets.
- 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.

BMO Managed Portfolio Trust

- At launch in April 2008 95% Rollover £42m assets, 2,300 shareholders (approx)
- Active Share Repurchase and Issuance Programme kept rating close to net asset value
- BMO Retail Plans, significant source of demand
- Since Feb 2015 Income Portfolio has issued shares to the value of £23.2m and Growth Portfolio has issued shares to the value of £16.8m In total raising £40m.
- Appointed as rollover vehicle for Cayenne Trust which was liquidated in December 2015. £13m of assets moved to the F&C Managed Portfolio Trust
- Assets currently are over £170m with over 15,000 shareholders

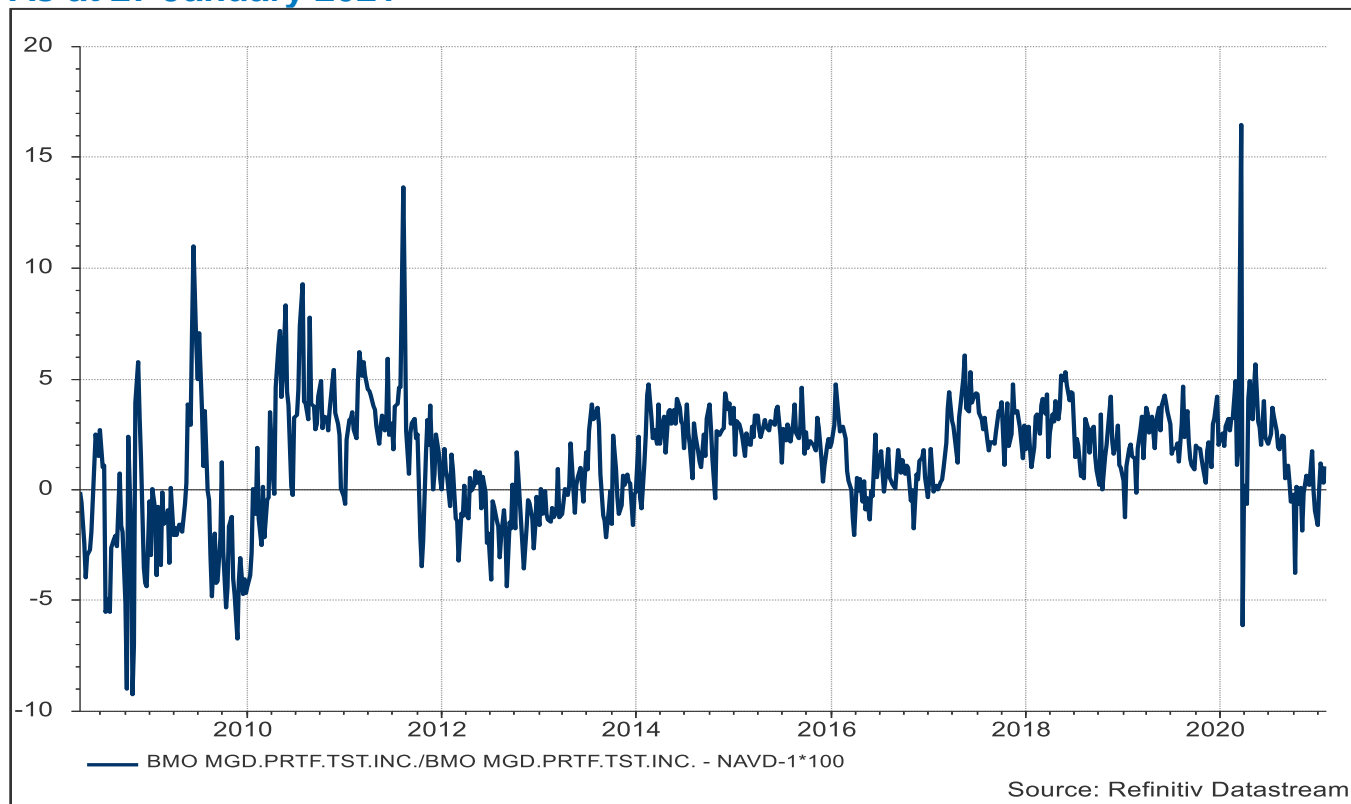
What is the BMO Managed Portfolio Trust – key attributes

Aim to be a Long Term Savings Vehicle for private individuals and trusts

- Use the capital structure of an investment company to customise returns for shareholders
- Conventional Investment Company structure with two separate portfolios – Income and Growth
- Clear objectives for both portfolios :
 - growth – capital returns only
 - income – income growth/total return
- Listed on LSE in April 2008, focussed portfolios with around 40 holdings in each
- Performance
- Very low portfolio turnover
- Transfer of Income between portfolios
- Tight control of rating/discount, good liquidity of shares
- Conversion Facility

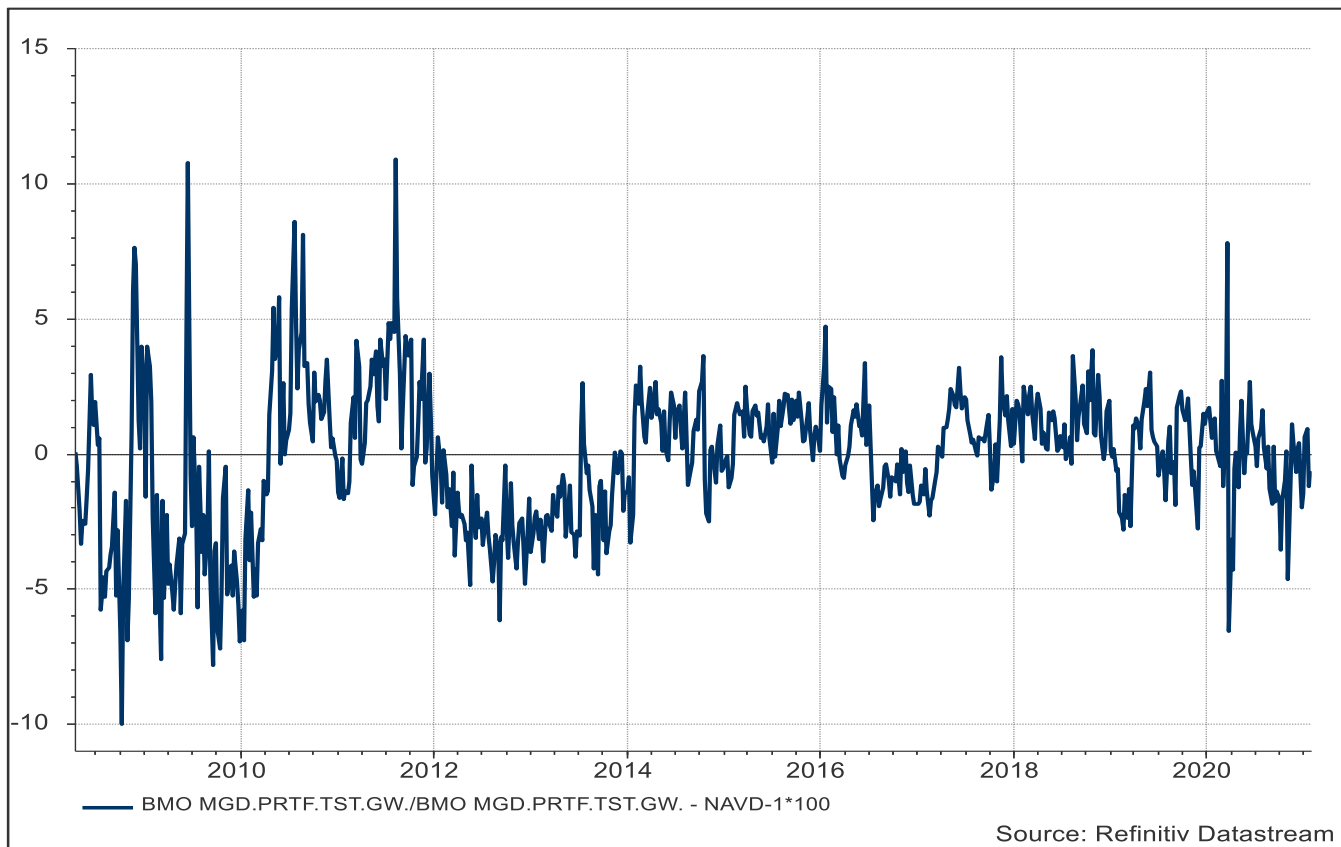
Income Portfolio – Discount to Launch

As at 27 January 2021



Growth Portfolio – Discount to Launch

As at 27 January 2021



BMO Managed Portfolio Trust Performance to 31st Jan 2021

Performance against Benchmark	1 Yr %	3 Yrs %	5 Yrs %	Since Launch 16 April 08 %
Income Portfolio NAV	+0.8	+10.6	+50.2	+143.7
Growth Portfolio NAV	+20.2	+30.0	+85.0	+168.8
FTSE All Share Index	-7.6	-1.6	+31.5	+87.5

Performance against Benchmark	3 mths to 31 Jan 2021 %
Income Portfolio NAV	+14.7%
Growth Portfolio NAV	+15.1%
FTSE All Share Index	+16.1%

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

Source: AIC, BMO, All Figs are net total return

Table of Returns

Year to 31 May	Income NAV	Growth NAV	FTSE All-Share
2009*	-22.4%	-29.9%	-23.2%
2010	23.9%	24.2%	22.9%
2011	24.4%	24.0%	20.4%
2012	-6.6%	-12.6%	-8.0%
2013	34.2%	32.8%	30.1%
2014	6.0%	9.3%	8.9%
2015	10.0%	12.8%	7.5%
2016	-4.8%	-4.5%	-6.3%
2017	24.5%	26.4%	24.5%
2018	3.0%	11.0%	6.5%
2019	2.6%	-0.5%	-3.2%
2020	-7.3%	1.5%	-11.2%
Since Inception (16/4/08 to 31/01/21)	143.5%	168.8%	87.5%

Past performance should not be seen as an indication of future performance. * Net Total return figures

BMO MPT Income Yield Comparison and Dividend Record

	Dividend/Income Yield
FTSE All Share Index (UK Equities)	3.05%
FTSE All Stocks Index (UK Govt Bonds)	1.03%
BMO Managed Portfolio Trust Income Portfolio	4.56%

10 Year Dividend Record

2008-11 4.4p
2012 - 4.5p
2013 - 4.6p
2014 - 4.8p
2015 - 5.0p
2016 - 5.2p
2017 - 5.45p
2018 - 5.70p
2019 - 5.95p
2020 - 6.10p

+2.5%

Q1 FY2021 - 1.40p v 1.40p flat

Q2 FY2021 - 1.40p v 1.40p flat

Special Dividend of 0.8p paid with Q4 2018 div

Source: Financial Times 20th Feb 2021 and Bloomberg

Top Ten Holdings Growth Portfolio

Name	Portfolio %	Sector	Yield %
Monks Investment Trust	4.9	Global	0.2
Allianz Technology Trust	4.9	Technology & Media	0.0
Scottish Mortgage Investment Trust	4.6	Global	0.3
Polar Capital Technology Trust	3.8	Technology & Media	0.0
HG Capital Trust	3.3	Private Equity	1.6
Edinburgh Worldwide Investment Trust	3.3	Global Smaller Companies	0.0
Herald Investment Trust	3.2	Global Smaller Companies	0.0
Impax Environmental Markets	3.2	Environmental	0.7
Worldwide Healthcare Trust	3.1	Biotechnology & Healthcare	0.6
Biotech Growth Trust	2.9	Biotechnology & Healthcare	0.0

Source: BMO, 29 Jan 2021 Bloomberg

Top Ten Holdings Income Portfolio

Name	Portfolio %	Sector	Yield %
BB Healthcare	4.2	Biotechnology & Healthcare	2.7
HBM Healthcare Investments	3.8	Biotechnology & Healthcare	2.6
BB Biotech	3.6	Biotechnology & Healthcare	4.5
Law Debenture	3.4	UK Equity Income	4.0
JPMorgan Global Growth & Income	3.3	Global Equity Income	3.4
Scottish American Investment Company	3.3	Global Equity Income	2.7
NB Private Equity Partners	3.2	Private Equity	3.8
3i Infrastructure	3.0	Infrastructure	3.3
Hipgnosis Songs Fund	3.0	Royalty Income	4.3
Princess Private Equity	2.9	Private Equity	4.0

Source: BMO, 29th Jan 2021 Bloomberg

Purchases in FY 2021– Growth Portfolio

- Hipgnosis Songs Fund (Royalties)
- Baillie Gifford European Growth (Europe)
- Fidelity Special Values (Addition) (UK All Companies)
- Law Debenture (Addition) (UK Equity Income)

As at 20th Feb 2021

Sales in FY 2021– Growth Portfolio

- Fidelity Asian Values (Asia Pacific Smaller Companies)

As at 20th Feb 2021

Purchases in FY 2021 - Income Portfolio

- Supermarket Income REIT (Specialist Property)
- Biopharma Credit (Direct Lending)
- Mercantile Investment Trust (Addition) (UK All Companies)
- JPMorgan China Growth & Income (Asia Pacific)

As at 20th Feb 2021

Sales in FY 2021 – Income Portfolio

- Utilico Emerging Markets (Global Emerging)

As at 20th Feb 2021

Prospects for 2021

- Recovery from pandemic delayed due to widespread lockdowns but should become apparent from Q3 and strengthen into 2022
- Principal risks are over new variants though ultimately confidence that vaccines can be modified is high.
- To support growth much higher fiscal spending from Governments is anticipated over the next few years
- Interest rates to remain very low though inflation may start to rise in 2022. Bond yields to start to rise from very low levels.
- Central Banks to continue with policy of Quantitative Easing which is supportive of financial assets
- Strong corporate earnings rebound likely in 2021 and strengthen into 2022
- Valuations have moved above long run historic averages (in part due to the fall in 2020 eps) with the most extreme a forward p/e of 22x in US. UK one of the most attractive equity markets at a forward p/e of 14x.
- Still favour core holdings in investment companies exposed to secular growth, especially in BMPG and where possible in BMPI
- With Brexit uncertainty removed intention to increase holdings in UK investment companies exposed to mid and small caps in both BMPG and BMPI

BMO Managed Portfolio Trust - Summary

- London listed investment trust which employs a global investment strategy using investment companies
- Long term investment approach
- Unconstrained by benchmark, flexibility key
- Income Portfolio, equity based portfolio with 4.6% dividend yield. Strong performance since launch
- Growth Portfolio, global portfolio achieved very strong capital only performance over long term
- Growth Portfolio long term secular growth characteristics popular with parents to invest for children
- Income Portfolio steadily rising dividends with capital growth popular with older investors
- Designed as a long term savings vehicle for private clients/retail investors
- Potentially ideal for Trusts and Trustee Investment

Individual Stock Returns

Growth Portfolio

Name	Purchase Date	Total Returns %
Allianz Technology Trust	May 2009	+1180
Polar Capital Technology Trust	April 2008	+890
Scottish Mortgage	May 2008	+829
Biotech Growth Trust	Feb 2010	+739
Edinburgh Worldwide	Feb 2014	+392
Chrysalis Investments Ltd	April 2019	+92

Source: Bloomberg, data as at 18th February 2021

Individual Stock Returns

Income Portfolio

Name	Purchase Date	Total Returns %
3i Infrastructure	April 2010	+317
BB Biotech	Feb 2014	+299
Schroder Oriental Income	May 2008	+294
Bankers Trust	April 2008	+293
HBM Healthcare	May 2019	+115

Source: Bloomberg, data as at 18th Feb 2021

Appendix

Income Transfer Example

Income Pool			Growth Pool			Total	
Investments of Income Pool	100		Investments of Growth Pool	100		Opening Investments	200
Dividends received	4		Dividends received	1		Dividends received	5
		Pool Transfers:					
		Dividends on growth pool to Income pool			-1		
	1						
		Capital transfer to Growth pool			1		
	-1						
Dividend paid to Income shareholders	-5		Dividend paid to Growth shareholders	0		Dividends paid	-5
NAV of Income Pool share class	99		NAV of Growth Pool share class	101		Closing Investments	200

Investment Trusts - Performance

- Sector tends to do better in relative terms in rising markets. Reverse also true

Factors that influence performance

- Gearing
- Currency
- Discounts
- Performance of Big Companies (FTSE 100) relative to Mid/Small Companies (FTSE 250/Small Cap index)

Investment Philosophy & Process

Seeks long term total returns, aim for quality and consistency

Reliance on proprietary research

Absolute return mentality, protect clients capital in difficult markets

Look for performance of assets over time

Discount whilst an important element in the decision to invest it is not the dominant factor

Regular manager meetings

- Identify managers who out perform consistently
- Understand investment process and style

Good relationships with analyst and sell side brokers

Investment Philosophy

Long term investment perspective

Focus on listed Investment Companies

- Manager access
- Liquidity
- Regulation

Absolute return mentality

- Cash/gearing decision
- Capital protection/growth
- Freedom to invest globally without reference to a benchmark

Take advantage of development of new and existing sectors

- Technology, biotechnology,
- Boutique flagship funds
- Emerging markets

Investment Process?

Asset Allocation

- Portfolio will have a global/overseas bias
- Regular macro input from global strategy team

Key drivers – ideas and stock selection

- Prospects for relevant market or sector company invests in
- Asset performance over long run, quality and consistency
- Identify fund managers who can outperform
- Regular meetings with managers is a key factor in decision to buy
- Discount whilst an important element as decision to invest is not the dominant factor

Investment Process

Lack of quality research

- Leads to significant proprietary research work

What to look for in managers

- Process
- Experience
- Resources
- Focus
- Performance

Regular meetings with investee/target managers

Understand investment process and style

Investment Process

Objective

Benchmark

Portfolio turnover

Buyback/issuance policy

- Is there a Discount Control Mechanism?
- DCM Track record

Use of derivatives

Investment outside of universe

- Style drift

Nature of shareholders

Board

Investment Process

Gearing

- Who takes the decision, stated range of guidelines
- Magnitude, duration, fixed or variable, cost

Allocation of costs

- Capital or income

Fees

- Annual Management Charge, total expenses, nature of performance fees

Dividend policy

- Appropriate level of revenue reserves
- Payment from capital reserve

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