

Aggregate Bond Index ETF GIF

An attractive option for fixed income investors

The **BMO Aggregate Bond Index ETF GIF** invests in the exchange traded fund (ETF) of the same name – the BMO Aggregate Bond Index ETF (ticker: ZAG) on the Toronto Stock Exchange. This underlying investment represents one of the biggest fixed income ETFs in Canada.¹ And it's finally available as a segregated fund.

What does it invest in?

The underlying ETF portfolio consists of federal, provincial, and corporate bonds with a credit rating of BBB or higher (“Investment Grade”). There are over 1,000 different bonds in the portfolio, meaning that investors can achieve a high level of diversification.

Why invest in this fund instead of a Guaranteed Interest Account (GIA)?

A GIA may be ideal for investors with no risk tolerance, such as elderly retirees. For other conservative investors, a fixed income fund may be superior. When interest rates fall, fixed income funds can benefit from capital gains as the bonds in the underlying portfolio increase in value. When interest rates rise, fixed income funds may decrease in value, however the portfolio yield would be expected to rise over time as new, higher-yielding bonds are added to the portfolio.

GIA options also have liquidity drawbacks – most impose penalties on investors who wish to withdraw prior to the maturity date, even if interest rates have not changed. This may put an investor in a difficult position if they decide later to switch into a more attractive investment opportunity. For these reasons, a fixed income fund may provide higher potential returns and greater flexibility.

Let's connect

To find out more about BMO Insurance products, please call your MGA, contact the BMO Insurance regional sales office in your area, or call 1-877-742-5244.



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- A fixed income fund designed for conservative investors
- Diversification with exposure to more than 1,000 different bonds in the portfolio
- Index based asset allocation
- Professionally managed by BMO Global Asset Management

Fund codes & fees

In the 75/75 Class F Prestige option, the estimated MER is just 0.75%, making this an inexpensive segregated fund option for investors. BMO Insurance also pays a full 1% commission trailer on all fixed income funds in Advisor Series.

	GIF 75/75	GIF 75/100	GIF 100/100
Fund Codes			
Front End Load	BLA8211	BLA8711	BLA7111
Chargeback (2)	BLA8201	BLA8701	BLA7101
Chargeback (5)	BLA8202	BLA8702	BLA7102
Class F (Nominee Name)	BLA8205	BLA8705	BLA7105
Class F (Client Name)	BLA8206	BLA8706	BLA7106
MER Estimate²			
Class A	1.95%	2.10%	2.50%
Class A Prestige	1.85%	2.00%	2.10%
Class F	0.85%	1.00%	1.40%
Class F Prestige	0.75%	NA	NA



¹ CETFA Monthly Report, as at June 2024.

² The fund was launched on October 16, 2023 and MERs are estimates only (includes management fee, insurance fee, fixed administrative expenses of 0.25%, plus applicable taxes). The information in this publication is intended as a summary of our products and/or services and may include projected values based on a set of assumptions. Actual results may not be guaranteed and may vary. Please consult the appropriate policy contract for details on the terms, conditions, benefits, guarantees, exclusions and limitations. The actual policy issued governs. Each policyholder's financial circumstances are unique, and they must obtain and rely upon independent tax, accounting, legal and other advice concerning the structure of their insurance, as they deem appropriate for their circumstances. BMO Life Assurance Company does not provide any such advice to the policyholder or to the insurance advisor. Any amount that is allocated to a segregated fund is invested at the risk of the policyowner and may increase or decrease in value. Rates of return are not indicative of future performance. BMO Life Assurance Company is the sole issuer and guarantor of the BMO GIF individual variable insurance contract. This document provides general information. Please consult the Policy Provisions and Information Folder for details of BMO GIF. Insurer: BMO Life Assurance Company.