

## BMO UK Property Fund

### INVESTMENT POLICY AND OBJECTIVES

The Fund aims to maximise total return through investment mainly in a diversified portfolio of UK commercial property, seeking to add value through strategic asset allocation, stock selection and asset management.

### INVESTOR CONSTITUENCY

The Fund is open to investment by institutional investors (including pension funds, SIPPs, charities, etc) wealth managers, retail and individual investors.

Fund details	
Type of fund	UK NURS Immovables
Residence	United Kingdom
Launch date	June 2010*
Open/closed-ended	Open-ended
Earliest date of winding up	Not applicable
Year-end	28 February
NAV (GBPm)	512.6

Note: \* The BMO UK Property Fund was launched on 28 June 2010

Source: BMO Global Asset Management

Management/professional advisors	
Manager	BMO Real Estate Partners
Investment Advisor	BMO Real Estate Partners
Property Fund Manager	Guy Glover
Depository	State Street Trustees Ltd
Auditors	PricewaterhouseCoopers

Source: BMO Global Asset Management

Investment rates of return, %	MSCI/AREF UK Quarterly Property Fund Index			
	BMO UK Property Fund	Other balanced funds	All balanced funds	All funds
3 months	-21.2	0.5	0.4	0.1
Year-to-date	-7.8	1.5	1.3	0.8
12 months	-5.2	2.8	2.2	1.5
3 years+	2.0	7.2	6.7	5.9
5 years+	2.9	8.1	7.5	6.8
10 years+	-	8.9	8.5	8.8

Note: \* Weighted average returns + Annualised

\*These are the returns for share class 2 Inc

Source: BMO Global Asset Management

## Property investment restrictions

Maximum development exposure	n/a
Maximum speculative development exposure	n/a
Maximum lot-size holding as a standing investment	n/a
Maximum lot-size holding permitted at purchase	15%
Maximum exposure to limited partnerships	n/a
Maximum exposure to joint ventures	n/a
Maximum exposure to closed and open-ended property unit trusts	n/a

Source: BMO Global Asset Management

## Portfolio distribution %

	BMO UK Property Fund	MSCI/AREF UK Quarterly Property Fund Index		
		Other balanced funds	All balanced funds	All funds
Standard retail – South East	6.0	7.6	7.0	5.7
Standard retail – Rest of UK	3.2	3.1	3.2	3.6
Shopping centres	0.0	1.8	2.4	7.1
Retail warehouses	14.2	13.0	13.1	12.6
<b>All UK retail</b>	<b>23.4</b>	<b>25.6</b>	<b>25.8</b>	<b>29.1</b>
City offices	0.0	3.5	3.6	3.3
West End offices	0.0	7.8	8.2	7.0
Rest of South East offices	7.6	11.4	10.7	7.4
Rest of UK offices	16.6	5.9	5.7	4.9
<b>All UK offices</b>	<b>24.3</b>	<b>28.6</b>	<b>28.2</b>	<b>22.6</b>
South East industrial	12.7	19.4	19.7	15.8
Rest of UK industrial	13.4	10.4	10.2	8.2
<b>All UK industrial</b>	<b>26.1</b>	<b>29.8</b>	<b>29.9</b>	<b>23.9</b>
Other UK properties	1.8	11.3	10.2	19.9
Cash***	24.5	4.7	6.0	4.5
<b>Overall</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: BMO Global Asset Management

## Property ownership structure

	Number of assets	Valuation (GBPm)	% of total portfolio
Direct holdings	51	387.1	100.0
Joint and indirect holdings	0	0	0
Listed investments	0	0	0
<b>Total</b>	<b>51</b>	<b>387.1</b>	<b>100.0</b>

Source: BMO Asset Management

## Largest direct investments by lot size & percentage of total portfolio

Property	Location	Sector	Valuation (GBPm)	% of total portfolio
Leeds, Minerva, 29 East Parade	Leeds	Office	22.0	5.7
Bath, Cambridge House, Henry Street	Bath	Office	20.8	5.4
Hatfield, Royal Mail, Hatfield Business Park	Hatfield	Industrial	17.4	4.5
South Ruislip, 428A & 428B Victoria Road	South Ruislip	Retail Warehouse	16.3	4.2
Coventry, 5100 Cross Point Business Park	Coventry	Industrial	16.2	4.2
Romford, Matalan Retail Unit, North Street	Romford	Retail Warehouse	15.0	3.9
Bournemouth, Ringwood Road Retail Park	Bournemouth	Retail Warehouse	13.0	3.4
Milton Keynes, Audi, Northfield Drive	Milton Keynes	Retail Other	12.0	3.1

Birmingham, Apollo,Advanced Manufacturing Hub	Birmingham	Industrial	11.6	3.0
Greenford, 74 Long Drive	Greenford	Industrial	10.7	2.8
<b>10 largest investments as % of portfolio</b>			<b>40.0</b>	

Source: BMO Global Asset Management

Direct portfolio structure by lot-size bands			
Value band (GBPm)	Number of assets	Valuation (GBPm)	% of total portfolio
0 -2.5	2	3.7	0.9
2.5 - 5	16	63.2	16.3
5-10	21	144.7	37.4
10-25	12	175.5	45.3
25 - 50	0	0.0	0.0
50 - 100	0	0.0	0.0
100-150	0	0.0	0.0
Over 150	0	0.0	0.0
<b>Total</b>	<b>51</b>	<b>387.1</b>	<b>100.0</b>
Average lot size		7.6	

Property Yield	
Net initial yield	4.91%
Nominal equivalent yield	5.68%
True equivalent yield	5.88%
Net reversionary yield	5.38%

Source: BMO Global Asset Management

Voids as % of ERV	
Investments	5.00%
Developments	0.00%
<b>Total</b>	<b>5.00%</b>

Rental income & ERV by type of property		
	Rental income %	Estimated rental value %
Standard retail	13.1	11.0
Retail warehousing	20.2	19.2
Shopping centres	0.0	0.0
Central London offices	0.0	0.0
Other offices	32.7	35.4
Industrial	32.1	32.3
Other	2.0	2.0
<b>Overall</b>	<b>100.0</b>	<b>100.0</b>

Source: BMO Global Asset Management

Comparison of rents passing and ERV by type of property*								
Sector	Rent passing %	Pre-lets & rent-free periods %	Development voids %	Other voids %	Over rented %	Reversionary potential %	Net reversionary potential %	ERV %
Standard retail	101.4	6.1	-	-	(8.0)	0.5	(7.4)	100.0
Retail warehousing	89.7	10.9	-	-	(1.7)	1.1	(0.6)	100.0
Shopping centres	-	-	-	-	-	-	-	-
Central London offices	-	-	-	-	-	-	-	-
Other offices	79.0	3.6	-	9.6	(1.2)	9.0	7.8	100.0
Industrial	85.0	-	-	5.0	(0.1)	10.1	10.0	100.0
Other	86.7	13.2	-	-	-	0.0	0.0	100.0
<b>Overall</b>	<b>85.6</b>	<b>4.3</b>	<b>-</b>	<b>5.0</b>	<b>(1.7)</b>	<b>6.7</b>	<b>5.1</b>	<b>100.0</b>

\*Comprising the ERV of developments in progress or contracted which have not been pre-let

Source: BMO Global Asset Management

## The unexpired term of leases

Years	% of rent passing
20 years or greater	0.1
15 years or greater, but less than 20	9.7
10 years or greater, but less than 15	12.0
5 years or greater, but less than 10	33.4
Less than 5 years	44.8

Source: BMO Global Asset Management

## Debt analysis

Fixed rate borrowings			Variable rate borrowings		Off balance sheet debt (GBPm)+
Amount drawn (GBPm)	Average rate (%)	Average unexpired term (years)	Amount drawn (GBPm)	Rate above LIBOR (incl expenses) (%)	
0	0	0	0	0	0
0	0	0	0	0	
0	0	0	0	0	
0	0	0	0	0	
0	0	0	0	0	

Source: BMO Global Asset Management

## Development exposure\*

	Capital value of developments			Cost to complete schemes in progress+
	Not yet started	In progress+	All developments	
GBPm	0	0	0	0
% of all directly held properties*	0.00%	0.00%	0.00%	0.00%

\* Includes joint ventures in which the Fund has an interest of 50% or more

Source: BMO Global Asset Management

## Valuations/performance monitors/affiliations

Frequency of valuation	Monthly, on the last working day of the month
Valuers	Knight Frank
Portfolio performance monitored by MSCI	Yes
Constituent of MSCI/AREF UK Quarterly Property Fund Index	Yes
Member of the Association of Real Estate Funds	Full member

Source: BMO Global Asset Management

## Restrictions on holdings of cash/borrowings

Maximum total gearing permitted	10%
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Source: BMO Global Asset Management

## The contribution of major tenants to rental income

Tenant	%
B&M Retail Limited	4.8
B & Q plc	4.2
Restore plc	4.0
Royal Mail Group Limited	3.7
PerkinElmer Limited	3.1
Matalan Retail Ltd	3.0
Lancaster plc	2.7

The University of Law Limited	2.6
Traveljigsaw Limited	2.5
HHGL Limited (CVA)	2.5
Three largest tenants' contribution to rental income	13.1
Five largest tenants' contribution to rental income	19.8
Ten largest tenants' contribution to rental income	33.1

Source: BMO Global Asset Management

Balance sheet/gearing					
	Direct holdings	Joint holdings	Indirect investments	Listed investments	Total
Balance sheet (GBPm)					
Properties at valuation	387.1	0.0	0.0	0.0	387.1
Listed investments	0.0	0.0	0.0	0.0	0.0
Debt	0.0	0.0	0.0	0.0	0.0
Cash	125.5	0.0	0.0	0.0	125.5
Other net assets/liabilities	0.0	0.0	0.0	0.0	0.0
Total net assets	512.6	0.0	0.0	0.0	512.6
Gearing (%)					
Net debt (cash)/properties	-32.4	-	-	-	-32.4
Net debt (cash)/equity	-24.5	-	-	-	-24.5

Source: BMO Global Asset Management

Quarterly data per unit						
As at	30-Jun-18	30-Sep-18	31-Dec-18	31-Mar-19	30-Jun-19	30-Sep-19
Net asset value (GBP)	113.9	113.5	114.3	112.6	112.7	104.6
Offer (GBP)	-	-	-	-	-	-

Source: BMO Global Asset Management

## Unit pricing

The share price is calculated on daily basis.

## Distributions

Distributions of income are made bi-annually, on 30th Apr & 31 Oct.

## Minimum investment/disinvestment

Minimum initial investment:	GBP 1,000
Minimum additional investment:	GBP 1,000
Minimum redemption:	GBP100
Minimum holding:	GBP100

## Creation, transfer and realisation of units

Investment into the Fund is normally possible on any working day in the UK. All purchase or repurchase instructions received before 12 noon on a working day will be transacted at the price determined at the 12 noon Valuation Point. Settlement of purchases is four days after the instructions are received, the settlement of repurchases will normally be four days after receipt of the relevant documentation by the fund administrator. Purchase or repurchase instructions received after 12 Noon will be carried forward to the next working day.

Unit holder analysis		
	Number of unitholders	Total % held
Less than 1% of units in issue	701	48.4
1% or greater but less than 2%	15	21.1
2% or greater but less than 4%	5	13.4
4% or greater but less than 8%	3	17.1

Greater than 8.0%	0	0.0
<b>Total</b>	<b>724</b>	<b>100.0</b>
Major investors		
Largest holder	1	6.5
Three largest holders	3	17.1
Five largest holders	5	22.6
Ten largest holders	10	34.5
Internal/external investors		
Internal	0	0.0
External	724	100.0

Source: BMO Global Asset Management

<b>Liquidity</b>					
<b>Period</b>	<b>Year to Dec 2015</b>	<b>Year to Dec 2016</b>	<b>Year to Dec 2017</b>	<b>Year to Dec 2018</b>	<b>Year to Dec 2019</b>
<b>Issues and redemptions</b>					
Units in issue as at start of period	251,690,228	491,129,491	545,272,856	753,875,261	896,912,563
Units issued during period	586,888,711	160,147,349	249,596,294	209,504,906	90,078,270
Units redeemed during period	-347,449,448	-106,003,984	-40,993,890	-66,467,604	-160,857,008
Units in issue at end of period	491,129,491	545,272,856	753,875,261	896,912,563	826,133,825
<b>Unit transfers</b>					
Matched bargains	-	-	-	0	0
Matched bargains %*	-	-	-	0	0

\* as % of units in issue at the end of the period

Source: BMO Global Asset Management