

# 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)	320.6

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	18.5	3.8	3.8	3.7
Year-to-date	13.2	6.1	6.0	5.6
12 months	1.3	8.5	8.5	6.9
3 years+	-0.5	3.3	3.0	1.8
5 years+	2.9	5.1	4.9	3.9
10 years+	3.3	7.0	6.7	6.1

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 %	MSCI/AREF UK Quarterly Property Fund Index
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	BMO UK Property Fund	Other balanced funds	All balanced funds	All funds
Standard retail – South East	2.7	5.7	5.0	4.6
Standard retail – Rest of UK	1.3	2.0	2.3	3.2
Shopping centres	0.0	0.6	1.1	3.4
Retail warehouses	15.0	10.8	10.4	8.7
<b>All UK retail</b>	<b>19.0</b>	<b>19.2</b>	<b>18.8</b>	<b>20.0</b>
City offices	0.0	3.9	3.6	3.2
West End offices	0.0	7.7	8.5	7.5
Rest of South East offices	6.5	10.4	9.7	7.0
Rest of UK offices	6.4	5.7	5.4	5.0
<b>All UK offices</b>	<b>12.9</b>	<b>27.7</b>	<b>27.2</b>	<b>22.7</b>
South East industrial	29.3	22.8	23.8	19.5
Rest of UK industrial	17.0	12.5	12.6	10.3
<b>All UK industrial</b>	<b>46.3</b>	<b>35.3</b>	<b>36.4</b>	<b>29.9</b>
Other UK properties	3.0	11.0	10.6	21.9
Cash***	18.8	6.8	7.0	5.5
<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	33	260.5	100.0
Joint and indirect holdings	0	0	0
Listed investments	0	0	0
<b>Total</b>	<b>33</b>	<b>260.5</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
HATFIELD, ROYAL MAIL, HATFIELD BUSINESS PARK	HATFIELD	Industrial	18.5	7.1
MILTON KEYNES, DELTIC AVENUE, BRADWELL COMMON	MILTON KEYNES	Industrial	16.5	6.3
SOUTH RUISLIP, 428A & 428B VICTORIA ROAD	RUISLIP	Retail Park	16.5	6.3
BATH, CAMBRIDGE HOUSE, HENRY STREET	BATH	Office	15.8	6.0
ROMFORD, MATALAN RETAIL UNIT, NORTH STREET	ROMFORD	Retail Park	13.8	5.3
BIRMINGHAM, APOLLO, ADVANCED MANUFACTURING HUB	BIRMINGHAM	Industrial Other	13.6	5.2
STAINES-UPON-THAMES, APEX 30, LONDON ROAD	STAINES-UPON-THAMES	Industrial	13.4	5.1
GREENFORD, 74 LONG DRIVE	GREENFORD	Industrial	12.7	4.9
DARTFORD, 32-33 CLIPPER BOULEVARD EAST	DARTFORD	Industrial	11.8	4.5
BOURNEMOUTH, RINGWOOD ROAD RETAIL PARK	BOURNEMOUTH	Retail Park	11.4	4.4
<b>10 largest investments as % of portfolio</b>				<b>55.2</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	4	8.3	3.2
2.5 - 5	8	31.9	12.3
5-10	11	76.4	29.3
10-25	10	143.8	55.2
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>33</b>	<b>260.5</b>	<b>100.0</b>
Average lot size		7.9	

### Property Yield

Net initial yield 4.76%

### Voids as % of ERV

Investments 3.75%

Nominal equivalent yield	5.30%
True equivalent yield	5.48%
Net reversionary yield	5.37%

Developments	-
Total	-

Source: BMO Global Asset Management

### Rental income & ERV by type of property

	Rental income %	Estimated rental value %
Standard retail	6.0	5.7
Retail warehousing	22.3	18.9
Shopping centres	0.0	0.0
Central London offices	0.0	0.0
Other offices	26.4	23.1
Industrial	44.8	49.2
Other	0.5	3.1
<b>Overall</b>	<b>100.0</b>	<b>100.0</b>

Source: BMO Global Asset Management

### Over Renting and Reversionary Potential, % Rent Passing

Sector	Rent Passing, GBP Millions	Rent Free, % Rent Passing	Development vacancy, % Rent Passing	Investment vacancy, % Rent Passing	Over rented, % Rent Passing	Reversionary potential, % Rent Passing	Reversionary potential Net of Over renting, % Rent Passing	Market Value, % Rent Passing
Standard retail	0.8	0.0	0.0	24.3	-22.1	4.1	-18.0	104.1
Retail warehousing	3.1	0.0	0.0	0.0	-7.0	-7.0	-14.0	93.0
Shopping centres	-	-	-	-	-	-	-	-
Central London offices	-	-	-	-	-	-	-	-
Other offices	3.6	0.0	0.0	0.7	-7.1	-3.1	-10.3	96.5
Industrial	6.1	8.5	0.0	5.5	0.0	20.8	20.8	121.0
Other	0.1	632.8	0.0	0.0	0.0	632.8	632.8	732.8
<b>Overall</b>	<b>13.7</b>	<b>6.7</b>	<b>0.0</b>	<b>4.1</b>	<b>-4.8</b>	<b>10.1</b>	<b>5.3</b>	<b>110.1</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	0.4
15 years or greater, but less than 20	0.0
10 years or greater, but less than 15	7.2
5 years or greater, but less than 10	38.1
Less than 5 years	54.3

Source: BMO Global Asset Management

### Debt analysis

Fixed rate borrowings			Variable rate borrowings		
Amount drawn (GBPm)	Average rate (%)	Average unexpired term (years)	Amount drawn (GBPm)	Rate above LIBOR (incl expenses) (%)	Off balance sheet debt (GBPm)+
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	%
Royal Mail Group Limited.	5.8
Ingram Content Group UK Ltd.	5.4
PerkinElmer Limited.	4.9
Matalan Retail Ltd.	4.6
Salts Healthcare Limited.	4.5
B&M Retail Limited.	4.0
First Choice Holidays Limited.	3.8
VF Northern Europe Limited.	3.7
The Fresh Olive Company Ltd.	3.7
Yodel Delivery Network Limited.	3.4
Three largest tenants' contribution to rental income	16.1
Five largest tenants' contribution to rental income	25.2
Ten largest tenants' contribution to rental income	43.8

Source: BMO Global Asset Management

#### Balance sheet/gearing

	Direct holdings	Joint holdings	Indirect investments	Listed investments	Total
Balance sheet (GBPm)					
Properties at valuation	260.5	0.0	0.0	0.0	260.5
Listed investments	0.0	0.0	0.0	0.0	0.0
Debt	0.0	0.0	0.0	0.0	0.0
Cash	60.1	0.0	0.0	0.0	60.1
Other net assets/liabilities	0.0	0.0	0.0	0.0	0.0
Total net assets	320.6	0.0	0.0	0.0	320.6
Gearing (%)					
Net debt (cash)/properties	-23.1	-	-	-	-23.1
Net debt (cash)/equity	-18.8	-	-	-	-18.8

Source: BMO Global Asset Management

#### Quarterly data per unit

As at	31-Mar-20	30-Jun-20	30-Sep-20	31-Dec-20	31-Mar-21	30-Jun-21
Net asset value (GBP)	109.6	105.0	103.6	103.6	98.7	99.5
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	678	33.2
1% or greater but less than 2%	15	21.1
2% or greater but less than 4%	13	28.5
4% or greater but less than 8%	1	4.2
Greater than 8.0%	1	13.0
<b>Total</b>	<b>708</b>	<b>100.0</b>
Major investors		
Largest holder	1	0.0
Three largest holders	3	0.0
Five largest holders	5	0.0
Ten largest holders	10	0.0
Internal/external investors		
Internal	0	0.0
External	708	100.0

Source: BMO Global Asset Management

Liquidity						
Period	Year to Dec 2016	Year to Dec 2017	Year to Dec 2018	Year to Dec 2019	Year to Dec 2020	Year to Dec 2021
<b>Issues and redemptions</b>						
Units in issue as at start of period	491,129,491	545,272,856	753,875,261	896,912,563	821,031,367	624,058,429
Units issued during period	160,147,349	249,596,294	209,504,906	132,525,768	14,510,432	53,240,140
Units redeemed during period	-106,003,984	-40,993,890	-66,467,604	-208,406,965	-211,483,369	-224,301,671
Units in issue at end of period	545,272,856	753,875,261	896,912,563	821,031,367	624,058,429	452,996,898
<b>Unit transfers</b>						
Matched bargains	-	-	0	0	0	0
Matched bargains %*	-	-	0.00%	0	0	0

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

Source: BMO Global Asset Management