

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

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)	324.8

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

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	8.1	2.2	2.2	1.8
Year-to-date	8.1	2.2	2.2	1.8
12 months	-7.0	2.5	2.5	0.7
3 years+	-1.5	2.7	2.4	1.1
5 years+	0.8	4.6	4.1	3.2
10 years+	3.0	6.8	6.4	5.9

Note: * Weighted average returns + Annualised

*These are the returns for share class 2 Inc

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	All balanced funds	All funds
Standard retail – South East	3.9	6.0	5.2	4.9
Standard retail – Rest of UK	1.3	2.1	2.4	3.3
Shopping centres	0.0	0.7	1.2	3.5
Retail warehouses	14.3	10.9	10.5	9.0
All UK retail	19.5	19.7	19.3	20.6
City offices	0.0	3.9	3.6	3.4
West End offices	0.0	7.6	8.5	7.6
Rest of South East offices	6.5	10.8	10.2	7.4
Rest of UK offices	7.7	6.0	5.6	5.1
All UK offices	14.1	28.3	27.9	23.5
South East industrial	27.1	21.7	22.7	18.5
Rest of UK industrial	15.6	12.0	11.8	9.5
All UK industrial	42.7	33.7	34.5	28.0
Other UK properties	2.8	11.3	10.7	21.9
Cash***	20.8	7.0	7.7	5.9
Overall	100.0	100.0	100.0	100.0

Source: BMO Global Asset Management

Property ownership structure

	Number of assets	Valuation (GBPm)	% of total portfolio
Direct holdings	36	257.1	100.0
Joint and indirect holdings	0	0	0
Listed investments	0	0	0
Total	36	257.1	100.0

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	17.7	6.9
BATH, CAMBRIDGE HOUSE, HENRY STREET	BATH	Office	16.2	6.3
SOUTH RUISLIP, 428A & 428B VICTORIA ROAD	RUISLIP	Retail Park	15.8	6.1

MILTON KEYNES, DELTIC AVENUE, BRADWELL COMMON	MILTON KEYNES	Industrial	15.4	6.0
ROMFORD, MATALAN RETAIL UNIT, NORTH STREET	ROMFORD	Retail Park	13.8	5.3
BIRMINGHAM, APOLLO,ADVANCED MANUFACTURING HUB	BIRMINGHAM	Industrial Other	12.8	5.0
STAINES-UPON-THAMES, APEX 30, LONDON ROAD	STAINES-UPON-THAMES	Industrial	12.4	4.8
GREENFORD, 74 LONG DRIVE	GREENFORD	Industrial	12.0	4.7
BOURNEMOUTH, RINGWOOD ROAD RETAIL PARK	BOURNEMOUTH	Retail Park	11.0	4.3
DARTFORD, 32-33 CLIPPER BOULEVARD EAST	DARTFORD	Industrial	11.0	4.3
10 largest investments as % of portfolio				53.7

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	6	12.4	4.8
2.5 - 5	10	39.0	15.2
5-10	10	67.7	26.3
10-25	10	138.0	53.7
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
Total	36	257.1	100.0
Average lot size		7.1	

Property Yield		Voids as % of ERV	
Net initial yield	4.94%	Investments	3.60%
Nominal equivalent yield	5.54%	Developments	-
True equivalent yield	5.73%	Total	-
Net reversionary yield	5.60%		

Source: BMO Global Asset Management

Rental income & ERV by type of property		
	Rental income %	Estimated rental value %
Standard retail	9.2	7.7
Retail warehousing	21.9	18.3
Shopping centres	0.0	0.0
Central London offices	0.0	0.0
Other offices	26.7	24.4
Industrial	41.8	46.7
Other	0.5	3.0
Overall	100.0	100.0

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	1.3	0.0	0.0	16.6	-23.3	-5.4	-28.7	94.6
Retail warehouse	3.0	0.0	0.0	0.0	-6.9	-5.8	-12.7	94.2
Shopping centre	-	-	-	-	-	-	-	-
Central London	-	-	-	-	-	-	-	-
Other offices	3.7	0.0	0.0	0.7	-4.1	5.0	0.9	102.7
Industrial	5.8	9.0	0.0	5.6	0.0	26.0	26.0	126.0
Other	0.1	632.8	0.0	0.0	0.0	632.8	632.8	732.8
Overall	13.8	6.7	0.0	4.1	-4.7	13.3	8.6	112.7

*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	7.0
5 years or greater, but less than 10	38.0
Less than 5 years	54.6

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
% of all directly held properties	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

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.	5.7
INGRAM CONTENT GROUP UK LTD.	5.4
PERKINELMER LIMITED.	4.8
MATALAN RETAIL LTD.	4.6
SALTS HEALTHCARE LIMITED.	4.5
B&M RETAIL LIMITED.	3.9
THE SECRETARY OF STATE FOR THE ENVIRONMENT.	3.9
FIRST CHOICE HOLIDAYS LIMITED.	3.7
VF NORTHERN EUROPE LIMITED.	3.7
THE FRESH OLIVE COMPANY LTD.	3.7
Three largest tenants' contribution to rental income	15.9
Five largest tenants' contribution to rental income	25.0
Ten largest tenants' contribution to rental income	43.9

Source: BMO Global Asset Management

Balance sheet/gearing

	Direct holdings	Joint holdings	Indirect investments	Listed investments	Total
Balance sheet (GBPm)					
Properties at valuation	257.1	0.0	0.0	0.0	257.1
Listed investments	0.0	0.0	0.0	0.0	0.0
Debt	0.0	0.0	0.0	0.0	0.0
Cash	67.7	0.0	0.0	0.0	67.7
Other net assets/liabilities	0.0	0.0	0.0	0.0	0.0
Total net assets	324.8	0.0	0.0	0.0	324.8
Gearing (%)					
Net debt (cash)/properties	-26.3	-	-	-	-26.3
Net debt (cash)/equity	-20.8	-	-	-	-20.8

Source: BMO Global Asset Management

Quarterly data per unit

As at	31-Dec-19	31-Mar-20	30-Jun-20	30-Sep-20	31-Dec-20	31-Mar-21
Net asset value (GBP)	104.5	109.6	105.0	103.6	103.6	98.7
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

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

Unit holder analysis		
	Number of unitholders	Total % held
Less than 1% of units in issue	712	37.4
1% or greater but less than 2%	21	30.1
2% or greater but less than 4%	6	14.9
4% or greater but less than 8%	2	8.3
Greater than 8.0%	1	9.3
Total	742	100.0
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	741	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
Issues and redemptions						
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	25,301,566
Units redeemed	-106,003,984	-40,993,890	-66,467,604	-208,406,965	-211,483,369	-141,148,433
Units in issue at end of period	545,272,856	753,875,261	896,912,563	821,031,367	624,058,429	508,211,562
Unit transfers						
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

Unit holder analysis

	Number of unitholders	Total % held
Less than 1% of units in issue	187	0.4
1% or greater but less than 2%	21	0.3
2% or greater but less than 4%	6	0.2
4% or greater but less than 8%	1	0.0
Greater than 8.0%	0	0.0
Total	215	0.9
Major investors		
Largest holder	1	0.1
Three largest holders	3	0.2
Five largest holders	5	0.2
Ten largest holders	10	0.3
Internal/external investors		
Internal	0	0.0
External	216	1.0

Source: BlackRock Investment Managers (Channel Islands) Limited

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
Issues and redemptions						
Units in issue as at start of period	78,162,806	76,708,415	76,708,415	76,708,415	74,380,926	74,380,926
Units issued during period	975882	0	0	0	0	0
Units redeemed during period	-2430273	0	0	-2327489	0	-923,607
Units in issue at end of period	76,708,415	76,708,415	76,708,415	74,380,926	74,380,926	73,457,319
Unit transfers						
Matched bargains	1,284,918	1,789,378	2,916,524	335,623	1,194,918	0
Matched bargains %*	1.60%	2.33%	3.80%	0.45%	1.61%	0.00%

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

Source: BlackRock Investment Managers (Channel Islands) Limited