



BMO Investment Funds (UK) ICVC VII
Annual Report and Audited Financial Statements
For the year ended:

31.08.2019

BMO Investment Funds (UK) ICVC VII

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BMO Investment Funds (UK) ICVC VII

Directory

Company Information

BMO Investment Funds (UK) ICVC VII
Exchange House
Primrose Street
London
EC2A 2NY

Authorised Corporate Director

BMO Fund Management Limited
Exchange House
Primrose Street
London
EC2A 2NY

Telephone: 0800 085 2752, Facsimile: (0207) 600 4180

The ACD is authorised and regulated by the Financial Conduct Authority and is a member of the IA.

Investment Manager

BMO AM Multi-Manager LLP
Exchange House
Primrose Street
London
EC2A 2NY

Independent Auditors

PricewaterhouseCoopers LLP
Level 4
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Depository

State Street Trustees Limited

Registered Office

20 Churchill Place
London
E14 5HJ

Head Office and Principal Place of Business

Quartermile 3
10 Nightingale Way
Edinburgh
EH3 9EG

Fund Accounting and Unit Pricing

State Street Bank and Trust Company
Quartermile 3
10 Nightingale Way
Edinburgh
EH3 9EG

Administrator and Registrar

DST Financial Services Europe Limited
DST House
St Nicholas Lane
Basildon
Essex
SS15 5FS

Legal Advisors

CMS Cameron McKenna Nabarro Olswang LLP
Cannon Place
78 Cannon Street
London
EC4N 6AF

BMO Investment Funds (UK) ICVC VII

Company Information

Company Information

BMO Fund Management Limited, the Authorised Corporate Director (ACD) of the Open-Ended Investment Company (OEIC), is the sole director. The ACD has appointed BMO AM Multi-Manager LLP as the Investment Manager to the individual sub-funds of the OEIC.

BMO Investment Funds (UK) ICVC VII (the 'Company') is an investment company with variable capital under the Open-Ended Investment Company Regulations 2001 (SI2001/1228). The Company is an umbrella company with 5 individual sub-funds, and each of the sub-funds is a non-UCITS scheme.

Financial Statements

These financial statements are for the year 1 September 2018 to 31 August 2019.

Shareholders

Shares of the Company have no par value and the share capital of the Company will at all times equal the sum of the net asset value of each of the sub-funds. Shareholders are not liable for the debts of the Company. The assets of each sub-fund are treated as separate from those of every other sub-fund and are invested in accordance with the investment objectives and policy of that sub-fund.

Each sub-fund is a segregated portfolio of assets and, accordingly, the assets of a sub-fund belong exclusively to that sub-fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company or any other sub-fund and shall not be available for any such purpose.

The Company adopted segregated liability status for sub-funds on 8 June 2012. From that date the assets of one sub-fund may not be used to satisfy the obligations of another sub-fund.

While the provisions of the OEIC Regulations provide for segregated liability between sub-funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known how those foreign courts will react to regulations 11A and 11B of the OEIC Regulations.

Instrument of Incorporation and Prospectus

The Company was incorporated and authorised by the Financial Conduct Authority on 29 August 2007 under registered number IC000572.

The Company is an Alternative Investment Fund (AIF) for the purposes of the Alternative Investment Fund Managers Directive 2011/61/EU (AIFMD). On 22 July 2014 the Company's Instrument of Incorporation and Prospectus were updated to reflect the requirements of the AIFMD and the appointment of the ACD as AIF Manager and the Depositary as AIF Depositary.

As at 31 August 2019 the OEIC comprised the following sub-funds:

BMO MM Navigator Balanced Fund
BMO MM Navigator Boutiques Fund
BMO MM Navigator Cautious Fund
BMO MM Navigator Distribution Fund
BMO MM Navigator Growth Fund

Additional sub-funds may be added at the ACD's discretion.

The investment objectives, investment policies and investment activity reports, for each sub-fund are included in the financial statements for that sub-fund.

Copies of the current prospectus, the latest annual report and any subsequent reports are available from the Administrator.

Other Information

The BMO MM Navigator Boutiques Fund and BMO MM Navigator Growth Fund offers only accumulation shares. The BMO MM Navigator Balanced Fund, BMO MM Navigator Cautious Fund and BMO MM Navigator Distribution Fund offers both accumulation and income shares.

The Operating charges figure for each share class can be found in the Fund's Comparative Tables.

There have been no changes to the Risk Management systems during the year. Sensitivity to the most relevant risks has been assessed through a series of quantitative risk measures, including as appropriate, tracking error and stress tests. There have been no breaches to the relevant risk limits during the year.

There were no cross holdings in BMO Investment Funds (UK) ICVC VII as at 31 August 2019.

Requirements for compliance with the Alternative Investment Fund Managers Directive in the UK are set out in the FCA Investment Funds sourcebook. Rule FUND 3.2.2 in this sourcebook requires certain information to be provided to prospective investors.

ACD

Effective 31 October 2018, the Authorised Corporate Director of the Company has changed from F&C Fund Management Limited to BMO Fund Management Limited. This is due to an internal reorganisation and the fund directors remain the same.

Investment Manager

Effective 1 November 2018, the Investment Manager of the Company has changed from Thames River Multi-Capital LLP to BMO AM Multi-Manager LLP.

Sub-Fund and Company Name

Effective 12 November 2018, the sub-fund and Company names have changed as follows:

Old Name	New Name
F&C MM Navigator Boutiques Fund	BMO MM Navigator Boutiques Fund
F&C MM Navigator Distribution Fund	BMO MM Navigator Distribution Fund
F&C MM Navigator Moderate Fund	BMO MM Navigator Cautious Fund
F&C MM Navigator Progressive Fund	BMO MM Navigator Balanced Fund
F&C MM Navigator Select Fund	BMO MM Navigator Growth Fund
F&C Multi-Capital Funds ICVC	BMO Investment Funds (UK) ICVC VII

Report on Remuneration

This section of the annual report has been prepared in accordance with the Alternative Investment Fund Managers Directive 2011/61/EC ("AIFM Directive") and the Financial Conduct Authority's Handbook (SYSC 19B: AIFM Remuneration Code).

In accordance with the AIFM Directive, BMO Fund Management Limited (formerly F&C Fund Management Limited), the designated Alternative Investment Fund Manager ("AIFM") for BMO Investment Funds (UK) ICVC VII, has adopted a remuneration policy which is consistent with the remuneration principles applicable to AIF management companies and aligned with the BMO Global Asset Management (EMEA) Remuneration Policy. The size of the AIFM and the size of the funds it manages, the internal organisation and the nature, the scope and the complexity of their activities have been taken into consideration in this disclosure.

Remuneration policy

The purpose of the AIFM's remuneration policy is to describe the remuneration principles and practices within the AIFM and for such principles and practices:

- to be consistent with, and promote, sound and effective risk management;
- to be in line with the business strategy, objectives, values and interests of the AIFM;
- not to encourage excessive risk-taking as compared to the investment policy of the relevant sub-funds of the AIFM;
- to provide a framework for remuneration to attract, motivate and retain staff (including directors) to which the policy applies in order to achieve the objectives of the AIFM; and
- to ensure that any relevant conflicts of interest can be managed appropriately at all times.

Decision making and governance

The board of directors (the "Board") of the AIFM is responsible for the remuneration policy of the AIFM and for determining the remuneration of the directors of the AIFM and other staff who undertake professional activities for the AIFM. The Board has delegated to the Risk and Remuneration Committee (the "Committee") of BMO Asset Management (Holdings) plc (formerly F&C Asset Management plc) responsibility for maintaining a compliant remuneration policy. The Committee solely comprises non-executive directors of BMO Asset Management (Holdings) plc. The Board has adopted the remuneration policy applicable to all members of the Group ("BMO Global Asset Management (EMEA)") for this financial year as reviewed and approved by the Committee periodically (at least annually). The Committee is responsible for, and oversees, the implementation of the remuneration policy in line with the AIFMD Regulations. The Board considers that the members of the Committee have appropriate expertise in risk management and remuneration to perform this review.

Applicability

The remuneration policy, which incorporates compliance with AIFMD requirements, applies to staff whose professional activities have a material impact on the risk profile of the AIFM or of the funds it manages ("Identified Staff") and so covers:

- a) senior management;
- b) risk takers;
- c) control functions; and
- d) employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profile of the AIFM.

The Identified Staff list and the selection criteria above are subject to regular review (at least annually) by the Committee as well as formally reviewed in the event of significant organisation changes and changes in remuneration regulations the AIFM is subject to.

Linking remuneration with performance

The AIFM's remuneration policy is part of the BMO Global Asset Management (EMEA) framework for promoting sound remuneration management, with the objective of providing total compensation to its employees that is warranted by corporate, business unit/function and individual performance and is comparable to market competitors, whilst being consistent with and promoting sound and effective risk management and the achievement of fair outcomes for all customers. Its purpose is to facilitate achievement of the business objectives and corporate values of the AIFM, with the primary focus on clients, whilst ensuring that BMO Global Asset Management (EMEA) is able to attract, retain and motivate the key talent required to achieve these business objectives and corporate values without incentivising excessive or inappropriate risk.

When setting remuneration levels, the following components and principles form part of the remuneration management framework:

- Fixed remuneration is determined taking into account factors including the requirements of the particular role and the staff member's experience, expertise, contribution level and the fixed pay for comparable roles. Fixed remuneration is set, with reference to market data, at a level that is sufficient to attract high calibre staff as well as to permit the operation of a fully-flexible remuneration policy (including the possibility of a staff member receiving reduced or no variable remuneration in a particular year). The Committee keeps the balance between fixed and variable remuneration under review.
- Variable remuneration is determined annually by reference to both financial and non-financial AIFM performance considerations. External competitor practices are included in the funding review to ensure compensation opportunities in the markets within which the AIFM operates are given due consideration and retention risks are effectively managed. Incentive funding is developed in view of current and projected economics and risks, supported by BMO Global Asset Management (EMEA) Audit and Compliance Committee inputs, ensuring risk-adjustments and qualitative and quantitative considerations, such as the cost and quantity of capital and liquidity are actively considered as funding adjustments. The Committee ensures that all incentive awards are not paid through vehicles or methods that facilitate the avoidance of the requirements with regard to remuneration imposed by applicable law and/or regulations.
- Variable remuneration is allocated to respective business functions by reference to:
 - contribution of the respective business function or unit to corporate performance;
 - business function performance relative to pre-determined targets and objectives, including adherence to risk management obligations; and
 - competitive market pay data.
- Individual award allocations are referenced to the individual achievement during the performance year relative to pre-agreed objectives and assessment of market comparability. Performance is assessed in relation to pre-agreed objectives, which include financial and non-financial goals (including the achievement of fair customer outcomes), compliance with the BMO Group's policies and procedures, adherence to risk management and compliance requirements and the BMO Code of Conduct. The assessment of performance for Identified Staff reflects multi-year performance in a manner appropriate to the life-cycle of the funds that are managed by the AIFM.
- Application of Financial Conduct Authority's Handbook (SYSC 19B: AIFMD Remuneration Code) pay-out process rules, save for disapplication at individual or AIFM level, which is determined by an annual proportionality assessment.

Quantitative remuneration disclosure

The total remuneration paid by BMO Fund Management Limited to its staff is zero, as all AIFM staff are employed by other companies in BMO Global Asset Management (EMEA).

The table below provides an overview of aggregate total remuneration paid to AIFM Identified Staff in respect of the proportion of their pay aligned to their AIFM responsibilities. It is not possible to apportion remuneration by individual Identified Staff working on a specific investment fund, therefore figures are provided in aggregate on an AIFM basis.

	Headcount	Fixed Remuneration £m	Variable Remuneration £m	Total Remuneration £m
BMO Fund Management Limited Remuneration of AIFMD Identified Staff of which:				
	50	0.611	1.642	2.253
Senior Management	24	0.143	0.376	0.519
Other Code Staff	26	0.468	1.266	1.734

Notes on the quantitative remuneration disclosure

Total remuneration reported is the sum of salary, cash bonus, any deferred annual bonus, value of any long-term incentive awards granted in respect of performance in the reportable financial year, plus the value of any applicable cash allowances.

"Senior Management" are defined in this table as the AIFM Directors, Executive and Non-Executive Directors and Group Management Team members of BMO Global Asset Management. "Other Code Staff" includes all other identified Code staff in business areas, internal control functions and corporate functions.

The Identified Staff disclosure represents total compensation of those staff who are fully or partly involved in the activities of the AIFM funds, apportioned to the estimated time relevant to the AIFM or to the amount attributable to the AIFM allocated on an AUM basis.

Delegation

The table below sets out those other entities to which BMO Fund Management Limited has delegated portfolio and/or risk management activities and BMO Fund Management Limited's assessment of the extent to which the delegate is subject to equivalent regulatory requirements for remuneration.

Delegated Entity	Location	Assessment of extent to which regulatory requirements are equivalent
BMO AM Multi-Manager LLP	UK	Equivalent under Capital Requirements Directive

AIFM activities

The following table provides an overview of the size and composition of the funds managed by the AIFM, including BMO Investment Funds (UK) ICVC VII. This shows the total number of funds managed, the split between, and proportions of AIF, UCITS and other funds.

	Number of funds	AUM as at 31 October 2018 (GBP)	% of AUM as at 31 October 2018
Alternative investment funds	91	29,046,536,347	84%
UCITS	38	5,552,192,307	16%
Total	129	34,598,728,654	100%

AIFMD leverage

In accordance with the AIFM the Manager is required to calculate and monitor the level of leverage of a scheme, expressed as a percentage exposure of the scheme in relation to its Net Asset Value (Exposure/NAV), under both the “gross” method and the “commitment” method. Further information regarding these different leverage calculation methods can be found in the AIFMD and the Supplementary Information on Risk Management Process which is available upon request. Currently the prospectus for the BMO Investment Funds (UK) ICVC VII range of funds shows the funds as limited to a leverage limit of 130% of NAV.

For the year ended 31 August 2019 the leverage calculations were as follows:

	BMO Investment Funds (UK) ICVC VII %					
	Gross			Commitment		
	Min	Max	Mean	Min	Max	Mean
BMO MM Navigator Balanced Fund	97.2	112.5	104.2	103.0	118.2	107.2
BMO MM Navigator Boutiques Fund	97.6	108.1	101.4	98.6	109.1	102.6
BMO MM Navigator Cautious Fund	98.0	110.8	102.9	103.2	117.2	106.5
BMO MM Navigator Distribution Fund	103.8	110.5	107.6	105.9	112.9	109.3
BMO MM Navigator Growth Fund	91.6	109.2	99.9	103.0	115.5	107.2

Calculated based on monthly data for the year.

BMO Investment Funds (UK) ICVC VII

Statement of Authorised Corporate Director's Responsibilities in relation to the Regulations of the Company

The Open-Ended Investment Companies Regulations 2001 and the Collective Investment Schemes sourcebook (the 'Regulations') as issued and amended by the Financial Conduct Authority, require the ACD to prepare financial statements for each annual accounting period which give a true and fair view of the financial affairs of the Company and of its net revenue and the net capital gains/(losses) on the property of the Company for the year. In preparing the financial statements the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the requirements of the UK Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice for Financial Statements of Authorised Funds issued by the Investment Management Association (IMA) in May 2014;
- follow generally accepted accounting principles and applicable United Kingdom accounting standards;
- keep proper accounting records, which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- take reasonable steps for the prevention and detection of fraud and non-compliance with laws or regulations;
- make judgements and estimates that are prudent and reasonable; and
- prepare financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The ACD is responsible for the management of the Company in accordance with its Prospectus and the Regulations.

Certification of Financial Statements by Directors of the Authorised Corporate Director

This report contains the information required by the Statement of Recommended Practice (SORP) for Financial Statements of Authorised Funds issued in May 2014, the Open-Ended Investment Companies Regulations 2001 and the Collective Investment Schemes sourcebook, in the case of annual financial statements and was approved for publication on 19 December 2019.

Director

On behalf of BMO Fund Management Limited

Authorised Corporate Director

19 December 2019

Report of the Depositary to the Shareholders of the BMO Investment Funds (UK) ICVC VII

for the year ended 31 August 2019

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook and the Investment Funds Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors. The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out;
- the value of shares of the Company are calculated;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager ("the AIFM") are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Scheme documents and the Regulations in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AIFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations, the Scheme documents of the Company, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

State Street Trustees Limited

19 December 2019

Independent Auditors' Report to the Shareholders of BMO Investment Funds (UK) ICVC VII

Report on the audit of the financial statements

Opinion

In our opinion, BMO Investment Funds (UK) ICVC VII's financial statements:

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 31 August 2019 and of the net revenue and the net capital gains/(losses) on the scheme property of the Company and each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

BMO Investment Funds (UK) ICVC VII (the "Company") is an Open Ended Investment Company ('OEIC') with 5 sub-funds. The financial statements of the company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Report and Audited Financial Statements (the "Annual Report"), which comprise: the balance sheets as at 31 August 2019; the statements of total return and the statements of change in net assets attributable to shareholders for the year then ended; the distribution tables; and notes to the financial statements applicable to all sub-funds, which include a description of the significant accounting policies and the notes to the financial statements for each of the sub-funds.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Authorised Corporate Director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's or any of the sub-funds' ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's or any of the sub-funds' ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union, are not clear, and it is difficult to evaluate all of the potential implications on the Company's or any of the sub-funds' business and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Authorised Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Statement of Authorised Corporate Director's Responsibilities in relation to the Regulations of the Company set out on page 7, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the Company's and each of the sub-funds' ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to wind up or terminate the Company or individual sub-fund, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
19 December 2019

BMO Investment Funds (UK) ICVC VII

Notes to the Financial Statements applicable to all sub-funds

as at 31 August 2019

1. Accounting and distribution policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with UK Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association (IMA) in May 2014.

All of the sub-funds have been prepared on a going concern basis. The accounting policies outlined below have been applied on a consistent basis throughout the year.

(b) Revenue recognition

Distributions from collective investment schemes are recognised when the security is quoted ex-dividend. Revenue from unquoted equity investments is recognised when the dividend is declared.

Dividend revenue from offshore reporting funds is recognised when the securities are quoted ex-dividend. Non-dividend revenue from offshore reporting funds is recognised when declared, and treated as revenue for taxation and distribution purposes. Dividends from UK Real Estate Investment Trusts ('REITs') are recognised as distributable revenue when the securities are quoted ex-dividend.

Dividends received from UK REITs are split into PID (Property Income Distributions) and Non-PID components for tax purposes. Revenue arising from UK REITs tax-exempt rental business is colloquially known as PID revenue and is taxable in the hands of the Fund. A UK REIT may also carry out activities that give rise to taxable profits and gains. It is from these that the REIT will make a Non-PID distribution. These are treated for tax purposes in the same way as dividends from UK companies.

Equalisation on distributions received is deducted from the cost of the investment. Distributions on investments in accumulation shares are recognised gross in the revenue statement, with a transfer being made from the capital property to the revenue property of the sub-fund. For the BMO MM Navigator Distribution Fund, the BMO MM Navigator Cautious Fund and the BMO MM Navigator Balanced Fund the equalisation is transferred to revenue and as such will form part of the distribution.

The sub-funds receive management fee rebates on their holdings of collective investment schemes. This management fee rebate is accrued within the sub-funds on a daily basis in line with the agreements held, and is recognised within the sub-funds as either revenue or capital, in line with where the management fee was paid from within the underlying fund.

Gains and losses, including exchange differences in the valuation of investments held at the balance sheet date, including unrealised exchange differences, are treated as capital.

Other revenue, including interest on bank balances, is accounted for on an accruals basis.

Any profit made on the issue or reissue of shares or cancellation of shares which it has redeemed, the ACD now pays the residual payment generated by the difference between bid and offer prices back to the sub-funds. No losses will be charged.

(c) Basis of valuation of investments

Listed investments of the sub-funds, other than BMO managed funds, have been valued at market value at 12pm on 30 August 2019. Market value is defined by the IMA SORP 2014 as fair value which generally is bid value of each security, excluding any accrued interest in the case of fixed and floating rate securities. Unlisted securities have been valued at a broker supplied price or such other price deemed appropriate by the Authorised Corporate Director. Any such prices are based on the Authorised Corporate Director's opinion of fair value with the intention of estimating market value and are disclosed within the notes to the financial statements of the relevant sub-fund.

For exchange traded Futures the fair value is the cost of closing out the contract at the balance sheet date.

Investments in single priced authorised and recognised funds managed by the BMO group companies have been valued at the single price as at 12pm on 30 August 2019.

(d) Deferred taxation

Deferred tax is provided on all timing differences that have originated but not reversed by the balance sheet date other than those differences regarded as permanent. Any liability to deferred tax is provided at the average rate of tax expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

Deferred tax assets are recognised only to the extent that it is more likely than not that there will be taxable profits from which underlying timing differences can be deducted.

(e) Current taxation

The charge for taxation is based at the current rate on taxable revenue for the period less allowable expenses. UK dividend income is disclosed net of any related tax credit. Overseas dividends are disclosed gross of any foreign tax suffered, with the tax element being separately disclosed in the taxation note.

as at 31 August 2019

(f) Distribution policy

The revenue on income shares is distributed to shareholders semi annually on the last business day of May and November, with the exception of the BMO MM Navigator Distribution Fund where Class M Income distributes every month with all other classes making quarterly distributions.. The revenue on accumulation shares is retained and reinvested and is reflected in the value of the shares. It is the policy of the sub-funds to pay dividend distributions.

(g) Authorised Corporate Director's charge

The ACD's periodic charge is charged to the revenue property of the individual sub-funds subject to the following exceptions: For the purposes of determining the distributions on BMO MM Navigator Balanced Fund, BMO MM Navigator Cautious Fund, BMO MM Navigator Distribution Fund and BMO MM Navigator Growth Fund (D Accumulation and S Accumulation class only) the ACD's periodic charge is borne by the capital property of the individual sub-funds.

The ACD considers that this treatment is justified on the basis that the Company's sub-funds are designed to generate revenue as well as capital growth.

(h) Expenses

All expenses are recognised on an accruals basis and are charged to the revenue property of the individual sub-funds with the exception of the expenses, such as handling charges, which relate to the purchases and sales of investments. These are charged to capital.

(i) Exchange rates

Transactions in overseas currencies are translated to Sterling at the rates of exchange ruling on the day of any such transaction. Foreign currency balances are converted to Sterling at the exchange rates applicable at the end of the accounting period.

(j) Allocation of revenue and expenses to multiple share classes

The allocation of revenue and expenses to each share class is based upon the proportion of the individual sub-fund's assets attributable to each share class on the day the revenue is earned or the expense is suffered. The Authorised Corporate Director's periodic charge, Registrar's fee and Accounting & Administration fees are specific expenses to each share class.

(k) Derivative contracts

The sub-funds may enter into permitted transactions such as derivative contracts or forward foreign currency transactions. Where these transactions are used to protect or enhance revenue, the revenue and expenses are included within net revenue in the Statement of Total Return.

Where the transactions are used to protect or enhance investments, the gains/losses are treated as capital and included within gains/losses on investments in the Statement of Total Return. Any open positions in these types of transactions at the year end are included in the Balance Sheet at their mark to market value and shown in the portfolio statement.

(l) Dilution adjustment

Pricing by the company is on a dual priced basis. However, as accounting records are on a mid-basis, adjustments are required to come back to the bid valuation. Using this methodology the sub-funds may apply a dilution adjustment, intended to cover certain dealing charges which could have a diluting effect on the performance of the sub-funds.

as at 31 August 2019

2. Equalisation

The quoted price of shares includes the value of securities and the revenue accrued up to that time, in respect of those securities.

When buyers purchase shares, the price they pay includes a sum not only to equate with the value of the securities comprised within that share, but also an amount to equate with the revenue included.

All shareholders in the same share class receive the same pence per share distribution, but those with Group 2 shares have their distribution partially made up of a return of the sum equating to the revenue content in the purchase price of their shares. This sum represents the average amount of revenue included in all Group 2 shares. It is deemed to be a return of capital, and as such is not liable to income tax. It must, however, be deducted from the cost of shares for capital gains tax purposes.

3. Financial instruments

In pursuing the investment objectives of the individual sub-funds' the Company may hold a number of financial instruments which comprise:

- Equity shares, collective investment schemes, equity related instruments, floating rate securities, fixed income securities and money market instruments which are held in accordance with the individual sub-funds' investment objectives and policies;
- Cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- Shareholders' funds which represent investors' monies, which are invested on their behalf;
- Short-term borrowings used to finance investment activity; and
- Derivative transactions which the individual sub-funds may also enter into, principally forward foreign currency contracts, futures and options, the purpose of which is to manage the currency and market risks arising from the individual sub-funds' investment activities and related financing.

It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments shall be undertaken to make short-term speculative gains.

The main risks arising from the Company's financial instruments are market price, foreign currency, liquidity, interest rate, credit and default risks. The ACD reviews policies for managing each of these risks and these are summarised below. These policies have remained unchanged since the beginning of the year to which these financial statements relate.

Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Company might suffer through holding market positions in the face of price movements.

The ACD monitors on a daily basis the asset allocation of the portfolio in order to minimise the risk associated with particular countries and industry sectors whilst continuing to follow the investment objective. An individual sub-fund manager has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameter and seeks to ensure that individual stocks also meet the risk reward profile that is acceptable.

Foreign currency risk

The revenue and capital value of the Company's investments can be significantly affected by currency translation movements as some of the Company's assets and revenue are denominated in currencies other than Sterling which is the Company's functional currency.

The ACD has identified three principal areas where foreign currency risk could impact the Company:

- Movements in rates affect the value of investments;
- Movements in rates affect short term timing differences; and
- Movements in rates affect the revenue received.

Currency exposure is monitored closely and is considered to be part of the overall investment process. Currency hedges via forward exchange contracts or futures will only be used in the event of a specific currency risk being identified.

The Company may be subject to short-term exposure to exchange rate movements, for instance, where there is a difference between the date an investment purchase or sale is entered into and the date when settlement of the proceeds occurs. The ACD may elect to hedge against this risk.

The Company receives revenue in currencies other than Sterling and the Sterling values of this revenue can be affected by movements in exchange rates. The ACD may elect to hedge against this risk.

as at 31 August 2019

Liquidity risk

The primary source of this risk to the Company is the liability to shareholders for any cancellation of shares. The Company's assets comprise mainly of readily realisable securities. If insufficient cash is available to finance shareholder redemptions then securities held by the Company may need to be sold.

The risk of low market liquidity, through reduced trading volumes, may affect the ability of the sub-fund to trade financial instruments at values indicated by market data vendors. From time to time, liquidity may also be affected by stock specific or economic events.

To manage these risks the Investment Manager undertakes detailed research to select appropriate investment opportunities in line with the Company's and individual sub-fund's objectives. All stocks are valued daily but those stocks identified as being less liquid are reviewed on a regular basis for pricing accuracy.

Interest rate risk

The individual sub-funds invest predominately in collective investment schemes and investments which neither pay interest nor have a maturity date. The individual sub-funds may also invest in fixed rate securities and floating rate securities, as well as fixed and floating rate deposits. Any change to the interest rates relevant for particular securities may result in either revenue increasing or decreasing or the ACD being unable to secure similar returns on the expiry of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held.

In general, if interest rates rise, the revenue potential of the individual sub-funds also rises, but the value of fixed rate securities will decline. A decline in interest rates will generally have the opposite effect.

Credit risk

The Company can invest in bonds that are at risk of default at any time.

If any individual company fails to perform well, the credit rating of the company may well fall and the bonds would fall in price. All investments are monitored internally and externally by a number of different agencies and assigned ratings, which often change over time. The Company closely monitors the ratings of the bonds within the portfolio.

Default risk

The Company can invest in bonds that are at risk of default at any time.

Bond defaults may be characterised by any missed or delayed payment of interest or principal, bankruptcy or breach of certain financial covenants that may render them financially distressed. This risk is minimised by regularly monitoring the bonds internally and externally through the ratings agencies.

Other risk

Certain transactions in securities that the Company enters into expose it to the risk that the counter-party will not deliver the investment (purchase) or cash (sale) after the Company has fulfilled its responsibilities.

The Company mainly deals, however, on a 'delivery versus payment' basis which reduces counter-party risk. The Company only buys and sells investments through brokers which have been approved by the ACD as an acceptable counter-party. In addition, limits are set as to the maximum exposure to any individual broker that may exist at any time; these limits are reviewed quarterly.

BMO Investment Funds (UK) ICVC VII

Notes to the Financial Statements applicable to all sub-funds

(continued)

as at 31 August 2019

Sensitivity analysis

	BMO MM Navigator Balanced Fund	BMO MM Navigator Boutiques Fund	BMO MM Navigator Cautious Fund	BMO MM Navigator Distribution Fund	BMO MM Navigator Growth Fund
Market Price Risk					
If market prices move by:	+/- 5%	+/- 5%	+/- 5%	+/- 5%	+/- 5%
then the impact on the portfolio will be:	+/- 4.8%	+/- 4.9%	+/- 4.6%	+/- 4.6%	+/- 4.6%
Foreign Currency Risk					
If FX rates move by:	+/- 5%	+/- 5%	+/- 5%	+/- 5%	+/- 5%
then the impact on the portfolio will be:	-0.8% / +0.8%	-2% / +2%	-0.5% / +0.5%	-0.6% / +0.6%	-1.2% / +1.2%
Interest Rate Risk					
If interest rates move by:	+/- 100bps	+/- 100bps	+/- 100bps	+/- 100bps	+/- 100bps
then the impact on the portfolio will be:	0.00%	0.00%	0.00%	0.00%	0.00%

- Stress tests are performed by truView - State Street's risk management platform.
- The method of calculation is full revaluation of assets given the shocks in underlying factors (inflation/rates etc).
- The shock levels used are standardised levels for reporting purposes.

Derivatives and forward transactions

All sub-funds may use financial derivative instruments for the purposes of investment as well as efficient portfolio management.

The following sub-funds entered into exchange traded derivatives during the year. The market value of the exchange traded derivatives (deemed to be futures contracts) and global exposure that exists through the open future contracts at 31 August 2019 were:

BMO MM Navigator Balanced Fund

	Market Value 31/08/2019 £000	Exposure 31/08/2019 £000	Market Value 31/08/2018 £000	Exposure 31/08/2018 £000
EURO STOXX 50 Futures September 2018	-	-	25	(2,373)
FTSE 100 Index Futures September 2018	-	-	39	(2,349)
S&P 500 E Mini Futures September 2018	-	-	(125)	(3,124)
FTSE 100 Index Futures September 2019	96	(2,299)	-	-
FTSE 250 Index Futures September 2019	20	(2,292)	-	-
Hang Seng Index Futures September 2019	(3)	(1,071)	-	-
Total	113	(5,662)	(61)	(7,846)

BMO MM Navigator Cautious Fund

	Market Value 31/08/2019 £000	Exposure 31/08/2019 £000	Market Value 31/08/2018 £000	Exposure 31/08/2018 £000
EURO STOXX 50 Futures September 2018	-	-	100	(9,282)
FTSE 100 Index Futures September 2018	-	-	151	(9,176)
S&P 500 E Mini Futures September 2018	-	-	(492)	(12,274)
FTSE 100 Index Futures September 2019	354	(7,752)	-	-
FTSE 250 Index Futures September 2019	78	(8,664)	-	-
Hang Seng Index Futures September 2019	(18)	(49,411)	-	-
Total	414	(65,827)	(241)	(30,732)

BMO Investment Funds (UK) ICVC VII

Notes to the Financial Statements applicable to all sub-funds

(continued)

as at 31 August 2019

BMO MM Navigator Distribution Fund

	Market Value 31/08/2019 £000	Exposure 31/08/2019 £000	Market Value 31/08/2018 £000	Exposure 31/08/2018 £000
EURO STOXX 50 Futures September 2018	-	-	323	(30,369)
FTSE 100 Index Futures September 2018	-	-	876	(53,145)
S&P 500 E Mini Futures September 2018	-	-	(1,280)	(41,502)
FTSE 100 Index Futures September 2019	805	(30,651)	-	-
FTSE 250 Index Futures September 2019	(42)	(22,440)	-	-
Hang Seng Index Futures September 2019	(48)	(127,207)	-	-
Total	715	(180,298)	(81)	(125,016)

BMO MM Navigator Growth Fund

	Market Value 31/08/2019 £000	Exposure 31/08/2019 £000	Market Value 31/08/2018 £000	Exposure 31/08/2018 £000
EURO STOXX 50 Futures September 2018	-	-	30	(2,733)
S&P 500 E Mini Futures September 2018	-	-	(116)	(2,901)
FTSE 100 Index Futures September 2019	(9)	(2,345)	-	-
FTSE 250 Index Futures September 2019	9	(2,642)	-	-
Hang Seng Index Futures September 2019	(3)	(9,462)	-	-
Total	(3)	(14,449)	(86)	(5,634)

Goldman Sachs International was the counterparty for these transactions (31/08/18: Goldman Sachs International).

Margin is paid or received on futures contracts to cover any exposure by the counterparty to the sub-fund or by the sub-fund to the counterparty. Cash and bank balances include cash and margin receivable from the sub-funds' clearing brokers and Goldman Sachs International. These amounts are included within "Amounts held at futures clearing and brokers" shown in note 9.

The numerical disclosures required by FRS 102 are shown within each individual sub-fund's Financial Statements and can be found on the pages indicated below.

	Page
BMO MM Navigator Balanced Fund	35
BMO MM Navigator Boutiques Fund	52
BMO MM Navigator Cautious Fund	74
BMO MM Navigator Distribution Fund	98
BMO MM Navigator Growth Fund	120

for the year ended 31 August 2019

Fund Objective

The Fund aims to achieve capital growth with some income.

The Fund invests primarily in a range of collective investment schemes and closed ended funds in order to gain exposure to a diversified portfolio of primarily equities and fixed interest securities.

The schemes and funds in which the Fund invests may include schemes or funds managed by the ACD or an associate of the ACD.

The underlying equity component may include shares of companies anywhere in the world and in any industry sector. There may be an element of currency exposure.

The underlying fixed interest component may include government and corporate bonds and other debt instruments from issuers anywhere in the world (which may include emerging market and high yield bonds). There may be an element of currency exposure.

To the extent that the Fund is not fully invested in collective investment schemes, the Fund may also invest in other transferable securities, money market instruments, warrants, deposits, cash and near cash.

The Fund may use derivatives for investment purposes as well as for efficient portfolio management.

Synthetic Risk and Reward Indicator

The Synthetic Risk and Reward Indicator ("SRRI"), is calculated in accordance with the Key Investor Information Regulations and is disclosed in a fund's KIIDs (Key Investor Information Documents). It is calculated from the last five years' performance data and shows the historic volatility of the Fund and is updated periodically. The SRRI is reported against standard bands ranging from 1 (lower risk/reward) to 7 (higher risk/reward). This classification is intended as a general indication of the overall level of risk of a fund in order to facilitate comparisons between funds.

The most recent value of the SRRI for the Fund was 4, published on 28 January 2019. From the most recent review it has been determined that this is still appropriate.

A fuller explanation of the SRRI and the risk and reward profile of the Fund is contained in the Fund's KIIDs.

Fund manager	Gary Potter & Robert Burdett
Fund size	£111.6 million
Launch date	1 October 2007

Manager's Review

Shares in the portfolio produced a negative return of -0.8% in the twelve months to 31 August 2019. While equities weakened around the end of 2018, reflecting weaker growth around the world and the escalating US-China trade war, global stocks rebounded in 2019 on the back of a more dovish stance from major central banks. The US Federal Reserve (Fed) continued to increase interest rates to a peak of 2.50% at its December 2018 meeting. However, the Fed struck an increasingly dovish tone as 2019 progressed and cut interest rates by 0.25% to 2.25% following its July 2019 policy meeting. With other central banks also looking to ease monetary policy, the prospect of lower interest rates pushed down yields on government bonds in developed markets, including record low, negative rates for German bunds. Brent crude oil futures fell over the period, moving from \$77 to \$60 per barrel, pressured by robust US production and concerns on demand given a weakening global economic outlook. Gold prices rose from \$1,200 to \$1,519 per ounce, supported by the worries over global growth and increasingly loose monetary policy. As the period progressed, survey data suggested Brexit uncertainty was weighing on business and consumer sentiment. The UK economy contracted by 0.2% in the second quarter of 2019, as manufacturing activity was hit by the unwinding of Brexit related stockpiling. Worries about a no-deal Brexit increased after Boris Johnson was appointed as UK prime minister in July and the EU rejected his calls to scrap the Irish backstop.

We retained our focus on maintaining a portfolio that was well diversified across geographies, fund management companies and individual funds. From a geographic perspective there was little change over the period and we continued to tilt the portfolio towards areas where we believe the investment prospects to be brightest. These adjustments are typically modest in nature however, and it remains our expectation that the performance of the funds we pick rather than any asset allocation stances will be the key driver of returns.

In terms of underlying holdings, among the changes was the sale of our holding in the Hermes Global Emerging Markets fund to finance the previous purchase of Oppenheimer Emerging Markets Innovators. We sold the holding of Aptus Global Financials to fund a new position in H2O MultiReturns, an absolute-return fund. We sold JOHCM UK Growth fund with the proceeds invested into a new holding in the Heronbridge UK Equity fund. We switched Schroder European Alpha Plus into Odey Continental European, a high conviction stock-picking fund, and Crux European Special Situation fund into Miton European Opportunities fund, with its bias towards medium-sized business with superior growth potential. In the fixed income holdings, TwentyFour Dynamic Bond and Barings Emerging Markets Debt Blended Total Return Bond funds were both sold, with proceeds invested into a new holding in Liontrust Strategic Bond fund. We sold Schroder Japan Opportunities, with proceeds split across existing Japanese holdings and a new investment into the UI Alpha Max Japan fund.

for the year ended 31 August 2019

We increasingly believe a coordinated monetary and fiscal response is the way to address ailing economic growth and inflation. Whilst the divide between mainstream political parties may be optically as large as it has been for a few decades, there's one policy which seemingly is uniting them all: spending money. With financing costs at historically low levels, as described above, a countercyclical fiscal response would appear more attractive than ever for governments to kickstart developed market economies. In terms of our views and positioning we remain relatively cautious on the outlook. The portfolios continue to be slightly underweight in equities and fixed income, with the balance held across alternative and absolute return portfolios as well as gold and cash. In terms of regions, we are not expressing particularly strong views but remain underweight the UK and close to neutral on Europe and the US, as well as Asia and the emerging markets. We continue to see Japan as relatively attractive, and this region remains an overweight. Equity markets have recovered well from the lows at the start of the year, with the S&P500, for example, close to record highs set earlier in the summer. Political risks remain elevated though and the concerns we have over the economic data are increasing. It is clear that the central banks continue to be supportive. However, we are not convinced that monetary easing alone will be sufficient to offset accelerating economic weakness and with markets seemingly seeing the positive in everything once again, it feels to us that there is a little too much complacency out there given the ongoing political and economic risks. Though we accept that the markets may well continue to focus on the prospects for monetary easing in the short term, the impact of the slowing economy on the corporate data will likely weigh on sentiment again at some point in the near future.

BMO Fund Management Limited
8 October 2019

BMO MM Navigator Balanced Fund

Portfolio Statement

as at 31 August 2019

	Holdings	Market Value £000	Total Net Assets %
ASIA (6.64%*)†		7,558	6.78
Prusik Asian Equity Income Fund X Inc USD	23,695	3,246	2.91
TT Asia EX Japan Equity Fund A2 Acc USD	607,924	4,312	3.87
EMERGING MARKETS (4.50%*)†		1,616	1.45
TT Emerging Markets Unconstrained Fund A Inc USD	144,500	1,616	1.45
EUROPE (10.76%*)		13,286	11.91
LF Miton European Opportunities Fund B Acc	1,527,280	3,070	2.75
LF Odey Continental European Fund I Acc	1,431,268	2,611	2.34
Magallanes European Equity I Acc GBP	29,007	2,517	2.26
Memnon European Equity Fund I Acc	28,780	5,088	4.56
FIXED INTEREST (8.10%*)		17,048	15.28
Janus Henderson Strategic Bond Fund I Acc	2,488,293	9,090	8.15
Legg Mason Western Asset Macro Opportunities Bond Fund A Acc GBP Hedged	36,185	4,471	4.01
Liontrust Strategic Bond Fund M Inc	3,356,568	3,487	3.12
JAPAN (5.37%*)		5,910	5.30
Coupland Cardiff Japan Alpha Fund C Acc JPY	98,251	1,157	1.04
LF Morant Wright Nippon Yield Fund B Acc	748,000	3,083	2.76
UI Alpha Max Japan I JPY Acc	22,315	1,670	1.50
NORTH AMERICA (8.72%*)		12,695	11.38
Artemis US Extended Alpha Fund I Acc	2,557,926	6,202	5.56
Findlay Park American Fund Inc USD	61,680	6,493	5.82
SPECIALIST (19.84%*)		15,123	13.56
Conventum Lyrical Fund I Acc USD	28,438	4,884	4.38
Darwin Leisure Development Fund A Acc**	2,632,559	3,133	2.81
GCP Infrastructure Investments Fund	1,604,079	2,015	1.81
iShares Physical Gold	92,379	2,267	2.03
Majedie Tortoise Fund G Acc	1,780,418	2,824	2.53
UNITED KINGDOM (34.34%*)		38,282	34.31
GVQ UK Focus Fund I Inc	164,247	4,635	4.15
H2O MultiReturns Fund I Acc GBP	1,615,902	2,889	2.59
Heronbridge UK Equity Fund A Inc	189,773	5,706	5.12
Majedie UK Focus Fund X Acc	3,679,500	7,431	6.66
Man GLG UK Absolute Value Fund Professional CX Acc	2,438,442	2,885	2.59
Man GLG Undervalued Assets Fund D Inc GBP	4,698,994	6,314	5.66
Merian UK Dynamic Equity Fund R Inc	723,334	3,272	2.93
Merian UK Specialist Equity Fund R Acc	332,120	4,076	3.65
River & Mercantile UK Micro Cap Investment Fund	701,916	1,074	0.96

BMO MM Navigator Balanced Fund

Portfolio Statement

(continued)

as at 31 August 2019

	Holdings	Market Value £000	Total Net Assets %
DERIVATIVES (0.17%*)		113	0.10
Futures			
FTSE 100 Index Futures September 2019	(32)	96	0.08
FTSE 250 Index Futures September 2019	(59)	20	0.02
Hang Seng Index Futures September 2019	(8)	(3)	-
Portfolio of investments[^]		111,631	100.07
Net other liabilities		(79)	(0.07)
Total net assets		111,552	100.00

All investments are approved securities as defined in the Collective Investment Schemes sourcebook unless otherwise stated.

* Comparative figures shown in brackets relate to 31 August 2018.

** Unlisted investments.

[^] Including derivative liabilities.

† Comparative figures have been restated due to reallocation of TT Asia EX Japan Equity Fund A2 Acc USD.

BMO MM Navigator Balanced Fund

Material Portfolio Changes

for the year ended 31 August 2019

	Cost		Proceeds
Major purchases	£000	Major sales	£000
EURO STOXX 50 Futures June 2019	5,871	EURO STOXX 50 Futures June 2019	5,548
Janus Henderson Strategic Bond Fund I Acc	5,593	Legg Mason Western Asset Macro Opportunities Bond Fund A Inc USD	5,363
EURO STOXX 50 Futures March 2019	5,136	EURO STOXX 50 Futures March 2019	4,951
Heronbridge UK Equity Fund A Inc	5,100	Legg Mason Western Asset Macro Opportunities Bond Fund A Acc GBP Hedged	4,694
Legg Mason Western Asset Macro Opportunities Bond Fund A Acc GBP Hedged	4,753	FTSE 100 Index Futures September 2019	4,630
Legg Mason Western Asset Macro Opportunities Bond Fund A Inc USD	4,682	J O Hambro Capital Management UK Growth Fund A Inc	4,620
EURO STOXX 50 Futures September 2018	3,603	Schroder Japanese Opportunities A Acc JPY	4,541
Liontrust Strategic Bond Fund M Inc	3,390	FP Crux European Special Situations Fund I Acc	4,286
EURO STOXX 50 Futures December 2018	3,329	Schroder European Alpha Plus Fund Z Acc	3,984
LF Morant Wright Nippon Yield Fund B Acc	3,192	EURO STOXX 50 Futures December 2018	3,583

Purchases and sales of Futures have been included at the value of their exposure.

BMO MM Navigator Balanced Fund

Comparative Tables

as at 31 August 2019

	31/08/19 (p)	31/08/18 (p)	31/08/17 (p)
Share Class 4 - Accumulation			
Change in net assets per share			
Opening net asset value per share	185.68	179.69	155.39
Return before operating charges*	1.59	7.96	26.02
Operating charges	(1.94)	(1.97)	(1.72)
Return after operating charges*	(0.35)	5.99	24.30
Distributions	(2.46)	(1.89)	(2.02)
Retained distributions on accumulation shares	2.46	1.89	2.02
Closing net asset value per share	185.33	185.68	179.69
*after direct transaction costs of:	0.02	0.01	0.01
Performance			
Return after charges	(0.19)%	3.33%	15.64%
Other information			
Closing net asset value (£'000)	22,612	25,009	26,281
Closing number of shares	12,200,498	13,469,291	14,626,168
Operating charges	1.08%	1.08%	1.02%
Direct transaction costs**	0.01%	0.01%	0.00%
Prices			
Highest share price	190.00	188.20	180.30
Lowest share price	167.40	176.30	154.10

**Dilution adjustment has not been deducted within direct transaction costs.

BMO MM Navigator Balanced Fund

Comparative Tables

(continued)

as at 31 August 2019

	31/08/19 (p)	31/08/18 (p)	31/08/17 (p)
Share Class A - Accumulation			
Change in net assets per share			
Opening net asset value per share	168.26	165.12	144.81
Return before operating charges*	1.58	7.43	24.22
Operating charges	(4.16)	(4.29)	(3.91)
Return after operating charges*	(2.58)	3.14	20.31
Distributions	(2.21)	(1.72)	(1.88)
Retained distributions on accumulation shares	2.21	1.72	1.88
Closing net asset value per share	165.68	168.26	165.12
*after direct transaction costs of:	0.02	0.01	0.01
Performance			
Return after charges	(1.53)%	1.90%	14.03%
Other information			
Closing net asset value (£'000)	26,227	28,944	30,822
Closing number of shares	15,830,291	17,201,891	18,667,040
Operating charges	2.57%	2.58%	2.52%
Direct transaction costs**	0.01%	0.01%	0.00%
Prices			
Highest share price	170.00	170.60	174.10
Lowest share price	151.00	160.70	143.40

**Dilution adjustment has not been deducted within direct transaction costs.

BMO MM Navigator Balanced Fund

Comparative Tables

(continued)

as at 31 August 2019

	31/08/19 (p)	31/08/18 (p)	31/08/17 (p)
Share Class A - Income			
Change in net assets per share			
Opening net asset value per share	147.14	145.87	129.43
Return before operating charges*	1.36	6.58	21.59
Operating charges	(3.63)	(3.79)	(3.48)
Return after operating charges*	(2.27)	2.79	18.11
Distributions on income shares	(1.93)	(1.52)	(1.67)
Closing net asset value per share	142.94	147.14	145.87
*after direct transaction costs of:	0.01	0.01	0.01
Performance			
Return after charges	(1.54)%	1.91%	13.99%
Other information			
Closing net asset value (£'000)	2,302	2,601	2,874
Closing number of shares	1,610,599	1,767,648	1,970,280
Operating charges	2.57%	2.58%	2.52%
Direct transaction costs**	0.01%	0.01%	0.00%
Prices			
Highest share price	147.80	150.60	154.60
Lowest share price	132.00	141.40	128.20

**Dilution adjustment has not been deducted within direct transaction costs.

BMO MM Navigator Balanced Fund

Comparative Tables

(continued)

as at 31 August 2019

	31/08/19 (p)	31/08/18 (p)	31/08/17 (p)
Share Class C - Accumulation			
Change in net assets per share			
Opening net asset value per share	90.73	88.40	76.97
Return before operating charges*	0.84	3.96	12.91
Operating charges	(1.60)	(1.63)	(1.48)
Return after operating charges*	(0.76)	2.33	11.43
Distributions	(1.20)	(0.94)	(1.00)
Retained distributions on accumulation shares	1.20	0.94	1.00
Closing net asset value per share	89.97	90.73	88.40
*after direct transaction costs of:	0.01	-	-
Performance			
Return after charges	(0.84)%	2.64%	14.85%
Other information			
Closing net asset value (£'000)	53,857	57,392	46,469
Closing number of shares	59,863,585	63,257,566	52,569,246
Operating charges	1.83%	1.83%	1.78%
Direct transaction costs**	0.01%	0.01%	0.00%
Prices			
Highest share price	92.27	91.97	88.71
Lowest share price	81.61	86.40	76.29

**Dilution adjustment has not been deducted within direct transaction costs.

BMO MM Navigator Balanced Fund

Comparative Tables

(continued)

as at 31 August 2019

	31/08/19 (p)	31/08/18 (p)	31/08/17 (p)
Share Class C - Income			
Change in net assets per share			
Opening net asset value per share	83.70	82.40	72.60
Return before operating charges*	0.74	3.70	12.13
Operating charges	(1.47)	(1.52)	(1.39)
Return after operating charges*	(0.73)	2.18	10.74
Distributions on income shares	(1.10)	(0.88)	(0.94)
Closing net asset value per share	81.87	83.70	82.40
*after direct transaction costs of:	0.01	-	-
Performance			
Return after charges	(0.87)%	2.65%	14.79%
Other information			
Closing net asset value (£'000)	6,172	6,764	6,060
Closing number of shares	7,538,810	8,082,065	7,354,391
Operating charges	1.83%	1.83%	1.78%
Direct transaction costs**	0.01%	0.01%	0.00%
Prices			
Highest share price	84.61	85.35	83.13
Lowest share price	75.28	80.17	71.96

**Dilution adjustment has not been deducted within direct transaction costs.

BMO MM Navigator Balanced Fund

Comparative Tables

(continued)

as at 31 August 2019

	31/08/19 (p)	31/08/18 (p)	31/08/17 (p)
Share Class D - Accumulation			
Change in net assets per share			
Opening net asset value per share	62.88	61.42	53.51
Return before operating charges*	0.58	2.75	9.10
Operating charges	(1.26)	(1.29)	(1.19)
Return after operating charges*	(0.68)	1.46	7.91
Distributions	(0.83)	(0.65)	(0.89)
Retained distributions on accumulation shares	0.83	0.65	0.89
Closing net asset value per share	62.20	62.88	61.42
*after direct transaction costs of:	0.01	-	-
Performance			
Return after charges	(1.08)%	2.38%	14.78%
Other information			
Closing net asset value (£'000)	315	347	355
Closing number of shares	506,128	551,303	577,850
Operating charges	2.08%	2.08%	2.04%
Direct transaction costs**	0.01%	0.01%	0.00%
Prices			
Highest share price	63.81	63.75	61.64
Lowest share price	56.51	59.94	53.06

**Dilution adjustment has not been deducted within direct transaction costs.

BMO MM Navigator Balanced Fund

Comparative Tables

(continued)

as at 31 August 2019

	31/08/19 (p)	31/08/18 (p)	31/08/17 (p)
Share Class D - Income			
Change in net assets per share			
Opening net asset value per share	61.31	60.50	53.51
Return before operating charges*	0.55	2.71	9.03
Operating charges	(1.22)	(1.27)	(1.19)
Return after operating charges*	(0.67)	1.44	7.84
Distributions on income shares	(0.81)	(0.63)	(0.85)
Closing net asset value per share	59.83	61.31	60.50
*after direct transaction costs of:	0.01	-	-
Performance			
Return after charges	(1.09)%	2.38%	14.65%
Other information			
Closing net asset value (£'000)	67	70	80
Closing number of shares	111,922	113,586	131,625
Operating charges	2.07%	2.08%	2.05%
Direct transaction costs**	0.01%	0.01%	0.00%
Prices			
Highest share price	61.85	62.58	61.04
Lowest share price	55.11	58.79	53.06

**Dilution adjustment has not been deducted within direct transaction costs.

BMO MM Navigator Balanced Fund

Statement of Total Return

for the year ended 31 August 2019

	Notes	01/09/18 to 31/08/19		01/09/17 to 31/08/18	
		£000	£000	£000	£000
Income					
Net capital (losses)/gains	2		(1,992)		2,693
Revenue	3	1,842		1,482	
Expenses	4	(1,101)		(1,126)	
Interest payable and similar charges	6	-		(2)	
Net revenue before taxation		741		354	
Taxation	5	-		-	
Net revenue after taxation			741		354
Total return before distributions			(1,251)		3,047
Distributions	6		(1,555)		(1,219)
Change in net assets attributable to shareholders from investment activities			(2,806)		1,828

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 August 2019

	01/09/18 to 31/08/19		01/09/17 to 31/08/18	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		121,127		112,941
Amounts receivable on creation of shares	4,611		13,267	
Amounts payable on cancellation of shares	(12,794)		(8,051)	
		(8,183)		5,216
Dilution adjustment		10		8
Change in net assets attributable to shareholders from investment activities		(2,806)		1,828
Retained distribution on accumulation shares		1,404		1,132
Unclaimed distributions		-		2
Closing net assets attributable to shareholders		111,552		121,127

Notes to the Financial Statements are on pages 31 to 36.

BMO MM Navigator Balanced Fund

Balance Sheet

as at 31 August 2019

	Notes	31/08/19 £000	31/08/18 £000
Assets			
Investments		111,634	119,363
Current assets			
Debtors	8	107	384
Cash and bank balances	9	107	2,034
Total assets		111,848	121,781
Liabilities			
Investment liabilities		(3)	(125)
Creditors			
Bank overdrafts		-	(236)
Distribution payable		(66)	(56)
Other creditors	10	(227)	(237)
Total liabilities		(296)	(654)
Net assets attributable to shareholders		111,552	121,127

Notes to the Financial Statements are on pages 31 to 36.

Notes to the Financial Statements

as at 31 August 2019

1. Accounting policies

Please see pages 11 and 12 for accounting policies.

2. Net capital (losses)/gains

The net capital (losses)/gains during the year comprise:

	01/09/18 to 31/08/19 £000	01/09/17 to 31/08/18 £000
Non-derivative securities*	(2,479)	3,179
Derivative contracts*	438	(551)
Forward foreign exchange currency contracts*	(5)	8
Currency losses*	(19)	(23)
Rebate of capital management fees from underlying investments	61	63
Handling charges	(1)	(1)
Box profit	13	18
Net capital (losses)/gains	(1,992)	2,693

*Includes realised gains of £5,480,734 and unrealised losses of £7,545,920 (31/08/18: realised gains of £3,708,399 and unrealised losses of £1,095,426).

3. Revenue

	01/09/18 to 31/08/19 £000	01/09/17 to 31/08/18 £000
Overseas taxable revenue	7	(8)
Overseas non-taxable revenue	132	131
Distributions from Regulated Collective Investment Schemes:		
Franked investment income	544	371
Unfranked investment income	8	11
Interest distributions	223	191
Offshore distribution taxable	259	231
Offshore distribution non-taxable	546	454
Bank interest	2	1
Rebate of revenue management fees from underlying investments	122	101
Interest on amounts held at futures clearing houses and brokers*	(1)	(1)
Total revenue	1,842	1,482

*Interest on amounts held at futures clearing houses and brokers shown are the net position of amount paid and received during the year.

Notes to the Financial Statements

(continued)

as at 31 August 2019

4. Expenses

Payable to the ACD, associates of the ACD, and agents of either of them:

ACD's periodic charge

01/09/18 to 31/08/19 £000	01/09/17 to 31/08/18 £000
---------------------------------	---------------------------------

898	933
-----	-----

Payable to the Depositary, associates of the Depositary, and agents of either of them:

Depositary's fee

20	21
----	----

Other expenses:

Administration costs

19	20
----	----

AIFMD fee

10	9
----	---

Audit fee

14	14
----	----

EMX fees

5	9
---	---

KIID publication costs

2	1
---	---

Legal fee

11	1
----	---

Registrar's fees

121	117
-----	-----

Report & accounts printing costs

1	1
---	---

183	172
-----	-----

Total expenses

1,101	1,126
-------	-------

Expenses include irrecoverable VAT where applicable.

The PwC audit fee for the year, exclusive of VAT, is £11,800 (31/08/18: £11,800)

5. Taxation

01/09/18 to 31/08/19 £000	01/09/17 to 31/08/18 £000
---------------------------------	---------------------------------

(a) Analysis of charge in year:

There is no corporation tax charge in the current year or prior year.

(b) Factors affecting current tax charge for the year:

The tax assessed for the year is lower than (2018: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2018: 20%). The differences are explained below:

Net revenue before taxation

741	354
-----	-----

Corporation tax of 20% (2018: 20%)

148	71
-----	----

Effects of:

UK dividends*

(109)	(74)
-------	------

Overseas non-taxable revenue*

(135)	(117)
-------	-------

Movement in excess management expenses

83	106
----	-----

Expenses not deductible for tax purposes

1	1
---	---

Tax on capital management fee rebate

12	13
----	----

Total tax charge for the year

-	-
---	---

As an authorised OEIC these items are not subject to corporation tax. UK dividends comprise franked investment income.Open Ended Investment Companies are exempt from tax on capital gains, subject to certain exceptions. Therefore, any capital return is not included within the above reconciliation.*

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £705,313 (31/08/18: £622,163) relating to surplus management expenses. No deferred tax asset was recognised in the current or prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

Notes to the Financial Statements

(continued)

as at 31 August 2019

6. Finance costs**Distributions and interest**

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	01/09/18 to 31/08/19 £000	01/09/17 to 31/08/18 £000
Interim dividend distributions	672	517
Final dividend distributions	850	714
	<hr/> 1,522	<hr/> 1,231
Add: Revenue deducted on cancellation of shares	47	20
Deduct: Revenue received on creation of shares	(14)	(32)
Net distributions for the year	<hr/> 1,555	<hr/> 1,219
Bank interest	-	2
Total finance costs	<hr/> 1,555	<hr/> 1,221

Details of the distribution per share is set out in the Distribution Tables on pages 37 to 38.

7. Movement between net revenue and net distributions

	01/09/18 to 31/08/19 £000	01/09/17 to 31/08/18 £000
Net revenue after taxation	741	354
ACD's periodic charge taken to capital	898	933
Tax effect on ACD's periodic charge	(84)	(68)
Net distributions for the year	<hr/> 1,555	<hr/> 1,219

8. Debtors

	31/08/19 £000	31/08/18 £000
Amounts receivable for issue of shares	25	249
Accrued revenue	24	71
Accrued ACD fee rebates	54	35
Income tax recoverable	4	29
Total debtors	<hr/> 107	<hr/> 384

9. Cash and bank balances

	31/08/19 £000	31/08/18 £000
Cash and bank balances	5	1,317
Amounts held at futures clearing houses and brokers	102	717
Total cash and bank balances	<hr/> 107	<hr/> 2,034

10. Other creditors

	31/08/19 £000	31/08/18 £000
Amounts payable for cancellation of shares	101	77
Accrued expenses	53	78
Accrued ACD's periodic charge	73	82
Total other creditors	<hr/> 227	<hr/> 237

Notes to the Financial Statements

(continued)

as at 31 August 2019

11. Portfolio transaction costs

	Purchases		Sales	
	01/09/18 to 31/08/19	01/09/17 to 31/08/18	01/09/18 to 31/08/19	01/09/17 to 31/08/18
	£000	£000	£000	£000
Collective Investment Schemes	50,336	44,366	56,125	35,036
Commissions				
Collective Investment Schemes	-	1	(1)	(4)
Taxes				
Collective Investment Schemes	-	-	(10)	-
Total costs	-	1	(11)	(4)
Total net trades in the year after transaction costs	50,336	44,367	56,114	35,032

Total transaction cost expressed as a percentage of asset type cost.

	Purchases		Sales	
	01/09/18 to 31/08/19	01/09/17 to 31/08/18	01/09/18 to 31/08/19	01/09/17 to 31/08/18
	%	%	%	%
Commissions				
Collective Investment Schemes	-	-	-	0.01
Taxes				
Collective Investment Schemes	-	-	0.02	-

Total transaction cost expressed as a percentage of average net asset value.

	01/09/18 to 31/08/19	01/09/17 to 31/08/18
	%	%
Commissions	-	0.01
Taxes	0.01	-
Total costs	0.01	0.01

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.02% (31/08/18: 0.05%).

12. Related party transactions

BMO Fund Management Limited, as Authorised Corporate Director (ACD), is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue, and paid on cancellation are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts due to, or from, BMO Fund Management Limited at the end of the accounting year are disclosed in notes 10 and 8 respectively.

Amounts payable to BMO Fund Management Limited in respect of fund management are disclosed in note 4 and amounts due at the end of the year in note 10.

The ACD is also the ACD or Manager for other authorised funds and those funds may invest in each other where this is within the investment objectives of the investing fund. Such transactions will be conducted on an arm's length basis within the regulations and the terms of the prospectus. No such transactions were entered into during the current year.

Notes to the Financial Statements

(continued)

as at 31 August 2019

13. Shareholders' funds

The Fund has four share classes in issue: Class 4, Class A, Class C, Class D.

The ACD's periodic charge on each share class is as follows:

	%
Share Class 4 - Accumulation:	-
Share Class A - Accumulation:	1.50
Share Class A - Income:	1.50
Share Class C - Accumulation:	0.75
Share Class C - Income:	0.75
Share Class D - Accumulation:	1.00
Share Class D - Income:	1.00

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative Tables on pages 22 to 28.

The distributions per share class are given in the Distribution Tables on pages 37 to 38.

All share classes have the same rights on winding up.

Reconciliation of the shares movement in the year:

	01/09/18				31/08/19
	Opening shares in issue	Creations	Cancellations	Shares converted	Closing shares in issue
Share Class 4 - Accumulation:	13,469,291	30,578	(1,299,371)	-	12,200,498
Share Class A - Accumulation:	17,201,891	519,672	(1,815,614)	(75,658)	15,830,291
Share Class A - Income:	1,767,648	59,616	(186,685)	(29,980)	1,610,599
Share Class C - Accumulation:	63,257,566	3,555,328	(7,075,870)	126,561	59,863,585
Share Class C - Income:	8,082,065	696,844	(1,295,348)	55,249	7,538,810
Share Class D - Accumulation:	551,303	2,188	(62,339)	14,976	506,128
Share Class D - Income:	113,586	181	(1,845)	-	111,922

14. Capital commitments and contingent liabilities

On 31 August 2019, the Fund had no capital commitments (31/08/18: £nil) and no contingent liabilities (31/08/18: £nil).

15. Financial instruments

The analysis and tables provided below refer to the narrative and numerical disclosure on 'Financial Instruments Risks' on pages 13 to 16.

Currency exposure

A substantial proportion of the financial net assets of the Fund are denominated in currencies other than Sterling with the effect that the balance sheet and total return can be significantly affected by currency movements.

As at 31 August the Fund had the following net currency exposure (excluding Sterling):

	Currency exposure 31/08/19	Currency exposure 31/08/18
Currency	Total £000	Total £000
Euro	-	12
Hong Kong dollar	11	-
Japanese yen	2,827	6,499
US dollar	20,551	20,631
Total	<u>23,389</u>	<u>27,142</u>

Notes to the Financial Statements

(continued)

as at 31 August 2019

Interest rate risk profile of financial assets and liabilities

The Fund's net cash holding of £0.107m (31/08/18: holding £1.798m) is held in a floating rate deposit account. Interest is earned by reference to LIBOR Indices for all USD, EUR, GBP, CHF and JPY currencies as determined by the British Bankers Association. For all other currencies interest is earned by reference to their international benchmark equivalents.

Maturity of financial liabilities

The financial liabilities of the Fund as at 31 August 2019 are payable either within one year or on demand, as were the financial liabilities of the previous year ended 31 August 2018.

Fair values of financial assets and liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet and their fair value.

16. Fair value

For financial instruments held at fair value in the balance sheet, the Fund is required to disclose for each class of financial instrument, an analysis of the level in the fair value hierarchy (as set out in FRS 102 paragraph 11.27) into which the fair value measurements are categorised. The three levels of the fair value hierarchy under FRS 102 are as follows:

Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date;

Level 2 Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly;

Level 3 Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Valuation technique	31/08/19		31/08/18	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	5,472	(3)	6,006	(125)
Level 2	103,029	-	113,357	-
Level 3*	3,133	-	-	-
Total fair value	111,634	(3)	119,363	(125)

*The level 3 holding is Darwin Leisure Development Fund A Acc.

BMO MM Navigator Balanced Fund

Distribution Tables

for the year ended 31 August 2019

Distribution in pence per share

Share Class 4 - Accumulation

28/02/19: Group 1: Shares purchased prior to 1 September 2018

31/08/19: Group 1: Shares purchased prior to 1 March 2019

	Net revenue	Equalisation	Distributions paid/payable to 30/11/19	Distributions paid to 30/11/18
Group 1	(p)	(p)	(p)	(p)
28/02/19	1.0505	-	1.0505	0.7947
Final	1.4087	-	1.4087	1.0926
Group 2	(p)	(p)	(p)	(p)
28/02/19	1.0505	-	1.0505	0.7947
Final	1.0754	0.3333	1.4087	1.0926

Group 2: Shares purchased from 1 September 2018 to 28 February 2019

Group 2: Shares purchased from 1 March 2019 to 31 August 2019

Share Class A - Accumulation

28/02/19: Group 1: Shares purchased prior to 1 September 2018

31/08/19: Group 1: Shares purchased prior to 1 March 2019

	Net revenue	Equalisation	Distributions paid/payable to 30/11/19	Distributions paid to 30/11/18
Group 1	(p)	(p)	(p)	(p)
28/02/19	0.9511	-	0.9511	0.7261
Final	1.2634	-	1.2634	0.9932
Group 2	(p)	(p)	(p)	(p)
28/02/19	0.5572	0.3939	0.9511	0.7261
Final	0.6534	0.6100	1.2634	0.9932

Group 2: Shares purchased from 1 September 2018 to 28 February 2019

Group 2: Shares purchased from 1 March 2019 to 31 August 2019

Share Class A - Income

28/02/19: Group 1: Shares purchased prior to 1 September 2018

31/08/19: Group 1: Shares purchased prior to 1 March 2019

	Net revenue	Equalisation	Distributions paid/payable to 30/11/19	Distributions paid to 30/11/18
Group 1	(p)	(p)	(p)	(p)
28/02/19	0.8287	-	0.8287	0.6464
Final	1.0983	-	1.0983	0.8736
Group 2	(p)	(p)	(p)	(p)
28/02/19	0.3977	0.4310	0.8287	0.6464
Final	0.6778	0.4205	1.0983	0.8736

Group 2: Shares purchased from 1 September 2018 to 28 February 2019

Group 2: Shares purchased from 1 March 2019 to 31 August 2019

BMO MM Navigator Balanced Fund

Distribution Tables

(continued)

for the year ended 31 August 2019

Share Class C - Accumulation

28/02/19: Group 1: Shares purchased prior to 1 September 2018

31/08/19: Group 1: Shares purchased prior to 1 March 2019

	Net revenue	Equalisation	Distributions paid/payable to 30/11/19	Distributions paid to 30/11/18
Group 1	(p)	(p)	(p)	(p)
28/02/19	0.5141	-	0.5141	0.4019
Final	0.6848	-	0.6848	0.5346
Group 2	(p)	(p)	(p)	(p)
28/02/19	0.2629	0.2512	0.5141	0.4019
Final	0.3540	0.3308	0.6848	0.5346

Group 2: Shares purchased from 1 September 2018 to 28 February 2019

Group 2: Shares purchased from 1 March 2019 to 31 August 2019

Share Class C - Income

28/02/19: Group 1: Shares purchased prior to 1 September 2018

31/08/19: Group 1: Shares purchased prior to 1 March 2019

	Net revenue	Equalisation	Distributions paid/payable to 30/11/19	Distributions paid to 30/11/18
Group 1	(p)	(p)	(p)	(p)
28/02/19	0.4729	-	0.4729	0.3791
Final	0.6280	-	0.6280	0.4960
Group 2	(p)	(p)	(p)	(p)
28/02/19	0.2646	0.2083	0.4729	0.3791
Final	0.3587	0.2693	0.6280	0.4960

Group 2: Shares purchased from 1 September 2018 to 28 February 2019

Group 2: Shares purchased from 1 March 2019 to 31 August 2019

Share Class D - Accumulation

28/02/19: Group 1: Shares purchased prior to 1 September 2018

31/08/19: Group 1: Shares purchased prior to 1 March 2019

	Net revenue	Equalisation	Distributions paid/payable to 30/11/19	Distributions paid to 30/11/18
Group 1	(p)	(p)	(p)	(p)
28/02/19	0.3547	-	0.3547	0.2751
Final	0.4738	-	0.4738	0.3708
Group 2	(p)	(p)	(p)	(p)
28/02/19	0.3547	-	0.3547	0.2751
Final	0.4738	-	0.4738	0.3708

Group 2: Shares purchased from 1 September 2018 to 28 February 2019

Group 2: Shares purchased from 1 March 2019 to 31 August 2019

Share Class D - Income

28/02/19: Group 1: Shares purchased prior to 1 September 2018

31/08/19: Group 1: Shares purchased prior to 1 March 2019

	Net revenue	Equalisation	Distributions paid/payable to 30/11/19	Distributions paid to 30/11/18
Group 1	(p)	(p)	(p)	(p)
28/02/19	0.3482	-	0.3482	0.2631
Final	0.4602	-	0.4602	0.3646
Group 2	(p)	(p)	(p)	(p)
28/02/19	0.3482	-	0.3482	0.2631
Final	0.4602	-	0.4602	0.3646

Group 2: Shares purchased from 1 September 2018 to 28 February 2019

Group 2: Shares purchased from 1 March 2019 to 31 August 2019

for the year ended 31 August 2019

Fund Objective

The Fund aims to achieve capital growth.

The Fund invests primarily in a range of collective investment schemes and closed ended funds in order to gain exposure to a diversified portfolio of primarily equities.

The investment manager selects investments which are, in its view, themselves managed by boutique investment managers. This may include schemes or funds managed by the ACD or an associate of the ACD.

In considering whether particular investments may be considered boutique, the investment manager will take into account a number of factors, including:

- the manager(s) ability to pursue an investment style or approach unhindered by an institutional-style centralised asset allocation and investment process,
- the size, funds under management, culture or specialisation of the relevant investment management firm or group of managers within a firm or organisation,
- whether fund management has been outsourced to a specialist manager/adviser,
- enhanced alignment of the manager's interests with the scheme through personal investment or concentration of the manager's time on one or a small number of schemes,
- smaller specialist funds which may not be actively marketed to retail investors.

The underlying equity component of the Fund may include shares of companies anywhere in the world and in any sector. There may be an element of currency exposure.

Any underlying fixed interest component may include government and corporate bonds and other debt instruments from issuers anywhere in the world (which may include emerging market and high yield bonds). There may be an element of currency exposure.

To the extent that the Fund is not fully invested in collective investment schemes, the Fund may also invest in other transferable securities (which may include equities and fixed interest securities), money market instruments, warrants, deposits, cash and near cash.

The Fund may use derivatives for investment purposes as well as for efficient portfolio management.

Synthetic Risk and Reward Indicator

The Synthetic Risk and Reward Indicator ("SRRI"), is calculated in accordance with the Key Investor Information Regulations and is disclosed in a fund's KIIDs (Key Investor Information Documents). It is calculated from the last five years' performance data and shows the historic volatility of the Fund and is updated periodically. The SRRI is reported against standard bands ranging from 1 (lower risk/reward) to 7 (higher risk/reward). This classification is intended as a general indication of the overall level of risk of a fund in order to facilitate comparisons between funds.

The most recent value of the SRRI for the Fund was 5, published on 28 January 2019. From the most recent review it has been determined that this is still appropriate.

A fuller explanation of the SRRI and the risk and reward profile of the Fund is contained in the Fund's KIIDs.

Fund manager	Gary Potter & Robert Burdett
Fund size	£63.9 million
Launch date	1 October 2007

Manager's Review

Shares in the portfolio produced a positive return of +1.6% in the twelve months to 31 August 2019. While equities weakened around the end of 2018, reflecting weaker growth around the world and the escalating US-China trade war, global stocks rebounded in 2019 on the back of a more dovish stance from major central banks. The US Federal Reserve (Fed) continued to increase interest rates to a peak of 2.50% at its December 2018 meeting. However, the Fed struck an increasingly dovish tone as 2019 progressed and cut interest rates by 0.25% to 2.25% following its July 2019 policy meeting. With other central banks also looking to ease monetary policy, the prospect of lower interest rates pushed down yields on government bonds in developed markets, including record low, negative rates for German bunds. Brent crude oil futures fell over the period, moving from \$77 to \$60 per barrel, pressured by robust US production and concerns on demand given a weakening global economic outlook. Gold prices rose from \$1,200 to \$1,519 per ounce, supported by the worries over global growth and increasingly loose monetary policy. As the period progressed, survey data suggested Brexit uncertainty was weighing on business and consumer sentiment. The UK economy contracted by 0.2% in the second quarter of 2019, as manufacturing activity was hit by the unwinding of Brexit related stockpiling. Worries about a no-deal Brexit increased after Boris Johnson was appointed as UK prime minister in July and the EU rejected his calls to scrap the Irish backstop.

for the year ended 31 August 2019

We retained our focus on maintaining a portfolio that was well diversified across geographies, fund management companies and individual funds. From a geographic perspective there was little change over the period and we continued to tilt the portfolio towards areas where we believe the investment prospects to be brightest. These adjustments are typically modest in nature however, and it remains our expectation that the performance of the funds we pick rather than any asset allocation stances will be the key driver of returns.

In terms of underlying holdings, among the changes, was the sale of Majedie US Equity Fund, following a strong period of relative performance, using the proceeds to add to existing holdings across the portfolio. We also we moved to consolidate exposure in funds where we have highest conviction. As a result, we sold Hamlin High Dividend US Equity and reinvested the proceeds across the remaining funds. We also sold Aptus Global Financials, with the proceeds added to existing holdings in the US and UK. Crux European Special Situations and DNCA European Select Equity were sold, with Odey Continental European, a high conviction stock-picking fund, and Miton European Opportunities fund, with its bias towards medium-sized business with superior growth potential, introduced to replace them. We switched Alma Eikoh Japan Large Cap Equity into UI Alpha Max Japan Fund.

We increasingly believe a coordinated monetary and fiscal response is the way to address ailing economic growth and inflation. Whilst the divide between mainstream political parties may be optically as large as it has been for a few decades, there's one policy which seemingly is uniting them all: spending money. With financing costs at historically low levels, as described above, a countercyclical fiscal response would appear more attractive than ever for governments to kickstart developed market economies. In terms of our views and positioning we remain relatively cautious on the outlook. The portfolios continue to be slightly underweight in equities and fixed income, with the balance held across alternative and absolute return portfolios as well as gold and cash. In terms of regions, we are not expressing particularly strong views but remain underweight the UK and close to neutral on Europe and the US, as well as Asia and the emerging markets. We continue to see Japan as relatively attractive, and this region remains an overweight. Equity markets have recovered well from the lows at the start of the year, with the S&P500, for example, close to record highs set earlier in the summer. Political risks remain elevated though and the concerns we have over the economic data are increasing. It is clear that the central banks continue to be supportive. However, we are not convinced that monetary easing alone will be sufficient to offset accelerating economic weakness and with markets seemingly seeing the positive in everything once again, it feels to us that there is a little too much complacency out there given the ongoing political and economic risks. Though we accept that the markets may well continue to focus on the prospects for monetary easing in the short term, the impact of the slowing economy on the corporate data will likely weigh on sentiment again at some point in the near future.

BMO Fund Management Limited
8 October 2019

BMO MM Navigator Boutiques Fund

Portfolio Statement

as at 31 August 2019

	Holdings	Market Value £000	Total Net Assets %
ASIA (10.23%*)†		5,774	9.04
Hermes Asia Ex-Japan Equity Fund F Acc	514,267	1,298	2.03
Prusik Asian Equity Income Fund X Inc USD	17,940	2,458	3.85
TT Asia EX Japan Equity Fund A2 Acc USD	284,524	2,018	3.16
EMERGING MARKETS (3.89%*)		1,552	2.43
TT Emerging Markets Unconstrained Fund A Inc USD	138,849	1,552	2.43
EUROPE (20.12%*)		11,556	18.08
LF Miton European Opportunities Fund B Acc	1,281,003	2,575	4.03
LF Odey Continental European Fund I Acc	1,020,961	1,862	2.91
Magallanes European Equity I Acc GBP	28,577	2,480	3.88
Memnon European Equity Fund I Acc	26,238	4,639	7.26
JAPAN (8.26%*)†		4,700	7.35
Coupland Cardiff Japan Alpha Fund C Acc JPY	70,352	829	1.29
LF Morant Wright Nippon Yield Fund B Acc	584,104	2,408	3.77
UI Alpha Max Japan I JPY Acc	19,550	1,463	2.29
NORTH AMERICA (29.00%*)		23,906	37.41
Artemis US Extended Alpha Fund I Acc	2,547,000	6,176	9.66
Edgewood US Select Growth Fund I Z Acc USD	26,359	5,507	8.62
Findlay Park American Fund Inc USD	63,699	6,705	10.49
William Blair SICAV - US Small-Mid Cap Growth Fund I Acc USD	14,412	5,518	8.64
SPECIALIST (16.47%*)		7,393	11.57
Conventum Lyrical Fund I Acc USD	30,185	5,184	8.11
iShares Physical Gold	53,000	1,301	2.04
Majedie Tortoise Fund G Acc	572,466	908	1.42
UNITED KINGDOM (11.37%*)		7,966	12.47
Heronbridge UK Equity Fund A Inc	75,329	2,265	3.54
Majedie UK Focus Fund X Acc	1,594,177	3,220	5.04
Man GLG UK Absolute Value Fund Professional CX Acc	917,431	1,085	1.70
Merian UK Dynamic Equity Fund R Inc	308,702	1,396	2.19
DERIVATIVES (0.30%*)		-	-
Portfolio of investments		62,847	98.35
Net other assets		1,054	1.65
Total net assets		63,901	100.00

All investments are approved securities as defined in the Collective Investment Schemes sourcebook unless otherwise stated.

* Comparative figures shown in brackets relate to 31 August 2018.

† Comparative figures have been restated due to reallocation of TT Asia EX Japan Equity Fund A2 Acc USD.

BMO MM Navigator Boutiques Fund

Material Portfolio Changes

for the year ended 31 August 2019

	Cost		Proceeds
Major purchases	£000	Major sales	£000
DNCA European Select Equity Fund S1 Acc	2,686	FP Crux European Special Situations Fund I Acc	3,910
LF Miton European Opportunities Fund B Acc	2,350	Hamlin High Dividend Equity Fund A Inc USD	3,691
Edgewood US Select Growth Fund I Z Acc USD	2,187	Majedie US Equity Fund Z Acc	3,413
Findlay Park American Fund Inc USD	1,958	DNCA European Select Equity I Fund A Acc	2,686
LF Odey Continental European Fund I Acc	1,779	DNCA European Select Equity Fund S1 Acc	2,516
UI Alpha Max Japan I JPY Acc	1,504	Alma Eikoh Japan Large Capital Equity Fund I Acc	2,297
iShares Physical Gold	1,278	TT Emerging Markets Unconstrained Fund A Inc USD	1,407
Majedie UK Focus Fund X Acc	1,168	Majedie UK Focus Fund X Acc	1,251
William Blair SICAV - US Small-Mid Cap Growth Fund I	1,078	Aptus Global Financials Fund B Inc	1,200
Acc USD			
LF Morant Wright Nippon Yield Fund B Acc	590	TT Asia EX Japan Equity Fund A2 Acc USD	1,041

BMO MM Navigator Boutiques Fund

Comparative Tables

as at 31 August 2019

	31/08/19 (p)	31/08/18 (p)	31/08/17 (p)
Share Class A - Accumulation			
Change in net assets per share			
Opening net asset value per share	208.27	195.23	165.84
Return before operating charges*	6.88	18.22	34.06
Operating charges	(5.12)	(5.18)	(4.67)
Return after operating charges*	1.76	13.04	29.39
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	210.03	208.27	195.23
*after direct transaction costs of:	-	0.01	0.02
Performance			
Return after charges	0.85%	6.68%	17.72%
Other information			
Closing net asset value (£'000)	9,654	13,652	16,185
Closing number of shares	4,596,503	6,554,800	8,290,055
Operating charges	2.57%	2.59%	2.57%
Direct transaction costs	0.00%	0.01%	0.01%
Prices			
Highest share price	217.50	210.70	205.90
Lowest share price	180.40	189.70	163.00

BMO MM Navigator Boutiques Fund

Comparative Tables

(continued)

as at 31 August 2019

	31/08/19 (p)	31/08/18 (p)	31/08/17 (p)
Share Class C - Accumulation			
Change in net assets per share			
Opening net asset value per share	109.76	102.13	86.10
Return before operating charges*	3.68	9.56	17.76
Operating charges	(1.92)	(1.93)	(1.73)
Return after operating charges*	1.76	7.63	16.03
Distributions	(0.22)	(0.11)	(0.13)
Retained distributions on accumulation shares	0.22	0.11	0.13
Closing net asset value per share	111.52	109.76	102.13
*after direct transaction costs of:	-	0.01	0.01
Performance			
Return after charges	1.60%	7.47%	18.62%
Other information			
Closing net asset value (£'000)	54,162	60,193	60,819
Closing number of shares	48,566,826	54,838,629	59,553,052
Operating charges	1.83%	1.84%	1.82%
Direct transaction costs	0.00%	0.01%	0.01%
Prices			
Highest share price	115.40	111.00	102.60
Lowest share price	95.33	99.26	84.65

BMO MM Navigator Boutiques Fund

Comparative Tables

(continued)

as at 31 August 2019

	31/08/19 (p)	31/08/18 (p)	31/08/17 (p)
Share Class D - Accumulation			
Change in net assets per share			
Opening net asset value per share	108.36	101.08	85.43
Return before operating charges*	3.61	9.45	17.59
Operating charges	(2.15)	(2.17)	(1.94)
Return after operating charges*	1.46	7.28	15.65
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	109.82	108.36	101.08
*after direct transaction costs of:	-	0.01	0.01
Performance			
Return after charges	1.35%	7.20%	18.32%
Other information			
Closing net asset value (£'000)	85	91	96
Closing number of shares	77,566	83,661	95,146
Operating charges	2.07%	2.09%	2.07%
Direct transaction costs	0.00%	0.01%	0.01%
Prices			
Highest share price	113.70	109.60	101.50
Lowest share price	94.04	98.23	83.99

BMO MM Navigator Boutiques Fund

Statement of Total Return

for the year ended 31 August 2019

	Notes	01/09/18 to 31/08/19		01/09/17 to 31/08/18	
		£000	£000	£000	£000
Income					
Net capital gains	2		583		5,478
Revenue	3	753		764	
Expenses	4	(696)		(796)	
Interest payable and similar charges	6	(1)		(4)	
Net revenue/(expenses) before taxation		56		(36)	
Taxation	5	-		-	
Net revenue/(expenses) after taxation			56		(36)
Total return before distributions			639		5,442
Distributions	6		(119)		(63)
Change in net assets attributable to shareholders from investment activities			520		5,379

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 August 2019

	01/09/18 to 31/08/19		01/09/17 to 31/08/18	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		73,936		77,100
Amounts receivable on creation of shares	9,239		7,821	
Amounts payable on cancellation of shares	(19,907)		(16,426)	
		(10,668)		(8,605)
Change in net assets attributable to shareholders from investment activities		520		5,379
Retained distribution on accumulation shares		113		62
Closing net assets attributable to shareholders		63,901		73,936

Notes to the Financial Statements are on pages 48 to 52.

BMO MM Navigator Boutiques Fund

Balance Sheet

as at 31 August 2019

	Notes	31/08/19 £000	31/08/18 £000
Assets			
Investments		62,847	73,671
Current assets			
Debtors	8	108	140
Cash and bank balances	9	1,392	574
Total assets		64,347	74,385
Liabilities			
Creditors			
Bank overdrafts		-	(250)
Other creditors	10	(446)	(199)
Total liabilities		(446)	(449)
Net assets attributable to shareholders		63,901	73,936

Notes to the Financial Statements are on pages 48 to 52.

BMO MM Navigator Boutiques Fund

Notes to the Financial Statements

as at 31 August 2019

1. Accounting policies

Please see pages 11 and 12 for accounting policies.

2. Net capital gains

The net capital gains during the year comprise:

	01/09/18 to 31/08/19 £000	01/09/17 to 31/08/18 £000
Non-derivative securities*	231	5,591
Derivative contracts*	333	(151)
Forward foreign exchange currency contracts*	(3)	3
Currency (losses)/gains*	(2)	3
Rebate of capital management fees from underlying investments	13	14
Handling charges	(1)	(1)
Box profit	12	19
Net capital gains	583	5,478

*Includes realised gains of £4,663,866 and unrealised losses of £4,104,832 (31/08/18: realised gains of £6,321,538 and unrealised losses of £875,399).

3. Revenue

	01/09/18 to 31/08/19 £000	01/09/17 to 31/08/18 £000
Overseas taxable revenue	4	(4)
Overseas non-taxable revenue	1	(1)
Distributions from Regulated Collective Investment Schemes:		
Franked investment income	304	256
Unfranked investment income	5	7
Offshore distribution non-taxable	378	405
Bank interest	1	(2)
Interest on amounts held at futures clearing houses and brokers	-	3
Rebate of revenue management fees from underlying investments	62	101
Interest on amounts held at futures clearing houses and brokers*	(2)	(1)
Total revenue	753	764

*Interest on amounts held at futures clearing houses and brokers shown are the net position of amount paid and received during the year.

Notes to the Financial Statements

(continued)

as at 31 August 2019

4. Expenses

Payable to the ACD, associates of the ACD, and agents of either of them:

ACD's periodic charge

01/09/18 to 31/08/19 £000	01/09/17 to 31/08/18 £000
---------------------------------	---------------------------------

575	681
-----	-----

Payable to the Depositary, associates of the Depositary, and agents of either of them:

Depositary's fee

12	14
----	----

Other expenses:

Administration costs

10	12
----	----

AIFMD fee

10	9
----	---

Audit fee

14	14
----	----

EMX fees

4	7
---	---

KIID publication costs

1	1
---	---

Legal fee

10	1
----	---

Registrar's fees

59	56
----	----

Report & accounts printing costs

1	1
---	---

109	101
-----	-----

Total expenses

696	796
-----	-----

Expenses include irrecoverable VAT where applicable.

The PwC audit fee for the year, exclusive of VAT, is £11,800 (31/08/18: £11,800)

5. Taxation

01/09/18 to 31/08/19 £000	01/09/17 to 31/08/18 £000
---------------------------------	---------------------------------

(a) Analysis of charge in year:

There is no corporation tax charge in the current year or prior year.

(b) Factors affecting current tax charge for the year:

The tax assessed for the year is lower than (2018: higher than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2018: 20%). The differences are explained below:

Net revenue/(expenses) before taxation

56	(36)
----	------

Corporation tax of 20% (2018: 20%)

11	(7)
----	-----

Effects of:

UK dividends*

(61)	(51)
------	------

Overseas non-taxable revenue*

(76)	(81)
------	------

Movement in excess management expenses

122	135
-----	-----

Expenses not deductible for tax purposes

1	1
---	---

Tax on capital management fee rebate

3	3
---	---

Total tax charge for the year

-	-
---	---

As an authorised OEIC these items are not subject to corporation tax. UK dividends comprise franked investment income.Open Ended Investment Companies are exempt from tax on capital gains, subject to certain exceptions. Therefore, any capital return is not included within the above reconciliation.*

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £1,398,797 (31/08/18: £1,277,087) relating to surplus management expenses. No deferred tax asset was recognised in the current or prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

Notes to the Financial Statements

(continued)

as at 31 August 2019

6. Finance costs**Distributions and interest**

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	01/09/18 to 31/08/19 £000	01/09/17 to 31/08/18 £000
Interim dividend distributions	74	-
Final dividend distributions	39	62
	<hr/> 113	<hr/> 62
Add: Revenue deducted on cancellation of shares	9	2
Deduct: Revenue received on creation of shares	(3)	(1)
	<hr/> 119	<hr/> 63
Bank interest	1	4
Total finance costs	<hr/> 120	<hr/> 67

Details of the distribution per share is set out in the Distribution Tables on page 53.

7. Movement between net revenue/(expenses) and net distributions

	01/09/18 to 31/08/19 £000	01/09/17 to 31/08/18 £000
Net revenue/(expenses) after taxation	56	(36)
Revenue deficit payable from capital	59	96
Tax relief on ACD's periodic charge	3	3
Net revenue received on share class conversions	1	-
	<hr/> 119	<hr/> 63

8. Debtors

	31/08/19 £000	31/08/18 £000
Amounts receivable for issue of shares	70	105
Accrued ACD fee rebates	36	34
Income tax recoverable	2	1
Total debtors	<hr/> 108	<hr/> 140

9. Cash and bank balances

	31/08/19 £000	31/08/18 £000
Cash and bank balances	1,392	324
Amounts held at futures clearing houses and brokers	-	250
Total cash and bank balances	<hr/> 1,392	<hr/> 574

10. Other creditors

	31/08/19 £000	31/08/18 £000
Amounts payable for cancellation of shares	364	96
Accrued expenses	36	47
Accrued ACD's periodic charge	46	56
Total other creditors	<hr/> 446	<hr/> 199

Notes to the Financial Statements

(continued)

as at 31 August 2019

11. Portfolio transaction costs

	Purchases		Sales	
	01/09/18 to 31/08/19	01/09/17 to 31/08/18	01/09/18 to 31/08/19	01/09/17 to 31/08/18
	£000	£000	£000	£000
Collective Investment Schemes	17,930	15,385	29,131	24,083
Commissions				
Collective Investment Schemes	-	-	-	(5)
Taxes				
Collective Investment Schemes	-	-	-	-
Total costs	-	-	-	(5)
Total net trades in the year after transaction costs	17,930	15,385	29,131	24,078

Total transaction cost expressed as a percentage of asset type cost.

	Purchases		Sales	
	01/09/18 to 31/08/19	01/09/17 to 31/08/18	01/09/18 to 31/08/19	01/09/17 to 31/08/18
	%	%	%	%
Commissions				
Collective Investment Schemes	-	-	-	0.02
Taxes				
Collective Investment Schemes	-	-	-	-
Total transaction cost expressed as a percentage of average net asset value.				
	01/09/18 to 31/08/19		01/09/17 to 31/08/18	
	%		%	
Commissions	-		0.01	
Taxes	-		-	
Total costs	-		0.01	

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.00% (31/08/18: 0.01%).

12. Related party transactions

BMO Fund Management Limited, as Authorised Corporate Director (ACD), is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue, and paid on cancellation are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts due to, or from, BMO Fund Management Limited at the end of the accounting year are disclosed in notes 10 and 8 respectively.

Amounts payable to BMO Fund Management Limited in respect of fund management are disclosed in note 4 and amounts due at the end of the year in note 10.

The ACD is also the ACD or Manager for other authorised funds and those funds may invest in each other where this is within the investment objectives of the investing fund. Such transactions will be conducted on an arm's length basis within the regulations and the terms of the prospectus. No such transactions were entered into during the current year.

13. Shareholders' funds

The Fund has three share classes in issue: Class A, Class C and Class D.

The ACD's periodic charge on each share class is as follows:

	%
Share Class A - Accumulation:	1.50
Share Class C - Accumulation:	0.75
Share Class D - Accumulation:	1.00

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative Tables on pages 43 to 45.

The distributions per share class are given in the Distribution Tables on page 53.

All share classes have the same rights on winding up.

Notes to the Financial Statements

(continued)

as at 31 August 2019

Reconciliation of the shares movement in the year:

01/09/18

31/08/19

	Opening shares in issue	Creations	Cancellations	Shares converted	Closing shares in issue
Share Class A - Accumulation:	6,554,800	293,332	(1,907,050)	(344,579)	4,596,503
Share Class C - Accumulation:	54,838,629	8,270,230	(15,181,395)	639,362	48,566,826
Share Class D - Accumulation:	83,661	246	(17,195)	10,854	77,566

14. Capital commitments and contingent liabilities

On 31 August 2019, the Fund had no capital commitments (31/08/18: £nil) and no contingent liabilities (31/08/18: £nil).

15. Financial instruments

The analysis and tables provided below refer to the narrative and numerical disclosure on 'Financial Instruments Risks' on pages 13 to 16.

Currency exposure

A substantial proportion of the financial net assets of the Fund are denominated in currencies other than Sterling with the effect that the balance sheet and total return can be significantly affected by currency movements.

As at 31 August the Fund had the following net currency exposure (excluding Sterling):

	Currency exposure 31/08/19	Currency exposure 31/08/18
	Total £000	Total £000
Currency		
Japanese yen	2,292	1,782
US dollar	28,943	29,663
Total	31,235	31,445

Interest rate risk profile of financial assets and liabilities

The Fund's net cash holding of £1.392m (31/08/18: holding £0.324m) is held in a floating rate deposit account. Interest is earned by reference to LIBOR Indices for all USD, EUR, GBP, CHF and JPY currencies as determined by the British Bankers Association. For all other currencies interest is earned by reference to their international benchmark equivalents.

Maturity of financial liabilities

The financial liabilities of the Fund as at 31 August 2019 are payable either within one year or on demand, as were the financial liabilities of the previous year ended 31 August 2018.

Fair values of financial assets and liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet and their fair value.

16. Fair value

For financial instruments held at fair value in the balance sheet, the Fund is required to disclose for each class of financial instrument, an analysis of the level in the fair value hierarchy (as set out in FRS 102 paragraph 11.27) into which the fair value measurements are categorised. The three levels of the fair value hierarchy under FRS 102 are as follows:

Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date;

Level 2 Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly;

Level 3 Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

	31/08/19		31/08/18	
Valuation technique	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	1,301	-	219	-
Level 2	61,546	-	73,452	-
Total fair value	62,847	-	73,671	-

BMO MM Navigator Boutiques Fund

Distribution Tables

for the year ended 31 August 2019

Distribution in pence per share

Share Class C - Accumulation

28/02/19: Group 1: Shares purchased prior to 1 September 2018

31/08/19: Group 1: Shares purchased prior to 1 March 2019

Group 2: Shares purchased from 1 September 2018 to 28 February 2019

Group 2: Shares purchased from 1 March 2019 to 31 August 2019

	Net revenue	Equalisation	Distributions paid/payable to 30/11/19	Distributions paid to 30/11/18
Group 1	(p)	(p)	(p)	(p)
28/02/19	0.1387	-	0.1387	-
Final	0.0810	-	0.0810	0.1139
Group 2	(p)	(p)	(p)	(p)
28/02/19	0.0862	0.0525	0.1387	-
Final	0.0391	0.0419	0.0810	0.1139

for the year ended 31 August 2019

Fund Objective

The Fund aims to achieve a combination of capital growth and income.

The Fund invests primarily in a range of collective investment schemes and closed ended funds in order to gain exposure to a diversified portfolio of primarily equities and fixed interest securities.

The schemes and funds in which the Fund invests may include schemes or funds managed by the ACD or an associate of the ACD.

The underlying equity component may include shares of companies anywhere in the world and in any industry sector. There may be an element of currency exposure.

The underlying fixed interest component may include government and corporate bonds and other debt instruments from issuers anywhere in the world (which may include emerging market and high yield bonds). There may be an element of currency exposure.

To the extent that the Fund is not fully invested in collective investment schemes, the Fund may also invest in other transferable securities, money market instruments, warrants, deposits, cash and near cash.

The Fund may use derivatives for investment purposes as well as for efficient portfolio management.

Synthetic Risk and Reward Indicator

The Synthetic Risk and Reward Indicator ("SRRI"), is calculated in accordance with the Key Investor Information Regulations and is disclosed in a fund's KIIDs (Key Investor Information Documents). It is calculated from the last five years' performance data and shows the historic volatility of the Fund and is updated periodically. The SRRI is reported against standard bands ranging from 1 (lower risk/reward) to 7 (higher risk/reward). This classification is intended as a general indication of the overall level of risk of a fund in order to facilitate comparisons between funds.

The most recent value of the SRRI for the Fund was 4, published on 28 January 2019. From the most recent review it has been determined that this is still appropriate.

A fuller explanation of the SRRI and the risk and reward profile of the Fund is contained in the Fund's KIIDs.

Fund manager	Gary Potter & Robert Burdett
Fund size	£420.0 million
Launch date	1 October 2007

Manager's Review

Shares in the portfolio produced a flat return in the twelve months to 31 August 2019. While equities weakened around the end of 2018, reflecting weaker growth around the world and the escalating US-China trade war, global stocks rebounded in 2019 on the back of a more dovish stance from major central banks. The US Federal Reserve (Fed) continued to increase interest rates to a peak of 2.50% at its December 2018 meeting. However, the Fed struck an increasingly dovish tone as 2019 progressed and cut interest rates by 0.25% to 2.25% following its July 2019 policy meeting. With other central banks also looking to ease monetary policy, the prospect of lower interest rates pushed down yields on government bonds in developed markets, including record low, negative rates for German bunds. Brent crude oil futures fell over the period, moving from \$77 to \$60 per barrel, pressured by robust US production and concerns on demand given a weakening global economic outlook. Gold prices rose from \$1,200 to \$1,519 per ounce, supported by the worries over global growth and increasingly loose monetary policy. As the period progressed, survey data suggested Brexit uncertainty was weighing on business and consumer sentiment. The UK economy contracted by 0.2% in the second quarter of 2019, as manufacturing activity was hit by the unwinding of Brexit related stockpiling. Worries about a no-deal Brexit increased after Boris Johnson was appointed as UK prime minister in July and the EU rejected his calls to scrap the Irish backstop.

We retained our focus on maintaining a portfolio that was well diversified across geographies, fund management companies and individual funds. From a geographic perspective there was little change over the period and we continued to tilt the portfolio towards areas where we believe the investment prospects to be brightest. These adjustments are typically modest in nature however, and it remains our expectation that the performance of the funds we pick rather than any asset allocation stances will be the key driver of returns.

In terms of underlying holdings, among the changes we sold our holding in the Hermes Global Emerging Markets fund to finance the previous purchase of TT Emerging Markets Unconstrained, which is a relatively focused portfolio of the team's best ideas across the entire global emerging markets universe. The focus across the entire universe results in the fund having exposure to stocks and regions many other emerging market funds would not consider. While we still hold the team at Hermes in high regard, we see better alpha opportunities in the Unconstrained fund for the time being. We sold the holding of Aptus Global Financials to fund a new position in H2O MultiReturns, an absolute-return fund. We sold JOHCM UK Growth with the proceeds invested across the existing UK holdings. In the fixed income holdings, Invesco Perpetual Tactical Bond, Active Funds Global High Income Bond and TwentyFour Dynamic Bond funds were sold, with proceeds split between existing fixed income holdings and a slightly higher weighting in cash. We switched Hermes Europe ex-UK into Miton European Opportunities fund, with its bias towards medium-sized business with superior growth potential, and Schroders European Alpha Plus into Odey Continental European, a high conviction stock-picking fund. We introduced a new Japanese holding, Morant Wright Nippon Yield fund. We subsequently sold Schroder Japan Opportunities, with proceeds split across existing Japanese holdings and a new investment into the UI Alpha Max Japan fund.

for the year ended 31 August 2019

We increasingly believe a coordinated monetary and fiscal response is the way to address ailing economic growth and inflation. Whilst the divide between mainstream political parties may be optically as large as it has been for a few decades, there's one policy which seemingly is uniting them all: spending money. With financing costs at historically low levels, as described above, a countercyclical fiscal response would appear more attractive than ever for governments to kickstart developed market economies. In terms of our views and positioning we remain relatively cautious on the outlook. The portfolios continue to be slightly underweight in equities and fixed income, with the balance held across alternative and absolute return portfolios as well as gold and cash. In terms of regions, we are not expressing particularly strong views but remain underweight the UK and close to neutral on Europe and the US, as well as Asia and the emerging markets. We continue to see Japan as relatively attractive, and this region remains an overweight. Equity markets have recovered well from the lows at the start of the year, with the S&P500, for example, close to record highs set earlier in the summer. Political risks remain elevated though and the concerns we have over the economic data are increasing. It is clear that the central banks continue to be supportive. However, we are not convinced that monetary easing alone will be sufficient to offset accelerating economic weakness and with markets seemingly seeing the positive in everything once again, it feels to us that there is a little too much complacency out there given the ongoing political and economic risks. Though we accept that the markets may well continue to focus on the prospects for monetary easing in the short term, the impact of the slowing economy on the corporate data will likely weigh on sentiment again at some point in the near future.

BMO Fund Management Limited
8 October 2019

BMO MM Navigator Cautious Fund

Portfolio Statement

as at 31 August 2019

	Holdings	Market Value £000	Total Net Assets %
ASIA (5.25%*)		21,817	5.20
Prusik Asian Equity Income Fund X Inc USD	76,160	10,435	2.49
TT Asia EX Japan Equity Fund A2 Acc USD	1,604,824	11,382	2.71
EMERGING MARKETS (3.64%*)		18,695	4.45
Barings Emerging Markets Debt Blended Total Return Fund A Acc GBP	113,485	13,431	3.20
TT Emerging Markets Unconstrained Fund A Inc USD	470,800	5,264	1.25
EUROPE (10.66%*)		37,794	9.00
LF Miton European Opportunities Fund B Acc	4,709,000	9,466	2.25
LF Odey Continental European Fund I Acc	5,203,070	9,490	2.26
Memnon European Equity Fund I Acc	106,557	18,838	4.49
FIXED INTEREST (19.80%*)		82,131	19.56
Janus Henderson Strategic Bond Fund I Acc	10,362,881	37,856	9.01
Legg Mason Western Asset Macro Opportunities Bond Fund A Acc GBP Hedged	185,101	22,869	5.45
Liontrust Strategic Bond Fund M Inc	20,603,637	21,406	5.10
JAPAN (3.57%*)		13,124	3.13
Coupland Cardiff Japan Alpha Fund C Acc JPY	264,203	3,112	0.74
LF Morant Wright Nippon Yield Fund B Acc	1,513,000	6,236	1.49
UI Alpha Max Japan I JPY Acc	50,450	3,776	0.90
NORTH AMERICA (4.39%*)		40,447	9.63
Artemis US Absolute Return Fund I Acc Hedged	11,726,620	13,707	3.27
Artemis US Extended Alpha Fund I Acc	7,038,145	17,066	4.06
Findlay Park American Fund Inc USD	91,896	9,674	2.30
SPECIALIST (23.40%*)		85,387	20.32
Amedeo Air Four Plus	7,011,619	6,030	1.44
Conventum Lyrical Fund I Acc USD	64,833	11,135	2.65
Darwin Leisure Property Fund M Inc**	7,569,156	13,536	3.22
GCP Asset Backed Income Fund	12,073,083	12,978	3.09
GCP Infrastructure Investments Fund	5,426,786	6,816	1.62
Hermes Multi Strategy Credit Fund L Inc	16,012,302	15,681	3.73
iShares Physical Gold	349,179	8,569	2.04
Majedie Tortoise Fund G Acc	6,709,601	10,642	2.53
UNITED KINGDOM (25.75%*)		116,323	27.70
GVQ UK Focus Fund I Inc	399,824	11,282	2.69
H2O MultiReturns Fund I Acc GBP	5,051,607	9,030	2.15
Majedie UK Focus Fund X Acc	11,365,524	22,952	5.47
Man GLG UK Absolute Value Fund Professional CX Acc	14,215,652	16,817	4.00
Man GLG Undervalued Assets Fund D Inc GBP	12,156,000	16,338	3.89
Merian UK Dynamic Equity Fund R Inc	2,376,495	10,750	2.56
Merian UK Specialist Equity Fund R Acc	1,106,023	13,576	3.23
TM RWC UK Equity Income Fund L Inc	16,886,372	15,578	3.71

BMO MM Navigator Cautious Fund

Portfolio Statement

(continued)

as at 31 August 2019

	Holdings	Market Value £000	Total Net Assets %
DERIVATIVES (0.10%*)		414	0.10
Futures			
FTSE 100 Index Futures September 2019	(119)	354	0.08
FTSE 250 Index Futures September 2019	(223)	78	0.02
Hang Seng Index Futures September 2019	(47)	(18)	-
Portfolio of investments^		416,132	99.09
Net other assets		3,827	0.91
Total net assets		419,959	100.00

All investments are approved securities as defined in the Collective Investment Schemes sourcebook unless otherwise stated.

* Comparative figures shown in brackets relate to 31 August 2018.

** Unlisted investments.

^ Including derivative liabilities.

BMO MM Navigator Cautious Fund

Material Portfolio Changes

for the year ended 31 August 2019

	Cost		Proceeds
Major purchases	£000	Major sales	£000
Legg Mason Western Asset Macro Opportunities Bond Fund A Acc GBP Hedged	25,963	Legg Mason Western Asset Macro Opportunities Bond Fund A Inc USD	23,281
Legg Mason Western Asset Macro Opportunities Bond Fund A Inc USD	20,299	Legg Mason Western Asset Macro Opportunities Bond Fund A Acc GBP Hedged	20,353
EURO STOXX 50 Futures March 2019	19,946	Invesco Perpetual Tactical Bond Fund No Trail Inc	19,502
EURO STOXX 50 Futures June 2019	18,317	EURO STOXX 50 Futures March 2019	19,203
Janus Henderson Strategic Bond Fund I Acc	17,724	FTSE 100 Index Futures September 2019	17,470
TM RWC UK Equity Income Fund L Inc	16,295	EURO STOXX 50 Futures June 2019	17,074
EURO STOXX 50 Futures September 2018	13,935	Schroder European Alpha Plus Fund Z Acc	15,251
Artemis US Absolute Return Fund I Acc Hedged	13,419	1167 Active Funds ICAV - Global High Income Bond Fund	14,265
EURO STOXX 50 Futures December 2018	12,875	EURO STOXX 50 Futures December 2018	13,859
S&P 500 E Mini Futures September 2018	12,292	MI TwentyFour Dynamic Bond Fund I Inc	13,623

Purchases and sales of Futures have been included at the value of their exposure.

BMO MM Navigator Cautious Fund

Comparative Tables

as at 31 August 2019

	31/08/19 (p)	31/08/18 (p)	31/08/17 (p)
Share Class 4 - Accumulation			
Change in net assets per share			
Opening net asset value per share	171.43	168.31	150.71
Return before operating charges*	2.54	4.68	19.04
Operating charges	(1.64)	(1.56)	(1.44)
Return after operating charges*	0.90	3.12	17.60
Distributions	(3.26)	(3.28)	(2.98)
Retained distributions on accumulation shares	3.26	3.28	2.98
Closing net asset value per share	172.33	171.43	168.31
*after direct transaction costs of:	0.01	0.01	0.01
Performance			
Return after charges	0.52%	1.85%	11.68%
Other information			
Closing net asset value (£'000)	18,041	21,604	21,758
Closing number of shares	10,469,116	12,602,474	12,927,288
Operating charges	0.98%	0.92%	0.90%
Direct transaction costs**	0.01%	0.00%	0.00%
Prices			
Highest share price	175.50	173.40	168.80
Lowest share price	159.50	165.10	149.90

**Dilution adjustment has not been deducted within direct transaction costs.

BMO MM Navigator Cautious Fund

Comparative Tables

(continued)

as at 31 August 2019

	31/08/19 (p)	31/08/18 (p)	31/08/17 (p)
Share Class A - Accumulation			
Change in net assets per share			
Opening net asset value per share	169.90	168.83	152.88
Return before operating charges*	2.90	5.16	19.79
Operating charges	(4.09)	(4.09)	(3.84)
Return after operating charges*	(1.19)	1.07	15.95
Distributions	(3.15)	(3.28)	(3.12)
Retained distributions on accumulation shares	3.15	3.28	3.12
Closing net asset value per share	168.71	169.90	168.83
*after direct transaction costs of:	0.01	0.01	0.01
Performance			
Return after charges	(0.70)%	0.63%	10.43%
Other information			
Closing net asset value (£'000)	20,738	34,281	33,116
Closing number of shares	12,292,467	20,177,153	19,615,288
Operating charges	2.47%	2.42%	2.40%
Direct transaction costs**	0.01%	0.00%	0.00%
Prices			
Highest share price	172.00	172.00	177.70
Lowest share price	157.50	164.50	151.90

**Dilution adjustment has not been deducted within direct transaction costs.

BMO MM Navigator Cautious Fund

Comparative Tables

(continued)

as at 31 August 2019

	31/08/19 (p)	31/08/18 (p)	31/08/17 (p)
Share Class A - Income			
Change in net assets per share			
Opening net asset value per share	138.98	140.89	129.63
Return before operating charges*	2.31	4.23	17.03
Operating charges	(3.33)	(3.40)	(3.24)
Return after operating charges*	(1.02)	0.83	13.79
Distributions on income shares	(2.57)	(2.74)	(2.53)
Closing net asset value per share	135.39	138.98	140.89
*after direct transaction costs of:	0.01	0.01	0.01
Performance			
Return after charges	(0.73)%	0.59%	10.64%
Other information			
Closing net asset value (£'000)	1,955	2,812	2,897
Closing number of shares	1,443,637	2,023,503	2,056,356
Operating charges	2.47%	2.42%	2.40%
Direct transaction costs**	0.01%	0.00%	0.00%
Prices			
Highest share price	139.40	143.20	149.70
Lowest share price	128.80	136.00	127.60

**Dilution adjustment has not been deducted within direct transaction costs.

BMO MM Navigator Cautious Fund

Comparative Tables

(continued)

as at 31 August 2019

	31/08/19 (p)	31/08/18 (p)	31/08/17 (p)
Share Class C - Accumulation			
Change in net assets per share			
Opening net asset value per share	80.95	79.96	72.03
Return before operating charges*	1.32	2.33	9.18
Operating charges	(1.36)	(1.34)	(1.25)
Return after operating charges*	(0.04)	0.99	7.93
Distributions	(1.55)	(1.56)	(1.42)
Retained distributions on accumulation shares	1.55	1.56	1.42
Closing net asset value per share	80.91	80.95	79.96
*after direct transaction costs of:	0.01	-	-
Performance			
Return after charges	(0.05)%	1.24%	11.01%
Other information			
Closing net asset value (£'000)	197,705	211,672	177,845
Closing number of shares	244,345,812	261,475,857	222,415,533
Operating charges	1.73%	1.67%	1.65%
Direct transaction costs**	0.01%	0.00%	0.00%
Prices			
Highest share price	82.43	81.93	80.17
Lowest share price	75.18	78.17	71.60

**Dilution adjustment has not been deducted within direct transaction costs.

BMO MM Navigator Cautious Fund

Comparative Tables

(continued)

as at 31 August 2019

	31/08/19 (p)	31/08/18 (p)	31/08/17 (p)
Share Class C - Income			
Change in net assets per share			
Opening net asset value per share	71.72	72.22	66.26
Return before operating charges*	1.13	2.11	8.41
Operating charges	(1.20)	(1.21)	(1.15)
Return after operating charges*	(0.07)	0.90	7.26
Distributions on income shares	(1.36)	(1.40)	(1.30)
Closing net asset value per share	70.29	71.72	72.22
*after direct transaction costs of:	0.01	-	-
Performance			
Return after charges	(0.10)%	1.25%	10.96%
Other information			
Closing net asset value (£'000)	69,978	77,901	80,056
Closing number of shares	99,561,711	108,622,321	110,845,587
Operating charges	1.73%	1.67%	1.65%
Direct transaction costs**	0.01%	0.00%	0.00%
Prices			
Highest share price	72.34	73.60	73.09
Lowest share price	66.60	70.00	65.90

**Dilution adjustment has not been deducted within direct transaction costs.

BMO MM Navigator Cautious Fund

Comparative Tables

(continued)

as at 31 August 2019

	31/08/19 (p)	31/08/18 (p)	31/08/17 (p)
Share Class D - Accumulation			
Change in net assets per share			
Opening net asset value per share	80.92	80.09	72.27
Return before operating charges*	1.35	2.37	9.27
Operating charges	(1.56)	(1.54)	(1.45)
Return after operating charges*	(0.21)	0.83	7.82
Distributions	(1.54)	(1.56)	(1.43)
Retained distributions on accumulation shares	1.54	1.56	1.43
Closing net asset value per share	80.71	80.92	80.09
*after direct transaction costs of:	0.01	-	-
Performance			
Return after charges	(0.26)%	1.04%	10.82%
Other information			
Closing net asset value (£'000)	4,904	5,956	6,458
Closing number of shares	6,076,920	7,359,401	8,063,080
Operating charges	1.97%	1.92%	1.90%
Direct transaction costs**	0.01%	0.00%	0.00%
Prices			
Highest share price	82.24	81.91	80.30
Lowest share price	75.10	78.21	71.84

**Dilution adjustment has not been deducted within direct transaction costs.

BMO MM Navigator Cautious Fund

Comparative Tables

(continued)

as at 31 August 2019

	31/08/19 (p)	31/08/18 (p)	31/08/17 (p)
Share Class D - Income			
Change in net assets per share			
Opening net asset value per share	56.59	57.10	52.57
Return before operating charges*	0.92	1.69	6.80
Operating charges	(1.09)	(1.10)	(1.05)
Return after operating charges*	(0.17)	0.59	5.75
Distributions on income shares	(1.07)	(1.10)	(1.22)
Closing net asset value per share	55.35	56.59	57.10
*after direct transaction costs of:	-	-	-
Performance			
Return after charges	(0.30)%	1.03%	10.94%
Other information			
Closing net asset value (£'000)	761	919	949
Closing number of shares	1,374,697	1,623,561	1,660,914
Operating charges	1.97%	1.92%	1.90%
Direct transaction costs**	0.01%	0.00%	0.00%
Prices			
Highest share price	56.98	58.15	57.79
Lowest share price	52.52	55.28	52.30

**Dilution adjustment has not been deducted within direct transaction costs.

BMO MM Navigator Cautious Fund

Comparative Tables

(continued)

as at 31 August 2019

	31/08/19 (p)	31/08/18 (p)	31/08/17 (p)
Share Class S - Accumulation			
Change in net assets per share			
Opening net asset value per share	65.74	64.75	58.16
Return before operating charges*	1.02	1.85	7.39
Operating charges	(0.88)	(0.86)	(0.80)
Return after operating charges*	0.14	0.99	6.59
Distributions	(1.25)	(1.26)	(1.15)
Retained distributions on accumulation shares	1.25	1.26	1.15
Closing net asset value per share	65.88	65.74	64.75
*after direct transaction costs of:	-	-	-
Performance			
Return after charges	0.21%	1.53%	11.33%
Other information			
Closing net asset value (£'000)	105,848	112,727	110,713
Closing number of shares	160,668,076	171,476,574	170,984,385
Operating charges	1.38%	1.32%	1.30%
Direct transaction costs**	0.01%	0.00%	0.00%
Prices			
Highest share price	67.10	66.52	64.92
Lowest share price	61.11	63.40	57.83

**Dilution adjustment has not been deducted within direct transaction costs.

BMO MM Navigator Cautious Fund

Comparative Tables

(continued)

as at 31 August 2019

	31/08/19 (p)	31/08/18 (p)	31/08/17 (p)
Share Class S - Income			
Change in net assets per share			
Opening net asset value per share	60.94	61.20	56.00
Return before operating charges*	0.84	1.74	7.06
Operating charges	(0.81)	(0.81)	(0.76)
Return after operating charges*	0.03	0.93	6.30
Distributions on income shares	(1.07)	(1.19)	(1.10)
Closing net asset value per share	59.90	60.94	61.20
*after direct transaction costs of:	-	-	-
Performance			
Return after charges	0.05%	1.52%	11.25%
Other information			
Closing net asset value (£'000)	29	90	90
Closing number of shares	47,725	147,004	147,004
Operating charges	1.37%	1.32%	1.30%
Direct transaction costs**	0.01%	0.00%	0.00%
Prices			
Highest share price	61.54	62.44	61.94
Lowest share price	56.65	59.41	55.67

**Dilution adjustment has not been deducted within direct transaction costs.

BMO MM Navigator Cautious Fund

Statement of Total Return

for the year ended 31 August 2019

	Notes	01/09/18 to 31/08/19		01/09/17 to 31/08/18	
		£000	£000	£000	£000
Income					
Net capital losses	2		(7,024)		(324)
Revenue	3	10,204		10,005	
Expenses	4	(3,362)		(3,470)	
Interest payable and similar charges	6	(1)		(7)	
Net revenue before taxation		6,841		6,528	
Taxation	5	(683)		(297)	
Net revenue after taxation			6,158		6,231
Total return before distributions			(866)		5,907
Distributions	6		(8,594)		(8,775)
Change in net assets attributable to shareholders from investment activities			(9,460)		(2,868)

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 August 2019

	01/09/18 to 31/08/19		01/09/17 to 31/08/18	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		467,962		433,882
Amounts receivable on creation of shares	10,553		47,397	
Amounts payable on cancellation of shares	(56,009)		(17,769)	
		(45,456)		29,628
Dilution adjustment		34		27
Change in net assets attributable to shareholders from investment activities		(9,460)		(2,868)
Retained distribution on accumulation shares		6,878		7,292
Unclaimed distributions		1		1
Closing net assets attributable to shareholders		419,959		467,962

Notes to the Financial Statements are on pages 70 to 75.

BMO MM Navigator Cautious Fund

Balance Sheet

as at 31 August 2019

	Notes	31/08/19 £000	31/08/18 £000
Assets			
Investments		416,150	452,358
Current assets			
Debtors	8	15,941	934
Cash and bank balances	9	875	19,032
Total assets		432,966	472,324
Liabilities			
Investment liabilities		(18)	(492)
Creditors			
Bank overdrafts		(2,280)	(520)
Distribution payable		(739)	(878)
Other creditors	10	(9,970)	(2,472)
Total liabilities		(13,007)	(4,362)
Net assets attributable to shareholders		419,959	467,962

Notes to the Financial Statements are on pages 70 to 75.

Notes to the Financial Statements

as at 31 August 2019

1. Accounting policies

Please see pages 11 and 12 for accounting policies.

2. Net capital losses

The net capital losses during the year comprise:

	01/09/18 to 31/08/19 £000	01/09/17 to 31/08/18 £000
Non-derivative securities*	(8,273)	1,682
Derivative contracts*	999	(2,169)
Forward foreign exchange currency contracts*	(20)	43
Currency gains/(losses)*	58	(156)
Rebate of capital management fees from underlying investments	183	236
Handling charges	(2)	(1)
Box profit	31	41
Net capital losses	(7,024)	(324)

*Includes realised gains of £9,171,796 and unrealised losses of £16,408,179 (31/08/18: realised gains of £14,263,977 and unrealised losses of £14,864,371).

3. Revenue

	01/09/18 to 31/08/19 £000	01/09/17 to 31/08/18 £000
Overseas taxable revenue	33	(30)
Overseas non-taxable revenue	1,518	1,706
Property revenue from UK REITs - PID	-	154
Distributions from Regulated Collective Investment Schemes:		
Franked investment income	1,769	1,710
Unfranked investment income	31	45
Interest distributions	1,784	1,824
Offshore distribution taxable	2,817	2,151
Offshore distribution non-taxable	1,843	1,878
Bank interest	11	5
Rebate of revenue management fees from underlying investments	399	562
Interest on amounts held at futures clearing houses and brokers*	(1)	-
Total revenue	10,204	10,005

*Interest on amounts held at futures clearing houses and brokers shown are the net position of amount paid and received during the year.

Notes to the Financial Statements

(continued)

as at 31 August 2019

4. Expenses

	01/09/18 to 31/08/19 £000	01/09/17 to 31/08/18 £000
Payable to the ACD, associates of the ACD, and agents of either of them:		
ACD's periodic charge	3,000	3,121
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fee	79	81
Safe custody fees	2	2
	81	83
Other expenses:		
Administration costs	69	71
AIFMD fee	10	9
Audit fee	14	14
EMX fees	9	15
KIID publication costs	2	2
Legal fee	10	1
Registrar's fees	167	153
Report & accounts printing costs	-	1
	281	266
Total expenses	3,362	3,470

Expenses include irrecoverable VAT where applicable.

The PwC audit fee for the year, exclusive of VAT, is £11,800 (31/08/18: £11,800)

5. Taxation

	01/09/18 to 31/08/19 £000	01/09/17 to 31/08/18 £000
(a) Analysis of charge in year:		
Corporation tax	381	297
Adjustments in respect of prior years	302	-
Total tax charge for the year (note 5b)	683	297
(b) Factors affecting current tax charge for the year:		
The tax assessed for the year is lower than (2018: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2018: 20%). The differences are explained below:		
Net revenue before taxation	6,841	6,528
Corporation tax of 20% (2018: 20%)	1,368	1,306
Effects of:		
UK dividends*	(354)	(342)
Overseas non-taxable revenue*	(672)	(717)
Expenses not deductible for tax purposes	2	3
Adjustments in respect of prior years	302	-
Tax on capital management fee rebate	37	47
Total tax charge for the year (note 5a)	683	297

*As an authorised OEIC these items are not subject to corporation tax. UK dividends comprise franked investment income.

Open Ended Investment Companies are exempt from tax on capital gains, subject to certain exceptions. Therefore, any capital return is not included within the above reconciliation.

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

Notes to the Financial Statements

(continued)

as at 31 August 2019

6. Finance costs**Distributions and interest**

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	01/09/18 to 31/08/19 £000	01/09/17 to 31/08/18 £000
Interim dividend distributions	4,049	3,897
Final dividend distributions	4,268	4,990
	8,317	8,887
Add: Revenue deducted on cancellation of shares	318	100
Deduct: Revenue received on creation of shares	(41)	(212)
Net distributions for the year	8,594	8,775
Bank interest	1	7
Total finance costs	8,595	8,782

Details of the distribution per share is set out in the Distribution Tables on pages 76 to 78.

7. Movement between net revenue and net distributions

	01/09/18 to 31/08/19 £000	01/09/17 to 31/08/18 £000
Net revenue after taxation	6,158	6,231
ACD's periodic charge taken to capital	3,000	3,121
Tax effect on ACD's periodic charge	(600)	(624)
Tax relief on ACD's periodic charge rebate	36	47
Net distributions for the year	8,594	8,775

8. Debtors

	31/08/19 £000	31/08/18 £000
Sales awaiting settlement	14,797	-
Amounts receivable for issue of shares	4	222
Accrued revenue	885	393
Accrued ACD fee rebates	249	187
Income tax recoverable	6	132
Total debtors	15,941	934

9. Cash and bank balances

	31/08/19 £000	31/08/18 £000
Cash and bank balances	289	16,541
Amounts held at futures clearing houses and brokers	586	2,491
Total cash and bank balances	875	19,032

10. Other creditors

	31/08/19 £000	31/08/18 £000
Purchases awaiting settlement	8,368	-
Amounts payable for cancellation of shares	992	1,924
Accrued expenses	81	118
Accrued ACD's periodic charge	235	279
Corporation tax payable	294	151
Total other creditors	9,970	2,472

Notes to the Financial Statements

(continued)

as at 31 August 2019

11. Portfolio transaction costs

	Purchases		Sales	
	01/09/18 to 31/08/19	01/09/17 to 31/08/18	01/09/18 to 31/08/19	01/09/17 to 31/08/18
	£000	£000	£000	£000
Equities	826	-	-	6,270
Collective Investment Schemes	200,176	182,407	231,061	143,370
Trades in the year before transaction costs	201,002	182,407	231,061	149,640
Commissions				
Equities	-	-	-	(4)
Collective Investment Schemes	1	3	(2)	-
Total commissions	1	3	(2)	(4)
Taxes				
Equities	-	-	-	-
Collective Investment Schemes	-	-	(26)	(3)
Total taxes	-	-	(26)	(3)
Total costs	1	3	(28)	(7)
Total net trades in the year after transaction costs	201,003	182,410	231,033	149,633

Total transaction cost expressed as a percentage of asset type cost.

	Purchases		Sales	
	01/09/18 to 31/08/19	01/09/17 to 31/08/18	01/09/18 to 31/08/19	01/09/17 to 31/08/18
	%	%	%	%
Commissions				
Equities	-	-	-	0.06
Collective Investment Schemes	-	-	-	-
Taxes				
Equities	-	-	-	-
Collective Investment Schemes	-	-	0.01	-

Total transaction cost expressed as a percentage of average net asset value.

	01/09/18 to 31/08/19	01/09/17 to 31/08/18
	%	%
Commissions	-	-
Taxes	0.01	-
Total costs	0.01	-

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.06% (31/08/18: 0.08%).

12. Related party transactions

BMO Fund Management Limited, as Authorised Corporate Director (ACD), is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue, and paid on cancellation are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts due to, or from, BMO Fund Management Limited at the end of the accounting year are disclosed in notes 10 and 8 respectively.

Amounts payable to BMO Fund Management Limited in respect of fund management are disclosed in note 4 and amounts due at the end of the year in note 10.

The ACD is also the ACD or Manager for other authorised funds and those funds may invest in each other where this is within the investment objectives of the investing fund. Such transactions will be conducted on an arm's length basis within the regulations and the terms of the prospectus. No such transactions were entered into during the current year.

Notes to the Financial Statements

(continued)

as at 31 August 2019

13. Shareholders' funds

The Fund has five share classes in issue: Class 4, Class A, Class C, Class D, Class S.

The ACD's periodic charge on each share class is as follows:

	%
Share Class 4 - Accumulation:	-
Share Class A - Accumulation:	1.50
Share Class A - Income:	1.50
Share Class C - Accumulation:	0.75
Share Class C - Income:	0.75
Share Class D - Accumulation:	1.00
Share Class D - Income:	1.00
Share Class S - Accumulation:	0.40
Share Class S - Income:	0.40

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative Tables on pages 59 to 67.

The distributions per share class are given in the Distribution Tables on pages 76 to 78.

All share classes have the same rights on winding up.

Reconciliation of the shares movement in the year:

	01/09/18				31/08/19
	Opening shares in issue	Creations	Cancellations	Shares converted	Closing shares in issue
Share Class 4 - Accumulation:	12,602,474	256,639	(2,389,997)	-	10,469,116
Share Class A - Accumulation:	20,177,153	674,767	(2,283,132)	(6,276,321)	12,292,467
Share Class A - Income:	2,023,503	4,751	(310,012)	(274,605)	1,443,637
Share Class C - Accumulation:	261,475,857	7,070,221	(37,354,628)	13,154,362	244,345,812
Share Class C - Income:	108,622,321	2,633,293	(12,200,994)	507,091	99,561,711
Share Class D - Accumulation:	7,359,401	-	(1,282,481)	-	6,076,920
Share Class D - Income:	1,623,561	-	(248,864)	-	1,374,697
Share Class S - Accumulation:	171,476,574	2,578,720	(13,387,218)	-	160,668,076
Share Class S - Income:	147,004	560	(99,839)	-	47,725

14. Capital commitments and contingent liabilities

On 31 August 2019, the Fund had no capital commitments (31/08/18: £nil) and no contingent liabilities (31/08/18: £nil).

15. Financial instruments

The analysis and tables provided below refer to the narrative and numerical disclosure on 'Financial Instruments Risks' on pages 13 to 16.

Currency exposure

A proportion of the financial net assets of the Fund are denominated in currencies other than Sterling with the effect that the balance sheet and total return can be affected by currency movements.

The Fund holds an insignificant Euro, Japanese yen and US dollar currency exposure at 31 August 2019 therefore a currency table has not been disclosed.

Interest rate risk profile of financial assets and liabilities

The Fund's net cash overdraft of £1.405m (31/08/18: holding £18.512m) is held in a floating rate deposit account. Interest is earned by reference to LIBOR Indices for all USD, EUR, GBP, CHF and JPY currencies as determined by the British Bankers Association. For all other currencies interest is earned by reference to their international benchmark equivalents.

Maturity of financial liabilities

The financial liabilities of the Fund as at 31 August 2019 are payable either within one year or on demand, as were the financial liabilities of the previous year ended 31 August 2018.

Fair values of financial assets and liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet and their fair value.

Notes to the Financial Statements

(continued)

as at 31 August 2019

16. Fair value

For financial instruments held at fair value in the balance sheet, the Fund is required to disclose for each class of financial instrument, an analysis of the level in the fair value hierarchy (as set out in FRS 102 paragraph 11.27) into which the fair value measurements are categorised. The three levels of the fair value hierarchy under FRS 102 are as follows:

Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date;

Level 2 Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly;

Level 3 Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Valuation technique	31/08/19		31/08/18	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	34,825	(18)	35,481	(492)
Level 2	367,789	-	416,877	-
Level 3*	13,536	-	-	-
Total fair value	416,150	(18)	452,358	(492)

*The level 3 holding is Darwin Leisure Property Fund M Inc.

BMO MM Navigator Cautious Fund

Distribution Tables

for the year ended 31 August 2019

Distribution in pence per share

Share Class 4 - Accumulation

28/02/19: Group 1: Shares purchased prior to 1 September 2018

31/08/19: Group 1: Shares purchased prior to 1 March 2019

Group 2: Shares purchased from 1 September 2018 to 28 February 2019

Group 2: Shares purchased from 1 March 2019 to 31 August 2019

	Net revenue	Equalisation	Distributions paid/payable to 30/11/19	Distributions paid to 30/11/18
Group 1	(p)	(p)	(p)	(p)
28/02/19	1.5350	-	1.5350	1.4576
Final	1.7202	-	1.7202	1.8220
Group 2	(p)	(p)	(p)	(p)
28/02/19	0.6383	0.8967	1.5350	1.4576
Final	1.7202	-	1.7202	1.8220

Share Class A - Accumulation

28/02/19: Group 1: Shares purchased prior to 1 September 2018

31/08/19: Group 1: Shares purchased prior to 1 March 2019

Group 2: Shares purchased from 1 September 2018 to 28 February 2019

Group 2: Shares purchased from 1 March 2019 to 31 August 2019

	Net revenue	Equalisation	Distributions paid/payable to 30/11/19	Distributions paid to 30/11/18
Group 1	(p)	(p)	(p)	(p)
28/02/19	1.5169	-	1.5169	1.4714
Final	1.6324	-	1.6324	1.8110
Group 2	(p)	(p)	(p)	(p)
28/02/19	1.0118	0.5051	1.5169	1.4714
Final	0.9686	0.6638	1.6324	1.8110

Share Class A - Income

28/02/19: Group 1: Shares purchased prior to 1 September 2018

31/08/19: Group 1: Shares purchased prior to 1 March 2019

Group 2: Shares purchased from 1 September 2018 to 28 February 2019

Group 2: Shares purchased from 1 March 2019 to 31 August 2019

	Net revenue	Equalisation	Distributions paid/payable to 30/11/19	Distributions paid to 30/11/18
Group 1	(p)	(p)	(p)	(p)
28/02/19	1.2348	-	1.2348	1.2450
Final	1.3314	-	1.3314	1.4974
Group 2	(p)	(p)	(p)	(p)
28/02/19	0.6651	0.5697	1.2348	1.2450
Final	0.7671	0.5643	1.3314	1.4974

Share Class C - Accumulation

28/02/19: Group 1: Shares purchased prior to 1 September 2018

31/08/19: Group 1: Shares purchased prior to 1 March 2019

Group 2: Shares purchased from 1 September 2018 to 28 February 2019

Group 2: Shares purchased from 1 March 2019 to 31 August 2019

	Net revenue	Equalisation	Distributions paid/payable to 30/11/19	Distributions paid to 30/11/18
Group 1	(p)	(p)	(p)	(p)
28/02/19	0.7245	-	0.7245	0.6993
Final	0.8302	-	0.8302	0.8616
Group 2	(p)	(p)	(p)	(p)
28/02/19	0.4484	0.2761	0.7245	0.6993
Final	0.4127	0.4175	0.8302	0.8616

BMO MM Navigator Cautious Fund

Distribution Tables

(continued)

for the year ended 31 August 2019

Share Class C - Income

28/02/19: Group 1: Shares purchased prior to 1 September 2018
31/08/19: Group 1: Shares purchased prior to 1 March 2019

Group 2: Shares purchased from 1 September 2018 to 28 February 2019
Group 2: Shares purchased from 1 March 2019 to 31 August 2019

	Net revenue	Equalisation	Distributions paid/payable to 30/11/19	Distributions paid to 30/11/18
Group 1	(p)	(p)	(p)	(p)
28/02/19	0.6412	-	0.6412	0.6269
Final	0.7147	-	0.7147	0.7716
Group 2	(p)	(p)	(p)	(p)
28/02/19	0.3727	0.2685	0.6412	0.6269
Final	0.3492	0.3655	0.7147	0.7716

Share Class D - Accumulation

28/02/19: Group 1: Shares purchased prior to 1 September 2018
31/08/19: Group 1: Shares purchased prior to 1 March 2019

Group 2: Shares purchased from 1 September 2018 to 28 February 2019
Group 2: Shares purchased from 1 March 2019 to 31 August 2019

	Net revenue	Equalisation	Distributions paid/payable to 30/11/19	Distributions paid to 30/11/18
Group 1	(p)	(p)	(p)	(p)
28/02/19	0.7243	-	0.7243	0.6947
Final	0.8144	-	0.8144	0.8618
Group 2	(p)	(p)	(p)	(p)
28/02/19	0.7243	-	0.7243	0.6947
Final	0.8144	-	0.8144	0.8618

Share Class D - Income

28/02/19: Group 1: Shares purchased prior to 1 September 2018
31/08/19: Group 1: Shares purchased prior to 1 March 2019

Group 2: Shares purchased from 1 September 2018 to 28 February 2019
Group 2: Shares purchased from 1 March 2019 to 31 August 2019

	Net revenue	Equalisation	Distributions paid/payable to 30/11/19	Distributions paid to 30/11/18
Group 1	(p)	(p)	(p)	(p)
28/02/19	0.5062	-	0.5062	0.4917
Final	0.5646	-	0.5646	0.6091
Group 2	(p)	(p)	(p)	(p)
28/02/19	0.5062	-	0.5062	0.4917
Final	0.5646	-	0.5646	0.6091

Share Class S - Accumulation

28/02/19: Group 1: Shares purchased prior to 1 September 2018
31/08/19: Group 1: Shares purchased prior to 1 March 2019

Group 2: Shares purchased from 1 September 2018 to 28 February 2019
Group 2: Shares purchased from 1 March 2019 to 31 August 2019

	Net revenue	Equalisation	Distributions paid/payable to 30/11/19	Distributions paid to 30/11/18
Group 1	(p)	(p)	(p)	(p)
28/02/19	0.5882	-	0.5882	0.5636
Final	0.6662	-	0.6662	0.6992
Group 2	(p)	(p)	(p)	(p)
28/02/19	0.2661	0.3221	0.5882	0.5636
Final	0.3390	0.3272	0.6662	0.6992

BMO MM Navigator Cautious Fund

Distribution Tables

(continued)

for the year ended 31 August 2019

Share Class S - Income

28/02/19: Group 1: Shares purchased prior to 1 September 2018

31/08/19: Group 1: Shares purchased prior to 1 March 2019

Group 2: Shares purchased from 1 September 2018 to 28 February 2019

Group 2: Shares purchased from 1 March 2019 to 31 August 2019

	Net		Distributions	Distributions
	revenue	Equalisation	paid/payable to	paid to
	(p)	(p)	30/11/19	30/11/18
Group 1			(p)	(p)
28/02/19	0.5463	-	0.5463	0.5335
Final	0.5238	-	0.5238	0.6556
Group 2	(p)	(p)	(p)	(p)
28/02/19	0.3148	0.2315	0.5463	0.5335
Final	0.2848	0.2390	0.5238	0.6556

for the year ended 31 August 2019

Fund Objective

The Fund aims to achieve an income return, with some capital growth.

The Fund invests primarily in a range of collective investment schemes and closed ended funds in order to gain exposure to a diversified portfolio of primarily equities, fixed interest securities and alternative income producing investments.

The schemes and funds in which the Fund invests may include schemes or funds managed by the ACD or an associate of the ACD.

The underlying equity component may include shares of companies anywhere in the world and in any industry sector. There may be an element of currency exposure.

The underlying fixed interest component may include government, corporate bonds and other debt instruments from issuers anywhere in the world (which may include emerging market and high yield bonds). There may be an element of currency exposure.

Generally, alternative income producing investments includes investments which are not via conventional equity or fixed interest funds, but gain exposure to other asset classes which pay an element of regular income.

To the extent that the Fund is not fully invested in collective investment schemes, the Fund may also invest in other transferable securities (which may include equities and fixed interest securities), money market instruments, warrants, deposits, cash and near cash.

The Fund may use derivatives for investment purposes as well as for efficient portfolio management.

Synthetic Risk and Reward Indicator

The Synthetic Risk and Reward Indicator ("SRRI"), is calculated in accordance with the Key Investor Information Regulations and is disclosed in a fund's KIIDs (Key Investor Information Documents). It is calculated from the last five years' performance data and shows the historic volatility of the Fund and is updated periodically. The SRRI is reported against standard bands ranging from 1 (lower risk/reward) to 7 (higher risk/reward). This classification is intended as a general indication of the overall level of risk of a fund in order to facilitate comparisons between funds.

The most recent value of the SRRI for the Fund was 4, published on 28 January 2019. From the most recent review it has been determined that this is still appropriate.

A fuller explanation of the SRRI and the risk and reward profile of the Fund is contained in the Fund's KIIDs.

Fund manager	Gary Potter & Robert Burdett
Fund size	£1,078.0 million
Launch date	1 October 2007

Manager's Review

Shares in the portfolio produced a negative return of -0.2% in the twelve months to 31 August 2019. This includes the yield, as the fund continues to deliver its income objective. While equities weakened around the end of 2018, reflecting weaker growth around the world and the escalating US-China trade war, global stocks rebounded in 2019 on the back of a more dovish stance from major central banks. The US Federal Reserve (Fed) continued to increase interest rates to a peak of 2.50% at its December 2018 meeting. However, the Fed struck an increasingly dovish tone as 2019 progressed and cut interest rates by 0.25% to 2.25% following its July 2019 policy meeting. With other central banks also looking to ease monetary policy, the prospect of lower interest rates pushed down yields on government bonds in developed markets, including record low, negative rates for German bunds. Brent crude oil futures fell over the period, moving from \$77 to \$60 per barrel, pressured by robust US production and concerns on demand given a weakening global economic outlook. Gold prices rose from \$1,200 to \$1,519 per ounce, supported by the worries over global growth and increasingly loose monetary policy. As the period progressed, survey data suggested Brexit uncertainty was weighing on business and consumer sentiment. The UK economy contracted by 0.2% in the second quarter of 2019, as manufacturing activity was hit by the unwinding of Brexit related stockpiling. Worries about a no-deal Brexit increased after Boris Johnson was appointed as UK prime minister in July and the EU rejected his calls to scrap the Irish backstop.

Strategy remained focused on providing investors with access to a well-balanced and diversified multi-manager portfolio with the aim of providing an attractive yield together with scope for long-term capital appreciation. From a geographic perspective there was little change over the period and we continued to tilt the portfolio towards areas where we believe the investment prospects to be brightest. These adjustments are typically modest in nature however, and it remains our expectation that the performance of the funds we pick rather than any asset allocation stances will be the key driver of returns.

With the hunt for defensive income as paramount as ever, the decision was taken to increase the diversification of the portfolio by initiating a position in the Investec Global Total Return Credit fund. Run by Jeff Boswell and Garland Hansmann alongside a team of analysts specialising in niche assets. This fund focuses on finding good value assets driven by bottom up analysis, with a scorecard referred to by the team as their "Compelling Forces Framework" at the centre of their process. We also invested in the LXI REIT plc, a closed ended investment company whose objective is to deliver inflation-protected income and capital growth through investing in a diversified portfolio of UK property, benefitting from long-term index-linked leases with institutional-grade tenants. The REIT's management team will additionally use their experience in the forward-funding space, aiming to enhance the return to investors.

for the year ended 31 August 2019

We sold out of two holdings to reduce risk. While the disposal of the JPM Emerging Markets Income fund leaves us without any dedicated emerging markets holdings, we remain overweight developing markets via our three Asian equity income funds. We also sold the remainder of our position in the Artemis Global Income, as we reduced equity exposure within the fund. We still hold the fund and manager in high regard, but decided to rotate away from global equity income and into lower beta asset classes. We also introduced a position in Montanaro UK Income fund, financed by small reductions to existing holdings across the portfolio.

We increasingly believe a coordinated monetary and fiscal response is the way to address ailing economic growth and inflation. Whilst the divide between mainstream political parties may be optically as large as it has been for a few decades, there's one policy which seemingly is uniting them all: spending money. With financing costs at historically low levels, as described above, a countercyclical fiscal response would appear more attractive than ever for governments to kickstart developed market economies. In terms of our views and positioning we remain relatively cautious on the outlook. The portfolios continue to be slightly underweight in equities and fixed income, with the balance held across alternative and absolute return portfolios as well as gold and cash. In terms of regions, we are not expressing particularly strong views but remain underweight the UK and close to neutral on Europe and the US, as well as Asia and the emerging markets. We continue to see Japan as relatively attractive, and this region remains an overweight. Equity markets have recovered well from the lows at the start of the year, with the S&P500, for example, close to record highs set earlier in the summer. Political risks remain elevated though and the concerns we have over the economic data are increasing. It is clear that the central banks continue to be supportive. However, we are not convinced that monetary easing alone will be sufficient to offset accelerating economic weakness and with markets seemingly seeing the positive in everything once again, it feels to us that there is a little too much complacency out there given the ongoing political and economic risks. Though we accept that the markets may well continue to focus on the prospects for monetary easing in the short term, the impact of the slowing economy on the corporate data will likely weigh on sentiment again at some point in the near future.

BMO Fund Management Limited
8 October 2019

BMO MM Navigator Distribution Fund

Portfolio Statement

as at 31 August 2019

	Holdings	Market Value £000	Total Net Assets %
ASIA (5.76%*)		66,310	6.15
Prusik Asian Equity Income Fund X Inc USD	180,890	24,784	2.30
Schroder Asian Income Maximiser Fund A Inc	79,858,222	41,526	3.85
EMERGING MARKETS (5.76%*)		42,234	3.92
Ashmore Emerging Markets Total Return Fund I GBP	469,576	42,234	3.92
EUROPE (5.92%*)		63,802	5.92
BlackRock Continental European Income Fund A Inc	15,424,649	23,029	2.14
Polar Capital European EX UK Income Fund X Inc	3,974,017	40,773	3.78
FIXED INTEREST (18.56%*)		202,552	18.79
1167 Global High Income Bond Fund Z3 Inc USD	314,900	22,455	2.08
Janus Henderson Strategic Bond Fund I Inc	38,455,948	54,838	5.09
Legg Mason Western Asset Structured Opportunities Fund M Hedged	291,850	28,803	2.67
MI TwentyFour Dynamic Bond Fund M Inc	424,753	45,340	4.21
Schroder Strategic Credit Fund X Inc	53,828,568	51,116	4.74
JAPAN (2.28%*)		27,188	2.52
Coupland Cardiff Japan Income & Growth Founder Fund F Inc JPY	2,049,121	27,188	2.52
NORTH AMERICA (2.30%*)		22,066	2.05
BNY Mellon U.S. Equity Income Fund W Inc	19,965,622	22,066	2.05
SPECIALIST (39.86%*)		417,504	38.73
Amedeo Air Four Plus	24,123,073	20,746	1.92
Aptus Global Financials Fund B Inc	8,337,209	22,011	2.04
CIM Dividend Income Fund H Inc	2,967,993	21,200	1.97
Darwin Leisure Property Fund M Inc**	24,521,004	43,851	4.07
Fidelity Global Enhanced Income Fund W Inc	30,981,835	39,409	3.66
GCP Infrastructure Investments Fund	16,089,164	20,208	1.88
GCP Student Living#	13,065,192	21,244	1.97
Hamlin High Dividend Equity Fund A Inc USD	4,228,368	36,551	3.39
Investec Global Total Return Credit Fund K Inc	25,793,874	26,059	2.42
LXI REIT	12,916,389	16,843	1.56
P2P Global Investments Fund	2,975,051	24,931	2.31
RWC Global Enhanced Dividend Fund B Inc GBP	408,401	40,217	3.73
Schroder European Alpha Income Fund Z Inc	11,760,684	22,251	2.06
SQN Asset Finance Income Fund	10,694,145	8,769	0.81
SQN Asset Finance Income Fund C Inc	8,522,872	7,159	0.66
Starwood European Real Estate Finance	14,075,177	14,427	1.34
UK Mortgages	13,661,176	9,563	0.89
Veritas Global Equity Income Fund D Inc GBP	103,170	22,065	2.05
UNITED KINGDOM (18.81%*)		217,407	20.16
J O Hambro Capital Management UK Equity Income Fund Y Inc	35,019,888	41,008	3.80
Majedie UK Income Fund X Inc	39,536,000	55,893	5.19
MI Chelverton UK Equity Income Fund B Inc	28,821,565	32,236	2.99
Montanaro UK Income Fund F Inc	9,960,829	10,827	1.00
Schroder Income Maximiser Fund A Inc	149,725,008	58,019	5.38
TwentyFour Income Fund	17,739,201	19,424	1.80

BMO MM Navigator Distribution Fund

Portfolio Statement

(continued)

as at 31 August 2019

	Holdings	Market Value £000	Total Net Assets %
DERIVATIVES (0.14%*)		715	0.07
Futures			
FTSE 100 Index Futures September 2019	(464)	805	0.07
FTSE 250 Index Futures September 2019	(575)	(42)	-
Hang Seng Index Futures September 2019	(121)	(48)	-
Portfolio of investments^		1,059,778	98.31
Net other assets		18,264	1.69
Total net assets		1,078,042	100.00

All investments are approved securities as defined in the Collective Investment Schemes sourcebook unless otherwise stated.

* Comparative figures shown in brackets relate to 31 August 2018.

** Unlisted investments.

^ Including derivative liabilities.

Real Estate Investment Trust.

BMO MM Navigator Distribution Fund

Material Portfolio Changes

for the year ended 31 August 2019

	Cost		Proceeds
Major purchases	£000	Major sales	£000
EURO STOXX 50 Futures June 2019	60,345	FTSE 100 Index Futures September 2019	55,744
EURO STOXX 50 Futures March 2019	56,531	EURO STOXX 50 Futures June 2019	55,088
FTSE 100 Index Futures September 2018	52,852	EURO STOXX 50 Futures March 2019	54,839
FTSE 100 Index Futures December 2018	49,209	FTSE 100 Index Futures December 2018	52,584
FTSE 100 Index Futures June 2019	47,900	Polar Capital European EX UK Income Fund S Inc	46,641
EURO STOXX 50 Futures September 2019	46,960	EURO STOXX 50 Futures September 2019	45,797
FTSE 100 Index Futures March 2019	45,926	FTSE 100 Index Futures June 2019	45,383
Polar Capital European EX UK Income Fund X Inc	41,926	FTSE 100 Index Futures March 2019	43,225
EURO STOXX 50 Futures September 2018	36,236	EURO STOXX 50 Futures December 2018	36,038
EURO STOXX 50 Futures December 2018	33,480	Artemis Global Income Fund I Inc	32,542

Purchases and sales of Futures have been included at the value of their exposure.

BMO MM Navigator Distribution Fund

Comparative Tables

as at 31 August 2019

	31/08/19 (p)	31/08/18 (p)	31/08/17 (p)
Share Class 4 - Income			
Change in net assets per share			
Opening net asset value per share	114.12	116.42	112.26
Return before operating charges*	1.24	3.96	10.35
Operating charges	(0.96)	(0.85)	(0.82)
Return after operating charges*	0.28	3.11	9.53
Distributions on income shares	(5.30)	(5.41)	(5.37)
Closing net asset value per share	109.10	114.12	116.42
*after direct transaction costs of:	0.01	0.01	-
Performance			
Return after charges	0.25%	2.67%	8.49%
Other information			
Closing net asset value (£'000)	29,531	37,746	40,091
Closing number of shares	27,068,851	33,075,579	34,437,477
Operating charges	0.86%	0.73%	0.71%
Direct transaction costs	0.01%	0.00%	0.00%
Prices			
Highest share price	114.00	117.20	119.00
Lowest share price	106.70	111.10	110.20

BMO MM Navigator Distribution Fund

Comparative Tables

(continued)

as at 31 August 2019

	31/08/19 (p)	31/08/18 (p)	31/08/17 (p)
Share Class A - Accumulation			
Change in net assets per share			
Opening net asset value per share	168.39	165.87	154.55
Return before operating charges*	2.33	6.23	14.87
Operating charges	(3.91)	(3.71)	(3.55)
Return after operating charges*	(1.58)	2.52	11.32
Distributions	(7.86)	(7.82)	(7.49)
Retained distributions on accumulation shares	7.86	7.82	7.49
Closing net asset value per share	166.81	168.39	165.87
*after direct transaction costs of:	0.01	0.01	-
Performance			
Return after charges	(0.94)%	1.52%	7.32%
Other information			
Closing net asset value (£'000)	50,739	77,783	89,059
Closing number of shares	30,417,783	46,193,068	53,691,787
Operating charges	2.36%	2.23%	2.21%
Direct transaction costs	0.01%	0.00%	0.00%
Prices			
Highest share price	171.50	169.80	175.20
Lowest share price	158.80	160.60	153.00

BMO MM Navigator Distribution Fund

Comparative Tables

(continued)

as at 31 August 2019

	31/08/19 (p)	31/08/18 (p)	31/08/17 (p)
Share Class A - Income			
Change in net assets per share			
Opening net asset value per share	97.15	100.32	97.91
Return before operating charges*	1.31	3.68	9.28
Operating charges	(2.22)	(2.21)	(2.21)
Return after operating charges*	(0.91)	1.47	7.07
Distributions on income shares	(4.47)	(4.64)	(4.66)
Closing net asset value per share	91.77	97.15	100.32
*after direct transaction costs of:	0.01	-	-
Performance			
Return after charges	(0.94)%	1.47%	7.22%
Other information			
Closing net asset value (£'000)	36,685	44,386	52,888
Closing number of shares	39,977,768	45,688,037	52,721,081
Operating charges	2.36%	2.23%	2.21%
Direct transaction costs	0.01%	0.00%	0.00%
Prices			
Highest share price	97.05	100.80	107.60
Lowest share price	90.45	95.09	95.88

BMO MM Navigator Distribution Fund

Comparative Tables

(continued)

as at 31 August 2019

	31/08/19 (p)	31/08/18 (p)	31/08/17 (p)
Share Class C - Accumulation			
Change in net assets per share			
Opening net asset value per share	76.83	75.23	69.67
Return before operating charges*	1.01	2.72	6.62
Operating charges	(1.22)	(1.12)	(1.06)
Return after operating charges*	(0.21)	1.60	5.56
Distributions	(3.64)	(3.54)	(3.38)
Retained distributions on accumulation shares	3.64	3.54	3.38
Closing net asset value per share	76.62	76.83	75.23
*after direct transaction costs of:	-	-	-
Performance			
Return after charges	(0.27)%	2.13%	7.98%
Other information			
Closing net asset value (£'000)	385,860	410,520	417,800
Closing number of shares	503,610,766	534,350,704	555,389,773
Operating charges	1.61%	1.48%	1.46%
Direct transaction costs	0.01%	0.00%	0.00%
Prices			
Highest share price	78.76	77.43	75.65
Lowest share price	72.58	73.05	69.01

BMO MM Navigator Distribution Fund

Comparative Tables

(continued)

as at 31 August 2019

	31/08/19 (p)	31/08/18 (p)	31/08/17 (p)
Share Class C - Income			
Change in net assets per share			
Opening net asset value per share	56.95	58.44	56.70
Return before operating charges*	0.70	2.07	5.29
Operating charges	(0.89)	(0.86)	(0.85)
Return after operating charges*	(0.19)	1.21	4.44
Distributions on income shares	(2.64)	(2.70)	(2.70)
Closing net asset value per share	54.12	56.95	58.44
*after direct transaction costs of:	-	-	-
Performance			
Return after charges	(0.33)%	2.07%	7.83%
Other information			
Closing net asset value (£'000)	503,354	569,909	606,784
Closing number of shares	930,054,989	1,000,662,444	1,038,259,009
Operating charges	1.61%	1.48%	1.46%
Direct transaction costs	0.01%	0.00%	0.00%
Prices			
Highest share price	56.90	58.76	59.72
Lowest share price	53.14	55.58	55.56

BMO MM Navigator Distribution Fund

Comparative Tables

(continued)

as at 31 August 2019

	31/08/19 (p)	31/08/18 (p)	31/08/17 (p)
Share Class D - Accumulation			
Change in net assets per share			
Opening net asset value per share	76.21	74.77	69.39
Return before operating charges*	1.03	2.74	6.62
Operating charges	(1.40)	(1.30)	(1.24)
Return after operating charges*	(0.37)	1.44	5.38
Distributions	(3.60)	(3.51)	(3.33)
Retained distributions on accumulation shares	3.60	3.51	3.33
Closing net asset value per share	75.84	76.21	74.77
*after direct transaction costs of:	-	-	-
Performance			
Return after charges	(0.49)%	1.93%	7.75%
Other information			
Closing net asset value (£'000)	9,521	11,807	13,090
Closing number of shares	12,553,832	15,492,908	17,506,496
Operating charges	1.86%	1.73%	1.71%
Direct transaction costs	0.01%	0.00%	0.00%
Prices			
Highest share price	77.97	76.81	75.20
Lowest share price	71.95	72.53	68.70

BMO MM Navigator Distribution Fund

Comparative Tables

(continued)

as at 31 August 2019

	31/08/19 (p)	31/08/18 (p)	31/08/17 (p)
Share Class D - Income			
Change in net assets per share			
Opening net asset value per share	55.24	56.80	55.21
Return before operating charges*	0.71	2.04	5.19
Operating charges	(1.00)	(0.97)	(0.97)
Return after operating charges*	(0.29)	1.07	4.22
Distributions on income shares	(2.56)	(2.63)	(2.63)
Closing net asset value per share	52.39	55.24	56.80
*after direct transaction costs of:	-	-	-
Performance			
Return after charges	(0.52)%	1.88%	7.64%
Other information			
Closing net asset value (£'000)	12,102	14,575	14,855
Closing number of shares	23,101,114	26,385,692	26,151,586
Operating charges	1.86%	1.73%	1.71%
Direct transaction costs	0.01%	0.00%	0.00%
Prices			
Highest share price	55.19	57.09	58.04
Lowest share price	51.51	53.96	54.08

BMO MM Navigator Distribution Fund

Comparative Tables

(continued)

as at 31 August 2019

	31/08/19 (p)	31/08/18 (p)	31/08/17 (p)
Share Class M - Income			
Change in net assets per share			
Opening net asset value per share	49.62	51.05	50.00†
Return before operating charges*	0.64	1.79	3.58
Operating charges	(0.77)	(0.74)	(0.76)
Return after operating charges*	(0.13)	1.05	2.82
Distributions on income shares	(2.34)	(2.48)	(1.77)
Closing net asset value per share	47.15	49.62	51.05
*after direct transaction costs of:	-	-	-
Performance			
Return after charges	(0.26)%	2.06%	5.64%
Other information			
Closing net asset value (£'000)	50,250	38,765	18,504
Closing number of shares	106,572,024	78,130,070	36,249,368
Operating charges	1.61%	1.48%	1.46%
Direct transaction costs	0.01%	0.00%	0.00%
Prices			
Highest share price	49.57	51.23	52.14
Lowest share price	46.40	48.44	49.87

†Price at launch date.

Share Class M Income was launched 30 December 2016.

BMO MM Navigator Distribution Fund

Statement of Total Return

for the year ended 31 August 2019

	Notes	01/09/18 to 31/08/19		01/09/17 to 31/08/18	
		£000	£000	£000	£000
Income					
Net capital losses	2		(51,755)		(24,618)
Revenue	3	61,385		62,793	
Expenses	4	(9,941)		(10,944)	
Interest payable and similar charges	6	(11)		(10)	
Net revenue before taxation		51,433		51,839	
Taxation	5	(4,524)		(2,264)	
Net revenue after taxation			46,909		49,575
Total return before distributions			(4,846)		24,957
Distributions	6		(54,534)		(58,009)
Change in net assets attributable to shareholders from investment activities			(59,380)		(33,052)

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 August 2019

	01/09/18 to 31/08/19		01/09/17 to 31/08/18	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		1,205,491		1,253,071
Amounts receivable on creation of shares	31,894		52,825	
Amounts payable on cancellation of shares	(122,075)		(91,174)	
		(90,181)		(38,349)
Change in net assets attributable to shareholders from investment activities		(59,380)		(33,052)
Retained distribution on accumulation shares		22,109		23,817
Unclaimed distributions		3		4
Closing net assets attributable to shareholders		1,078,042		1,205,491

Notes to the Financial Statements are on pages 94 to 99.

BMO MM Navigator Distribution Fund

Balance Sheet

as at 31 August 2019

	Notes	31/08/19 £000	31/08/18 £000
Assets			
Investments		1,059,868	1,199,423
Current assets			
Debtors	8	22,441	4,674
Cash and bank balances	9	21,969	20,481
Total assets		1,104,278	1,224,578
Liabilities			
Investment liabilities		(90)	(1,280)
Provisions for liabilities	10	(184)	(35)
Creditors			
Bank overdrafts		-	(1,385)
Distribution payable		(9,966)	(12,075)
Other creditors	11	(15,996)	(4,312)
Total liabilities		(26,236)	(19,087)
Net assets attributable to shareholders		1,078,042	1,205,491

Notes to the Financial Statements are on pages 94 to 99.

BMO MM Navigator Distribution Fund

Notes to the Financial Statements

as at 31 August 2019

1. Accounting policies

Please see pages 11 and 12 for accounting policies.

2. Net capital losses

The net capital losses during the year comprise:

	01/09/18 to 31/08/19 £000	01/09/17 to 31/08/18 £000
Non-derivative securities*	(52,156)	(19,127)
Derivative contracts*	(709)	(7,430)
Forward foreign exchange currency contracts*	-	4
Currency losses*	(780)	(321)
Rebate of capital management fees from underlying investments	1,754	1,957
Handling charges	(2)	(1)
Box profit	138	300
Net capital losses	(51,755)	(24,618)

*Includes realised gains of £9,650,067 and unrealised losses of £63,294,241 (31/08/18: realised gains of £4,380,786 and unrealised losses of £31,254,607).

3. Revenue

	01/09/18 to 31/08/19 £000	01/09/17 to 31/08/18 £000
UK dividends	-	1,080
Overseas taxable revenue	1,485	133
Overseas non-taxable revenue	6,330	8,287
Property revenue from UK REITs - PID	1,321	713
Property revenue from UK REITs - Non PID	271	344
Distributions from Regulated Collective Investment Schemes:		
Franked investment income	18,126	19,700
Unfranked investment income	4,841	5,304
Interest distributions	7,353	7,265
Offshore distribution taxable	8,766	5,771
Offshore distribution non-taxable	12,028	13,115
Bank interest	13	7
Rebate of revenue management fees from underlying investments	844	1,072
Interest on amounts held at futures clearing houses and brokers*	7	2
Total revenue	61,385	62,793

*Interest on amounts held at futures clearing houses and brokers shown are the net position of amount paid and received during the year.

4. Expenses

	01/09/18 to 31/08/19 £000	01/09/17 to 31/08/18 £000
Payable to the ACD, associates of the ACD, and agents of either of them:		
ACD's periodic charge	9,093	10,056
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fee	204	223
Safe custody fees	4	5
	208	228

Notes to the Financial Statements

(continued)

as at 31 August 2019

Other expenses:

Administration costs	167	192
AIFMD fee	10	9
Audit fee	18	17
EMX fees	22	38
KIID publication costs	2	2
Legal fee	11	1
Registrar's fees	409	400
Report & accounts printing costs	1	1
	<u>640</u>	<u>660</u>
Total expenses	<u>9,941</u>	<u>10,944</u>

Expenses include irrecoverable VAT where applicable.

The PwC audit fee for the year, exclusive of VAT, is £15,200 (31/08/18: £14,500)

5. Taxation

	01/09/18 to 31/08/19 £000	01/09/17 to 31/08/18 £000
(a) Analysis of charge in year:		
Corporation tax	3,132	2,253
Irrecoverable overseas tax	15	10
Adjustments in respect of prior years	1,228	-
Total current tax	<u>4,375</u>	<u>2,263</u>
Deferred taxation	<u>149</u>	<u>1</u>
Total tax charge for the year (note 5b)	<u>4,524</u>	<u>2,264</u>

(b) Factors affecting current tax charge for the year:

The tax assessed for the year is lower than (2018: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2018: 20%). The differences are explained below:

Net revenue before taxation	51,433	51,839
Corporation tax of 20% (2018: 20%)	<u>10,287</u>	<u>10,368</u>
Effects of:		
UK dividends*	(3,625)	(4,156)
Overseas non-taxable revenue*	(3,672)	(4,281)
Irrecoverable overseas tax	15	10
Expenses not deductible for tax purposes	4	8
Property revenue from UK REITs - Non PID	(54)	(69)
Tax on capital management fee rebate	351	391
Double taxation relief current year movement	(9)	(7)
Adjustments in respect of prior years	1,227	-
Total tax charge for the year (note 5a)	<u>4,524</u>	<u>2,264</u>

*As an authorised OEIC these items are not subject to corporation tax.

Open Ended Investment Companies are exempt from tax on capital gains, subject to certain exceptions. Therefore, any capital return is not included within the above reconciliation.

(c) Deferred taxation:

Provision at the start of the year	35	34
Deferred tax charge in profit and loss account for the year (note 5a)	<u>149</u>	<u>1</u>
Provision at the end of the year	<u>184</u>	<u>35</u>
Provision consists of:		
Revenue taxable in different periods	189	41
Double taxation relief on accrued dividends	(5)	(6)
Provision at the end of the year	<u>184</u>	<u>35</u>

Notes to the Financial Statements

(continued)

as at 31 August 2019

6. Finance costs**Distributions and interest**

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	01/09/18 to 31/08/19 £000	01/09/17 to 31/08/18 £000
Interim dividend distributions	36,647	36,941
Final dividend distributions	17,067	20,652
	53,714	57,593
Add: Revenue deducted on cancellation of shares	994	754
Deduct: Revenue received on creation of shares	(174)	(338)
Net distributions for the year	54,534	58,009
Bank interest	11	10
Total finance costs	54,545	58,019

Details of the distributions per share are set out in the Distribution Tables on pages 100 to 103.

7. Movement between net revenue and net distributions

	01/09/18 to 31/08/19 £000	01/09/17 to 31/08/18 £000
Net revenue after taxation	46,909	49,575
ACD's periodic charge taken to capital	9,093	10,056
Tax effect on ACD's periodic charge	(1,818)	(2,011)
Tax relief on ACD's periodic charge rebate	351	391
Net revenue deducted on share class conversions	(1)	(2)
Net distributions for the year	54,534	58,009

8. Debtors

	31/08/19 £000	31/08/18 £000
Sales awaiting settlement	11,369	-
Amounts receivable for issue of shares	158	751
Accrued revenue	8,999	1,975
Accrued ACD fee rebates	956	888
Income tax recoverable	959	1,060
Total debtors	22,441	4,674

9. Cash and bank balances

	31/08/19 £000	31/08/18 £000
Cash and bank balances	19,759	12,365
Amounts held at futures clearing houses and brokers	2,210	8,116
Total cash and bank balances	21,969	20,481

10. Provisions for liabilities

	31/08/19 £000	31/08/18 £000
Deferred taxation	184	35
Total provisions for liabilities	184	35

Notes to the Financial Statements

(continued)

as at 31 August 2019

11. Other creditors

	31/08/19 £000	31/08/18 £000
Purchases awaiting settlement	10,855	-
Amounts payable for cancellation of shares	1,944	1,542
Accrued expenses	180	263
Accrued ACD's periodic charge	719	839
Corporation tax payable	2,298	1,668
Total other creditors	15,996	4,312

12. Portfolio transaction costs

	Purchases		Sales	
	01/09/18 to 31/08/19 £000	01/09/17 to 31/08/18 £000	01/09/18 to 31/08/19 £000	01/09/17 to 31/08/18 £000
Equities	22,365	2,188	15,668	1,115
Collective Investment Schemes	195,716	196,892	287,622	222,613
Trades in the year before transaction costs	218,081	199,080	303,290	223,728
Commissions				
Equities	1	1	(9)	(1)
Collective Investment Schemes	9	2	(3)	(16)
Total commissions	10	3	(12)	(17)
Taxes				
Equities	-	11	-	-
Collective Investment Schemes	44	-	-	-
Total taxes	44	11	-	-
Total costs	54	14	(12)	(17)
Total net trades in the year after transaction costs	218,135	199,094	303,278	223,711

Total transaction cost expressed as a percentage of asset type cost.

	Purchases		Sales	
	01/09/18 to 31/08/19 %	01/09/17 to 31/08/18 %	01/09/18 to 31/08/19 %	01/09/17 to 31/08/18 %
Commissions				
Equities	-	0.05	0.05	0.09
Collective Investment Schemes	-	-	-	0.01
Taxes				
Equities	-	0.50	-	-
Collective Investment Schemes	0.02	-	-	-

Total transaction cost expressed as a percentage of average net asset value.

	01/09/18 to 31/08/19 %	01/09/17 to 31/08/18 %
Commissions	-	-
Taxes	0.01	-
Total costs	0.01	-

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.18% (31/08/18: 0.23%).

as at 31 August 2019

13. Related party transactions

BMO Fund Management Limited, as Authorised Corporate Director (ACD), is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue, and paid on cancellation are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts due to, or from, BMO Fund Management Limited at the end of the accounting year are disclosed in notes 11 and 8 respectively.

Amounts payable to BMO Fund Management Limited in respect of fund management are disclosed in note 4 and amounts due at the end of the year in note 11.

The ACD is also the ACD or Manager for other authorised funds and those funds may invest in each other where this is within the investment objectives of the investing fund. Such transactions will be conducted on an arm's length basis within the regulations and the terms of the prospectus. No such transactions were entered into during the current year.

14. Shareholders' funds

The Fund has five share classes in issue: Class 4, Class A, Class C, Class D and Class M.

The ACD's periodic charge on each share class is as follows:

	%
Share Class 4 - Income:	-
Share Class A - Accumulation:	1.50
Share Class A - Income:	1.50
Share Class C - Accumulation:	0.75
Share Class C - Income:	0.75
Share Class D - Accumulation:	1.00
Share Class D - Income:	1.00
Share Class M - Income:	0.75

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative Tables on pages 84 to 91.

The distributions per share class are given in the Distribution Tables on pages 100 to 103.

All share classes have the same rights on winding up.

Reconciliation of the shares movement in the year:

	01/09/18			31/08/19
	Opening shares in issue	Creations	Cancellations	Shares converted Closing shares in issue
Share Class 4 - Income:	33,075,579	539,029	(6,545,757)	- 27,068,851
Share Class A - Accumulation:	46,193,068	618,592	(5,419,110)	(10,974,767) 30,417,783
Share Class A - Income:	45,688,037	582,483	(5,368,109)	(924,643) 39,977,768
Share Class C - Accumulation:	534,350,704	7,905,872	(62,502,288)	23,856,478 503,610,766
Share Class C - Income:	1,000,662,444	15,815,749	(86,887,982)	464,778 930,054,989
Share Class D - Accumulation:	15,492,908	1,234	(3,018,583)	78,273 12,553,832
Share Class D - Income:	26,385,692	48,192	(3,654,509)	321,739 23,101,114
Share Class M - Income:	78,130,070	31,478,535	(4,017,494)	980,913 106,572,024

15. Capital commitments and contingent liabilities

On 31 August 2019, the Fund had no capital commitments (31/08/18: £nil) and no contingent liabilities (31/08/18: £nil).

16. Financial instruments

The analysis and tables provided below refer to the narrative and numerical disclosure on 'Financial Instruments Risks' on pages 13 to 16.

Currency exposure

A proportion of the financial net assets of the Fund are denominated in currencies other than Sterling with the effect that the balance sheet and total return can be affected by currency movements.

The Fund holds an insignificant Euro, Japanese yen, Hong Kong dollar and US dollar currency exposure at 31 August 2019 therefore a currency table has not been disclosed.

Notes to the Financial Statements

(continued)

as at 31 August 2019

Interest rate risk profile of financial assets and liabilities

The Fund's net cash holding of £21.969m (31/08/18: holding £19.096m) is held in a floating rate deposit account. Interest is earned by reference to LIBOR Indices for all USD, EUR, GBP, CHF and JPY currencies as determined by the British Bankers Association. For all other currencies interest is earned by reference to their international benchmark equivalents.

Maturity of financial liabilities

The financial liabilities of the Fund as at 31 August 2019 are payable either within one year or on demand, as were the financial liabilities of the previous year ended 31 August 2018.

Fair values of financial assets and liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet and their fair value.

17. Fair value

For financial instruments held at fair value in the balance sheet, the Fund is required to disclose for each class of financial instrument, an analysis of the level in the fair value hierarchy (as set out in FRS 102 paragraph 11.27) into which the fair value measurements are categorised. The three levels of the fair value hierarchy under FRS 102 are as follows:

Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date;

Level 2 Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly;

Level 3 Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Valuation technique	31/08/19		31/08/18	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	164,119	(90)	159,562	(1,280)
Level 2	851,898	-	1,039,861	-
Level 3*	43,851	-	-	-
Total fair value	1,059,868	(90)	1,199,423	(1,280)

*The level 3 holding is Darwin Leisure Property Fund M Inc.

BMO MM Navigator Distribution Fund

Distribution Tables

for the year ended 31 August 2019

Distribution in pence per share

Share Class 4 - Income

30/11/18: Group 1: Shares purchased prior to 1 September 2018
 28/02/19: Group 1: Shares purchased prior to 1 December 2018
 31/05/19: Group 1: Shares purchased prior to 1 March 2019
 31/08/19: Group 1: Shares purchased prior to 1 June 2019

Group 2: Shares purchased from 1 September 2018 to 30 November 2018
 Group 2: Shares purchased from 1 December 2018 to 28 February 2019
 Group 2: Shares purchased from 1 March 2019 to 31 May 2019
 Group 2: Shares purchased from 1 June 2019 to 31 August 2019

	Net revenue	Equalisation	Distributions paid/payable to 30/11/19	Distributions paid to 30/11/18
Group 1	(p)	(p)	(p)	(p)
30/11/18	1.3879	-	1.3879	1.2226
28/02/19	1.1296	-	1.1296	1.2115
31/05/19	1.0350	-	1.0350	0.9907
Final	1.7429	-	1.7429	1.9887
Group 2	(p)	(p)	(p)	(p)
30/11/18	1.3879	-	1.3879	1.2226
28/02/19	0.9598	0.1698	1.1296	1.2115
31/05/19	0.3985	0.6365	1.0350	0.9907
Final	1.4131	0.3298	1.7429	1.9887

Share Class A - Accumulation

30/11/18: Group 1: Shares purchased prior to 1 September 2018
 28/02/19: Group 1: Shares purchased prior to 1 December 2018
 31/05/19: Group 1: Shares purchased prior to 1 March 2019
 31/08/19: Group 1: Shares purchased prior to 1 June 2019

Group 2: Shares purchased from 1 September 2018 to 30 November 2018
 Group 2: Shares purchased from 1 December 2018 to 28 February 2019
 Group 2: Shares purchased from 1 March 2019 to 31 May 2019
 Group 2: Shares purchased from 1 June 2019 to 31 August 2019

	Net revenue	Equalisation	Distributions paid/payable to 30/11/19	Distributions paid to 30/11/18
Group 1	(p)	(p)	(p)	(p)
30/11/18	2.0547	-	2.0547	1.7624
28/02/19	1.6718	-	1.6718	1.7300
31/05/19	1.5584	-	1.5584	1.4380
Final	2.5701	-	2.5701	2.8903
Group 2	(p)	(p)	(p)	(p)
30/11/18	0.5793	1.4754	2.0547	1.7624
28/02/19	0.6013	1.0705	1.6718	1.7300
31/05/19	0.5036	1.0548	1.5584	1.4380
Final	1.6063	0.9638	2.5701	2.8903

BMO MM Navigator Distribution Fund

Distribution Tables

(continued)

for the year ended 31 August 2019

Share Class A - Income

30/11/18: Group 1: Shares purchased prior to 1 September 2018
 28/02/19: Group 1: Shares purchased prior to 1 December 2018
 31/05/19: Group 1: Shares purchased prior to 1 March 2019
 31/08/19: Group 1: Shares purchased prior to 1 June 2019

Group 2: Shares purchased from 1 September 2018 to 30 November 2018
 Group 2: Shares purchased from 1 December 2018 to 28 February 2019
 Group 2: Shares purchased from 1 March 2019 to 31 May 2019
 Group 2: Shares purchased from 1 June 2019 to 31 August 2019

	Net revenue	Equalisation	Distributions paid/payable to 30/11/19	Distributions paid to 30/11/18
Group 1	(p)	(p)	(p)	(p)
30/11/18	1.1903	-	1.1903	1.0571
28/02/19	0.9459	-	0.9459	1.0370
31/05/19	0.8756	-	0.8756	0.8501
Final	1.4616	-	1.4616	1.6966
Group 2	(p)	(p)	(p)	(p)
30/11/18	0.7616	0.4287	1.1903	1.0571
28/02/19	0.7773	0.1686	0.9459	1.0370
31/05/19	0.3709	0.5047	0.8756	0.8501
Final	0.4517	1.0099	1.4616	1.6966

Share Class C - Accumulation

30/11/18: Group 1: Shares purchased prior to 1 September 2018
 28/02/19: Group 1: Shares purchased prior to 1 December 2018
 31/05/19: Group 1: Shares purchased prior to 1 March 2019
 31/08/19: Group 1: Shares purchased prior to 1 June 2019

Group 2: Shares purchased from 1 September 2018 to 30 November 2018
 Group 2: Shares purchased from 1 December 2018 to 28 February 2019
 Group 2: Shares purchased from 1 March 2019 to 31 May 2019
 Group 2: Shares purchased from 1 June 2019 to 31 August 2019

	Net revenue	Equalisation	Distributions paid/payable to 30/11/19	Distributions paid to 30/11/18
Group 1	(p)	(p)	(p)	(p)
30/11/18	0.9320	-	0.9320	0.7810
28/02/19	0.7715	-	0.7715	0.7913
31/05/19	0.7102	-	0.7102	0.6492
Final	1.2246	-	1.2246	1.3173
Group 2	(p)	(p)	(p)	(p)
30/11/18	0.3406	0.5914	0.9320	0.7810
28/02/19	0.3719	0.3996	0.7715	0.7913
31/05/19	0.2865	0.4237	0.7102	0.6492
Final	0.4355	0.7891	1.2246	1.3173

Share Class C - Income

30/11/18: Group 1: Shares purchased prior to 1 September 2018
 28/02/19: Group 1: Shares purchased prior to 1 December 2018
 31/05/19: Group 1: Shares purchased prior to 1 March 2019
 31/08/19: Group 1: Shares purchased prior to 1 June 2019

Group 2: Shares purchased from 1 September 2018 to 30 November 2018
 Group 2: Shares purchased from 1 December 2018 to 28 February 2019
 Group 2: Shares purchased from 1 March 2019 to 31 May 2019
 Group 2: Shares purchased from 1 June 2019 to 31 August 2019

	Net revenue	Equalisation	Distributions paid/payable to 30/11/19	Distributions paid to 30/11/18
Group 1	(p)	(p)	(p)	(p)
30/11/18	0.6926	-	0.6926	0.6040
28/02/19	0.5618	-	0.5618	0.6087
31/05/19	0.5146	-	0.5146	0.4937
Final	0.8739	-	0.8739	0.9937
Group 2	(p)	(p)	(p)	(p)
30/11/18	0.2461	0.4465	0.6926	0.6040
28/02/19	0.2478	0.3140	0.5618	0.6087
31/05/19	0.2403	0.2743	0.5146	0.4937
Final	0.3314	0.5425	0.8739	0.9937

BMO MM Navigator Distribution Fund

Distribution Tables

(continued)

for the year ended 31 August 2019

Share Class D - Accumulation

30/11/18: Group 1: Shares purchased prior to 1 September 2018
 28/02/19: Group 1: Shares purchased prior to 1 December 2018
 31/05/19: Group 1: Shares purchased prior to 1 March 2019
 31/08/19: Group 1: Shares purchased prior to 1 June 2019

Group 2: Shares purchased from 1 September 2018 to 30 November 2018
 Group 2: Shares purchased from 1 December 2018 to 28 February 2019
 Group 2: Shares purchased from 1 March 2019 to 31 May 2019
 Group 2: Shares purchased from 1 June 2019 to 31 August 2019

	Net revenue	Equalisation	Distributions paid/payable to 30/11/19	Distributions paid to 30/11/18
Group 1	(p)	(p)	(p)	(p)
30/11/18	0.9278	-	0.9278	0.7742
28/02/19	0.7603	-	0.7603	0.7859
31/05/19	0.7044	-	0.7044	0.6444
Final	1.2032	-	1.2032	1.3071
Group 2	(p)	(p)	(p)	(p)
30/11/18	0.3115	0.6163	0.9278	0.7742
28/02/19	0.2968	0.4635	0.7603	0.7859
31/05/19	0.2972	0.4072	0.7044	0.6444
Final	0.3759	0.8273	1.2032	1.3071

Share Class D - Income

30/11/18: Group 1: Shares purchased prior to 1 September 2018
 28/02/19: Group 1: Shares purchased prior to 1 December 2018
 31/05/19: Group 1: Shares purchased prior to 1 March 2019
 31/08/19: Group 1: Shares purchased prior to 1 June 2019

Group 2: Shares purchased from 1 September 2018 to 30 November 2018
 Group 2: Shares purchased from 1 December 2018 to 28 February 2019
 Group 2: Shares purchased from 1 March 2019 to 31 May 2019
 Group 2: Shares purchased from 1 June 2019 to 31 August 2019

	Net revenue	Equalisation	Distributions paid/payable to 30/11/19	Distributions paid to 30/11/18
Group 1	(p)	(p)	(p)	(p)
30/11/18	0.6701	-	0.6701	0.5915
28/02/19	0.5453	-	0.5453	0.5902
31/05/19	0.4988	-	0.4988	0.4806
Final	0.8468	-	0.8468	0.9641
Group 2	(p)	(p)	(p)	(p)
30/11/18	-	0.6701	0.6701	0.5915
28/02/19	0.0601	0.4852	0.5453	0.5902
31/05/19	0.0222	0.4766	0.4988	0.4806
Final	-	0.8468	0.8468	0.9641

BMO MM Navigator Distribution Fund

Distribution Tables

(continued)

for the year ended 31 August 2019

Share Class M - Income

30/09/18: Group 1: Shares purchased prior to 1 September 2018
 31/10/18: Group 1: Shares purchased prior to 1 October 2018
 30/11/18: Group 1: Shares purchased prior to 1 November 2018
 31/12/18: Group 1: Shares purchased prior to 1 December 2018
 31/01/19: Group 1: Shares purchased prior to 1 January 2019
 28/02/19: Group 1: Shares purchased prior to 1 February 2019
 31/03/19: Group 1: Shares purchased prior to 1 March 2019
 30/04/19: Group 1: Shares purchased prior to 1 April 2019
 31/05/19: Group 1: Shares purchased prior to 1 May 2019
 30/06/19: Group 1: Shares purchased prior to 1 June 2019
 31/07/19: Group 1: Shares purchased prior to 1 July 2019
 31/08/19: Group 1: Shares purchased prior to 1 August 2019

Group 2: Shares purchased from 1 September 2018 to 30 September 2018
 Group 2: Shares purchased from 1 October 2018 to 31 October 2018
 Group 2: Shares purchased from 1 November 2018 to 30 November 2018
 Group 2: Shares purchased from 1 December 2018 to 31 December 2018
 Group 2: Shares purchased from 1 January 2019 to 31 January 2019
 Group 2: Shares purchased from 1 February 2019 to 28 February 2019
 Group 2: Shares purchased from 1 March 2019 to 31 March 2019
 Group 2: Shares purchased from 1 April 2019 to 30 April 2019
 Group 2: Shares purchased from 1 May 2019 to 31 May 2019
 Group 2: Shares purchased from 1 June 2019 to 30 June 2019
 Group 2: Shares purchased from 1 July 2019 to 31 July 2019
 Group 2: Shares purchased from 1 August 2019 to 31 August 2019

	Net revenue	Equalisation	Distributions paid/payable to 30/09/19	Distributions paid to 30/09/18
	(p)	(p)	(p)	(p)
Group 1				
30/09/18	0.1500	-	0.1500	0.2323
31/10/18	0.1700	-	0.1700	0.1700
30/11/18	0.1700	-	0.1700	0.1700
31/12/18	0.1100	-	0.1100	0.1506
31/01/19	0.1700	-	0.1700	0.1700
28/02/19	0.1700	-	0.1700	0.1700
31/03/19	0.1700	-	0.1700	0.1700
30/04/19	0.1700	-	0.1700	0.1700
31/05/19	0.1700	-	0.1700	0.1700
30/06/19	0.1700	-	0.1700	0.1700
31/07/19	0.1700	-	0.1700	0.1700
Final	0.5502	-	0.5502	0.5676
Group 2	(p)	(p)	(p)	(p)
30/09/18	0.0114	0.1386	0.1500	0.2323
31/10/18	-	0.1700	0.1700	0.1700
30/11/18	-	0.1700	0.1700	0.1700
31/12/18	-	0.1100	0.1100	0.1506
31/01/19	-	0.1700	0.1700	0.1700
28/02/19	-	0.1700	0.1700	0.1700
31/03/19	-	0.1700	0.1700	0.1700
30/04/19	-	0.1700	0.1700	0.1700
31/05/19	-	0.1700	0.1700	0.1700
30/06/19	-	0.1700	0.1700	0.1700
31/07/19	-	0.1700	0.1700	0.1700
Final	0.0021	0.5481	0.5502	0.5676

for the year ended 31 August 2019

Fund Objective

The Fund aims to achieve capital growth.

The Fund invests primarily in a range of collective investment schemes and closed ended funds in order to gain exposure to a diversified portfolio of primarily equities.

The schemes and funds in which the Fund invests may include schemes or funds managed by the ACD or an associate of the ACD.

The underlying equity component may include shares of companies anywhere in the world and in any industry sector. There may be an element of currency exposure.

Any underlying fixed interest component may include government and corporate bonds and other debt instruments from issuers anywhere in the world (which may include emerging market and high yield bonds). There may be an element of currency exposure.

To the extent that the Fund is not fully invested in collective investment schemes, the Fund may also invest in other transferable securities (which may include equities and fixed interest securities), money market instruments, warrants, deposits, cash and near cash.

The Fund may use derivatives for investment purposes as well as for efficient portfolio management.

Synthetic Risk and Reward Indicator

The Synthetic Risk and Reward Indicator ("SRRI"), is calculated in accordance with the Key Investor Information Regulations and is disclosed in a fund's KIIDs (Key Investor Information Documents). It is calculated from the last five years' performance data and shows the historic volatility of the Fund and is updated periodically. The SRRI is reported against standard bands ranging from 1 (lower risk/reward) to 7 (higher risk/reward). This classification is intended as a general indication of the overall level of risk of a fund in order to facilitate comparisons between funds.

The most recent value of the SRRI for the Fund was 4, published on 28 January 2019. From the most recent review it has been determined that this is still appropriate.

A fuller explanation of the SRRI and the risk and reward profile of the Fund is contained in the Fund's KIIDs.

Fund manager	Gary Potter & Robert Burdett
Fund size	£126.6 million
Launch date	1 October 2007

Manager's Review

Shares in the portfolio produced a negative return of -1.8% in the twelve months to 31 August 2019. While equities weakened around the end of 2018, reflecting weaker growth around the world and the escalating US-China trade war, global stocks rebounded in 2019 on the back of a more dovish stance from major central banks. The US Federal Reserve (Fed) continued to increase interest rates to a peak of 2.50% at its December 2018 meeting. However, the Fed struck an increasingly dovish tone as 2019 progressed and cut interest rates by 0.25% to 2.25% following its July 2019 policy meeting. With other central banks also looking to ease monetary policy, the prospect of lower interest rates pushed down yields on government bonds in developed markets, including record low, negative rates for German bunds. Brent crude oil futures fell over the period, moving from \$77 to \$60 per barrel, pressured by robust US production and concerns on demand given a weakening global economic outlook. Gold prices rose from \$1,200 to \$1,519 per ounce, supported by the worries over global growth and increasingly loose monetary policy. As the period progressed, survey data suggested Brexit uncertainty was weighing on business and consumer sentiment. The UK economy contracted by 0.2% in the second quarter of 2019, as manufacturing activity was hit by the unwinding of Brexit related stockpiling. Worries about a no-deal Brexit increased after Boris Johnson was appointed as UK prime minister in July and the EU rejected his calls to scrap the Irish backstop.

We retained our focus on maintaining a portfolio that was well diversified across geographies, fund management companies and individual funds. From a geographic perspective there was little change over the period and we continued to tilt the portfolio towards areas where we believe the investment prospects to be brightest. These adjustments are typically modest in nature however, and it remains our expectation that the performance of the funds we pick rather than any asset allocation stances will be the key driver of returns.

In terms of the underlying holdings, among the changes was the sale of our holding in the Hermes Global Emerging Markets leaving our exposure in this area now solely focused on TT Emerging Markets Unconstrained fund. We sold Aptus Global Financials fund, with the proceeds held in cash and absolute-return funds. We sold JOHCM UK Growth fund, with proceeds added to existing UK holdings. Barings Emerging Markets Debt Blended Total Return fund was replaced by Janus Henderson Strategic Bond fund. We switched Crux European Special Situation fund into Odey Continental European, a high conviction stock-picking fund, and Miton European Opportunities fund, with its bias towards medium-sized business with superior growth potential.

for the year ended 31 August 2019

We increasingly believe a coordinated monetary and fiscal response is the way to address ailing economic growth and inflation. Whilst the divide between mainstream political parties may be optically as large as it has been for a few decades, there's one policy which seemingly is uniting them all: spending money. With financing costs at historically low levels, as described above, a countercyclical fiscal response would appear more attractive than ever for governments to kickstart developed market economies. In terms of our views and positioning we remain relatively cautious on the outlook. The portfolios continue to be slightly underweight in equities and fixed income, with the balance held across alternative and absolute return portfolios as well as gold and cash. In terms of regions, we are not expressing particularly strong views but remain underweight the UK and close to neutral on Europe and the US, as well as Asia and the emerging markets. We continue to see Japan as relatively attractive, and this region remains an overweight. Equity markets have recovered well from the lows at the start of the year, with the S&P500, for example, close to record highs set earlier in the summer. Political risks remain elevated though and the concerns we have over the economic data are increasing. It is clear that the central banks continue to be supportive. However, we are not convinced that monetary easing alone will be sufficient to offset accelerating economic weakness and with markets seemingly seeing the positive in everything once again, it feels to us that there is a little too much complacency out there given the ongoing political and economic risks. Though we accept that the markets may well continue to focus on the prospects for monetary easing in the short term, the impact of the slowing economy on the corporate data will likely weigh on sentiment again at some point in the near future.

BMO Fund Management Limited
8 October 2019

BMO MM Navigator Growth Fund

Portfolio Statement

as at 31 August 2019

	Holdings	Market Value £000	Total Net Assets %
ASIA (11.36%*)		13,048	10.30
Coupland Cardiff Asia Focus Fund S USD	356,800	2,457	1.94
Hermes Asia Ex-Japan Equity Fund F Acc	1,285,700	3,246	2.56
Prusik Asian Equity Income Fund X Inc USD	19,726	2,702	2.13
TT Asia EX Japan Equity Fund A2 Acc USD	654,633	4,643	3.67
EMERGING MARKETS (4.89%*)		2,762	2.18
TT Emerging Markets Unconstrained Fund A Inc USD	247,015	2,762	2.18
EUROPE (15.77%*)		15,117	11.94
LF Miton European Opportunities Fund B Acc	1,732,769	3,483	2.75
LF Odey Continental European Fund I Acc	1,408,268	2,568	2.03
Magallanes European Equity I Acc GBP	35,327	3,066	2.42
Memnon European Equity Fund I Acc	33,938	6,000	4.74
FIXED INTEREST (2.35%*)		12,114	9.57
Janus Henderson Strategic Bond Fund I Acc	2,281,200	8,333	6.58
Legg Mason Western Asset Macro Opportunities Bond Fund A Acc GBP Hedged	30,601	3,781	2.99
JAPAN (7.73%*)		8,738	6.90
Coupland Cardiff Japan Alpha Fund C Acc JPY	158,739	1,870	1.48
LF Morant Wright Nippon Yield Fund B Acc	1,065,380	4,391	3.47
UI Alpha Max Japan I JPY Acc	33,100	2,477	1.95
NORTH AMERICA (13.19%*)		18,516	14.62
Artemis US Extended Alpha Fund I Acc	2,423,700	5,877	4.64
Edgewood US Select Growth Fund I Z Acc USD	20,834	4,353	3.44
Findlay Park American Fund Inc USD	78,718	8,286	6.54
SPECIALIST (18.41%*)		16,861	13.31
Conventum Lyrical Fund I Acc USD	32,041	5,503	4.34
Darwin Leisure Development Fund A Acc**	2,432,107	2,895	2.29
iShares Physical Gold	213,427	5,237	4.13
Majedie Tortoise Fund G Acc	2,033,801	3,226	2.55
UNITED KINGDOM (23.25%*)		35,086	27.71
GVQ UK Focus Fund I Inc	134,229	3,788	2.99
H2O MultiReturns Fund I Acc GBP	1,901,902	3,400	2.69
Heronbridge UK Equity Fund A Inc	123,742	3,720	2.94
Majedie UK Focus Fund X Acc	3,141,242	6,343	5.01
Man GLG UK Absolute Value Fund Professional CX Acc	4,260,966	5,041	3.98
Man GLG Undervalued Assets Fund D Inc GBP	2,858,372	3,842	3.03
Merian UK Dynamic Equity Fund R Inc	569,674	2,577	2.03
Merian UK Specialist Equity Fund R Acc	420,551	5,162	4.08
River & Mercantile UK Micro Cap Investment Fund	792,966	1,213	0.96

BMO MM Navigator Growth Fund

Portfolio Statement

(continued)

as at 31 August 2019

	Holdings	Market Value £000	Total Net Assets %
DERIVATIVES (0.21%*)		(3)	-
Futures			
FTSE 100 Index Futures September 2019	(36)	(9)	(0.01)
FTSE 250 Index Futures September 2019	(68)	9	0.01
Hang Seng Index Futures September 2019	(9)	(3)	-
Portfolio of investments[^]		122,239	96.53
Net other assets		4,400	3.47
Total net assets		126,639	100.00

All investments are approved securities as defined in the Collective Investment Schemes sourcebook unless otherwise stated.

* Comparative figures shown in brackets relate to 31 August 2018.

** Unlisted investments.

[^] Including derivative liabilities.

BMO MM Navigator Growth Fund

Material Portfolio Changes

for the year ended 31 August 2019

	Cost		Proceeds
Major purchases	£000	Major sales	£000
Janus Henderson Strategic Bond Fund I Acc	8,187	FTSE 100 Index Futures September 2019	10,245
S&P 500 E Mini Futures September 2019	7,576	S&P 500 E Mini Futures September 2019	7,541
FTSE 100 Index Futures September 2019	7,544	EURO STOXX 50 June 2019	5,266
EURO STOXX 50 June 2019	5,599	EURO STOXX 50 March 2019	4,676
EURO STOXX 50 March 2019	4,851	FP Crux European Special Situations Fund I Acc	4,161
Man GLG Undervalued Assets Fund D Inc GBP	4,774	Schroder European Alpha Plus Fund Z Acc	3,987
Findlay Park American Fund Inc USD	4,377	EURO STOXX 50 Futures December 2018	3,317
Legg Mason Western Asset Macro Opportunities Bond		Legg Mason Western Asset Macro Opportunities Bond	
Fund A Acc GBP Hedged	3,993	Fund A Inc USD	3,138
iShares Physical Gold	3,910	Schroder Japanese Opportunities A Acc JPY	3,123
H2O MultiReturns Fund I Acc GBP	3,527	Ardevora Global Equity Fund C Acc	2,888

Purchases and sales of Futures have been included at the value of their exposure.

BMO MM Navigator Growth Fund

Comparative Tables

as at 31 August 2019

	31/08/19 (p)	31/08/18 (p)	31/08/17 (p)
Share Class 4 - Accumulation			
Change in net assets per share			
Opening net asset value per share	189.62	182.17	153.56
Return before operating charges*	(0.14)	9.50	30.41
Operating charges	(1.92)	(2.05)	(1.80)
Return after operating charges*	(2.06)	7.45	28.61
Distributions	(1.82)	(1.46)	(1.09)
Retained distributions on accumulation shares	1.82	1.46	1.09
Closing net asset value per share	187.56	189.62	182.17
*after direct transaction costs of:	0.01	0.01	0.02
Performance			
Return after charges	(1.09)%	4.09%	18.63%
Other information			
Closing net asset value (£'000)	5,478	6,552	6,690
Closing number of shares	2,920,752	3,455,526	3,672,351
Operating charges	1.06%	1.11%	1.07%
Direct transaction costs	0.01%	0.01%	0.01%
Prices			
Highest share price	192.40	192.30	182.80
Lowest share price	170.30	178.70	152.50

**Dilution adjustment has not been deducted within direct transaction costs.

Comparative Tables

(continued)

as at 31 August 2019

	31/08/19 (p)	31/08/18 (p)	31/08/17 (p)
Share Class A - Accumulation			
Change in net assets per share			
Opening net asset value per share	172.29	167.98	143.70
Return before operating charges*	(0.13)	8.73	28.30
Operating charges	(4.19)	(4.42)	(4.02)
Return after operating charges*	(4.32)	4.31	24.28
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	167.97	172.29	167.98
*after direct transaction costs of:	0.01	0.01	0.01
Performance			
Return after charges	(2.51)%	2.57%	16.90%
Other information			
Closing net asset value (£'000)	40,437	42,130	43,435
Closing number of shares	24,074,115	24,453,077	25,856,610
Operating charges	2.55%	2.61%	2.57%
Direct transaction costs	0.01%	0.01%	0.01%
Prices			
Highest share price	172.50	174.80	177.00
Lowest share price	154.00	163.40	142.40

**Dilution adjustment has not been deducted within direct transaction costs.

Comparative Tables

(continued)

as at 31 August 2019

	31/08/19 (p)	31/08/18 (p)	31/08/17 (p)
Share Class C - Accumulation			
Change in net assets per share			
Opening net asset value per share	95.78	92.69	78.70
Return before operating charges*	(0.06)	4.83	15.57
Operating charges	(1.65)	(1.74)	(1.58)
Return after operating charges*	(1.71)	3.09	13.99
Distributions	(0.27)	(0.09)	(0.04)
Retained distributions on accumulation shares	0.27	0.09	0.04
Closing net asset value per share	94.07	95.78	92.69
*after direct transaction costs of:	0.01	0.01	0.01
Performance			
Return after charges	(1.79)%	3.33%	17.78%
Other information			
Closing net asset value (£'000)	62,189	63,566	44,973
Closing number of shares	66,107,030	66,365,905	48,519,640
Operating charges	1.81%	1.85%	1.83%
Direct transaction costs	0.01%	0.01%	0.01%
Prices			
Highest share price	96.58	97.15	93.02
Lowest share price	85.80	90.57	78.04

**Dilution adjustment has not been deducted within direct transaction costs.

BMO MM Navigator Growth Fund

Comparative Tables

(continued)

as at 31 August 2019

	31/08/19 (p)	31/08/18 (p)	31/08/17 (p)
Share Class D - Accumulation			
Change in net assets per share			
Opening net asset value per share	65.14	63.20	53.71
Return before operating charges*	(0.04)	3.29	10.73
Operating charges	(1.28)	(1.35)	(1.24)
Return after operating charges*	(1.32)	1.94	9.49
Distributions	(0.62)	(0.50)	(0.55)
Retained distributions on accumulation shares	0.62	0.50	0.55
Closing net asset value per share	63.82	65.14	63.20
*after direct transaction costs of:	-	-	0.01
Performance			
Return after charges	(2.03)%	3.07%	17.67%
Other information			
Closing net asset value (£'000)	334	518	642
Closing number of shares	523,917	794,471	1,015,888
Operating charges	2.05%	2.11%	2.09%
Direct transaction costs	0.01%	0.01%	0.01%
Prices			
Highest share price	65.54	66.09	63.43
Lowest share price	58.31	61.67	53.27

**Dilution adjustment has not been deducted within direct transaction costs.

Comparative Tables

(continued)

as at 31 August 2019

	31/08/19 (p)	31/08/18 (p)
Share Class S - Accumulation		
Change in net assets per share		
Opening net asset value per share	50.18	50.00†
Return before operating charges**	(0.01)	50.20
Operating charges	(0.66)	(0.02)
Return after operating charges*	(0.67)	50.18
Distributions	(0.49)	-
Retained distributions on accumulation shares	0.49	-
Closing net asset value per share	49.51	50.18
*after direct transaction costs of:	-	-
Performance		
Return after charges	(1.34)%	0.00%
Other information		
Closing net asset value (£'000)	18,201	-
Closing number of shares	36,765,506	200
Operating charges	1.48%	1.08%
Direct transaction costs	0.01%	0.00%
Prices		
Highest share price	50.80	50.45
Lowest share price	45.04	49.90

†Price at launch date.

**Dilution adjustment has not been deducted within direct transaction costs.

Net asset value of share class S Accumulation as at 31 August 2018 is less than £500.

Share Class S Accumulation was launched 17 August 2018.

BMO MM Navigator Growth Fund

Statement of Total Return

for the year ended 31 August 2019

	Notes	01/09/18 to 31/08/19		01/09/17 to 31/08/18	
		£000	£000	£000	£000
Income					
Net capital (losses)/gains	2		(2,401)		3,423
Revenue	3	1,277		1,008	
Expenses	4	(1,226)		(1,206)	
Interest payable and similar charges	6	-		(2)	
Net revenue/(expenses) before taxation		51		(200)	
Taxation	5	-		-	
Net revenue/(expenses) after taxation			51		(200)
Total return before distributions			(2,350)		3,223
Distributions	6		(249)		(109)
Change in net assets attributable to shareholders from investment activities			(2,599)		3,114

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 August 2019

	01/09/18 to 31/08/19		01/09/17 to 31/08/18	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		112,766		95,740
Assets transferred from other funds*		20,493		-
Amounts receivable on creation of shares	11,824		19,753	
Amounts payable on cancellation of shares	(16,191)		(5,955)	
		(4,367)		13,798
Change in net assets attributable to shareholders from investment activities		(2,599)		3,114
Retained distribution on accumulation shares		346		114
Closing net assets attributable to shareholders		126,639		112,766

*Relating to the transfer of assets from the external IFSL Select Fund.

Notes to the Financial Statements are on pages 116 to 121.

BMO MM Navigator Growth Fund

Balance Sheet

as at 31 August 2019

	Notes	31/08/19 £000	31/08/18 £000
Assets			
Investments		122,251	109,675
Current assets			
Debtors	8	983	128
Cash and bank balances	9	4,142	3,557
Total assets		127,376	113,360
Liabilities			
Investment liabilities		(12)	(116)
Creditors			
Bank overdrafts		(1)	(314)
Other creditors	10	(724)	(164)
Total liabilities		(737)	(594)
Net assets attributable to shareholders		126,639	112,766

Notes to the Financial Statements are on pages 116 to 121.

Notes to the Financial Statements

as at 31 August 2019

1. Accounting policies

Please see pages 11 and 12 for accounting policies.

2. Net capital (losses)/gains

The net capital (losses)/gains during the year comprise:

	01/09/18 to 31/08/19 £000	01/09/17 to 31/08/18 £000
Non-derivative securities*	(2,926)	3,976
Derivative contracts*	500	(589)
Forward foreign exchange currency contracts*	(10)	13
Currency losses*	(29)	(36)
Rebate of capital management fees from underlying investments	54	45
Handling charges	(1)	-
Box profit	11	14
Net capital (losses)/gains	(2,401)	3,423

*Includes realised gains of £5,101,978 and unrealised losses of £7,565,077 (31/08/18: realised gains of £2,249,397 and unrealised gains of £1,114,831).

3. Revenue

	01/09/18 to 31/08/19 £000	01/09/17 to 31/08/18 £000
Overseas taxable revenue	7	(5)
Overseas non-taxable revenue	1	(1)
Distributions from Regulated Collective Investment Schemes:		
Franked investment income	507	387
Unfranked investment income	8	11
Interest distributions	46	-
Offshore distribution taxable	167	144
Offshore distribution non-taxable	440	390
Bank interest	5	-
Rebate of revenue management fees from underlying investments	98	83
Interest on amounts held at futures clearing houses and brokers*	(2)	(1)
Total revenue	1,277	1,008

*Interest on amounts held at futures clearing houses and brokers shown are the net position of amount paid and received during the year.

Notes to the Financial Statements

(continued)

as at 31 August 2019

4. Expenses

	01/09/18 to 31/08/19 £000	01/09/17 to 31/08/18 £000
Payable to the ACD, associates of the ACD, and agents of either of them:		
ACD's periodic charge	1,054	1,051
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fee	20	19
Other expenses:		
Administration costs	17	16
AIFMD fee	10	8
Audit fee	14	14
EMX fees	4	7
KIID publication costs	1	1
Legal fee	10	1
Registrar's fees	95	88
Report & accounts printing costs	1	1
	<u>152</u>	<u>136</u>
Total expenses	<u>1,226</u>	<u>1,206</u>

Expenses include irrecoverable VAT where applicable.

The PwC audit fee for the year, exclusive of VAT, is £11,800 (31/08/18: £11,800)

5. Taxation

	01/09/18 to 31/08/19 £000	01/09/17 to 31/08/18 £000
(a) Analysis of charge in year:		
There is no corporation tax charge in the current year or prior year.		
(b) Factors affecting current tax charge for the year:		
The tax assessed for the year is lower than (2018: higher than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2018: 20%). The differences are explained below:		
Net revenue/(expenses) before taxation	51	(200)
Corporation tax of 20% (2018: 20%)	10	(40)
Effects of:		
UK dividends*	(102)	(77)
Overseas non-taxable revenue*	(88)	(78)
Movement in excess management expenses	168	185
Expenses not deductible for tax purposes	1	1
Tax on capital management fee rebate	11	9
Total tax charge for the year	<u>-</u>	<u>-</u>

*As an authorised OEIC these items are not subject to corporation tax. UK dividends comprise franked investment income.

Open Ended Investment Companies are exempt from tax on capital gains, subject to certain exceptions. Therefore, any capital return is not included within the above reconciliation.

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £1,388,417 (31/08/18: £1,220,525) relating to surplus management expenses. No deferred tax asset was recognised in the current or prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

Notes to the Financial Statements

(continued)

as at 31 August 2019

6. Finance costs**Distributions and interest**

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	01/09/18 to 31/08/19 £000	01/09/17 to 31/08/18 £000
Interim dividend distributions	55	20
Final dividend distributions	291	94
	<hr/>	<hr/>
	346	114
Add: Revenue deducted on cancellation of shares	14	1
Deduct: Revenue received on creation of shares	(111)	(6)
	<hr/>	<hr/>
Net distributions for the year	249	109
	<hr/>	<hr/>
Bank interest	-	2
	<hr/>	<hr/>
Total finance costs	249	111

Details of the distribution per share is set out in the Distribution Tables on page 122.

7. Movement between net (expenses)/revenue and net distributions

	01/09/18 to 31/08/19 £000	01/09/17 to 31/08/18 £000
Net (expenses) / revenue after taxation	51	(200)
Revenue deficit payable from capital	178	295
ACD's periodic charge taken to capital	10	5
Tax relief on ACD's periodic charge rebate	10	9
	<hr/>	<hr/>
Net distributions for the year	249	109

8. Debtors

	31/08/19 £000	31/08/18 £000
Sales awaiting settlement	816	-
Amounts receivable for issue of shares	115	46
Accrued revenue	-	47
Accrued ACD fee rebates	48	33
Income tax recoverable	4	2
	<hr/>	<hr/>
Total debtors	983	128

9. Cash and bank balances

	31/08/19 £000	31/08/18 £000
Cash and bank balances	3,896	2,855
Amounts held at futures clearing houses and brokers	246	702
	<hr/>	<hr/>
Total cash and bank balances	4,142	3,557

10. Other creditors

	31/08/19 £000	31/08/18 £000
Purchases awaiting settlement	8	-
Amounts payable for cancellation of shares	577	8
Accrued expenses	47	62
Accrued ACD's periodic charge	92	94
	<hr/>	<hr/>
Total other creditors	724	164

Notes to the Financial Statements

(continued)

as at 31 August 2019

11. Portfolio transaction costs

	Purchases		Sales	
	01/09/18 to 31/08/19	01/09/17 to 31/08/18	01/09/18 to 31/08/19	01/09/17 to 31/08/18
	£000	£000	£000	£000
Collective Investment Schemes	60,766	38,557	45,605	24,287
Commissions				
Collective Investment Schemes	1	1	-	(4)
Taxes				
Collective Investment Schemes	-	-	(5)	-
Total costs	1	1	(5)	(4)
Total net trades in the year after transaction costs	60,767	38,558	45,600	24,283

Total transaction cost expressed as a percentage of asset type cost.

	Purchases		Sales	
	01/09/18 to 31/08/19	01/09/17 to 31/08/18	01/09/18 to 31/08/19	01/09/17 to 31/08/18
	%	%	%	%
Commissions				
Collective Investment Schemes	-	-	-	0.02
Taxes				
Collective Investment Schemes	-	-	0.01	-

Total transaction cost expressed as a percentage of average net asset value.

	01/09/18 to 31/08/19	01/09/17 to 31/08/18
	%	%
Commissions	-	0.01
Taxes	0.01	-
Total costs	0.01	0.01

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.02% (31/08/18: 0.06%).

12. Related party transactions

BMO Fund Management Limited, as Authorised Corporate Director (ACD), is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue, and paid on cancellation are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts due to, or from, BMO Fund Management Limited at the end of the accounting year are disclosed in notes 10 and 8 respectively.

Amounts payable to BMO Fund Management Limited in respect of fund management are disclosed in note 4 and amounts due at the end of the year in note 10.

The ACD is also the ACD or Manager for other authorised funds and those funds may invest in each other where this is within the investment objectives of the investing fund. Such transactions will be conducted on an arm's length basis within the regulations and the terms of the prospectus. No such transactions were entered into during the current year.

as at 31 August 2019

13. Shareholders' funds

The Fund has five share classes in issue: Class 4, Class A, Class C, Class D and Class S.

The ACD's periodic charge on each share class is as follows:

	%
Share Class 4 - Accumulation:	-
Share Class A - Accumulation:	1.50
Share Class C - Accumulation:	0.75
Share Class D - Accumulation:	1.00
Share Class S - Accumulation:	0.40

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative Tables on pages 109 to 113.

The distributions per share class are given in the Distribution Tables on page 122.

All share classes have the same rights on winding up.

Reconciliation of the shares movement in the year:

	01/09/18			31/08/19
	Opening shares in issue	Creations	Cancellations	Shares converted Closing shares in issue
Share Class 4 - Accumulation:	3,455,526	135	(534,909)	2,920,752
Share Class A - Accumulation:	24,453,077	2,578,310	(2,739,274)	24,074,115
Share Class C - Accumulation:	66,365,905	10,700,160	(11,237,754)	66,107,030
Share Class D - Accumulation:	794,471	391	(435,361)	523,917
Share Class S - Accumulation:	200	36,867,837	(102,531)	36,765,506

14. Capital commitments and contingent liabilities

On 31 August 2019, the Fund had no capital commitments (31/08/18: £nil) and no contingent liabilities (31/08/18: £nil).

15. Financial instruments

The analysis and tables provided below refer to the narrative and numerical disclosure on 'Financial Instruments Risks' on pages 13 to 16.

Currency exposure

A substantial proportion of the financial net assets of the Fund are denominated in currencies other than Sterling with the effect that the balance sheet and total return can be significantly affected by currency movements.

As at 31 August the Fund had the following net currency exposure (excluding Sterling):

	Currency exposure 31/08/19	Currency exposure 31/08/18
Currency	Total £000	Total £000
Euro	-	14
Hong Kong dollar	12	-
Japanese yen	4,346	6,026
US dollar	30,706	27,383
Total	<u>35,064</u>	<u>33,423</u>

Interest rate risk profile of financial assets and liabilities

The Fund's net cash holding of £4.141m (31/08/18: holding £3.243m) is held in a floating rate deposit account. Interest is earned by reference to LIBOR Indices for all USD, EUR, GBP, CHF and JPY currencies as determined by the British Bankers Association. For all other currencies interest is earned by reference to their international benchmark equivalents.

Maturity of financial liabilities

The financial liabilities of the Fund as at 31 August 2019 are payable either within one year or on demand, as were the financial liabilities of the previous year ended 31 August 2018.

Fair values of financial assets and liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet and their fair value.

Notes to the Financial Statements

(continued)

as at 31 August 2019

16. Fair value

For financial instruments held at fair value in the balance sheet, the Fund is required to disclose for each class of financial instrument, an analysis of the level in the fair value hierarchy (as set out in FRS 102 paragraph 11.27) into which the fair value measurements are categorised. The three levels of the fair value hierarchy under FRS 102 are as follows:

Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date;

Level 2 Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly;

Level 3 Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Valuation technique	31/08/19		31/08/18	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	6,459	(12)	4,045	(116)
Level 2	112,897	-	105,630	-
Level 3*	2,895	-	-	-
Total fair value	122,251	(12)	109,675	(116)

*The level 3 holding is Darwin Leisure Development Fund A Acc.

BMO MM Navigator Growth Fund

Distribution Tables

for the year ended 31 August 2019

Distribution in pence per share

Share Class 4 - Accumulation

28/02/19: Group 1: Shares purchased prior to 1 September 2018

31/08/19: Group 1: Shares purchased prior to 1 March 2019

Group 2: Shares purchased from 1 September 2018 to 28 February 2019

Group 2: Shares purchased from 1 March 2019 to 31 August 2019

	Net revenue	Equalisation	Distributions paid/payable to 30/11/19	Distributions paid to 30/11/18
Group 1	(p)	(p)	(p)	(p)
28/02/19	0.7280	-	0.7280	0.5335
Final	1.0887	-	1.0887	0.9310
Group 2	(p)	(p)	(p)	(p)
28/02/19	0.7280	-	0.7280	0.5335
Final	1.0887	-	1.0887	0.9310

Share Class C - Accumulation

28/02/19: Group 1: Shares purchased prior to 1 September 2018

31/08/19: Group 1: Shares purchased prior to 1 March 2019

Group 2: Shares purchased from 1 September 2018 to 28 February 2019

Group 2: Shares purchased from 1 March 2019 to 31 August 2019

	Net revenue	Equalisation	Distributions paid/payable to 30/11/19	Distributions paid to 30/11/18
Group 1	(p)	(p)	(p)	(p)
28/02/19	0.0428	-	0.0428	-
Final	0.2292	-	0.2292	0.0893
Group 2	(p)	(p)	(p)	(p)
28/02/19	0.0159	0.0269	0.0428	-
Final	0.1296	0.0996	0.2292	0.0893

Share Class D - Accumulation

28/02/19: Group 1: Shares purchased prior to 1 September 2018

31/08/19: Group 1: Shares purchased prior to 1 March 2019

Group 2: Shares purchased from 1 September 2018 to 28 February 2019

Group 2: Shares purchased from 1 March 2019 to 31 August 2019

	Net revenue	Equalisation	Distributions paid/payable to 30/11/19	Distributions paid to 30/11/18
Group 1	(p)	(p)	(p)	(p)
28/02/19	0.2471	-	0.2471	0.1846
Final	0.3706	-	0.3706	0.3200
Group 2	(p)	(p)	(p)	(p)
28/02/19	0.2471	-	0.2471	0.1846
Final	0.3576	0.0130	0.3706	0.3200

Share Class S - Accumulation

28/02/19: Group 1: Shares purchased prior to 1 September 2018

31/08/19: Group 1: Shares purchased prior to 1 March 2019

Group 2: Shares purchased from 1 September 2018 to 28 February 2019

Group 2: Shares purchased from 1 March 2019 to 31 August 2019

	Net revenue	Equalisation	Distributions paid/payable to 30/11/19	Distributions paid to 30/11/18
Group 1	(p)	(p)	(p)	(p)
28/02/19	0.1997	-	0.1997	-
Final	0.2883	-	0.2883	-
Group 2	(p)	(p)	(p)	(p)
28/02/19	0.0360	0.1637	0.1997	-
Final	0.1331	0.1552	0.2883	-