

IMPORTANT: IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.

BMO Fund Management Limited, the authorised fund manager of the Trust, is the person responsible for the information contained in this Prospectus. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained herein does not contain any untrue or misleading statement or omit any matters required by the Collective Investment Schemes sourcebook to be included in it. BMO Fund Management Limited accepts responsibility accordingly.

PROSPECTUS

OF

BMO UK Property Feeder Fund (an FCA authorised unit trust with Product Reference Number 697604)

This document constitutes the Prospectus for the BMO UK Property Feeder Fund which has been prepared in accordance with the Collective Investment Schemes sourcebook.

This Prospectus is dated, and is valid as at 12 November 2018

Copies of this Prospectus have been sent to the FCA and the Trustee.

CONTENTS

Clause		Page
1	DEFINITIONS	7
2	DETAILS OF THE TRUST	11
	2.1 General	11
	2.2 Longer-term investment	11
	2.3 The Structure of the Trust	11
	2.4 Units	12
3	BUYING, REDEEMING, CONVERTING AND EXCHANGING UNITS	14
	3.1 General	14
	3.2 Buying Units	14
	3.3 Redeeming Units	16
	3.4 Conversions	17
	3.5 Exchanging between the BMO PAIF and the Trust	18
	3.7 Dealing Charges	18
	3.8 Other Dealing Information	19
	3.9 Restrictions and Compulsory Transfer and Redemption	20
	3.10 US Investors	21
	3.11 Issue of Units in exchange for in specie assets	21
	3.12 In specie redemptions	22
	3.13 Money laundering	22
	3.14 Automatic exchange of information for international tax compliance	22
	3.15 Suspension of dealings in the Trust	22
	3.16 Governing law	23
4	VALUATION OF THE TRUST	24
	4.1 General	24
	4.2 Calculation of the Net Asset Value	24
	4.3 Dilution Adjustment	24
	4.4 Price per Unit of each Class	25
	4.5 Pricing basis	25
	4.6 Fair Value Pricing	25
	4.7 Publication of Prices	26
5	RISK FACTORS	28
	5.1 Risk Factors: Trust	28
	5.2 Risk factors: BMO PAIF	29
6	MANAGEMENT AND ADMINISTRATION	36
	6.1 Regulatory Status	36
	6.2 Manager	36
	6.3 The Trustee	36
	6.4 The Custodian	37
	6.5 The Administrator	38
	6.6 Fund Accounting Services	38
	6.7 The Auditors	38
	6.8 Legal Advisors	38
	6.9 Register of Unitholders	38
	6.10 Conflicts of Interest	38
	6.11 Exercise of voting rights	39
	6.12 Best execution	39

	6.13 Professional Liability Risk.....	40
7	FEES AND EXPENSES.....	41
	7.1 General.....	41
	7.2 Charges payable to the Manager	43
	7.1 Trustee's fees and expenses	43
	7.4 Custodian's fees and expenses	44
	7.5 Charges in respect of fund accounting and unit pricing services.....	45
	7.6 Allocation of fees and expenses between Classes.....	45
8	SHAREHOLDER MEETINGS AND VOTING RIGHTS	46
	8.1 Class Meetings	46
	8.2 Requisitions of Meetings.....	46
	8.3 Notice and Quorum.....	46
	8.4 Voting Rights	46
	8.5 Variation of Class rights	47
9	TAXATION.....	48
	9.1 General.....	48
	9.2 Taxation of the BMO PAIF	48
	9.3 The Trust	48
	9.4 Taxation of individual Unitholders.....	48
	9.5 Taxation of corporate Unitholders.....	49
	9.6 Taxation of Unitholders - general.....	49
0	WINDING UP OF THE TRUST.....	51
10	GENERAL INFORMATION	52
	10.1 Accounting Periods	52
	10.2 Accounting Periods	52
	10.3 Annual Reports.....	53
	10.4 Documents of the Trust	53
	10.5 Notice to Shareholders	53
	10.6 Telephone Recordings	53
	10.7 Provision of Investment Advices	53
	10.8 Complaints	54
	10.9 Risk Management	54
	10.10 Investor Profile.....	54
	10.11 Past Performance.....	54
	10.12 Genuine Diversity of Ownership	54
	10.13 Information Available to Unitholders	55
	10.14 Changes to the Trust.....	55
	10.15 Unitholders' Rights against Service Providers	55
	10.16 Fair Treatment of Investors.....	56
	10.17 Preferential treatment of investors	56
	10.18 Unclaimed money or assets.....	56
	APPENDIX I.....	58
	DETAILS OF THE BMO PAIF	58
	APPENDIX II.....	59
	DETAILS OF THE TRUST.....	59
	APPENDIX III.....	62
	ELIGIBLE SECURITIES MARKETS AND ELIGIBLE DERIVATIVES MARKETS	62
	APPENDIX IV	63
	INVESTMENT AND BORROWING POWERS OF THE TRUST	63
	APPENDIX V	68

VALUATION	68
APPENDIX VI	70
OTHER FUNDS MANAGED BY THE MANAGER.....	70
APPENDIX VII PAST PERFORMANCE.....	71
APPENDIX VIII DIRECTORY	72

IMPORTANT INFORMATION

No person has been authorised by the Manager to give any information or to make any representations in connection with the offering of Units other than those contained in the Prospectus and, if given or made, such information or representations must not be relied on as having been made by the Manager. The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Units shall not, under any circumstances, create any implication that the affairs of the Trust have not changed since the date hereof.

This Prospectus has been prepared solely for, and is being made available to investors for the purposes of evaluating an investment in Units in the Trust. Investors should only consider investing in the Trust if they understand the risks involved including the risk of losing all capital invested.

The distribution of this Prospectus and the offering of Units in certain jurisdictions may be restricted. Persons into whose possession this Prospectus comes are required by the Manager to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The Units have not been and will not be registered under the United States Securities Act of 1933, as amended. They may not be offered or sold in the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia or offered or sold to US persons. The Trust has not been and will not be registered under the United States Investment Company Act of 1940, as amended. The Trust has not been and will not be registered under the United States Investment Advisers Act of 1940.

Units in the Trust are not listed on any investment exchange.

The Units have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of these offering materials. Any representation to the contrary is unlawful. The Units are subject to restrictions on transferability and resale and may not be transferred or resold in the United States except as permitted under the 1933 Act and applicable state securities laws, pursuant to registration or exemption therefrom.

In order to ensure compliance with the restrictions referred to above, the Trust is, accordingly, not open for investment by any US Persons or ERISA Plans except in exceptional circumstances and then only with the prior consent of the Manager. A prospective investor may be required at the time of acquiring Units to represent that such investor is a qualified investor and not a US Person or acquiring Units for the account or benefit, directly or indirectly, of a US Person or with the assets of an ERISA Plan. The granting of prior consent by the Manager to an investment does not confer on the investor a right to acquire Units in respect of any future or subsequent application.

Automatic exchange of information for international tax compliance

The UK government has enacted legislation enabling it to comply with its obligations in relation to international tax compliance. The Manager is required to collect certain information about Unitholders and their investments to pass to HM Revenue & Customs who may, in turn, pass it on

to relevant overseas tax authorities. Please see the Taxation section of this prospectus for further information. By signing the application form to subscribe for Units in the Trust, each affected Unitholder is agreeing to provide such information upon request from the Manager or its delegate. The Manager may exercise its right to redeem completely the holding of an affected Unitholder (at any time upon any or no notice) if he fails to provide the Manager with the information the Manager requests to satisfy its obligations under FATCA or any other similar automatic exchange of information system.

Potential investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of Units.

The provisions of the Trust Deed are binding on each of the Unitholders (who are taken to have notice of them) and a copy of the Trust Deed is available from the Manager on request.

This Prospectus has been issued for the purpose of section 21 of the Financial Services and Markets Act 2000 by BMO Fund Management Limited.

The distribution of this Prospectus in certain jurisdictions may require that this Prospectus is translated into the official language of those countries. Should any inconsistency arise between the translated version and the English version, the English version shall prevail. All communications in relation to this Prospectus shall be in English.

The Manager will process the personal information of Unitholders and of prospective investors who contact the Manager. As such, and in accordance with the Manager's obligations under data protection law, the Manager's privacy notice provides details about the collection, use and sharing of personal information in connection with Unitholders' or prospective investors' interest or investment in the Fund(s). Unitholders and prospective investors may obtain further information about how the Manager processes personal information relevant to the Trust by reading the most up to date version of the Manager's privacy notice at www.bmogam.com/privacy-policy.

It is the responsibility of Unitholders or prospective investors to advise any other person whose personal information is provided by such Unitholders or prospective investors to the Manager (such as joint investors) about how the Manager processes personal information and to provide them with the link to the Manager's privacy notice.

This Prospectus is based on information, law and practice at the date hereof. The Manager cannot be bound by an out of date prospectus when it has issued a new Prospectus and investors should check with the Manager that this is the most recently published Prospectus.

1. DEFINITIONS

"ACD"	BMO Fund Management Limited, as authorised corporate director and alternative investment fund manager of the Company
"Act"	the Financial Services and Markets Act 2000
"Administrator"	DST Financial Services Europe Ltd or such other entity as is appointed to act as administrator to the Trust from time to time
"AIFM"	BMO Fund Management Limited, the alternative investment fund manager and authorised fund manager of the Trust
"AIFM Directive"	the Alternative Investment Fund Managers Directive 2011/61/EU of the European Parliament and Council of 8 June 2011 as amended from time to time
"AIFM Regulations"	the Alternative Investment Fund Managers Regulations 2013 as amended or re-enacted from time to time
"Approved Bank"	is as defined in the Glossary to the COLL Sourcebook
"Auditor"	PricewaterhouseCoopers LLP or such other entity as is appointed to act as auditor to the Trust from time to time
"Business Day"	any day when the London Stock Exchange is open for business
"Class" or "Classes"	in relation to Units, means a class or classes of Unit in the Trust and in relation to Shares means a class or classes of Shares in the Company
"COLL"	refers to the appropriate chapter or rule in the COLL Sourcebook
"COLL Sourcebook"	the Collective Investment Schemes sourcebook issued by the FCA as amended or re-enacted from time to time
"Company"	BMO UK Property Fund ICVC, a property authorised investment fund , established in the UK and authorised and regulated by the FCA
"Conversion"	the conversion of Units in one Class to Units of another Class and "Convert" shall be construed accordingly
"Custodian"	State Street Bank and Trust Company, the custodian of the Trust
"Cut-Off Point"	the point prior to which orders to buy or sell Units must be received in order for them to be actioned at the next Valuation Point and details of which are set out in Appendix II
"Dealing Day"	any day on which Units may be bought and sold. Should any dealing day not be a Business Day, dealing will take place on the

next practicable Business Day

"Depository"	State Street Trustees Limited, the depository of the Company
"EEA State"	a member state of the European Union and any other state which is within the European Economic Area
"Eligible Institution"	one of certain eligible institutions as defined in the glossary to the FCA Handbook
"EPM"	efficient portfolio management
"ERISA Plan"	(i) any retirement plan subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA"); (ii) any individual retirement account or plan subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended; or (iii) an entity whose assets include plan assets by reason of a plan's investment in the entity (generally because 25% or more of a class of equity interests in the entity is owned by plans)
"EU Regulation"	Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision
"Exchange"	the exchange of Units for Shares or vice versa and "Exchanging" shall be construed accordingly
"BMO PAIF"	the BMO UK Property Fund ICVC, for which the Trust is a feeder fund
"FATCA"	provisions commonly known as the US Foreign Account Tax Compliance provisions enacted by the US Hiring Incentives to Restore Employment (HIRE) Act of 18 March 2010 (as amended, consolidated or supplemented from time to time), including any regulations issued pursuant thereto including, where relevant, in the UK
"FCA"	the Financial Conduct Authority
"FCA Handbook"	the FCA Handbook of Rules and Guidance
"FCA Rules"	the rules contained in the COLL Sourcebook or FUND Sourcebook published as part of the FCA Handbook which shall, for the avoidance of doubt, not include guidance or evidential requirements contained in the said sourcebook
"Financial Derivative"	types of investment which derive their value from the value and characteristics of one or more underlying assets such as a security,

Instruments"		an index or an interest rate. They are leveraged, therefore a small movement in the value of the underlying asset can cause a large movement in the value of the Financial Derivative Instrument. Also known as 'derivatives'. See Leverage
"fraction"		a smaller denomination Unit (on the basis that one hundred smaller denomination Units make one larger denomination Unit)
"FUND"		the Investment Funds Sourcebook issued by the FCA as amended or replaced from time to time
"Leverage"		a method of achieving an increased exposure to an underlying asset through the use of Financial Derivative Instruments. Leverage means any method by which the Manager increases the exposure of the Trust whether through borrowing cash or securities, or leverage embedded in derivative positions or by any other means
"Net Asset Value" or "NAV"		the value of the Scheme Property less the liabilities of the Trust as calculated in accordance with the Trust Deed
"Non-UCITS scheme"	retail	a scheme which is not constituted in accordance with the UCITS directive (a European Directive relating to undertakings for collective investment in transferable securities which has been adopted in the UK) but which is authorised by the FCA and which is available to retail investors
"PAIF"		an open-ended investment company (or a sub-fund of an open-ended investment company) which is a Property Authorised Investment Fund, as defined in Part 4A of the Authorised Investment Funds (Tax) Regulations 2006 as amended from time to time and the Glossary to the FCA Handbook. At the date of this Prospectus, the Company qualifies as a PAIF
"proportionate interest"		the interest of Unitholders of a Class in the net assets or income of the Trust
"Register"		the register of Unitholders of the Trust
"Registrar"		DST Financial Services Europe Ltd, or such other entity as is appointed to act as registrar to the Trust from time to time
"Regulations"		the Act, the EU Regulation, the AIFM Regulations, the OEIC Regulations, COLL and FUND, the AIFM Directive and the FCA Handbook as amended or re-enacted from time to time
"Scheme Property"		the property of the Trust required under the COLL Sourcebook to be given for safe-keeping to the Trustee
"Share" or "Shares"		a share or shares in the BMO PAIF (including larger denomination

	shares and fractions where relevant)
"Shareholder"	a registered holder of Shares
"Stock Lending"	the permitted lending of Scheme Property
"Trust"	BMO UK Property Feeder Fund
"Trust Deed"	the trust deed constituting the Trust (as amended from time to time by any supplemental trust deeds) and executed by the Manager and the Trustee
"Trustee"	State Street Trustees Limited or such other entity as is appointed to act as trustee from time to time
"Unit" or "Units"	a unit or units in the Trust (including fractions of units)
"United States" or "US"	the United States of America, its territories and possessions, any state of the United States, and the District of Columbia
"Unitholder"	a holder of Units
"US Person"	a person who is in either of the following two categories: (a) a person included in the definition of US person under Rule 902 of Regulation S under the 1933 Act, or (b) a person excluded from the definition of Non-United States person as used in the Commodity Futures Trading Commission (CFTC) Rule 4.7. For the avoidance of doubt, a person is excluded from this definition of US Person only if he/she or it does not satisfy any of the definitions of US person in Rule 902 and qualifies as a Non-United States person under CFTC Rule 4.7
"Valuation Point"	the point, whether on a periodic basis or for a particular valuation, at which the Manager (or the Manager's delegate) carries out a valuation of the Scheme Property for the purpose of determining the price at which Units may be issued, redeemed or cancelled
"VAT"	value added tax

2. DETAILS OF THE TRUST

2.1 General

The Trust is a stand-alone authorised unit trust, authorised by the FCA with effect from 14 August 2015. The Trust has an unlimited duration. Unitholders are not liable for the debts of the Trust.

The Trust is intended to enable investors who are not eligible or able to invest directly into the BMO PAIF to do so indirectly.

The Manager of the Trust is BMO Fund Management Limited. The Manager is also the authorised corporate director of certain open-ended investment companies and another authored unit trust, details of which are set out in Appendix VI.

The head office of the Trust is Exchange House, Primrose Street, London EC2A 2NY. The head office is the address of the place in the United Kingdom for service on the Trust of notices or other documents required or authorised to be served on it.

The base currency of the Trust is Pounds Sterling.

2.2 Longer-term investment

The Trust is designed and managed to support longer-term investment and active trading is discouraged. Information on the typical investor profile for each Fund is set out below. Short-term or excessive trading into and out of The Trust may harm performance by disrupting the investment management strategy and by increasing expenses. The Manager may at its discretion refuse to accept applications for, or conversion of, Units, especially where transactions are deemed disruptive, particularly from possible market timers or investors who, in its opinion, have a pattern of short-term or excessive trading or whose trading has been or may be disruptive to the Trust. For these purposes, the Manager may consider an investor's trading history in the Trust or other funds managed by the Manager and accounts under common ownership or control.

2.3 The Structure of the Trust

The Trust is a stand-alone non-UCITS Retail Scheme and will be managed so that it is a feeder fund under COLL. It is intended that the Trust will be a feeder fund for the BMO PAIF. The Trust will invest into Class F Shares in the BMO PAIF. Class F Shares are Accumulation Shares. As the Trust has both accumulation and income units, the Manager intends to realise Class F Shares to obtain cash required to make the income payments to income class unitholders and to meet tax and certain fees and expenses of the Trust.

Different Classes of Units may be established from time to time by the Manager in accordance with the Prospectus and, where required, with the approval of the FCA. On the introduction of any new Class, a revised Prospectus will be prepared setting out the relevant details of each Class. Approval by the FCA in this context refers only to approval under the Act and does not in any way indicate or suggest endorsement or approval of the Trust as an investment.

The assets of the Trust will be invested in accordance with the investment objective and investment policy set out in Appendix II.

Investment of the assets of the Trust must comply with the COLL Sourcebook.

The eligible securities markets and eligible derivatives markets on which the Trust may invest are set out in Appendix III. A detailed statement of the general investment and borrowing restrictions in respect of the Trust and the extent to which the Trust may use derivatives and forward transactions is set out in Appendix IV.

The Trust will be charged with the liabilities, expenses, costs and charges of the Trust and charges will be allocated between Classes in accordance with the terms of issue of Units of those Classes. Any assets, liabilities, expenses, costs or charges not attributable to a particular Class may be allocated by the Manager in a manner which it believes is fair to the Unitholders generally. This will normally be pro rata to the Net Asset Value of the relevant Classes.

2.4 **Units**

The rights represented by Units are those of a beneficial interest under a trust.

Several Classes of Unit may be issued in respect of the Trust.

The Trustee may issue fractions of a Unit down to one-hundredth of a Unit. They have proportionate rights. Units have no par value and are entitled to participate equally in the profits arising in respect of, and in the proceeds of, the termination of the Trust. Units do not carry preferential or pre-emptive rights to acquire further Units.

Further Classes of Unit may be established from time to time by the Manager with the approval of the FCA (if required), the agreement of the Trustee and in accordance with the Trust Deed. On the introduction of any new Class, a revised Prospectus will be prepared, setting out the details of each Class.

The base currency for each new Class of Units will be determined at the date of creation and set out in the Prospectus issued in respect of the new Class of Units. Units in the Trust are not currently listed on any investment exchange.

Holders of income Units are entitled to be paid the distributable income attributed to such Units on any relevant interim and/or annual income allocation dates.

Holders of accumulation Units are not entitled to be paid the income attributed to such Units, but that income is automatically transferred to (and retained as part of) the capital assets of the relevant Fund on the relevant interim and/or annual accounting dates. This is reflected in the price of an accumulation Unit.

Each Class may attract different charges and so monies may be deducted from the Scheme Property attributable to such Classes in unequal proportions. In these circumstances, the proportionate interests of the Classes will be adjusted accordingly.

The Unit Classes that may be issued and their criteria for subscription are set out in Appendix III.

Unitholders are entitled (subject to certain restrictions) to Convert all or part of their Units between Classes. Details of this conversion facility and the restrictions are set out in paragraph 3.4.

3. **BUYING, REDEEMING, CONVERTING AND EXCHANGING UNITS**

3.1 **General**

The dealing office of the Manager is open from 9.00 am until 5.00 pm (UK time) on each Business Day to receive requests for the buying, redemption, Conversion and Exchange of Units.

A request for dealing in Units must be received before the relevant Cut-Off Point in order to be processed at the normal Valuation Point on that day. A dealing request received after this time will be held over and processed at the next Valuation Point, normally 12.00 noon on the following Business Day using the Net Asset Value per Unit calculated at that next Valuation Point.

The current Valuation Point on each Dealing Day is 12.00 noon.

Requests to deal in Units may be made in writing to the Manager at BMO Fund Management Limited, PO BOX 9040, Chelmsford, Essex CM99 2XH or by telephone on 0330 123 3798 on each Dealing Day (at the Manager's discretion) between 9.00 am and 5.00 pm (UK time) or by telephoning such other number as published from time to time. Investments must, at the discretion of the Manager, be accompanied by an application form. The application form contains details of the return address. Requests made by telephone must be confirmed in writing.

Telephone calls may be recorded by the Manager, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for records keeping, security and/or training purposes, please see paragraph "Telephone Recording" for further information.

In addition, the Manager may from time to time make arrangements to allow Units to be bought or sold on-line or through other communication media. At present, transfer of title by electronic communication is not accepted. The Manager may also, at its discretion, introduce further methods of dealing in Units in the future.

In its dealings in Units the Manager is dealing as principal. The Manager may make a profit from dealing in Units as principal. The Manager is not accountable to Unitholders for any profit it makes in dealing in Units as principal.

The notice periods for subscriptions, redemptions, Conversions and, where relevant, Exchanges for each Class are set out in Appendix II. Please note that a Conversion is not a sale or redemption and may not be effected at the next Valuation Point.

3.2 **Buying Units**

3.2.1 **Procedure**

Units may be bought directly from the Manager or through your professional adviser or other intermediary. Any intermediary who recommends an investment in the Trust to you may be entitled to receive commission from the Manager.

Valid applications to purchase Units (received before the Cut-Off Point, if appropriate) will be processed at the Unit price calculated, based on the Net Asset Value per Unit, at the next Valuation Point following receipt of the application, except in the case where dealing in the Trust has been suspended as set out in paragraph 3.14.

The Manager, at its discretion, has the right to cancel a purchase deal if settlement is materially overdue and any loss arising on such cancellation shall be the liability of the applicant. For postal applications payment in full must accompany the instruction. At the Manager's discretion, all payments for Units may be made by telegraphic transfer.

A purchase of Units in writing or by telephone or any other communication media made available is a legally binding contract. Applications to purchase once made are, except in the case where cancellation rights are applied, irrevocable. However, subject to its obligations under the Regulations, the Manager has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for Units in whole or part, and in this event the Manager will return any money sent, or the balance of such monies, at the risk of the applicant.

Any subscription monies remaining after a whole number of Units has been issued will not be returned to the applicant. Instead, smaller denomination Units will be issued. A smaller denomination Unit is equivalent to one hundredth of a larger denomination Unit.

The Manager operates procedures to prevent late trading and to monitor transactions to identify and prevent market timing and other activities likely adversely to impact the majority of Unitholders.

The Manager has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for Units in whole or part, and in this event the Manager will return any money sent, or the balance of such monies, at the risk of the applicant.

Investors acting on the advice of a financial adviser will, normally, have the right to cancel any contract relating to an initial investment in the Trust under the rules on cancellation contained in the Conduct of Business Sourcebook published by the FCA.

The Manager will inform the Unitholder of any cancellation entitlement and the Unitholder will have the option to withdraw from the contract by giving notice in writing within 30 days of the date the contract is entered into. If the Unitholder exercises the cancellation entitlement and the price of Units falls over that time, the Unitholder may not recover the amount originally invested. If applications for Units made by telephone are not followed by payment, investors will be liable for any dealing costs incurred by the Manager.

The Manager makes use of the "Delivery versus Payment Exemption" as set out in the FCA Handbook, which provides for a one day window during which money, held for the purposes of settling a transaction in relation to shares in a collective investment scheme, is not treated as client money if the Manager receives the money from a person for the subscription of Units and the money is passed to the Trustee for the purpose of creating Units in the Trust within the timeframes set out in the FCA Handbook. The Manager will be entitled to assume that when a new investor, or an existing Unitholder, buys Units in the Trust they consent to the Manager's use of the Delivery versus Payment Exemption.

3.2.2 Documents the buyer will receive

A contract note giving details of the number and price of Units bought will be issued no later than the end of the Business Day following the later of receipt of the application to buy Units and the Valuation Point by reference to which the price is determined, together with, where appropriate, a notice of the applicant's right to cancel.

Settlement is due within four Business Days of the Valuation Point. An order for the purchase of Units will only be deemed to have been accepted by the Manager once it is in receipt of cleared funds for the application. If settlement is not made within four Business Days of the deal date, then the Manager has the right to cancel any Units issued in respect of the application.

Certificates will not be issued in respect of Units. Ownership of Units will be evidenced by an entry on the Register. Statements in respect of periodic distributions on Units will show the number of Units held by the recipient.

The Trust has the power to issue bearer Units but there are no plans to do so.

3.2.3 Regular payment option

Certain Classes of Units may be bought through regular monthly payments as set out in Appendix II. To invest in this way, Unitholders will need to complete an application form and direct debit mandate and return it to the Manager before contributions may begin. Monthly contributions may be increased, decreased (subject to maintaining the minimum level of contribution) or stopped at any time by notifying in writing the Manager or such party as the Manager may direct. If, however, payments are not made for more than three months and the Unitholder holds less than the minimum holding for that Class, then the Manager reserves the right to redeem that Unitholder's entire holding in that Class. Contract notes will not be issued to Unitholders investing in this way.

3.2.4 Minimum subscriptions and holdings

The minimum initial subscriptions, subsequent subscriptions and holdings for each Unit Class are set out in Appendix II.

The Manager may at its discretion accept subscriptions and/or holdings lower than the minimum amount(s) into any Class.

If following a redemption a holding in any Class should fall below the minimum holding for that Class, the Manager has a discretion to require redemption of that Unitholder's entire holding in that Class.

3.3 Redeeming Units

3.3.1 Procedure

Every Unitholder is entitled on any Dealing Day to redeem its Units, which will be purchased by the Manager dealing as principal, subject to the limitations on redemption, which are set out below and in Appendix II.

Valid instructions to the Manager to redeem Units (received before the Cut-Off Point, if appropriate) will be processed at the Unit price calculated, based on the Net Asset Value per Unit, at the next Valuation Point for that Class following receipt of the instruction, except in the case where dealing has been suspended as set out in paragraph 3.14

A redemption instruction in respect of Units in writing or by telephone, or any other communication media made available, is a legally binding contract. However, an instruction to the Manager to redeem Units, although irrevocable, may not be settled by either the Trust or the Manager if the redemption represents Units where the money due on the earlier purchase of those Units has not yet been received or if insufficient documentation or anti-money laundering information has been received by the Manager.

For details of dealing charges see paragraph 3.7 below.

The Manager makes use of the "Delivery versus Payment Exemption" as set out in the FCA Handbook, which provides for a one day during which money, held for the purposes of settling a transaction in relation to shares in a collective investment scheme, is not treated as client money if the Manager holds the money in the course of redeeming Units provided that the proceeds of that redemption are paid to a Unitholder within the timeframes set out in the FCA Handbook. The Manager will be entitled to assume that when a Unitholder redeems Units in the Trust they consent to the Manager's use of the Delivery versus Payment Exemption.

3.3.2 Documents a redeeming (other than by regular withdrawal) Unitholder will receive

A contract note giving details of the number and price of Units redeemed will be sent to the redeeming Unitholder (or the first named Unitholder, in the case of joint Unitholders) together with (if sufficient written instructions have not already been given) a Form of Redemption for completion and execution by the Unitholder (or, in the case of a joint holding, by all the joint Unitholders) no later than the end of the Business Day following the later of the request to redeem Units or the Valuation Point by reference to which the price is determined.

Settlement of the redemption monies will be issued within four Business Days of the later of (a) receipt by the Manager of the Form of Redemption (or other sufficient written instructions) duly signed and completed by all the relevant Unitholders, together with any other appropriate evidence of title, and (b) the Valuation Point following receipt by the Manager of the request to redeem.

3.3.3 Minimum redemption

Part of a Unitholder's holding may be redeemed but the Manager reserves the right to refuse a redemption request if the value of the Units to be redeemed is less than the minimum stated in respect of each Class or where such redemption would mean the Unitholder's remaining holding in a Class would be less than the minimum stated in respect of the Class. The minimum holding and redemption levels are set out in Appendix II.

3.4 Conversions

Subject to any restrictions on the eligibility of investors for a particular Unit Class, a Unitholder may at any time Convert all or some of his Units of one Class for another Class of Units.

Conversions will be effected by the Manager recording the change of Unit Class on the Register of the Trust.

If a Unitholder wishes to Convert Units he should apply to the Manager in the same manner as for purchase of Units set out above.

Conversions may not be effected at the next Valuation Point and may be held over and processed at a subsequent Valuation Point or ultimately to the Valuation Point immediately following the end of the accounting period. For further information and to discuss the timing for the completion of Conversions please contact the Manager.

Conversions will not be treated as a disposal for capital gains tax purposes and no stamp duty reserve tax will be payable on the Conversion. This may not be the case for Conversions involving hedged Unit Classes.

There is no fee on Conversions.

The number of Units to be issued in the new Class will be calculated relative to the price of the Units being converted from.

A Unitholder who Converts Units in one Class for Units in another Class will not be given a right by law to withdraw from or cancel the transaction.

3.5 **Exchanging between the BMO PAIF and the Trust**

The ACD is aware that certain investors who are eligible to invest in the BMO PAIF may be unable to do so for administrative reasons and will therefore invest through the Trust. When such investors are in a position to invest directly in the BMO PAIF, they will be able to Exchange their holdings of Units for Shares in the relevant Class of the BMO PAIF. The Manager intends to facilitate Exchanging between the Trust and the relevant Class of the BMO PAIF immediately after the end of each income allocation period.

The Exchange would take place when there is minimal accrued income in the relevant Class of the BMO PAIF to minimise income tax consequences and it would be with the agreement of the Manager so that the disposal would qualify for capital gains tax rollover relief. The new Shares issued to the investors would therefore have the same acquisition cost and acquisition date for capital gains tax purposes as their original holding of Units.

Exchanges will take place by way of in specie redemptions of Units.

3.6 Exchanges may be made in writing to the Manager at BMO Fund Management Limited, PO BOX 9040, Chelmsford, Essex CM99 2XH or by telephone on 0330 123 3798 on each Dealing Day (at the Manager's discretion) between 9.00 am and 5.00 pm (UK time) or by telephoning such other number as published from time to time. Unitholders may be required to complete an Exchange form.

3.7 **Dealing Charges**

The price per Unit at which Units are bought or redeemed is the Net Asset Value per Unit adjusted for any initial charge or redemption charge payable in addition to the price.

3.7.1 Initial charge

The Manager may impose a charge on the purchase of Units in each Class. The current initial charge as a percentage of the amount invested by a potential Unitholder for each Class is set out in Appendix II.

The current initial charge of a Class may only be increased in accordance with the Regulations and after the Manager has made available a revised Prospectus showing the new rate of charge and its commencement date.

3.7.2 Redemption Charge

The Manager may make a charge on the redemption of Units in each Class. At present no redemption charge is levied.

The Manager may introduce a redemption charge in respect of any Class only in accordance with the Regulations and after it has made available a revised Prospectus to reflect the introduction and the date of its commencement. Any redemption charge introduced will apply only to Units sold since its introduction but not to Units previously in issue.

In relation to the imposition of a redemption charge as set out above, where Units of the Class in question have been purchased at different times by a redeeming Unitholder, the Units to be redeemed shall be deemed to be the Units purchased first in time by that Unitholder.

A change to the rate or method of calculation of a current redemption charge of a Class which is adverse to Unitholders of that Class may only be made in accordance with the Regulations and after the Manager has made available a revised Prospectus showing the new charge and its commencement date.

3.7.3 Charges on Conversions or Exchanges

There is no charge payable on Conversions or Exchanges.

3.8 Other Dealing Information

3.8.1 Deferred Redemption

3.8.2 In times of high redemption volumes, to protect the interests of continuing Unitholders, the Manager may defer all redemptions at any Valuation Point to the next Valuation Point where requested redemptions exceed 10% of the Trust's value. This will allow the Manager to match the sale of the Scheme Property to the level of redemptions, thereby reducing the impact of dilution on the Trust. At the next such Valuation Point all deals relating to the earlier Valuation Point will be completed before those relating to a later Valuation Point are considered.

3.8.3 **Liquidity Risk Management**

The Manager monitors the liquidity risk of the Trust, which includes, among other tools and methods of measurement, the use of stress tests under both normal and exceptional liquidity conditions to ensure that the Trust is able to manage dealing requests.

In normal circumstances, redemption requests will be processed as set out in "Redeeming Units". In exceptional circumstances, it may be necessary to suspend dealings in the Trust (see "Suspension of dealings in the Trust" below).

If our policy for managing liquidity should change, this will be set out in the annual report of the Trust.

3.8.4 **Transfers**

Unitholders are entitled to transfer their Units to another person or body. All transfers must be in writing in the form of an instrument of transfer approved by the Manager for this purpose. Completed instruments of transfer must be returned to the Manager in order for the transfer to be registered by the Manager.

3.9 **Restrictions and Compulsory Transfer and Redemption**

The Manager may from time to time impose such restrictions as it may think necessary for the purpose of ensuring that no Units are acquired or held by any person in breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory or which would result in the Trustee as trustee of the Trust incurring any liability to taxation which the Trust is not able to recoup itself or suffering any other adverse consequence. In this connection, the Manager may, inter alia, reject in its discretion any application for the purchase, redemption, transfer Conversion or Exchange of Units.

If it comes to the notice of the Manager that any Units ("affected Units"):

- (a) are owned directly or beneficially in breach of any law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or
- (b) would result in the Trustee as trustee of the Trust incurring any liability to taxation which the Trustee would not be able to recoup itself or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory); or
- (c) are held in any manner by virtue of which the Unitholder or Unitholders in question is/are not qualified to hold such Units or if it reasonably believes this to be the case;

the Manager may give notice to the Unitholder(s) of the affected Units requiring the transfer of such Units to a person who is qualified or entitled to own them or that a request in writing be given for the redemption of such Units in accordance with the COLL Sourcebook. If any Unitholder upon whom such a notice is served does not within thirty days after the date of such notice transfer his/her affected Units to a person qualified to own them or submit a written request for their redemption to the Manager or establish to the satisfaction of the Manager (whose judgement is final and binding) that he/she or the beneficial owner is qualified and entitled to own the affected Units, he/she shall be deemed upon the expiry of that thirty day period to have given a request in writing for the redemption or cancellation (at the discretion of the Manager) of all the affected Units.

A Unitholder who becomes aware that he/she is holding or owns affected Units shall immediately, unless he/she has already received a notice as set out above, either transfer all his/her affected Units to a person qualified to own them or submit a request in writing to the Manager for the redemption of all his/her affected Units.

Where a request in writing is given or deemed to be given for the redemption of affected Units, such redemption will be effected in the same manner as provided for in the COLL Sourcebook.

3.10 **US Investors**

Due to legal and compliance burdens associated with permitting investments from US residents and US domiciled entities, the Trust does not accept applications for the purchase or subscription of Units from any US Person and does not accept requests for transfer to any person that is a US Person.

Each investor will be required to represent that the investor is not a US Person and the Units are not being acquired for the benefit or account of, directly or indirectly, any US Person. Investors must notify the Administrator if they have moved to the United States or have otherwise become US Persons. Upon such notification, or if the Administrator or Manager determines that there is a reasonable basis for believing that the investor has become a US Person, the investor's account may be frozen and/or compulsorily redeemed and further investments or transfers in the Trust will not be accepted. Other rights attaching to the Units previously purchased will not be affected.

3.11 **Issue of Units in exchange for in specie assets**

The Manager may, in its absolute discretion, permit the issue of Units in exchange for in specie assets.

In such circumstances, and provided the Trustee considers that the transfer of property would not be likely to result in any material prejudice to the interests of Unitholders (and the ACD and the Depositary of the BMO PAIF consider the transfer of such property into the BMO PAIF would not result in any material prejudice to the interests of Shareholders), the Manager may arrange for the Trustee to issue Units in exchange for Shares in the relevant Class of the BMO PAIF. In this case, the Manager will ensure that the beneficial interest in the Shares is transferred to the Trustee with effect from the issue of the Units.

3.12 **In specie redemptions**

The Manager does not generally intend to permit in specie redemptions of Units.

The Manager may, however, provided the Trustee considers that the transfer of property would not be likely to result in any material prejudice to the interests of Unitholders, but otherwise at its exclusive discretion where it considers the redemption to be substantial in relation to the total size of the Trust or in some way detrimental to the BMO PAIF, or Class or otherwise at its discretion, arrange that in place of payment of the price of the Units in cash, the Trustee cancels the Units and transfers Scheme Property or arranges for the transfer of scheme property of the BMO PAIF or alternatively, if required by the Unitholder, its net proceeds of sale, to the Unitholder.

Before the redemption proceeds of the Units become payable (unless the in specie redemption was at the request of the Unitholder), the Manager must give written notice to the Unitholder that the relevant property or the proceeds of sale of the relevant property will be transferred to that Unitholder so that the Unitholder can require the net proceeds of sale rather than the relevant property if he so desires.

3.13 **Money laundering**

As a result of legislation in force in the United Kingdom to prevent money laundering, the Manager is responsible for ensuring that transactions in Units are processed in accordance with the money laundering regulations. In order to implement these procedures, in certain circumstances investors may be asked to provide proof of identity when buying or redeeming Units. Until satisfactory proof of identity is provided, the Manager reserves the right to refuse to issue Units, pay the proceeds of a redemption of Units or pay income on Units to the investor.

3.14 **Automatic exchange of information for international tax compliance**

The UK government has enacted legislation enabling it to comply with its obligations in relation to international tax compliance. The Manager is required to collect certain information about Unitholders and their investments to pass to HM Revenue & Customs who may, in turn, pass it on to relevant overseas tax authorities. Please see the Taxation section of this prospectus for further information.

3.15 **Suspension of dealings in the Trust**

The Manager may, with the prior agreement of the Trustee, and must without delay if the Trustee so requires temporarily suspend the creation, cancellation, sale and redemption of Units where due to exceptional circumstances it is in the interests of all the Unitholders in the Trust. If the BMO PAIF suspends the creation, cancellation, sale and redemption of all or any Classes, then the Manager intends to follow suit, as appropriate. The Manager and the Trustee must ensure that the suspension is only allowed to continue for as long as is justified having regard to the interests of Unitholders.

The Manager will notify Unitholders as soon as is practicable after the commencement of the suspension, including details of the exceptional circumstances which have led to the suspension, in a clear, fair and not misleading way and giving Unitholders details of how to find further information about the suspension.

Where such suspension takes place, the Manager will publish sufficient details on its website or by other general means, to keep Unitholders appropriately informed about the suspension, including, if known, its possible duration. During the suspension none of the obligations in COLL 6.2 (Dealing) will apply but the Manager will comply with as much of COLL 6.3 (Valuation and Pricing) during the period of suspension as is practicable in light of the suspension.

Suspension will cease as soon as practicable after the exceptional circumstances leading to the suspension have ceased but the Manager and the Trustee will formally review the suspension at least every 28 days and will inform the FCA of the review and any change to the information given to Unitholders.

The Manager may agree during the suspension to deal in Units in which case all deals accepted during and outstanding prior to the suspension will be undertaken at a price calculated at the first Valuation Point after the restart of dealings in Units.

In respect of instructions outstanding because of a suspension or given during a suspension, Unitholders wishing to withdraw such instructions must give written notice to the Manager before the first dealing point following the end of the suspension.

3.16 **Governing law**

The agreement between Unitholders and the Manager is governed by English Law and, by purchasing Units, Unitholders agree that the Courts of England have exclusive jurisdiction to settle any disputes. All communications in connection with this investment will be made in English.

4. VALUATION OF THE TRUST

4.1 General

The Trust is single priced, as is the BMO PAIF, meaning that for each Unit Class there is a single price for buying and selling Units.

The price of a Unit is calculated by reference to the Net Asset Value of the Trust. The Net Asset Value per Share is currently calculated at 12 noon on each Dealing Day, although the Net Asset Value may be calculated more frequently to reflect any major movements in the underlying stock markets and currencies, or in other special circumstances thought appropriate by the Manager.

The Manager may at any time during a Business Day carry out an additional valuation if it considers it necessary to do so and may use the price obtained at such additional valuation as the price for that Dealing Day. The Manager shall inform the Trustee of any decision to carry out such an additional valuation.

Valuations may be carried out for effecting a scheme of arrangement, which do not create a Valuation Point for the purposes of dealing. Where permitted and subject to the Regulations, the Manager may, in certain circumstances (for example where a significant event has occurred since the closure of a market) substitute a price with a more appropriate price which in its opinion reflects a fair and reasonable price for that investment.

If there is more than one Class of Unit in issue, the proportionate interests of each Class in the assets (and also the income) shall be determined by the Manager maintaining a notional account for each Class. The proportionate interest in the Scheme Property of each Class is determined on each Business Day to reflect the appropriate periodic charge for that Class.

The Manager will, upon completion of each valuation, notify the Trustee of the price of Units of each Class including the amount of any dilution adjustment made in respect of any purchase or redemption of Units.

In unusual circumstances, and in accordance with the FCA Rules, the Manager may make adjustments to the value of any investments which may be materially impacted by out of date prices through a technique known as fair value pricing as described below.

4.2 Calculation of the Net Asset Value

The value of the property of the Trust will be the value of its assets less the value of its liabilities determined in accordance with the provisions set out in Appendix V.

4.3 Dilution Adjustment

The Manager does not intend to make a dilution adjustment on the issue, sale, cancellation and/or redemption of Units.

However, Unitholders should be aware that the ACD does make a dilution adjustment in certain circumstances and that this may have an indirect impact on Units issued in the

Trust. The circumstances in which a dilution adjustment may be applied to a Class of Shares of the BMO PAIF are as follows:

- (a) where the relevant Class of Shares is, in the opinion of the ACD, experiencing a period of continual growth. In this case, the single swinging price would be set to an offer basis and a dilution adjustment would be made on all subscriptions; the dilution adjustment to the offer price is broadly in line with the costs associated with purchasing properties.
- (b) where the relevant Class of Shares is, in the opinion of the ACD, experiencing a period of continual decline. In this case, the single swinging price would be set to an bid basis and a dilution adjustment would be made on all redemptions; the dilution adjustment to the bid price is broadly in line with the costs associated with selling properties.
- (c) where the relevant Class of Shares experiences large levels of net subscriptions relative to its size on any day then a dilution adjustment may be applied.
- (d) where the relevant Class of Shares experiences large levels of net redemptions relative to its size on any day then a dilution adjustment may be applied.
- (e) in any other case where the ACD is of the opinion that the interests of the Shareholders of the relevant Class of Shares require the imposition of a dilution adjustment.

Further information on the dilution adjustment which may be applied in the BMO PAIF is available from the Manager or the Prospectus for the BMO PAIF.

4.4 Price per Unit of each Class

The price per Unit at which Units are bought or redeemed is the Net Asset Value per Unit as adjusted in accordance with the swinging single pricing policy (dilution adjustment). The Net Asset Value per Unit is obtained by dividing the proportionate interest of the Class in the net assets of the Trust by the number of Units of that Class. The Net Asset Value per Unit shall be adjusted by reference to the volume of purchases or sales at the Valuation Point in accordance with the Manager's current policy for swinging single pricing.

Any initial charge or redemption charge may be payable in addition to the price.

4.5 Pricing basis

The Manager deals on a forward pricing basis. A forward price is the price calculated at the next Valuation Point after the purchase or redemption is deemed to be accepted by the Manager.

4.6 Fair Value Pricing

Where the Manager has reasonable grounds to believe that:

- (a) no reliable price for the property in question exists; or
- (b) such price, if it does exist, does not reflect the Manager's best estimate of the value of such property,

it may value the Scheme Property or any part of Scheme Property at a price which, in its opinion, reflects a fair and reasonable price for that property ("fair value pricing").

The Manager is permitted to use fair value pricing in specific circumstances and pursuant to processes and methodologies that it must have notified to the Trustee. Examples of the circumstances in which the Manager might consider using fair value pricing where the Valuation Point is set during the time when markets in which its portfolio is invested are closed for trading include:

- (a) unusual market conditions;
- (b) war, natural disaster, terrorism;
- (c) government actions or political instability;
- (d) currency realignment or devaluation;
- (e) changes in interest rates;
- (f) corporate activity;
- (g) credit default or distress; or
- (h) litigation.

Even if the Valuation Point is set during the time other markets are open for trading, other scenarios might include:

- (a) failure of a pricing provider;
- (b) closure or failure of a market;
- (c) volatile or "fast" markets;
- (d) markets closed over national holidays;
- (e) stale or unreliable prices; and
- (f) listings suspensions or de-listings.

Further information on the pricing basis of the Trust and the fair value pricing policy in relation to the Trust is available from the Manager on request.

4.7 **Publication of Prices**

All of the most recent Unit prices are available on our website www.bmogam.com or by telephoning 0330 123 3798. As the Manager deals on a forward pricing basis, the price

that appears will not necessarily be the same as the one at which investors can currently deal. The Manager does not accept responsibility for the accuracy of the prices published in or for the non-publication of prices by third parties for reasons beyond the control of the Manager.

5. **RISK FACTORS**

Potential investors should consider the following risk factors before investing in the Trust. This list must not be taken as comprehensive as there may be new risks that arise in the future which could not have been anticipated in advance.

The list below is divided between the risk factors which apply to the Trust and the additional risk factors which apply to the BMO PAIF.

5.1 **Risk Factors: Trust**

5.1.1 **Market risk**

The sole investment of the Trust is Shares in the relevant Share Class of the BMO PAIF. If the value of the investment in the BMO PAIF declines, or is otherwise adversely affected, this will have an adverse effect on the value of the Trust. Past performance is no guide to the future.

The Units therefore should be viewed as long term investments.

5.1.2 **Effect of initial charge or redemption charge**

Where an initial charge or redemption charge is imposed, an investor who realises his Units after a short period may not (even in the absence of a fall in the value of the relevant investments) realise the amount originally invested.

In particular, where a redemption charge is payable, investors should note that the percentage rate at which the redemption charge is calculated is based on the market value rather than the initial value of the Units. If the market value of the Units has increased the redemption charge will show a corresponding increase.

5.1.3 **Charges payable to the Manager**

Any charge due to the Manager payable from the investment at the outset has to be matched by an equivalent rise in the value of the Units before the original investment is returned.

5.1.4 **Suspension of dealing in Units**

Investors are reminded that in certain circumstances their right to redeem Units may be suspended (see paragraph 3.14). In exceptional circumstances, the Manager may (following consultation with the Trustee) suspend the issue, cancellation, sale and redemption of Units in any and all Classes. In particular, if the issue, cancellation, sale and redemption of Shares in the relevant Class of the BMO PAIF should be suspended, then the Manager will suspend the issue, cancellation, sale or redemption of Units to reflect the position in the relevant Class of the BMO PAIF.

5.1.5 **Tax**

The value of current tax relief depends on individual circumstances. The rates of and relief from taxation may change over time. Additional tax information is set out in section 9 below. If you have any doubts about your tax position, you should seek professional tax advice.

5.1.6 **Inflation risk**

Inflation may, over time, reduce the value of investments in real terms.

5.2 **Risk factors: BMO PAIF**

5.2.1 **General**

A significant proportion of the Company's assets will be invested in commercial properties which will normally be reflected in dealing prices and reported performance on the basis of valuations by property professionals.

The other investments of the Company are subject to normal market fluctuations and other risks inherent in investing in securities. There can be no assurance that any appreciation in the value of the Company will occur. The value of investments and the income derived from them may fall as well as rise.

The Company should be treated as a long term investment.

5.2.2 **Cost of buying and selling property**

Property is a long term investment and the costs of buying and selling properties may have a significant impact on the value of an investment held for a short period. Shareholders who buy Shares on an offer basis price and sell on a bid basis price will bear a full weighting of the underlying costs associated with buying and selling properties.

5.2.3 **Restriction on redemption of Shares**

The Company will be managed to include a pool of readily realisable assets to pay out Shareholders who wish to withdraw their investment from the Company. Significant or consistent net redemption of Shares may require the

Company to sell properties to maintain a suitable level of readily realisable assets. In the event of significant redemption of Shares, and, or an extension in the time taken to complete the sale of properties, or a reduction in the availability of ready buyers for properties in the Company, it may be necessary to suspend dealings in the Shares of the Company until sufficient cash is available to satisfy the outstanding redemptions.

5.2.4 Effect of initial and redemption charges

Where an initial charge or redemption charge is imposed, an investor who realises his Shares after a short period may not (even in the absence of a fall in the value of the relevant investments) realise the amount originally invested.

In particular, where a redemption charge is payable investors should note that the percentage rate at which the redemption charge is calculated is based on the market value rather than the initial value of the Shares. If the market value of the Shares has increased the redemption charge will show a corresponding increase. Currently there is no redemption charge.

5.2.5 Suspension of Dealings in Shares

Investors are reminded that in certain circumstances their right to redeem Shares (including a redemption by way of switching) may be suspended.

5.2.6 Liabilities of the Company

Although the Company will be treated as bearing the liabilities, expenses, costs and charges attributable to it, in the unlikely event that its assets are not sufficient to meet these the ACD may re-allocate assets, liabilities, expenses, costs and charges between the Classes of the Company in a manner which it believes is fair to the Shareholders generally. The ACD would normally expect any such re-allocation to be effected on a pro rata basis having regard to the Net Asset Values of the relevant Class. If there is any such re-allocation the ACD will advise Shareholders of it in the next succeeding annual or half yearly report to Shareholders.

Notwithstanding the above, however, Shareholders are not liable for the debts of the Company. A Shareholder is not liable to make any further payment to the Company after he/she has paid the amount due on the purchase of the Shares.

5.2.7 Property income

5.2.7.1 General

The property income of the Company generally comprises the net rental receivable in respect of the properties owned by the Company. Income flow from a property is dependent upon the quality of the tenants' covenants and ability to regularly pay the rental and the length of the lease contract. There are additional letting risks in vacant, part vacant, redevelopment and

refurbishment situations in the period until a tenant has entered into a lease. The rental income will be reduced by landlord's costs, the service charges and any other tenant's costs attributable to vacant or part vacant property.

5.2.7.2 Upward only rent reviews

Periodic rent review provisions in commercial leases typically only provide for upward revisions of the rent payable. Although legislators have debated the desirability of such provisions and discussed proposals to remove or limit them it is not possible to predict what, if any, changes to legislation may be proposed nor when these might take effect. It is also not possible to assess the effect of such changes on rental levels or property values though it is not expected that any change would affect current rentals.

5.2.8 **Property values**

A property's value is likely to be affected by its individual characteristics such as local supply and demand for such property or alternative properties, or its suitability for alternative uses, as well as more general factors including government regulations, planning and tax law and practice, interest rates, inflation, available financing and the availability and attractiveness of alternative investment opportunities.

Individual properties change hands relatively infrequently and the valuations used in calculating the daily NAV will be based on the opinion of a suitably qualified and experienced valuer but will not necessarily be supported by recent transactions in the individual properties in the portfolio or in similar properties. Although property valuations have regard to market conditions and recent transaction experience, the value obtainable for a particular property may differ significantly from a value at which it had previously been held in the Company.

Current legislation imposes potentially onerous obligations on the owner of a property subject to certain forms of contamination to clean up the contamination and compensate third parties. These obligations would have to be met by the Company in the event that one of its properties included such contamination and the costs were not recoverable from the persons responsible for the contamination.

5.2.9 **Liquidity Risk**

Investments in immovable property are relatively illiquid and more difficult to realise than most equities or bonds. If an asset cannot be liquidated in a timely manner then it may be harder to attain a reasonable price.

5.2.10 **Valuations of Properties**

Immovable property and immovable property-related assets are inherently difficult to value due to the individual nature of each Property. As a result, valuations are subject to uncertainty and are a matter of an independent valuer's opinion. There is no assurance that the estimates resulting from the

valuation process will reflect the actual sales price even where a sale occurs shortly after the valuation date.

5.2.11 **Property Market**

The performance of the Company could be adversely affected by a downturn in the property market in terms of capital value or a weakening of rental yields. Commercial property values are affected by factors such as the level of interest rates, economic growth, fluctuations in property yields and tenant default. In the event of a default by an occupational tenant, there will be a rental shortfall and additional costs, including legal expenses are likely to be incurred in maintaining, insuring and re-letting the property. Certain significant expenses on a property, such as operating expenses, must be met by the owner (i.e. the Company) even if a property is vacant.

5.2.12 **Redemption Demands**

Property funds can be subject to redemption demands at times when performance is comparatively low. At such times, performance may be adversely affected by the sale of properties to meet redemption demands.

5.2.13 **Dilution**

The actual cost of buying or redeeming a Company's investments may be higher or lower than the mid-market value used in calculating the Net Asset Value per Share - for example, due to dealing charges, or through dealing at prices other than the mid-market price and in the case of immovable fiscal charges, commissions, professional fees or other charges payable on acquiring or disposing the immovable property. The Company may suffer dilution (reduction) in the value of Scheme Property as a result of the costs incurred in dealing in the underlying investments and of any spread between buying and selling prices of these investments. It is not, however, possible to predict accurately whether dilution will occur at any point in time. Under certain circumstances (for example, large volumes of deals) this may have a material adverse effect on the existing/continuing Shareholders' interest in the Company.

The Company has adopted swinging single pricing to mitigate the effects of dilution. The ACD will determine whether and to what extent the Company's prices will be adjusted from the mid price by reference to the volume of net purchases or sales of Shares for the Company at the Valuation Point by reference to transactions at that Valuation Point or more generally, including prospective transactions. The ACD reserves the right to make a dilution adjustment on every Dealing Day where the ACD is of the opinion that it is in the best interest of Shareholders to do so. Further information on the ACD's dilution adjustment policy in relation to the BMO PAIF is set out in paragraph 4.3 available from the ACD on request.

5.2.14 **Deferred redemption**

Investors should note that, in times of poor liquidity, requests for redemption may be deferred to the next Valuation Point.

5.2.15 Currency Exchange Rates

Currency fluctuations may adversely affect the value of the Company's investments and the income thereon, and, depending on an investor's currency of reference, currency fluctuations may adversely affect the value of his/her investment in Shares and the income receivable.

5.2.16 Derivatives

The Company may use derivatives for investment purposes to maximise the return on non-property assets in the Company and is not restricted to derivatives based on property assets or returns. The exposure to the underlying assets must be within the investment limits set by the Regulations and the Company must have property suitable to cover its total exposure, taking into account the value of the underlying assets, any reasonable foreseeable market movement, counterparty risk and the time available to liquidate any positions.

As non-property assets will be held awaiting investment in property or to provide liquidity to service redemption requests strategies will be generally short term with limited risk to capital. It is not intended that the use of derivatives in this way will cause the Net Asset Value of the Company to have high volatility or otherwise cause the existing risk profile to change. However, where derivatives are used for investment purposes, there remains a possibility that the Share price of the Company may be more volatile than would otherwise have been the case.

The Company's ability to obtain appropriate returns from its derivatives strategies will depend on the availability of investment opportunities with appropriate risk characteristics, including the credit standing of counterparties.

5.2.17 Derivatives Techniques

The COLL Sourcebook permits the ACD to use certain techniques when investing in derivatives and forward transactions in order to manage exposure to particular counterparties and in relation to the use of collateral to reduce overall exposure to OTC (over-the-counter) derivatives; for example, the Company can take collateral from counterparties with whom they have an OTC derivative position and use that collateral to net off against the exposure they have to the counterparty under that OTC derivative position for the purposes of complying with counterparty spread limits. The COLL Sourcebook also permits the Company to use derivatives to short sell (i.e. agree to deliver the relevant asset without holding it in the scheme) under certain conditions.

5.2.18 PAIF status for the Company

If the Company should breach any of the statutory conditions required for PAIF status, then depending on the nature of the breach and the number of

breaches that have occurred, this may result in a corporation tax liability arising or HM Revenue & Customs terminating its PAIF status. Termination of the Company's PAIF status would result in distributions paid by the Company being treated differently for tax purposes.

5.2.19 **Leveraging**

Leverage is where a fund borrows money in order to meet redemption requests or, through the use of derivatives, for the purpose of buying or selling assets. Where assets are bought or sold using borrowed money this increases the risk that in the case of losses that these are compounded and as a result have a material negative impact on the value of the fund. Investors should also note that certain derivatives such as forward foreign exchange and complex swaps may be entered into on an Over The Counter (OTC) basis with one or more Eligible Counterparties. Trading in such derivatives results in credit risk exposure to such Eligible Counterparties (i.e. the risk that the Eligible Counterparty to a derivative trade will fail to discharge its obligations under the terms of the trade in respect of a Fund). Where the ACD or an Investment Adviser, on behalf of the Company, enters into OTC derivatives it may seek to mitigate much of its credit risk to an Eligible Counterparty by receiving collateral from that Eligible Counterparty. To the extent that any OTC derivatives are not fully collateralised, a default by the Eligible Counterparty may result in a reduction in the value of the Company and thereby a reduction in the value of an investment in the Company.

5.2.20 **Risks associated with leaving the European Union**

On 29 March 2017, the UK began the formal process of leaving the European Union (informally known as "Brexit") by invoking Article 50 of the Lisbon Treaty. The political, economic and legal consequences of Brexit are not yet known.

In the short term, it is likely there will be volatility in the financial markets, particularly those in the UK and Europe but possibly also in the US and Asia. The UK may be less stable than it has been in recent years and investments in the UK may be difficult to value, to assess for suitability or risk, harder to buy or sell or subject to greater or more frequent rises and falls in value. Changes in currency exchange rates may make it more expensive for the Funds to buy investments that are not denominated in Sterling. Funds may see higher levels of redemption. In the event that the Manager is unable to accurately value the assets of the Funds, or in the event of high levels of redemption, the Manager may use certain liquidity management tools permitted by the FCA Rules, including deferred redemptions, the implementation of fair value pricing or suspension of the Funds.

In the longer term, there is likely to be a period of significant political, regulatory and commercial uncertainty as the UK seeks to negotiate its exit from the European Union. The UK's laws and regulations concerning funds may in future diverge from those of the European Union. This may lead to changes in the operation of the Funds or the rights of investors. Depending on the

terms of the agreement reached with the European Union, UK funds may or may not be treated as a UCITS and it may or may not be possible for the Funds to be sold to investors in certain European Union countries and possibly other parts of the world in future. To the extent that it is within the control of the Manager, the Manager will endeavour to mitigate the impact on the Funds of the ongoing uncertainty and of any changes to the applicable law and regulation.

6. **MANAGEMENT AND ADMINISTRATION**

6.1 **Regulatory Status**

The Manager, the Trustee and the Administrator are regulated by the Financial Conduct Authority of 12 Endeavour Square, London, E20 1JN.

6.2 **Manager**

The Manager is BMO Fund Management Limited which is a company limited by shares incorporated in England and Wales on 29 July 1987. The Manager is the AIFM for the purposes of the AIFM Directive and the Alternative Investment Fund Manager Regulations.

Registered Office/Head Office: Exchange House, Primrose Street, London EC2A 2NY

Ultimate Holding Company: BMO Asset Management (Holdings) plc which is a company limited by shares incorporated in Scotland. On 7 May 2014, BMO Asset Management (Holdings) plc was acquired by Bank of Montreal through its wholly owned subsidiary, BMO Global Asset Management (Europe) Limited. BMO Global Asset Management is part of BMO Financial Group, a highly diversified financial services provider based in North America with total assets C\$633 billion and approximately 47,000 employees as April 30, 2015.

Share Capital:	Issued:	£13,200,000
	Paid up:	£13,200,000

Directors: David Logan, Joan Mohammed, David Sloper, Robert Thorpe, William Marrack Tonkin, Richard Watts, Tina Watts, BMO Asset Management (Holdings) plc.

All the individual directors are employed by BMO Global Asset Management EMEA.

The Manager is responsible for managing and administering the Trust's affairs in compliance with the Regulations, including portfolio management and risk management. The Manager may delegate its management and administration functions, but not responsibility, to third parties including associates, subject to the rules in the COLL Sourcebook.

It has therefore delegated to the Administrator and Registrar certain functions relating to administration and the Trust's register (as further explained in paragraphs 6.5 and 6.6 below).

Details of the fees payable to the Manager are set out in paragraph 7.2 below.

6.3 **The Trustee**

State Street Trustees Limited is the Trustee of the Trust. The Trustee is responsible for the safe-keeping of all the property of the Trust and has a duty to take reasonable care to ensure that the Trust is managed in accordance with the provisions of the COLL Sourcebook relating to the pricing of, and dealing in, Units and relating to the income of

the Trust. It is a private company limited by shares and incorporated in England and Wales on 24 October 1994.

The appointment of the Trustee has been made under an agreement effective from August 2015 as amended from time to time, between the Manager and the Trustee (the "Trustee Agreement").

Registered Office:	20 Churchill Place London E14 5HJ
Head Office and Principal Place of Business:	20 Churchill Place London E14 5HJ
Ultimate Holding Company:	State Street Corporation (incorporated in Massachusetts, United States of America)
Principal Business Activity:	Trustee and depositary of regulated collective investment schemes

The fees to which the Trustee is entitled are set out in paragraph 7.3 below.

The Trustee Agreement permits the Trustee to delegate its safekeeping function. The Trustee will be responsible for the actions of its delegates unless the Trustee has discharged its liability, as is permitted under the Regulations and envisaged in the Trustee Agreement. At the date of this Prospectus, the Trustee has not discharged its liability and investors will be notified if this position changes in the future.

Under the Trustee Agreement the Trustee has agreed that it, and any person to whom it delegates safekeeping of the property of the Trust, may not re use any of the Scheme Property with which it has been entrusted.

The Trustee Agreement may be terminated by not less than 90 days written notice (or sooner in certain circumstances) provided that no such notice will take effect until the appointment of a successor to the Trustee.

The Manager will indemnify the Trustee (or its associates) against costs, charges, losses and liabilities incurred by it (or its associates) in the proper execution, or in the purported proper execution, or exercise (reasonably and in good faith) of the Trustee's duties, powers, authorities and discretions, except in the case of any liability for a failure to exercise due care and diligence in the discharge of its functions.

The Trustee is entitled to receive remuneration out of the Scheme Property of the Trust for its services, as explained below. The Trustee (or its associates or any affected person) is under no obligation to account to the Manager, the Trust or the Unitholders for any profits or benefits it makes or receives that are made or derived from or in connection with the dealings in Units of the Trust, any transaction in Scheme Property or the supply of services to the Trust.

6.4 **The Custodian**

The Trustee has appointed State Street Bank and Trust Company as the Custodian of the

property of the Trust. The Trustee has the power to delegate its safekeeping functions. The Trustee has delegated to the Custodian the custody of Scheme Property entrusted to the Trustee for safekeeping. As the Custodian is part of the same group of companies as the Trustee, it is possible that a conflict of interest could arise. The Custodian and any other delegates are required to manage any such conflicts having regard to the FCA Handbook and their duties to the Trustee and the Manager.

6.5 The Administrator

On behalf of the Trust, the Manager has appointed DST Financial Services Europe Ltd of DST House, Basildon, Essex SS15 5FS to act as administrator in respect of the purchase and sale of Units, the issue of contract notes and other associated activities. Fees and expenses payable to DST as Administrator will be paid by the Manager out of its remuneration.

DST provides its services under the terms of an administration agreement. The administration agreement may be terminated by either party on not less than six months' notice in writing.

6.6 Fund Accounting Services

The Manager has appointed State Street Bank and Trust Company, London Branch to provide certain fund accounting, including unit pricing, services to the Trust.

6.7 The Auditors

The auditors of the Trust are PricewaterhouseCoopers LLP.

The Auditor's office is Erskine House, 69-73 Queen Street, Edinburgh EH2 4NH.

The Auditors must make a report to the Unitholders in respect of the accounts contained in the annual report.

6.8 Legal Advisers

The Manager and the Trust are advised by CMS Cameron McKenna Nabarro Olswang LLP, Cannon Place, 78 Cannon Street, London EC4N 6AF.

6.9 Register of Unitholders

The Register of Unitholders may be inspected by appointment at the offices of DST Financial Services Europe Ltd, DST House, Basildon, Essex SS15 5FS. Unitholders may obtain a copy of their entry in the register free of charge by writing to the Registrar at DST House.

6.10 Conflicts of Interest

The Manager and other companies within the BMO Global Asset Management EMEA may, from time to time, act as managers or investment managers to other funds which follow similar investment objectives to those of the Trust.

It is therefore possible that the Manager may in the course of its business have potential conflicts of interest with the Trust and/or other funds managed by the Manager. The Manager will, however, have regard in such event to its obligation to act in the best interests of the Trust so far as practicable, having regard to its obligations to other clients, when undertaking any investment business where potential conflicts of interest may arise. Where a conflict of interest cannot be avoided, the Manager will ensure that the Trust and other funds it manages are fairly treated.

The Manager maintains a written conflict of interest policy. The Manager acknowledges that there may be some situations where the organisational or administrative arrangements in place for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Trust or its unitholders will be prevented. Should any such situations arise the Manager will, as a last resort if the conflict cannot be avoided, disclose these to unitholders in the report and accounts or otherwise in an appropriate format.

Details of the Manager's conflicts of interest policy are available on its website at: www.bmogam.com.

Subject to the Regulations and subject to compliance by the Manager with its obligations to the Trust, the Manager shall not be under any obligation to account to the Trust (nor to any person having an interest in the Trust) for any profits or benefits made by the Manager or by any associate of the Manager from or in connection with any transactions entered into by the Manager or any associate of the Manager with the Trust or the provision of any services to the Trust or dealing in property of any description for the account of the Manager or of any such associate, notwithstanding the fact that property of that description is included in the Scheme Property.

The Trustee may, from time to time, act as the trustee of other authorised unit trusts or the depositary of open-ended investment companies with variable capital.

None of the services of the Trustee are to be provided on an exclusive basis to the Trust. The Trustee and any of its associates shall be free to provide similar services to (or engage in other activities with) others on such terms as the Trustee (or its associates) may arrange and to retain for its own use and benefit fees or other monies payable for its doing so. The Trustee shall not be deemed to be affected with notice of, or to be under any duty to disclose to the Trust, any fact or thing which may come to its notice or the notice of any servant or agent of it in the course of the Trustee rendering similar services to others or in the course of its business in any other capacity or any manner whatsoever otherwise than in the course of carrying out its duties.

6.11 Exercise of voting rights

The Manager has a strategy for determining when and how voting rights attached to ownership of Scheme Property are to be exercised to ensure votes are exercised in the interests of Unitholders when considered appropriate and practicable. A summary of this strategy is available from the Manager on request as are details of the actions taken on the basis of this strategy.

6.12 Best execution

The Manager is required to obtain the best possible result for the Trust when effecting transactions and placing orders in relation to the Trust. Details of the best execution policy are available from the Manager on request.

6.13 **Professional Liability Risk**

The Manager will cover at all times the risks of loss or damage caused by the negligence of any relevant person for which the Manager has legal responsibility by maintaining insurance cover, and will comply with the qualitative requirements addressing such risks, in each case, in accordance with the EU Regulation.

7. FEES AND EXPENSES

7.1 General

The fees, costs and expenses relating to the authorisation and establishment of the Trust, the offer of Units, the preparation and printing of this Prospectus and the fees of the professional advisers to the Trust in connection with the offer will be borne by the Manager.

All fees, costs, charges or expenses payable by a Unitholder or out of the Scheme Property are set out in this section 7.

As mentioned above, the Manager may redeem Class F Shares in the BMO PAIF to pay certain fees and expenses.

The Manager may also pay out of the Scheme Property all relevant fees, costs, charges and expenses incurred by the Trust, which will include the following expenses:

- 7.1.1 the fees and expenses payable to the Manager (which will include the fees and expenses payable in respect of the Manager's duties as investment manager (and which may be payable directly to any investment manager appointed as the Manager's delegate from time to time) and the Administrator) and to the Trustee (which will include the fees and expenses payable to the Custodian);
- 7.1.2 fees and expenses in respect of establishing and maintaining the Register (and any plan sub-register) and related functions;
- 7.1.3 expenses incurred in acquiring and disposing of investments, including all professional fees, expenses, charges and disbursements;
- 7.1.4 expenses incurred in producing, distributing and dispatching income and other payments to Unitholders;
- 7.1.5 any costs incurred in establishing a new Class of Unit;
- 7.1.6 fees in respect of the publication and circulation of details of the Net Asset Value and prices including the cost of any benchmark used;
- 7.1.7 the fees and expenses of auditors and tax, legal and other professional advisers of the Trust;
- 7.1.8 the costs of convening and holding Unitholder meetings and associated documentation (including meetings of Unitholders of any particular Class);
- 7.1.9 costs incurred in taking out and maintaining any insurance policy in relation to the Trust and/or the Manager;
- 7.1.10 expenses incurred in company secretarial duties, including the cost of minute books and other documentation required to be maintained by the Trust;

- 7.1.11 the costs of printing and distributing reports, accounts and any prospectuses (apart from the costs of distributing any simplified prospectus) and any NURS-KII document (including the cost of making available or notifying changes to any NURS-KII document) and any costs incurred as a result of periodic updates of or changes to the Prospectus or Trust Deed;
- 7.1.12 any administrative expenses, including the costs incurred in maintaining minute books and other documentation required to be maintained by the Trust;
- 7.1.13 taxation and duties payable in respect of:
 - 7.1.13.1 the Scheme Property; and
 - 7.1.13.2 the issue or sale of Units.
- 7.1.14 any costs and expenses incurred in relation to the amalgamation, reconstruction or winding up of the Trust;
- 7.1.15 interest on and charges incurred in borrowings (including those charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings);
- 7.1.16 any amount payable by the Trust under any indemnity provisions contained in the Trust Deed or any agreement with any functionary of the Trust;
- 7.1.17 fees of the FCA and the corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Units are or may lawfully be marketed;
- 7.1.18 any other costs or expenses that may be taken out of the Scheme Property in accordance with the COLL Sourcebook; and
- 7.1.19 VAT, where appropriate, on any of the costs, charges, expenses or disbursements set out in this section 7.

References to the Trust paying expenses and incurring expenses include expenses paid by and incurred by the Manager on behalf of the Trust in connection with the operation of the Trust or in the course of its duties and responsibilities as Manager.

It is not currently proposed to seek a listing for the Units on any stock exchange but, if a listing is sought in the future, the fees connected with any such listing will be payable by the Trust.

Any third party research received in connection with investment advisory services that the Manager provides to the Trust will be paid for by the Manager, as relevant in relation to the Trust, out of its fees and will not be charged to the Trust.

Expenses are allocated between capital and income in accordance with the Regulations. To the extent that fees and expenses are to be met from income, that income will be generated through the redemption by the Manager of an appropriate number of Class F

Shares in the Company.

7.2 Charges payable to the Manager

In payment for carrying out its duties and responsibilities the Manager is entitled to take an annual management charge out of the Units for each Class of Units based on the relevant Net Asset Value of the Trust for each Class. The annual management charge is payable monthly in arrears calculated on a daily basis and payable on the first Business Day of the following month. The current fees for each Class (expressed as a percentage per annum of the Net Asset Value of each Class) are shown in Appendix II. There is no equivalent charge in the Class of Shares into which the Trust invests.

In addition, the Manager shall be entitled to a registrar's fee of £31.02 per annum (as at 1 January 2018) for each holding on the Register and any plan sub-register. This fee is adjusted upwards on 1 January each year by an amount corresponding to the increase in the Retail Price Index since the previous 1 January.

The Manager is also entitled to all reasonable, properly documented, out of pocket expenses incurred in the performance of its duties as set out above.

VAT is payable on these charges or expenses where appropriate.

If a Class's expenses in any period exceed its income the Manager may take that excess from the capital property attributable to that Class.

The current annual fee payable to the Manager for a Class may only be increased in accordance with the Regulations and after the Manager has made available a revised Prospectus showing the new rate of charge and its commencement date.

The Manager may only introduce a new category of remuneration for its services payable out of the Scheme Property in accordance with the Regulations and after it has made available a revised Prospectus to reflect the introduction and the date of its commencement.

7.3 Trustee's fees and expenses

The Trustee's remuneration, which is payable out of the Scheme Property, is a periodic charge at such annual percentage of the value of the Scheme Property as is set out below, with the Trust being valued and such remuneration accruing and being paid on the same basis as the Manager's periodic charge. Currently, the Manager and the Trustee have agreed that the Trustee's remuneration in respect of the Trust shall be calculated at a flat rate of 1.00 basis point.

The Trustee is permitted to increase its remuneration, subject to the agreement of the Manager, in accordance with the Regulations and after the Manager has made available a revised Prospectus showing the new rate of remuneration and its commencement date.

The Trustee is also entitled to receive out of the Scheme Property remuneration for such services in performing or arranging for the performance of the functions conferred on the Trustee by the Trust Deed or the COLL Sourcebook. Currently the Trustee does not receive any remuneration or service charges under this paragraph. The introduction of or

increase in any such charges is subject to obtaining the requisite consent from Unitholders. Any such charges shall be on terms no less favourable than would be applicable to a comparable customer of the Trustee. Service charges shall accrue when the relevant transaction or other dealing is effected and shall be paid in arrears on the next following date on which payment of the Trustee's periodic charge is to be made or as soon as practicable thereafter.

In addition to the remuneration referred to above, the Trustee will be entitled to receive reimbursement for expenses properly incurred by it in the discharge of its duties or exercising any of the powers conferred upon it in relation to the Trust, subject to approval by the Manager.

7.4 Custodian's fees and expenses

The Trustee has appointed State Street Bank and Trust Company as the Custodian of the Scheme Property and is entitled to receive reimbursement of the Custodian's fees as an expense of the Trust. State Street Bank and Trust Company's remuneration for acting as Custodian is calculated at an ad valorem rate determined by the territory or country in which the assets of the Trust are held. Currently, the lowest rate is 0.0004% and the highest rate is 0.50%. In addition, the Custodian makes a transaction charge determined by the territory or country in which the transaction is effected. Currently, these transaction charges range from £6 - £105 per transaction. The current rate of the transaction charge and/or Custodian charges may only be increased, or a new type of charge introduced, in accordance with the Regulations and after the Manager has revised and made available the Prospectus to reflect the new rate and date of its commencement.

The Trustee is also entitled to be reimbursed out of the Scheme Property in respect of remuneration charged by the Custodian for such services, being services delegated to the Custodian by the Trustee in performing or arranging for the performance of the functions conferred on the Trustee by the Trust Deed or the COLL Sourcebook. Currently the Trustee does not receive any remuneration or service charges under this paragraph. The introduction of or increase in any such charges is subject to obtaining the requisite consent from Unitholders. Any such charges shall be on terms no less favourable than would be applicable to a comparable customer of the Custodian. Service charges shall accrue when the relevant transaction or other dealing is effected and shall be paid in arrears.

The following further expenses may also be paid out of the Scheme Property:

- all charges imposed by, and any expenses of, any agents appointed by the Trustee to assist in the discharge of its duties;
- all charges and expenses incurred in connection with the collection and distribution of income;
- all charges and expenses incurred in relation to the preparation of the Trustee's annual report to Unitholders; and
- all charges and expenses incurred in relation to stocklending.

VAT at the current rate will be payable in addition to the Trustee's remuneration, the Custodian's remuneration and the above expenses.

7.5 Charges in respect of fund accounting and unit pricing services

The cost of third party services is no cost for the first share class launched and thereafter a fixed rate of £5,000 per annum per unhedged share class and £7,500 per annum per hedged share class for all additional share classes.

7.6 Allocation of fees and expenses between Classes

All the above fees, duties and charges (other than those borne by the Manager) will normally be allocated to all Classes pro rata to the value of the Net Asset Value of the Class, although the Manager has discretion to allocate these fees and expenses in a manner which it considers fair to Unitholders generally.

8. SHAREHOLDER MEETINGS AND VOTING RIGHTS

8.1 Class Meetings

The provisions below, unless the context otherwise requires, apply to Class meetings as they apply to general meetings of the Trust, but by reference to Units of the Class concerned and the Unitholders and value and prices of such Units.

8.2 Requisitions of Meetings

The Manager may requisition a general meeting at any time.

Unitholders may also requisition a general meeting of the Trust. A requisition by Unitholders must state the objects of the meeting, be dated, be signed by Unitholders who, at the date of the requisition, are registered as holding not less than one tenth in value of all Units then in issue and the requisition must be deposited at the head office of the Manager. The Manager must convene a general meeting no later than eight weeks after receipt of such requisition.

8.3 Notice and Quorum

Unitholders will receive at least 14 days' notice of a general meeting and are entitled to be counted in the quorum and vote at such meeting either in person or by proxy. The quorum for a meeting is two Unitholders, present in person or by proxy. The quorum for an adjourned meeting is one Unitholder present in person or by proxy. Notices of meetings and adjourned meetings will be sent to Unitholders at their registered addresses.

8.4 Voting Rights

At a general meeting, on a show of hands every Unitholder who (being an individual) is present in person or (being a corporation) is present by its representative properly authorised in that regard, has one vote.

On a poll vote, a Unitholder may vote either in person or by proxy. The voting rights attaching to each Unit are such proportion of the voting rights attached to all the Units in issue that the price of the Unit bears to the aggregate price(s) of all the Units in issue at the date seven days before the notice of meeting was sent out.

A Unitholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

In the case of joint Unitholders, the vote of the senior who votes, whether in person or by proxy, must be accepted to the exclusion of the votes of the other joint Unitholders. For this purpose, seniority must be determined by the order in which the names stand in the Register.

Except where the COLL Sourcebook or the Trust Deed requires an extraordinary resolution (which needs at least 75% of the votes cast at the meeting to be in favour if the resolution is to be passed) any resolution required by the COLL Sourcebook will be passed by a simple majority of the votes validly cast for and against the resolution.

The Manager may not be counted in the quorum for a meeting and neither the Manager nor any associate (as defined in the COLL Sourcebook) of the Manager is entitled to vote at any meeting except in respect of Units which the Manager or associate holds on behalf of or jointly with a person who, if the registered Unitholder, would be entitled to vote and from whom the Manager or associate has received voting instructions.

“Unitholders” in this context means Unitholders on the date seven days before the notice of the relevant meeting was sent out but excludes Unitholders who are known to the Manager not to be Unitholders at the time of the meeting.

8.5 Variation of Class rights

The rights attached to a Class may not be varied without the sanction of an extraordinary resolution passed at a meeting of Unitholders of that Class.

9. **TAXATION**

9.1 **General**

The information below is a general guide based on current UK law and HM Revenue & Customs practice, both of which are subject to change. It summarises the tax position of the Trust and of investors who are UK resident (except where indicated) and hold Units as investments. The tax treatment of investors depends on their individual circumstances and may be subject to change in the future. Unitholders or prospective investors who are in any doubt about their tax position, or who may be subject to tax in a jurisdiction other than the UK, are recommended to take professional advice.

9.2 **Taxation of the BMO PAIF**

The BMO PAIF is not liable to tax on capital gains realised on the disposal of its investments. The income generated by its underlying property investment business is exempt from tax, as are any dividends received on underlying equity investments. Its other income (which will mainly comprise interest) although technically taxable will be distributed as a tax-deductible payment so no tax should in practice be payable by the BMO PAIF. The BMO PAIF will generally be liable to pay stamp duty land tax or land and buildings transaction tax on purchases of property, and may incur other property-specific taxes.

9.3 **The Trust**

The Trust is exempt from UK tax on capital gains realised on the disposal of its investments in the BMO PAIF.

The Trust will receive income (or be deemed to do so in the case of accumulation Units) from the BMO PAIF. This will be streamed for tax purposes into up to three parts depending on the nature of the income generated by the BMO PAIF:

- 9.3.1 property income distributions (representing property income received by the BMO PAIF) will be received net of 20% tax and no further corporation tax will be payable by the Trust on them;
- 9.3.2 PAIF dividend distributions (representing any dividends received by the BMO PAIF and certain other income) will be exempt from corporation tax; and
- 9.3.3 PAIF interest distributions: The Trust will be liable to corporation tax at 20% on them (however, until 5 April 2017 it will be received net of 20% tax and no further corporation tax will actually be payable by the Trust on them).

The Trust pays dividend distributions.

Distributions will be paid to Unitholders or accumulated, depending on the class, and Unitholders will be liable to tax on the amount of the distribution in either case.

9.4 **Taxation of individual Unitholders**

9.4.1 Dividend distributions

Dividend distributions paid by the Trust will be treated as if they were dividends paid to its Unitholders. No tax will be deducted from them and they will not have tax credits attached to them.

From 6 April 2016, for individual Unitholders resident in the UK, the first £5,000 of dividends and dividend distributions received in each tax year will be free of income tax (the dividend allowance). Where an individual's dividends and dividend distributions from all sources exceed the dividend allowance, the excess will be liable to income tax at dividend tax rates reflecting the Unitholder's highest rate of tax. These are 7.5% for basic rate taxpayers, 32.5% for higher rate taxpayers and 38.1% for additional rate taxpayers. Dividends received within a Unitholder's allowance count towards total taxable income and affect the rate of tax due on any dividends received exceeding it.

9.4.2 Capital gains

Individual Unitholders may be liable to capital gains tax when they realise a gain from the redemption, sale or other disposal of Units, depending on their personal circumstances.

UK-resident individuals are entitled to an annual exempt amount. If an individual's capital gains for a tax year (after deducting any allowable capital losses) are greater than the annual exempt amount the excess will be taxed at 10% for basic rate taxpayers and 20% for higher and additional rate taxpayers.

Income distributions (excluding equalisation) accumulated on accumulation Units should be deducted when calculating the capital gain. Further information is available in HM Revenue & Customs' Help Sheets for the capital gains tax pages of their tax returns.

9.5 **Taxation of corporate Unitholders**

9.5.1 Dividend distributions

Corporate Unitholders who receive dividend distributions may have to divide them into two (the division will be indicated on the tax voucher). Any part representing income which has been liable to corporation tax in the Trust must be treated by the corporate Unitholder as an annual payment made after deduction of income tax at the basic rate, and corporate Unitholders may be subject to tax on the grossed up amount, with the benefit of a 20% deemed income tax deduction, or be able to reclaim part or all of the deemed tax deducted (excluding any representing foreign tax) as shown on the tax voucher. Any remainder will be treated as dividend income and, consequently, will be exempt from corporation tax.

9.5.2 Chargeable gains

UK-resident corporate Unitholders may be liable for corporation tax in respect of any chargeable gains arising from the redemption, sale or other disposal of Units.

In the case of accumulation Units all income distributions which have been accumulated to Unit capital (except equalisation amounts) should be deducted from the gain.

9.6 **Taxation of Unitholders – general**

9.6.1 Equalisation

The first income distribution to a Unitholder accumulated after buying Units may include an amount of income equalisation, which will be shown on the tax vouchers. This is effectively a repayment of the income equalisation paid by the Unitholder as part of the purchase price. It is a return of capital and is not taxable. It should be deducted from the cost of income Units (but not accumulation Units) when computing any capital gains.

9.6.2 Tax-exempt Unitholders

Any Unitholders who are exempt from tax on income will not be able to reclaim the tax credits on dividend distributions or accumulations. They may therefore be better off investing directly into the BMO PAIF.

9.6.3 Unitholders who are not tax-resident in the UK

No UK taxes are deducted from dividend distributions and there is no associated tax credit. Unitholders may be liable to tax in their country of tax residence.

9.6.4 Automatic exchange of information for international tax compliance

The Manager (or its agent) will collect and report information about Unitholders and their investments, including information to verify their identity and tax residence.

When requested to do so by the Manager or its agent, Unitholders must provide information to be passed on to HM Revenue & Customs, and, by them, to any relevant overseas tax authorities. If a Unitholder does not provide the necessary information, the Manager will be required to report it to HM Revenue & Customs who will in turn report it to the United States' and certain other tax authorities.

This is required by UK legislation implementing its obligations under various intergovernmental agreements relating to the automatic exchange of information to improve international tax compliance (including the international common reporting standard, the United States provisions commonly known as FATCA, and other intergovernmental agreements for the automatic exchange of information).

WINDING UP OF THE TRUST

- 9.7 The Trust may only be wound up as provided under the COLL Sourcebook. The Trustee will proceed to wind-up the Trust:
- 9.7.1 if the order declaring the Trust to be an authorised unit trust scheme is revoked;
 - 9.7.2 if the Manager or the Trustee requests the FCA to revoke the order declaring the Trust to be an authorised unit trust scheme and FCA has agreed (provided no material change in any relevant factor occurs) that on the winding-up of the Trust, FCA will accede to that request;
 - 9.7.3 on the expiration of any period specified in the Trust Deed as the period at the end of which the Trust is to terminate; or
 - 9.7.4 on the effective date of a duly approved scheme of arrangement which is to result in the Trust being left with no property.
- 9.8 If any of these events occur, COLL 5 (Investment and Borrowing Powers), and COLL 6 (in relation to dealing and valuation and pricing) of the COLL Sourcebook, will cease to apply to the Trust. The Trustee will cease the creation and cancellation of Units except in respect of the final cancellation and the Manager will stop redeeming and selling Units. In the case of a scheme of arrangement, the Trustee will wind-up the Trust in accordance with the approved scheme of arrangement.
- 9.9 In any other case, the Trustee will, as soon as practicable after the Trust falls to be wound-up, realise the assets of the Trust and after paying, or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of the winding-up, distribute the proceeds to the Unitholders and the Manager proportionately to the size of their holdings (upon production by them of such evidence, if any, as the Trustee may reasonably require as to their entitlement).
- 9.10 Any unclaimed net proceeds or other cash held by the Trustee after 12 months from the date the proceeds became payable will be paid by the Trustee into Court (or, in Scotland, as the court may direct), although the Trustee will have the right to retain any expenses incurred in making and relating to that payment.
- 9.11 On completion of the winding-up, the Trustee will notify the FCA in writing of that fact and the Trustee or the Manager will request the FCA to revoke the order of authorisation.

10. **GENERAL INFORMATION**

10.1 **Accounting Periods**

The annual accounting period and interim accounting period of the Trust are each set out in Appendix II.

10.2 **Income Allocations**

The income allocation periods and income allocation dates for the Trust are set out in Appendix II.

The income allocation dates are the dates, in each year, on or before which payment or accumulation of income is to be made or take place. Under the FCA rules, the income allocation dates must be within four months of the end of the relevant income allocation period. The income allocation dates in Appendix II reflect certain of the flexibility under the FCA rules but the Manager may distribute the income (if any) on or before these dates.

The Trustee is not required to distribute income allocated to any Units where the Manager or Trustee considers it necessary or appropriate to carry out or complete identification procedures in relation to the Unitholder or another person pursuant to a statutory, regulatory or European Union obligation. Any distribution may be paid by bank transfer ("BACS") where sufficient bank details have been provided by the Unitholder or otherwise by cheque.

Allocation of income to holders of accumulation Units will be transferred to the capital property of the Trust on the first Business Day following the end of each income allocation period and reflected in the value of those Units. Distribution of income (if any) to holders of income Units will be made on the income allocation dates as shown in Appendix II.

In order to generate income the Manager will to the extent required redeem the appropriate number of Class F Shares in the Company. The Shares will be redeemed at their net asset value.

If a distribution made in relation to any income Units remains unclaimed for a period of six years after it has become due, it will become part of the capital property.

The amount available for accumulation or distribution in any accounting period is intended to be the entire net income received or deemed to be received from the BMO PAIF. It will be calculated by taking the aggregate of the income received or receivable for the account of the Trust in respect of that period, and deducting any charges and expenses of the Trust paid or payable out of income in respect of that accounting period. The Manager then makes such other adjustments (if any) as it considers appropriate (and after consulting the Trust's auditor as appropriate) in relation to taxation, income equalisation, income unlikely to be received within 12 months following the relevant income allocation date, income which should not be accounted for on an accrual basis because of lack of information as to how it accrues, transfers between the income and capital account and other matters.

With the agreement of the Trustee individual amounts of income of £10 or less may not be paid.

10.3 **Annual Reports**

The annual report of the Trust will be published within four months of each annual accounting period and the half yearly report will be published within two months of each interim accounting period and are available to Unitholders on request in writing or by telephoning 0800 085 2752. The annual report and half yearly reports are prepared as both long and short reports. Unitholders will receive copies of the annual and half-yearly short reports on publication.

10.4 **Documents of the Trust**

The following documents may be inspected free of charge during normal business hours on any Business Day at the offices of the Manager at Exchange House, Primrose Street, London EC2A 2NY:

- (a) the most recent annual and half yearly reports of the Trust;
- (b) the Prospectus; and
- (c) the Trust Deed (and any supplemental trust deeds); and

Unitholders may obtain copies of the above documents from the Manager. The Manager may make a charge at its discretion for copies of the Trust Deed (and any supplemental trust deeds).

10.5 **Notices to Shareholders**

All notices or documents required to be served on Unitholders will be served by post to the address of the Unitholder as evidenced on the register. All documents and remittances are sent at the risk of the Unitholder.

10.6 **Telephone Recordings**

The ACD may record telephone calls for training and monitoring purposes and to confirm investors' instructions. Recordings will be provided on request for a period of at least five years from the date of such recording, or, where requested by a competent regulatory authority, for a period of seven years, where the ACD can identify the call as coming from the relevant investor. If the ACD is asked to provide a recording of a particular call, the ACD may ask for further information to help it identify the exact call to which the request relates.

10.7 **Provision of Investment Advice**

All information concerning the Trust and about investing in Units is available from the Manager at BMO Fund Management Limited, PO Box 9040, Chelmsford, Essex CM99 2XH. Neither the Manager nor the Administrator is authorised to give investment advice and persons requiring such advice should consult an independent financial adviser. All

applications for Units are made solely on the basis of the current prospectus of the Trust, and investors should ensure that they have the most up to date version.

10.8 Complaints

- 10.8.1 The Manager has appointed a complaints officer to investigate and resolve any complaints which should be addressed to it at PO Box 9040, Chelmsford, Essex CM99 2XH (Telephone (Telephone 0330 123 3798)).
- 10.8.2 In the event that an unsatisfactory response is provided, you can refer your complaint to the Financial Ombudsman Service at Financial Ombudsman Service, Exchange Tower, Harbour Exchange Square, London, E14 9SR. Making a complaint will not prejudice your rights to commence legal proceedings.
- 10.8.3 Further information regarding any compensation scheme or any other investor-compensation scheme of which the Manager is a member (including, if relevant, membership through a branch) or any alternative arrangement provided, are also available on request. A copy of the Manager's guide to making a complaint is also available upon request.

10.9 Risk Management

A statement on the methods used for risk management in connection with the Trust and the quantitative limits used together with the current risk yields of the main categories of investment is available in the Trust's financial statements and/or on the website www.bmogam.com.

10.10 Investor Profile

- 10.10.1 The Trust is intended to provide investment opportunities for investors wishing to maintain a UK commercial property exposure. It may be suitable for investors seeking exposure to the UK commercial property markets who view their investment as long term, i.e. at least 5 years. The Trust is appropriate for an investor with basic knowledge, or an informed investor, or an experienced investor. The Trust may be purchased with or without professional financial advice. The Trust has been classified as a non-complex investment product so there is no requirement to have prior knowledge or experience of this type of investment before investing.
- 10.10.2 The Trust is designed to be used as a standalone solution or form part of a portfolio of investments. The product is not guaranteed and the value of the product can go up or down.

10.11 Past Performance

Information on the past performance of the Trust is provided in Appendix VII and is also available in the current NURS-KII document and from www.bmogam.com.

10.12 Genuine Diversity of Ownership

Units in the Trust are and will continue to be widely available. The intended categories of investors are pension schemes and other institutional investors.

Units in the Trust are and will continue to be marketed and made available sufficiently widely to reach the intended categories of investors, and in a manner appropriate to attract them.

10.13 **Information available to Unitholders**

The following information will be made available to Unitholders in the annual report:

- 10.13.1 the percentage of the Trust's assets which will be subject to special arrangements arising from their illiquid nature, including an overview of any special arrangements in place, the valuation methodology applied to assets which are subject to such arrangements and how management and performance fees will apply to these assets;
- 10.13.2 the current risk profile of the Trust, including (as relevant):
 - 10.13.2.1 the measures used to assess the sensitivity of the Trust's portfolio to the most relevant risks to which the Trust is or could be exposed;
 - 10.13.2.2 if risk limits set by the Manager have been or are likely to be exceeded and, where these risk limits have been exceeded, a description of the circumstances and the remedial measures taken;
 - 10.13.2.3 the total amount of leverage employed by the Trust calculated in accordance with the gross and commitment methods; and
 - 10.13.2.4 any material changes to the information above.

It is intended that Unitholders will be notified immediately of any material changes to the liquidity management systems and procedures such as the suspension of redemptions or similar special liquidity arrangements. It is intended that any changes to the maximum level of leverage which the Trust may employ will be provided to Unitholders without undue delay.

10.14 **Changes to the Trust**

The Manager will assess, in consultation with the Trustee and in accordance with COLL 4.3, whether changes which are proposed to be made to the Trust (including, for example, any change to the investment policy or investment strategy) are to be treated for the purposes of Unitholder notification as being fundamental, significant or notifiable.

Fundamental changes require approval by Unitholders before being implemented.

Significant changes require the Manager to provide the relevant Unitholders with at least 60 days' prior written notice of the proposed change.

Notifiable changes require the Manager to provide the relevant Unitholders with appropriate pre- or post-event notice of the change.

10.15 **Unitholders' Rights against Service Providers**

It should be noted that Unitholders will only be able to exercise their rights directly against the Trust and will not have any direct contractual rights against the service providers of the Trust appointed from time to time.

10.16 Fair Treatment of Investors

Procedures, arrangements and policies have been put in place by the Manager to ensure compliance with the principles of fair treatment of investors. The principles of treating investors fairly include, but are not limited to:

- (a) Acting in the best interests of the Trust and of the investors;
- (b) Executing the investment decisions taken for the account of the Trust in accordance with the objective, the investment policy and the risk profile of the Trust;
- (c) Ensuring that the interests of any group of investors are not placed above the interests of any other group of investors;
- (d) Ensuring that fair, correct and transparent pricing models and valuation systems are used;
- (e) Preventing undue costs being charged to the Trust and investors;
- (f) Taking all reasonable steps to avoid conflicts of interests and, when they cannot be avoided, identifying, managing, monitoring and, where applicable, disclosing those conflicts of interest to prevent them from adversely affecting the interests of Unitholders; and
- (g) Recognising and dealing with complaints fairly.

10.17 Preferential treatment of investors

From time to time the Manager may afford preferential terms of investment to certain groups of investors. In assessing whether such terms are afforded to an investor, the Manager will ensure that any such concession is not inconsistent with its obligation to act in the overall best interests of the Trust and its investors.

In particular, the Manager may typically exercise its discretion to waive the initial charge or investment minima for investment in a Class for investors that are investing sufficiently large amounts, either initially or are anticipated to do so over time, such as platform service providers, institutional investors including fund of fund investors and fund-link investors. The Manager may also have agreements in place with such groups of investors which result in them paying a reduced annual management charge.

10.18 Unclaimed money or assets

In accordance with the client money rules in the FCA Handbook, if client money is unclaimed for a period of six years (or client assets are unclaimed for a period of 12 years) the Manager will transfer unclaimed distributions back to the capital property of the Trust and otherwise may give unclaimed client money or assets to a registered

charity of its choice. The Manager will be able to do this only in accordance with general law, the FCA Handbook, and where it has taken all necessary steps to trace the Unitholder and return the money or the assets.

If the client money or client asset is equal to or below the 'de minimis level' set by the client money rules in the FCA Handbook (that is, £25 or less for retail clients and £100 or less for professional clients) then there are fewer requirements for the Manager to fulfil before it may pay the money or asset to charity but it will still attempt to contact Unitholders at least once before doing so. The time periods set out above during which the money or assets may not be 'paid away' to charity continue to apply.

Payment of any unclaimed balance to charity will not prevent Unitholders from claiming the money or assets in the future.

Inducements

When executing orders, or placing orders with other entities for execution, that relate to financial instruments for, or on behalf of, the Trust, the Manager will not accept and retain any fees, commissions or monetary benefits; or accept any non-monetary benefits, where these are paid or provided by any third party or a person acting on behalf of a third party.

The Manager will return to the Trust as soon as reasonably possible after receipt any fees, commissions or any monetary benefits paid or provided by any third party or a person acting on behalf of a third party in relation to the services provided to the Trust, and disclose in the annual report the fees, commissions or any monetary benefits transferred to them.

However, the Manager may accept without disclosure minor non-monetary benefits that are capable of enhancing the quality of service provided to the Trust; and of a scale and nature such that they could not be judged to impair their compliance with its duty to act honestly, fairly and professionally in the best interests of the Trust.

APPENDIX I

DETAILS OF THE BMO PAIF

Name:	BMO UK Property Fund
Investment objective:	<p>It is intended that the Fund will be a PAIF at all times and as such the investment objective of the Fund is to carry on Property Investment Business and to manage cash raised from investors for investment in the Property Investment Business.</p> <p>The Company aims to maximise return combining capital and income through investment mainly in a diversified portfolio of UK commercial property, seeking to add value through strategic asset allocation, stock selection and asset management.</p>
Investment policy:	<p>Property will normally be owned directly but participation in co-ownership arrangements such as unauthorised unit trusts is permitted where the arrangements do not result in additional restrictions on the liquidity of the Company.</p> <p>Investment may also be made in property related securities, transferable securities including government and corporate fixed interest securities, collective investment schemes, money market instruments, deposits and derivatives.</p> <p>Derivatives may be used for investment purposes as well as for efficient portfolio management.</p> <p>While a significant proportion of the portfolio will normally be held in direct property assets, the actual proportion will depend on the availability of properties on acceptable terms and the expected support from investors. Except in exceptional circumstances, the ACD does not expect less than 80% of the Company's assets to be invested directly in property.</p>
Annual accounting date:	Last day of February
Interim accounting date:	31 August
Income allocation dates:	Last day of February and 31 st August
Valuation Point:	12.00pm
Dealing Day:	Any Business Day
Cut-Off Point:	11.59am

APPENDIX II

DETAILS OF THE TRUST

Name:	BMO UK Property Feeder Fund
Type of Fund:	NURS
Launch date:	1 st September 2015
First Dealing Day:	1 st September 2015
Investment objective:	The Trust aims to maximise return combining capital and income.
Investment policy:	The Trust will invest all or substantially all of its capital in the feeder accumulation shares of the BMO UK Property Fund ICVC. To the extent the Trust is not fully invested in the BMO UK Property Fund ICVC, the Trust will hold its remaining assets in cash.
Annual accounting date:	Last day of February
Interim accounting date:	31 August
Income allocation periods:	Last day of February and 31 st August
Income allocation dates:	Last day of February and 31 st August
Valuation Point:	12.00pm
Dealing Day:	Any Business Day
Cut-Off Point:	In respect of any Dealing Day, 11:59:59am

Classes of Units:	Class 1	Class 2	Class 4
Type of Units Available:	Acc / Inc	Acc / Inc	Acc / Inc
Currency of denomination:	Pounds Sterling	Pounds Sterling	Pounds Sterling
Initial charge:	5%	0%	0%
Redemption charge:	N/A	N/A	N/A
Annual Management Charge:	1.5%	.75%	0%
Minimum initial investment:	£1000	£250000	£10000
Minimum subsequent investment:	£1000	£25000	£10000
Minimum holding:	£1000	£250000	£10000
Minimum redemption:	£100	£100000	£10000
Regular Savings Plan:	£50	N/A	N/A
Charges taken from income:	Yes	Yes	Yes
Whether Units will be issued in any other currency:	No		
Past performance:	Past performance information is set out in Appendix VII		
Investment and Borrowing Powers:	A detailed statement of the investment and borrowing restrictions and the extent to which the Trust may employ various techniques is set out in Appendix IV.		
Payment of fees and expenses and generation of	In order to generate the cash required to meet the payment of fees and expenses, and in order to generate income, the Manager will to the extent required, sell an appropriate number of Class F Shares in the Company.		

income:

Investor Profile:

This Trust is intended for investors who wish to participate in the opportunity to achieve a return from capital appreciation and income over the longer term by investing in an actively managed portfolio of primarily commercial property and property-related equities, property investment companies, other property collective investment schemes, property-related fixed income securities and cash. The diversified nature of the portfolio makes it suitable for investors wishing to achieve a broad spread of exposure to property and property related instruments together with fixed income securities and cash. While the level of income provision is likely to be relatively stable, the investor must be able to accept significant temporary losses to capital and the possibility of fluctuations in the income level due to the volatile nature of markets, and should therefore have an investment time horizon of at least 5 years.

Leverage

The maximum level of leverage for the Trust expressed as a percentage of the Trust's total exposure to its Net Asset Value:

- (a) under the Gross Method is 110%; and
- (b) Under the Commitment Method is 110%

APPENDIX III

ELIGIBLE SECURITIES MARKETS AND ELIGIBLE DERIVATIVES MARKETS

As the Trust invests solely in the BMO PAIF, it may not invest directly on any eligible securities or derivatives markets with the exception of FX forwards and options for share class hedging purposes.

The BMO PAIF invests in immovable property and also through eligible securities and derivatives markets as set out in the prospectus of the BMO PAIF from time to time.

APPENDIX IV

INVESTMENT AND BORROWING POWERS OF THE TRUST

1. General

The Scheme Property will be invested with the aim of achieving the investment objective of the Trust, but subject to the limits set out in its investment policy set out in Appendix II, this Prospectus and Chapter 5 of the COLL Sourcebook ("COLL") as it applies to non-UCITS retail schemes.

The Manager does not currently use securities financing transactions for the Trust.

2. Prudent spread of risk

The Trust is a "feeder fund" and is permitted to invest solely in the BMO PAIF pursuant to COLL 5.6.7. The BMO PAIF is managed with the aim of providing its investment objective and policy which includes a prudent spread of risk.

3. Investment in collective investment schemes

3.1 All of the value of the Scheme Property of the Trust will be invested in Shares in the BMO PAIF (for this paragraph, the "Second Scheme") provided that the Second Scheme satisfies all of the following conditions.

3.1.1 The Second Scheme must:

3.1.1.1 satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or

3.1.1.2 be authorised as a non-UCITS retail scheme; or

3.1.1.3 be recognised under the provisions of s.264, s.270 or s.272 of the Financial Services and Markets Act 2000; or

3.1.1.4 be constituted outside the United Kingdom and have investment and borrowing powers which are the same or more restrictive than those of a non-UCITS retail scheme; or

3.1.1.5 be a scheme not falling within paragraphs 3.1.1.1 to 3.1.1.4 and in respect of which no more than 10% in value of the Scheme Property (including any transferable securities which are not approved securities) is invested.

3.1.2 The Second Scheme is a scheme which operates on the principle of the prudent spread of risk.

3.1.3 The Second Scheme is prohibited from having more than 10% in value of the scheme property consisting of units or shares in collective investment schemes.

- 3.1.4 The participants in the Second Scheme must be entitled to have their units or shares redeemed in accordance with the scheme at a price related to the net value of the property to which the units or shares relate and determined in accordance with the scheme.
 - 3.1.5 As the Second Scheme is an umbrella, the provisions in paragraphs 3.1 to 3.2 apply to each sub-fund as if it were a separate scheme.
 - 3.1.6 Investment may only be made in other collective investment schemes managed by the Manager or an associate of the Manager if that part of the Prospectus of the Trust applicable clearly states that it may enter into such investments and the rules on double charging contained in the COLL Sourcebook are complied with.
- 3.2 The Trust may, subject to the limit set out in 3.1 above, invest in collective investment schemes managed or operated by, or whose authorised corporate director is, the Manager or one of its associates.
4. **Cash**
- 4.1 Cash must not be retained in the Scheme Property except to the extent that, where this may reasonably be regarded as necessary in order to enable:
- 4.1.1 the pursuit of the Trust's investment objective; or
 - 4.1.2 the redemption of Units; or
 - 4.1.3 efficient management of the Trust in accordance with its investment objectives; or
 - 4.1.4 other purposes which may reasonably be regarded as ancillary to the investment objective of the Trust.

5. **General**

- 5.1 It is envisaged that the Trust will normally be fully invested but there may be times that it is appropriate not to be fully invested when the Manager reasonably regards this as necessary in order to enable the redemption of Units, efficient management of the Trust or any one purpose which may reasonably be regarded as ancillary to the investment objective of the Trust.
- 5.2 Where the Trust invests in or disposes of shares in another collective investment scheme which is managed or operated by the Manager or an associate of the Manager, the Manager must pay to the Trust by the close of business on the fourth Business Day the amount of any initial charge in respect of a purchase, and in the case of a sale, any charge made for the disposal.
- 5.3 A potential breach of any of these limits does not prevent the exercise of rights conferred by investments held by the Trust but, in the event of a consequent breach, the Manager must then take such steps as are necessary to restore compliance with the investment limits as soon as practicable having regard to the interests of Unitholders.

6. **General power to borrow**

- 6.1 The Trustee may, on the instructions of the Manager, and subject to the COLL Sourcebook, borrow money from an Eligible Institution or an Approved Bank for the use of the Trust on terms that the borrowing is to be repayable out of the Scheme Property.
- 6.2 The Manager must ensure that borrowing does not, on any Business Day, exceed 10% of the value of the Trust.

7. **Restrictions on lending of money**

- 7.1 None of the money in the Scheme Property may be lent and, for the purposes of this paragraph, money is lent by the Trustee if it is paid to a person ("the payee") on the basis that it should be repaid, whether or not by the payee.

8. **Restrictions on lending of property other than money**

- 8.1 Scheme Property other than money must not be lent by way of deposit or otherwise.
- 8.2 Scheme Property must not be mortgaged.

9. **Guarantees and indemnities**

- 9.1 The Trustee may not provide a guarantee or indemnity in respect of the obligation of any person.
- 9.2 None of the Scheme Property may be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.

10. **Leverage**

- 10.1 This section explains in what circumstances and how the Manager may use Leverage in respect of the Trust where the investment policy of the Trust permits its use of Leverage, the different Leverage calculation methods and maximum level of Leverage permitted.
- 10.2 Leverage when used in this prospectus means the following sources of leverage which can be used when managing the Trust:
 - 10.2.1 cash borrowing, subject to the restrictions set out in paragraph 6; and
 - 10.2.2 financial derivative instruments and reinvestment of cash collateral in the context of securities lending.
- 10.3 The Manager is required to calculate and monitor the level of Leverage in the Trust, expressed as a ratio between the exposure of the Trust and its Net Asset Value (exposure/NAV), under both the gross method and the commitment method. In both calculations, the Manager shall exclude borrowing arrangements entered into if these are temporary in nature and are fully covered by contractual capital commitments from investors in the Trust.
- 10.4 Under the gross method, the exposure of the Trust is the absolute value of all positions taken by the Trust. For the calculation of the exposure of the Trust according to the gross method, the Manager shall:
 - 10.4.1 exclude cash and cash equivalents which are highly liquid investments held in the base currency of the Trust, that are readily convertible to a known amount of cash, are subject to an insignificant risk of change in value and provide a return no greater than the rate of a three month high quality government bond;
 - 10.4.2 convert derivative instruments into the equivalent position in their underlying assets;
 - 10.4.3 exclude cash borrowings that remain in cash or cash equivalents (as referred to in 10.4.1 above) and where the amounts payable are known;
 - 10.4.4 include exposures resulting from the reinvestment of cash borrowings, expressed as the higher of the market value of the investment realised or the total amount of cash borrowed;
 - 10.4.5 and include positions within repurchase or reverse repurchase agreements and securities lending or borrowing or other similar arrangements.
- 10.5 Under the commitment method, the exposure of the Trust is the sum of the absolute value of all positions. For the calculation of the exposure of the Trust under the commitment method, the Manager shall:
 - 10.6 10.5.1 convert derivative instruments into an equivalent position in the underlying asset of that derivative (unless they are derivative instruments which have certain specific features as set out more specifically in the AIFMD);
 - 10.7 10.5.2 apply certain netting and hedging arrangements;

- 10.8 10.5.3 include exposures resulting from the reinvestment of cash borrowing;
- 10.9 10.5.4 include other arrangements such as convertible borrowings, repurchase agreements, reverse repurchase agreements, securities lending, and securities borrowing.
- 10.10 Further information regarding these different leverage calculation methods can be found in the AIFM Directive and the supplementary information on risk management process which is available upon request.
- 10.11 The maximum level of Leverage which the Trust may employ, calculated in accordance with the gross and commitment methods is shown in Appendix II.
- 10.12 In addition, the total amount of Leverage employed by the Trust will be disclosed in the Trust's annual report.

APPENDIX V

VALUATION

1. General

- 1.1 The valuation of the property of the Trust takes place as at a valuation point fixed by the Manager and set out in the Prospectus from time to time.
- 1.2 The value of the property of the Trust shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions.
- 1.3 All the property of the Trust (including receivables) is to be included, subject to the following provisions.

2. Valuation of the property of the Trust

- 2.1 The valuation of Scheme Property held in Shares in the BMO PAIF (that is, a collective investment scheme) will, subject as follows, be the most recent price which it is practicable to obtain from the BMO PAIF or if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists or if the most recent price available does not reflect the Manager's best estimate of the value, at a value which, in the opinion of the Manager, is fair and reasonable.
- 2.2 Cash and amounts, if any, held in current, deposit and margin accounts and in other time related deposits shall be valued at their nominal values.
- 2.3 Property other than that described above as a value which, in the opinion of the Manager, is fair and reasonable.
- 2.4 In determining the value of the Scheme Property of the Trust, all instructions given to issue or cancel units shall be assumed (unless the contrary is shown) to have been carried out and any payment made or received and any consequential action required by the FCA Rules shall be assumed (unless the contrary has been shown) to have been taken.
- 2.5 An estimated amount will be deducted for corporation tax and other anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the property of the Trust; on realised capital gains in respect of previously completed and current accounting periods and on income where liabilities have accrued) including (as applicable and without limitation) capital gains tax, income tax, VAT, stamp duty and stamp duty reserve tax.
- 2.6 An estimated amount will be deducted for any liabilities payable out of the property of the Trust and any tax thereon treating periodic items as accruing from day to day.
- 2.7 The principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings will be deducted.
- 2.8 An estimated amount for accrued claims for tax, if any, of whatever nature which may be recoverable will be added.

- 2.9 Any other credits or amounts due to be paid into the property of the Trust will be added.
- 2.10 A sum will be added representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received.

APPENDIX VI

OTHER FUNDS MANAGED BY THE MANAGER

The Manager acts as authorised corporate director to:

- BMO Investment Funds (UK) ICVC
- BMO Investment Funds (UK) ICVC II
- BMO Investment Funds (UK) ICVC III
- BMO Investment Funds (UK) ICVC IV
- BMO Investment Funds (UK) ICVC V
- BMO Investment Funds (UK) ICVC VI
- BMO Investment Funds (UK) ICVC VII
- BMO Investment Funds (UK) ICVC VIII
- BMO Investment Funds (UK) ICVC IX
- BMO Investment Funds (UK) ICVC X
- BMO UK Property Fund ICVC
- BMO Property Growth & Income Fund ICVC
- F&C Money Markets Fund ICVC
- F&C Institutional Investment Funds ICVC III

The Manager also acts as authorised fund manager:

- BMO UK Property Feeder Fund
- BMO Diversified Monthly Income Fund.

APPENDIX VII
PAST PERFORMANCE

The past performance information for the period prior to June 2015 is from the BMO UK Property Fund ICVC (which converted to PAIF status on 1 September 2015).

Past performance information is updated quarterly.

	31/10/2017 to 31/10/2018	31/10/2016 to 31/10/2017	31/10/2015 to 31/10/2016	31/10/2014 to 31/10/2015	31/10/2013 to 31/10/2014
BMO UK Property Feeder Fund SC1 Acc	4.23	5.97	1.11	6.43	8.84

Total return on mid to mid price basis with no allowance for initial charges. Past performance is not necessarily a guide to future performance.

APPENDIX VIII DIRECTORY

Manager and the Trust

Administration and Registration:
BMO Fund Management Limited
PO Box 9040
Chelmsford
Essex
CM99 2XH

Manager's Head and Registered Office:

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

Trustee:

State Street Trustees Limited
20 Churchill Place
London E14 5HJ

Fund Accounting Services:

State Street Bank and Trust Company, London Branch
20 Churchill Place
London E14 5HJ

Legal Advisers:

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

Auditors:

PricewaterhouseCoopers LLP
Erskine House
68-73 Queen Street
Edinburgh EH2 4NH