

# Key Information Document

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.



## BMO Global Smaller Companies 3.5% Convertible Unsecured Loan Stock 2019 ("CULS")

ISIN Code GB00BNH7RK38. This Key Information Document (KID) is issued and approved by BMO Investment Business Limited. Authorised and regulated in the UK by the Financial Conduct Authority.

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You are about to purchase a product that is not simple and may be difficult to understand

### What is this Product?

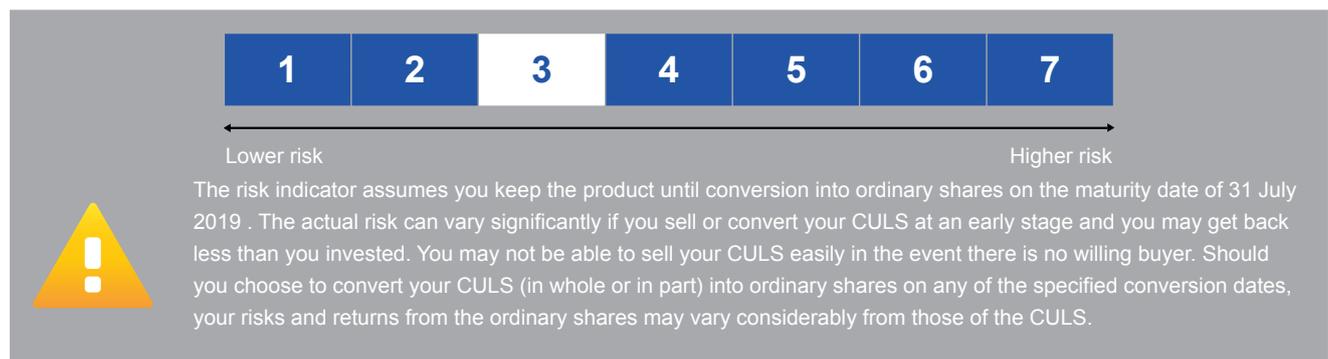
This product is a fixed-rate debt instrument, listed on the London Stock Exchange and convertible into the Ordinary Shares of BMO Global Smaller Companies PLC, a closed-end investment company also listed on the London Stock Exchange. The product has fixed conversion dates twice yearly with all amounts unconverted at 31 July 2019 being subject to repayment at par value (face value rather than market value).

BMO Global Smaller Companies PLC's objective is to invest in smaller companies worldwide in order to secure a high total return. The portfolio invests in a wide range of equities (ordinary shares in companies listed on an exchange) and funds to reduce the risk of over-exposure to any one company, market, currency or industry. The focus is on companies with the potential for future growth. Borrowings would normally fall within a range of 0% to 20% of net assets.

This product is suitable for investors who understand the merits and risks of listed convertible fixed coupon instruments and is intended for UK retail and professionally-advised private clients; investors who seek regular income for a limited period and a medium low risk of losing capital value.

### What are the risks and what could I get in return?

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets.



We have classified this product as 3, which is a medium low risk class. This rates the potential losses from future performance at a medium low level. In periods when market conditions are poor, the value of your investment may fall and may impact the amount you get back in the long term.

In addition to market risk and risks introduced by way of regulation, this product also carries fixed income and credit risk.

The value of your investment can go down as well as up. You may lose some or all of your investment. This product does not provide any protection from future market conditions and regulatory changes. There can be no assurances that the objective of BMO Global Smaller Companies PLC will be achieved.

## What are the risks and what could I get in return? (continued)

Assuming you invest £10,000, this table shows how your investment could perform and what you could get back over the next 1 years under different scenarios. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past but are not an exact indicator. What you get will depend on how the market performs and how long you keep the investment.

The figures shown include all the costs of the product itself, where applicable, but do not include all the costs that you may pay to your advisor or plan manager, or local transaction taxes.

Investment £10,000		
Scenarios		1 year (Recommended holding period)
Stress scenario	What you might get back after costs	£6,183
	Average return each year	-38.17%
Unfavourable scenario	What you might get back after costs	£10,165
	Average return each year	1.65%
Moderate scenario	What you might get back after costs	£10,956
	Average return each year	9.56%
Favourable scenario	What you might get back after costs	£11,756
	Average return each year	17.56%

## What happens if the Company is unable to pay out?

The Company's shares are listed on the London Stock Exchange. Should the Company be liquidated, the amount you receive for your holding will be based on the value of assets available for distribution after all other liabilities, but before shareholders, have been paid. Shareholders in this company do not have the right to make a claim to the Financial Services Compensation Scheme in the event that the Company is unable to pay out.

## What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs. The amounts shown below are the cumulative costs of the product itself depending on how long you remain invested. The figures assume you invest £10,000. The figures are estimates and may change in the future. The person selling or advising you about this product may charge you other costs. If so, that person will provide you with information about those costs and show you the impact that all costs will have on your investment over time.

Investment £10,000	
Scenarios	If you cash in at 1 year
Total costs	£
Impact on return (RIY) per year	0.00%

## What are the costs? (continued)

The table below shows the impact of the different types of costs on the return you might get, and the meaning of the different cost categories.

This table shows the impact on return per year			
<b>One-off costs</b>	<b>Entry costs</b>	N/A	The impact of the costs you pay when entering your investment. There is 0.5% UK government stamp duty to pay on purchases
	<b>Exit costs</b>	N/A	The impact of the costs of exiting your investment.
<b>Ongoing costs</b>	<b>Portfolio transaction costs</b>	N/A	The impact of the costs of us buying and selling underlying investments for the product.
	<b>Other ongoing costs</b>	N/A	The impact of the costs that are incurred each year in managing your investments including those incurred by any underlying investments.
<b>Incidental costs</b>	<b>Performance fees</b>	N/A	
	<b>Carried interests</b>	N/A	

## How long should I hold it and can I take money out early?

There is no minimum required period for investors to hold the product. Any CULS not converted into BMO Global Smaller Companies PLC ordinary shares by 31 July 2019 will be repaid at par, plus outstanding interest due, on that date.

Investors may sell their product at any time without penalty through a broker or adviser. The sale price will be determined at arms' length based on trading prices prior to 31 July 2019 on the London Stock Exchange. The amount investors get back will be influenced by the market factors at the time of sale and by the charges levied by the broker or adviser. If you convert the product (in whole or in part) into BMO Global Smaller Companies PLC ordinary shares on any of the specified conversion dates, the number of ordinary shares you receive will be based on a formula. Details are available in the CULS prospectus on the website [www.bmoglobalsmallers.com](http://www.bmoglobalsmallers.com).

## How can I complain?

**BMO Plans:** If you have concerns about this product or service and have purchased it through a BMO plan, you can contact us by writing to Investor Relations Manager, BMO Investment Business Limited, Quatermile 4, 7a Nightingale Way, Edinburgh, EH3 9EG, via email at [investor.relations@bmogam.com](mailto:investor.relations@bmogam.com), or by phone: 0345 601 3313 (9am - 5pm weekdays).

**Direct Shareholders:** If you have concerns about this product and have purchased it through another provider, then please contact the Company Secretary by writing to BMO Global Smaller Companies PLC, Exchange House, Primrose Street, London, EC2A 2NY, UK or by phone 020 7628 8000. Should you have a complaint about any transaction through your broker, plan administrator or adviser, you should contact that person or organisation directly.

As an investor in the Global Smaller Companies PLC CULS, you do not have a right to complain to the Financial Ombudsman Service (FOS) in the UK about the management of BMO Global Smaller Companies PLC or the product.

## Other relevant information

All four performance scenarios illustrated on page 2 exclude the returns from the twice-yearly interest coupon payable on the product.

If you have any questions about your rights as a holder of the product you may write to the Company Secretary, BMO Global Smaller Companies PLC, at: Exchange House, Primrose Street, London, EC2A 2NY, UK. You may obtain further information about the product from the website [www.bmoglobalsmallers.com](http://www.bmoglobalsmallers.com), including this document; the CULS prospectus, the last five years' annual and interim reports of BMO Global Smaller Companies PLC; and the Investor Disclosure Document.