

31st January 2019

**BMO Investment Funds (UK) ICVC VII (previously F&C Multi-Capital Funds ICVC)
(the Fund)**

PLEASE READ THIS DOCUMENT
– it contains important information, which you may wish to act upon.

If you are at all unsure what action to take, please seek advice from your financial adviser.

Dear Shareholder

What is this letter about?

As an existing investor in one of the Fund share classes listed overleaf, you currently have investment protection (“Protection”) as part of your investment. We provide this protection via a life insurance policy which we take out with a third-party life insurer. The Protection is intended to pay out at death, if there is a shortfall in the market value of your shares at that time (due to market movements), versus the price at which you originally bought them. Any pay-out is subject to a maximum limit of £150,000.

What is changing?

We are writing to inform you that the third-party life insurer will no longer renew the policy and therefore, having exhausted all potential alternative solutions, we will reluctantly be withdrawing the Protection from this product.

What does this mean for me?

Key points that you need to be aware of:

- We have arranged an extension to the current cover until the 31 December 2019, which we hope will allow suitable time for all shareholders to make alternate arrangements if required - no changes will happen before this date
- Prior to this date, claims can continue to be made for the death of the life covered, so long as claims are submitted within three months of the date of death, as per our standard terms and conditions
- There are comparable share classes in each of the Fund’s sub-funds available to you that incur a lower annual management fee paid to us as investment manager (the ACD fee). The comparable share classes are identified below. Until 31st December 2019, these share classes will also benefit from Protection, but that will also be withdrawn on the same day as for your shares.

In recognition of the withdrawal of the Protection, as of 31 December 2019 we will reduce the annual management fee on the comparable shares paid to us as investment manager (the ACD fee), by 0.25%

- We will not levy any charges if you switch to a comparable share class at any time. For details of how to switch your investment please see the relevant section of the Prospectus or, if you hold shares via an investment platform, please consult your platform provider.

If you decide to switch to a comparable share class before the 31st December 2019, we will continue to calculate the Protection value according to the value of your original and any subsequent investment.

- The Protection only provides cover for the shortfall between the original investment value and the value of the investment on death. In other words, if your investment value is above your original investment level, then the Protection will not pay out any benefit upon death

Which share classes are impacted?

The table below outlines the sub-funds and share classes in the Fund impacted by this change:

BMO Investment Funds (UK) ICVC VII		
Sub Fund & Share Class	ISIN	ACD fee
BMO MM Navigator Boutiques A Acc	GB00B23Y3K38	1.50%
BMO MM Navigator Balanced A Acc	GB00B23Y3920	1.50%
BMO MM Navigator Balanced A Inc	GB00B23Y3813	1.50%
BMO MM Navigator Cautious A Acc	GB00B23Y3C53	1.50%
BMO MM Navigator Cautious A Inc	GB00B23Y3B47	1.50%
BMO MM Navigator Distribution A Acc	GB00B23Y3F84	1.50%
BMO MM Navigator Distribution A Inc	GB00B23Y3D60	1.50%
BMO MM Navigator Growth A Acc	GB00B23Y3H09	1.50%

Comparable Share Classes

BMO Investment Funds (UK) ICVC VII				
Sub Fund & Share Class	ISIN	Current ACD fee	Annual	Annual ACD fee from 31 December 2019
BMO MM Navigator Boutiques D Acc	GB00B80L8H19	1.00%		0.75%
BMO MM Navigator Balanced D Acc	GB00BDB11P48	1.00%		0.75%
BMO MM Navigator Balanced D Inc	GB00BDB11Q54	1.00%		0.75%
BMO MM Navigator Cautious D Acc	GB00B80KVT13	1.00%		0.75%
BMO MM Navigator Cautious D Inc	GB00BDB11R61	1.00%		0.75%
BMO MM Navigator Distribution D Acc	GB00B80L2H98	1.00%		0.75%
BMO MM Navigator Distribution D Inc	GB00B88QYG94	1.00%		0.75%
BMO MM Navigator Growth D Acc	GB00BDB11S78	1.00%		0.75%

What happens if I redeem my shares before 31 December 2019?

If, after considering these changes, you decide to switch or redeem your investment, you can do so on any dealing day by following the usual redemption procedures set out in the Fund's Prospectus.

If you choose to switch or redeem your shares, we will not apply any exit or other standard fund dealing charges. We are not authorised to provide advice relating to your individual tax position. If you have any queries regarding your tax position we would recommend you contact your local tax office in the first instance. Further information can be found on the HMRC website, hmrc.gov.uk

What if I need more information?

If you are at all unsure what action to take in relation to your specific circumstances, please seek advice from a financial adviser. If you require a copy of the detailed terms and conditions for the Protection feature, or details of your original investment amount, these are available upon request by calling: 0330 123 3798 quoting your account number which appears at the top of your statement.

Kind regards



On behalf of
BMO Investment Funds (UK) ICVC VII

**BMO Investment Funds (UK) ICVC VII (previously F&C Multi-Capital Funds ICVC)
(the Fund)**

Frequently asked Q&A

If you are unsure what action to take, please seek advice from a financial adviser

What is the Protection on the product?

We provide the Protection via a group life policy arranged via a third-party life insurer. It is designed to protect the value of an investment from a shortfall at death due to market movements. The Protection is only available on certain investments we provide subject to terms. No medical is required and claims on death are not subject to an age limit.

Subject to terms, the shortfall is calculated by reference to shares purchased and still held at date of death of the life assured provided they were more than 18 years old and less than 80 years old on the date of purchase.

We calculate the shortfall on shares benefiting from the Protection by comparing the market value of the shares held at death with their cost at purchase. The shortfall is the excess of this cost over the value at death. The amount of any claim is limited to a maximum of £150,000.

If the price of the shares has risen since the time of purchase, the Protection will not pay out any benefit.

Why is Protection being withdrawn?

We are not authorised to provide insurance cover ourselves. As a result, we rely either on the life company renewing the cover or finding alternative cover in the market.

Regrettably, the existing life insurer will not renew the policy. We have spent the past 6 months seeking a replacement provider using a leading global insurance broker to assist.

To date no life insurer or re-insurer has offered to underwrite the risks of the Protection we offer. This is because cover, when applied to these types of investment product is not standard for the insurance industry, and the appetite for such risks has changed materially in the last few years.

When is the protection being withdrawn?

We have been successful in negotiating (at our own increased expense) an extension of the existing policy to 31st December 2019. For the insured share classes, cover will cease as of 31st December 2019. We hope this will allow time for investors to make alternate arrangements if necessary.

Have you tried to find a replacement?

We have done our best to find alternate insurance cover and, have directly and indirectly (through brokers) attempted to find an insurance provider prepared to cover the existing funds

and shareholders. To date, we have not managed to find a suitable provider. It has simply not been available regardless of price offered.

Is withdrawal of the protection allowed under the terms of the product?

Yes, in the terms of the product, the following statement is made: “The current Group Life Policy is subject to periodic renewal and we are responsible for procuring an appropriate group life policy. Provision of the Investment Protection benefit is subject to appropriate cover being available at an acceptable cost. **In the event that suitable cover is not available we will notify the Registered Holders of affected accounts that the benefit has been withdrawn**”

Sadly, we cannot find suitable cover and so have no choice but to withdraw it. As noted above we have negotiated an extension to the existing policy. We hope this allows existing shareholders to make alternate arrangements.

Where can I find more details about the product and the funds?

Please see our website for more information about our range of funds:

<https://www.bmogam.com/>

Will I receive any benefit to offset withdrawal of protection?

Yes, for investors in the ‘D’ share classes we will reduce the annual management charge by 0.25% p.a. as of 31st December 2019. For holders of other insured share classes comparable share classes that incur a lower annual management charge are open and available for investment.

To switch to these share classes, you will need to act. At this stage we are not able to make the switch to those cheaper share classes for investors. You must decide to do this either directly or via a financial adviser.

If you decide to switch to a comparable share class before the 31st December 2019, we will continue to calculate the Protection according to the value of your original and any subsequent investment.

How do I find out what the current price is and the price I paid for my shares?

The current price of the funds can be found on our website

<https://www.bmogam.com/>

The price paid for your holdings can be obtained from previous fund statements

Alternatively, they may be obtained by calling: 0330 123 3798 quoting your account number which appears at the top of your statement.

How do I find out how to switch holdings?

Details are available in the prospectus which can be found on our website. In addition, you can contact: 0330 123 3798 quoting your account number which appears at the top of your statement.

Will switches be zero cost?

If you choose to switch or redeem your shares, we will not apply any exit or other standard fund dealing charges. However, if your shares are held by a third party, or on an investment platform it is possible that they will apply dealing or administrative costs. For details of these please contact your platform or administration provider.