

Statement on Assessment of Value

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

BMO Investment Funds (UK) ICVC VII
For the year ended: 31 July 2020

A Message from the Board

We are pleased to present our first Assessment of Value report. The Financial Conduct Authority (FCA) has introduced a new regulatory requirement for asset managers to analyse, on an annual basis, whether they are providing value to their clients (Assessment of Value).

Our goal, in this exercise, is to make it easier for our clients to judge whether we are delivering value. We have done this by looking at a range of measures in terms of the overall level of service we are delivering to investors. Our assessment included comparing our investment performance to the Fund's comparator benchmark and the Investment Association's (IA) sector of similar funds. We have also compared our charges to the other funds in the respective IA sector, so you can see how our products measure against other funds in the market.

The BMO MM Navigator range are Funds of Funds and there are a number of benefits that investors receive in terms of economies of scale, breadth of investable universe and diversification of underlying investments as well as enhanced client service and multiple layers of active investment management for the charges incurred.

This report covers the 12 months to 31 July 2020. The latter part of the period saw many financial markets experience significant fluctuations as governments and central banks took steps to counter the Covid-19 pandemic. Strict social distancing measures across much of the world resulted in the cessation of normal economic activity. Whilst measures are being eased in some areas, markets are likely to remain uncertain until the full impact of the outbreak and resulting actions becomes clear.

At BMO Global Asset Management, we have implemented plans to support our employees and clients through this difficult period. Across the organization we have business continuity plans to enact when necessary to ensure operations will continue to run effectively. As normal practice, these plans are regularly tested and enhanced to ensure critical functionality for any and all instances of disruption.

We have implemented company-wide working from home options for all roles that can be performed remotely. Our Portfolio Managers and analysts are included in this process, and in all our locations, our capacity to work from home has been expanded accordingly. Our controls environment remains in place and fully effective in terms of performance and risk monitoring, mandate and operational scrutiny and compliance oversight. In addition, our client management teams are now working from home but there are no changes in our ability to process instructions to invest or divest from mandates and funds.

Should you have any observations on how we might further improve our Assessment of Value Report, or comments you would like us to consider, we would of course be delighted to hear from you.

This document is supported by the Fund's Annual Report and Accounts which can be found on our website at: www.bmogam.com.

Please send any comments or questions to the following email address: assessmentofvalue@bmogam.com.

The Directors of BMO Fund Management Ltd

BMO MM Navigator Funds

Our BMO MM Navigator Funds offer a range of options so investors can choose the balance of risk and potential reward that's right for them. Each portfolio invests in 30+ carefully selected individual funds across a range of asset classes – the type and proportions in each tailored with a view to delivering defined investment outcomes.

Potential core holdings – designed as one-stop holdings to meet a range of financial planning scenarios. For those seeking growth and comfortable with higher levels of risk, the Boutiques and Growth funds with their higher equity exposure may be appropriate. More cautiously minded investors meanwhile, can select the Balanced and Cautious funds with a higher allocation to fixed income assets. Distribution, meanwhile, is a cautiously managed portfolio with an income remit. Adviser and individual work together to decide which portfolio is the right option, usually by discussing financial aims and objectives together with investment timeframe.

Multi-Manager benefits – with their multi-manager structure, they are one of the few truly 'whole of market' solutions and as such allow financial advisors to fully utilise their own

independence via an outsourced solution. This structure should mean more consistency due to removing corporate investment process bias. This in turn means the timing of the underlying customer's investment of their portfolio should have less overall impact on their investment outcome adding further potential value.

Layers of expertise – the funds offer access to two tiers of specialist investment capability. Strategic and tactical asset allocation along with manager selection and ongoing portfolio management is conducted by the 10-strong BMO Multi-Manager team who have over 200 years of fund selection experience, whilst the selected underlying fund managers are responsible for stock selection and day-today management of each portfolio's 30+ fund holdings.

Award Winners – Winners of multiple awards and independent fund ratings over time.

BMO MM Navigator Distribution Fund



BMO MM Navigator Cautious Fund



BMO MM Navigator Balanced Fund



BMO MM Navigator Growth Fund



Overview of Assessment of Value

The Financial Conduct Authority (the “FCA”) requires BMO Fund Management Limited, the authorised corporate director (the “ACD”) of BMO Investment Funds (UK) ICVC VII (the “Company”), to conduct an annual assessment of whether the payments made by the sub-funds (Funds) of the Company as set out in the prospectus are justified in the context of the overall value delivered to investors. This document is based on BMO’s interpretation and understanding of the FCA’s requirements regarding the annual Assessment of Value.

Assessment of Value Criteria

At a Board meeting held on 9 October 2020 (the “Meeting”), the Board of Directors (the “Board”) of the ACD met to review this assessment of value for the following Funds;

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

The ACD has appointed BMO Asset Management Limited as the investment manager to the Funds (the “Investment Manager”). The FCA prescribe a minimum of seven factors which must be considered in conducting the Assessment, and these are each set out below. To effectively carry out the Assessment, the ACD uses a framework based around these factors (the “Framework”) to allow the Board to fully consider and assess each element. The Board discussed the philosophy, procedures and reporting employed to conduct the Assessment, identifying that these aligned with the approach discussed at previous Board meetings.

At the Meeting, the Board considered the Framework, the content of supporting documents and details relating to the specific funds being assessed. The Board reviewed information on the following for each Fund:

- Investment objective, policy, strategy and risk management process
- Performance against peers and benchmark indices
- Comparative costs & charges
- Quality of service provided by the ACD, affiliate companies and external service providers
- Reports on fund oversight and compliance with policies and procedures

The Board did not identify any single factor or group of factors as all-important but considered all factors together. The table summarises the Board’s conclusions.

Outcome of the review of the funds in BMO Investment Funds (UK) ICVC III

BMO Fund	Performance	Total Fund Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Range of Share Classes	Quality of Service	Overall Rating
BMO MM Navigator Balanced	●	●	●	●	●	●	●	●
BMO MM Navigator Boutiques	●	●	●	●	●	●	●	●
BMO MM Navigator Cautious	●	●	●	●	●	●	●	●

BMO Fund	Performance	Total Fund Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Range of Share Classes	Quality of Service	Overall Rating
BMO MM Navigator Distribution	●	●	●	●	●	●	●	●
BMO MM Navigator Growth	●	●	●	●	●	●	●	●

Source: BMO Global Asset Management as at 31 Jul-20

We have used a simple traffic-light system to illustrate how each Fund has been rated by the Board:

- The Fund demonstrates value
- The Fund demonstrates value but merits further monitoring
- The Fund does not demonstrate value and action is required

Performance Assessment Methodology

The methodology used in the assessment for the classification of investment performance and total fund costs is outlined below.

Fund Performance

The focus is on performance of each Fund relative to its peer group. The assessment looks at returns over one-year, three-years and five-years. The returns relative to the comparator benchmark are also reviewed.

As all the Funds are long-term investments the emphasis is on the longer-term performance.

We have used the Fund's quartile ranking to assess its relative performance. The quartile ranking splits the peer group into four groups. The top 25% of funds in terms of fund performance are in the top or first quartile, the next 25% into the second quartile and the 25% with the lowest relative returns are in the fourth quartile.

In addition, an assessment of the investment back-drop and any specific issues impacting on a particular Fund is undertaken to identify any qualitative factors that should also be taken into account when assessing the performance that has been delivered.

The Board has also reviewed a range of metrics for each Fund to confirm that it has been actively managed over the long-term.

Total Fund Costs

Our assessment is focused on comparing the most recently published Ongoing Charge Figure (OCF) for each of our share classes against the OCFs of the peer group. The OCF is made up of the annual management charge (AMC) and the additional expenses associated with running the Fund.

The Board has also used the quartile ranking of the OCFs for each Fund in its assessment as to whether the Fund has demonstrated value from a total fund cost perspective. Reference is also made to the AMC of share classes against the peer group.

1. Quality of Services

The Board has considered the range and quality of services provided to shareholders by the ACD and the Investment Manager, in addition to the following external service providers to the Funds:

- **Depositary:** State Street Trustees Limited who are responsible for monitoring cashflows, dealing in the Fund and that the daily fund valuation is undertaken appropriately.
- **Custodian:** State Street Bank and Trust Company who are responsible for the safe keeping of the Fund's assets.
- **Fund Accountant:** State Street Bank and Trust Company who are responsible for the calculation of fund prices and the production of the annual and interim report and accounts.
- **Administrator:** SS&C Financial Services Europe Limited who are responsible for the maintenance of the records of investors in the Fund.

The Board considered the Investment Manager's skills, process and experience in providing investment management services to the Funds. It also reviewed the governance and oversight of

these activities by the ACD, including monitoring adherence to the Funds' investment restrictions, and the Funds' compliance with their policies and procedures and with applicable risk restrictions. The Board reviewed the activity of the Investment Manager relating to:

- Client Marketing
- Client Communications
- Shareholder reports
- Support services

With respect to the depositary, custodian, fund accountant, administrator and any other relevant third parties, the Board considered the range of services that are provided to each Fund and delivery of key services against the key performance indicators and service standards against which we already hold each provider to account.

The Board additionally considered the governance and oversight by the ACD of the activities of non-affiliated service providers, noting the format and frequency of committees and review meetings between the service providers and the relevant subject matter experts of the Investment Manager. Based upon this review, the Board concluded that the quality of the services provided by the ACD, the Investment Manager and each service provider are classified as green.

2. Review of Fund Performance

Has the fund delivered good performance in seeking to meet its investment objective?

The Board has considered the performance of each Fund, net of all fees, against the following criteria.

- The Fund's stated investment objective, policy and strategy
- The Fund's comparator benchmark
- The Fund's Peer Group as defined by its Investment Association (IA) Sector

Each Fund review includes a table and chart to show the performance relative to its comparator benchmark. We have used the performance C Accumulation to represent the Fund's performance.

If a Fund has underperformed its comparator benchmark, we have used qualitative factors to explain why. Depending on these qualitative factors, including current market conditions, it may still be possible for a Fund to fail to meet its investment objective and for investment performance to still be classified green.

BMO MM Navigator Balanced Fund

Fund Objective and Investment Policy

The Fund aims to achieve capital growth with some income.

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

The schemes and funds in which the Fund invests may include schemes or funds managed by BMO Global Asset Management.

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

The Fund is actively managed. The Fund is not constrained by its comparator benchmark and has significant freedom to invest in a portfolio that is materially different to the benchmark's own composition.

- Comparator Benchmark – IA Mixed Investment 40-85% Shares median
- Investment Association Sector – IA Mixed Investment 40-85% Shares

Investment Style

The Fund is agnostic in its approach accepting that there is no single way to invest successfully. At different times in the investment cycle different investing styles will do better than others. The Fund seeks to identify and invest in best in class managers who have developed an investment process that works for them. When constructing a portfolio the Fund is valuation sensitive, taking into account potential valuation excesses. Overall, the Fund has a greater focus on bottom-up fund selection, over top-down macro decisions.

The Fund is designed for investors seeking indirect exposure to the potential for long-term growth with some income from investment in an actively managed and globally diversified portfolio of equity and fixed income securities across multiple sectors.

Performance Review

The Board reviewed the performance (net of fees) of the Fund relative to its investment objective, comparator benchmark and peer group.

Since the launch of the C Accumulation share class in 2012, the Fund has demonstrated consistent returns outperforming its comparator benchmark 60% of the time, based on rolling 12month returns calculated each month over the eight years to 31 July 2020. The following analysis, however, looks at a shorter period of 5 years and includes the impact on the Fund of Covid-19.

Figure 1 shows the return of Share Class C Acc against that of the Fund's comparator benchmark/peer group over the last five years. It also shows that the Fund has delivered against its objective of providing long-term capital growth, albeit a return that has been severely impacted by the effect of Covid-19 on investment markets and the returns to investors. The performance, however, has lagged that of the comparator benchmark and peer group over the last two years, but most of the underperformance has come from a particular period of weakness in March 2020.

With the Fund looking to deliver capital growth with some income, it has had exposure to fund managers with a bias towards cheaper (value) shares and, given the low yields on offer, an underweight to government debt. This exposure was generally more pronounced than that of our peers. The sharp sell-off caused by the temporary shutting down of global economies to mitigate the spread of Covid-19, triggered a dramatic underperformance of businesses whose earnings are closely linked to the performance of the economy or to those within the service sectors of the economy. This includes businesses which have proven to be more defensive in previous economic downturns.

Value stocks – companies whose shares are trading on relatively cheap valuations to their earnings and long-term potential.

Momentum stocks – companies that have had high returns over the past three to twelve months and where investors look to capitalise on that positive trend continuing.

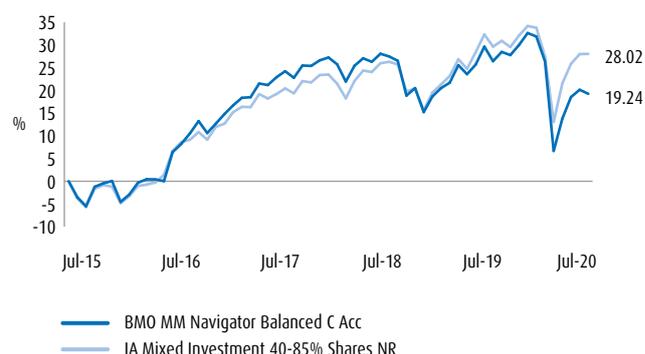
This caused a number of value focused funds to underperform their respective IA sectors or benchmarks. Towards the end of the period, as markets looked to bounce-back, investors continued to worry about the speed of the opening up of the economy, thereby putting further pressure on value shares, whilst growth and momentum shares performed strongly. The team have retained the exposure towards funds holding a higher proportion of value shares, providing some optionality for performance to improve as and when the economy starts to recover. Elsewhere, there were some strong positive contributors to performance from fund selection in the US, UK and Europe.

The speed and severity of the market dynamic witnessed in March 2020, means the Fund's underperformance over the last two years has seen its relative performance drop into the fourth quartile of the sector over the one- and three-year periods and share classes deliver a mix of third and fourth quartile returns over the last five years.

The Board believes that this market environment further reinforces the importance of having a team of experts to provide active management of any portfolio.

The Board also reviewed a number of metrics that indicate that the Fund has been actively managed.

Figure 1: BMO MM Navigator Balanced Fund



Source: Lipper as at 31-Jul-20, Total Return Net Income Reinvested

Discrete Performance 31 July 2020 – Percentage growth (%)					
	2015/16	2016/17	2017/18	2018 /19	2019 /20
BMO MM Navigator Balanced C Acc	6.41	15.49	4.20	1.23	-8.01
IA Mixed Investment 40-85 % Shares Median	6.94	12.04	5.41	4.45	-3.43

Source: Lipper as at 31 July 20, Total Return Net Income Reinvested

Fund Conclusions and Recommendations

The Board reviewed the returns demonstrated by the Fund over the range of periods. It noted the extreme volatility in March 2020 has contributed to a meaningful bout of underperformance. With these conclusions being drawn during heightened market uncertainty due to the Covid-19 crisis in the second and third quarters of 2020, the Board note the fund management team's experience in several previous difficult stock market environments and their consistent performance and recovery from those periods. As a result of the degree of the Fund's underperformance against its comparator benchmark and peer group, the Board determined that the Fund had not demonstrated value to investors and classified it Red in terms of investment performance. The Board will continue to monitor performance closely. It has also requested that the Investment Manager provide it with an in-depth analysis of the Fund, along with its recommendations regarding any action that may be required. The Investment Manager will also supply the Board with a quarterly report on the returns from the Fund against its objective, comparator benchmark and peer group. The Board remains satisfied that the Fund is actively managed.

BMO MM Navigator Boutiques Fund

Fund Objective and Investment Policy

The Fund aims to achieve capital growth.

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

The investment manager selects investments which are, in its view, themselves managed by boutique investment managers.

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

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

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

The Fund is actively managed. The Fund is not constrained by its comparator benchmark and has significant freedom to invest in a portfolio that is materially different to the benchmark's own composition.

- Comparator Benchmark – IA Global Median
- Investment Association Sector – IA Global

Investment Style

The Fund is agnostic in its approach accepting that there is no single way to invest successfully. At different times in the investment cycle different investing styles will do better than others. The Fund seeks to identify and invest in best in class managers who have developed an investment process that works for them. When constructing a portfolio the Fund is valuation sensitive, taking into account potential valuation excesses. Overall, the Fund has a greater focus on bottom-up fund selection, over top-down macro decisions.

The Fund is designed for investors seeking indirect exposure to the potential for long-term growth from investment in an actively managed and globally diversified portfolio of primarily equities, with potential exposure to fixed income securities, across multiple sectors.

Performance Review

The Board reviewed the performance (net of fees) of the Fund relative to its investment objective, comparator benchmark and peer group.

Since the launch of the C Accumulation share class in 2012, the Fund has outperformed its comparator 41% of the time, based on rolling 12month returns calculated each month over the eight years to 31 July 2020. The following analysis, however, looks at a shorter period of 5 years and includes the impact on the Fund of Covid-19.

Figure 2 shows the return of Share Class C Acc against that of the Fund's comparator benchmark/peer group over the last five years. It also shows that the Fund has delivered against its objective of providing long-term capital growth, albeit a return that has been severely impacted by the effect of Covid-19 on investment markets and the returns to investors. The performance, however, has lagged that of the comparator benchmark and peer group over the last three years, with a particular period of weakness in March 2020.

The Fund focuses on 'boutique' or 'boutique style' managers, as outlined above, means that they often operate funds that are invested away from any benchmarks focusing on specific areas of expertise and assets classes. As a result, the peer group relative returns can be volatile.

A number of managers held have had a more cautious investment approach and others a bias towards cheaper (value) shares. Those managers who have had a focus on 'value' stocks have generally had a difficult period in terms of relative performance over the last two or three years as investors have focussed on investments with greater growth potential, regardless of high valuations. Elsewhere, the Fund has also had a long-term exposure to larger companies in the US that is lower than that of our peers and a higher exposure to US smaller and medium sized companies than our peers. In particular, the strict valuation approach of the boutique managers in the US means that the Fund has had limited exposure to the relatively small number of companies that have driven the US market recently, the likes of Facebook, Amazon, Netflix and Alphabet (Google). This has also contributed to the underperformance relative to other Global Equity funds.

The sharp sell-off caused by the temporary shutting down of global economies to mitigate the spread of Covid-19, triggered a dramatic underperformance of businesses whose earnings are closely linked to the performance of the economy or to those within the service sectors of the economy. This includes businesses which have proven to be more defensive in previous economic downturns.

Value stocks – companies whose shares are trading on relatively cheap valuations to their earnings and long-term potential.

Momentum stocks – companies that have had high returns over the past three to twelve months and where investors look to capitalise on that positive trend continuing.

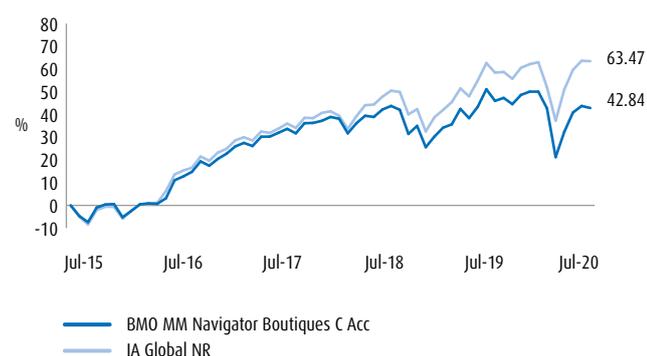
This caused a number of value focused funds to underperform their respective IA sectors or benchmarks. Towards the end of the period, as markets looked to bounce-back, investors continued to worry about the speed of the opening up of the economy, thereby putting further pressure on value shares, whilst growth and momentum shares performed strongly. The team have retained the exposure towards funds holding a higher proportion of value shares, providing some optionality for performance to improve as and when the economy starts to recover. Elsewhere, there were some strong positive contributors to performance from fund selection in the US, UK and Europe.

The speed and severity of the market dynamic witnessed in March 2020, means the Fund's underperformance over the last three years has seen its relative performance drop into the fourth quartile of the sector over the one- and three-year periods and share classes deliver a mix of third and fourth quartile returns over the last five years.

The Board believes that this market environment further reinforces the importance of having a team of experts to provide active management of any portfolio.

The Board also reviewed a number of metrics that indicate that the Fund has been actively managed.

Figure 2: BMO MM Navigator Boutiques Fund



Source: Lipper as at 31-Jul-20, Total Return Net Income Reinvested

Discrete Performance 31 July 2020 – Percentage growth (%)

	2015/16	2016/17	2017/18	2018 /19	2019 /20
BMO MM Navigator Boutiques C Acc	11.06	18.83	7.74	6.26	-5.45
IA Global Median	14.82	17.42	10.22	10.76	0.47

Source: Lipper as at 31-Jul-20, Total Return Net Income Reinvested

Fund Conclusions and Recommendations

The Board reviewed the returns demonstrated by the Fund over the range of periods. It noted the extreme volatility in March 2020 has contributed to a meaningful bout of underperformance. With these conclusions being drawn during heightened market uncertainty due to the Covid-19 crisis in the second and third quarters of 2020, the Board note the fund management team's experience in several previous difficult stock market environments and their consistent performance and recovery from those periods. As a result of the degree of the Fund's underperformance against its comparator benchmark and peer group, the Board determined that the Fund had not demonstrated value to investors and classified it Red in terms of investment performance. The Board will continue to monitor performance closely. It has also requested that the Investment Manager provide it with an in-depth analysis of the Fund, along with its recommendations regarding any action that may be required. The Investment Manager will also supply the Board with a quarterly report on the returns from the Fund against its objective, comparator benchmark and peer group. The Board remains satisfied that the Fund is actively managed.

BMO MM Navigator Cautious Fund

Fund Objective and Investment Policy

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

The Fund invests primarily in a range of collective investment schemes and closed ended funds in order to gain exposure to a diversified portfolio of primarily equities and fixed interest securities. The schemes and funds in which the Fund invests may include schemes or funds managed by BMO Global Asset Management.

The underlying equity component may include shares of companies anywhere in the world and in any industry sector. The underlying fixed interest component may include government,

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

The Fund is actively managed. The Fund is not constrained by its comparator benchmark and has significant freedom to invest in a portfolio that is materially different to the benchmark's own composition.

- Comparator benchmark – IA Mixed Investment 20-60% Shares Median
- Investment Association Sector – IA Mixed Investment 20-60% Shares

Investment Style

The Fund is agnostic in its approach accepting that there is no single way to invest successfully. At different times in the investment cycle different investing styles will do better than others. The Fund seeks to identify and invest in best in class managers who have developed an investment process that works for them. When constructing a portfolio the Fund is valuation sensitive, taking into account potential valuation excesses. Overall, the Fund has a greater focus on bottom-up fund selection, over top-down macro decisions.

The Fund is designed for investors seeking indirect exposure to the potential for long-term growth and income from investment in an actively managed and globally diversified portfolio of primarily equities and fixed income securities across multiple sectors.

Performance Review

The Board reviewed the performance (net of fees) of the Fund relative to its investment objective, comparator benchmark and peer group.

Since the launch of the C Accumulation share class in 2012, the Fund has demonstrated consistent returns outperforming its comparator benchmark 67% of the time, based on rolling 12month returns calculated each month over the eight years to 31 July 2020. The following analysis, however, looks at a shorter period of five years and includes the impact on the Fund of Covid-19.

Figure 3 shows the return of Share Class C Acc against that of the Fund's comparator benchmark/peer group over the last five years. It also shows that the Fund has delivered against its objective of providing a combination of capital growth and income, albeit a return that has been severely impacted by the effect of Covid-19 on investment markets and the returns to investors. The performance, however, has lagged that of the comparator benchmark and peer group over the last two years, but most of the underperformance has come from a particular period of weakness in March 2020.

With the Fund looking to deliver a blend of capital growth and income, it has had a material exposure to fund managers

with a bias towards cheaper (value) shares and, given the low yields on offer, an underweight to government debt. This exposure was generally more pronounced than that of our peers. The sharp sell-off caused by the temporary shutting down of global economies to mitigate the spread of Covid-19, triggered a dramatic underperformance of businesses whose earnings are closely linked to the performance of the economy or to those within the service sectors of the economy. This includes businesses which have proven to be more defensive in previous economic downturns.

Value stocks – companies whose shares are trading on relatively cheap valuations to their earnings and long-term potential.

Momentum stocks – companies that have had high returns over the past three to twelve months and where investors look to capitalise on that positive trend continuing.

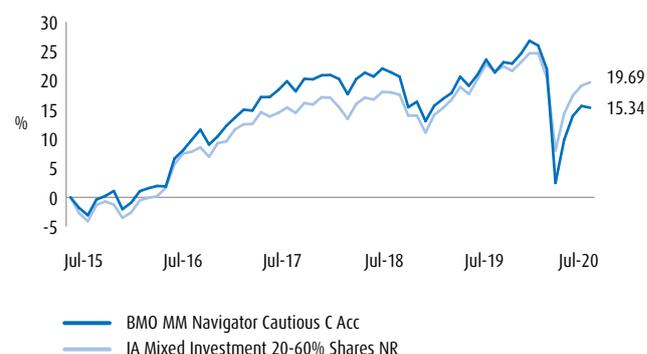
This caused a number of value funds with historically strong track records to underperform their respective IA sectors or benchmarks. Towards the end of the period, as markets looked to bounce-back, investors continued to worry about the speed of the opening up of the economy, thereby putting further pressure on value shares, whilst growth and momentum shares performed strongly. The team have retained the exposure towards funds holding a higher proportion of value shares, providing some optionality for performance to improve as and when the economy starts to recover. Elsewhere, there were strong positive contributors to performance from fund selection in the US, UK and Europe.

The Fund's underperformance over the last two years has seen its relative performance drop into the fourth quartile of the sector over the one- and three-year periods and into the third quartile over the last five years.

The Board believes that this market environment further reinforces the importance of having a team of experts to provide active management of any portfolio.

The Board also reviewed a number of metrics that indicate that the Fund has been actively managed.

Figure 3: BMO MM Navigator Cautious Fund



Source: Lipper as at 31-Jul-20, Total Return Net Income Reinvested

Discrete Performance 31 July 2020 – Percentage growth (%)					
	2015/16	2016/17	2017/18	2018 /19	2019 /20
BMO MM Navigator Cautious C Acc	6.63	11.01	3.10	1.25	-6.66
IA Mixed Investment 20-60% Shares Median	5.35	8.20	2.99	3.58	-3.06

Source: Lipper as at 31-Jul-20, Total Return Net Income Reinvested

Fund Conclusions and Recommendations

The Board reviewed the returns demonstrated by the Fund over the range of periods. It noted the extreme volatility in March 2020 has contributed to a short but meaningful bout of underperformance. With these conclusions being drawn during heightened market uncertainty due to the Covid-19 crisis in the second and third quarters of 2020, the Board note the fund management team's experience in several previous difficult stock market environments and their consistent performance and recovery from those periods. Against this backdrop, the Board has determined that while the Fund has demonstrated value to investors, the underperformance against its peers means that it should be classified Amber in terms of performance. The Board will continue to monitor performance closely and has requested that the Investment Manager provide it with a quarterly report on the returns from the Fund against its objective, comparator benchmark and peer group. The Board remains satisfied that the Fund is actively managed.

BMO MM Navigator Distribution Fund

Fund Objective and Investment Policy

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

The Fund invests primarily in a range of collective investment schemes and closed ended funds in order to gain exposure to a diversified portfolio of primarily equities, fixed interest securities and alternative income producing investments. The schemes and funds in which the Fund invests may include schemes or funds managed by BMO Global Asset Management.

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

Generally, alternative income producing investments includes investments which are not via conventional equity or fixed interest funds but gain exposure to other asset classes which pay an element of regular income, which may include income from direct property assets and pooled leases on non-property fixed assets.

The Fund is actively managed. The Fund is not constrained by its comparator benchmark and has significant freedom to invest in a portfolio that is materially different to the benchmark's own composition.

- Comparator benchmark – IA Mixed Investment 20-60% Shares Median
- Investment Association Sector – IA Mixed Investment 20-60% Shares

Investment Style

The Fund is agnostic in its approach accepting that there is no single way to invest successfully. At different times in the investment cycle different investing styles will do better than others. The Fund seeks to identify and invest in best in class managers who have developed an investment process that works for them. The Fund's objective is to pay an income return with some capital growth, to meet this objective the portfolio will tend to have a skew towards cheaper share strategies (value) which pay a higher level of income than growth companies.

Performance Review

The Board reviewed the performance (net of fees) of the Fund relative to its investment objective, comparator benchmark and peer group.

Since the launch of the C Accumulation share class in 2012, the Fund has demonstrated consistent returns outperforming its comparator benchmark 57% of the time, based on rolling 12month returns calculated each month over the eight years to 31 July 2020. The analysis of overall performance, however, looks at a shorter period of five years and includes the impact on the Fund of Covid-19.

The primary objective of the Fund is to deliver income and over the last 12 years the Fund is ranked top of the IA Mixed Investment 20-60% Shares sector in terms of the total amount of income it has distributed to investors.

Strong Income Generation

The Fund has achieved its objective in terms of providing an income for its investors. The table below (Table 1) shows that the Fund has consistently provided investors with a historic yield in the top 10% of funds in its IA sector (first decile). The table shows the historic yield of Share Class C Inc against the cut-off for the first decile and the average yield generated by funds in the sector.

Table 1: BMO Navigator Distribution Fund: Historic yield as at the Fund year-end



Source: BMO and Lipper as at 31-Aug-20. This historic yield reflects the distributions declared over the previous 12 months as a percentage of the mid-Market share price of 31-Aug-20.

As regards the overall performance demonstrated by the Fund, figure 4 shows the return of Share Class C Acc against that of the Fund's comparator benchmark/peer group over the last five years. It also shows that the Fund has delivered against its objective of providing long-term income with some capital growth, albeit a return that has been severely impacted by the effect of Covid-19 on investment markets and the returns to investors. The performance, however, has lagged that of the comparator benchmark, due mainly to the returns delivered over the last 12 months, which have impacted the returns over the longer periods.

Most of this weakness came in March 2020. With the Fund's focus on delivering income, it had significant exposure to fund managers with a bias towards cheaper (value) shares which were offering a high income yield and to alternative sources of income such as property, infra-structure and asset backed debt funds. Given the objective of achieving a high level of income for investors, this exposure was significantly higher than that of our peers. The sharp sell-off caused by the temporary shutting down of global economies to mitigate the spread of Covid-19, triggered a dramatic underperformance of businesses whose earnings are closely linked to the performance of the economy or to those within the service sectors of the economy. This includes businesses which have proven to be more defensive in previous economic downturns.

Value stocks – companies whose shares are trading on relatively cheap valuations to their earnings and long-term potential.

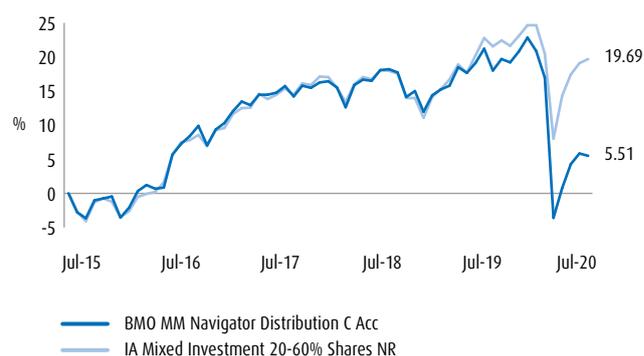
This caused a number of funds we hold to underperform their respective IA sectors, in part due to companies cutting or cancelling their dividends as they sought to retain cash at a time when revenues had dried up as a result of the temporary shutting of the economy. Elsewhere though, there were strong positive contributors to performance from fund selection in the UK equity income and fixed income sectors.

The Fund's sharp underperformance over the last year has seen its relative performance drop into the fourth quartile of the sector over both the shorter and longer periods reviewed.

The Board believes that this market environment further reinforces the importance of having a team of experts to provide active management of any portfolio.

The Board also reviewed a number of metrics that indicate that the Fund has been actively managed.

Figure 4: BMO MM Navigator Distribution Fund



Source: Lipper as at 31-Jul-20, Total Return Net Income Reinvested

Discrete Performance 31 July 2020 – Percentage growth (%)					
	2015/16	2016/17	2017/18	2018 /19	2019 /20
BMO MM Navigator Distribution C Acc	5.69	8.58	2.90	2.65	-12.95
IA Mixed Investment 20-60% Shares Median	5.35	8.20	2.99	3.58	-3.06

Source: Lipper as at 31 July 20, Total Return Net Income Reinvested

Fund Conclusions and Recommendations

The Board reviewed the returns demonstrated by the Fund over the range of periods. The Board noted the consistently strong income generated by the Fund relative to that of its peers. It also noted the extreme volatility in March 2020 has contributed to a meaningful bout of underperformance. With these conclusions being drawn during heightened market uncertainty due to the Covid-19 crisis in the second and third quarters of 2020, the Board note the fund management team's experience in several previous difficult stock market environments and their consistent performance and recovery from those periods. As a result of the degree of the Fund's underperformance, against its comparator benchmark and peer group, the Board determined that the Fund had not demonstrated value to investors and classified it Red in terms of investment performance. The Board will continue to monitor performance closely. It has also requested that the Investment Manager provide it with an in-depth analysis of the Fund, along with its recommendations regarding any action that may be required. The Investment Manager will also supply the Board with a quarterly report on the returns from the Fund against its objective, comparator benchmark and peer group. The Board remains satisfied that the Fund is actively managed.

BMO MM Navigator Growth Fund

Fund Objective and Investment Policy

The Fund aims to achieve capital growth.

The Fund invests primarily in a range of collective investment schemes and closed ended funds in order to gain exposure to a diversified portfolio of primarily equities. The schemes and funds in which the Fund invests may include schemes or funds managed by BMO Global Asset Management.

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

The Fund is actively managed. Fund is not constrained by its comparator benchmark and has significant freedom to invest in a portfolio that is materially different to the benchmark's own composition.

- Comparator benchmark – IA Flexible Investment Median
- Investment Association Sector – IA Flexible Investment

Investment Style

The Fund is agnostic in its approach accepting that there is no single way to invest successfully. At different times in the

investment cycle, different investing styles will do better than others, the Fund seeks to identify and invest in best in class managers who have developed an investment process that works for them. When constructing a portfolio the Fund is valuation sensitive, taking into account potential valuation excesses. Overall the Fund has a greater focus on bottom-up fund selection, over top-down macro decisions.

The Fund is designed for investors seeking indirect exposure to the potential for long-term growth from investment in an actively managed and globally diversified portfolio of primarily equities, with potential exposure to fixed income securities, across multiple sectors.

Performance Review

The Board reviewed the performance (net of fees) of the Fund relative to its investment objective, comparator benchmark and peer group.

Since the launch of the C Accumulation share class in 2012, it has demonstrated consistent returns outperforming its comparator benchmark 64% of the time, based on rolling 12month returns calculated each month over the eight years to 31 July 2020. The following analysis, however, looks at a shorter period of five years and includes the impact on the Fund of Covid-19.

Figure 5 shows the return of Share Class C Acc against that of the Fund's comparator benchmark/peer group over the last five years. It also shows that the Fund has delivered against its objective of providing long-term capital growth, albeit a return that has been severely impacted by the effect of Covid-19 on investment markets and the returns to investors. The performance, however, has lagged that of the comparator benchmark and peer group over the last three years, with a particular period of weakness in March 2020.

A number of managers held have had more cautious investment approach and others a bias towards cheaper (value) shares. Those managers who have had a focus on 'value' stock have generally had a difficult period in terms of relative performance over the last two or three years as investors have focussed on investments with greater growth potential, regardless of high valuations. Elsewhere, the Fund has also had a long-term exposure to larger companies in the US that is lower than that of our peers and a higher exposure to US smaller companies and medium sized than our peers. In the US this means that the Fund has had limited exposure to the relatively small number of companies that have driven the US market recently, the likes of Facebook, Amazon, Netflix and Alphabet (Google). This has also contributed to the underperformance relative to other funds in the IA Flexible Investment sector.

The sharp sell-off caused by the temporary shutting down of global economies to mitigate the spread of Covid-19, triggered a dramatic underperformance of businesses whose earnings are closely linked to the performance of the economy or to those within the service sectors of the economy. This includes businesses which have proven to be more defensive in previous economic downturns.

Value stocks – companies whose shares are trading on relatively cheap valuations to their earnings and long-term potential.

Momentum stocks – companies that have had high returns over the past three to twelve months and where investors look to capitalise on that positive trend continuing.

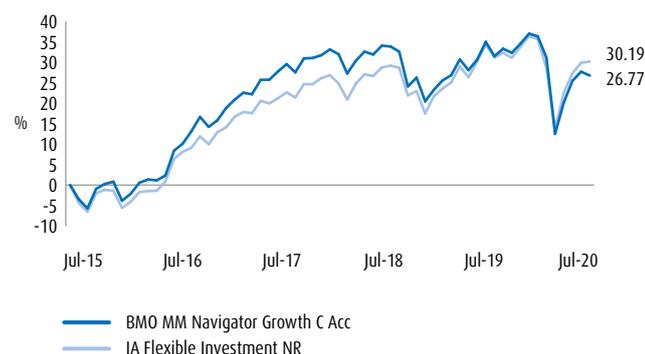
This caused a number of value focused funds to underperform their respective IA sectors or benchmarks. Towards the end of the period, as markets looked to bounce-back, investors continued to worry about the speed of the opening up of the economy, thereby putting further pressure on value shares, whilst growth and momentum shares performed strongly. The team have retained the exposure towards funds holding a higher proportion of value shares, providing some optionality for performance to improve as and when the economy starts to recover. Elsewhere, there were some strong positive contributors to performance from fund selection in the US, UK and Europe.

The Fund's underperformance over the last three years has seen its relative performance drop into the third quartile of the sector over the one- and five-year periods and share classes deliver a mix of third and fourth quartile returns quartile over the last three years.

The Board believes that this market environment further reinforces the importance of having a team of experts to provide active management of any portfolio.

The Board also reviewed a number of metrics that indicate that the Fund has been actively managed.

Figure 5: BMO MM Navigator Growth Fund



Source: Lipper as at 31-Jul-20, Total Return Net Income Reinvested

Discrete Performance 31 July 2020 – Percentage growth (%)

	2015/16	2016/17	2017/18	2018 /19	2019 /20
BMO MM Navigator Growth C Acc	8.40	17.86	4.93	0.70	-6.10
IA Mixed Flexible Investment Median	7.16	14.40	6.12	3.55	-3.53

Source: Lipper as at 31-Jul-20, Total Return Net Income Reinvested

Fund Conclusions and Recommendations

The Board reviewed the returns demonstrated by the Fund over the range of periods. It noted the extreme volatility in March 2020 has caused a short but meaningful bout of underperformance. With these conclusions being drawn during heightened market uncertainty due to the Covid-19 crisis in the second and third quarters of 2020, the Board note the fund management team's experience in several previous difficult stock market environments and their consistent performance and recovery from those periods. Against this backdrop, the Board has determined that while the Fund has demonstrated value to investors, the underperformance against its peers means that it should be classified Amber in terms of performance. The Board will continue to monitor performance closely and has requested that the Investment Manager provide it with a quarterly report on the returns from the Fund against its objective, comparator benchmark and peer group. The Board remains satisfied that the Fund is actively managed.

3. Costs – general

The Board is required to consider, in relation to each charge, the cost of providing the service to which the charge relates, and when money is paid directly to associates or external parties, that the cost is the amount paid to that party.

The Board considered the fees each Fund pays to the ACD (the Annual Management Charge or “AMC”) (from which the ACD pays, amongst other things, the Investment Manager). In addition, the Board reviewed information regarding each Fund’s Additional Expenses (“AE”), which are the costs of administration services paid to service providers such as the depository, custodian or administrator. The Board also reviewed the OCFs, which are the aggregate of costs and charges incurred for each Fund.

The Board considered the AMC relative to the following factors: historic performance and risk, potential performance relative to the comparator benchmark, fees charged on comparable funds or institutional segregated accounts operated by the ACD and/ or managed by the Investment Manager, and market fee rates.

In doing so, the Board reviewed data at a share class level and considered whether economies of scale existed that could generate cost savings for each Fund.

As part of its review, the Board also considered transaction costs (costs of dealing and execution) and the financial condition of the wider range of funds operated by the ACD.

BMO MM Navigator Balanced Fund

The Board considered that the AMC of the Fund was a modest proportion of the potential return from the strategy. The AMC on all share classes was in line with other comparable funds

operated by the ACD and managed by the Investment Manager. The AMC was higher than that for smaller institutional mandates, due mainly to the additional costs incurred in managing a Fund with a larger number of investors compared to an institutional mandate. The AMC for the A Share Classes, with the built-in payment to intermediaries, was in the fourth quartile of the peer group but the AMC for all other share classes was in the top half of the peer group.

Reviewing AE and the OCF of the underlying investments, the Board noted the expenses of the Fund were also a modest detractor from performance and in line with comparable funds operated by the ACD. The OCF for Share Class A, with the built-in payment to intermediaries, was in the fourth quartile of the peer group, while that of Share Class C was in the third quartile. The Investment Manager is undertaking a review of the D Share Classes, due to their small size, with a view to a possible merger into another class in the Fund. The Board noted that transaction costs were in the third quartile of peer group but reasonable given the investment strategy pursued.

Conclusions and Recommendations

The Board concluded that, in general, the Fund had demonstrated value to investors. It noted that the Investment Manager had initiated a review to ensure that investors are in the appropriate share class. The Board determined that until shareholders are moved to new share classes, where appropriate, the costs of the Fund would be classified Amber.

Figure 6: Share Class and Sector Charges and Percentage of the Fund in each Share Class

BMO MM Navigator Balanced Fund	Annual Management Fee %	Underlying Funds OCF %	Share Class OCF %	Peer Group Median OCF %	Difference %	Fund Assets %
C Acc	0.75	0.90	1.66	1.37	21	48.9
A Acc	1.50	0.90	2.40 *	1.37	75	23.2
4 Acc	0.00	0.90	0.91	1.37	-34	20.5
C Inc	0.75	0.90	1.65	1.37	20	5.0
A Inc	1.50	0.90	2.40 *	1.37	75	2.0
D Acc	0.75	0.90	1.89	1.37	38	0.3
D Inc	0.75	0.90	1.89	1.37	38	0.1

Source: BMO Global Asset Management, Lipper as at 31-Jul-20, *includes 0.75% payable to intermediaries

BMO MM Navigator Boutiques Fund

The Board considered that the AMC of the Fund was a modest proportion of the potential return from the strategy. The AMC on all share classes was in line with other comparable funds operated by the ACD and managed by the Investment Manager. The AMC was higher than that for smaller institutional mandates, due mainly to the additional costs incurred in managing a Fund with a larger number of investors compared to an institutional mandate. The AMC for the A Share Class, with the built-in payment to intermediaries, was in the third quartile of the sector, while that of Share classes C and D was in the second quartile.

Reviewing AE and the OCF of the underlying investments, the Board noted the expenses of the Fund were also a moderate detractor from performance and in line with comparable funds operated by the ACD. The OCF for Share Class A, with the built-in payment to intermediaries, along with the OCF of Share Classes C and D, was in the fourth quartile of the peer group. The main reason for this is the additional layer of management fee that results from investing via other funds in a sector that primarily comprises funds that invest directly in global stock markets and do not have this additional expense. The Investment Manager is

undertaking a review of the D Share Classes, due to their small size, with a view to a possible merger into another class in the Fund. The Board noted that transaction costs were in the third quartile but reasonable given the investment strategy pursued.

Conclusions and Recommendations

The Board concluded that, in general, the Fund had demonstrated value to investors. It noted that the Investment Manager had initiated a review to ensure that investors are in the appropriate share class. The Board determined that until shareholders are moved to new share classes, where appropriate, the costs of the Fund would be classified Amber.

Figure 7: Share Class and Sector Charges and Percentage of the Fund in each Share Class

BMO MM Navigator Boutiques Fund	Annual Management Fee %	Underlying Funds OCF %	Share Class OCF %	Peer Group Median OCF %	Difference %	Fund Assets %
C Acc	0.75	1.01	1.83	1.40	31	85.3
A Acc	1.50	1.01	2.58 *	1.40	84	14.6
D Acc	0.75	1.01	2.08	1.40	49	0.2

Source: BMO Global Asset Management, Lipper as at 31-Jul-20, *includes 0.75% payable to intermediaries

BMO MM Navigator Cautious Fund

The Board considered that the AMC of the Fund was a modest proportion of the potential return from the strategy. The AMC on all share classes was in line with other comparable funds operated by the ACD and managed by the Investment Manager. The AMC was higher than that for smaller institutional mandates, due mainly to the additional costs incurred in managing a Fund with a larger number of investors compared to an institutional mandate. The AMC for the A Share Classes, with the built-in payment to intermediaries, was in the third quartile of the sector but the AMC for all other share classes was in the top half of the sector.

Reviewing AE and the OCF of the underlying investments, the Board noted the expenses of the Fund were also a moderate detractor from performance and in line with comparable funds operated by the ACD. The OCF for Share Class A, with the built-in payment to intermediaries, was in the fourth quartile of the peer group, while that of Share Class C was in the third quartile and Share Class S in the top half of the peer group. The Investment Manager is undertaking a review of the D Share Classes, due to their relatively small size, with a view to a possible merger into another class in the Fund. The Board noted that transaction costs were in the third quartile but reasonable given the investment strategy pursued.

Conclusions and Recommendations

The Board concluded that, in general, the Fund had demonstrated value to investors. It noted that the Investment Manager had initiated a review to ensure that investors are in the appropriate share class. The Board determined that until shareholders are moved to new share classes, where appropriate, the costs of the Fund would be classified Amber.

Figure 8: Share Class and Sector Charges and Percentage of the Fund in each Share Class

BMO MM Navigator Cautious Fund	Annual Management Fee %	Underlying Funds OCF %	Share Class OCF %	Peer Group Median OCF %	Difference %	Fund Assets %
C Acc	0.75	0.81	1.56	1.51	3	46.7
S Acc	0.40	0.81	1.21	1.51	-20	26.7
C Inc	0.75	0.81	1.56	1.51	3	15.6
A Acc	1.50	0.81	2.31*	1.51	53	4.8
4 Acc	0.00	0.81	0.81	1.51	-46	4.2
D Acc	0.75	0.81	1.81	1.51	20	1.2
A Inc	1.50	0.81	2.31*	1.51	53	0.5
D Inc	0.75	0.81	1.81	1.51	20	0.2
S Inc	0.40	0.81	1.20	1.51	-21	0.1

Source: BMO Global Asset Management, Lipper as at 31-Jul-20, *includes 0.75% payable to intermediaries

BMO MM Navigator Distribution Fund

The Board considered that the AMC of the Fund was a modest proportion of the potential return from the strategy. The AMC on all share classes was in line with other comparable funds operated by the ACD and managed by the Investment Manager. The AMC was higher than that for smaller institutional mandates, due mainly to the additional costs incurred in managing a Fund with a larger number of investors compared to an institutional mandate. The AMC for the A Share Classes, with the built-in payment to intermediaries, was in the third quartile of the sector but the AMC for all other share classes was in the top half of the sector.

Reviewing AE and the OCF of the underlying investments, the Board noted the expenses of the Fund were also a moderate detractor from performance and in line with comparable funds operated by the ACD. The OCF for Share Class A, with the built-in payment to intermediaries, was in the fourth quartile of the peer group, those of the other Share Classes were in the top half of the peer group. The Investment Manager is undertaking a review

of the D Share Classes, where the OCF is in the third quartile, due to their relatively small size, with a view to a possible merger into another class in the Fund. The Board noted that transaction costs were in the third quartile but reasonable given the investment strategy pursued.

Conclusions and Recommendations

The Board concluded that, in general, the Fund had demonstrated value to investors. It noted that the Investment Manager had initiated a review to ensure that investors are in the appropriate share class. The Board determined that until shareholders are moved to new share classes, where appropriate, the costs of the Fund would be classified Amber.

Figure 9: Share Class and Sector Charges and Percentage of the Fund in each Share Class

BMO MM Navigator Distribution Fund	Annual Management Fee %	Underlying Funds OCF %	Share Class OCF %	Peer Group Median OCF %	Difference %	Fund Assets %
C Inc	0.75	0.81	1.43	1.51	-5	46.1
C Acc	0.75	0.81	1.43	1.51	-5	35.4
M Inc	0.75	0.81	1.43	1.51	-5	5.6
A Acc	1.50	0.81	2.18*	1.51	44	4.8
A Inc	1.50	0.81	2.18*	1.51	44	3.3
4 Inc	0.00	0.81	0.68	1.51	-55	2.8
D Inc	0.75	0.81	1.68	1.51	11	1.2
D Acc	0.75	0.81	1.68	1.51	11	0.9

Source: BMO Global Asset Management, Lipper as at 31-Jul-20, *includes 0.75% payable to intermediaries

BMO MM Navigator Growth Fund

The Board considered that the AMC of the Fund was a modest proportion of the potential return from the strategy. The AMC on all share classes was in line with other comparable funds operated by the ACD and managed by the Investment Manager. The AMC was higher than that for smaller institutional mandates, due mainly to the additional costs incurred in managing a Fund with a larger number of investors compared to an institutional mandate. The AMC for the A Share Classes, with the built-in payment to intermediaries, was in the third quartile of the peer group but the AMC for all other share classes was in the top half of the peer group.

Reviewing AE and the OCF of the underlying investments, the Board noted the expenses of the Fund were also a moderate detractor from performance and in line with comparable funds operated by the ACD. The OCF for Share Class A, with the built-in payment to intermediaries, and Share Class D were in the fourth quartile of the peer group. The OCF of Share Classes C was in the third quartile of the peer group, while Share Classes 4 and S were in the top half of the peer group. The Investment Manager is undertaking a review of Share Class D due to its small size, with a view to a possible merger into another class in the Fund. The Board noted that transaction costs were in the third quartile but reasonable given the investment strategy pursued.

Conclusions and Recommendations

The Board concluded that, in general, the Fund had demonstrated value to investors. It noted that the Investment Manager had initiated a review to ensure that investors are in the appropriate share class. The Board determined that until shareholders are moved to new share classes, where appropriate, the costs of the Fund would be classified Amber.

Figure 10: Share Class and Sector Charges and Percentage of the Fund in each Share Class

BMO MM Navigator Growth Fund	Annual Management Fee %	Underlying Funds OCF %	Share Class OCF %	Peer Group Median OCF %	Difference %	Fund Assets %
C Acc	0.75	0.95	1.71	1.54	11	44.3
A Acc	1.50	0.95	2.46*	1.54	60	29.6
S Acc	0.40	0.95	1.36	1.54	-12	22.0
4 Acc	0.00	0.95	0.96	1.54	-38	3.9
D Acc	0.75	0.95	1.94	1.54	26	0.3

Source: BMO Global Asset Management, Lipper as at 31-Jul-20, *includes 0.75% payable to intermediaries

4. Economies of Scale

The Board is required to consider whether the ACD is able to achieve savings and benefits from economies of scale, relating to the direct and indirect costs of managing each Fund and taking into account the value of each Fund and whether it has grown or contracted in size as a result of the sale and redemption of shares.

The Board considered the extent to which economies of scale would be realised as the Funds grow and whether the Funds' fee levels reflect these economies of scale for the benefit of Fund shareholders. The Board considered each Fund's fee structure, asset size and net expense ratio. In addition, the Board reviewed profitability information it received in connection with the services provided to each Fund and to the wider range of funds to which it is ACD.

The Board noted that the AMC schedule for each share class in the Funds is currently fixed and does not incorporate economies of scale. This contrasts with the fee schedule for some segregated institutional mandates managed by the Investment Manager. However, the minimum fee requirements and larger flows associated with segregated mandates were considered a factor in accounting for this difference in pricing.

The Board also considered the profitability of the Funds to the

ACD and the Investment Manager. The Funds are of insufficient scale to generate economies to the ACD or the Investment Manager, once costs of managing the funds are taken into consideration. The Board determined that economies of scale could not be realised at present with the AMC and was satisfied with the fee structure currently. However, the Board agreed that it will monitor the Funds to evaluate whether breakpoints in the AMC could be implemented in the future.

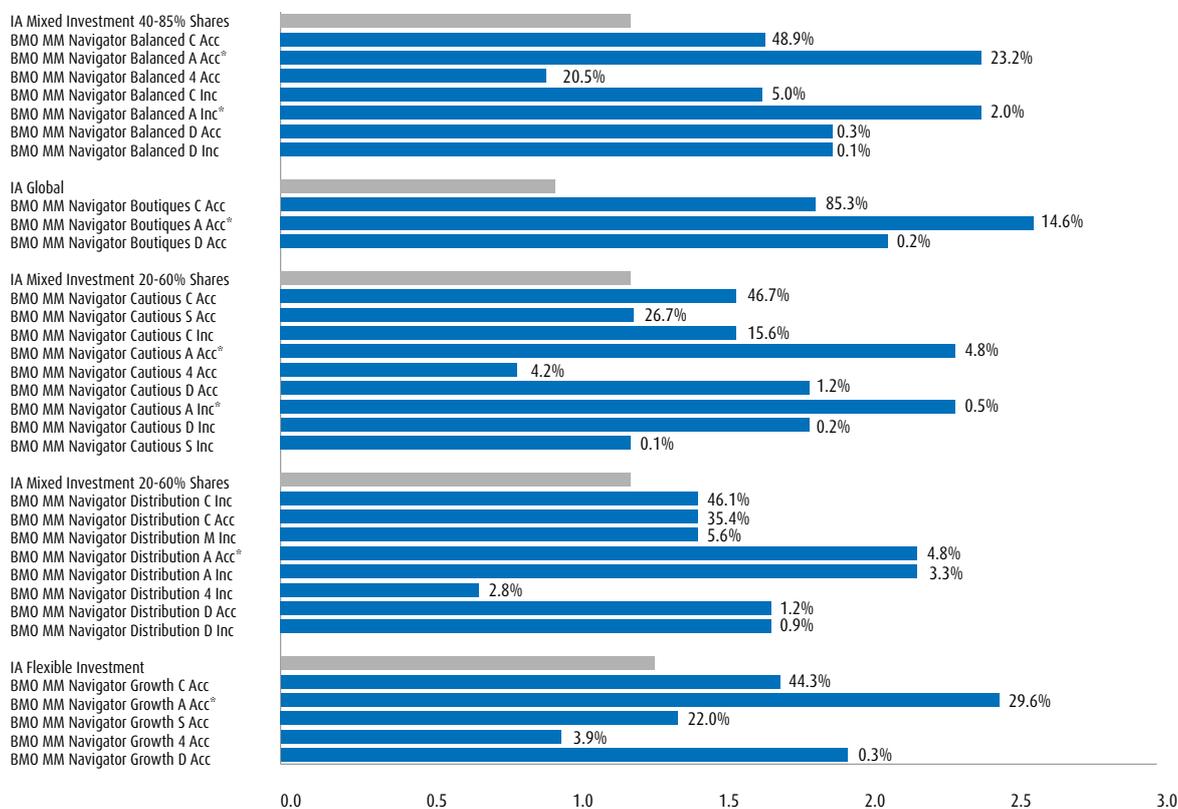
The Board noted that the AE of the wider fund ranges of which the Funds are a part do benefit from economies of scale (including through the fees of the Depository) and exhibit a modest decline at higher levels of assets under management.

5. Comparable Market Rates

The chart in Figure 11 compares the most recently published ongoing charges figures for share classes available to investors against the median ongoing charge of the respective IA Sector.

It also shows the percentage of each Fund's assets invested in that particular share class.

Figure 11: Charges relative to IA sector median



Source: BMO Global Asset Management, Lipper as at 31-Jul-20 *includes 0.75% payable to intermediaries

6. Comparable Services

The Board is required to consider, in relation to each separate charge, the ACD's charges and those of its associates for comparable services provided to clients, including for institutional mandates of a comparable size and having similar investment objectives and policies.

As Fund of Funds there are a number of benefits that investors receive in terms of economies of scale, breadth of investable universe and diversification of underlying investment as well as enhanced client service and multiple layers of active investment management for the charges incurred.

7. Classes of Shares

The Board has reviewed all the share classes for each Fund, including the applicable management fees, target market and expenses for each share class. The Board is satisfied with the range of share classes available for each Fund.

Want to find out more?

For more information on BMO Global Asset Management or our range of funds please contact your financial adviser.



The funds are sub funds of an open-ended investment company (OEIC), registered in the UK and authorised by the Financial Conduct Authority (FCA).

English language copies of the Fund's Prospectus and English language copies of the key investor information document (KIID) can be obtained from BMO Global Asset Management, Exchange House, Primrose Street, London EC2A 2NY, telephone: Client Services on 0044 (0)20 7011 4444, email: client.service@bmogam.com or electronically at www.bmogam.com. Please read the Prospectus before taking any investment decision.

The information provided does not constitute, and should not be construed as, investment advice or a recommendation to buy, sell or otherwise transact in the Funds. An investment may not be suitable for all investors and independent professional advice, including tax advice, should be sought where appropriate.

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