

BMO Investments III (Ireland) plc

70 Sir John Rogerson's Quay

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Ireland

This Notice is sent to you as a shareholder of BMO Real Estate Equity Market Neutral Fund (the "Fund"), a sub-fund of BMO Investments III (Ireland) plc (the "Company").

Please read this Notice carefully as it contains important information about your investment. You do not need to take any action after reading this Notice. If you have sold or otherwise transferred your holding in the Fund, please send this Notice to the agent who made the sale or transfer for you to send on to the purchaser or transferee.

This Notice has not been reviewed by the Central Bank of Ireland (the "Central Bank") and it is possible that changes thereto may be necessary to meet the requirements of the Central Bank. The Directors of the Company are of the opinion that there is nothing contained in this Notice nor in the proposals detailed herein that conflicts with the guidance issued by and regulations of the Central Bank.

Unless otherwise indicated, all capitalised terms in this Notice shall have the same meaning as described in the prospectus for the Company dated 12 November 2018 (the "Prospectus").

28 January 2020

Dear Shareholder

**BMO Investments III (Ireland) plc
BMO Real Estate Equity Market Neutral Fund**

The purpose of this notice is to let you know of an error in the calculation of the performance fee for the Fund.

The error arose because of a misunderstanding of the methodology which is used to calculate the performance fee. As a result, one step of the calculation process was omitted.

The performance fee calculation used by the Fund is relatively complex. The fee, which is paid quarterly, is calculated based on 15% of the Fund's performance over the quarter, but subject to the need to ensure that the NAV per share of the Fund after deduction of the performance fee has increased by at least the same rate as Euro interest rates (three-month LIBOR in Euro).

The performance fee is further capped at 15% of the outperformance of the NAV per share over the previous highest NAV per share (the high watermark). It is this secondary 15% cap that was not properly applied to the calculation. The error ran from the inception of the Fund in 2012 until it was identified in the audit of the Company's financial statements to 31 March 2019.

The effect of the error was to increase the amount paid by the Fund in performance fees to the Investment Manager over that which it should have paid. The performance fee is calculated independently from the Investment Manager. Therefore, until the issue was identified in 2019, the Investment Manager was unaware that it had benefitted from the error.

Once the error was identified, the Investment Manager agreed to repay the overpayment in full and the Company has since worked with its service providers to re-calculate the performance fee over the period of the error. This work has taken some time, due to the passage of time since the error first occurred, the complexity of the calculations involved, and the necessity to examine all dealings over the period, including those in respect of investors which are no longer Shareholders. All parties have now agreed the re-calculations and the amount which should be returned to the Fund by the Investment Manager and the amounts due to each investor impacted by the error.

The Company is now in the process of contacting all impacted investors to advise them of the amount due to them and to arrange payment with each of them.

In some cases, the amount due to an individual investor may be quite small, and in such cases, the investor will be offered the option of receiving the payment or having it retained in the Fund. The Company proposes to set this limit at €50 for a retail investor or €500 for an institutional investor. Payments above these limits will be made directly to the investors concerned, unless the Company is instructed otherwise.

The Company has informed the Central Bank of the error and details will be included in the Company's financial statements.

Separately, as a result of regulatory changes, the Company must change the frequency of payment of the performance fee from quarterly to annually. This will occur in respect of the next financial year commencing 1 April 2020. The Directors of the Company have decided to use this as an opportunity to simplify the method of calculation of the performance fee and simultaneously clarify the description of the performance fee in the Fund's Prospectus. In the new calculation, if the benchmark rate is negative, the benchmark will be fixed at zero for performance fee calculation purposes. This is to account for the possibility of negative interest rates in the current market environment.

Please note that the new method of calculation will not lead to any increase in the the performance fee charged.

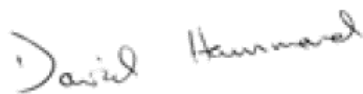
Please see the attached Annex A, which contains the revised description of the performance fee. The Central Bank has approved this wording for inclusion in the Fund's Prospectus. Annex B contains the relevant ISIN numbers for share classes in issue in the Fund for your reference.

The full updated Prospectus supplement will be available at www.bmogam.com once noted by the Central Bank, which is expected to be on or about 31 January 2020.

The Directors wish to express their apologies for the occurrence of this error and their thanks for your continued support of the Company and the Fund.

Please do not hesitate to contact your usual Client Relationship Manager in connection with any questions you may have in relation to this matter.

Yours sincerely



Director
BMO Investments III (Ireland) plc

ANNEX A

Performance Fee

The Investment Manager shall receive the Performance Fee when the percentage return of a Share class in a Performance Period exceeds that of the Benchmark, provided that the Closing Net Asset Value per Share (adjusted for any dividend) also exceeds the High-Water Mark.

The Performance Fee is 15% of the outperformance of the High-Water Mark or of the Benchmark, whichever is lower. The performance of a Distributing Share class shall be calculated gross of any dividends for the purposes of calculating the Performance Fee.

Each Performance Period is a calendar quarter, ending on the last Business Day of each calendar quarter.¹ Where Shares are issued in a Share class for the first time, the first Performance Period for such Share class will commence on the first Dealing Day in respect of such Share class and end on the last Business Day of the calendar year in which such Dealing Day occurred. The last Performance Period of each Share class will end on the earlier of the date of termination of the Thames River Capital Investment Management Agreement or the date of the redemption of the last Shares in issue in that Share class.

Definitions

Each term identified below will have the definition set out following it, solely for purposes of the Performance Fee calculation.

Opening NAV per Share: the published Net Asset Value per Share of the relevant Share class as at the last Valuation Point for the previous Performance Period.

Closing GAV per Share: the Net Asset Value per Share of the relevant Share class, prior to the accrual of any applicable Performance Fee and deduction of any applicable dividend, as at the last Valuation Point for the current Performance Period and with any dividends paid during the Performance Period added back in.

Closing NAV per Share: the Net Asset Value per Share of the relevant class, after the accrual of any applicable Performance Fee but before deduction of any applicable dividend, as at the last Valuation Point for the current Performance Period

Benchmark: the pro-rated three-month LIBOR rate of return, set quarterly in advance. LIBOR for these purposes is the rate fixed by the British Bankers' Association for three-month deposits in the designated currency of the relevant Share class expressed as an annual percentage, based on a 360 or 365 day year as is convention for the particular currency. Where the prorated three-month LIBOR rate of return falls below zero, the Benchmark will be fixed at 0% for calculation purposes. The Directors reserve the right to substitute an equivalent three-month interbank interest rate in the event that the three-month relevant LIBOR rate ceases to be a widely recognised reference rate. The administrator of the Benchmark, ICE Benchmark Administration Limited, is authorised by the Financial Conduct Authority pursuant to Article 34 of the Benchmark Regulations.²

Performance of the Benchmark: the Performance of the Benchmark is calculated with respect to each Share class using the Benchmark expressed as a percentage rate.

¹ Please note that, from 1 April 2020, the Performance Period will be 12 month periods ending on the last Business Day of the Company's financial year (i.e. 31 March).

² Please note that, from 1 April 2020, the Benchmark will continue to be based on the three month deposit rate, set as described above but compounded to give an annual figure.

GAV Outperformance per Share: the difference between the Closing GAV per Share and the Opening NAV per Share, divided by the Opening NAV per Share and expressed as a percentage.

High Water Mark or HWM: the greater of:

- (i) the Net Asset Value per Share at the last Valuation Point for the most recent Performance Period in respect of which a Performance Fee was payable; and
- (ii) the Initial Offer Price per Share.

HWM Outperformance per Share: the difference between the Closing GAV per Share, to which any dividends which were paid in respect of the Share class during previous Performance Periods since the HWM was set have been added back, and the HWM, divided by the HWM and expressed as a percentage.

Performance Fee per Share: 15% of the lower of the GAV Outperformance and the HWM Outperformance, multiplied by the Closing GAV per Share.

Performance Fee: the sum of the Performance Fee per Share and the number of Shares in issue in the relevant Share class at the end of the Performance Period.

The Performance Fee will accrue and be taken into account in the calculation of the Net Asset Value per Share of each Share class on each Dealing Day. In the event that Shares are redeemed on a Dealing Day within a Performance Period, the Investment Manager shall be entitled to receive any Performance Fee accrued by such Dealing Day in respect of the Shares being redeemed.

Any Performance Fees realised on redemptions will become payable as of the end of the Performance Period. For the avoidance of doubt, Performance Fees realised on redemptions will be payable regardless of whether a Performance Fee is payable in respect of the remaining Shares in issue at the end of the Performance Period.

The Performance Fee shall be calculated independently by the Administrator and verified by the Depository. No Performance Fee will be paid until the Depository has verified it. The Performance Fee will be payable as of the end of the relevant Performance Period.

Performance Fee Risks

The Performance Fee is a Net Asset Value based fee and the Fund does not apply any equalisation methodology. Therefore, in circumstances where a Performance Fee is payable in respect of a particular Performance Period, Shareholders who acquired Shares of the relevant Share class after the commencement of that Performance Period will be liable to pay a Performance Fee based on the performance of those Shares over the entire Performance Period rather than on the performance of those Shares over the period during which they held the Shares.

The calculation of the Performance Fee includes net realised and net unrealised gains and losses as at the end of each Performance Period and as a result, incentive fees may be paid on unrealised gains which may subsequently never be realised.

It should be noted that there is no repayment of any Performance Fee already paid if the Net Asset Value per Share of the relevant Share class falls back below the High-Water Mark following the end of the Performance Period in respect of which the Performance Fee was paid, even if a Shareholder redeems its holding.

ANNEX B

ISIN	Fund Name
IE00B7V30396	BMO Real Estate Equity Market Neutral A Acc EUR
IE00B87NSN68	BMO Real Estate Equity Market Neutral A Acc USD
IE00B7WC3B40	BMO Real Estate Equity Market Neutral B Acc EUR
IE00B8GGKQ36	BMO Real Estate Equity Market Neutral C Acc GBP