

Item 1 - Cover Page

Firm Brochure (Part 2A of Form ADV)
Amended: July 3, 2012
(Last Annual Update: March 1, 2012)

BMO ASSET MANAGEMENT CORP.

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This brochure provides information about the qualifications and business practices of BMO Asset Management Corp. If you have any questions about the contents of this brochure, please contact us at 312-461-7699. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

BMO Asset Management Corp. is a registered investment adviser. Registration of an adviser with the SEC does not imply a certain level of skill or training.

Additional information about BMO Asset Management Corp. also is available on the SEC's website at www.adviserinfo.sec.gov.

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Item 2 - Material Changes

Since our last annual update on March 1, 2012, material updates were made throughout this Brochure as a result of the merger of M&I Investment Management Corp. (“M&I IMC”) with and into Harris Investment Management, Inc. (“HIM”) on June 1, 2012, particularly in Item 4, Item 5, Item 6, Item 8, Item 10, Item 11 and Item 12. Bank of Montreal, the parent company of HIM, acquired M&I IMC as part of its acquisition of Marshall & Ilsley Corporation (“M&I”) in July 2011. HIM changed its name following the merger to BMO Asset Management Corp. (“BMO AM”).

Pursuant to SEC rules, we will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

Our brochure may be requested, at any time, without charge, by contacting BMO Asset Management Corp. at 312-461-7699.

Additional information about BMO Asset Management Corp. is also available via the SEC’s website www.adviserinfo.sec.gov. The SEC’s website also provides information about any persons affiliated with BMO AM who are registered, or are required to be registered, as investment adviser representatives of BMO AM.

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Item 4 - Advisory Business

Overview. BMO Asset Management Corp. (“BMO AM”), formerly Harris Investment Management, Inc., is a registered investment adviser established in 1989 and headquartered in Chicago, IL with additional offices in Milwaukee, WI, Los Angeles, CA and Atlanta, GA. BMO AM is a wholly-owned subsidiary of BMO Financial Corp., which is in turn a wholly-owned subsidiary of Bank of Montreal (“BMO”), a publicly-held Canadian diversified financial services company. Harris Investment Management, Inc. changed its name to BMO Asset Management Corp. following its merger with M&I Investment Management Corp. (“M&I IMC”) on June 1, 2012. BMO acquired M&I IMC as part of its acquisition of Marshall & Ilsley Corporation (“M&I”) in July 2011. M&I IMC was founded in 1973. BMO AM conducts business under the name BMO Asset Management U.S. BMO AM is one of the constituents of BMO Global Asset Management.

BMO AM provides discretionary investment advisory services for, or provides non-discretionary investment advice to, institutions including pension and other employee benefit plans, trusts, endowments and foundations, investment companies (including mutual funds), insurance companies, corporations, individuals, and third-party sponsors of and clients participating in wrap-fee programs, as well as common and collective portfolios for which Marshall & Ilsley Trust Company N.A. (“Trust Company”), an affiliate of BMO AM, acts as trustee. In addition, BMO AM provides investment advisory services to private pooled vehicles.

Investment advisory services may include account management within our strategy framework, assistance in establishing investment objectives and guidelines, determining the appropriate asset class and allocation in light of established objectives and guidelines, determining the purchases and sales of securities for client portfolios, monitoring and reviewing holdings and investment performance of portfolios, and providing information on the relative attractiveness of various asset classes, investments and issues. The investment advice varies depending upon the objectives and any restrictions of the client. Such advice generally consists of investment research and portfolio management with respect to equity and fixed income securities and other financial instruments. In some strategies, the investment advice may be based on quantitative analysis, which includes the use of factor models, developed by BMO AM, in the selection of investments for accounts. Clients may impose reasonable restrictions on the management of their accounts, including on investing in certain securities or types of securities.

In addition, BMO AM provides non-discretionary investment advice, financial planning and other related services to individuals through its division, Cedar Street Advisors (“Cedar Street”) and provides research and non-discretionary investment support to affiliates, including, but not limited to the Trust Company, BMO Harris Private Bank (a brand name used by various financial service providers of BMO Financial Corp., including BMO Harris Bank, N.A.), M&I Financial Advisors, Inc. (“MIFA”) and BMO Harris Financial Advisors, Inc. (“BHFA”) for the benefit of their respective clients. These services are described in more detail below. The Trust Company is expected to merge into BMO Harris Bank, N.A. and MIFA is expected to merge into BHFA in 2012.

Services to Certain Affiliates. BMO AM provides discretionary investment advisory services to common and collective portfolios for which the Trust Company acts as trustee. In addition, as part of its asset management services, certain affiliates of BMO AM, such as the Trust Company and BMO Harris Private Bank, may select BMO AM to manage, within BMO AM's investment strategy framework, on a discretionary basis, a portion of their respective clients' assets. These clients may include individuals or other institutional clients.

BMO AM provides research and non-discretionary investment support to certain affiliates, such as the Trust Company, BMO Harris Private Bank, Cedar Street, MIFA and BHFA, for the benefit of their respective clients. The non-discretionary services provided to these affiliates may include the development of asset allocation models and strategies and recommended lists for equity securities, mutual funds, ETFs, alternative investments and non-affiliated third-party managers. Several of these services are provided by the following BMO AM divisions.

Portfolio Advisory Services. BMO AM has an internal team of analysts and support staff devoted to conducting due diligence and ongoing evaluation of third party investment managers, as well as proprietary managers. Collectively, this team is referred to as Portfolio Advisory Services ("PAS"). PAS supports certain affiliates, including, but not limited to, the Trust Company, BMO Harris Private Bank, and Cedar Street. PAS reviews and monitors investment managers and related mutual funds for use in its and its affiliates client accounts, asset allocation products and brokerage platforms. PAS analysts are assigned to monitor specific investment management firms.

Alternative Investments Strategies Services. BMO AM has an internal team, Alternative Investments Strategies ("AIS"), devoted to the alternative investments market. AIS's goal is to serve as a resource to investment professionals within the Trust Company, BMO Harris Private Bank and Cedar Street in order to introduce alternative investments as an asset allocation option for high-net-worth and institutional clients.

In addition, BMO AM has been retained to provide investment advice to the *Managed Asset Allocation Program/Portfolios* ("MAAP"), which is offered by the Trust Company, MIFA and BHFA (collectively, the "MAAP Providers"). MAAP portfolios are invested in mutual funds by the MAAP Providers in accordance with a model investment strategy recommended by BMO AM. MAAP is designed to allow clients to diversify their investments through one account. There are currently 15 MAAP model investment strategies having investment objectives that range from fixed income to aggressive growth, including two strategies that exclude large cap stock investments. MAAP portfolios are not mutual funds, but are individually managed accounts of the MAAP Providers. Assets are invested by the MAAP Providers in a portfolio of mutual funds that fit within the objectives of the specific investment strategy selected by its client. The mutual funds include, but are not limited to, Marshall Funds, Inc. (d/b/a BMO Funds) (the "BMO Funds"), a mutual fund family advised by BMO AM. The mutual funds included in each MAAP strategy invest in fixed income, equity and/or other securities. The asset allocations are selected by a team of three senior investment portfolio managers. The team monitors each portfolio and rebalances it periodically to ensure consistency with the asset allocation strategy. Mutual funds within the MAAP are replaced as performance, market

conditions or other circumstances dictate. As of April 30, 2012, the MAAP Providers maintained approximately \$1.6840 billion in assets in MAAP portfolios.

Cedar Street. Cedar Street Advisors (“Cedar Street”), a division of BMO AM that was formed in 2005, has offices in Milwaukee, WI and Atlanta, GA. Cedar Street is a specialized financial planning group whose focus is providing integrated wealth management services to ultra-high-net worth clients consisting principally of corporate executives, high-net worth individuals and families. Cedar Street is comprised of a team of professional advisors providing comprehensive asset management, banking, tax, estate, trust, insurance and advanced financial planning services. Cedar Street’s services are designed to conserve the client’s assets, manage income on a long-term basis, and to develop an individual retirement program and estate plan. In addition to furnishing investment advice, Cedar Street will generally assist its clients in developing an overall money management program coupled with tax and estate planning. In order to make its recommendations, Cedar Street will conduct a detailed analysis of the client’s financial status, the client’s income, assets, investment allocation, participation in corporate benefit plans, personal obligations, expectations, commitments, family responsibilities and the effect of the existing income and estate tax structure on the client’s sources of income and accumulation of wealth. Cedar Street also provides in-depth advice to clients in the following areas: private equity review, private equity liquidation, real estate purchases, recommendations of investment advisory services, special asset purchases (location, negotiation and purchase of assets at the request of the individual clients) and consulting with individual clients in their part-time business ventures. Cedar Street provides discretionary investment services through the Trust Company.

Delta Asset Management. Delta Asset Management (“Delta”), a division of BMO AM located in Los Angeles, CA, performs investment management services for equity-oriented institutional clients. Delta was founded in 1991. BMO through its predecessor Marshall & Ilsley Corporation acquired the investment team and managed accounts in May 2009. As of April 30, 2012, Delta managed approximately \$856.9 million in assets on a discretionary basis.

Investment Companies. BMO AM serves as investment adviser to BMO Funds, a registered open-end investment management company with 23 separate mutual funds. BMO AM also serves as sub-adviser to several series of the Virtus Funds. Please refer to the applicable prospectus and statement of additional information for further information about mutual fund investments.

Wrap Programs. BMO AM may participate in wrap-fee account programs sponsored by broker-dealers and other financial institutions. Generally, under a wrap-fee program, a client of the sponsoring brokerage firm or financial institution will be able to obtain professional investment management and transaction execution for a single fee, based on the amount of assets under management. Each wrap-fee program sponsor sets its own fees for clients participating in the program and will pay BMO AM for its advisory services rendered to the client out of the fees it charges to its clients. The fee that BMO AM receives generally will be negotiated with the program sponsor and may be affected by the size of the accounts being managed and the nature of the investment objectives being utilized by BMO AM in connection with the program. BMO AM’s investment advisory services to clients of a wrap-fee program may be based on specific

investment styles, objectives or strategies (such as a strategy focusing on stocks issued by small capitalization companies selected for potential capital appreciation), which may differ from one program to another. The same broad range of investment objectives may not be available to wrap-fee program participants that are available to BMO AM's advisory clients outside of a wrap-fee program.

Marshall Managed Account Service ("MMAS") is a wrap fee program for Trust Company clients that offers professionally managed separate account strategies from BMO AM as well as unaffiliated managers, together with custody, performance monitoring, reporting and other services. Under MMAS, clients may choose one or more investment advisers (including BMO AM) to manage their assets, and/or may select mutual funds for their accounts.

Assets under Management. As of April 30, 2012, BMO AM had \$35.8774 billion under management, including \$33.1895 billion in assets (including Delta) on a discretionary basis and \$2.6879 billion (including MAAPs) on a non-discretionary basis.

Item 5 - Fees and Compensation

The specific manner in which fees are charged by BMO AM is established in a client's written agreement. Among the factors affecting the level of fees are the size of the account, the composition of the assets, other relationships the client may have with BMO AM and its affiliates, and the complexity of the restrictions and objectives of the client. From time to time, clients may pay for services by means of a combination of performance and asset-based fees as permitted by applicable federal and state regulations as described in Item 6. Clients may be subject to minimum fees ranging from \$10,000 to \$75,000, depending upon the investment approach and/or strategy. BMO AM reserves the right to charge lower fees or a minimum fee based upon negotiations with the client. Clients who receive advisory services from BMO AM through impersonal advisory services or wrap programs in which BMO AM is a participating adviser are not subject to BMO AM's minimum fees.

BMO AM will generally bill its fees on a monthly or quarterly basis. Generally, clients are billed in arrears. Clients may also elect to be billed directly for fees or to authorize BMO AM to directly debit fees from client accounts. For accounts in which the Trust Company or BMO Harris Bank, N.A. serves as custodian, fees are generally deducted from client asset unless the client requests to be billed separately. Management fees may be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of de minimis contributions and withdrawals). Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. In general, contracts are terminable upon 30 to 60 days' prior written notice by either party.

In addition to BMO AM's fees for its services, mutual funds in which a client's assets are invested also pay their own advisory fees and other expenses, as described in each fund's prospectus. These fees will generally include a management fee and may include a distribution fee. Depending on the fund, a client may be able to purchase these investments directly without the services of BMO AM. In that case, a client would not receive the services provided by BMO

AM which are designed, among other things, to assist the client in determining which mutual funds are appropriate for a client. BMO AM may use or recommend an affiliated mutual fund. In such situations, BMO AM may retain the fee from the affiliate mutual fund. However, BMO AM will not charge a fee if it is deemed to be result in payment for duplicative services. If the investment in an affiliated mutual fund is deemed to result in a duplicative service, BMO AM, under certain circumstances and at BMO AM's discretion, will either rebate the amount of advisory fees earned by BMO AM as the manager of the affiliated mutual fund or exclude client assets invested in the affiliated mutual fund from BMO AM's account-level management fee.

BMO AM's management fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses that are incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as fees charged by custodial fees, wire transfer fees, and other fees on securities transactions.

Separate Accounts Fee Schedule. BMO AM charges an annual fee based on the type of securities held and the market value of assets under management. BMO AM reserves the right to modify the fee schedule set forth below depending on the size and nature of the client, the services provided and/or other factors. BMO AM also reserves the right to exempt assets from this fee schedule, to provide discounts to this fee schedule and to aggregate accounts for the purposes of applying the fee schedule. Typically, all assets, including dividend accruals, are included in the market value fee.

EQUITY STRATEGIES	
Core Opportunities Strategy	
Growth Opportunities Strategy	
Fundamental Large-Cap Value Strategy	
Initial \$25,000,000	0.75%
Next \$25,000,000	0.65%
Next \$50,000,000	0.50%
Over \$100,000,000	0.40%
Disciplined Large-Cap Value Strategy	
Disciplined Large Cap Equity Strategy	
Disciplined Large Cap Growth Strategy	
Large-Cap Low Volatility Alpha Strategy	
Initial \$50,000,000	0.60%
Next \$50,000,000	0.50%
Thereafter	0.40%
Disciplined Fundamental Index Strategy	
Initial \$25,000,000	1.00%
Next \$25,000,000	0.95%
Next \$50,000,000	0.90%
Over \$100,000,000	0.80%

Fundamental Mid-Cap Growth Strategy

Fundamental Mid-Cap Value Strategy

Initial \$25,000,000	0.85%
Next \$25,000,000	0.75%
Next \$50,000,00	0.70%
Over \$100,000,000	0.65%

Fundamental Small-Cap Growth Strategy

Initial \$25,000,000	1.00%
Next \$25,000,000	0.95%
Next \$50,000,000	0.90%
Over \$100,000,000	0.80%

Fundamental Small-Cap Value Strategy

Initial \$25,000,000	0.90%
Next \$25,000,000	0.85%
Next \$50,000,000	0.80%
Over \$100,000,000	0.75%

Disciplined Mid-Cap Value Strategy

Disciplined Small/ Mid-Cap Core Strategy

Disciplined Small-Cap Growth Strategy

Disciplined Small-Cap Value Focused Strategy

Disciplined Small-Cap Core Diversified Strategy

Disciplined Small-Cap Core Select Strategy

Disciplined Small-Cap Value Diversified Strategy

Disciplined Small-Cap Value Select Strategy

Initial \$50,000,000	0.90%
Next \$50,000,000	0.70%
Thereafter	0.65%

Disciplined Micro-Cap Equity Strategy

All Assets	1.0%
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Global Natural Resources Equity Strategy

Initial \$20,000,000	0.75%
Thereafter	0.60%

Disciplined Tax-Efficient Portfolio Strategy

Disciplined Dividend Income Strategy

Fees under these programs, which are paid directly to the Trust Company, include the Trust Company's custody fees, as well as BMO AM's management fees.

Market Value Fee:

Account Value

\$250,000 - \$499,999

\$500,000 - \$749,999

\$750,000 - \$999,999

\$750,000 - \$999,999

Over \$1,000,000

Over \$5,000,000

Over \$10,000,000

Minimum Annual Fee

Charged

-- 1.00%

-- 0.95%

-- 0.90%

-- 0.90%

-- 0.80%

-- 0.60%

-- 0.40%

-- \$3,000

Plus Base Fee:

\$1,000 – Irrevocable Trust

\$ 750 – Revocable Trust

\$ 500 – Investment Agency (waived for accounts served by M&I Financial Advisors)

FIXED INCOME STRATEGIES

Aggregate Bond Strategy

Government Bond Strategy

Intermediate Bond Strategy

Intermediate Tax-Free Bond Strategy

Short-Intermediate Bond Strategy

Initial \$5,000,000

0.40%

Next \$5,000,000

0.30%

Over \$10,000,000

0.25%

Short-Term Bond Strategy

Initial \$25,000,000

0.25%

Next \$25,000,000

0.20%

Over \$50,000,000

0.15%

Active Core Income Bond Strategy

Intermediate Income Bond Strategy

Long Duration Fixed Income Strategy

Short Intermediate Income Strategy

Municipal Tax-Exempt Income Strategy

Initial \$50,000,000

0.30%

Next \$50,000,000

0.25%

Thereafter

0.20%

Short-Duration Strategies

Initial \$100,000,000

0.18%

Next \$100,000,000

0.16%

Thereafter

0.14%

Trust Company Fee Schedule. BMO AM and certain affiliates have agreed to fee and revenue sharing arrangements for services rendered by BMO AM. BMO AM is typically compensated by the affiliate. In certain cases, a client may be charged for asset management services provided by such affiliate and the investment advisory services provided by BMO AM. These affiliates may, at its discretion, waive or rebate in its client accounts all or a portion of the investment advisory fees charged by BMO AM, including those paid to the BMO Funds. These clients should contact their BMO relationship manager for more information on the fees, including those for BMO AM, charged to their accounts.

Cedar Street Fee Schedule. The standard annual fee for Cedar Street's consulting services is \$25,000, but may vary based on the complexity of the relationship. The annual fee is generally paid quarterly, in advance. Cedar Street provides discretionary investment services through the Trust Company. The annual fee for discretionary investment services for Cedar Street clients is based on the market value of asset under management and is up to 1% of assets under management, but may vary depending on the size and nature of the client, the services provided, the asset class and/or other factors. These fees are in addition to the advisory fees assessed by the third-party manager or mutual fund in which client assets may be invested. BMO AM negotiates advisory fees on a case-by-case basis with each third-party or affiliated manager. Mutual fund fees and expenses are described in each mutual fund's prospectus.

Delta Asset Management Fee Schedule. Delta's fees for investment management services are a percentage of the total assets of a particular account. The percentage used depends upon the nature and extent of the investment management and/or administrative services requested, the investment objectives of the client, and competitive factors. The fee is generally .75% on the first \$10 million; .50% on the next \$25 million; .30% on the next \$100 million; and .22% on assets over \$135 million. Under certain circumstances for qualifying accounts, a performance-based fee schedule may be negotiated. Delta will comply with Rule 205-3 of the Advisers Act with respect to those accounts charged an incentive fee.

Investment Company Fees. BMO AM's fees for its advisory services to the BMO Funds are based on the net asset values of each portfolio, computed daily and payable monthly. These fees range from .15% annually to 1.00% annually. BMO AM may, from time to time, voluntarily waive all or a portion of its advisory fees received from the BMO Funds.

Wrap Program Fees. The fees BMO AM charges for services under wrap fee programs vary depending on the level of assets and involvement of the wrap program sponsor in providing services to the client. The fees received under the wrap fee programs may vary based upon a number of factors and range from 0.05% to 1.00% of assets under management. Fees charged by the Trust Company for the various components of the MMAS Program are set forth in the MMAS disclosure statement, which also discloses fees charged by the participating managers and by the wrap fee sponsor. In addition to MMAS, BMO AM also participates in a wrap program sponsored by KeyBank National Association (KeyBank Managed Account Services), BMO Nesbitt Burns Inc. (Blueprint Program/Architect), Envestnet (Envestnet – Third Party Models Program), Placemark (Placemark), and Texas Capital Bank (Texas Capital Bank National Association Account).

Other Fees. BMO AM and its supervised persons do not accept direct compensation for the sale of securities or other investment products. Certain affiliates and their employees may receive compensation related to the sale of securities or other investment products.

Item 6 - Performance-Based Fees and Side-By-Side Management

From time to time, clients may pay for services by means of a combination of performance and asset-based fees as permitted by applicable federal and state regulations. Generally these fees are based on a share of capital gains or on capital appreciation of a client's assets. This type of fee arrangement may create an incentive for BMO AM to make investments that are riskier or more speculative than would be the case in the absence of a performance fee. In addition, performance fee arrangements may create an incentive for BMO AM to favor those accounts in the timing of trades, security selection or similar methods. To minimize the effects of these inherent conflicts of interest, BMO AM has adopted and implemented policies and procedures, including trade aggregation and allocation procedures, that it believes are reasonably designed to mitigate the potential conflicts associated with managing portfolios for multiple clients and seeks to ensure that no one client is intentionally favored over time at the expense of another.

Item 7 - Types of Clients

BMO AM provides discretionary investment advisory services for, or provides non-discretionary investment advice to, institutions including pension and other employee benefit plans, trusts, endowments and foundations, investment companies (including mutual funds), insurance companies, corporations, individuals, and third-party sponsors of and clients participating in wrap-fee programs, as well as common and collective portfolios for which Marshall & Ilsley Trust Company N.A. ("Trust Company"), an affiliate of BMO AM, acts as trustee. In addition, BMO AM provides investment advisory services to private pooled vehicles and to affiliates for the benefit of their clients.

BMO AM generally does not impose a minimum dollar value of assets to be managed as a condition for starting or maintaining a separate account; however, clients may be subject to a minimum fee ranging from \$10,000 to \$75,000, depending on the investment approach and/or strategy. All fees, including minimum fees, are subject to negotiation. Cedar Street generally limits its services to individuals having a net worth of \$20 million or more, although exceptions to the net worth limit may be made.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

Overview. BMO AM employs a variety of security analysis methods in managing client accounts, including fundamental and quantitative (technical) analysis. BMO AM relies on sources of information, such as financial publications, internal and external research, company visits, SEC reports and information from rating services. Investment strategies include both long-term and short-term purchases and option writing.

BMO AM does not guarantee rates of return on investments for any time period to any client. All clients assume the risk that investment returns may be negative or below the rates of return of

other investment advisers, market indices or investment products. You may experience a loss of value in your investments. Past performance does not guarantee future results, and there is no guarantee that a client's investment objectives will be achieved. Investing in securities involves risk of loss that clients should be prepared to bear.

Types of Investments. BMO AM provides advice regarding the following types of securities as part of its principal investment strategies:

- equity securities
- debt securities
- commercial paper
- municipal securities
- government securities
- mutual funds
- ETFs
- futures and options contracts
- private placements

Investment Strategies. BMO AM may offer additional strategies or variations of the strategies described below. For additional information on BMO AM's investment strategies, please visit www.bmogamus.com.

INVESTMENT STRATEGIES	PHILOSOPHY AND INVESTMENT PROCESS	BENCHMARK
EQUITY STRATEGIES		
BMO Fundamental Large-Cap Value	<p><i>Philosophy</i> - The Investment Team believes that market inefficiencies cause certain stocks to be valued at levels lower than what their fundamental financial characteristics would indicate. Through an active, risk controlled, quantitative process, the Team seeks long-term excess returns by exploiting these inefficiencies.</p> <p><i>Investment Process</i> - To identify undervalued stocks and total return opportunities, the Team evaluates trends among the following factors:</p> <ul style="list-style-type: none"> • Traditional and Relative Value • Growth • Profitability • Sales and Earnings • Price momentum <p>The Team utilizes a proprietary portfolio optimization process and continually monitors the above factors and portfolio weightings to identify exploitable opportunities of stock mispricing. The Team applies fundamental analysis as an overlay to the quantitative models to provide a more complete assessment.</p>	Russell 1000® Value Index

INVESTMENT STRATEGIES	PHILOSOPHY AND INVESTMENT PROCESS	BENCHMARK
BMO Disciplined Dividend Income	<p><i>Philosophy</i> - The Investment Team pursues competitive long-term returns through an active, risk controlled, quantitative process. The Team believes investing in large-cap, dividend paying stocks can provide enhanced returns and stability while providing a steady income stream and potential tax benefits.</p> <p><i>Investment Process</i> - The Team considers high quality U.S. companies within the S&P 500 Index that possess strong dividend histories and screens for the following elements:</p> <ul style="list-style-type: none"> • <u>Dividends</u>. Focus on companies with a dividend yield in excess of 1%. • <u>Quality</u>. Identify companies with strong earnings and dividend histories, high credit ratings, and attractive growth potential. • <u>Suitability</u>. Typically exclude stocks that score poorly on our quantitative assessment or have a low probability of significant share buybacks and special dividends <p>The resulting universe is approximately 250 stocks with strong income and growth potential. The Team then incorporates quantitative factor analysis to construct a portfolio intended to benefit from dividend and value-oriented investment opportunities. The factors include traditional and relative value, growth, profitability, sales and earnings, and price momentum.</p> <p>The Team applies fundamental analysis as an overlay to the quantitative models to provide a more complete assessment.</p>	S&P 500® Index
BMO Disciplined Tax Efficient Portfolio	<p><i>Philosophy</i> - The Investment Team believes one of the greatest threats to the long-term growth of a portfolio is the impact of taxes. Through combining passive investment management with active tax management, a client's capital gains can be managed to increase after-tax returns.</p>	S&P 500® Index

INVESTMENT STRATEGIES	PHILOSOPHY AND INVESTMENT PROCESS	BENCHMARK
	<p><i>Investment Process</i> - The Tax Efficient Portfolio (TEP) is a patent-protected investment strategy designed to perform similarly to the S&P 500 Index. The Investment Team combines a passively managed index portfolio with active tax loss harvesting. The Team utilizes their investment technology to construct a passively managed portfolio of generally 240 – 280 stocks with similar characteristics and industry weights to the S&P 500 Index.</p> <p>As part of the active tax management process, the Team then applies TEP’s unique quantitative investment process to identify specific loss harvesting opportunities at the security and tax lot level. These positions are sold to realize the loss and can be used to offset capital gains in the TEP account, other investment portfolios, or carried forward to offset future capital gains.</p>	
BMO Disciplined Fundamental Index	<p><i>Philosophy</i> - The Fundamental Index® methodology was developed to address the structural return drag created by traditional capitalization-based indexing strategies, which systematically overweight overpriced securities and underweight underpriced securities. By identifying metrics other than a firm’s market value, we can better represent that firm’s true economic footprint. These metrics are sales, cash flow, book value and dividends.</p> <p><i>Investment Process</i> - The BMO Disciplined Fundamental Index Strategy seeks to replicate the RAFI™ (Research Affiliates Fundamental Index) 1000 Enhanced Index which determines and weights the top 1,000 U.S. stocks based on fundamental metrics and qualitative factors instead of market capitalization.</p> <p>The Investment Team utilizes proprietary investment technology to construct a personalized portfolio that closely tracks the RAFI™ 1000 Enhanced Index. The portfolio weights are derived from both fundamental metrics and qualitative factors.</p>	S&P 500® Index

INVESTMENT STRATEGIES	PHILOSOPHY AND INVESTMENT PROCESS	BENCHMARK
	<p><i>Fundamental IndexTM or RAFTTM, a noncapitalization method for creating and weighting of an index of securities, is the patent-pending proprietary intellectual property of Research Affiliates, LLC. BMO AM has obtained a license to use Research Affiliates, LLC's research and constituent data for the RAFTTM Enhanced U.S. Index.</i></p>	
<p>BMO Core Opportunities</p> <p>BMO Growth Opportunities</p>	<p><i>Philosophy</i> – The Investment Team invests based on company fundamentals using a fundamental and disciplined quantitative process. The Team believes that, over full market cycles, companies that are undervalued relative to their fundamentals, and have improving investor interest, should outperform the market. The Team also believes that the market rewards fact-based investment decisions made without emotional bias. The investment process utilizes proprietary quantitative models to rank stocks to maximize expected returns within a given level of risk. Portfolios are actively managed and are built with risk characteristics similar to the benchmark.</p> <p><i>Investment Process</i> – The analytical process begins with a review of all stocks within the capitalization range of the S&P 500 Index, screened to eliminate stocks that trade under \$3 million/day or that the Team believes represent unacceptable financial risk. The resulting universe is evaluated by our proprietary multi-factor investment model, which is based on both internal research and extensive academic studies.</p> <p>The goal of the strategy is to exploit inefficiencies across the marketplace by assessing securities on three groups of metrics, representing attractive evaluation, quality/sustainability of fundamentals, and improving investor interest. The model assigns a composite score to each stock and ranks them in order of attractiveness. From this ranking, an optimal portfolio is constructed using highly ranked stocks and benchmark-aware risk controls. The resultant portfolio maximizes expected returns while controlling for a variety of risks.</p>	<p>S&P 500® Index</p> <p>Russell 1000® Growth Index</p>

INVESTMENT STRATEGIES	PHILOSOPHY AND INVESTMENT PROCESS	BENCHMARK
	<p>While quantitative analytics drive the process, the Team also uses a fundamental analysis and a qualitative portfolio review to validate trades and check for situations not captured by the model. Any stocks eliminated during the qualitative review or fundamental analysis are replaced using an iterative optimization process. Once implemented, the Team continually reviews the portfolio to ensure it continues to hold attractive stocks, with systematic replacement of those stocks that have become unattractive. The resulting portfolio is a combination of highly ranked stocks within client constraints and designated risk parameters.</p>	
<p>BMO Fundamental Mid-Cap Value</p> <p>BMO Fundamental Small-Cap Value</p>	<p><i>Philosophy</i> - The Investment Team pursues competitive returns by buying stocks of companies that have been overlooked or are temporarily out of favor. Stocks near the low end of their historical valuation range may provide the best combination of upside opportunity and limited downside risk.</p> <p><i>Investment Process</i> - The Team uses a bottom-up approach to identify stocks, screening for price laggards, cash flow return on investment, relative valuation and balance sheet metrics.</p>	<p>Russell Midcap® Value Index</p> <p>Russell 2000® Value Index</p>
<p>BMO Fundamental Mid-Cap Growth</p> <p>BMO Fundamental Small-Cap Growth</p>	<p><i>Philosophy</i> - The Investment Team believes long-term stock performance follows improving fundamentals, and the market often underestimates the magnitude and duration of changing fundamentals. The Team looks for “explainable growth” and avoids stocks with rising values based solely on the opinion or speculation of others.</p> <p><i>Investment Process</i> - Using a bottom-up approach, the Investment Team first searches for companies exhibiting accelerating rates of revenue growth, earnings growth, margin expansion, and growth in other metrics such as backlog or production. The Team focuses on the direction in which growth rates are trending, and does not require a minimum absolute rate of growth.</p>	<p>Russell Midcap® Growth Index</p> <p>Russell 2000® Growth Index</p>

INVESTMENT STRATEGIES	PHILOSOPHY AND INVESTMENT PROCESS	BENCHMARK
<p>BMO U.S. Large-Cap Core</p> <p>BMO U.S. Large-Cap Core Focus</p>	<p><i>Philosophy</i> - Delta combines top-down business cycle analysis with a focused stock selection process to construct large capitalization core portfolios. The Investment Team believes this methodology provides the flexibility to outperform in both rising and declining market environments.</p> <p><i>Investment Process</i> - Delta's investment process looks for investment catalysts from the following three factors:</p> <ul style="list-style-type: none"> • <u>Business Cycle Analysis.</u> The process begins with analysis of the macro-economic environment to determine the current phase of the business cycle, including the identification of secular trends, which will have implications for the future landscape. The Investment Team then identifies which sectors are best positioned to take advantage of the current and future economic environments. • <u>Industry and Company Fundamentals.</u> Delta's Investment Team looks for companies with positive fundamental change characteristics. This can include employing methods to enhance revenues, improve profit margins and manage cash flows. • <u>Security Valuation.</u> The Team selects securities where positive fundamental change is not yet reflected in the stock price. In-depth valuation analysis is conducted for each security, analyzing price-to-earnings multiples, free cash flow yields and strength of a company's balance sheet. 	<p>S&P 500® Index</p>
<p>BMO Disciplined Large-Cap Equity</p> <p>BMO Disciplined Large-Cap Growth</p> <p>BMO Disciplined Large-Cap Value</p>	<p><i>Philosophy</i> – The Investment Team invests based on company fundamentals using a disciplined quantitative process. The Team believes that, over full market cycles, companies that are undervalued relative to their fundamentals, and have improving investor interest, should outperform the market. The Team also believes that the market rewards fact-based investment decisions made without emotional bias. The investment process utilizes proprietary quantitative models to rank stocks to maximize expected returns within a given level of risk.</p>	<p>S&P 500 Index</p> <p>Russell 1000 Growth Index</p> <p>Russell 1000 Value Index</p>

INVESTMENT STRATEGIES	PHILOSOPHY AND INVESTMENT PROCESS	BENCHMARK
BMO Disciplined Mid-Cap Value	Portfolios are actively managed and are built with risk characteristics similar to the benchmark.	Russell Midcap Value Index
BMO Disciplined Small / Mid-Cap Core	<p><i>Investment Process</i> – The analytical process begins with a review of all stocks within the capitalization range of the S&P 500 Index, screened to eliminate stocks that trade under \$3 million/day or that the Team believes represent unacceptable financial risk. The resulting universe is evaluated by our proprietary multi-factor investment model, which is based on both internal research and extensive academic studies.</p>	Russell 2500 Index
BMO Disciplined Small-Cap Growth		Russell 2000 Growth Index
BMO Disciplined Small-Cap Value Focused	<p>The goal of the strategy is to exploit inefficiencies across the marketplace by assessing securities on three groups of metrics, representing attractive evaluation, quality/sustainability of fundamentals, and improving investor interest. The model assigns a composite score to each stock and ranks them in order of attractiveness. From this ranking, an optimal portfolio is constructed using highly ranked stocks and benchmark-aware risk controls. The resultant portfolio maximizes expected returns while controlling for a variety of risks.</p>	Russell 2000 Value Index
BMO Disciplined Small-Cap Core Diversified		Russell 2000 Index
BMO Disciplined Small-Cap Core Select	<p>While quantitative analytics drive the process, the Team also uses a qualitative portfolio review to validate trades and check for situations not captured by the model. Any stocks eliminated during the qualitative review are replaced using an iterative optimization process. Once implemented, the Team continually reviews the portfolio to ensure it continues to hold attractive stocks, with systematic replacement of those stocks that have become unattractive. The resulting portfolio is a combination of highly ranked stocks within client constraints and designated risk parameters.</p>	Russell 2000 Index
BMO Disciplined Small-Cap Value Diversified		Russell 2000 Value Index
BMO Disciplined Small-Cap Value Select		Russell 2000 Value Index
BMO Disciplined Micro- Cap		Russell Microcap Index

INVESTMENT STRATEGIES	PHILOSOPHY AND INVESTMENT PROCESS	BENCHMARK
<p>BMO Large-Cap Low Volatility Alpha</p>	<p><i>Philosophy</i> - The product is designed to provide investors with long-term returns similar to U.S. large cap stocks with less volatility. This is achieved by owning a fully invested, actively managed portfolio of low-risk, domestic large cap stocks. Extensive research suggests that investors exhibit a variety of behavioral biases that result in high volatility stocks being overpriced relative to low volatility stocks. The strategy takes advantage of this behavioral anomaly, combining it with the Investment Team's long-standing philosophy of favoring stocks with undervalued fundamentals and strong investor interest. The result is a portfolio intended to deliver performance comparable to the benchmark but at much lower risk over full market cycles. Portfolios are actively managed and constructed to provide low absolute risk without regard to benchmark characteristics. This will lead to higher expected tracking error relative to our traditional active equity strategies. Due to the focus on absolute risk, rather than active risk, the performance of this strategy is best measured by its Sharpe ratio rather than its information ratio.</p> <p><i>Investment Process</i> – The investment process begins with a universe of large capitalization U.S. stocks, defined as the Russell 1000 Index. The Team then evaluates this universe of stocks with both its multi-factor risk model and its multi-factor alpha model, which are based on internal research, external research, and extensive academic studies.</p> <p>The primary goal of the strategy is to exploit the inefficient pricing of risk in the marketplace by owning low volatility equities. Additionally, using our proprietary alpha model, the Team seeks to exploit inefficiencies related to attractive valuation, quality, and sustainability of fundamentals, as well as investor interest. Finally, the Team will also favor stocks that reduce total portfolio risk due to their attractive diversification properties. The portfolio is constructed by efficiently combining in an optimized portfolio three types of investments: low-risk stocks, stocks with attractive diversification properties, and</p>	<p>Russell 1000 Index</p>

INVESTMENT STRATEGIES	PHILOSOPHY AND INVESTMENT PROCESS	BENCHMARK
	<p>stocks with attractive alpha scores. The result is a low-risk portfolio with moderate exposure to our alpha model. Additional risk controls are incorporated to ensure no individual security contributes a significant portion of portfolio risk and that no single economic sector dominates the portfolio.</p> <p>While quantitative analytics drive most of the process, the Team also incorporates a qualitative portfolio review to validate trades and verify investment suitability. Any stocks eliminated during this review are replaced using an iterative optimization process. Once implemented, the portfolio is continually monitored to ensure it maintains the desired low volatility and attractive alpha positioning.</p>	
BMO Global Natural Resources Equity	<p><i>Philosophy</i> - The investment thesis is based on the Investment Team's conviction that there will be a continued strong demand for global commodities, driven by the needs of the growing middle class of the developing and emerging market economies. The Team believes that investing in equities versus directly in commodities is preferable because equities are operationally leveraged to rising commodity prices. The stocks offer higher potential return due to:</p> <ul style="list-style-type: none"> • Greater transparency • Lower volatility • Increased liquidity • Ability for management to add value to create incremental return <p><i>Investment Process</i> - The global commodity strategy is an actively managed, long-only equity portfolio that seeks to generate returns over the long term. A combination of top-down macroeconomic thematic research with fundamental analysis identifies attractive investment opportunities.</p> <p>Stocks are selected based on geographic sources of income and reserves versus location of corporate headquarters. The portfolio is allocated across four</p>	MSCI All Country World Commodity Producers Sector Capped Index

INVESTMENT STRATEGIES	PHILOSOPHY AND INVESTMENT PROCESS	BENCHMARK
	<p>primary sectors: Agriculture, Base Metals & Steel, Energy, and Precious Metals.</p> <ul style="list-style-type: none"> • Agriculture, which includes fertilizer companies, farm equipment companies, seed companies, agricultural chemical companies, meat and dairy producers, grain processors, issuers engaged in rural infrastructure development, including irrigation and transportation, and in general, issuers whose businesses are tied to the production and delivery of feeds and foods, biofuels and natural fibers. • Base Metals & Steel, which includes mining companies that focus on minerals other than precious metals, and steel companies. • Energy, which includes oil and gas producers, integrated oil companies and refiners, drillers, oil service and geophysical companies, producers of steam coal and uranium, and pipelines. • Precious Metals, which includes mining companies that focus on gold and/or silver, but may include companies producing diamonds, platinum, and palladium, and exchange-traded funds investing in precious metals. 	
FIXED INCOME STRATEGIES		
BMO Intermediate Tax-Free Bond	<p><i>Philosophy</i> - The Investment Team's goal is to generate a high level of tax-free income consistent with capital preservation. The Team believes that over extended periods, income drives total return performance. Yet, over shorter periods the municipal bond market can be very inefficient. These inefficiencies can be exploited through active management, and the benefits of active management can be inversely related to a portfolio's size.</p> <p><i>Investment Process</i> - The Team's active management process includes the following:</p> <ul style="list-style-type: none"> • <u>Security Selection</u>. Identifying undervalued securities, such as odd-lot undervaluations in the secondary market, and improving credit 	Barclays Capital Municipal Bond Index 1–10 Year Blend

INVESTMENT STRATEGIES	PHILOSOPHY AND INVESTMENT PROCESS	BENCHMARK
	<p>situations. The Team seeks securities with structures that enhance income such as callables, puts and high coupons. The Team will accept credit risk when fairly compensated for that risk, focusing on shorter maturities.</p> <ul style="list-style-type: none"> • <u>Yield Curve Positioning.</u> Evaluating the current and anticipated slope of the yield curve and employing strategies to capture value among different maturities. • <u>Credit Quality Management.</u> Evaluating economic environment, debt issuance, ratings trends and underlying financial data. Riskier credits are focused on shorter maturities. • <u>Duration Management.</u> Maintaining an average portfolio duration of generally between 80% and 120% of the benchmark. • <u>Sector Allocation.</u> Evaluating relative value opportunities among municipal bond sectors. 	
BMO Aggregate Bond	<p><i>Philosophy</i> - The Investment Team's goal is to deliver excess return relative to the bonds in the Barclays Capital U.S. Aggregate Bond Index. The Team believes that divergences within the fixed income markets provide exploitable opportunities. By utilizing a combination of a disciplined top-down and bottom-up approach, performance can be positively impacted through evaluation of risk/return characteristics within the fixed income sectors and credit markets, moderate interest rate anticipation, and ongoing economic analysis.</p> <p><i>Investment Process</i> - The Investment Team's active management process combines a top-down and bottom-up approach that includes:</p> <ul style="list-style-type: none"> • <u>Security Selection.</u> Investments are analyzed on a relative value basis in terms of spread relationships and return potential versus other eligible securities. Absolute or static spreads and option adjusted spreads are integral in this process. The Team can gain insight from both internal and external sources regarding potential value added opportunities arising from overvalued/undervalued fixed income securities. 	Barclays Capital U.S. Aggregate Index

INVESTMENT STRATEGIES	PHILOSOPHY AND INVESTMENT PROCESS	BENCHMARK
	<ul style="list-style-type: none"> • <u>Yield Curve Positioning</u>. Evaluating the current and anticipated shape of the yield curve and positioning the portfolio where value added opportunities exist. • <u>Duration Management</u>. Optimal duration management involves strategic steps to shorten or lengthen duration in anticipation of economic cycles. • <u>Sector Allocation</u>. The risk/return profile of each sector in the benchmark is analyzed to strategically over or underweight a sector and exploit opportunities or avoid problems. 	
BMO Short-Intermediate Bond	<p><i>Philosophy</i> - The Investment Team's goal is to maximize current income and total return. The Team believes that divergences within the fixed income markets provide exploitable opportunities. By utilizing a combination of a disciplined top-down and bottom-up approach, performance can be positively impacted through evaluation of risk/return characteristics within the fixed income sectors and credit markets, moderate interest rate anticipation, and ongoing economic analysis.</p> <p><i>Investment Process</i> - The Investment Team's active management process combines a top-down and bottom-up approach that includes:</p> <ul style="list-style-type: none"> • <u>Security Selection</u>. Investments are analyzed on a relative value basis in terms of spread relationships and return potential versus other eligible securities. The Team can gain insight from both internal and external sources regarding potential value added opportunities arising from overvalued/undervalued fixed income securities. • <u>Yield Curve Positioning</u>. Evaluating the current and anticipated shape of the yield curve and positioning the portfolio where value added opportunities exist. • <u>Duration Management</u>. Optimal duration management involves strategic steps to shorten or lengthen duration in anticipation of economic cycles. • <u>Sector Allocation</u>. The risk/return profile of each sector in the benchmark is analyzed to 	Barclays Capital Intermediate U.S. Government/Credit Index

INVESTMENT STRATEGIES	PHILOSOPHY AND INVESTMENT PROCESS	BENCHMARK
	strategically over or underweight a sector and exploit opportunities or avoid problems.	
BMO Government Bond	<p><i>Philosophy</i> - The Investment Team's goal is to provide a high level of current income. The Team believes that divergences within the fixed income markets provide exploitable opportunities. By utilizing a combination of a disciplined top-down and bottom-up approach, performance can be positively impacted through evaluation of risk/return characteristics within the fixed income sectors and credit markets, moderate interest rate anticipation, and ongoing economic analysis.</p> <p><i>Investment Process</i> - The Investment Team's active management process combines a top-down and bottom-up approach that includes:</p> <ul style="list-style-type: none"> • <u>Security Selection.</u> Investments are analyzed on a relative value basis in terms of spread relationships and return potential versus other eligible securities. Absolute or static spreads and option adjusted spreads are integral in this process. The Team can gain insight from both internal and external sources regarding potential value added opportunities arising from overvalued/undervalued fixed income securities. • <u>Yield Curve Positioning.</u> Evaluating the current and anticipated shape of the yield curve and positioning the portfolio where value added opportunities exist. • <u>Duration Management.</u> Optimal duration management involves strategic steps to shorten or lengthen duration in anticipation of economic cycles. • <u>Sector Allocation.</u> The risk/return profile of each sector in the benchmark is analyzed to strategically over or underweight a sector and exploit opportunities or avoid problems. 	Barclays Capital Mortgage-Backed Securities Index
BMO Short-Term Bond	<i>Philosophy</i> - The Investment Team's goal is to provide a high level of current income consistent with preservation of capital. The Team believes that divergences within the fixed income markets provide	Merrill Lynch 1-3 Year U.S. Corporate/ Government Index

INVESTMENT STRATEGIES	PHILOSOPHY AND INVESTMENT PROCESS	BENCHMARK
	<p>exploitable opportunities. By utilizing a combination of a disciplined top-down and bottom-up approach, performance can be positively impacted through evaluation of risk/return characteristics within the fixed income sectors and credit markets, moderate interest rate anticipation, and ongoing economic analysis.</p> <p><i>Investment Process</i> - The Investment Team's active management process combines a top-down and bottom-up approach that includes:</p> <ul style="list-style-type: none"> • <u>Security Selection</u>. Investments are analyzed on a relative value basis in terms of spread relationships and return potential versus other eligible securities. Absolute or static spreads and option adjusted spreads are integral in this process. The Team can gain insight from both internal and external sources regarding potential value added opportunities arising from overvalued/undervalued fixed income securities. • <u>Yield Curve Positioning</u>. Evaluating the current and anticipated shape of the yield curve and positioning the portfolio where value added opportunities exist. • <u>Duration Management</u>. Optimal duration management involves strategic steps to shorten or lengthen duration in anticipation of economic cycles. • <u>Sector Allocation</u>. The risk/return profile of each sector in the benchmark is analyzed to strategically over or underweight a sector and exploit opportunities or avoid problems. 	
BMO Intermediate Bond	<p><i>Philosophy</i> - The Investment Team's goal is to maximize total return consistent with current income. The Team believes that divergences within the fixed income markets provide exploitable opportunities. By utilizing a combination of a disciplined top-down and bottom-up approach, performance can be positively impacted through evaluation of risk/return characteristics within the fixed income sectors and credit markets, moderate interest rate anticipation, and ongoing economic analysis.</p>	Barclays Capital U.S. Government/Credit Index

INVESTMENT STRATEGIES	PHILOSOPHY AND INVESTMENT PROCESS	BENCHMARK
	<p><i>Investment Process</i> - The Investment Team's active management process combines a top-down and bottom-up approach that includes:</p> <ul style="list-style-type: none"> • <u>Security Selection</u>. Investments are analyzed on a relative value basis in terms of spread relationships and return potential versus other eligible securities. Absolute or static spreads and option adjusted spreads are integral in this process. The Team can gain insight from both internal and external sources regarding potential value added opportunities arising from overvalued/undervalued fixed income securities. • <u>Yield Curve Positioning</u>. Evaluating the current and anticipated shape of the yield curve and positioning the portfolio where value added opportunities exist. • <u>Duration Management</u>. Optimal duration management involves strategic steps to shorten or lengthen duration in anticipation of economic cycles. • <u>Sector Allocation</u>. The risk/return profile of each sector in the benchmark is analyzed to strategically over or underweight a sector and exploit opportunities or avoid problems. 	
<p>BMO Active Core Income</p> <p>BMO Intermediate Income</p> <p>BMO Short - Intermediate Income</p>	<p><i>Philosophy</i> - The Investment Team's taxable fixed income philosophy is centered on the belief that a skilled management team employing a diversified set of low-risk, time-tested strategies can capture the inefficiencies inherent in the fixed income markets to generate competitive performance, while remaining true to the mandate.</p> <p><i>Investment Process</i> - At the macro level, the Team employs a top-down approach to generate a secular view. With direct access to BMO Financial's macroeconomic research team as well as internal and external research sources, the Team considers a multitude of factors including the following:</p> <p>The <u>Yield Curve Management</u> process involves identifying interest rate themes and positioning</p>	<p>Barclays Capital Aggregate Index</p> <p>Barclays Capital Inter Govt/Credit Index</p> <p>Blended Benchmark consisting of:</p> <ul style="list-style-type: none"> • 50% Barclays Capital 1-5 Year Government/Credit

INVESTMENT STRATEGIES	PHILOSOPHY AND INVESTMENT PROCESS	BENCHMARK
	<p>investments accordingly along the yield curve. Relative value methodology is used to isolate opportunities across maturities and to take advantage of systematic mispricing of certain yield curve sectors. The Team uses a judicious and measured approach to duration adjustments, generally managing duration within a band of +/-20% of the index.</p> <p>The <u>Sector Allocation</u> process seeks to opportunistically position portfolios among sectors to take advantage of specific market environments. Optimal allocation is derived by a combination of top-down and bottom-up analysis. Sector specialists systematically assess key bond market developments, including the current stage of the economic cycle, credit fundamentals and yield curve dynamics. These are combined with relative value security signals and technical and structural factors to contribute to both inter-and intrasector rotation decisions.</p> <p>The <u>Security Selection</u> process seeks to identify relative value opportunities that emerge due to technical market factors, as well as market inefficiencies in the pricing of credit, structure, or optionality. Sector expertise and response time are the critical factors in the ability to capitalize on these inefficiencies. Credit analysts use proprietary analytical tools and cash flow models to evaluate individual issuers and sectors. In addition, our highly experienced securitized team systematically adds value by taking advantage of the most attractive structures in the innovative and diverse securitized market.</p> <p><u>Credit Risk Budgeting</u>, a key part of the macro strategy, is the determination of how much risk to assume within the portfolios, what type of risk and from which sectors and subsectors. The Team, using fundamental and quantitative tools, will determine the appropriate level of risk and the allocation of that risk.</p> <p>Working within the established secular view, a</p>	<ul style="list-style-type: none"> • 50% Barclays Capital Intermediate Government/ Credit Index

INVESTMENT STRATEGIES	PHILOSOPHY AND INVESTMENT PROCESS	BENCHMARK
	<p>second level of decision making occurs by sector portfolio managers who have discretion over the individual holdings within their assigned sectors. Daily trading and portfolio management decisions are based on a combination of the Team's established secular view, along with tactical adjustments based on market technical, fundamental economic data and developing credit trends. Comprehensive expertise and quick response times are critical in exploiting market inefficiencies that create undervalued securities within a given sector. Therefore, portfolio managers are responsible for trade execution within their assigned sectors which minimizes the time between idea generation and trade implementation.</p>	
<p>BMO Long Duration Fixed Income</p>	<p><i>Philosophy</i> - The Investment Team's approach begins with an analysis of the client's liability profile, investment constraints, funding status and return objectives. The Team then employs sophisticated optimization techniques to construct a set of investment strategies designed to maximize risk-adjusted portfolio returns within the framework of each client's unique parameters. The set of solutions is discussed with the client and the best fit strategy is selected. Next is implementation and ongoing monitoring, including a refreshed analysis of the liability profile or other changing constraints, as applicable. Once an LDI strategy is selected, the Team's seasoned portfolio managers and analysts seek to deliver alpha by balancing a set of low-risk, time-tested strategies.</p> <p><i>Investment Process</i> - At the macro level, the Team employs a top-down approach to generate a secular view, which serves as a guide for all portfolio management decisions. With direct access to BMO Financial's macroeconomic research team as well as other internal and external research sources, the Team considers a multitude of factors including the following:</p> <p><u>Yield Curve Management.</u> Relative value methodology is used to isolate opportunities across maturities and to take advantage of systematic mispricing of certain yield curve sectors. The Team</p>	<p>Barclays Capital Long Credit Index</p>

INVESTMENT STRATEGIES	PHILOSOPHY AND INVESTMENT PROCESS	BENCHMARK
	<p>uses a judicious and measured approach to duration adjustments, generally within a band of +/-20% of the index.</p> <p><u>Sector Allocation.</u> Portfolio managers systematically assess key bond market developments, including the current stage of the economic cycle, credit fundamentals and yield curve dynamics. These are combined with relative value security signals and technical factors to derive inter- and intra-sector rotation decisions.</p> <p><u>Security Selection.</u> The process seeks to identify relative value opportunities that emerge due to technical market factors and inefficiencies in pricing credit, structure or optionality. Portfolio managers in conjunction with credit analysts rely on extensive sector expertise to capitalize on these dislocations.</p> <p><u>Credit Risk Budgeting.</u> The portfolio management team, using fundamental and quantitative tools, will determine the appropriate level of risk given client specifications and the allocation of that risk across portfolios.</p> <p>Ongoing portfolio management decisions are based on a combination of the Team's established secular view in conjunction with tactical adjustments based on market technicals, fundamental economic data and developing credit trends. Comprehensive expertise and quick response time are critical in exploiting market inefficiencies. Therefore, portfolio managers are responsible for trade execution within their assigned sectors which minimizes the time between idea generation and trade implementation.</p>	
BMO Municipal Tax Exempt Income	<p><i>Philosophy</i> – The Investment Team believes the municipal bond market, being one of the least efficient of today's capital markets, offers numerous opportunities to exploit short-term mispricings. As a result, the most successful risk adjusted strategies for adding value in municipal bond portfolios center on security selection. Yield curve management and sector management play important but less central</p>	Barclays Capital Municipal Bond Index

INVESTMENT STRATEGIES	PHILOSOPHY AND INVESTMENT PROCESS	BENCHMARK
	<p>roles. This philosophy and the Team's disciplined investment approach apply across intermediate and long-duration portfolios.</p> <p><i>Investment Process</i> – The investment process is composed of three core elements: security selection, sector allocation and yield curve management. These combine with risk management to consistently produce added value over time, while limiting volatility and loss potential.</p> <p>The <u>Security Selection</u> process seeks to identify relative value opportunities that emerge due to market inefficiencies in pricing credit and structural and technical market factors. The tax-exempt market consists of thousands of issuers with numerous structures and sectors, which poses difficulties assessing value for often-under-resourced investors.</p> <p>Sector expertise and response time are thus critical factors in the ability to capitalize on inefficiencies. In this regard, the our flexible management team structure and considerable expertise evaluating credit in the fragmented municipal market are competitive advantages. Credit analysts work closely with portfolio managers, who are also traders, to systematically identify discrepancies between fundamental and market values and execute ideas in a timely manner.</p> <p><u>Sector Allocation</u> seeks to position portfolios most advantageously for specific market environments. Optimal positioning is a result of both top-down and bottom-up analyses. The Team considers the current stage of the economic cycle, the credit fundamentals of various sectors and trends going forward. This analysis is combined with relative value signals from the market and the technical and structural assessment of the tax-exempt market sectors to make inter- and intra-sector rotation decisions.</p> <p>The <u>Yield Curve Management</u> process involves identifying interest rate themes and positioning investments optimally along the yield curve. Top-</p>	

INVESTMENT STRATEGIES	PHILOSOPHY AND INVESTMENT PROCESS	BENCHMARK
	down, macroeconomic analysis is applied to derive longer-term strategy, while relative value assessments allow the team to capitalize on technical mispricings across maturities.	
FIXED INCOME CASH STRATEGIES		
BMO Taxable Cash BMO Government Cash BMO Tax-Free Cash	<p><i>Philosophy</i> - The Investment Team pursues current income with a strategy that combines opportunistic sector and security selection with disciplined risk management, strict credit analysis and thorough analysis of the risk/return structure of eligible money market securities.</p> <p><i>Investment Process</i> - The investment process involves intensive portfolio management, including the identification of investment opportunities across the yield curve, sectors and security types.</p>	<p>Citigroup 3 Month T-Bill Index</p> <p>iMoneyNet Money Fund Report/ Government</p> <p>iMoneyNet Money Fund Report/Tax-Free National</p>
BMO Liquid Cash BMO Short Term Cash BMO Medium Term Cash	<p><i>Philosophy</i> - The Investment Team's short duration fixed income philosophy is structured with the belief that alpha is achieved by balancing a set of low-risk, time-tested strategies and by exploiting mispricings in term structure, market sectors and issue valuation.</p> <p><i>Investment Process</i> – The Investment Team believes that the best way to consistently maximize short duration fixed income portfolio returns is to combine a systematic, quantitative approach with the investment expertise that our team of seasoned portfolio managers, sector specialists, and analysts can offer. The fixed income team utilizes a balanced approach that involves security selection, sector allocation and yield curve management.</p> <p><u>Issue Selection</u> is primarily based on interest rate outlook, economic forecasts and supply and demand imbalances. This stage of portfolio management allows the Team to identify relative value opportunities that emerge due to market inefficiencies in pricing credit, structural and technical market factors. Sector expertise and response time are critical determinants (or</p>	<p>BofA Merrill Lynch 3 - Month U.S. Treasury Bill Index</p> <p>BofA Merrill Lynch 6 - Month U.S. Treasury Bill Index</p> <p>Static benchmark which has equal weightings of the:</p> <ul style="list-style-type: none"> • BofA Merrill Lynch 3-Month U.S. Treasury Bill index (25%) • BofA Merrill Lynch 6-Month U.S. Treasury Bill index (25%)

INVESTMENT STRATEGIES	PHILOSOPHY AND INVESTMENT PROCESS	BENCHMARK
BMO Extended Term Cash	<p>advantages) in the Team's ability to capitalize on these situations. Credit analysts use proprietary quantitative models that predict cash flows and potential credit changes to evaluate issuers.</p> <p><u>Sector/Quality Spreads</u> are an important source of value added in a fixed income portfolio. This strategy substitutes short government securities with alternative spread products, and is an important source of value added. The Team's in-house analysis of the strategy has historically produced excess returns versus the benchmark with very limited additional risk. The optimal reallocation among spread sectors was derived from our proprietary quantitative research of the individual sectors' risk/reward profiles.</p> <p><u>Interest Rate Risk Management</u> is another contributor to performance, as the Team seeks to maximize yield per unit of risk. The process involves identifying yield curve themes and positioning investments optimally along the yield curve. Relative value methodology is used to identify opportunities across maturities and to take advantage of systematic mispricing of certain yield curve sectors.</p> <p>Liquidity Premium refers to the ability to achieve higher yields by lengthening maturities in an upwardly sloping yield curve environment.</p>	<ul style="list-style-type: none"> • BofA Merrill Lynch 1-Year U.S. Treasury Note index (25%) • BofA Merrill Lynch U.S. Treasury 1-3 year index (25%) <p>BofA Merrill Lynch 1 -3 Year Government/ Corporate Index</p>

Portfolio Advisory Services. Portfolio Advisory Services ("PAS") seeks to maintain updated information on investment managers and funds through routine due diligence efforts. PAS looks for managers with a *consistent* investment style who manage in *compliance* with stated objectives, and who are performing *competitively* versus peers and market benchmarks. The managers may not *always* be among the top performing managers in their respective asset classes, but PAS seeks to select managers who will *over time* deliver competitive performance versus both peers and market benchmarks.

Alternative Investment Services. BMO AM performs thorough due diligence and on-going, unbiased analysis on as many areas of the third party as possible, such as firm background, investment methodology, investment performance, and compensation/fee structures. As part of the due diligence process and for operational efficiency, Alternative Investment Services ("AIS") maintains on-going communications with sub-advisers.

Other. The methods of analysis that BMO AM employs for registered investment company clients are described in the applicable fund prospectus. Methods of analysis that BMO AM employs for Private Funds and alternative investment clients are described in offering materials relating to the product.

Material Risks

Investing in securities involves risk of loss that clients should be prepared to bear. The list of risk factors below is not a complete enumeration or explanation of the risks involved in portfolios managed by BMO AM or the securities in those portfolios.

General Risks

Management and Strategy Risk. The ability of a portfolio to meet its investment objective is directly related to BMO AM's investment strategies for portfolios. The investment process used by BMO AM could fail to achieve client investment objective and cause investments to lose value.

Issuer Risk. An issuer may perform poorly, and therefore, the value of its securities may decline, which would negatively affect the portfolio's performance. Poor performance may be caused by poor management decisions, competitive pressures, breakthroughs in technology, reliance on suppliers, labor problems or shortages, corporate restructurings, fraudulent disclosures or other events, conditions or factors.

Portfolio Turnover Risk. The portfolio manager may actively and frequently trade securities in the portfolio to carry out its principal strategies. A high portfolio turnover rate increases transaction costs, which may increase the portfolio's expenses. Frequent and active trading may also cause adverse tax consequences for investors in the portfolio due to an increase in short-term capital gains.

Market Sector Risk. BMO AM's investment strategy may result in significantly over or under exposure to certain industries or market sectors, which may cause a portfolio's performance to be more or less sensitive to developments affecting those industries or sectors.

Non-Diversification/Concentration. In certain cases, client accounts may be concentrated in a small number of issuers. Accordingly, a client's portfolio may be subject to more rapid change in value than would be the case if BMO AM elected not to concentrate on certain issuers or maintained a wider diversification among industries, geographic areas, types of investments and issuers.

Market Volatility Risk. The value of the securities in which a strategy invests may go up or down in response to the prospects of individual companies and/or general economic conditions. Price changes may be temporary or may last for extended periods. Instability in the financial markets has led to volatile financial markets that expose a portfolio to greater market and liquidity risk and potential difficulty in valuing portfolio instruments that it holds.

Equity Securities

Generally, prices of equity securities are more volatile than those of fixed income securities. Risks associated with investing in equity securities include and are not limited to the following:

Stock Market Risks. Investments in equity securities are subject to fluctuations in the stock market, which has periods of increasing and decreasing values. Stocks are more volatile than debt securities.

Growth Style Risks. Due to their relatively high valuations, growth stocks are typically more volatile than value stocks. Further, growth stocks may not pay dividends or may pay lower dividends than value stocks. This means they depend more on price changes for returns and may be more adversely affected in a down market compared to value stocks that pay higher dividends.

Value Style Risks. Investments in value stocks are subject to the risk that their intrinsic values may never be realized by the market, that a stock judged to be undervalued may actually be appropriately priced, or that their prices may decline, even though in theory they are already undervalued. Value stocks can react differently to issuer, political, market and economic developments than the market as a whole and other types of stocks (e.g., growth stocks).

Company Size Risks. Generally, the smaller the market capitalization of a company, the fewer the number of shares traded daily, the less liquid its stock and the more volatile its price. Companies with smaller market capitalizations also tend to have unproven track records, a limited product or service base and limited access to capital. These factors also increase risks and make these companies more likely to fail than companies with larger market capitalizations.

Quantitative Model Risk. Securities selected using quantitative methods may perform differently from the market as a whole for many reasons, including the factors used in building the quantitative analytical framework, the weights placed on each factor, and changing sources of market returns, among others. In some instances, a quantitative methodology may only have been tested using historical market data. There can be no assurance that these methodologies will enable the portfolio to achieve its objective.

Fixed Income Securities

Fixed income securities are subject to various risks, the most prominent of which are credit risk and interest rate risk. These risks can affect a security's price volatility to varying degrees, depending upon the nature of the instrument. Risks associated with investing in fixed income securities include and are not limited to the following:

Credit Risks. Credit risk is the possibility that an issuer or counterparty will default on a security or repurchase agreement by failing to pay interest or principal when due. If an issuer defaults, the client's portfolio holding securities of that issuer may lose money. Lower credit

ratings correspond to higher credit risk. Bonds rated BBB or Baa have speculative characteristics.

Interest Rate Risks. Prices of fixed income securities rise and fall in response to changes in the interest rate paid by similar securities. Generally, when interest rates rise, prices of fixed income securities fall. Changes in a debt instrument's value usually will not affect the amount of interest income paid, but will affect the value of the security. Interest rate changes have a greater effect on the price of fixed income securities with longer maturities. Certain securities pay interest at variable or floating rates. Variable rate securities reset at specified intervals, while floating rate securities reset whenever there is a change in a specified index rate. In most cases, these reset provisions reduce the effect of changes in market interest rates on the value of the security. However, some securities do not track the underlying index directly, but reset based on formulas that can produce an effect similar to leveraging; others may also provide for interest payments that vary inversely with market rates. The market prices of these securities may fluctuate significantly when interest rates change. An investment offering a lower yield, and therefore it might not benefit from any increase in value as a result of declining interest rates.

Call Risks. If the fixed income securities in which a portfolio managed by BMO AM invests are redeemed by the issuer before maturity (or "called"), the portfolio may have to reinvest the proceeds in securities that pay a lower interest rate, which may decrease the portfolio's overall yield. This will most likely happen when interest rates are declining.

Long-Term Maturities/Durations Risk. Fixed income securities with longer maturities or durations may be subject to greater price fluctuations due to interest rate, tax law, and general market changes than securities with shorter maturities or durations.

Liquidity Risks. Liquidity risk refers to the possibility that the client's portfolio may not be able to sell or buy a security or close out an investment contract at a favorable price or time. Consequently, the portfolio may have to accept a lower price to sell a security, sell other securities to raise cash or give up an investment opportunity, any of which could have a negative effect on the portfolio's performance. Infrequent trading of securities also may lead to an increase in their price volatility.

Asset-Backed/Mortgage-Backed Securities Risks. Asset backed and mortgage-backed securities are subject to risks of prepayment. A portfolio's yield will be reduced if cash from prepaid securities is reinvested in securities with lower interest rates. The risk of prepayment also may decrease the value of mortgage-backed securities. Asset-backed securities may have a higher level of default and recovery risk than mortgage-backed securities. Both of these types of securities may decline in value because of mortgage foreclosures or defaults on the underlying obligations. Credit risk is greater for mortgage-backed securities that are subordinate to another security.

Government Obligations Risks. No assurance can be given that the United States government will provide financial support to United States government-sponsored agencies or

instrumentalities where it is not obligated to do so by law. As a result, there is risk that these entities will default on a financial obligation.

High Yield Securities Risks. High yield securities tend to be more sensitive to economic conditions than are higher-rated securities and generally involve more credit risk than securities in the higher-rated categories. The risk of loss due to default by an issuer of high yield securities is significantly greater than issuers of higher-rated securities because such securities are generally unsecured and are often subordinated to other creditors. A portfolio may have difficulty disposing of certain high yield securities because there may be a thin trading market for such securities.

Municipal Securities Risks. Certain types of municipal bonds are subject to risks based on many factors, including economic and regulatory developments, changes or proposed changes in the federal and state tax structure, deregulation, court rulings and other factors. The value of municipal securities may be affected more by supply and demand factors or the creditworthiness of the issuer than by market interest rates. Repayment of municipal securities depends on the ability of the issuer or project backing such securities to generate taxes or revenues. There is a risk that the interest on an otherwise tax-exempt municipal security may be subject to federal income tax.

Municipal Sector Risks. BMO AM may invest in municipal securities that finance similar projects, such as those relating to education, health care, transportation and utilities. To the extent an account is invested in a particular sector, the account's performance may be more susceptible to any economic, business or other developments that generally affect that sector.

Other

Alternative Investment Risks. Alternative investments are not suitable for all clients, and intended for qualified and sophisticated investors who are willing to bear the high economic risks of the investment. Alternative investment returns can be volatile. Investors may lose all or a substantial portion of the investment due to leveraging, short-selling or other speculative investment practices. Alternative investments can be highly illiquid in that there may be no secondary market for the investment. In addition, there may be restrictions on transferring interests. There is manager risk, as well as a potential lack of diversification and resulting higher risk due to concentration of trading authority with a single manager. Alternative investment products are often not subject to the same regulatory requirements as registered products; may have higher fees than mutual funds, which may offset trading profits; there may be an absence of information regarding valuations and pricing; and in many cases the underlying investments are not transparent and are known only to the investment manager. Alternative investments may involve complex tax structures and delays in tax reporting.

Commodity or Commodity-Related Equity Risks. Prices may fluctuate widely over short time periods in commodities. Investing in commodities or related equities expose investors to currency, political, accounting, economic and market risk. Because the strategy is heavily weighted in specific sectors, it will be impacted by sector performance more than a strategy with broader sector diversification. A non-diversified portfolio may be more susceptible to any single economic, political or regulatory event affecting an issuer than is a diversified

portfolio. Lack of liquidity in an ETF could result in its value being more volatile than the underlying portfolio of securities.

Foreign Investing Risks. Investing in securities of non-U.S. companies involves special risks and considerations not typically associated with investing in U.S. companies, and the values of non-U.S. securities may be more volatile than those of U.S. securities. The values of non-U.S. securities are subject to economic and political developments in countries and regions where the issuers operate or are domiciled, or where the securities are traded, such as changes in economic or monetary policies. Values may be affected by restrictions on receiving the investment proceeds from a non-U.S. country. In general, less information is publicly available about non-U.S. companies than about U.S. companies. Non-U.S. companies also are generally not subject to the same accounting, auditing and financial reporting standards as are U.S. companies. Certain foreign issuers classified as passive foreign investment companies may be subject to additional taxation risk. Because the foreign securities in which a strategy invests generally trade in currencies other than the U.S. dollar, changes in currency exchange rates will affect the value of dividends and interest earned, and gains and losses realized on the sale of securities. Generally, a strong U.S. dollar relative to such other currencies will adversely affect the value of holdings in foreign securities.

For shareholders or potential shareholders in the investment companies (mutual funds) portfolios managed by BMO AM, please refer to the prospectuses and statements of additional information of those funds for a complete description of risks associated with the mutual funds.

Item 9 - Disciplinary Information

There have been no legal or disciplinary events involving BMO AM or any of our employees involving investments or otherwise material to a client's evaluation of our advisory business or the integrity of our management.

Item 10 - Other Financial Industry Activities and Affiliations

BMO Global Asset Management is the brand name for various affiliated entities of BMO Financial Group, that provide trust, custody, securities lending, investment management, and retirement plan services. Certain of the products and services offered under the brand name BMO Global Asset Management are designed specifically for various categories of investors in a number of different countries and regions. Those products and services are only offered to such investors in those countries and regions in accordance with applicable laws and regulations. BMO Financial Group is a service mark of Bank of Montreal (BMO).

BMO Global Asset Management includes BMO Asset Management U.S., BMO Asset Management (Canada)®, BMO Trust and Custody Services and BMO Retirement Services (each a division of the Trust Company), and BMO's specialized investment boutiques: Money, Inc.®, Pyrford International Ltd, Lloyd George Management, and Taplin, Canida & Habacht, LLC. BMO Asset Management U.S. consists of BMO Asset Management Corp., BMO Asset Management Canada includes BMO Asset Management Inc. and Lloyd George Management

consists of the subsidiaries of Lloyd George Management (BVI) Ltd. BMO Global Asset Management is part of the BMO Financial Group, a service mark of Bank of Montreal (BMO).

When appropriate, employees of BMO AM may provide information, marketing materials and disclosure documents to clients or potential clients of companies that are constituents of BMO Global Asset Management in a number of different countries and regions. These products or services are only offered to such investors in those countries and regions in accordance with applicable laws and regulations. Alternatively, other constituents of BMO Global Asset Management may provide information, marketing materials and disclosure documents with respect to such constituents' products and services to clients or potential clients of BMO AM.

Investment products are not FDIC insured, have no bank guarantee and may lose value.

See Item 14 for additional information on client referrals and other compensation between BMO AM and its affiliates.

BMO AM clients, regardless of their advisory relationship, are under no obligation to use Marshall & Ilsley Trust Company, N.A., BMO Harris Bank, N.A., North Star Trust Company, or any other BMO Financial Group affiliate as custodian of their assets.

BMO AM serves as investment adviser to the BMO Funds, a series of registered investment companies. BMO AM, or an affiliate, also manage private investment pools (LP's or LLC's). Information about each such private investment pools follows.

M&I Investment Partners Management, LLC ("M&I IPM"), an entity under common control with BMO AM, is the general partner of *M&I Investment Partners I, Limited Partnership*, which invests in another private equity investment fund that, in turn, invests in undermanaged middle market companies. M&I IPM has hired BMO AM to provide investment advisory services to the Fund.

BMO AM is the general partner of *M&I Multi-Strategy Fund, L.P.* and *M&I Tax Exempt Multi-Strategy Fund, L.P.*, which are "multi-strategy funds" that will allocate their assets to various independent investment managers that pursue a variety of alternative investment strategies.

M&I Investment Partners Management, LLC ("M&I IPM"), an entity under common control with BMO AM, is the general partner of *M&I Investment Partners III, Limited Partnership*, which invests in another private equity investment fund that, in turn, focuses on buyout and control-oriented investments in lower middle market companies located in the Midwestern United States, particularly family-owned businesses and orphaned divisions of larger corporations. M&I IPM has hired BMO AM to provide investment advisory services to the Fund.

M&I Investment Partners Management, LLC ("M&I IPM"), an entity under common control with BMO AM, is the general partner for the *Diversified Real Estate Income Fund L.P.*, which invest in a multi-manager pooled fund that will invests in open and

closed end funds in the real estate sector. M&I IPM has hired BMO AM to provide investment advisory services to the Fund.

M&I Investment Partners Management, LLC (“M&I IPM”), an entity under common control with BMO AM, is the general partner for the *Royalty Investment Fund L.P.*, which invests in another private investment fund which invests in the cash flow streams of revenue-generating life science products protected by intellectual property, including products in the pharmaceutical, biopharmaceutical, medical device and diagnostic spaces. M&I IPM has hired BMO AM to provide investment advisory services to the Fund.

The Trust Company, an entity under common control with BMO AM, is the manager of *M&I Securities Lending Fund, LLC*, which has been established for the investment and reinvestment of cash collateral on behalf of clients of the Trust Company who participate in its securities lending program as lenders. The Trust Company has hired BMO AM to provide investment advisory services to the Fund.

Money, Inc., (“Money”) is a wholly owned subsidiary of BMO AM. BMO AM provides compliance, accounting, operations, marketing, and management services. Money may provide investment advisory and research services to BMO AM. BMO AM and Money receive fees at prevailing market rates for such services. Money looks to its Investment Policy Committee to oversee general portfolio management and general investment advice to Money. Certain individuals of BMO AM are regular members of Money’s Investment Policy Committee and Board of Directors.

BMO AM is the sub-adviser to multiple open-end investment companies managed by Virtus Investment Partners (“Virtus Funds”). BMO Financial Corp., BMO’s U.S. subsidiary and sole shareholder of BMO AM, held shares representing approximately a minority 22% equity position in Virtus Investment Partners, Inc. (Virtus) on May 31, 2012. Virtus is a publicly-traded asset management company listed on the NASDAQ stock market (VRTS). In addition, as a result of the minority investment in Virtus held by BMO Financial Corp., an executive of an investment management subsidiary of BMO Financial Group, is also a member of the Virtus Board of Directors.

BMO AM, with Coxe Advisors, LLP (an unaffiliated investment adviser registered with the SEC since 2009), has established a Global Commodity Strategy. The Strategy invests in commodity-related securities based on top down macroeconomic thematic research combined with fundamental security analysis to provide optimal exposure to the commodities market. Complementary research capabilities are utilized with the industry-specific expertise offered by Coxe Advisors and the quantitatively-driven research capabilities of BMO AM. BMO AM provides the strength of its portfolio management systems and processes to implement the Strategy on behalf of clients, including effective oversight of trading, operations, portfolio construction, portfolio compliance and systems. Client service is provided by BMO AM, tailored to each client’s needs. The two organizations share research products and services paid for with hard and/or soft dollars generated through eligible equity commissions incurred by BMO AM clients. Under its written agreements with Coxe Advisors, BMO AM may also provide certain operations and administrative services to Coxe, such as office space, operational

support, and information technology assistance. The expenses associated with these services are paid by BMO AM and Coxe Advisors in accordance with their agreement and are not charged to BMO AM clients.

The Trust Company provides services to the BMO Funds and to other accounts managed by BMO AM such as custodian and securities lending agent. BMO AM and the Trust Company utilize a common trading desk and have shared arrangements with investment research vendors.

In certain circumstances, BMO AM employees are registered representatives of an affiliated broker-dealer, including M&I Financial Advisors, Inc. ("MIFA"), M&I Distributors, LLC or BMO Harris Financial Advisors, Inc. ("BHFA")

BMO AM does not trade with MIFA or any other affiliated broker-dealer. However, Cedar Street may suggest, or recommend that clients use, the brokerage services offered by MIFA. To the extent these services are utilized by clients, clients would be subject to MIFA's usual and customary fee and commission schedules and would pay MIFA directly for services rendered. Persons employed by Cedar Street Advisors may be eligible to receive a portion of the fees or commissions assessed by MIFA.

BMO AM serves as shareholder servicing agent and administrator for BMO Funds. BMO AM provides performance measurement services to the Trust Company for the benefit of its clients. BMO AM offers to the Trust Company valuation services for closely-held companies and may engage one or more third parties to perform or assist with such valuations. Valuation services include analysis and documentation as to the value of the securities of a privately-held corporation.

Furthermore, BMO AM may have common management and officers with some of its affiliates, including with affiliated investment advisers. BMO AM shares facilities with affiliates and relies on BMO, BMO Financial Corp. and other affiliates such as BMO Harris Bank N.A. and the Trust Company, for various administrative support, including information technology, human resources, business continuity, legal, compliance, finance, enterprise risk management, internal audit, and general administrative support.

These affiliations can create potential conflicts of interest. BMO AM seeks to mitigate these potential conflicts of interests through a governance committee structure and by maintaining policies and procedures, including a code of ethics, custody and trading.

BMO AM does not receive compensation from other investment advisers recommended or selected for clients. BMO AM has hired affiliated managers to sub-advise certain of the BMO Funds. BMO AM's management teams and the Board of Directors of BMO Funds regularly review the performance and activities of these firms.

Item 11 - Code of Ethics, Participation or Interests in Client Transactions and Personal Trading

Code of Ethics. BMO AM's supervised persons may purchase or sell securities that are also recommended for purchase or sale by BMO AM in client accounts. BMO AM maintains a Code of Ethics pursuant to which all of its supervised persons are required to adhere to the highest duty of trust and fair dealing and to place the interests of the clients and the shareholders of the registered investment company clients ahead of their own personal interests or the interests of others. Under the Code of Ethics, all supervised persons owe a fiduciary duty to, among others, the shareholders of each registered investment company advised by BMO AM and all other clients of BMO AM to conduct their personal securities transactions in a manner that neither interferes with any client's portfolio transactions nor otherwise takes unfair or inappropriate advantage of an employee's relationship to such client. The Code of Ethics, which includes BMO AM's policies that address matters relating to compliance with laws, conflicts of interest, client gifts and entertainment, and personal trading and reporting and insider trading, is intended to assist employees in carrying out their duties as fiduciaries to clients. A copy of BMO AM's Code of Ethics is available upon request.

A related person of BMO AM may from time to time own securities which BMO AM recommends to clients or invest in investment vehicles which BMO AM recommends to clients. Any related person is subject to BMO AM's Insider Trading Policy which prohibits trading on material, non-public information and BMO AM's Code of Ethics which restricts personal securities transactions by BMO AM's related persons and any supervised person (as defined in the Code of Ethics).

The Code of Ethics provides for the imposition of sanctions against those persons who violate the Code. Compliance personnel oversee the Code of Ethics' operation, review holdings reports, and review personal securities transaction reports.

Investment in Companies with Common Directors. From time to time, BMO AM may invest client assets in equity or debt securities issued by a publicly held company with an executive officer or director who serves as a director of BMO, BMO Financial Corp. or other affiliates. Such investments will occur when BMO AM determines that the nature of the investment (including, in the case of debt instruments, available yield, credit quality and terms when compared to other available debt instruments), is consistent with the best interests of the client. Such investments may occur in open market transactions or in transactions negotiated directly with the issuer.

Certain Investments. From time to time, BMO AM personnel may invest client assets in, or recommend that clients invest in, shares of mutual funds for which BMO AM and its affiliates provide investment management, custodial, administrative, shareholder support and other services in exchange for fees and direct or indirect benefits. BMO AM may also recommend that clients invest in the private limited partnerships described in Item 10 in which BMO AM or an affiliate serves as general partner and receives fees or other direct or indirect benefits. Such investments may present a conflict of interest because BMO AM or a related

person has a financial interest in the transaction. BMO AM maintains policies, procedures and controls which it believes are reasonably designed to ensure such conflicts are addressed.

Investments in BMO Securities. BMO AM generally does not purchase Bank of Montreal (BMO) securities on behalf of client accounts. However, from time to time, clients may direct BMO AM to purchase BMO securities. The client's direction must be in writing. BMO is BMO AM's parent company.

Item 12 - Brokerage Practices

Broker Selection and Soft Dollar Practices. BMO AM may exercise discretion to select and establish securities quantities and process transactions through one or more securities brokerage firms. Allocation of portfolio brokerage transactions, including their frequency, to various brokers and dealers is determined by BMO AM in its best judgment and in a manner deemed fair and reasonable to clients. The primary consideration in selecting broker-dealers is best execution – i.e., the prompt and efficient execution of orders in an effective manner at the most favorable price. In some instances, the clients direct BMO AM to place trades through or with a particular broker or dealer. In such cases, BMO AM cannot necessarily obtain best pricing or execution.

In approving broker-dealers for its clients' trades, BMO AM considers, among other factors, their financial and operational integrity and the quality and reliability of their execution. BMO AM selects broker-dealers for each trade based on its criteria for "best execution." These include, among other considerations, commissions, price impact under conditions prevailing at the time of the trade, size of the order, difficulty of execution, speed of execution, and capital commitments by the broker-dealer. Client referrals are not a factor in selecting broker-dealers.

Subject to its duty to seek best execution, BMO AM may place trades through and with broker-dealers who also provide BMO AM with research and brokerage services (as defined by Section 28(e) of the Securities Exchange Act of 1934, as amended), so-called "soft dollar" arrangements. These services must provide lawful and appropriate assistance to BMO AM in carrying out its investment decision-making responsibilities or trade execution processes. Such services may include: databases, data services, analytical services and publications that provide advice as to the value of securities; the advisability of investing in, purchasing or selling securities; the availability of securities or purchasers or sellers of securities; furnishing analysis and reports concerning issues, industries, securities, economic factors and trends, portfolio strategy and performance of accounts; communications services related to the execution, clearing, and settlement of securities transactions; and other functions incidental to effecting securities transactions; and other similar services. The provision for such services is taken into account in broker selection and, in exchange for these services, BMO AM may pay higher commissions than would otherwise be charged (i.e., "pay up"). Before effecting any such transaction, BMO AM determines in good faith that the amount of such commission is reasonable in relation to the value of the brokerage and research services provided by such brokers, viewed in terms of either that particular transaction or BMO AM's overall responsibilities to all of its clients.

Due to the nature of soft dollar arrangements, BMO AM may obtain services from brokerage commissions charged to client's account that may not directly benefit such client at that

particular time. Similarly, clients may benefit from soft-dollar research even if trades placed on their behalf did not contribute to the compensation of the broker-dealer providing such research. While BMO GAM does not seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generated, BMO AM endeavors to ensure that, over time, all clients receive the benefit of services purchased with brokerage commissions charged to their accounts and to the accounts of its other clients.

In addition, BMO AM may receive certain brokerage and research products and services, some of which are permitted under soft dollar arrangements and some of which are not (so-called “mixed-use” products and services). In these instances, BMO AM uses client brokerage commissions to pay for the eligible portions and pays the ineligible portions with its own funds. Although this allocation between eligible and ineligible items is made in accordance with BMO AM’s overall fiduciary responsibilities, clients should be aware of the potential conflicts of interest created by the use and allocations of soft dollar arrangements. Although the allocation between soft dollars and cash is not always capable of precise calculation, BMO AM makes a good faith effort to allocate such items reasonably, and records of such allocations are kept.

When BMO AM accepts these “soft dollar” benefits, it does not have to produce or pay for research, other products, or services acquired with soft dollars. BMO AM may therefore have a conflict of interest because it may have an incentive to select broker-dealers based on its interest in receiving research or other products or services rather than on its clients’ interest in obtaining the most favorable execution.

BMO AM regularly monitors and evaluates soft dollar benefits gained from client transactions. As such, BMO AM has adopted policies and procedures that are used to determine whether the amount of commissions paid to broker-dealers is reasonable in relation to the value of the research or brokerage products or services received.

Additional information in accordance with the CFA Institute’s Soft Dollar Standards concerning BMO AM’s soft dollar arrangements is available on request, including (i) a description by broker of the products and services on a firmwide basis that BMO AM received from brokers, whether proprietary or through a third party research arrangement and (ii) a report on the total amount of commissions generated for the requesting client account through soft dollar arrangements by broker, as well as the total amount of brokerage directed by the requesting client through directed brokerage arrangements.

Commission Rates. In executing securities transactions, BMO AM will seek to obtain the best combination of price and execution available with respect to each transaction, in light of the overall quality of brokerage and research services provided to it or its clients. The best price means the best net price without regard to the mix between purchase or sale price and commissions, if any. While BMO AM seeks reasonably competitive commission rates, the accounts do not necessarily pay the lowest available commission. Receipt of products or services other than brokerage or research is not a factor in allocating brokerage.

Trade Aggregation and Allocation. BMO AM manages accounts with both similar and different investment strategies all of which may trade in the same securities. BMO AM, upon

receiving incoming orders of similar purchases and sales of securities for clients, determines the sequencing of such orders among clients. BMO AM attempts to coordinate the timing of orders to prevent BMO AM from “bidding against itself” on such orders.

BMO AM may aggregate orders for more than one client’s account to form a “block” order for the purpose of seeking a better price and execution. BMO AM may allocate transactions in securities among clients on such basis as BMO AM determines to be reasonable, including a determination that some clients may not purchase or sell the securities at the same time as others; subsequently, BMO AM may not obtain the same commission rates or execution prices for all clients. However, BMO AM typically allocates to each customer’s position within the block on a pro rata basis. When an aggregated order is filled, as ordered, clients receive an average execution price, share transaction costs, and receive pro rata shares. When an aggregated order is only partially filled, the securities are typically allocated on a pro rata basis to each account participating in the aggregated order based upon the initial amount requested for the account, subject to certain exceptions, and each participating account will participate at the average execution price for the aggregated order.

Notwithstanding the foregoing, if an aggregated order involves fixed income securities, the order may be allocated based on the needs of the underlying client accounts. In addition, BMO AM for fixed income securities may, from time to time, depending upon circumstances such as account guidelines, objectives, or cash-flow characteristics, place a trade prior to an actual trade allocation being determined. In those instances where an order is only partially filled or when a security is acquired prior to determining the allocation, the portfolio manager and/or trader ultimately allocates the trade in a manner that is fair and equitable to all affected accounts over time. Furthermore, the portfolio manager and/or trader may also seek bonds with similar characteristics, such as credit name, structure, call/put options, credit rating, sector, etc., trading in the market at the time, in such situations.

Orders for directed brokerage clients are sequenced behind orders for non-directed brokerage clients, depending upon factors such as the number of other orders awaiting execution, the type of order, the liquidity of the order, and clients’ cash positions. Wrap accounts participate in a separate sequencing and rotation schedule apart from BMO AM’s separately managed accounts in order that no such account, client type, or strategy is systematically favored or disadvantaged.

In order to start a new strategy, BMO AM may establish an account with funds provided by BMO AM or an affiliate. This account is managed along with other client accounts in such a way that the “proprietary” account does not receive favorable treatment over other client accounts. BMO AM personnel may be investors in certain pooled vehicles for which BMO AM acts as adviser. Such investment vehicles are treated as clients and are not subject to the personal trading restrictions of the Code as described in Item 11. Orders for such pooled vehicles will be aggregated with orders for other client accounts for purposes of trade execution.

IPO Allocations. New issues, including initial public offerings (“IPO”), (“New Issues”), are typically allocated on a pro-rata basis across eligible accounts. Not all clients are eligible to participate in New Issues. New Issues may be limited to the clients of one or more of BMO AM’s investment strategies. In addition, some clients may be limited or restricted in their ability

to participate in a particular IPO or any IPO due to certain restrictions, such as client guidelines or IPO allocation rules issued by the Financial Industry Regulatory Authority, Inc. ("FINRA"). Furthermore, the availability of IPO securities, especially those of so-called "hot issues," is typically limited and BMO AM may receive only a de minimis allocation. Such de minimis allocations may be insufficient to allow a pro rata allocation to all participating accounts. This may result in some clients not being able to fully participate, or to participate at all, in such opportunities. When BMO AM receives a de minimis allocation of an IPO, BMO AM may allocate shares only investment companies managed by BMO AM, such as the BMO Funds, and not to other accounts or may use another method to allocate shares to accounts that does not systematically favor or disadvantage clients. De minimis allocations refer to IPO allocations received from the broker-dealer that are, as determined by BMO AM, significantly less than the initial order of indication or represent a small percentage of the assets in the BMO Fund(s) participating in such IPO. If the New Issue involves fixed income securities, the order may be allocated based on the needs of the underlying client accounts, as described under Trade Aggregation and Allocation section above. Clients who direct BMO AM to use a particular broker to execute trades for their accounts will generally be unable to participate in IPOs.

Directed Brokerage. Clients have the ability to direct all or a portion of their brokerage to a specific broker-dealer, if such use complies with applicable law and governing instruments. BMO AM attempts to fulfill client-directed brokerage subject to achieving best execution. However, the client-directed broker may not offer the lowest commission rate nor obtain the same execution price and efficiency as that obtained by BMO AM for its non-directed account trades. By utilizing directed brokerage for transactions, the client acknowledges that BMO AM is not able to freely negotiate commission rates or spreads or to commingle or group orders with those for other accounts managed by BMO AM. Directed brokerage account trades are handled as separate orders. These orders are placed subsequent to those for BMO AM's participating non-directed trades, and trades are rotated among these directed accounts to help to ensure that no such account is systematically favored or disadvantaged. For clients who direct only a portion of their transactions, the non-directed portion will be commingled or grouped for the purpose of execution for the same securities for other accounts managed by BMO AM.

Cross Trades. BMO AM may cross transactions between accounts of different clients only if such transactions are fair to both clients, are not prohibited by law or the instruments governing the relationships, and provide no benefits to BMO AM. For all such transactions, evidence of an independent valuation source will be maintained. For example, before executing a cross trade, the trader or portfolio manager may solicit a competitive bid and offer to determine price. Cross trades involving securities held by a mutual fund client must comply with the requirements applicable to joint transactions under the Investment Company Act of 1940. Crossing transactions between client accounts may cause BMO AM to have a conflict of interest between two client accounts since it is recommending that one client purchase a security it has recommended be sold by another.

Principal transactions are generally defined as transactions for which an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser,

or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise when an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. BMO AM does not engage in principal or agency cross transactions.

Trading Errors. During the course of BMO AM's daily securities order processing activities for client accounts, trading errors may inadvertently occur. BMO AM will take steps to correct the error as soon as practicable. In taking corrective action, BMO AM seeks to ensure that all BMO AM accounts negatively impacted by the error are placed back in the same position they would have been had the error not occurred. Any gains resulting from these transactions will be left to the client's account and any losses, including transaction costs to correct the trade, will be promptly reimbursed to the client's account. Correcting transactions that yield both gains and losses may be netted and BMO AM will reimburse any net loss.

Item 13 - Review of Accounts

BMO AM employs various pre- and post-trade controls and monitoring techniques through automated and manual procedures in an effort to ensure that portfolios are managed in accordance with client-specific guidelines or restrictions.

Separately Managed Accounts. Portfolio managers review the securities and assets held in each client's account no less frequently than monthly. Portfolio managers are instructed to notify designated senior officers of the Investment Committee of any irregularities or unusually poor performance with respect to a client's account.

Prior to acceptance of a new account, BMO AM conducts an initial review of the account's investment objectives. Thereafter, in addition to the monthly portfolio manager reviews, BMO AM formally reviews each account no less frequently than annually.

In general, clients receive a quarterly report that summarizes the performance of their account during the immediately preceding quarter. Clients also meet with relationship managers and/or portfolio managers on a quarterly, semi-annual, or annual basis as agreed by the client and the assigned portfolio manager. During such meetings, the relationship managers and/or portfolio managers review with the client relevant objectives, guidelines, securities in the client's account, investment performance and current investment strategy. Moreover, the relationship manager and/or portfolio managers provide a report at such meetings and will occasionally modify the format or information contained in the reports to meet the needs of individual clients. In addition, each client's qualified custodian maintains the official book and record for the account and independently delivers statements to the client and/or client's designated agent. In addition to BMO AM's review and reconciliation, clients should also independently review and reconcile their qualified custodian's records.

Cedar Street Advisors. Cedar Street's advisors review their clients' accounts on an ongoing basis. Advisors also use proprietary software to monitor, manage and report on client account activity. Cedar Street's advisors generally meet in person with clients at least twice per year, but may meet more or less frequently as client circumstances dictate. Clients can choose the format and frequency of customized account statement reports.

Delta Asset Management. Accounts are reviewed at least monthly for exceptions from the model. Any such exceptions are reviewed by portfolio managers involved. Conformity with guidelines is a function of the Investment Policy Committee or portfolio managers. Portfolio managers track the performance of Delta's investment strategies on a daily basis. All senior portfolio managers and the personnel on the equity trading desk of Delta, who place orders with broker-dealers on behalf of portfolio managers, are involved in reviewing Delta's investment supervisory accounts.

In general, Delta furnishes written or oral summary reports on its investment transactions for each account as are reasonably necessary to enable the client to evaluate Delta as a provider of investment supervisory services. Areas covered by these reports may include account performance, review and outlook, and a listing of assets. Reports covering these areas are generally provided to clients at least quarterly. Meetings are held on a timetable that is agreeable to the client. Delta's policy is to be available at any time during business hours to talk to clients and to answer their questions.

Mutual Fund Clients. BMO AM submits quarterly reports to the board of directors of any mutual fund to which it provides investment management services. The reports generally contain information about the fund's holdings, current market and economic conditions, and investment techniques used to implement such fund's investment strategy. In addition, BMO AM provides fund shareholders an annual report, which discusses investment performance and relevant market and economic conditions affecting the fund, and fund holdings. Additional information on fund investments is also available to shareholders in such fund's semi-annual report. Furthermore, for such funds, a complete schedule of portfolio holdings for the first and third fiscal quarters is filed with the SEC on Form N-Q.

Item 14 - Client Referrals and Other Compensation

As noted in Item 12, BMO AM receives a variety of services (soft dollar services) from third parties that are paid for by the use of clients' commissions (soft dollars).

BMO AM may compensate some of its employees for client referrals. It also may enter into an arrangement whereby payments are made to Bank of Montreal, BMO Harris Bank N.A., or other affiliates of BMO AM in the BMO group of companies for clients referred to BMO AM by those affiliates. Such payments are made at BMO AM's expense and do not result in any additional fee to advisory clients. Related persons of BMO AM may receive incentive compensation for the introduction of new client accounts or the retention of existing clients. Alternatively, officers and employees of BMO AM may market products and services of its financial institution affiliates under solicitations agreements with those affiliates, and such persons receive incentive compensation related to such activities.

BMO AM has also entered into certain solicitation agreements with unrelated third parties. Pursuant to these solicitation arrangements, the solicitor receives a fee equal to a percentage of the overall client fees payable to BMO AM. In no instances do any sharing/compensation arrangements increase the costs or fees to clients above what they would have been in the absence of such arrangements. Details of the referral agreement are fully disclosed in a written disclosure statement provided to the client prior to such client's entry into an investment

advisory agreement with BMO AM. All solicitation agreements comply with Rule 206(4)-3 under the Investment Advisers Act of 1940.

Item 15 - Custody

BMO AM may be deemed to have custody of client assets in instances where (i) an affiliated qualified custodian, such as Marshall & Ilsley Trust Company N.A., BMO Harris Bank, N.A. or North Star Trust Company, maintains custody of client accounts or (ii) BMO AM serves as general partner for a pooled investment vehicle, described in Item 10. BMO AM clients, regardless of their advisory relationship, are under no obligation to use Marshall & Ilsley Trust Company, N.A., BMO Harris Bank, N.A., North Star Trust Company, or any other BMO Financial Group affiliate as custodian of their assets.

Clients are responsible for selecting the qualified custodian at which their assets will be maintained. All clients for whom BMO AM is deemed to have custody receive quarterly accounts statements directly from the qualified custodian. **Please compare the information in BMO AM's client statements with the information in account statements provided by the custodian.** In addition, the pooled investment vehicle's financial statements are audited by a PCAOB-registered accounting firm and distributed to investors in the partnerships.

Item 16 - Investment Discretion

BMO AM performs its advisory services by exercising full discretionary authority with respect to its discretionary accounts. In general, there is no limitation on BMO AM's or any of its portfolio managers' authority to select securities, or the amount of securities to purchase or sell. BMO AM usually receives discretionary authority to select the identity and amount of securities to be bought or sold for an account through the client's written agreement with BMO AM at the outset of an advisory relationship. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment guidelines for the client's account.

When selecting securities and determining amounts, BMO AM observes the investment guidelines, limitations and restrictions of the clients for which it advises. For registered investment companies, BMO AM's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Clients may impose reasonable restrictions on the management of their accounts. Investment guidelines and restrictions must be provided to BMO AM in writing.

In those instances where BMO AM provides non-discretionary or impersonal advisory services, such arrangements and limitations are outlined in the investment management agreement.

BMO AM may, from time to time depending upon account guidelines, objectives, cash-flow characteristics, brokerage direction, and other criteria, give advice to some clients or effect securities transactions for the accounts of some clients that may be similar to, or differ from, the advice given to or actions taken on behalf of other clients.

Item 17 - Voting Client Securities

BMO Asset Management Corp. (BMO AM) has developed joint proxy-voting policies with certain of its affiliates (together and individually, the “BMO Organization”). When acting as a fiduciary, the BMO Organization votes proxies in the sole interest of its fiduciary clients. Unless the client has directed otherwise, the BMO Organization generally votes proxies for securities held in client accounts and has adopted policies and procedures designed to help ensure that those proxies are voted in the best interests of fiduciary clients.

Proxy Advisory Committee (PAC) of the BMO Organization. The PAC establishes general policies and guidelines for proxy voting. The PAC has the authority to vote proxies of companies whose securities are held in more than one fiduciary account (or related groups of accounts) managed by BMO AM and certain other members of the BMO Organization.

How We Vote Proxies. The PAC’s guiding principle is to vote proxies in the interest of the beneficiaries, both current and future, with a view to enhancing the value of securities held for the benefit of our clients. The PAC uses the services of a proxy voting agent (“Agent”), which researches and votes proxies in accordance with the PAC’s voting policies. If a proxy issue is not addressed by the PAC’s voting policies, the Agent forwards the proxy to the PAC along with a recommendation on how to vote the proxy. Upon review of the issue and the Agent’s recommendation, the PAC directs the Agent how to vote. If the Agent recuses itself on a proxy matter and makes no recommendation, the PAC will review the issue and direct the Agent how to vote. If an issue arises which is expected to recur frequently, the PAC develops a policy on that issue and transmits the policy to the Agent. The PAC currently uses Glass Lewis as the Agent.

Mutual Fund Proxies. When mutual funds are held in client accounts, proxy issues involving the fund’s fundamental investment policies are voted on by the Agent on a case-by-case basis according to the PAC’s policies. Certain other issues (e.g., increases in investment management fees, selection of investments advisers, changes in investment objectives, changes in strategy that increase portfolio risk) are also evaluated and voted on by the Agent on a case-by-case basis. To the extent that legally permissible proposals seek to eliminate shareholder voting on changes to these types of matters, they are opposed. All other proposals are to be voted on in accordance with existing proxy voting policy. Proxy proposals relating to those funds for which BMO AM acts as sub-adviser are governed by the policy concerning conflicts of interest.

Conflicts of Interest. The Agent votes on most proxy matters in accordance with the PAC’s procedures, independently of any interest the BMO Organization may have in the proposal. A conflict of interest may exist, however, if, e.g., the Agent has referred a proxy question to the PAC as otherwise required by proxy procedures, and BMO AM or an affiliated entity has a business relationship with (or is actively soliciting business from) either the company soliciting the proxy or a third party that itself has either a material interest in the outcome of a proxy vote or is actively lobbying for a particular outcome of a proxy vote. Individual conflicts of interest also arise if, e.g., a member of the PAC holds a position in a security that is the subject of a proxy vote. When a PAC member is conflicted, he is expected to recuse himself. When the BMO Organization is conflicted, various procedures may be followed to avoid impropriety,

including, as appropriate, retaining the Agent or some other independent third party to vote the proxy in accordance with the shareholders' interests.

Clients may obtain a copy of BMO AM's complete proxy voting policies and procedures upon request, including how BMO AM voted any proxies on behalf of their account.

Item 18 - Financial Information

BMO AM does not have any financial condition that would impair its ability to meet contractual commitments to clients and has not been the subject of a bankruptcy proceeding. A balance sheet is not required to be provided because BMO AM does not require prepayment of more than \$1,200 in fees per client, six months or more in advance.

Additional Information

Anti- Money Laundering and Privacy Policy. We respect your right to privacy and seek to manage your assets efficiently. To do so, we collect and maintain certain information about you from account applications and other forms, and from transactions you conduct with us, our affiliates, or others. Except for disclosure to our affiliates and service providers and as permitted by law, we do not disclose to anyone any personal information about you or about any of our former customers. We may disclose information about you to companies or individuals that perform administrative or marketing services on our behalf. Those entities may use such information only for the services for which we engaged them and are not permitted to use or share the information for any other purpose. To protect your personal information, we maintain physical, electronic, and procedural safeguards, and we permit access only to those employees who need the information to serve you.

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

A corporation, partnership, trust or other legal entity may need to provide other information such as its principal place of business, local office, employer identification number, certified articles of incorporation, government-issued business license, a partnership agreement or a trust agreement. We may be required to disclose this information pursuant to applicable laws, rules or regulations, but it will otherwise be retained in confidence according to our privacy policy.