

**BMO Harris Financial Advisors, Inc.  
Form ADV Part 2A**



**BMO Harris Financial Advisors, Inc.**

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This brochure provides information about the qualifications and business practices of BMO Harris Financial Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at 877-225-3863 or [michael.miroballi@harrisbank.com](mailto:michael.miroballi@harrisbank.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about BMO Harris Financial Advisors, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 137115.

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**Item 2    Material Changes**

On July 28, 2010, The United States Securities and Exchange Commission amend the required content for the disclosure document (referred to either as ADV Part 2 or simply “brochure”) registered investment adviser must provide to clients. This brochure is prepared according to those new requirements and rules.

As you will see, this document is a narrative that is substantially different in form and content, and includes some new information that we were not previously required to disclose. After our initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. Consistent with the new rules, we will send to you a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. Furthermore, we will provide as necessary other interim disclosures about material changes.

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**Item 4 Advisory Business**

BMO Harris Financial Advisors (“BMO Harris” or “Firm”), an SEC-registered investment advisor and broker dealer is located in Chicago, Illinois was formed in August, 2005. BMO Harris Financial Advisors, Inc., a wholly-owned subsidiary of BMO Financial Corp, Inc., whose parent company is Bank of Montreal. Throughout this brochure “BMO Harris” or “We” or “us” will be used to refer to the firm.

With \$846,396,699 in assets under management as of December 31, 2011, BMO Harris offers investment advisory and financial planning to a variety of mass affluent individuals, trust, non-profits and corporations. BMO Harris is also a fully disclosed broker dealer introducing securities transactions to the market through a clearing firm, Pershing LLC.

**Investment Advisory - MODEL PORTFOLIO MANAGEMENT**

Our firm provides continuous portfolio management services to clients using model asset allocation portfolios. Each model asset allocation portfolio, described below, is designed to meet a particular investment goal.

**1. STRATEGIC FUND PORTFOLIO PROGRAM**

The Strategic Fund Portfolio Program (the “SFP Program”) is an advisory program through which BMO Harris offers discretionary account management to its clients under an asset-based fee arrangement with no separate brokerage commissions. BMO Harris manages client accounts using certain model portfolios, comprised of exchange-traded funds, mutual funds and cash and cash equivalents (“Model Portfolios”). The Model Portfolios were developed by BMO Harris Bank N.A., an affiliate of BMO Harris. BMO Harris Bank N.A. has designed each Model Portfolio to accomplish one of the SFP Program’s investment objectives. BMO Harris Bank N.A. evaluates the models on a periodic basis and makes changes based on market conditions. However, BMO Harris does reserve the right to use model portfolios provided by a different portfolio provider if BMO Harris deems this to be appropriate.

A BMO Harris investment adviser representative (“Financial Advisor”) will collect from each client material information about their financial circumstances, investment goals and objectives and other material information, including through the completion of an informational questionnaire (collectively, “Personal Information”). Such Personal Information will be used by BMO Harris to determine the client’s eligibility for the SFP Program and for the Model Portfolio selected.

Personal Information is used by a Financial Advisor to determine which Model Portfolio matches a client’s investment objectives. The Model Portfolios classify a client’s objectives into an investment strategy such as Maximum Growth, Capital Growth, Balanced, and Current Income, Diversified Income Strategy or such other classifications as may be established from time to time. Once the client has selected a Model Portfolio, BMO Harris opens an account and buys and sells securities for the account based on the selected Model Portfolio. BMO Harris will change the securities in the Account to match BMO Harris Bank N.A.’s changes to a selected Model Portfolio.

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BMO Harris makes periodic determinations whether to rebalance an account to align the securities in the account to match the composition (including percentage proportion) of securities in the selected Model Portfolio.

The continuing role of the Financial Advisor will be to monitor a client's account, review performance and conduct regular periodic reviews with the client not less than annually.

**2. BMO HARRIS CHOICE PROGRAM**

The BMO Harris Choice Program ("Choice Program") is an advisory program which offers discretionary services to clients for a fee based on assets with no separate brokerage commission. BMO Harris will manage the client's Choice Program account ("Choice Account") using a portfolio consisting of any of the following: mutual funds, exchange-traded funds, stocks, and bonds, cash and cash equivalents. A Financial Advisor will collect Personal Information from the client to determine client eligibility for the Choice Program and for the investment strategy and allocations the client selects. The asset allocation strategies classify client's objectives into an investment strategy such as Maximum Growth, Capital Growth, and Balanced, Current Income, Low Volatility or such other classifications as may be established from time to time. The client approves the strategy before the client's Choice Account is established and the client makes the final determination on the initial allocation and investment of the client's assets in the Choice Account.

**3. BMO HARRIS UNIFIED MANAGED ACCOUNT PROGRAM**

The BMO Harris Unified Managed Account Program (the "UMA Program") is an advisory program through which BMO Harris offers discretionary account management to its clients under an asset-based fee arrangement with no separate brokerage commissions. The UMA Program offers client's access to Separate Account Managers ("Portfolio Managers") as well as mutual funds and Exchange Traded Funds ("ETFs"). The Portfolio Managers are available for several asset classes such as Large Cap Core, Large Cap Growth, Large Cap Value, International Developed, and other asset classes that may be established from time to time. Portfolio Managers hold individual equities and in the case of the International Developed managers will hold American Depositary Receipts (ADRs). One of the Portfolio Managers may be an affiliate of BMO Harris and will receive a Portfolio Manager fee as described below. Therefore, the client will be invested in any combination of U.S. equities, ADR's, mutual funds and ETFs, and cash and cash equivalents. The list of eligible Portfolio Managers has been selected by Investment based on a variety of criteria and using third-party resources, information provided by the Portfolio Managers and Investment's own information and qualitative and quantitative analysis. Portfolio Managers are regularly monitored by Envestnet on a monthly and quarterly basis. A Portfolio Manager may be terminated from the UMA Program if the Portfolio Manager fails to meet the selection criteria or for any other reason. Additional Portfolio Managers may be added at any time to the UMA Program.

Under the UMA Program, a Financial Advisor collects material personal information from each client, including the completion of a risk questionnaire ("Personal Information"). Such Personal Information will be used by BMO Harris to determine client eligibility for the UMA Program and to assist clients in their selection of an asset allocation strategy and securities to complete the allocation. The Financial Advisor will select a combination of Portfolio Managers, mutual funds, and ETFs from a pre-approved menu.

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A client's Personal Information is used by a Financial Advisor to determine an asset allocation model or strategy to match a client's objectives. The asset allocation strategies are generally classified into one of the following investment categories: Maximum Growth, Capital Growth, Balanced, or such other classifications as may be established from time to time. Clients must approve the asset allocations in their asset allocation strategy before a UMA Program Account ("UMA Account") is established.

BMO Harris will provide information to clients regarding the mutual fund(s) and Portfolio Managers in the UMA Program, including each Portfolio Manager's investment philosophy and performance record. Each security is categorized pursuant to the asset class or investment style that corresponds to its investment strategy. Mutual fund and Portfolio Managers may invest in a variety of equity and fixed income securities. With BMO Harris' assistance, clients will make the final determination on the initial allocation and investment of their account assets, including the selection of ETFs, mutual fund and Portfolio Manager(s). BMO Harris will have discretionary authority to manage UMA Accounts, to implement the selected asset allocation strategies and to adjust the designated allocations in an account to reflect a client's asset allocation strategy. Envestnet will monitor and oversee the Portfolio Managers.

#### **4. Access Canada Equity Strategy**

The Access Canada Equity Strategy ("Canada Strategy") is an advisory program through which BMO Harris offers discretionary account management to its clients under an asset-based fee arrangement with no separate brokerage commissions. BMO Harris has contracted with its affiliates BMO Harris Bank N.A. and BMO-Harris Investment Management, Inc. ("BHIMI") to provide an equity model for clients looking for exposure to Canadian traded equities. These affiliates will receive payment from BMO Harris for providing services related to this program. The model will consist of equities traded on a Canadian registered Stock Exchange, selected by the equity team of BHIMI.

BMO Harris will have discretionary authority to maintain the designated allocation and to sell and replace specific securities as appropriate in the client's Canada Strategy Account. The Financial Advisor will monitor the Canada Strategy Account, review performance and conduct regular periodic reviews with the client not less than annually. The following reflects the advisory fees charged to clients for the Canada Strategy.

The Canada Strategy fees are payable quarterly in advance. Fees are calculated on the market value of the account as of the end of the quarter preceding the billing date. Additional services, not part of the Canada Strategy account, for which BMO Harris normally charges a fee are the client's responsibility and are set forth in separate applicable BMO Harris fee and charges schedules, i.e. fees for the issuance of share certificates.

#### **5. SIGMA MUTUAL FUND WRAP INVESTMENT PROGRAM**

The Sigma Mutual Fund Wrap Investment Program ("MFW Program") is an advisory program through which BMO Harris offers discretionary account management of client assets under an asset-based fee arrangement with no separate brokerage commission. BMO Harris has entered into an arrangement with Envestnet Asset Management, Inc. ("Envestnet"), an investment adviser registered with the Securities and Exchange Commission ("SEC"), whereby Envestnet

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provides advisory services to BMO Harris to assist with the investment and allocation of client assets in certain mutual funds selected by Envestnet.

A Financial Advisor will collect Personal Information from the client to determine client eligibility for the MFW Program and for the investment strategy and allocations the client selects. The asset allocation strategies classify client's objectives into an investment strategy such as Aggressive Growth, Growth, Moderate Growth, Moderate, Conservative Growth, Conservative, Capital Preservation, and UltraShort-Term Fixed Income or such other classifications as may be established from time to time. The client approves the strategy before the client's MFW Program account (the "MFW Account") is established and the client makes the final determination on the initial allocation and investment of the client's assets in the MFW Account. The continuing role of the Financial Advisor will be to monitor a client's account, review performance and conduct regular periodic reviews with the client not less than annually.

Envestnet will have discretionary authority to maintain the designated allocation in the client's MFW Account. The Financial Advisor will monitor the MFW Account, review performance and conduct annual reviews with the client. The following reflects the advisory fees charged to clients for the MFW Program.

## **6. RUSSELL MODEL STRATEGIES**

The Russell Model Strategies ("Russell Program") is an advisory program offered by the Russell Investment Group ("Russell") through which BMO Harris provides discretionary account management of client assets under an asset-based fee arrangement with no separate brokerage commission. BMO Harris has entered into an arrangement with Envestnet, whereby one of the wrap strategies offered to clients of BMO Harris is the Russell Program in which Russell provides advisory services to BMO Harris to assist with the investment and allocation of client assets in certain mutual funds selected by Russell.

A Financial Advisor will collect Personal Information from the client to determine client eligibility for the Russell Program and for the investment strategy and allocation(s) the client selects. The asset allocation strategies classify client's objectives into an investment strategy such as Equity Growth, Growth, Balanced, Moderate and Conservative or such other classifications as may be established from time to time. The client approves the strategy before the client's Russell Program account (the "Russell Account") is established and the client makes the final determination on the initial allocation and investment of the client's assets in the Russell Account.

Russell will have discretionary authority to maintain the designated allocation in the client's Russell Account. The Financial Advisor will monitor the Russell Account, review performance and conduct periodic reviews with the client not less than annually. The following reflects the advisory fees charged to clients for the Russell Program.

Advisory fees are payable quarterly in advance. Fees are calculated on the market value of the Russell Account as of the end of the quarter preceding the billing date. Envestnet deducts the fee from the Russell Account and pays BMO Harris, generally from a cash position maintained in the Russell Account to meet this requirement. Russell is compensated through fees paid to Envestnet by BMO Harris, which are included in the Russell Program fees. Mutual fund shares offered and sold in the Russell Program may be "A" shares on which the mutual fund companies have agreed to waive the sales charges, or institutional shares which have no sales charge.

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Additional services, not part of the Russell Account, for which BMO Harris normally charges a fee are the client's responsibility and are set forth in separate applicable BMO Harris fee and charge schedules, i.e. fees for the issuance of share certificates.

**7. SEI MODEL STRATEGIES**

The SEI Model Strategies ("SEI Program") is an advisory program offered by the SEI Investments Management Corporation ("SIMC"), an investment adviser registered with the SEC, through which BMO Harris provides discretionary account management of client assets under an asset-based fee arrangement with no separate brokerage commission. BMO Harris has entered into an arrangement with Envestnet, whereby one of the wrap strategies offered to clients of BMO Harris is the SEI Program in which SEI provides advisory services to BMO Harris to assist with the investment and allocation of client assets in certain mutual funds selected by SEI.

A Financial Advisor will collect Personal Information from the client to determine client eligibility for the SEI Program and for the investment strategy and allocation(s) the client selects. The asset allocation strategies classify client's objectives into an investment strategy such as Institutional Equity, Institutional Capital Growth, Institutional Growth & Income, Institutional Moderate Growth & Income, and Institutional Fixed Income as well as certain Tax Managed strategies or such other classifications as may be established from time to time. The client approves the strategy before the client's SEI Program account (the "SEI Account") is established and the client makes the final determination on the initial allocation and investment of the client's assets in the SEI Account.

SEI will have discretionary authority to maintain the designated allocation in the client's SEI Account. The Financial Advisor will monitor the SEI Account, review performance and conduct periodic reviews with the client not less than annually. The following reflects the advisory fees charged to clients for the SEI Program.

For all of the Model asset allocation portfolios (1-7) above Pershing LLC serves as the custodian for the accounts of clients and will send clients a monthly or quarterly statement of all transactions in client's account.

**8. QUADRANT PROGRAM**

The Quadrant™ Investment Program ("Quadrant Program") is an advisory program through which BMO Harris offers discretionary account management of client assets under an asset-based fee arrangement with no separate brokerage commission. BMO Harris has entered into an arrangement with SIMC, whereby SIMC provides advisory services to BMO Harris to assist with the investment and allocation of client assets in certain mutual funds advised by SIMC. In offering the Quadrant Program, BMO Harris has also contracted with SEI Investments Distribution Co. ("SIDC"), a securities broker-dealer registered with the SEC and member of the Financial Industry Regulatory Authority ("FINRA"), to provide certain services to BMO Harris and its clients in connection with the Quadrant Program, and with SEI Private Trust Company ("SEI Trust"), a savings association supervised by the Office of Thrift Supervision, to provide execution and clearing of transactions and custodial services for client assets.

SEI Trust serves as the custodian for the accounts of clients participating in the Quadrant Program and will send clients a monthly statement of all transactions in client's account. The

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SEI-affiliated entities are not controlled by or affiliated with BMO Harris or any BMO Harris-affiliated entities.

The acronym “SEI” is used to describe services collectively or individually provided by the SEI entities used in the Quadrant Program or the Separately Managed Account Program (discussed below).

Quadrant Program investments are limited to the purchase and redemption of shares of registered SEI-branded open-end investment companies, i.e., certain mutual funds advised by SIMC (the “SEI Funds”). As investment adviser to the SEI Funds, SIMC is responsible for the selection and retention of mutual fund sub-advisers. The SEI Funds are only available through limited distribution channels and price and performance data is not disseminated directly to the public.

A BMO Harris Financial Advisor will collect from each client Personal Information. Such Personal Information is used by BMO Harris to determine client eligibility for the Program and for the investment strategy and allocations the client selects. The asset allocation strategies classify client's objectives into an investment strategy such as Maximum Growth, Capital Growth, and Balanced, Current Income, Capital Preservation or such other classifications as may be established from time to time. The client approves the strategy before the client's Quadrant Program account (the “Quadrant Account”) is established and the client makes the final determination on the initial allocation and investment of the client's assets in the Quadrant Account.

SEI will have discretionary authority to maintain the designated allocation in the client's Quadrant Account. The Financial Advisor will monitor the Quadrant Account, review performance and conduct annual reviews with the client. The following reflects the advisory fees charged to clients for the Quadrant Program.

Account assets are managed in accordance with the clients Statement of Investment Selection and are adapted as needed to meet the client's objectives, taking into account changing economic conditions. Clients may impose reasonable restrictions on investing in certain securities, type's securities or industry sectors.

We perform an internal review of I review of client information at least annually to help ensure that the client's current needs and investment objectives are being appropriately addressed. Client portfolios are rebalanced on an as-needed basis dependant on the objectives of the SIS and market conditions.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding publically-traded securities, mutual funds, exchange-trades funds and corporate or municipal bonds. We attempt to recommend investments that are suitable for the client and consistent with the clients stated investment objectives, tolerance of risk and liquidity needs.

## **FINANCIAL PLANNING**

BMO Harris provides financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients who request this service

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receive a customized, tailored advice designed to assist the client in achieving his or her financial goals and objectives. We gather information from our clients through an in-depth personal interviews and the review of various financial documents, including a confidential questionnaire completed by the client. Information gathered includes the client's current financial status, tax situation, future, and attitude toward risk. We carefully review the information gathered and deliver our advice and recommendations during a face-to-face meeting or series of meetings.

Should a client choose to implement any recommendation contained in the plan, we advise the client to work closely with his/her attorney, accountant, or insurance agent. Implementation of a financial plan recommendation is entirely at the client's discretion.

**Item 5 Fees and Compensation**

<b>1. The following reflects the advisory fees charged to clients for the SFP Program.</b>		
SFP Account Assets	Annual Program Fee SFP Diversified Income Strategy	Annual Program Fee All Other SFP Models
First \$250,000	1.25%	1.50%
Next \$250,000 (\$250,001 to \$500,000)	1.00%	1.25%
Next \$250,000 (\$500,001 to \$750,000)	0.85%	1.00%
Next \$250,000 (\$750,001 to \$1,000,000)	0.75%	0.85%
Balance over \$1,000,000+	0.60%	0.75%
Minimum Annual Fee	\$1,250	\$1,125
The minimum account size for the Diversified Income Strategy is \$100,000. For all other SFP Model Portfolios the minimum account size is \$75,000; there is no maximum account size. Clients may terminate their SFP Program Account at any time upon written notice to BMO Harris.		
The SFP Program fees are billed monthly. Fees are calculated on the market value of the account as of the end of the month preceding the billing date. Additional services, not part of the SFP Program account, for which BMO Harris normally charges a fee are the client's responsibility and are set forth in separate applicable BMO Harris fee and charges schedules, i.e. fees for the issuance of share certificates.		

<b>2. The following reflects the advisory fees charged to clients for the BMO Harris Choice Program.</b>		
Choice Account Assets	Annual Low Volatility Program Fee	Annual Program Fee All Other BMO Harris Choice Models
First \$250,000	1.00%	1.50%
Next \$250,000 (\$250,001 to \$500,000)	.85%	1.25%
Next \$250,000 (\$500,001 to \$750,000)	.75%	1.00%
Next \$250,000 (\$750,001 to \$1,000,000)	.60%	0.85%
Balance over \$1,000,000+	.60%	0.75%
Minimum Annual Fee	\$1000	\$1,500

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The Choice Program Advisory fees are billed monthly. Fees are calculated on the market value of the account as of the end of the month preceding the billing date. Additional services, not part of the Choice Program account, for which BMO Harris normally charges a fee are the client's responsibility and are set forth in separate applicable BMO Harris fee and charges schedules, i.e. fees for the issuance of share certificates.

Minimum account size is \$100,000; there is no maximum account size. Accounts for less than \$100,000 may be opened as part of a larger relationship, and those relationship accounts may pay a minimum annual fee less than stated above. Clients may terminate their Choice Program at any time upon written notice to BMO Harris.

**3. The following reflects the advisory fees charged to clients for the UMA Program.** In addition to these charges there is a Portfolio Manager fee for any assets placed with one of the selected Separate Account Managers ranging from .30% to .50% of assets under management, which is paid by the client.

UMA Account Assets	Annual UMA Program Fee
First \$250,000	1.75%
Next \$250,000 (\$250,001 to \$500,000)	1.50%
Next \$250,000 (\$500,001 to \$750,000)	1.25%
Balance over \$750,000	1.00%
Minimum Annual Fee	\$3750

The UMA Program fee and Portfolio Manager fee are billed monthly. Fees are calculated on the market value of the UMA Account as of the end of the month preceding the billing date. Envestnet deducts the fee from the UMA Account and pays BMO Harris (and other UMA Program participants), generally from a cash position maintained in the UMA Account to meet this requirement. Envestnet is compensated through fees paid to Envestnet by BMO Harris, which are included in the UMA Program fees. Mutual fund shares offered and sold in the UMA Program may be "A" shares on which the mutual fund companies have agreed to waive the sales charges, or institutional shares which have no sales charge. Additional services, not part of the UMA Account, for which BMO Harris normally charges a fee are the client's responsibility and are set forth in separate applicable BMO Harris fee and charges schedules, i.e. fees for the issuance of share certificates.

Minimum account size is \$250,000; there is no maximum account size. Clients may terminate their UMA Account at any time upon written notice to BMO Harris.

**4. The following reflects the advisory fees charged to clients for the Access Canada Equity Strategy.**

Canada Strategy Account Assets	<u>Canada Strategy Fee</u>
First \$5,000,000	1.50%
Next \$5,000,000 (\$5,000,001 to \$10,000,000)	1.35%
Balance over \$10,000,000	1.25%
Minimum Annual Fee	\$15,000

The Canada Strategy fees are billed monthly. Fees are calculated on the market value of the account as of the end of the month preceding the billing date. Additional services, not part of the Canada Strategy account, for which BMO Harris normally charges a fee are the client's responsibility and are set forth in separate applicable BMO Harris fee and charges schedules, i.e. fees for the issuance of share certificates.

Minimum account size is \$1,000,000; there is no maximum account size. Clients may terminate their Canada Strategy Account at any time upon written notice to BMO Harris.

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**5. The following reflects the advisory fees charged to clients for the MFW Program.**

MFW Account Assets	Ultra Short-Term Fixed Income Portfolio Program Fee	Annual Capital Preservation Program Fee	Annual Program Fee All Other MFW Models
First \$250,000	.50%	1.00%	1.50%
Next \$250,000 (250,001 to 500,000)	.45%	.85%	1.25%
Next \$250,000 (500,001 to 750,000)	.40%	.75%	1.00%
Next \$250,000 (750,001 to 1,000,000)	.40%	.60%	0.85%
Balance over \$1,000,000	.40%	.60%	0.75%
Minimum Annual Fee	\$500	\$500	\$750

Advisory fees are billed monthly. Fees are calculated on the market value of the MFW Account as of the end of the month preceding the billing date. Envestnet deducts the fee from the MFW Account and pays BMO Harris (and other MFW Program participants), generally from a cash position maintained in the MFW Account to meet this requirement. Envestnet is compensated through fees paid to Envestnet by BMO Harris, which are included in the MFW Program fees. Mutual fund shares offered and sold in the MFW Program may be "A" shares on which the mutual fund companies have agreed to waive the sales charges, or institutional shares which have no sales charge. Additional services, not part of the MFW Account, for which BMO Harris normally charges a fee are the client's responsibility and are set forth in separate applicable BMO Harris fee and charges schedules, i.e. fees for the issuance of share certificates.

The Minimum account size for the Ultra Short-Term Fixed Income Portfolio is \$100,000. For all other Mutual Fund Wrap portfolios the minimum is \$50,000; there is no maximum account size. Clients may terminate their MFW Account at any time upon written notice to BMO Harris.

**6. The following reflects the advisory fees charged to clients for the Russell Program**

Russell Account Assets	Annual Conservative Program Fee	Annual Program Fee All Other Russell Models
First \$250,000	1.00%	1.50%
Next \$250,000 (\$250,001 to \$500,000)	.85%	1.25%
Next \$250,000 (\$500,001 to \$750,000)	.75%	1.00%
Next \$250,000 (\$750,001 to \$1,000,000)	.60%	0.85%
Balance over \$1,000,000	.60%	0.75%
Minimum Annual Fee	\$500	\$750

Advisory fees are billed monthly. Fees are calculated on the market value of the Russell Account as of the end of the month preceding the billing date. Envestnet deducts the fee from the Russell Account and pays BMO Harris, generally from a cash position maintained in the Russell Account to meet this requirement. Russell is compensated through fees paid to Envestnet by BMO Harris, which are included in the Russell Program fees. Mutual fund shares offered and sold in the Russell Program may be "A" shares on which the mutual fund companies have agreed to waive the sales charges, or institutional shares which have no sales charge. Additional services, not part of the Russell Account, for which BMO Harris normally charges a fee are the client's responsibility and are set forth in separate applicable BMO Harris fee and charge schedules, i.e. fees for the issuance of share certificates. Minimum account size is \$50,000; there is no maximum account size.

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<b>7. The following reflects the advisory fees charged to clients for the SEI Program.</b>		
SEI Account Assets	Annual Fixed Income Program Fee	Annual Program Fee All Other SEI Models
First \$250,000	1.00%	1.50%
Next \$250,000 (\$250,001 to \$500,000)	.85%	1.25%
Next \$250,000 (\$500,001 to \$750,000)	.75%	1.00%
Next \$250,000 (\$750,001 to \$1,000,000)	.60%	0.85%
Balance over \$1,000,000	.60%	0.75%
<p>Advisory fees are billed monthly. Fees are calculated on the market value of the SEI Account as of the end of the month preceding the billing date. Envestnet deducts the fee from the SEI Account and pays BMO Harris, generally from a cash position maintained in the SEI Account to meet this requirement. SEI is compensated through fees paid to Envestnet by BMO Harris, which are included in the SEI Program fees. Mutual fund shares offered and sold in the SEI Program may be "A" shares on which the mutual fund companies have agreed to waive the sales charges, or institutional shares which have no sales charge. Additional services, not part of the SEI Account, for which BMO Harris normally charges a fee are the client's responsibility and are set forth in separate applicable BMO Harris fee and charge schedules, i.e. fees for the issuance of share certificates. Minimum account size is \$50,000; there is no maximum account size. Clients may terminate their SEI Account at any time upon written notice to BMO Harris.</p>		
Minimum Annual Fee	\$500	\$750

<b>8. The following reflects the advisory fees charged to clients for the Quadrant Program.</b>	
Quadrant Account Assets	Annual Quadrant Program Fee
First \$250,000	1.50%
Next \$250,000 (250,001 to 500,000)	1.25%
Next \$250,000 (500,001 to 750,000)	1.00%
Next \$250,000 (750,001 to 1,000,000)	0.85%
Balance over \$1,000,000	0.75%
Minimum Annual Fee	\$1,200
<p>Advisory fees are billed monthly. Fees are calculated on the market value of the Quadrant Account as of the billing date. SEI deducts the fee from the Quadrant Account and pays BMO Harris (and other Quadrant Program participants), generally from a cash position maintained in the Quadrant Account to meet this requirement. SEI is compensated through fees, including management fees, disclosed in the prospectuses of the mutual funds used in the Quadrant Program. Mutual fund shares offered and sold in the Quadrant Program are "A" shares on which SEI has agreed to waive the sales charges. Additional services, not part of the Quadrant Account, for which BMO Harris normally charges a fee are the client's responsibility and are set forth in separate applicable BMO Harris fee and charges schedules, i.e. fees for the issuance of share certificates.</p>	
<p>Some of SEI's asset allocation models offered through the Quadrant Program is also offered through the SEI Program described above. BMO Harris has no financial incentive to direct client assets to the SEI Program, which is offered on Envestnet's platform, over the Quadrant Program.</p>	

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**FINANCIAL PLANNING FEES**

Plans will be offered for a one-time fee which depends on the complexity of the plan and the number of modules included in the plan. The fee schedule ranges from \$1,000 to \$2,500 as follows:

Financial statements and one additional module: \$1,000

Financial statements and three additional modules: \$2,000

Comprehensive financial plans (all modules): \$2,500

Fees will be charged upon delivery of a completed financial plan. All or part of the fee may be waived for clients with whom BMO Harris has an advisory relationship and who pay an ongoing fee for investment advice. Fees may also be waived for new clients who open an advisory account with BMO Harris. Fees can also be discounted or waived in BMO Harris' discretion for promotions, selected clients or groups of clients, or for other reasons, including relationship of the client to BMO Harris or its affiliates. BMO Harris Financial Advisors may receive additional compensation as a result of clients obtaining financial planning services.

Once the plan is completed and delivered there is no further obligation for BMO Harris to provide ongoing services, and the client will incur no additional fees, unless the client opens an advisory account which BMO Harris manages. Fees collected for a completed financial plan are not refundable.

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**GENERAL INFORMATION**

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason upon written notice. *As disclosed above, certain fees are paid in advance of services provided.* Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

**Mutual Fund Fees:** All fees paid to BMO Harris Financial Advisors, Inc. for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

**Wrap Fee Programs and Separately Managed Account Fees:** Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients.

**Additional Fees and Expenses:** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

**Advisory Fees in General:** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

**Limited Prepayment of Fees:** Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered

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

BMO Harris Financial Advisors, Inc. does not charge performance-based fees.

**Item 7 Types of Clients**

BMO Harris Financial Advisors, Inc. provides advisory services to individuals, trust, non-profit organizations, corporations and retirement accounts. In general, BMO Harris minimum account size may starts at \$50,000 depending on the asset allocation model portfolio program that a client chooses. However, at our own discretion, we may reduce the account minimum based on certain criteria (i.e., anticipated future earnings capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts account composition and negotiations with clients, etc.)

- Individuals (other than high net worth individuals)
- High net worth individuals

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

**METHODS OF ANALYSIS**

Investing in securities involves risk of loss that clients should be prepared to bear. We use the following methods of analysis in formulating our investment advice and/or managing client's assets:

**Asset Allocation.** Rather than focusing primarily on securities selection, we attempt to indentify an appropriate ratio of securities, fixed income, and cash suitable to the clients' investment goals and risk tolerance. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

**Mutual Fund and/or ETF Analysis.** We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine the fund's securities are consistent with the peer group's asset class. We also monitor the funds or ETFs in an attempt to determine if they continue to follow their stated investment strategy.

A risk of mutual fund and or/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we don not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security we to fall in value. There is also a risk that a manager of the fund or ETF, may deviate from the stated mandate or strategy of that fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

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**Risks for all forms of analysis.** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we try to be alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

**INVESTMENT STRATEGIES**

We attempt to select investment strategies that are appropriate for the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations.

While long term purchases, ideally holding the securities in the account for a year or more, represent the typical investment strategy deployed by advisors at BMO Harris, we may utilize a variety of other investment strategies if we deem the strategy(ies) is in the client's best interest. Other investment strategies may include:

- Short term purchases (securities sold within a year)
- Selling securities within 30 days of purchases
- Short sales
- Margin transactions
- Option writing (including covered options, uncovered options, or spread strategies).

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, a security may decline sharply in value before we make a decision to sell.

Utilizing a strategy involving selling securities within a brief period of time after purchase creates the potential for sudden losses if the anticipated upward price swing does not materialize. Moreover, under those circumstances, we are left with few options:

- Having a long-term investment in a security that was designed to be a short-term purchase, or
- The potential of having to take a loss.

In addition, because this strategy involves more frequent trading than does longer term strategy, there may be a resultant increase in brokerage and other transaction related cost, as well as less favorable tax treatment of short-term capital gains.

**Item 9 Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

The following are disciplinary events relating to our firm and/or our management personnel:

Without admitting or denying the findings, BMO Harris consented to the described sanctions and to the entry of findings and was censured and fined \$150,000 by FINRA and required to submit to a buyback offer to purchase at par auction rate securities (ARS) from all investors who purchased eligible ARS between May 31, 2006 and February 28, 2008 (relevant class). BMO

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BMO Harris agreed to these settlement terms and purchased all eligible ARS from clients in December 2008.

**Item 10 Other Financial Industry Activities and Affiliations**

In addition to BMO Harris Financial Advisors, Inc. being a registered investment adviser, our firm is registered as a broker-dealer. Management personnel of BMO Harris Financial Advisors, Inc. are separately licensed as registered representatives. These individuals, in their separate capacity, can effect securities transactions for which they will receive separate, yet customary compensation.

While BMO Harris Financial Advisors, Inc. and these individuals endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

As required, any affiliated investment advisers are specifically disclosed in Section 7.A. on Schedule D of Form ADV, Part 1. (Part 1 of our Form ADV can be accessed by following the directions provided on the Cover Page of this Firm Brochure.)

BMO Harris and BMO Harris Bank N.A. are wholly owned by BMO Financial Corp, Inc. We are a registered investment adviser and an affiliate of BMO Harris Bank N.A. , a national bank that offers a broad spectrum of banking products and financial services to consumers, small businesses and commercial clients. As an affiliate of BMO Harris Bank N.A. , our firm is under common ownership and control with several financial institutions with which we have a material business relationship (referred to collectively as the "Related Companies"). As required, any affiliated financial institutions are specifically disclosed in Section 7.A. on Schedule D of Form ADV, Part 1. (Part 1 of our Form ADV can be accessed by following the directions provided on the Cover Page of this Firm Brochure.)

Where appropriate, BMO Harris Financial Advisors, Inc. and our employees may recommend the various investment and investment-related services of the Related Companies to our advisory clients. The Related Companies and their employees may also recommend the advisory services of our firm to their clients. The services provided by the Related Companies are separate and distinct from our advisory services, and are provided for separate and additional compensation. There may also be arrangements between BMO Harris Financial Advisors, Inc. and these Related Companies where BMO Harris Financial Advisors, Inc. and/or the Related Companies and their employees receive payment in exchange for client referrals. No BMO Harris Financial Advisors, Inc. client is obligated to use the services of any of the Related Companies.

In addition, the management persons and other employees of BMO Harris Financial Advisors, Inc. are: (1) management persons and registered representatives of and, (2) management persons and insurance agents of a licensed insurance agency. These individuals may also be insurance agents for one or more insurance companies. In their separate capacities as registered representatives and/or insurance agents, these individuals are able to effect securities transactions and/or purchase insurance and insurance-related investment products for BMO Harris Financial Advisors, Inc.'s advisory clients, for which these individuals will receive separate and additional compensation. Clients, however, are not under any obligation to engage these individuals when considering the purchase/sale of securities or insurance.

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Management personnel of our firm, in their individual capacities, are agents for various insurance companies. As such, these individuals are able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Clients, however, are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

BMO Harris Financial Advisors, Inc. and/or Management personnel of BMO Harris Financial Advisors, Inc. are related, through common ownership and control, to BMO Harris Investment Management, a company formed to create and package limited partnerships (or similar pooled investment vehicles hereinafter referred to as "entities") for investment purposes. BMO Harris Financial Advisors, Inc. or one or more of our related persons also act as general partner or manager of these entities. A list of these affiliated entities is specifically disclosed on Schedule D of Form ADV, Part 1 at Item 7.B. (Part 1 of our Form ADV can be accessed by following the directions provided on the Cover Page of this Firm Brochure.)

Clients should be aware that the receipt of additional compensation by BMO Harris Financial Advisors, Inc. and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. BMO Harris Financial Advisors, Inc. endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

#### **Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

BMO Harris Financial Advisors, Inc. and our personnel owe a duty of loyalty, fairness and good

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faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

BMO Harris Financial Advisors, Inc.'s Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [alberta.roberts@theharris.com](mailto:alberta.roberts@theharris.com), or by calling us at 877-225-3863.

As disclosed in the preceding section of this Brochure (Item 10), related persons of our firm are separately registered as securities representatives, investment adviser representatives, and licensed as an insurance agent/broker of various insurance companies. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

## **Item 12 Brokerage Practices**

BMO Harris also offers brokerage services, life insurance and annuities to its customers and clients (which may also be a part of the services that BMO Harris offers in a particular advisory program).. BMO Harris brokerage transactions are cleared through its unaffiliated clearing agent Pershing LLC.

BMO Harris does not have any soft dollar arrangements where we receive compensation for research or other services provided to a third party. We do not have directed brokerage arrangements where a client directs BMO Harris where to execute transactions through specified broker dealers.

## **Item 13 Review of Accounts**

Client accounts are reviewed at least annually. Material market events or changes in the client's personal situation may cause more frequent reviews. Client account reviews will be performed by financial advisers employed by BMO Harris. Client reviews are assigned based on the reviewer's abilities, skills, and experience.

As part of our investment supervisory services, investment reports are proved to clients on a periodic basis typically after the end of every quarter (March, June, September, and December). In addition to quarterly reports, BMO Harris also offers clients access to weekly performance and appraisal reports through a secure website. The nature of the report will be to review the portfolio detail and investment performance of the accounts under supervision.

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Financial plans will be provided to our clients as contracted for at the inception of the relationship. These reports are generally rendered on an as requested basis.

**Item 14 Client Referrals and Other Compensation**

BMO Harris may compensate third party solicitors, including its related persons, for referring advisory clients to it. As applicable, such referral arrangements will comply with Rule 206(4)-3 of the Investment Advisers Act of 1940. Referral fees may be based on a percentage or portion of the advisory fees earned by BMO Harris or may be fixed payments. Certain employees of BMO Harris or its affiliates may be compensated for client referrals, either directly or through a discretionary bonus. Under the referral arrangements, referred clients will receive BMO Harris' Form ADV Part 2A (or equivalent brochure) and, as applicable, an additional solicitor's disclosure statement. BMO Harris affiliates may have similar arrangements

**Item 15 Custody**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

**Item 16 Investment Discretion**

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission. Our discretionary authority includes the ability to do the following without contacting the client.

- Determine the security to buy and/or sell
- Determine the amount of the security to buy and/or sell
- Determine when to buy and/or when to sell a particular security

Clients give us discretionary authority when they sign a Terms and Conditions Agreement with our firm.

**Item 17 Voting Client Securities**

BMO Harris does not vote proxies for client's accounts. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets to forward to the

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client copies of all proxies and shareholder communications relating to the client's investment assets.

**Item 18 Financial Information**

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. BMO Harris Financial Advisors, Inc. has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

BMO Harris Financial Advisors, Inc. has not been the subject of a bankruptcy petition at any time during the past ten years.

**Item 19 Additional Information**

**Legal Proceedings.** BMO Harris will not act for clients in any legal proceedings, including bankruptcies or class actions, involving securities held or previously held in accounts or the issuers of such securities. Clients are responsible for knowing the rights and terms of their securities and for taking action to realize the value of advantageous transactions.

**Privacy Policy.** A description of BMO Harris's privacy policy and practices, including information on options about how a client's information may be shared with BMO Harris's affiliates and with others as required or permitted by law, is available upon request.