

Item 1 – Cover Page

BMO HARRIS INVESTMENT MANAGEMENT INC.

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Form ADV Part 2A: Firm Brochure

This Brochure provides information about the qualifications and business practices of BMO Harris Investment Management Inc. (“BHIMI”). If you have any questions about the contents of this Brochure, please contact Geoffrey Ritchie at (416) 359-8686. 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.

Registration as an investment adviser does not imply that BHIMI or any of its principals or employees possess a particular level of skill or training in the investment advisory business or other business.

Additional information about BHIMI is also available on the SEC’s website at www.adviserinfo.sec.gov.

Date of Brochure: January 30, 2013

Item 2 – Material Changes

BHIMI's current SEC registration as an investment adviser came into effect in April 2012. Therefore, there are no material changes to report.

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Item 4 – Advisory Business

BHIMI is a corporation formed under the laws of Canada, and was incorporated in 1996. BHIMI is a direct, wholly owned subsidiary of BMO Nesbitt Burns Inc., a Canadian investment dealer, and is ultimately owned by the Bank of Montreal.

BHIMI manages accounts on a discretionary basis for, and provides investment advice to, primarily high-net-worth individuals in Canada and the United States. However, BHIMI also manages accounts and provides investment advice to individuals (other than high-net-worth individuals), pooled investment vehicles, corporations, charitable organizations, insurance companies, trusts and estates, non-profit organizations and private foundations.

BHIMI's advisory services include assistance in establishing investment objectives and guidelines, determining the appropriate asset class and allocation in light of established objectives and guidelines, determining the purchase 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.

BHIMI invests client assets across a comprehensive array of investment options, including North American and global strategies, managed by a top-tier group of dedicated portfolio managers. In-house investment experts and external advisers oversee the management of these strategies and apply their own disciplined approach to managing the assets for which they are responsible.

BHIMI manages client assets on a discretionary basis only. As of October 31, 2012, BHIMI had over C\$16 billion in assets under management.

BHIMI also serves as the investment manager of the BMO Harris Private Portfolios, which encompass 14 different funds. Units of the portfolios are only available to discretionary managed clients of BHIMI and the sale of these units is restricted to residents of Canada. As the portfolio manager and investment fund manager of these funds, BHIMI provides investment analysis and makes investment decisions for the funds. Each of the funds has its own investment objectives and risks, and therefore not all funds are suitable for all BHIMI investors. These funds will not be offered to U.S. resident clients and consequently the assets of U.S. resident clients will be managed through segregated accounts (separately managed accounts).

Item 5 – Fees and Compensation

BHIMI is compensated for its investment advisory services by charging fees which are calculated as a percentage of assets under management, and certain fixed fees.

BHIMI's investment management fee schedule is as follows:

Portfolio Size	Rate
First C\$500,000	1.60%
Next C\$1,500,000	1.10%
Next C\$1,000,000	0.70%
Over C\$3,000,000	0.50%

These fees are determined on a per relationship basis and do not depend on the number of accounts that a client has with BHIMI. There is a minimum fee of C\$8,000 per year for a private portfolio relationship and C\$15,700 per year for a segregated portfolio relationship, of the kind that will be utilized for U.S. resident clients accounts. BHIMI's investment management fees may be discounted for certain clients at the discretion of BHIMI.

In return for the investment management fee, clients receive professional portfolio management in accordance with defined investment objectives, a dedicated investment counselor, annual portfolio consultations, additional portfolio consultations as required during the year, comprehensive customized financial reporting and security custodial services. The fees are calculated and charged quarterly in arrears, based on the higher of the average of the month-end market values, including accrued income of the portfolios within the quarter, or the quarterly minimum fee. These fees include all costs associated with custodial services provided by BHIMI's affiliated entity BMO Trust Company.

The investment management fee is in addition to any fixed fees charged for brokerage commissions on trades in a client's account. In addition, when non-traditional investments are included in a client's portfolio, the client may be charged additional fees. For each such investment instrument, a summary of the fees will be outlined in a separate confidential offering memorandum, which will be provided to clients before the investment instruments are added to their portfolios. Any investment in non-traditional assets will be included as part of a client's total assets under management for the purposes of calculating the BHIMI investment management fee. BHIMI does not receive commissions from the investment of client assets in non-traditional assets.

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

BHIMI does not charge any performance-based fees (fees based on a share of capital gains or capital appreciation of the assets of a client) or engage in side-by-side management.

Item 7 – Types of Clients

BHIMI manages accounts on a discretionary basis for, and provides investment advice to, primarily high-net-worth individuals in Canada and the United States. However, BHIMI also manages accounts and provides investment advice to individuals (other than high-net-worth individuals), pooled investment vehicles, corporations, charitable organizations, insurance companies, trusts and estates, non-profit organizations and private foundations.

BHIMI manages many client investment portfolios that have varying degrees of complexity and whose value typically ranges between C\$500,000 to well over C\$100 million. The minimum size for new relationships is C\$500,000.

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

BHIMI manages investments using a system that combines discipline, focus, knowledge and state-of-the-art informational resources. Its investment process focuses on active portfolio management that incorporates quantitative modeling and fundamental research. BHIMI relies on sources of information, such as financial publications, internal and external research, company visits, filings and reports from the Securities and Exchange Commission or other securities regulators, and information from rating services. Investment strategies include both long-term and short-term purchases.

BHIMI uses its best efforts to manage all client accounts. BHIMI attempts to assess all relevant risk factors in determining the nature and extent of investments made in specific securities. However, there can be no assurances that clients' portfolios will not incur losses. BHIMI does not guarantee rates of return on investments for any time period or to any client and past performance does not necessarily predict future performance. Investing in securities involves risk. Each investor has a different tolerance for risk.

The nature of the securities to be purchased and traded and the investment techniques and strategies to be employed in an effort to increase profits may increase this risk. Many unforeseeable events, including actions by various government agencies and domestic and international political events, may cause significant market fluctuations. Common types of investment risks that may be applicable to a portfolio of securities include, but are not limited to:

- BHIMI utilizes a number of investment strategies that focus on Canadian securities. U.S. resident clients should be aware that investments in non-U.S. securities involve additional risks resulting from different reporting standards and regulatory requirements, the amount and reliability of publicly available information, and the volume and liquidity of some non-U.S. stock and bond markets.
- The value of securities denominated in a non-U.S. currency is affected by changes in non-U.S. currency rates or the imposition of non-U.S. exchange controls.
- An issuer of a fixed-income security may be unable to make interest payments or pay back the original investment.

- A high concentration of assets in a single or small number of issuers may reduce diversification and liquidity within a portfolio and increase its volatility.
- Equity securities are affected by stock market movements, and equity securities of certain companies or companies within a particular industry sector may fluctuate differently from the overall stock market because of changes in the outlook for those individual companies or the particular industry.
- The value of a portfolio that invests in bonds, mortgages and other income-producing securities is affected by changes in the general level of interest rates.

In addition to the foregoing risks associated with investing in securities, the use of derivatives (such as futures, forwards or options) within a portfolio involves certain other risks. However, these will not be sold to BHIMI's U.S. clients.

Item 9 – Disciplinary Information

BHIMI and its personnel have not been involved in any legal or disciplinary events within the past 10 years that are material to the evaluation of BHIMI or its personnel.

Item 10 – Other Financial Industry Activities and Affiliations

BHIMI holds several registrations with Canadian securities regulatory authorities. Specifically, BHIMI is registered as:

- A Portfolio Manager in all Canadian jurisdictions (which permits BHIMI to act as an adviser in respect of any security);
- An Investment Fund Manager in the provinces of Newfoundland and Labrador, Ontario and Quebec (which permits BHIMI to direct the business, operations or affairs of an investment fund);
- An Exempt Market Dealer in all Canadian jurisdictions (which permits BHIMI to act as a dealer in Canada for securities distributed under an exemption from the prospectus requirement);
- A Commodity Trading Counsel and Commodity Trading Manager in Ontario (which permits BHIMI to trade in and advise with respect to investing in commodity futures contracts and options);
- A Derivatives Portfolio Manager in Quebec (which permits BHIMI to act as an adviser in respect of derivatives); and
- A Financial Planner in Quebec (which permits BHIMI to provide financial planning services).

BHIMI has several relationships with BHIMI affiliates that may be material to its advisory business. As discussed more fully in Item 15, BMO Trust Company serves as the custodian for

BHIMI's client assets. BMO Trust Company employs a sub-custodian BMO Nesbitt Burns Inc. as the custodian to actually hold possession of the client assets. BHIMI's clients, regardless of their advisory arrangement, may elect to use another custodian than BMO Trust Company. The institutional trading desk of BMO Nesbitt Burns Inc. may act as the broker in executing a limited number BHIMI client transactions, but it is not the sole broker. A significant majority of BHIMI client transactions are processed through external brokers independent of BHIMI. BMO Nesbitt Burns Inc. is the only affiliated broker that BHIMI engages for client transactions.

Bank of Montreal was established in 1817. Together with its affiliates, Bank of Montreal is known as BMO Financial Group (TSX, NYSE: BMO), a highly diversified financial services organization. With C\$525 billion total assets as of October 31, 2011, and more than 46,000 employees, BMO Financial Group provides a broad range of retail banking, wealth management and investment banking products and solutions.

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

BHIMI has adopted a Code of Ethics that sets forth the basic policies and ethical conduct standards for all employees of the firm. The purpose of the Code of Ethics is to ensure the fair treatment of BHIMI's clients through the highest standard of integrity by BHIMI's employees.

The Code of Ethics describes BHIMI's fiduciary duties and obligations to clients and sets forth its practice of supervising the personal securities transactions of employees who have access to client information. The Code of Ethics also includes provisions relating to the confidentiality of client information and a prohibition on insider trading.

The Code of Ethics requires employees to avoid any situation in which their personal interests conflict with their duties to BHIMI. It also subjects all employees to special rules regarding personal securities transactions. Employees must not use any non-public information about clients for their direct or indirect personal benefit or in a manner that would not be in the best interest of BHIMI's clients. Employees must also not use their position at BHIMI to obtain special treatment or investment opportunities not generally available to BHIMI clients or the public. In addition, all employees are subject to personal trading restrictions which may require prior approval from BHIMI prior to making trades in their personal securities accounts (unless the class of securities that is traded has specifically been exempted from this requirement by BHIMI).

The Code of Ethics also requires BHIMI to review, on a regular basis reports, of all securities transactions made in employees' personal securities accounts to identify, detect and resolve potential conflicts of interest.

All personnel must acknowledge the terms of the Code of Ethics at least annually, or as the Code of Ethics is amended. Any employee found to have violated the Code of Ethics may be subject to disciplinary actions, including dismissal, and additional punishment under governing laws, if applicable.

Clients or prospective clients may request a copy of BHIMI's Code of Ethics by contacting BHIMI's National Office Compliance Department at 416-359-8686.

In addition, BHIMI also maintains comprehensive policies and procedures regarding what should happen when BHIMI purchases securities for one of its client's accounts that have been issued by an affiliated entity. Among other requirements, such purchases must be consistent with, or necessary to meet, the client's investment objective and must be in the best interest of the client. In addition, the purchase must be made free from any influence by the affiliated issuer, without taking into account any consideration relevant to the affiliate or any of BHIMI's other affiliates. It must also be the opinion of BHIMI that the purchase achieves a fair and reasonable result for the client's portfolio.

Item 12 – Brokerage Practices

BHIMI has the discretionary authority, within client-imposed restrictions, to determine the securities to be bought and sold and the timing and amount of all trades. Client limitations or restrictions on investments are documented in the client's investment policy statement which is agreed to and signed by both BHIMI and the client.

Generally, securities are bought and sold through brokers or dealers selected by BHIMI. In a minority of cases BHIMI may select an affiliated broker BMO Nesbitt Burns Inc. to process a client trade. However a significant majority of client trades are executed by external independent brokers or dealers. It is BHIMI's general policy that all securities transactions must be executed with a broker on BHIMI's approved list of brokers. If a security is only available through a broker or dealer that is not on the approved list, specific approval to execute the transaction through such broker or dealer must be obtained from the BHIMI's National Office Compliance Department.

When BHIMI is given discretion to choose a broker or dealer, it endeavors to obtain the most favorable prices available for the client. In approving broker or dealers for its clients' trades, BHIMI considers, among other factors, their financial and operational integrity and the quality and reliability of their execution. BHIMI selects broker-dealers for each trade based on its ability to obtain the "best execution" for its clients. BHIMI considers, among other things, transaction price; size of the order; access to liquidity; certainty, speed and quality of execution; trading characteristics of the security involved; and the broker or dealer's ability to affect a large trade without moving the market. In some instances, however, clients may direct BHIMI to place trades through or with a particular broker or dealer and in such cases BHIMI may not be able to obtain the best pricing or execution.

BHIMI does not utilize "soft dollars" in relation to trading or brokerage activities for U.S. clients.

Item 13 – Review of Accounts

All BHIMI client accounts are reviewed at least on a monthly basis by BHIMI's National Office Compliance Department which includes BHIMI's Chief Compliance Officer and other compliance staff. During this monitoring, the types of securities and asset mixes held in client accounts are reviewed. All of BHIMI's US-resident clients are invested in "segregated accounts"; that is, such accounts invest in separate securities and instruments recorded on the books and records of BHIMI and the custodian, BMO Trust Company, as held for each

respective client's account. Reports relating to segregated accounts are monitored on a daily basis by BHIMI's National Office Compliance Department.

In addition, BHIMI's client-facing investment counselors review their client accounts daily, weekly, annually and as otherwise required by the client relationship and compliance or regulatory requirements. They look at transactions and cash balances daily, the asset mix of their client accounts weekly and the overall suitability of the investment mandate for each client annually. During yearly (or more frequent) meetings with each client, the investment counselors review the client's investment objectives and account restrictions, as well as the client's income requirements and current financial position. The client and the investment counselor then use this information to amend BHIMI's investment strategy for the client's account, if necessary.

Clients receive a quarterly account statement report that summarizes the performance of their account during the immediately preceding quarter. The custodian for each client's account maintains the official record for the account and independently delivers statements to the client and/or the client's designated agent. Clients are urged to independently review and reconcile their qualified custodian's records with any reports that they receive directly from BHIMI.

Item 14 – Client Referrals and Other Compensation

BHIMI may enter into arrangements whereby payments are made to other entities for clients referred by such entities to BHIMI. Such payments are made at BHIMI's expense and do not result in any additional fee to BHIMI's clients. If BHIMI agrees to pay a referral fee in any form, directly or indirectly, the terms of the referral arrangement must be set out in a written agreement prior to the referral being made. Referral fees will be recorded on the books and records of BHIMI.

Clients (and prospective clients) will receive specific disclosure in writing before BHIMI opens the referred client's account or provides services to the referred client. This includes, among other things, the name of each party to the referral arrangement, the terms of the referral arrangement and any associated conflicts of interest generated by the referral arrangement. Any changes to the referral arrangement must also be disclosed to the referred client.

Periodically, BHIMI will review the referral arrangement to determine whether it remains applicable, whether it is in the best interests of BHIMI and its clients to continue the relationship, and whether the referring party continues to be an appropriate partner of BHIMI.

In addition, BHIMI may enter into arrangements with affiliates to refer clients or receive client referrals. When BHIMI receives affiliate-generated referrals, payments by BHIMI to such affiliates are made at BHIMI's own expense and do not result in any additional fee to its clients. Clients (and prospective clients) are given notice of these referral arrangements.

All referral arrangements are reviewed and must be approved by BHIMI's National Office Compliance Department.

Item 15 – Custody

Unless the client has entered into an agreement with another custodian that is satisfactory to BHIMI, BHIMI will assist the client in arranging for a qualified custodian to take physical possession of the client's funds and securities for safekeeping.

BHIMI typically assists its clients by arranging for its affiliate, BMO Trust Company, to act as custodian of clients' funds and securities. BMO Trust Company employs BHIMI's other affiliate, BMO Nesbitt Burns Inc., as a sub-custodian for the client assets. Because of BHIMI's affiliation with BMO Nesbitt Burns Inc., BHIMI may be deemed to have custody of its clients' funds and securities solely because its affiliated custodian has access to and holds client funds and securities. However, BMO Nesbitt Burns Inc. is operationally independent of BHIMI which presents substantially lower client custodial risks that are not significantly different than if the custodian was an unaffiliated entity of BHIMI.

BHIMI will notify all of its clients where client assets are custodied. BHIMI will form a reasonable belief that the custodian is delivering account statements to BHIMI clients and BHIMI will obtain an internal control report by an independent public accountant that evaluates the operations of the custodian.

BHIMI clients receive account statements from the custodian on at least a quarterly basis. BHIMI urges clients to carefully review such statements and compare such custodial records with any additional portfolio or performance reports that BHIMI may sometimes provide to clients. However, please note that BHIMI's reports may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities.

BHIMI's clients, regardless of their advisory arrangement with BHIMI, are under no obligation to use BMO Trust Company and/or BMO Nesbitt Burns Inc. as custodian of their assets.

BHIMI personnel do not have access to or custody of client assets. The personnel at BMO Trust Company and at BMO Nesbitt Burns Inc. who have access to BHIMI client assets are not under common supervision with BHIMI personnel. BHIMI does not share offices with the BMO Trust Company personnel that have custody of and access to BHIMI client assets.

Item 16 – Investment Discretion

BHIMI receives discretionary management authority from each client at the outset of an advisory relationship pursuant to an executed client account agreement which authorizes BHIMI to select the identity and amount of securities to be bought or sold for the client's account. BHIMI may, in its sole discretion, directly or indirectly, purchase, sell, exchange, convert, and otherwise trade the securities and other permitted investments in a client's account. However, in making such decisions, BHIMI will exercise diligence, competence and skill and will at all times act in the best interests of its clients.

In exercising its discretion with respect to a client's account, BHIMI will consider the client's financial background and investment knowledge, as well as the client's investment objectives, investment limitations and any other restrictions that have been outlined by the client. Clients

may impose reasonable restrictions on the management of their accounts, including instructions that particular securities should not be purchased for the accounts. However, any restrictions that clients impose on the management of their accounts may cause BHIMI to deviate from investment decisions that BHIMI would otherwise make in managing the account, and, in some cases, money that would otherwise be invested in securities that clients have restricted may be kept in cash in the accounts.

BHIMI may place securities transactions through the securities dealers of its choice, including a securities dealer with which it is affiliated, and such transactions may include those where the dealer acts as principal.

Item 17 – Voting Client Securities

BHIMI may, in its sole discretion, exercise the right to vote a proxy or BHIMI may enlist another company to vote the proxy in respect of such securities. Any exercise of voting rights will be made in the best interests of BHIMI's clients. If BHIMI decides to vote a proxy, it will consider each side of the proxy at issue.

BHIMI has adopted and implemented written policies and procedures that are reasonably designed to ensure that client securities are voted in the best economic interests of its clients. These policies and procedures are followed by BHIMI in determining how to vote on certain matters. However, all proxy issues are considered on their own merits and voting decisions take into account the particular circumstances involved.

BHIMI has procedures in place to identify potential conflicts of interest. When BHIMI becomes aware of any vote that presents a conflict, BHIMI shall vote such proxy in a manner consistent with, and uninfluenced by considerations other than, the best interests of BHIMI's clients.

BHIMI votes on most proxy matters in accordance with its written policies and procedures, independently of any interest BHIMI or any of its affiliates may have in the proposal. A conflict of interest may exist, however, if a portfolio manager, its personnel or another related entity has a business relationship with (or is actively soliciting business from) either the company soliciting the proxy or a third party that has a material interest in the outcome of a proxy vote or that is actively lobbying for a particular outcome of a proxy vote. Individual conflicts of interest also may arise if the portfolio manager involved in the proxy voting decision has a direct or indirect material personal relationship or other material interest in either the company soliciting the proxy or in a third party that has a material interest in the outcome of a proxy vote or that is lobbying for a particular outcome of a proxy vote.

Any proxy vote that pertains to Bank of Montreal or its affiliates shall be made free from any influence by Bank of Montreal or any affiliate or associate thereof and shall represent the business judgment of the BHIMI portfolio manager, uninfluenced by considerations other than the best interests of BHIMI clients.

Clients or prospective clients may request a copy of BHIMI's Proxy Voting Policy or learn how proxies were voted in respect of their account by contacting BHIMI's National Office Compliance Department at 416-359-8686.

Item 18 – Financial Information

BHIMI has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.