

Item 1 Cover Page



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Form ADV Part 2A
Brochure

August 8, 2016

(Last Annual Update: January 28, 2016)

This brochure provides information about the qualifications and business practices of CTC myCFO, LLC. If you have any questions about the contents of this brochure, please contact Romey Del Fiugo at (650) 210-5418 or Michael Hutchinson at (650) 210- 5042. 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 CTC myCFO, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Clients can search this site by a unique identifying number, known as a CRD number. CTC myCFO, LLC's CRD number is 110264. Registration with the SEC does not imply a certain level of skill or training.

Item 2 Material Changes

In this “Summary of Material Changes” section, we discuss only the material changes made to Part 2A Form ADV – Firm Brochure since January 28, 2016.

- Item 4, section 4.2 (Discretionary and Non-Discretionary Advisory Services) – CTC Insurance Fund, a Series of the SALI Multi-Series Fund, L.P. (private placement life insurance offering), had fund names changed to the following due to a Volcker Rule requirement:
 - Sequence Multi Asset IDF Series Interests of the SALI Multi-Series Fund, L.P. (formerly CTC Insurance Fund);
 - Sequence Multi Asset IDF II Series Interests of the SALI Multi-Series Fund, L.P. (formerly CTC Insurance Fund II);
 - Sequence Multi Asset IDF III Series Interests of the SALI Multi-Series Fund IV, L.P. (formerly CTC Insurance Fund III);
- Item 5, section 5.1.C (Discretionary and Non-Discretionary Sub-Advisory Fees) — Updated fee disclosure for Sequence Multi Asset IDF Series Interests Class B shares – Class B shares pay a management fee of 1.25% per annum. CTC myCFO’s portion of this management fee is 0.75% to 0.875% per annum pursuant to terms of a revenue sharing agreement with participating broker-dealers.
- Item 10 (Other Financial Industry Activities and Affiliations) – Removed disclosure stating CTC myCFO is a Commodity Trading Adviser (“CTA”) registered with the Commodity Futures Trading Commission (“CFTC”), and a member of the National Futures Association (“NFA”). CTC myCFO withdrew CTA registration with the NFA on 6/28/2016. NFA confirmed CTC myCFOs CTA registration withdrawal on 7/28/2016.

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 fiscal year. We may provide other ongoing disclosure information about material changes as necessary.

Our brochure may be requested at any time, without charge, by contacting Romey Del Fiugo at (650) 210-5418.

Additional information about us is available via the SEC’s website, www.adviserinfo.sec.gov. The SEC’s website also provides information about any persons affiliated with us who are registered, or are required to be registered, as investment adviser representatives. Our CRD number is 110264.

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Item 4 Advisory Business

We were organized on April 20, 2005 as a Delaware limited liability company. We are a wholly-owned subsidiary of BMO Financial Corp., which is a wholly-owned subsidiary of Bank of Montreal (BMO).

We do business under CTC myCFO, LLC, our legal name, as well as one of three affiliated businesses operating under the brand name CTC | myCFO. The CTC | myCFO brand delivers services through us as well as various affiliates of BMO, and is discussed more fully in Item 10 “Other Financial Industry Activities and Affiliations” of this brochure.

We provide two primary services:

1. Discretionary Investment Management and Non-Discretionary Investment Advisory Services; and
2. Family Office Services.

Our family office services and certain other non-investment advisory services, such as investment reporting services for assets under management with other investment advisors, are not subject to the Investment Advisers Act of 1940. These services are discussed in greater detail in Item 10 “Other Financial Industry Activities and Affiliations” of this brochure.

As of December 31, 2015, we provided clients with discretionary investment management services on assets of \$11.32 billion and nondiscretionary investment advisory services on assets of \$20.75 billion.

4.1 Discretionary Investment Management and Non-Discretionary Investment Advisory Services

We provide discretionary investment management and non-discretionary investment advisory services to high-net worth individuals, families, personal trusts, family offices, and family businesses. As part of our investment advisory services, we design investment policy statements; design asset allocation strategies; select or recommend sub-advisers and investment funds and monitor and report on portfolio performance. We also offer investment implementation and administrative services to our clients.

Depending on client needs and objectives, we may recommend and use affiliated or unaffiliated investment managers to manage or advise on a client’s portfolio. Such investment managers have discretion to determine the type and amount of securities purchased or sold for the portion of the client’s assets managed by the investment manager. We employ investment research professionals and use a due diligence and evaluation process to evaluate investment managers and funds, employing both quantitative and qualitative techniques, as well as

operational reviews, to identify and monitor managers we believe are qualified to meet client objectives.

We manage or advise on each portfolio in accordance with the client's investment objectives, taking into consideration the client's risk tolerance, time horizon, tax circumstances, liquidity and cash flow needs, restrictions and constraints, as well as other relevant criteria. Our investment management and advisory services involve the allocation of client assets among different asset classes with varying levels of risk and return. To this end, we diversify client portfolios within and across asset classes, including cash, fixed income, equities, hedge funds, private markets and real assets. Client investment vehicles may include, without limitation, separate accounts, mutual funds, commingled funds, limited partnerships, individual securities and derivative instruments.

BMO Charitable Fund Program

We provide non-discretionary investment advisory services to National Philanthropic Trust ("NPT") for the BMO Charitable Fund Program. The program is administered and sponsored by NPT, an independently operated public charity. In this role, we are responsible for providing non-discretionary advice to NPT in connection with assets in the advisory accounts, developing appropriate investment strategies, periodically reviewing advisory accounts and investment policy guidelines, and the selection and ongoing review of investments for advisory accounts.

4.2 Discretionary and Non-Discretionary Sub-Advisory Services

We provide discretionary sub-advisory services for:

- Porthos Hedged Fund of Funds, LLC; and
- Real Assets Access Fund, LLC.

Porthos Hedged Fund of Funds, LLC ("Porthos") is a private fund exempt from registration under the Investment Company Act of 1940. Porthos invests in a portfolio of actively managed hedge funds on behalf of U.S. taxable investors. BMO Asset Management Corp. ("BMO AM"), our affiliate, serves as manager and investment advisor to Porthos. We serve as discretionary sub-adviser to Porthos, responsible for day-to-day investment management of the portfolio.

Real Assets Access Fund, LLC ("RAAF") is a private fund exempt from registration under the Investment Company Act of 1940. RAAF invests in real asset strategies by allocating assets to various portfolio funds and portfolio managers on behalf of U.S. taxable investors by purchasing interests of actively and passively managed long-only portfolios, separately managed accounts, exchange traded funds, structured products, and hedge funds. BMO AM, our affiliate, serves as

manager and investment adviser to RAAF. We serve as discretionary sub-adviser to RAAF and are responsible for day-to-day investment management of the portfolio.

We provide non-discretionary sub-advisory services for:

- Sequence Multi Asset IDF Series Interests of the SALI Multi-Series Fund, L.P. (formerly CTC Insurance Fund);
- Sequence Multi Asset IDF II Series Interests of the SALI Multi-Series Fund, L.P. (formerly CTC Insurance Fund II);
- Sequence Multi Asset IDF III Series Interests of the SALI Multi-Series Fund IV, L.P. (formerly CTC Insurance Fund III);
- CTC Madison Fund Series Interests, a Series of the SALI Multi-Series Fund, L.P.; and
- BMO Alternative Strategies Fund.

For the Sequence Multi Asset IDF Series Interests and the CTC Madison Fund Series Interests, SALI Fund Partners, LLC serves as the general partner of the fund. Separate Account Life Insurance (SALI) Multi-Series Fund, L.P. is a Delaware limited partnership (“Partnership”). The Partnership’s general partner, SALI Fund Partners, LLC (“General Partner”), exercises ultimate authority over the Partnership and is responsible for its day to day operations. SALI Fund Management, LLC (“SALI Investment Manager”) is responsible for investing the Partnership’s assets. Although the General Partner has final discretion, our primary responsibility is to determine and recommend asset allocation and investments held in the fund. Historically, the General Partner has implemented each of our recommendations.

The BMO Alternative Strategies Fund is an investment company registered under the Investment Company Act of 1940. BMO AM, our affiliate, serves as investment adviser for the fund. In our role as sub-adviser to the fund, we conduct investment manager due diligence and monitor and provide recommendations regarding sub-adviser selection.

4.3 Other Investment Services Offered

Limited Mandate and Consulting Services

From time to time, we provide limited mandate advisory or consulting services such as one-time portfolio reviews, investment research or advisory on alternative asset investment managers or portfolios, research and due diligence on non-recommended investment managers, investment reporting or other projects on behalf of clients.

Item 5 Fees and Compensation

The type and level of service we provide to each client determines the fee or compensation schedule.

5.1 Discretionary Investment Management and Non-Discretionary Investment Advisory Fees

5.1.A Discretionary Investment Management Fees

We base our discretionary investment management fees on the market value of client assets under management. Assets under management include traditional assets, alternative assets (including, but not limited to venture capital investments, private investment pools, hedge funds, and crossover funds) and concentrated equity positions.

We estimate fees for the initial quarter based on the estimated market value of assets under management. We invoice quarterly fees, including the initial quarterly fee, in arrears. Invoices continue to be based on estimated values until such time as we receive sufficient information to better estimate market values. In subsequent quarters, we assess fees equivalent to 1/4 of the annual percentage rate set forth in the client's fee schedule. The applicable annual percentage rate is determined quarterly based on the average of the estimated market value of the client accounts on the last calendar day of each calendar month during the applicable quarter.

We reserve the right to modify the fee schedule below depending on the scope and scale of services, the complexity of the client relationship, the number, nature and size of accounts, portfolio asset types, and other factors.

Fee Schedule

Annual Percent (%)		Incremental Assets	Total AUM	Total Fee	Effective BPS
0.60%	for first	\$25,000,000	\$25,000,000	\$150,000	0.60%
0.40%	for next	\$25,000,000	\$50,000,000	\$250,000	0.50%
0.30%	for next	\$50,000,000	\$100,000,000	\$400,000	0.40%
0.25%	for next	\$100,000,000	\$200,000,000	\$650,000	0.33%
0.20%	for next	\$100,000,000	\$300,000,000	\$850,000	0.28%
0.15%	for next	\$100,000,000	\$400,000,000	\$1,000,000	0.25%
0.10%	for next	\$100,000,000	\$500,000,000	\$1,100,000	0.22%
0.05%	for next	\$250,000,000	\$750,000,000	\$1,225,000	0.16%

0.03%	for next	\$250,000,000	\$1,000,000,000	\$1,300,000	0.13%
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5.1.B Non-Discretionary Investment Advisory Fees

We base our non-discretionary investment advisory fees on either a fixed retainer or percentage-of-assets basis. Factors considered when determining fees include:

- The scope and scale of services provided;
- The complexity of the client relationship and investment structure;
- The number, nature and size of accounts; and
- The frequency of client meetings.

For fixed fees, we and the client determine the retainer amount. Fixed fees are paid either monthly or quarterly and either in advance or arrears as mutually agreed by the client and us.

For percentage-of-asset fees, we and the client determine the applicable percentage(s), which typically do not exceed 1.5% of assets under advisement. We estimate fees for the initial quarter based on the estimated market value of assets under advisement. We invoice the initial quarterly fee in advance. Future invoices are invoiced quarterly, either in advance or arrears, based on the client contract. Invoices continue to be based on estimated values until such time as we receive sufficient information to better estimate market values.

In subsequent quarters, we assess fees equivalent to 1/4 of the annual percentage rate set forth in the client's fee schedule. The applicable annual percentage rate is determined quarterly based on the average of the market value of the client accounts on the last calendar day of each calendar month during the applicable quarter.

If a client terminates its agreement with us during a month or quarter in which the client has paid fees in advance, the client receives a pro rata refund of the fees paid for that period.

We send invoices directly to clients. In the event that a client requests that we send our invoices to the client's custodian for payment, we send the original invoice to the custodian as well as a copy to the client for reference.

We generally invoice clients separately for travel and other out-of-pocket expenses as mutually agreed by the client and us.

BMO Charitable Fund Program

As non-discretionary investment advisor to NPT for the BMO Charitable Fund, we receive 0.25% per annum of the total market value of the advisory accounts.

5.1.C Discretionary and Non-Discretionary Sub-Advisory Fees

Porthos Hedged Fund of Funds

Porthos offers a multi-series investment structure comprised of Series A Interests, Series B Interests and Series C Interests. Series A Interests are offered to advisory clients of BMO AM and affiliates of BMO AM, and advisory clients of certain investment managers designated by BMO AM. Series B Interests are offered to eligible external investors. Series C Interests are offered to our investment advisory clients. Investors in Porthos pay BMO AM the following annual investment management fee, assessed quarterly in arrears.

Porthos Fund	Advisory Fee
Series A	1.00%
Series B	1.25%
Series C	None

BMO AM reserves the right to waive or negotiate these advisory fees. Pursuant to our sub-advisory agreement with BMO AM, we receive 50% of advisory fees paid to BMO AM.

RAAF

RAAF offers a multi-series investment structure comprised of Series A Interests, Series B Interests, and Series C Interests. Series A interests are offered to our investment advisory clients. Series B Interests are offered to investment advisory clients of BMO AM and certain clients of affiliates of BMO AM. Series C Interests are offered to eligible external investors.

Investors in RAAF pay BMO AM the following annual investment management fee, assessed quarterly in arrears.

RAAF Fund	Advisory Fee
Series A	0.00%

Series B	0.75%
Series C	1.00%

BMO AM reserves the right to waive or negotiate these advisory fees. Pursuant to our sub-advisory agreement with BMO AM, we receive 50% of advisory fees paid to BMO AM.

Sequence Multi Asset IDF Series Interests

As investment sub-adviser to SALI Fund Management, LLC, we receive a management fee of 0.25% per annum on the Sequence Multi Asset IDF Series Interests Class A share assets. Investors in the Sequence Multi Asset IDF Series Interests Class B shares pay a management fee of 1.25% per annum. Our portion of this management fee is 0.75% to 0.875% per annum pursuant to the terms of a revenue sharing agreement with participating broker-dealers.

We do not intentionally recommend insurance to our clients. It is possible, however, that an insurance carrier could present the Sequence Multi Asset IDF Series Interests as an option to our client. A client who invested in the Sequence Multi Asset IDF Series Interests through its insurance carrier could pay a fee to us for investment management or advisory services as well as a management fee through SALI Fund Management, LLC for the Sequence Multi Asset IDF Series Interests.

CTC Madison Fund

As investment sub-adviser to SALI Fund Management, LLC, we receive an asset based management fee on the following schedule.

Assets	Fee
\$0 - \$37,500,000	0.450% per annum plus
\$37,500,001 - \$49,999,999	0.420% per annum plus
\$50,000,000 - \$100,000,000	0.390% per annum plus
More than \$100,000,000	0.370% per annum

BMO Alternative Strategies Fund

As investment sub-adviser to BMO AM, we receive 50% of the gross advisory fees received by BMO AM from the BMO Alternative Strategies Fund.

5.1.D Limited Mandate and Consulting Services

Fees for limited advisory mandate or consulting services are based on the scope, scale and complexity of the project or engagement. Such fees are mutually determined by the client and us and may include a one-time project fee, ongoing retainer or ongoing asset based fee depending on the nature of the engagement.

For fixed fees, we and the client determine the retainer amount. Fixed fees are paid either monthly or quarterly and either in advance or arrears.

For percentage-of-asset fees, we and the client determine the applicable percentage, which typically do not exceed 1.5% of assets under advisement. We estimate fees for the initial quarter based on the estimated market value of assets under advisement. We invoice the initial quarterly fee in advance. Future invoices are invoiced quarterly, either in advance or arrears. Invoices continue to be based on estimated values until we receive sufficient information to better estimate market values.

In subsequent quarters, we assess fees equivalent to 1/4 of the annual percentage rate set forth in the client's fee schedule. The applicable annual percentage rate is determined quarterly based on the average of the market value of the client accounts on the last calendar day of each calendar month during the applicable quarter.

Fees for investment reporting services, exclusive of any advisory services, are primarily based on the number of reporting accounts and the number, types, and complexity of the requested reports. Fees are typically based on a retainer amount negotiated with the client. Fixed fees are paid either monthly or quarterly and either in advance or arrears.

5.2 Other Fees Information

Our fees do not include fees charged by sub-advisers, private funds, mutual funds, brokers, custodians, or other third parties. Clients may elect to have their portfolios debited directly for the fees incurred or have an invoice mailed directly to them. We receive no fees or compensation from a non-client, including an investment or fund manager, when we recommend a particular manager or a particular investment.

Negotiated Fees and Minimums: Clients may negotiate fees. In general, our minimum discretionary investment management account size is \$25 million with a corresponding annual fee of \$150,000. We reserve the right to waive minimum account sizes and fees. Certain existing clients are on fee schedules we no longer offer.

Investment Manager Fees: All fees paid for discretionary investment management or nondiscretionary investment advisory services are separate and distinct from the fees and expenses charged by the investment funds in a client's portfolio. Each fund's offering documents describe the applicable fund fees and expenses. Generally, each fund's fees include a management fee, other fund expenses, and a possible distribution fee. If a fund also imposes sales charges, the client may pay an initial or deferred sales charge. In addition to the fees described above, alternative investment managers typically charge incentive and/or performance-based fees. We negotiate fee discounts with some fund managers on behalf of our clients. Neither we nor any of our supervised persons receives compensation for the sale of securities or other investment products, including asset based sales charges or service fees from the sale of mutual funds.

In all cases, as a matter of due diligence, the client is urged to review both our fees and the fees charged by funds. A qualified client may be able to invest in a fund directly, either in the same or different share class, without our services. In that case, the client would not receive our services, which are designed, among other things, to assist the client in determining which funds are most appropriate to each client's objectives. .

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

ERISA Accounts: We are deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts ("IRAs") subject to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, we are subject to specific duties and obligations under ERISA and the Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, we may only charge fees for investment advice about products for which it and/or its related persons do not receive any commissions or 12b-1 fees. We receive no commissions or 12b-1 fees from any of the funds we recommend.

Advisory Fees in General: Our advisory services may be available from other registered or unregistered investment advisers for similar or lower fees.

Limited Prepayment of Fees: We do not require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

Wrap Fees: We do not participate in or sponsor any wrap fee programs.

Referral Fees: See Item 14 “Client Referrals and Other Compensation” of this brochure for additional information on client referrals and other compensation, including referral fees received from or paid to our affiliates.

Termination: We rebate unearned advisory fees upon termination of the investment advisory contract.

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

We do not use performance based fee schedules for client investment management or advisory services. However, we serve as general partner and discretionary investment adviser to certain private investment funds (the “Palo Alto Investment Partners I & II Funds”). As adviser to the Palo Alto Investment Partners I & II Funds, we receive an annual Management Fee equal to 0.75% of the aggregate Capital Commitments of each investor. In addition, each investment is subject to the management fee (generally 2.0% - 2.5% of the capital commitment) and performance allocation (generally 20% of net profits) charged by the underlying funds in which the Palo Alto Investment Partners I & II Funds invest.

Additionally, while we do not accept performance-based fees, we may recommend investment managers that may charge performance-based fees.

Item 7 Types of Clients

We generally engage clients in the following market segments:

- Individuals and families with net worth of \$100 million or more or investable assets of \$25 million or more;
- Single or multi-family offices;
- Pension and profit sharing plans;
- Other investment advisers;
- Registered Investment Companies;
- Other pooled investment vehicles;
- Charitable organizations ;
- Corporations;

- State and municipal government entities;
- Private and public foundations; and
- Endowments.

We may waive our minimum requirements in the event a client is able to make representations concerning their sophistication as an investor and their ability to bear the risk of loss of their entire investment under our management.

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

Investing in securities involves risk of loss that clients should be prepared to bear. Investment products are not FDIC insured, have no bank guarantee and may lose value. We make no guarantee or representation of performance.

Asset Allocation

Recommending appropriate asset allocations to clients is a core focus of our advisory services. Investment objectives and risk tolerance are key components of an asset allocation strategy. We devise asset allocation strategy based on long-term expectations for each asset class, as well as our near-term views, in order to provide tactical recommendations to take advantage of shorter term investment opportunities. Our Investment Committee meets quarterly to determine our view of asset class valuation and determine tactical themes. We use proprietary asset allocation software, quantitative, qualitative and subjective analysis to determine the optimal mix of assets for each client.

We implement the investment strategy by selecting investment managers, private investment funds and/or mutual funds that we believe are compatible with the client's investment objectives and policy.

We identify and select sub-advisers and private investment funds based on a variety of factors.

Investment Manager Selection

Once a client's asset allocation is determined, we work with the client to determine the appropriate investment managers for each asset class. The process of selecting investment managers combines in-depth quantitative and qualitative analysis and recommendations by our research and investment advisers. Examples of qualitative analysis include alignment of manager incentives to client goals, the drivers of the strategy and implementation, risk controls and internal procedures, experience of the manager and the overall quality of the organization and its management. Our due diligence process includes interviews of investment manager staff, an onsite visit, reference checks and a determination that the investment managers operational activity is supported by experienced service providers across administration,

accounting, prime brokerage (where applicable) and legal industries. Examples of quantitative analysis include performance history, regression analysis, financial statements, universe and benchmark comparison, overall evaluation of risk and reward statistics, minimum investment thresholds and fees.

Initial due diligence on an investment manager generally takes between three and six months. Managers must be reviewed and approved by our Investment Committee before being recommended to clients.

We require clients to make certain representations concerning their sophistication as investors and their awareness of the risk of loss of their entire investment under our management or advisement. Due to the nature of the various investment styles and managers we recommend, client investments are subject to numerous forms of risk.

Investment Strategies

We recommend investment managers and funds which may use one or more of the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives and investment policy.

Long-term purchases

We may recommend funds which purchase securities with the idea of holding them in the client's account for a year or longer. Typically, we recommend this strategy when we believe the securities to be currently undervalued, and/or want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, the client may not take advantage of short-term gains that could be profitable to the client. Moreover, if the fund manager's predictions are incorrect, a security may decline sharply in value before the fund manager makes the decision to sell.

Short-term purchases

We may recommend funds which purchase securities with the idea of selling them within a relatively short time (typically a year or less) in an effort to take advantage of conditions that the fund manager believes will soon result in a price change in the securities the fund purchases.

A short-term purchase strategy poses risks should the anticipated price change not materialize. In such cases, the fund manager may be left with having a long-term investment in a security designed for short-term purchase or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy, and may result in increased brokerage and other transaction-related costs and less favorable tax treatment.

Trading

We may recommend funds which purchase securities with the idea of selling them very quickly (typically within 30 days or less) in an effort to take advantage of brief price changes.

Using a trading strategy creates the potential for sudden losses if the anticipated price change does not materialize. In such cases, the fund manager may be left with a long-term investment in a security designed for short-term purchase or potentially taking a loss. In addition, because this strategy involves more frequent trading than does a longer-term strategy, it may result in increased brokerage and other transaction-related costs and less favorable tax treatment.

Short Sales

We may recommend funds which engage in short sales. Short sales involve fund managers borrowing shares of a stock from a party who owns the stock with the promise to replace the shares on a future date. Those borrowed shares are then sold. On the agreed-upon future date, the fund manager buys the same stock and returns the shares to the original owner. Fund managers engage in short selling based on their determination that the stock will go down in price after they have borrowed the shares. If they are correct and the stock price has gone down since the shares were purchased from the original owner, the client account realizes the profit.

Short selling results in some unique risks:

- Losses can be asymmetric. A short sale loss occurs when the stock price rises. A stock price is not limited (at least, theoretically) in how high it can go. For example, if a client shorts 100 shares at \$50 each, hoping to make a profit but instead the share price increases to \$75 per share, the client would lose \$2,500. On the other hand, the price of a stock cannot fall below \$0, which limits the client's potential upside.
- Short squeezes can wring out profits. As stock prices increase, short seller losses also increase as sellers are required to buy the stock to cover their positions. This increase in demand, in turn, may further drive up the price.

Timing

Even if a fund manager is correct in determining that the price of a stock will decline, the manager runs the risk of incorrectly determining when the decline will take place, i.e., being right too soon. Although a company may be overvalued, it may take time for the price to come down. During this period, the manager or client is vulnerable to interest, margin calls, etc.

Option Writing

We may recommend options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives the client the right to buy an asset at a certain price within a specific period of time. The client would buy a call if it had determined that the stock would increase substantially before the option expired.
- A put gives the holder the right to sell an asset at a certain price within a specific period of time. A client would buy a put if it had determined that the price of the stock would fall before the option expired.

We may recommend options to speculate on the possibility of a sharp price swing. We may also recommend options to "hedge" a purchase of the underlying security; in other words, we may recommend an option purchase to limit the potential upside and downside of a security purchased for a client portfolio.

We may recommend "covered calls", in which the client sells an option on a security it owns. In this strategy, the client receives a fee for making the option available, and the person purchasing the option has the right to buy the security from the client at an agreed-upon price.

We may recommend a "spreading strategy", in which the client purchases two or more option contracts (for example, a call option that the client buys and a call option that the client sells) for the same underlying security. This effectively puts the client on both sides of the market, but with the ability to vary price, time and other factors.

A risk of covered calls is that the option buyer does not have to exercise the option, so that if the client wants to sell the stock prior to the end of the option agreement, the client has to buy the option back from the option buyer, for a possible loss.

A risk of spreading strategies is that the ability to fully profit from a price swing is limited.

Other strategies

We recommend investment managers to our clients. The recommended investment managers typically have discretion over the assets in the client's account with the manager, and may employ additional strategies which have not been described above.

While we recommend that clients diversify across asset classes in order to achieve optimal returns, a risk of asset allocation is that the client might be "underweighted" to their strategic targets in a particular asset class and may not participate in sharp increases in a particular

market sector. Another risk is that the ratio of asset classes will change over time due to market movements and, if not rebalanced, will no longer be appropriate for the client's goals. A comprehensive investment policy based on the integration of liquidity needs, risk tolerance, tax implications, wealth transfer and philanthropic goals helps mitigate some of these asset allocation risks.

Some of the risks of the manager selection process are that we may misjudge the merits of an investment manager and the manager's ability to repeat the successful execution of the strategy moving forward. We may misunderstand the risks inherent in a certain strategy or incorrectly judge the strength of the recommended firm as a business. In addition, the recommended investment manager may not perform as well as we anticipate. We may also recommend a manager or fund at a time when the investing environment is challenging for that particular strategy. For these reasons and others generally inherent with investing (see below) a client can lose money investing in the managers and funds we recommend.

Loss of Capital

The possibility of partial or total loss of capital exists and clients should be prepared to bear the consequences of such loss.

Fraud

We conduct due diligence reviews of approved investment managers and funds. However, due diligence is not a perfect process and may not uncover all issues or problems, including fraud.

Business and Financial Risk of Sub-advisers

Individual investment managers may experience rapidly changing business conditions or unforeseen loss of capital, impairing the investment manager's financial condition.

Limited Liquidity

In some circumstances, clients will experience limited liquidity, which may mean a limited ability to sell, transfer, exchange, assign, pledge, hypothecate or otherwise dispose of their investments.

Alternative Assets

Alternative assets present several unique risks including liquidity risk and counterparty risk.

Taxation

Timing of capital gains, purchases and sales, and changes or modification to existing tax laws may negatively affect the performance of a client's portfolio.

Valuation

Certain securities or market conditions may make it difficult or impossible to efficiently price securities.

Institutional Risk

Institutions such as brokerage firms, banks, or managed funds will have custody of the client's assets. Bankruptcy, fraud, or misrepresentation could impair a client's portfolio.

Counterparty Risk

In certain circumstances a sub-adviser may enter into a transaction involving counterparty creditworthiness. These risks may differ materially from those entailed in exchange-traded transactions.

International Investments

International investing presents unique risks including currency risk and exposure to foreign investment rules and regulations. Currency exchange rates are highly volatile and a profitable investment may lose its value because of currency fluctuations.

Derivatives

Certain funds we manage and/or sub advise, including Porthos and the RAAF, may hold swaps and other derivative instruments. In addition, we and/or other investment managers we recommend may directly invest client assets in swaps and other derivative instruments. The pricing of derivatives is uncertain, variable and based on theoretical models, the outputs of which may vary substantially from the prices actually recognized in the market. The market for many types of derivative instruments is comparatively illiquid and inefficient, creating the potential for substantial mispricing's, as well as sustained deviations between theoretical and market value. The primary risks associated with the use of derivatives are model risk, market risk and counterparty risk. Counterparty risk includes not only the risk of default and failure to pay mark-to-market amounts and return risk premium, but also the risk that the market value of over-the-counter derivatives will fall if the creditworthiness of the counterparties to those derivatives weakens. The prices of derivative instruments also can be highly volatile. Price movements of derivative instruments are influenced by, among other things, interest rates; changing supply and demand relationships; trade, fiscal, monetary and exchange control programs; and global political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. Uncertainties in the derivatives markets continue due to proposed regulatory initiatives, moves toward over-the-counter derivatives clearing, and allegations of

inappropriate behavior by market participants to cause or avoid payments under credit default swaps.

Item 9 Disciplinary Information

There have been no legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of its management.

Item 10 Other Financial Industry Activities and Affiliations

We are a wholly-owned subsidiary of BMO Financial Corp. We are an investment adviser registered with the U.S. Securities and Exchange Commission.

We rely on BMO, BMO Financial Corp., and other related parties 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. We mitigate those potential conflicts of interest through a governance committee structure and by maintaining policies and procedures.

We are also one of three affiliated businesses operating under the brand name CTC | myCFO brand. The CTC | myCFO brand includes BMO Delaware Trust Company, a Delaware limited purpose trust company ("BDTC") and BMO Harris Bank, N.A. a national bank with trust powers ("BHB").

Through the CTC | myCFO brand, investment management services, trust, deposit and loan products and services are provided through BHB. BDTC offers trust services only and is not insured by the FDIC. CTC | myCFO brand products and services are not available in every state and/or location. It is possible that BDTC or BHB recommends, purchases, or sells for their client's funds for which we act as sub-adviser or securities we recommend, purchase, or sell for our clients. In connection with the CTC | myCFO brand, there are individuals serving as dual employees of both BHB and CTC myCFO, LLC. In their role as our employees, they provide investment advisory services to our clients. As discussed in Item 11 "Code of Ethics, Participation or Interest in Client Transactions and Personal Trading" of this brochure, our Code of Ethics and additional policies and procedures require these individuals to avoid conflicts of interest by disclosing all material facts and placing the interests of our clients before all others.

Our clients, regardless of their advisory relationship, are under no obligation to use BHB, BDTC, or any other BMO affiliate to provide brokerage services or act as custodian of assets.

As described in Item 4 “Advisory Business” of this brochure, we provide non-discretionary investment advisory services to NPT for the BMO Charitable Fund Program. We are sub-advisor to BMO Alternative Strategies Fund, a registered fund, and Porthos and RAAF, two private funds, all of which are advised by BMO AM, an affiliate. We may recommend investments in BMO Alternative Strategies Fund, Porthos, or RAAF to our clients.

Please refer to Item 14 “Client Referrals and Other Compensation” of this brochure for additional information on client referrals and other compensation between us and our affiliates.

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

We also provide clients with non-investment management or advisory services, including family office services and investment-reporting services for assets under management with other investment managers, which are not subject to the Investment Advisers Act of 1940.

Investment Reporting Services for Non-Managed Client Assets

In some cases, clients engage us to provide investment reporting services for assets under management by the client, other financial institutions or other investment managers. For accounts that receive reporting-only services, we do not participate in the selection of sub-advisers or in decisions regarding the selection, purchase, or sale of specific securities in these accounts. Consequently, we assume no liability for the appropriateness of these securities or any diminution of value of assets for which the client receives reporting only services. Our reporting services typically include periodic reports on asset performance, comparisons to established benchmarks, and analysis of management fees.

Family Office Services

We act as a family office for clients who do not desire to operate and staff their own family office.

General. Family office services may include analysis of a client’s financial goals, estate and trust planning, retirement planning, education funding, insurance planning and benefits planning, preparation of financial analyses, production of personal financial statements reflecting net worth, capital sufficiency, cash flow, and income tax projections. We assist clients in opening bank accounts, analysis of concentrated stock positions, managing life events with financial implications such as divorce or education, and in placing insurance coverage. In addition, we may also work with clients to manage gifting strategies such as facilitating and implementing loans and gifts to family, analysis of asset selection for family and charitable giving, and negotiating and monitoring gift or grant agreements.

Clients may also engage our family office services to provide wealth administration services. Wealth administration services may include, financial planning, estate planning and administration, succession planning, tax compliance and advisory, bookkeeping, expense management, and miscellaneous other support services.

In some circumstances our family office services group may provide administrative accounting, bookkeeping, operating business consulting services, and personal services. We also perform certain administrative functions for clients such as identifying beneficial trust structures, reviewing existing estate planning documents and coordinating with legal counsel to modify estate planning documents. We may also assist clients with asset purchases, management of real estate or other transactions, and project oversight and management.

Tax Advisory and Compliance. Tax advising and compliance services include research and consulting on various tax matters, representing clients with examinations and notices from the Internal Revenue Service and various state taxing authorities, and preparing exemption applications for client foundations and non-profit organizations, as well as individual and entity tax returns. Additionally, we may provide administrative accounting, bookkeeping, operating business consulting services, and personal services.

Administrative Financial Management Services. Administrative financial management includes expense management and bill pay services to ensure timely payment of invoices, transfer of funds, wire management, oversight of expenditures and cash flow, financial forecasting, and budgeting in order to enhance family decision-making around finances.

Comprehensive Family Financial Reporting. Core statements of cash flow, income, balance sheet and net worth are critical to understanding and advising clients. The reporting is also central to clients understanding of their own affairs. We provide many clients with such personalized, comprehensive financial statements quarterly.

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

We maintain a Code of Ethics requiring all of our supervised persons to adhere to the highest duty of trust and fair dealing and to place the interests of our clients ahead of their own personal interests or the interests of others. It is intended to assist and guide supervised persons in observing a high standard of business and personal ethics and to exercise proper judgment in conducting our business. Under the Code of Ethics, all supervised persons owe to our clients a fiduciary duty to conduct their personal securities transactions in a manner that avoids any actual or potential conflict of interest or any abuse of our supervised persons' positions or trust and responsibility. The Code of Ethics includes our policies on matters

relating to fiduciary duty, compliance with laws, conflicts of interest, gifts and entertainment, personal trading, and insider trading. It requires our employees to report violations of the Code of Ethics to our Compliance Officer, and provides for sanctions if a violation of the Code of Ethics occurs. A copy of our Code of Ethics is available to our clients and prospective clients upon request.

The Code of Ethics is supplemented by specific policies and procedures we have adopted, including policies and procedures addressing conflicts of interest, personal trading, and insider trading. Supervised persons, subject to preclearance, may invest in securities recommended to clients. Preclearance may be granted only when we are not looking to purchase or sell the securities on a client's behalf. Our compliance personnel ensure that procedures regarding personal trading are followed by preclearing personal trades in accordance with our policies, reviewing holdings reports, and reviewing personal securities transaction reports.

Except as provided in Item 10 "Other Financial Industry Activities and Affiliations" with respect to BMO Alternative Strategies Fund, Porthos, and RAAF, we do not recommend to our clients any investments in which we or a related party have a proprietary interest. Our related parties are specifically disclosed in Section 7.A on Schedule D of Form ADV, Part 1, which can be accessed by following the directions provided on the Cover Page of this brochure. Any client request to purchase a security in which a related party has a proprietary interest must be in writing.

As is stated in Item 10 "Other Financial Industry Activities and Affiliations" of this brochure, it is possible that BDTC or BHB recommends, purchase, or sells funds for which we act as sub-adviser or securities we recommend, purchase, or sell for our clients. It is possible that other related parties also recommend, purchase, or sell the same securities, thus sharing in the profits and losses of those funds. We believe our policies, procedures, and controls, as well as those of the related parties, are reasonably designed to ensure that any resultant conflicts of interest are addressed appropriately.

Item 12 Brokerage Practices

In recommending a broker for any transaction or series of transactions, we consider a number of factors including, without limitation, the broker's commission rate, convenience, execution quality, clearance and settlement capabilities, past experience with the broker (including prior performance in serving our clients), reputation, error resolution, research services, block trading and block positioning capabilities, back office efficiency, financial stability, and the broker's willingness to execute difficult transactions in the future. In seeking best execution for client trades, the determining factor is not the lowest possible commission rate, but rather the broker/dealer's ability to provide qualitative executions, competitive commission rates, and other professional services.

If we believe that the purchase or sale of a security is in the best interest of more than one client, we may aggregate the securities to be sold or purchased, to the extent permitted by applicable laws and regulations and consistent with our duties to our clients. Pricing and timing of aggregated transactions may not be the same for all accounts. We allocate transactions, as well as expenses incurred in the transactions in an equitable manner. Under these circumstances, a disparity in prices may exist between the prices paid by a client who directs us to use a particular broker or dealer and a client who does not direct us to use a particular broker or dealer.

We do not affect any principal transaction with, or agency cross securities transactions or cross trades between, client accounts.

We do not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

We have adopted an allocation policy that applies to all investment opportunities offered to our clients. The allocation policy applies to discretionary management and nondiscretionary advisory clients, allocates investment opportunities fairly and equitably among clients, and provides consistent treatment of clients with similar investment objectives and guidelines to the extent practicable.

When demand for a particular investment opportunity exceeds the capacity available, eligible clients that are already invested in that fund or with that investment manager have first priority to invest in any new investment opportunity offered by the same fund or manager. This preference recognizes that managers generally prefer current investors when making subsequent offerings. It also enables clients to more easily limit the number of investments in their portfolios, making their portfolios more manageable.

The allocation policy also gives preference to clients whose investment requests in a prior investment opportunity were limited under the allocation policy. These preferences make it more difficult for new clients and for those clients who previously did not request to participate in a particular investment opportunity to participate in the next investment opportunity offered by that particular fund or manager. Although we attempt to leverage its relationship with investment managers to obtain capacity for all clients, such additional capacity may not always be available.

Item 13 Review of Accounts

Our investment professionals regularly review client accounts. We provide investment management and advisory clients with reports at least quarterly. These reports provide detailed information concerning the performance of the client's account and other matters.

Information provided in the quarterly reports is based on information available unless valuations and transactions in certain investments are not provided to us by third parties on a timely basis.

Official statements of account holdings are provided by the custodians of client accounts. In most situations we provide position reconciliation and aggregate account summary reporting for clients' convenience. We base this information on the statements provided by brokers, custodians, family offices, or other third party providers. Although we make reasonable efforts to identify missing or inaccurate information, the summary statements we prepare serve solely as informational rather than official records.

Clients with investment management or advisory accounts receive quarterly performance reports. Where we serve as sub-adviser, investors receive quarterly performance reports, year-end tax information and annual financial statements from the adviser or their administrator.

Item 14 Client Referrals and Other Compensation

We may enter into referral agreements with and make payments to the employees of related parties and other BMO affiliates for clients referred to us by those employees. Also, our employees may enter into referral agreements with related parties and other BMO affiliates and receive payment for introducing new clients or otherwise marketing products and services of those related parties and BMO affiliates.

We have entered into a referral arrangement with an unaffiliated third-party solicitor with respect to the SALI Multi-Series Fund, LP. The solicitor receives a fee equal to a percentage of the assets under management in the fund attributable to clients referred by the solicitor. Our brochure and a written disclosure statement providing details of the referral arrangement are provided to each referred client prior to the client's entry into an agreement with us.

All of our referral agreements will comply with Rule 206(4)-3 of the Investment Advisers Act of 1940. The referral payments made under those agreements are made at our expense and do not result in any additional fee to our advisory clients.

We may compensate some of our employees for client referrals, which may include the introduction of new clients or the retention of existing clients.

Item 15 Custody

Given the nature of our relationships with discretionary investment management clients, we are deemed to have custody of client assets under Rule 206(4)-2 of the Investment Advisers Act of 1940 (the "Custody Rule").

As previously disclosed in Item 5 "Fees and Compensation" of this brochure, we may directly debit advisory fees from client accounts if requested to do so.

As part of this billing process, we advise the client's custodian of the fee amount for deduction 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.

We may be deemed to have custody of client assets in instances where an affiliated qualified custodian maintains custody of client accounts. Our clients, regardless of their advisory relationship, are under no obligation to use any BMO affiliate as custodian of their assets.

We may also be deemed to have custody of client assets in instances where we have been granted authority to open accounts at qualified custodians on behalf of clients or send cash or securities to third parties.

Except in the limited circumstances permitted by the Custody Rule, we do not maintain securities on behalf clients. Client securities are maintained at the client's qualified custodian. We promptly return any securities received to the sender or, in certain circumstances, directly to the client's qualified custodian.

We have engaged KPMG LLP to conduct an annual surprise custody examination as required under the Custody Rule.

In addition to the periodic statements that clients receive directly from their custodians, we also send investment performance reports we compile directly to clients or their representatives on at least a quarterly basis. We urge clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

Item 16 Investment Discretion

Clients may hire us to provide discretionary investment management services, in which case we may make fund purchases for a client's account without contacting the client prior to each purchase to obtain the client's permission.

Our discretionary investment authority typically includes the ability to do the following without contacting the client:

- Determine the fund to buy or sell;
- Determine the amount of the fund to buy or sell; and
- Move cash and/or securities between a client's accounts.

Clients grant us discretionary investment authority when they sign a discretionary investment management agreement. Clients may reserve the authority to place limitations on our discretionary authority. These limitations are most often restrictions on the types or amounts of securities to be purchased and are contained in the client's investment policy statement or provided by the clients through separate written instructions. Clients may also change or amend such limitations by providing us with revised written instructions.

We accept discretionary authority to manage the client's investment assets. As part of the discretionary investment management agreement with clients, we obtain a limited power of attorney with authority to, among other things, invest client assets in a variety of asset classes (suitable to client's investment objectives and appropriate strategies), retain certain service providers, including sub-advisers, and recommend private investment funds.

Item 17 Voting Client Securities

We no longer accept engagements requiring the voting on behalf of advisory clients. Typically, clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios or they delegate proxy voting to the underlying investment managers.

A client may obtain, without charge, a copy of our proxy voting policy or information upon request.

Item 18 Financial Information

We do not require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a balance sheet in this brochure.

As an advisory firm that maintains discretionary investment authority for certain client accounts, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. We have no additional financial circumstances to report.

We have not been the subject of a bankruptcy petition at any time during the past ten years.

Additional Information

Certain employees currently participate in a Seattle-based advisory board. The advisory board is comprised of our representatives, Seattle-based leaders of BHB, and non-employee members of the Seattle business community. Advisory board members may receive compensation or reimbursement for their participation on the advisory board from BHB but they do not receive compensation for any referrals or retention of clients.

Privacy Notice

Our Privacy Notice, which includes information on options about how a client's information may be shared with BMO affiliates and others, is available upon request.

Anti-Money Laundering

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. When a client opens an account, we will ask for the client's name, address, date of birth, and other information that will allow us to identify the client. We may also ask to see the client's driver's license or other identifying documents.

A corporation, partnership, trust or other legal entity may need to provide additional information, including, but not limited to, physical address, employer identification number, state filing certificate, and organizational or 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.