

FORM ADV, PART 2A APPENDIX 1

**BMO SMART PORTFOLIO PROGRAM
WRAP FEE PROGRAM BROCHURE**

111 West Monroe Street
Chicago, IL 60603
312-461-5200

www.bmoharris.com/main/personal/smartportfolio.com

December 3, 2021

This wrap fee program brochure provides information about the qualifications and business practices of BMO Direct Invest with respect to its BMO Smart Portfolio Wrap Program (BMO Smart Portfolio). If you have any questions about the contents of this brochure, please call us at 312-461-5200. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about BDI also is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our CRD number is 317064.

BDI is a registered investment adviser with the SEC. Registration does not imply a certain level of skill or training.

Pershing Advisor Solutions LLC (“PAS”) is the broker-dealer for all BMO Smart Portfolio accounts and PAS’s affiliate Pershing LLC (“Pershing”) acts as clearing broker and custodian for the accounts. You can contact Pershing at the following address:

Pershing LLC
One Pershing Place
Jersey City, New Jersey 07399

Investment advisory products are offered through BDI, and carried by Pershing, member FINRA/NYSE/SIPC. Bank products are offered through BMO Harris Bank, N.A. (BHB). BDI is affiliated with BHB. BDI and BHB are separate entities, and when you buy or sell securities and bank products you are doing business with BDI and BHB separately. Investment advisory products made available through BDI are:

NOT FDIC INSURED • NOT BANK GUARANTEED • MAY LOSE VALUE • NOT A DEPOSIT • NOT INSURED BY ANY FEDERAL OR STATE GOVERNMENT AGENCY
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ITEM 2: MATERIAL CHANGES

This is BDI's first wrap fee program brochure so that there are no material changes listed in this brochure for December 2021.

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ITEM 4 - SERVICES, FEES AND COMPENSATION

About BDI and the BMO Smart Portfolio Wrap Program

BMO Direct Invest (“BDI”; “our”; “us”; “we”), is an investment adviser organized as a Delaware corporation, and was formed in March 2021. Our principal place of business is in Chicago, Illinois. We are a wholly owned subsidiary of BMO Financial Corp., a Delaware corporation which is a wholly owned subsidiary of Bank of Montreal (“BMO”). BDI is also an affiliate and related adviser of BMO Family Office, LLC (“BMOFO”). (See Item 9: Other Financial Industry Activities and Affiliations).

BDI is an affiliate and a “related adviser” of BMOFO, an SEC registered investment adviser (CRD No. 110264). As a related adviser, BDI is registered with the SEC because BDI and BMOFO are under common control of BMO Financial Corp. They have the same principal office and place of business as BMOFO.

BDI provides the investment advisory and financial planning services listed in this brochure. BDI may refine its investment advisory product and service offerings and introduce new products and services as part of its efforts to meet the investment needs of its Clients, respond to changing markets, and take advantage of recent technological or other innovations.

BDI’s investment advisory service is the Wrap Fee Program BMO Smart Portfolio, a digital portfolio advisor. BDI offers BMO Smart Portfolio to its advisory account customers and prospective customers (“Clients”). BDI is the “Wrap Program Sponsor,” of its wrap fee program (“Wrap Program” or “Program”), which offers certain investment advisory products through online digital access (“Advisory Products”) listed in this brochure. As Program Sponsor, BDI is responsible, among other activities set forth in this brochure, for: approving the Portfolio Manager, Model Provider and other service providers for participation in the Program; approving Models for use in the Program; and recommending Models to individual Clients through the Digital Platform, based on a Client’s responses to a risk tolerance questionnaire and application with respect to the Client’s risk tolerance, financial situation and investment objectives.

As part of the Wrap Fee Program, BDI also offers financial planning services as part of its investment advisory services to Clients. BDI may impose eligibility requirements on the availability of its financial planning services. BDI provides those services using one or more computer software programs, including but not limited to, MoneyGuidePro™ which is a product of PIETech, Inc., a subsidiary of Envestnet, Inc. BDI does not charge Clients for financial planning services.

Relationships and Affiliates

BDI has hired the following affiliates and third parties to provide various services as part of its Wrap Program to Clients. BDI’s Investment Direct Product Committee (“IDPC”) conducts oversight of affiliates’ and third parties’ performance of their services.

Lockwood Advisors, Inc. (Portfolio Manager)

Lockwood Advisors Inc. (“Lockwood”). BDI has hired Lockwood to serve as the discretionary portfolio manager (“Portfolio Manager”) for Client accounts in the BMO Smart Portfolio Wrap Program. Lockwood is an investment adviser registered with the SEC, and is an affiliate of Pershing Advisor Solutions, LLC (“PAS”) and of Pershing, LLC (“Pershing”), which, as set forth below, respectively serve as the Introducing

Broker and the Custodian for Client accounts in the Wrap Program. Lockwood, PAS, and Pershing are BNY Mellon companies, and none of these companies are affiliated with BDI or BMO Harris Bank.

When a Client establishes an account, the Client grants Lockwood limited discretionary trading authority with respect to assets in the Client's account, which includes the authority to implement, in Lockwood's discretion, Model changes received from the Model Provider, and to rebalance the Client's account in accordance with target allocations and program trading parameters established by BDI. Lockwood, as Portfolio Manager, will, in its discretion, implement and manage Client accounts based on the selected Model for a Client's account. When the Model Provider makes Model changes, the Model Provider will notify Lockwood, which will make the necessary changes to the Client's account at its sole discretion. Lockwood does not make any investment decision on the Client's behalf other than such decisions necessary to implement and maintain Model portfolios provided by the Model Provider in its sole discretion. Lockwood retains discretion with respect to individual Client accounts over the implementation of asset allocation changes in the Client's chosen Model and may implement asset allocation changes differently with respect to individual Client accounts than the asset allocation changes advised by the Model Provider to Lockwood.

BMO Harris Bank N.A. (Model Provider)

BDI has hired BMO Harris Bank N.A. ("BHB") as a model provider ("Model Provider") to the Wrap Program. BHB is a national bank and is an affiliate of BDI. BDI and BHB are both wholly owned subsidiaries of BMO Financial Corp. Pursuant to the Investment Advisers Act, BHB, as a bank, is excepted from the definition of investment adviser, and as a result is not registered as an investment adviser.

As Model Provider for BDI Wrap Program, BHB has developed strategic asset allocation models (the "BMO Models"; "Models"; or "Model Portfolios") are constructed based on non-proprietary Exchange Traded Funds (ETFs) and Money Market Funds. BHB designs each Model for a certain level of risk tolerance and investment objective and selects ETFs that it believes are appropriate for each Model. BHB provides the Models for Lockwood's use in managing individual Client accounts and advises Lockwood on the structure and rebalancing of its Models.

BDI has also retained BHB to create the Risk Tolerance Questionnaire ("RTQ") for BDI's use with Clients and which Clients must answer to open an account in the Program. After a Client completes the RTQ, the answers are calculated digitally, which BDI uses, through the Digital Platform, to recommend a Model for a Client to select for the investment strategy for the Client's account.

As set forth above, BHB makes its Models available to Lockwood for its use in managing individual Client accounts. BHB uses a technology platform provided by Lockwood to upload and make adjustments to its Models. BHB makes its RTQ available to PAS for PAS to open advisory accounts for Clients.

The Model Provider selects, reviews, adds, removes, and replaces the ETFs and their tactical weightings in constructing its Models. The Model Provider's review and selection of ETFs to construct its Models is based on multiple factors, including that the investment closely tracks the benchmark index, the competitiveness of its fees, the reasonability of the trading volume, the existence (or lack thereof) of factors that would likely inhibit the execution of the strategy, and the amount of assets under management. Security analysis methods include quantitative (mathematical), fundamental (financial), technical (price and market), and cyclical (trend and time series) analyses. There is no particular analytical discipline that can predict the absolute outcomes of a planned investment strategy, and any such discipline must consider various uncertainties and risks. The Model Provider undertakes monthly and quarterly reviews of the ETFs used in constructing the Models for purposes of potential tactical changes to its Models.

As Model Provider, BHB provides purchase and sale recommendations to Lockwood in the form of its Models. The Model Provider does not receive information regarding a Client's identity, circumstances, financial condition, portfolio holdings, tax situation, regulatory status or financial needs or goals, and the Model Provider has no obligation for the provision of advice specifically to individual Clients. The Model Provider is not responsible for determining the appropriateness or suitability of investment model(s), or of any of the securities included from time to time in the investment model(s), for specific Clients.

BDI's hiring of BHB is a conflict of interest because BHB is an affiliate and BDI uses BHB instead of recommending non-affiliated Model Providers and models. For further information with respect to this conflict (See Item 9: Service Agreement with Affiliate BHB).

BMOFO is also an affiliate of BHB and provides investment research to BHB, which BHB uses in its analysis and selection of ETFs for constructing its Models. There is a potential conflict between BDI and BMOFO because BHB relies upon research from its affiliate BMOFO. BDI manages this potential conflict through the IDPC in its oversight of the Model Provider.

Pershing Advisor Solutions, LLC (Introducing Broker)

Pershing Advisor Solutions LLC ("PAS") is an unaffiliated broker-dealer registered with the SEC, a member of the Financial Industry Regulatory Authority ("FINRA"), and an affiliate of Lockwood and Pershing LLC. Pursuant to an agreement between BDI and PAS, PAS serves as Introducing Broker for Wrap Program Client accounts. BMO Smart Portfolio Clients enter into a separate brokerage account with PAS. PAS then introduces BMO Smart Portfolio Clients to Pershing LLC. Pershing LLC serves as clearing and carrying broker-dealer for the accounts.

Pershing LLC (Custodian)

Pershing LLC ("Pershing") is an unaffiliated broker-dealer registered with the SEC, a member firm of FINRA, and an affiliate of PAS and Lockwood. Pershing provides execution, clearing, settlement, custody, and other brokerage-related services for BMO Smart Portfolio accounts through the Client agreement with PAS and an agreement between BDI and Pershing.

Pershing also acts as a third-party service provider to BDI by making available to BDI its digital manager technology offering ("Digital Portfolios"). BDI uses Pershing's Digital Portfolios to provide a front-end interface site for use with Wrap Program Clients and potential Clients as discussed in this brochure. Pershing also provides BDI access to an internal technology platform, which BDI uses to view and administer Client accounts.

BDI's IDPC conducts oversight of affiliates and third parties' performance of its services.

Programs and Services

Digital Advisory Hybrid Program with Access to Investment Advisor Representatives

BDI provides investment advisory services to Clients through BMO Smart Portfolio. BMO Smart Portfolio is a digital investment service offering with access to interact with an investment adviser representative ("Central Adviser") via telephone. Central Advisers assist Clients by answering questions regarding BMO Smart Portfolio, their Investment Proposal, the Model recommended for a Client's account, the RTQ, requested restrictions related to the management of their account, financial planning services (See Item 4:

Financial Planning Services), or other account related questions. Clients are not assigned a specific Central Adviser for their account. Central Advisers do not provide investment advice regarding whether a prospective client should open an account with BDI or should select a proposed Model.

Clients complete an application form and RTQ on Pershing's technology platform where they provide information with respect to their individual financial needs, investment objectives, investor suitability profile information, liquidity needs, and risk tolerance. BDI, through Pershing's technology platform, provides an Investment Proposal recommendation based on the Client's completed application and RTQ. Clients decide on a self-directed basis whether to open a BDI Wrap Program Account based on the Investment Proposal. Should a prospective client wish to engage BDI for its program services, the Client must then enter into a written agreement with BDI to initiate the process, described below (the "Advisory Agreement"), in addition to a brokerage custody account agreement with PAS.

We will use our best judgment and good faith effort in rendering services to Clients. BDI cannot warrant or guarantee any level of account performance, or that an account will be profitable over time. While BMO Smart Portfolio has no performance history, as a general matter, past performance is not indicative of future results. (See Item 9: Performance History).

Reasonable Restrictions

At account opening, Clients can request reasonable restrictions on the management of their account by designating certain specific ETFs that should not be purchased or held in their account, subject to BDI's acceptance, which BDI determines in consultation with the Portfolio Manager. During the new account opening process, if you would like to request a restriction, you will have the option to select that a member of the Central Adviser team will contact you.

After account opening, you may also request to impose reasonable restrictions on the management of your account, or to reasonably modify any existing restrictions. In addition, BDI will send notices to you on a quarterly and on an annual basis to request that you advise BDI whether there has been a change to your financial situation or investment objectives, and whether you wish to impose reasonable restrictions on the management of your account or wish to reasonably modify any existing restrictions you may have placed on the management of your account. For further information see Item 9, Review of Accounts.

Risk Tolerance Questionnaire & Investment Proposal

Prior to enrolling a Client in the BMO Smart Portfolio Wrap Program, BDI determines the Client's financial situation and investment objectives by gathering and analyzing customer profile and risk tolerance information (together "Investor Profile"). The Digital Platform, offered by BDI for the BMO Smart Portfolio, is designed to complete a review of the Client's information. The Risk Tolerance Questionnaire (RTQ) scores the Client's Investor Profile to recommend a model portfolio strategy for the Client's account based on the Client's responses to the questionnaire. The questionnaire elicits information, among other categories, related to the Client's net worth, investment objective, liquidity needs (i.e., how long you plan to invest in the portfolio before requiring a withdrawal of assets), and risk tolerance (i.e., your ability and acceptance to withstand volatility in your portfolio in exchange for the potential for greater returns).

Based on the RTQ and Investor Profile, Clients receive an Investment Proposal to select the recommended Model for purposes of managing trading in their account. Our Model Portfolios use an asset allocation strategy and are comprised of ETFs. Each Model is designed to manage a Client's account in accordance with a particular investment objective and risk tolerance. The recommendation will be shown on a screen on the Digital Platform over the internet. Clients may print a copy for their consideration. Clients may contact a Central Adviser to ask questions about their Investment Proposal. Should Clients wish to engage BDI for its investment advisory services, the Client must then enter into a written advisory agreement with BDI to accept the Model recommendation and open an account through the digital portal.

While completing the RTQ, the Client will also be offered our current wrap fee program brochure (“Form ADV, Part 2A, Appendix 1”; “Form ADV”; “Brochure”), customer relationship summary (Form CRS), Pershing’s Fee Schedule of additional charges (“Fee Schedule”), and our Privacy Policy statement. The Brochure, Form CRS, Fee Schedule, and Privacy Policy statement are available to our Clients in PDF format for their download and may be printed on their own local printer.

After the account is open and funded, the Portfolio Manager will invest the Client’s funds in accordance with the selected Model strategy for the Client’s account. The Portfolio Manager uses discretion to manage the Client’s account based on the Model allocation recommended by the Model Provider.

Clients should be careful when entering responses to the RTQ. The investment advice offered is based solely on the information that Clients provide through the RTQ, and inaccurate or incomplete information will affect the investment recommendation. If there are issues or questions in completing the RTQ, Clients should contact a Central Adviser.

Model Portfolios in the BMO Smart Portfolio

The Model Provider created the Models for BDI’s use in the Program. In constructing the Models, the Model Provider performs due diligence prior to selecting, adding, or replacing, the ETFs for the Models and conducts ongoing monitoring of the ETFs and their allocations within the Models. The Model Provider structures the Models to provide that a minimum of at least 1% of Model assets are maintained in “cash”, but the percentages of which will vary as a Model is applied to individual Client accounts depending on a Client’s additional funds and withdrawals, including fees charged from the account (See Item 4: Cash Balances). The Model Portfolios are not tax sensitive. Retirement accounts are invested with the same portfolio strategies and ETFs as non-retirement accounts. Any dividends paid on the ETFs will be reinvested unless the Client instructs Pershing otherwise.

BDI’s Wrap Program is subject to the general oversight of its IDPC. The IDPC’s oversight responsibilities include, but are not limited to, reviewing and approving for the Program: the Portfolio Manager; the Model Provider; the Model Portfolios; ; the Wrap Program’s fee schedules; and its other third-party relationships. Certain members of the IDPC also serve in other capacities in different business lines at BDI affiliates. (See Item 4: Relationships and Affiliates and Item 9: BDI Management Affiliation with Other Third-Party RIAs).

The below descriptions of each of the five Models include target allocation percentages for the respective Models, which serve as guidelines the Model Provider will observe in structuring and re-balancing a Model under normal market conditions and making recommendations to the Portfolio Manager for purposes of Portfolio Manager’s management of trading in individual Client accounts. The percentages will differ from the below listed percentages depending on the market conditions and as the Model Provider makes periodic asset allocation changes. Non-normal market conditions include significant market disruptions, such as those caused by pandemics, natural or environmental disasters, war, acts of terrorism or other events, all of which can adversely affect local and global markets and normal market operations. Additionally, significant market disruptions may result in increased market volatility; regulatory trading halts; closure of domestic or foreign exchanges, markets, or governments; or market participants operating pursuant to business continuity plans for indeterminate periods of time. Such events can be highly disruptive to economies and markets and significantly impact individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment and other factors affecting the value of the ETFs in which the Models are invested. The Model Provider will communicate periodic asset allocation changes to the Portfolio Manager, and the Portfolio Manager will implement those changes to the Model Strategies selected by Clients for management of trading in their accounts.

- **Maximum Growth Model:**
 The Maximum Growth Model's primary objective is to grow the portfolio through capital appreciation. The objective is generally suitable for investors with an above average tolerance for risk and no long-term need for liquidity. The Model pursues a total return consistent with the Model's long-term strategic asset allocation. Under normal market conditions, this Model contains ETFs substantially comprised of equities (approximately 90% of the portfolio) but may range between 80% - 99%, with the difference in fixed income, and targets allocations heavily weighted in U.S. equities with a smaller allocation to international developed and emerging markets. It will hold at least one percent "cash" allocation in a money market fund. The portfolio asset mix may be reconstituted and rebalanced from time to time by the Portfolio Manager.
- **Capital Growth Model:**
 The Capital Growth Model's primary objective is to grow capital with a secondary objective to generate a modest level of current income. This objective is generally suitable for investors with a slightly above average tolerance for risk and little need for current income. Under normal market conditions, this model contains ETFs and targets allocations comprised primarily of equities (approximately 70%) but may range from 60-80% depending upon market conditions with a smaller portion in fixed income (approximately 20%) and at least a one percent "cash" allocation in a money market fund. The equity ETFs are targeted to be substantially allocated to U.S. equities and with a smaller allocation to international developed and emerging markets. The fixed income ETFs are targeted to be allocated among taxable bonds and high yield corporate bonds. The portfolio asset mix may be reconstituted and rebalanced from time to time by the Portfolio Manager.
- **Balanced Model:**
 The Balanced Model's primary objective is capital appreciation with a secondary objective to generate current income. This objective is generally suitable for investors with a moderate time horizon in relation to their liquidity needs, average tolerance for risk and a desire for a reasonable level of current income. Under normal market conditions, this model contains ETFs and targeted allocations comprised of equities ranging from 44-64% and fixed income ranging from 30-50% and at least a one percent "cash" allocation in a money market fund. The equity ETFs are targeted to be substantially allocated to U.S. equities and with a smaller allocation to international developed and emerging markets. The fixed income ETFs are allocated among taxable bonds and high yield corporate bonds. The portfolio asset mix may be reconstituted and rebalanced from time to time by the Portfolio Manager.
- **Conservative Growth Model:**
 The Conservative Growth Model's primary objective is to generate current income with a secondary objective of capital appreciation. This objective is generally suitable for investors with a modest time horizon in relation to their liquidity needs, a relatively low tolerance for risk and a desire for current income. Under normal market conditions, this model contains ETFs and targets allocations comprised of fewer equities (ranging from 17-37%) compared to fixed income (ranging from 52-72%) and at least a one percent "cash" allocation in a money market fund. The equity ETFs are targeted to be allocated between U.S. equities with a smaller allocation to international developed and emerging markets. The fixed income ETFs are allocated among taxable bonds and high yield corporate bonds. The portfolio asset mix may be reconstituted and rebalanced from time to time by the Portfolio Manager.

- **The Conservative Income Model:**
The Conservative Income Model's primary objective is to generate income. This objective is generally suitable for investors with a modest time horizon in relation to their liquidity needs, a relatively low tolerance for risk, and a desire for current income and a desire for minimal exposure to equity assets. Under normal market conditions, this model contains ETFs and targets allocations comprised of primarily fixed income (ranging from 70-90%) with a smaller portion comprised of equities (ranging from 1-21%) and at least a one percent "cash" allocation in a money market fund. The portfolio asset mix may be reconstituted and rebalanced from time to time by the Portfolio Manager.

BDI selects the Model Provider but does not exercise discretion to select individual ETFs or Money Market Funds comprising the Model Portfolios.

Performance History

BDI is a newly formed entity with no operating or performance history and BMO Smart Portfolio has no performance history against which Clients can evaluate the historical performance of its Model Portfolios. The Model Provider has developed other models for other accounts, which models and accounts were managed under materially different strategies, circumstances and mandates. The performance of such models and accounts should be considered, if at all, only as an indication of the general experience of the Model Provider and should not be relied upon as any indication of the prospects of Model Strategies for the BMO Smart Portfolio.

Periodic Rebalancing of the Model Portfolios

Over time, market conditions cause various asset classes to become over- or underweighted in relation to the designated Model allocation. The Portfolio Manager performs a quarterly review, at a minimum, for drift from the target asset allocations. The Portfolio Manager will rebalance the individual ETF positions if the designated asset allocations drifted by 2% or more. Over time, the ETFs comprising the Model will appreciate (or depreciate) in value at different rates. The Portfolio Manager has the discretion to, but is not required to, review more frequently as market conditions dictate. Rebalancing has tax implications for Clients who do not own a retirement account.

Valuation of Account Assets

The Advisory Fee shared among BDI, the Portfolio Manager, and the Model Provider is based on assets under management, so a higher valuation produces more advisory fees received by BDI, the Portfolio Manager, and the Model Provider. The potential conflict of interest is mitigated because BDI relies on Pershing to provide the value of the assets in the Clients' accounts, which is then reflected on Client account statements and reports. The values used by Pershing are not always the same prices achieved in actual transactions and, in some cases, represent dealer bids or offers that would be achievable only for orders of a particular size. Additionally, in instances where trades were executed at the very end of a calendar quarter, but the trades did not settle in the same quarter, account statements will reflect the execution price and not the most recent market price on the last day of the quarter. If any information provided by these services is unavailable or is believed to be unreliable, any securities and investments in the account will be valued in a manner determined in good faith to reflect fair market value. Pershing has the ability to use a variety of sources for valuing Wrap Fee Program account assets, including third-party vendors. Any such valuation should not be considered a guarantee of any kind whatsoever with respect to the value of the assets.

Cash Balances and Money Market Funds

Generally, some portion of a Client's account portfolio will be held in the "cash" asset allocation, typically at least 1% in a money market fund. The percentage of assets held in the "cash" asset allocation will fluctuate as needed for asset allocation purposes. (See Item 4: Model Portfolios in the BMO Smart Portfolio.). The balance in the "cash" allocation is included in, and subject to, the Advisory Fee. The "cash" allocation will also fluctuate between ETF liquidations and purchases while waiting to accumulate sufficient funds to purchase whole ETF shares and will fluctuate when Clients add or remove funds from the account. The "cash" allocation is used to pay Fees for the BMO Smart Portfolio Wrap Fee Program and other costs. (See Item 4: Fees for the BMO Smart Portfolio Wrap Fee Program and Other Costs). If a debit (negative) balance occurs in the Client's account due to insufficient funds, the Advisory Fee will be paid by liquidating sufficient securities in the Wrap Fee Program account to cover the debit balance. Such liquidations could decrease the Model's overall account performance. The "cash" allocation is invested in a money market mutual fund.

Money market funds are a security and are not cash, insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency, unless disclosed otherwise in the prospectus. Although money market funds seek to preserve the value of your investment at \$1.00 per share, Clients could lose money by investing in money market funds. Because the share price of a money market fund can fluctuate, when a Client sells their shares, the price could be worth more or less than what the Client originally paid for them. A money market fund has the ability to impose a fee on the sale of the shares or temporarily suspend the Client's ability to sell shares if the fund's liquidity falls below the minimum requirement because of market conditions or other factors, subject to the money market fund's prospectus.

If the Advisory Account is terminated, any cash not yet invested will be swept into the default Sweep Option offered for such accounts until such time as transferred out. (See Item 4: Additional Investments, Withdrawals and Transfers).

Pershing receives a benefit from its possession and temporary investment of cash balances in your accounts prior to investment, whether in a sweep arrangement or otherwise. Pershing is paid certain fees relating to these funds, such as networking or 12b-1 fees. For additional information please see Lockwood's Form ADV Part 2A brochure.

Additional Funds, Withdrawals and Transfers

Clients can add additional funds, or transfer in investments from other firms into their account during business hours. An addition of funds of \$1000 or higher into the account will trigger purchases of ETFs in a Client's account in accordance with the Model selected for management of trading in the Client's account. An addition of funds of less than \$1,000 will not trigger the purchase of ETFs for a Client's account, even if multiple investments of less than \$1000 accumulate over time to \$1,000. Additions of less than \$1,000 will be reviewed and allocated according to the Portfolio Manager's rebalance procedures on a quarterly basis.

Incoming transfers of securities into the Client's account will be liquidated and traded in accordance with the Model. The timing of the liquidation depends on the type of asset. For example, equities or mutual funds, will be sold at the next available trade date.

For withdrawal instructions, BDI reserves the right to require Clients to provide up to six days' prior notice for withdrawals of assets from their account, subject to the usual and customary securities settlement procedures.

No fee adjustments are made for account value fluctuation during the billing period. The Advisory Fee is paid monthly in advance based on the Advisory Account's market value on the last business day of the previous billing month. If the account is terminated by either party, Clients are entitled to a prorated refund of any prepaid Advisory Fee.

Status as ERISA Fiduciary

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing Retirement Accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. For purposes of this Brochure, the term "Retirement Account" is used to cover Individual Retirement Accounts ("IRAs") and Roth Individual Retirement Accounts ("Roth IRAs").

No Retirement Asset Recommendations

While we provide recommendations on how to allocate and invest your retirement investment portfolio, please note that we do not make any recommendation as to whether you should "roll" a corporate retirement account into an IRA or Roth IRA, make any recommendations to "roll" assets from one Retirement Account to another, nor what type of Retirement Account is appropriate for the Client. That decision must be made solely by you, and any information we provide to you with respect to such decision should be considered educational in nature. Some of the factors to consider in making that decision include plan administrative expenses, investment vehicle expenses, pay-out alternatives in your corporate retirement plan, and the breadth and quality of investment alternatives that are available.

Financial Planning Services

As part of the BMO Smart Portfolio Wrap Program, we provide financial planning services to Clients using one or more computer software programs, including, but not limited to, MoneyGuidePro™ in conjunction with a Central Adviser. BDI does not charge a separate fee for these financial planning services, although BDI may impose in its discretion an account minimum for accessing financial planning services that is higher than the account minimum for participation in the BMO Smart Portfolio Wrap Program. Clients should contact a Central Adviser if interested in obtaining a financial plan, their eligibility, and to initiate that process. Our financial planning Clients will receive a financial plan which is broader than their Model Portfolio's individual goal and objective. Clients will receive a plan that is a result of the information collected by the Central Adviser from the Client at that time and the advice from the plan is current as to the date the plan is issued.

The Client provides personal financial and other relevant information and goals to the Central Adviser which the financial planning program uses to generate a customized financial plan for the Client. Projections or other information generated through the computer software regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. There can be no assurance that the projected or simulated results will be achieved or sustained.

Neither the BMO Smart Portfolio Investment Proposal nor the Model Portfolios are designed to correspond to the financial plan, although the Investment Proposal may satisfy part of an investor's financial plan. We may, however, refer the Client to the financial services of our affiliates or other third parties, such as banking, brokerage, or insurance services. As a result, we have a conflict of interest in referring Clients to our affiliates. Our Clients retain discretion over any financial planning advice implementation decisions and are free to accept or reject any referral.

BDI will not monitor financial plans. BDI Clients who have updates to their investment information and goals will need to contact BDI for a new plan. Reviews are conducted by an investment advisor who may also be a financial planner.

Voting Client Securities

BMO Smart Portfolio only invests in ETFs, which Clients cannot vote as ETFs do not offer proxy voting to shareholders. If in the future we add securities to the Models that include proxy voting, Clients will have the choice to receive delivery of proxies on which to vote or delegate voting authority to the Portfolio Manager. The Client should refer to the Portfolio Manager's Form ADV Part 2A brochure for information on their proxy voting policies.

Fees For the BMO Smart Portfolio Wrap Fee Program and Other Costs

General

The BMO Smart Portfolio Wrap Fee Program charges the following fees. There are also administrative fees outlined in the Fees Schedule that may be charged by the Custodian and Introducing Broker Dealer, available at www.bmoharris.com/main/personal/smartportfolio.com.

Type of Fee	Services Covered	Total Annual Amount	Timing When Assessed	Annual Portion Paid to Portfolio Manager
Wrap Program Advisory Fee	<ul style="list-style-type: none"> Investment Advisory Brokerage Custody with PAS Trading Services with and away from Pershing Wired Funds 	0.60%	0.05% monthly	\$60 per account
Platform Access Fee	Access to BMO Smart Portfolio Program	\$48	\$4 monthly	\$0

The BMO Smart Portfolio Wrap Fee Program is an investment advisory program where Clients pay an advisory fee or wrap fee, which is a single asset-based annual fee for investment advice and for brokerage, custodial, administrative, and technological services. Clients should review and consider if they would pay more or less than when purchasing such services separately, depending on commission rates and portfolio trading activity. When assessing a wrap fee program's cost, Clients should consider the amount of trading activity they anticipate, other wrap fee programs, and factors such as commission rates, their investment experience and knowledge, and their availability to monitor and rebalance investments themselves.

ETFs charge underlying fees and expenses that are separate and apart from the Advisory Fee charged by BDI. BDI does not receive revenue-sharing payments from ETFs.

Clients prepay the monthly advisory fee and platform access fee. Fees are subject to change on reasonable notice. Generally, the initial advisory fee and platform access fee are due in full on the date you sign the Agreement and fund the Advisory Account with the minimum investment amount. The advisory fee is based on the market value of assets in the account on or about that date. (See Item 4: Valuation of Assets).

The initial advisory fee payment generally covers the period from the Advisory Account enrollment date through the last business day of the applicable billing period and is prorated accordingly. Thereafter, the advisory fee is paid monthly in advance based on the Advisory Account's market value on the last business day of the previous billing month and is due promptly. The Platform Access Fee is a set fee and does not change with the market value of the Client's account.

The Introducing Broker deducts Advisory Fees from the money market fund in the Wrap Fee Program accounts and paid to BDI. (See Item 4: Cash Balances and Money Market Funds). If a debit (negative) balance occurs in the client's account due to insufficient funds, the Advisory Fee will be paid by liquidating sufficient securities in the Wrap Fee Program account to cover the debit balance. Such liquidations could decrease the Model's overall account performance.

The amount of the Advisory Fee is calculated from the market value of all assets, including cash balances, in the account. ETFs in the account are not subject to ordinary commissions, but any assets transferred into the account that are sold and traded in accordance with the Model Portfolio Strategy selected by the Client for the Client's account, will be charged a transaction fee as listed in the Fees Schedule provided at account opening. There will not be a markup on these trading fees.

BMO Smart Portfolio Wrap Program Fee

Our standard fee is based on a specified annual percentage rate of the Client's assets under management. Our standard fee is 0.60%. Our fees are prorated and paid monthly, in advance, and are based on the market value of the assets on the last business day of the previous month. (See Item 4: Valuation of Assets). Most commonly, fees are debited directly from the Client's account. A Client agreement may be terminated by either party for any reason by written notice. The firm reserves the right to waive or discount fees at its discretion. If a Client terminates its Client agreement, the Client is still obligated to pay advisory fees prorated through the date of termination. 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.

BDI pays a portion of its Wrap Program Advisory Fee of .60% basis points to Pershing, PAS, and Lockwood, a combined minimum fee of \$60 per account, billed annually to BDI on a quarterly basis.

BMO Smart Portfolio Platform Access Fee

BDI also charges a \$4 per month (\$48 annually) platform access fee to all Clients, regardless of account balance. PAS debits the monthly platform fee at the same time and in the same manner it debits the monthly advisor fee. A portion of this fee is used to pay BDI's affiliate BHB as the Model Provider and for general operating expenses. BDI pays fees to the Model Provider for its services provided to BDI. BDI retains the remaining amount of the Platform Access Fee. BDI using its affiliate BHB as the Model Provider is a conflict. This conflict is described in more detail in Section 4 Services, Fees, and Compensation and Section 9 Other Information. Incentives Including Fee Discounts, Waivers, and Credits

From time to time, BDI offers incentive programs to Clients, including, but not limited to, reduced or waived advisory and/or platform fees and cash payments credited to Client accounts. BDI reserves the right, in its sole discretion, to offer these types of incentives, and it may reduce or waive advisory fees for some Clients without notice to or fee adjustment for other Clients. BDI also performs advertising campaigns to attract Clients to open accounts, which include, but are not limited to, promotions such as additional account services or products, more favorable fee arrangements, waiver of advisory fees or account credits as described herein.

ERISA Fee Disclosure for Qualified Retirement Accounts

In accordance with Department of Labor regulations under ERISA, BDI is required to provide certain information regarding our services and compensation to help fiduciaries and plan sponsors of those Retirement Accounts that are subject to the requirements of ERISA in assessing the reasonableness of their plan's contracts or arrangements with us, including the reasonableness of our compensation. This information (the services we provide as well as the fees) is provided to you at the outset of your relationship with us and is set forth in this Brochure and in your Advisory Agreement (including any fee table and other exhibits) and then at least annually to the extent that there are changes to any investment-related disclosures for services provided as a fiduciary under ERISA.

Additional Fees and Expenses

In addition to the wrap fee, Clients pay a platform access fee and administrative fees (as described below), which are not covered by the wrap fee.

Administrative Service Fees

Clients also pay certain fees and expenses charged by PAS and Pershing for various functions including but not limited to fees for delivery of checks, fund wire fees, account closing fees, exchange transaction fees and certain other administrative fees. These fees are outlined in the Fee Schedule, as Clients agree to in the BDI Advisory Agreement and the PAS Account Agreement, provided at account opening and available at www.bmoharris.com/main/personal/smartportfolio.com.

Client Referrals and Other Compensation Received by BDI from Third Parties

BDI's affiliate BHB pays a nominal referral compensation on behalf of BDI to BHB employees. Referral compensation does not require a customer to open an account with BDI. We mitigate this conflict of paying for referrals by disclosing it to you.

Limited Prepayment of Fees

Under no circumstances do we require or solicit payment of fees in excess of \$1,200, more than six months in advance of services rendered.

Investment Advisor Representative Compensation

Central Advisers are paid a base salary plus discretionary bonus, but do not receive any fees tied to the recommendation of the BMO Smart Portfolio program. Discretionary compensation may factor in the overall quality and quantity of their financial planning, although not for each individual financial plan.

Performance-Based Fees

BDI does not charge performance-based fees. Performance-based fees are based on a share of capital gains or capital appreciation of a client's account.

ITEM 5. ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS.

Account Relationship Requirements

To qualify for BMO Smart Portfolio, Clients must be a personal banking (retail) customer of BHB and enrolled in BMO Digital Banking.

Digital Advisory Platform Requires Online Access

BMO Smart Portfolio is an online digital portfolio advisory program (the “Digital Platform” or “Site”). Advice is provided to Clients through a web-based program and may be different from other investment advisory relationships with which Clients are familiar. Clients must be willing to receive investment advice through the Digital Platform to use BMO Smart Portfolio’s services. The process used to make investment recommendations through the Digital Platform may not elicit the same information as would a face-to-face interview with a financial professional. Given the online nature of the Digital Platform, therefore, Clients must, at a minimum, have:

- a version of an internet browser that is currently supported by our online website;
- a connection to the internet;
- a current version of a program that accurately reads and displays PDF files; and
- an active email address.

Clients must also consent to electronic delivery and use of electronic signatures (see below).

Consent to Electronic Delivery and Use of Electronic Signatures

By entering into the Advisory Agreement, you will also be asked to provide consent to the use and delivery of communications, records, account statements, forms and disclosures (“Communications”) in electronic form (“Electronic Records”) as well as to use electronic signatures and obtain them from you as part of our transactions with you (the “ESIGN Consent to Provide Electronic Records and Obtain Electronic Signatures”). A similar consent is part of the PAS Brokerage Account agreement. Electronic Records may be delivered to you in a variety of ways. To receive Communications electronically, you must have access to internet access as described above.

Additionally, in some scenarios, you may also be required to obtain access to a specific brand or type of mobile device that is capable of supporting a particular software application.

BDI, in its sole discretion or as otherwise required by law, may provide you with communications via paper and U.S. mail, even if you have consented to receive it electronically. Sometimes the law, or our agreement with you, requires you to give us a written notice, in which event you must still provide these notices to us on paper, unless we specifically tell you in another communication how you may deliver that notice to BDI electronically. There are certain Communications that by law we are not permitted to deliver to you electronically, even with your consent. Subject to applicable law, you may withdraw your consent, although as reflected in the Fee Schedule, there will be additional fees for receiving paper copies of Communications via U.S. mail or other courier. We recommend you print out Electronic Records for your records.

Minimum Account Size – Wrap Fee Account Program

The minimum account size for the BMO Smart Portfolio is \$10,000. BDI reserves the right to reduce or waive account minimums at its sole discretion. In instances where BDI lowers or completely waives the account minimum for new Clients, an initial minimum deposit must still be made to enroll in the program. If a Client withdraws funds in an amount that causes the total assets in the account to fall below the

referenced minimum, BDI may request the Client to add additional funds to the account or terminate its advisory services. BDI reserves the right to terminate a Client's advisory services without providing the Client an opportunity to add additional funds.

BDI reserves the right to terminate the Advisory Agreement for any reason, upon notice to the Client, including an account balance below the minimum account size. If BDI terminates the Advisory Agreement, during a calendar month, Clients will be charged a prorated fee. After termination and the final fees are paid, the account will no longer be charged an Advisory Fee. Termination of the Advisory Agreement will not automatically terminate the custody agreement with Pershing, and the account will still be subject to Administrative Fees (See "Termination of Account Services" below).

Types of Clients

BMO Smart Portfolio is offered to individual investors looking to open an individual or joint account, or an IRA, or a Roth IRA. For joint accounts, any joint account holder can accept the Investment Proposal and enroll in an account on behalf of any joint account holder(s) by accepting the Advisory Agreement. The joint account holder will be required to separately confirm their personal information through the Site. No other account types are available for enrollment in BMO Smart Portfolio.

Termination of Account Services

BDI, Lockwood, PAS, and Pershing reserve the right to terminate a Client's Smart Portfolio Wrap Fee Program account and related Advisory Agreement at any time by providing notice to the Client. The Client may also terminate at any time. Accounts initiated or terminated during a calendar month are charged a prorated fee.

We may terminate your services if you no longer continue to qualify for BMO Smart Portfolio by terminating your enrollment in BMO Digital Banking or are no longer a customer of a qualifying BHB product or service.

There is no attempt to time the market when liquidating the portfolio holdings. In addition, if the Client initiates a transfer of funds out of BDI, an administrative hold is placed on the account until the final management fee has been assessed. Accounts will still be subject to Pershing's administrative fees according to the Fee Schedule until the account is closed.

As a general matter, once a termination is initiated and approved, advisory services will end, advisory trading and all other advisory services are halted and, if assets are still in the Client's account, then the Client must take steps to transfer or liquidate their securities. If the Client does not take any action on their account, Pershing Operations will send the Client a notice informing them that their assets must be disbursed, and the account closed. If there is still no action, Pershing will disperse the assets to the Client if applicable and close the account, in accordance with the terms your agreements.

ITEM 6. PORTFOLIO MANAGER SELECTION AND EVALUATION

As described in Item 4, BDI is a Wrap Program Sponsor by which it provides access to the BMO Smart Portfolio through Lockwood, the discretionary Portfolio Manager. The Portfolio Manager engages with BHB as the Model Provider. The Model Provider delivers the Models to the Portfolio Manager (See Item 4: Relationships and Affiliates and Item 9: Service Agreement with BHB Affiliate). The Portfolio Manager administers the BMO Smart Portfolio in accordance with Model allocations that may be adjusted from time to time by the Model Provider. The Portfolio Manager will replace ETFs in accordance with the Model Strategy as recommended by the Model Provider. The Portfolio Manager does not conduct investment due diligence on the Models or the Model Provider. The Portfolio Manager retains discretion with respect to the trading in individual Client accounts.

BDI, through its IDPC reviews the Model Portfolios for general suitability for its Clients and reviews and monitors the Model Provider, the Models comprising its Smart Portfolio Wrap Program, and the Portfolio Manager for their performance in the same manner as described in Item 4. BDI will review and consider an aggregated or summary of information provided by the Model Provider to evaluate a Model's overall performance, including details regarding performance consistency and performance relative to peers, among other factors. BDI does not rely on third-party firms to verify the performance data, and we do not verify the performance data, provided by the Model Provider for accuracy.

BMOFO provides research to BHB. There is a potential conflict between BDI and BMOFO because BHB relies upon research from its affiliate BMOFO. BDI manages this potential conflict through the IDPC in its oversight of the Model Provider.

In addition, BDI's monitoring program for its Wrap Program also provides that it will contact, by e-mail or telephone, its Clients who invest in the Smart Portfolio Program no less than annually to ask Clients if there have been any changes in the Client's financial situation or investment objectives and whether the Client wishes to impose reasonable restrictions on, or reasonably modify any existing restrictions on, the management of the Account. (See Item 9: Review of Accounts).

ITEM 7: CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

Privacy is an important issue. BDI's Privacy Notice is initially given to the Client upon the opening of an account and is subsequently provided at least annually thereafter, and also upon request by Clients. BDI solicits information concerning a Client's name, address, financial situation, investment experience, tax status, tax reporting information and other personal non-public information. BDI will ask for this prior to recommending a wrap account and on an annual basis thereafter. BDI will provide that information to participating third-party service providers, namely PAS and Pershing, so that they may service the Client's account. Pershing will then provide it to Lockwood as the Portfolio Manager for account servicing purposes. Please review Lockwood's Form ADV Part 2A for further information on this item.

ITEM 8: CLIENT CONTACT WITH PORTFOLIO MANAGERS

Clients should first contact a Central Advisor to arrange a direct consultation between the Client and the Portfolio Manager. For further information on contacting portfolio managers please read carefully Lockwood's Form ADV Part 2A.

ITEM 9: ADDITIONAL INFORMATION

Disciplinary Information

BDI has no disciplinary history. You can review FINRA BrokerCheck <https://brokercheck.finra.org> and www.investor.gov/CRS for information about us and our Central Advisers.

Other Financial Industry Activities and Affiliations

BDI Is a Related Adviser of Affiliate BMOFO

BDI is a "related adviser" of BMO Family Office, LLC (BMOFO), an SEC registered investment adviser (CRD No. 110264). BDI and BMOFO are under common control of BMO Financial Corp. and have the same principal office and place of business as BMOFO. BMOFO provides research to BDI's Model Provider.

Service Agreement with Affiliate BHB

As described in Item 4, BDI has hired its affiliate BHB as the Model Provider to develop and monitor the Model Portfolios for which services BDI pays BHB a fee. Clients should be aware that BHB is an affiliate

of BDI and BMOFO. Therefore, BDI has a conflict of interest in making the Models available to its Clients through the BMO Smart Portfolio Program over other third party, non-affiliated model providers. Clients should be aware that accounts in the BMO Smart Portfolio Program benefit BHB, BDI and their parent financial holding company more than non-affiliated programs offered elsewhere. This creates a conflict of interest for BDI by using its affiliate's BMO Models as well as that BDI's affiliate as the Model Provider.

BHB receives compensation for its services through a shared services agreement between BDI and BHB. Such services are priced at a market rate, per federal banking regulations, and are then charged internally against BDI. In addition, BHB receives indirect compensation in the form of advisory fees paid to its affiliate, BDI. BDI mitigates this conflict by: (i) disclosure, (ii) performing due diligence and monitoring of the BMO Models through IDPC, (iii) having a supervisory review done of the BMO models by testing and review of accounts and complaints, if any, related to the Models to ensure that they are in the Client's best interest.

BDI Management Affiliation with Other Third-Party RIAs

The President of BDI, who also serves as chair of the IDPC, is also registered with LPL Financial (LPL) and the President of BMO Investment Services, a business unit and brand name of BHB. "BMO Investment Services" is a brand name used by certain employees of BHB who provide advisory, brokerage, and insurance services offered through LPL. Financial Advisors are investment adviser representatives of and offer securities and advisory services through LPL, a registered investment adviser and broker-dealer. Insurance products are offered through LPL or its licensed affiliates. BHB and BMO Investment Services are not registered as a broker-dealer or an investment adviser. Registered representatives of LPL offer products and services using BMO Investment Services and are also employees of BHB. These products and services are being offered through LPL or its affiliates, which are separate entities from, and not affiliates of, BHB or BMO Investment Services. BDI offers separate and distinct investment services than BMO Investment Services offers through LPL, except employees of both BDI and BHB who are dedicated to the brand BMO Investment Services offer financial planning advice.

We also have common management and officers with some of our affiliates. We rely on BMO and BMO Financial Corp. for various administrative support, including information technology, human resources, business continuity, compliance and legal, finance, enterprise risk management, and internal audit. Our affiliates, such as BHB and BMOFO, also provide investment research and other services which we use in servicing our Clients. While these affiliations can create potential conflicts of interest, we mitigate these potential conflicts of interest through our corporate governance structure and by maintaining policies and procedures to identify, mitigate, and disclose any actual or potential conflict of interest. We do not recommend to our Clients any investments in which we or a related person have a proprietary interest. Our related persons 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.

Client Referrals and Other Compensation

BDI does not receive any compensation from any third party for providing its investment advice (including compensation from sales contests or other prizes). It does receive fees or other payments previously described for approved securities or other products which it recommends.

BDI does not pay referral fees to any third party that is not supervised by it, although BDI's affiliate BHB pays a nominal referral fee to BHB employees on behalf of BDI for Client referrals to BDI.

Also, as stated in Item 4: Financial Planning Services, BDI may refer Clients to affiliates or other third parties for advice, products and services as a function of that financial plan.

Code of Ethics

BDI has a Code of Ethics that provides for BDI and its investment adviser representatives to exercise their fiduciary duty to Clients to act in the best interest of the Client and always place the Client's interests first and foremost. BDI takes seriously its compliance and regulatory obligations and requires all staff to comply with such rules and regulations, as well as with BDI's policies and procedures.

Further, BDI strives to handle Clients' non-public information in such a way to protect information from falling into hands that have no business reason to know such information and provides Clients with BDI's Privacy Policy. As such, BDI maintains a Code of Ethics for its representatives.

The Code of Ethics contains provisions for standards of business conduct in order to comply with federal securities laws, personal securities reporting requirements, pre-approval procedures for certain transactions, code violations reporting requirements, and safeguarding of material non-public information about Client transactions. Further, BDI's Code of Ethics establishes BDI's expectation for business conduct.

BDI's Code of Ethics is provided to each advisor prior to an advisor interacting with Clients, and as the Code is modified. In addition, BDI requires an annual certification by all representatives regarding their understanding and compliance with the Code of Ethics. BDI also supplements the Code with annual training and ongoing monitoring of employee activity.

A copy of BDI's Code of Ethics will be provided to any Client or prospective Client upon request to our Compliance Department at 312-461-6152.

Participation or Interest in Client Transactions and Personal Trading

BDI's supervised persons have the ability to enroll their personal trading in the BMO Smart Portfolio Wrap Program. They do not have access to information about pending or contemplated material transactions in the program and no supervised person shall have the ability to trade their own securities ahead of Client trades. BDI's officers serve as members of the IDPC and must comply with the provisions of the BDI policies and procedures and Code of Ethics. If a conflict or potential conflict of interest arises, BDI's CCO or other senior officer of BDI will review the facts and circumstances and, if necessary, take appropriate steps consistent with the compliance procedures and Code of Ethics. Access person trades are monitored by the Compliance staff. Trading should not affect the securities markets or interfere with BDI's fiduciary duties to its Clients.

Review of Accounts

As set forth in Item 4, BDI has established the IDPC to review third party service providers (including BHB as Model Provider) and their advisory products on an annual basis to ensure general suitability and that the respective advisory product's investment performance is appropriate. BDI will contact Clients via telephone or email, no less than annually, to ensure that your investment in the BDI Smart Portfolio Program is still a suitable investment for you. Clients are urged to contact a Central Adviser if any significant change in their financial situation or investment objectives occurs, or whether the Client wishes to impose reasonable restrictions or reasonably modify any existing restrictions on the management of their account, so that their account may be reviewed. Clients will also receive quarterly notices prompting them to update any changes to their Investor Profile, or whether the Client wishes to impose reasonable restrictions or reasonably modify any existing restrictions on the management of their account. Clients may call a Central Adviser at any time to discuss account performance and changes to their Investor Profile and financial plans. Material market events or changes in the Clients' personal situations may cause more frequent reviews. Generally, for each month in which there is activity in a Client's account, or, if there is no activity, on a quarterly basis, Clients receive through Pershing a written account statement which includes a summary of transactions, an inventory of holdings, and other information. These reports are available via email

notification and access through a secure website provided by Pershing. Pershing will mail hard copies of these reports upon request for a fee. The data contained in those statements has not been verified by BDI. Clients also receive brokerage confirmations unless this option is waived by the Client. If a trade error is made in a Client's account, BDI will instruct the Portfolio Manager to correct the trade error. The Portfolio Manager may use a firm account assigned to BDI to make the correction.

PAS and the Portfolio Manager monitor and review Clients' accounts pursuant to their own compliance and supervisory systems of account review. Please read carefully the Portfolio Manager's, Lockwood's, Form ADV Part 2A.

Financial Information

BDI is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to Clients. BDI has never filed or been the subject of a bankruptcy petition. BDI does not require its Clients to pre-pay more than \$1,200 in fees per Client six months in advance.