

BMO Private Investment Counsel Inc.

Form ADV, Part 2A: Firm Brochure

BMO Private Investment Counsel Inc.

100 King Street West, 41st Floor
Toronto, Ontario, Canada, M5X 1A1
Tel: 1-800-844-6442
www.bmoprivatebanking.com

This Form ADV, Part 2A: Firm Brochure (Brochure) provides disclosures on BMO Private Investment Counsel Inc. (BPIC or Firm) business practices, fees, conflicts of interest and disciplinary information. For any questions about the contents of this Brochure, please contact BPIC at 1-800-844-6442 or <https://www.bmo.com/privatebanking>.

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 BPIC is also available on the SEC's website at www.adviserinfo.sec.gov by conducting a search with a unique central registration depository (CRD). BPIC's CRD number is 160344.

Item 2 – Material Changes

There are no material changes since the last Brochure was updated January 29, 2020.

While not material, during our review and update of this Brochure, we revised content throughout the document. These revisions include the additions of charts and wording changes in order to present information in an easier-to-read format.

BPIC will continue its practice of offering and/or delivering the most current Brochure to clients at least annually, and if there is a material change.

In addition, you may request copies of this Brochure, free of charge at any time by contacting us at 1-800-844-6442 or <https://www.bmo.com/privatebanking>.

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Item 4 – Advisory Business

BPIC is a wholly owned subsidiary of BMO Nesbitt Burns Inc., and an indirect subsidiary of Bank of Montreal. BPIC is headquartered in Toronto, Ontario and was incorporated under the laws of Canada in 1996.

BPIC is the investment management firm that is part of the BMO Private Wealth brand. The BMO Private Wealth brand is a part of the wealth management operations with BMO Financial Group. BPIC offers discretionary investment advisory services to high net worth and ultra high net worth individuals in Canada and the United States, pooled investment vehicles, corporations, pension plans, charitable organizations, insurance companies, trusts and estates, non-profit organizations and private foundations (Clients).

Assets Under Management

BPIC had C\$35.32 billion (US\$ 26.52 billion) in assets under management on a discretionary basis as of October 31, 2020. BPIC has no assets under management on a non-discretionary basis.

Description of Advisory Services

BPIC provides advisory services to Clients using model asset allocation strategies (each, an Investment Strategy) designed to meet individual investment goals by allocating client assets among different asset classes with varying levels of risk and return. Assets within a particular Investment Strategy are invested across different asset classes into one or more mutual funds such as BPIC's proprietary BMO Private Portfolios (Private Portfolios) (except for U.S. Residents, as described in more detail below) or other investment funds, exchange-traded funds (ETFs), fixed income instruments, structured products, and equity securities. BPIC's advisory services include working with the client to determine a client's investment needs, investment knowledge, and investment objectives.

Once the client's investment objective is determined, BPIC's client assets are invested in a manner consistent with one of the Investment Strategies (see Item 8 below for more detail about the Investment Strategies). BPIC will purchase and sell securities for clients in accordance with the client's Investment Strategy, monitor and review the client's holdings and investment performance to ensure client accounts are aligned with their Investment Strategy, and provide information to the client on their investments. BPIC invests client assets in a variety of strategies, which are managed by a group of dedicated portfolio managers and sub-advisors. BPIC's Investment Policy

Committee (chaired by BPIC's Chief Investment Officer) oversees the management of these strategies.

BPIC also serves as the Portfolio Manager of the Private Portfolios. Each Private Portfolio is a mutual fund trust established under the laws of the Province of Ontario and governed by a declaration of trust dated May 15, 1997, as amended and restated as necessary. The purchase and sale of the Private Portfolios units is restricted to residents of Canada. As the portfolio manager of these funds, BPIC provides investment analysis and engages sub-advisors to provide investment advice. The sub-advisors also make investment decisions for the Private Portfolios' investment portfolios they manage. Each of the funds has its own investment objectives and risks therefore not all funds may be suitable for all BPIC clients.

BMO Private Portfolios

As of January 29, 2021, the 13 Private Portfolios are:

1. BMO Private Canadian Money Market Portfolio
2. BMO Private Canadian Short-Term Bond Portfolio
3. BMO Private Canadian Mid-Term Bond Portfolio
4. BMO Private Canadian Corporate Bond Portfolio
5. BMO Private Diversified Yield Portfolio
6. BMO Private Canadian Income Equity Portfolio
7. BMO Private Canadian Core Equity Portfolio
8. BMO Private Canadian Special Equity Portfolio
9. BMO Private U.S. Equity Portfolio
10. BMO Private U.S. Growth Equity Portfolio
11. BMO Private U.S. Special Equity Portfolio
12. BMO Private International Equity Portfolio
13. BMO Private Emerging Markets Equity Portfolio

The Private Portfolios are not registered for sale to U.S. resident clients. Any U.S. residents invested in the Private Portfolios would have purchased these assets while residing in Canada.

Further, any dividends paid by the Private Portfolios are not reinvested for U.S. residents, rather, BPIC Investment Counsellors will invest those dividends elsewhere in accordance with the client's investment objectives.

Item 5 – Fees and Compensation

BPIC is compensated for its discretionary investment management and administrative services by charging investment management fees which are calculated as a percentage of a client's assets under management (AUM). The investment management fee is in addition to certain fixed fees such as brokerage commissions or the Private Portfolio's operating expenses as described below.

The Private Portfolios pay their own expenses relating to their operation and the carrying on of their business. These operating expenses are part of the fund's Management Expense Ratio (MER). The MER is the total of the management fee and operating expenses of a fund or fund series expressed as an annualized percentage of the average net asset value of the fund or fund series (this could include the Private Portfolios, an affiliated fund or a third-party fund).

A Private Portfolio's MER does not include management fees (as there are no management fees applicable to the Private Portfolios), but it does include operating expenses and taxes. The Private Portfolio's operating expenses include sub-advisory fees when applicable and other operating expenses associated with regulatory requirements and day-to-day expenses of operating the fund such as filings, transaction processing, client reporting, audit and legal fees, and custodial fees. Although the Private Portfolio sub-advisory fees are included in the MER when applicable, BPIC also absorbs a portion of the sub-advisory fees for each Private Portfolio, which may affect its performance results.

Further, each Private Portfolio pays its own brokerage commissions and fees and includes these in the cost of investments. Information regarding fees and expenses payable directly by the Private Portfolios is available in the Private Portfolios' Simplified Prospectus, Annual Information Form and Fund Facts Document. For more information, please see Prospectuses & Financial Reports: <https://www.bmo.com/privatebanking/our-services/investment-management#--tabs-1611282486793->.

Establishment of a Fee Schedule

Four different Fee Schedules apply to U.S. residents depending on the type of account the client opens and/or the amount of money invested.

1. U.S. Clients Investment Management Fee Schedule

There is a minimum annual fee of C\$15,700 for a

segregated portfolio relationship. The segregated portfolio relationship typically will be the type of account that is held by U.S. residents.

The standard investment management fee rates are as follows:

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

2. Smaller Account Investment Management Fee Schedule

A rate of 1.95% is applied for different types of smaller accounts when there is no minimum dollar value requirement in the account.

3. Canadian Money Market Fee Schedule

There is a minimum fee of C\$1,000 per year for a Private Portfolio relationship and C\$2,400 per year for a segregated portfolio relationship, which typically will be the type of account that is held by U.S. residents.

The standard investment management fee rate are as follows:

Portfolio Size	Rate
First C\$500,000	0.50%
Next C\$1,500,000, up to \$2 million	0.40%
Next C\$1,000,000, up to \$3 million	0.30%
Over C\$3,000,000	0.20%

4. Ultra High Net Worth Investment Management Fee Schedule

The following fee schedule represents the investment management fee rates that apply to all Ultra High Net Worth (UHNW) accounts:

Portfolio Size	Rate
First C\$10 million	0.65%
Next C\$25 million, up to \$35 million	0.50%
Next C\$25 million, up to \$60 million	0.30%
Next C\$40 million, up to \$100 million	0.40%
Over C\$100 million	0.30%

Investment management fees are calculated and charged quarterly in arrears, based on the higher of the average of the month-end market values (including accrued income of the portfolios within the quarter) or the quarterly minimum fee. Fees are deducted from a client's BPIC account, in accordance with the fee schedule information described below, and reflected in the client statements.

Calculation of Fees

Investment Management fees are calculated per relationship, where a relationship is the aggregation of assets across associated accounts. Fees are calculated quarterly using a declining fee rate schedule as the size of the portfolio grows, and are based on the higher of the average of the month-end market values (including accrued income of the portfolios within the quarter) or the quarterly minimum fee and appears in the client's reporting package. BPIC does not charge an investment management fee on securities that pay trailing commissions.

What is included in the Investment Management Fee:

- portfolio management services in accordance with the client's defined investment objectives
- an assigned Investment Counsellor
- annual account consultations
- additional consultations as required during the year
- customized financial reporting
- custodial services (provided by BPIC's affiliated entity BMO Trust Company)
- sub-custodial services provided by BMO Nesbitt Burns Inc.
- up to 0.15% of the sub-advisor costs associated with the Private Portfolios absorbed by BPIC

What is not included in the Investment Management Fee:

- any fixed fees charged for brokerage commissions on individual trades in a client's account (see Item 12 for more information on brokerage practices)
- any embedded fees associated with an investment product, traditional and non-traditional, such as management fee, performance fees, operating and trading expenses
- foreign currency conversion fees
- wire transfer fees from the client's BPIC account (i.e. service charges)
- regulatory transaction charges

- any other fees that may be charged by external parties (including affiliates) relating to investment vehicles held in the BPIC account(s)
- sub-advisor fees for individual securities under a Separately Managed Account

When non-traditional investments such as hedge funds, commodity futures contracts, or derivatives, etc. are included in a client's portfolio, the client may also be charged additional fees associated with those non-traditional investments. Any investments in non-traditional assets will be included as part of a client's total AUM for the purpose of calculating the BPIC investment management fee.

BPIC does not invest clients in securities that pay trailing commissions. A trailing commission is an ongoing fee (i.e. annual marketing or distribution fee on a mutual fund) paid to a registered dealer (as defined by Canadian securities laws) from the fund's management fees. It is paid for as long as the client owns the fund. Any securities with trailing commissions in a BPIC investment account would have been transferred in-kind when the client opened the account. Mutual funds or other securities that pay trailing commissions that are transferred into a client's BPIC account are excluded from any fee calculation. BPIC will review the suitability of the investment, including retaining certain securities for a longer period due to early redemption penalties or tax considerations. BPIC does not charge an investment management fee in addition to trailing commissions it may receive.

Account Statements

Clients are provided with a monthly or quarterly portfolio statement showing all transactions carried out in their account during the month or quarter, all assets held, account fees and taxes, withdrawals and contributions, and certain performance information. BPIC clients whose assets are custodied with BMO Trust Company (and sub-custodied with BMO Nesbitt Burns Inc.) receive a joint account statement from BPIC and BMO Trust Company on at least a quarterly basis. The Investment Counsellor is available to review and discuss with a client their portfolio statement as well as any subsequent portfolio statement or reporting specifically requested, as applicable, that is prepared for that client. Clients will also receive annual reports on performance as well as fees and compensation.

In addition, a client's portfolio may hold units in BMO Private Canadian Money Market Portfolio, which pays all administration fees and expenses relating to its operation and may also pay a portion of the sub-advisory fees charged by its portfolio manager in the form of MER fee.

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

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

Item 7 –Types of Clients

BPIC offers discretionary investment advisory services to high net worth and ultra-high net worth individuals in Canada and the United States, pooled investment vehicles, corporations, pension plans, charitable organizations, insurance companies, trusts and estates, non-profit organizations and private foundations.

Account Minimums

BPIC's minimum account size is C\$1,000,000, however, BPIC may reduce the account minimum at its discretion on a per relationship basis.

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

Methods of Analysis

Once the Investment Counsellor and Client have met and discussed investment objectives, risk tolerance, Investment needs, restrictions, and any income needs of the client, the Investment Counsellor will determine the appropriate Investment Strategy for the client. The investment strategies do not include any personal income tax planning services, which shall remain the responsibility of the client.

Investment Strategies

All references to the term "Domestic" in this section refer to Canada.

Where an Investment Strategy includes a fund or structured product, the fund or structured product will be a BPIC proprietary product or BPIC affiliate product. The Investment Strategy may also include third party funds and structured products at BPIC's discretion. For former Canadian resident clients who are now a resident in the United States, BPIC's use of proprietary products described above no longer applies because BPIC does not invest additional client assets in the Private Portfolios after the client leaves Canada. Any dividends issued by the Private Portfolios for assets previously purchased by US resident clients before they left Canada will not be reinvested in the Private Portfolios.

All material risks listed in each investment strategy description below are explained in full detail in the "Risk of Loss" section that follows.

Investment decisions are always made in the best interests of our clients. Supporting these decisions is our belief that incorporating a range of responsible investment techniques can have an important impact on the creation of long-term investor value. Our sub-advisors determine the role of responsible investment in their strategies. All of our strategies incorporate one or more responsible investment approaches into their investment processes, such as ESG (Environmental, Social & Governance) integration or an active ownership and engagement approach.

I. Standard Multi – Asset Class Strategies

All Equity - Income Strategy: The primary focus of this strategy is to provide for income through a total return approach with exclusive emphasis on long-term growth of capital and dividends. The portfolio's return will be achieved by investing in equities that are primarily income- oriented, across all capitalization sizes from Canada, the United States and non-North American countries with, at times, differing geographic emphasis. This investment approach can be expected to have a level of portfolio volatility significantly above that of a balanced portfolio.

Material Risks: Asset Allocation Risk, Management & Strategy Risk, Mutual Fund Risk, Foreign Investing Risk, Company Size Risk, Value Style Risk, Growth Stock Risk, Stock Market Risk.

Focused Equity - Income Strategy: The primary focus of this strategy is to provide for income through a total return approach with a significant emphasis on long-term growth of capital and dividends. The portfolio's return will be achieved predominantly from equities, supplemented by a low allocation to fixed income securities. The equity emphasis will be primarily on income-oriented equities across all capitalization sizes from Canada, the United States and non-North American countries with, at times, differing geographic emphasis. This investment approach can be expected to have a level of portfolio volatility somewhat above that of a balanced portfolio.

Material Risks: Asset Allocation Risk, Management & Strategy Risk, Mutual Fund Risk, Foreign Investing Risk, Company Size Risk, Value Style Risk, Growth Stock Risk, Stock Market Risk, Interest Rate Risk, Credit Risk, Call Risk, Liquidity Risk, Asset-Backed Securities Risk, High Yield Securities Risk.

Balanced Equity - Income Strategy: The primary focus of this strategy is to provide for income through a total return approach with modest emphasis on long-term growth of capital and dividends. The portfolio's return will be achieved primarily from equities, supplemented by a moderate allocation to fixed income securities. The equity emphasis will be primarily on income-oriented equities across all capitalization sizes from Canada, the United States and non-North American countries with, at times, differing geographic emphasis. This investment approach can be expected to have a level of portfolio volatility slightly above that of a balanced portfolio.

Material Risks: Asset Allocation Risk, Management & Strategy Risk, Mutual Fund Risk, Foreign Investing Risk, Company Size Risk, Value Style Risk, Growth Stock Risk, Stock Market Risk, Interest Rate Risk, Credit Risk, Call Risk, Liquidity Risk, Asset-Backed Securities Risk, High Yield Securities.

Balanced Conservative - Income Strategy: The primary focus of this strategy is to provide a conservative balance between current income and long-term capital appreciation. The portfolio's return will be achieved primarily from fixed income securities, supplemented by a moderate allocation to equities. The equity emphasis will be primarily on income-oriented equities across all capitalization sizes from Canada, the United States and non-North American countries with, at times, differing geographic emphasis. This investment approach can be expected to have a level of portfolio volatility slightly below that of a balanced portfolio.

Material Risks: Asset Allocation Risk, Management & Strategy Risk, Mutual Fund Risk, Foreign Investing Risk, Company Size Risk, Value Style Risk, Growth Stock Risk, Stock Market Risk, Interest Rate Risk, Credit Risk, Call Risk, Liquidity Risk, Asset-Backed Securities Risk, High Yield Securities Risk.

Focused Conservative - Income Strategy: The primary focus of this strategy is to provide current income while preserving capital. The portfolio's return will be achieved predominantly from fixed income securities, supplemented by a low allocation to equities. The equity emphasis will be primarily on income-oriented equities across all capitalization sizes from Canada, the United States and non-North American countries with, at times, differing geographic emphasis. This investment approach can be expected to have a level of portfolio volatility somewhat below that of a balanced portfolio.

Material Risks: Asset Allocation Risk, Management & Strategy Risk, Mutual Fund Risk, Foreign Investing Risk, Company Size Risk, Value Style Risk, Growth Stock Risk, Stock Market Risk,

Interest Rate Risk, Credit Risk, Call Risk, Liquidity Risk, Asset-Backed Securities Risk, High Yield Securities Risk.

All Equity - Domestic Income Strategy: The primary focus of this strategy is to provide for income through a total return approach with exclusive emphasis on long-term growth of capital and dividends. The portfolio's return will be achieved by investing in equities that are primarily income-oriented, across all capitalization sizes from Canada, with smaller allocations to the United States and non-North American countries. This investment approach can be expected to have a level of portfolio volatility significantly above that of a balanced portfolio.

Material Risks: Asset Allocation Risk, Management & Strategy Risk, Mutual Fund Risk, Foreign Investing Risk, Company Size Risk, Value Style Risk, Growth Stock Risk, Stock Market Risk.

Focused Equity - Domestic Income Strategy: The primary focus of this strategy is to provide for income through a total return approach with a significant emphasis on long-term growth of capital and dividends. The portfolio's return will be achieved predominantly from equities, supplemented by a low allocation to fixed income securities. The equity emphasis will be primarily on income-oriented equities across all capitalization sizes from Canada, with smaller allocations to the United States and non-North American countries. This investment approach can be expected to have a level of portfolio volatility somewhat above that of a balanced portfolio.

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Balanced Equity - Domestic Income Strategy: The primary focus of this strategy is to provide appreciation with some current income. The portfolio's return will be achieved primarily from equities, supplemented by a moderate allocation to fixed income securities. The equity emphasis will be primarily on income-oriented equities across all capitalization sizes from Canada, with smaller allocations to the United States and non-North American countries. This investment approach can be expected to have a level of portfolio volatility slightly above that of a balanced portfolio.

Material Risks: Asset Allocation Risk, Management & Strategy Risk, Mutual Fund Risk, Foreign Investing Risk, Company Size Risk, Value Style Risk, Growth Stock Risk, Stock Market Risk, Interest Rate Risk, Credit Risk, Liquidity Risk, Asset-Backed Securities Risk, High Yield Securities Risk.

Balanced - Domestic Income Strategy: The primary focus of this strategy is to provide moderate growth of capital as well as current income. The emphasis will be on a balance of fixed income securities and equities. The equity emphasis will be primarily on income-oriented equities across all capitalization sizes from Canada, with smaller allocations to the United States and non-North American countries. This investment approach can be expected to have a level of portfolio volatility below that of equity markets and greater than that of fixed income markets.

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Balanced Conservative - Domestic Income Strategy:

The primary focus of this strategy is to provide a balance between current income and long-term capital appreciation. The portfolio's return will be achieved primarily from fixed income securities, supplemented by a moderate allocation to equities. The equity emphasis will be primarily on income-oriented equities across all capitalization sizes from Canada, with smaller allocations to the United States and non-North American countries. This investment approach can be expected to have a level of portfolio volatility slightly below that of a balanced portfolio.

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Focused Conservative - Domestic Income Strategy: The primary focus of this strategy is to provide current income while preserving capital. The portfolio's return will be achieved predominantly from fixed income securities, supplemented by a low allocation to equities. The equity emphasis will be primarily on income-oriented equities across all capitalization sizes from Canada, with smaller allocations to the United States and non-North American countries. This investment approach can be expected to have a level of portfolio volatility somewhat below that of a balanced portfolio.

Material Risks: Asset Allocation Risk, Management & Strategy Risk, Mutual Fund Risk, Foreign Investing Risk, Company Size Risk, Value Style Risk, Growth Stock Risk, Stock Market Risk, Interest Rate Risk, Credit Risk, Call Risk, Liquidity Risk, Asset-Backed Securities Risk, High Yield Securities Risk.

Fixed Income Strategy: The primary focus of this strategy is to provide current income with an emphasis on preserving capital. The portfolio's return will be achieved predominantly by investing in fixed income securities. This investment approach can be expected to have a level of portfolio volatility significantly below that of a balanced portfolio.

Material Risks: Interest Rate Risk, Credit Risk, Call Risk, Liquidity Risk, Asset-Backed Securities Risk, High Yield Securities Risk, Mutual Fund Risk, Management & Strategy Risk, Asset Allocation Risk.

All Equity Strategy: The primary focus of this strategy is to provide for long-term growth of capital. Providing for current income is not an investment objective. The portfolio's return will be achieved by investing in equities across all capitalization sizes from Canada, the United States and non-North American countries with, at times, differing geographic emphasis. This investment approach can be expected to have a level of portfolio volatility significantly above that of a balanced portfolio.

Material Risks: Asset Allocation Risk, Management & Strategy Risk, Mutual Fund Risk, Foreign Investing Risk, Company Size Risk, Value Style Risk, Growth Stock Risk, Stock Market Risk.

Focused Equity Strategy: The primary focus of this strategy is to provide capital appreciation with modest current income. The portfolio's return will be achieved predominantly from equities, supplemented by a low allocation to fixed income securities. The equity emphasis will be primarily on equities across all capitalization sizes from Canada, the United States and non-North American countries with, at times, differing geographic emphasis. This investment approach can be expected to have a level of portfolio volatility somewhat above that of a balanced portfolio.

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Balanced Strategy: The primary focus of this strategy is to provide moderate growth of capital as well as current income. The portfolio's return will be achieved from a balance of fixed income securities and equities. The equity emphasis will be primarily on equities across all capitalization sizes from Canada, the United States and non-North American countries with, at times, differing geographic emphasis. This investment approach can be expected to have a level of portfolio volatility below that of equity markets and greater than that of fixed income markets.

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All Equity - Global Strategy: The primary focus of this strategy is to provide for long-term growth of capital. Providing for current income is not an investment objective. The portfolio's return will be achieved by investing in equities across all capitalization sizes primarily from the United States and non-North American countries. This investment approach can be expected to have a level of portfolio volatility significantly above that of a balanced portfolio.

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Balanced - Global Strategy: The primary focus of this strategy is to provide moderate growth of capital as well as current income. The portfolio's return will be achieved from a balance of fixed income securities and equities. The equity emphasis will be primarily on U.S. and non-North American equities across all capitalization sizes. This investment approach can be expected to have a level of portfolio volatility below that of equity markets and greater than that of fixed income markets.

Material Risks: Asset Allocation Risk, Management & Strategy Risk, Mutual Fund Risk, Foreign Investing Risk, Company Size Risk, Value Style Risk, Growth Stock Risk, Stock Market Risk, Interest Rate Risk, Credit Risk, Call Risk, Liquidity Risk, Asset-Backed Securities Risk, High Yield Securities Risk.

All Equity - Global Strategy (U.S. Dollar): The primary focus of this strategy (U.S. Dollar) is to provide for long-term growth of capital. Providing for current income is not an investment objective. The portfolio's return will be achieved by investing in equities across all capitalization sizes primarily from the United States and non-North American countries. This investment approach can be expected to have a level of portfolio volatility significantly above that of a balanced portfolio.

Material Risks: Asset Allocation Risk, Management & Strategy Risk, Mutual Fund Risk, Foreign Investing Risk, Company Size Risk, Value Style Risk, Growth Stock Risk, Stock Market Risk.

Focused Equity - Global Strategy (U.S. Dollar): The primary focus of this strategy is to provide capital appreciation with modest current income. The portfolio's return will be achieved predominantly from equities, supplemented by a low allocation to fixed income securities. The equity emphasis will be primarily on U.S. and non-North American equities across all capitalization sizes. This investment approach can be expected to have a level of portfolio volatility somewhat above that of a balanced portfolio.

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Balanced Equity - Global Strategy (U.S. Dollar): The primary focus of this strategy is to provide capital appreciation with moderate current income. The portfolio's return will be achieved primarily from equities, supplemented by a moderate allocation to fixed income securities. The equity emphasis will be primarily on U.S. and non-North American equities across all capitalization sizes. This investment approach can be expected to have a level of portfolio volatility slightly above that of a balanced portfolio.

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All Equity - Domestic Strategy: The primary focus of this strategy is to provide for long-term growth of capital. Providing for current income is not an investment objective. The portfolio's return will be achieved by investing in equities across all capitalization sizes from Canada, with smaller allocations to the United States and non-North American countries. This investment approach can be expected to have a level of portfolio volatility significantly above that of a balanced portfolio.

Material Risks: Asset Allocation Risk, Management & Strategy Risk, Mutual Fund Risk, Foreign Investing Risk, Company Size Risk, Value Style Risk, Growth Stock Risk, Stock Market Risk.

Focused Equity - Domestic Strategy: The primary focus of this strategy is to provide capital appreciation with modest current income. The portfolio's return will be achieved predominantly from equities, supplemented by a low allocation to fixed income securities. The equity emphasis will be primarily on equities across all capitalization sizes from Canada, with smaller allocations to the United States and non-North American countries. This investment approach can be expected to have a level of portfolio volatility somewhat above that of a balanced portfolio.

Material Risks: Asset Allocation Risk, Management & Strategy Risk, Mutual Fund Risk, Foreign Investing Risk, Company Size Risk, Value Style Risk, Growth Stock Risk, Stock Market Risk, Interest Rate Risk, Credit Risk, Call Risk, Liquidity Risk, Asset-Backed Securities Risk, High Yield Securities Risk.

Balanced Equity - Domestic Strategy: The primary focus of this strategy is to provide capital appreciation with moderate current income. The portfolio's return will be achieved primarily from equities, supplemented by a moderate allocation to fixed income securities. The equity emphasis will be primarily on equities across all capitalization sizes from Canada, with smaller allocations to the United States and non-North American countries. This investment approach can be expected to have a level of portfolio volatility slightly above that of a balanced portfolio.

Material Risks: Asset Allocation Risk, Management & Strategy Risk, Mutual Fund Risk, Foreign Investing Risk, Company Size Risk, Value Style Risk, Growth Stock Risk, Stock Market Risk, Interest Rate Risk, Credit Risk, Call Risk, Liquidity Risk, Asset-Backed Securities Risk, High Yield Securities Risk.

Balanced - Domestic Strategy: The primary focus of this strategy is to provide moderate growth of capital as well as current income. The portfolio's return will be achieved from a balance of fixed income securities and equities. The equity emphasis will be primarily on equities across all capitalization sizes from Canada, with smaller allocations to the United States and non-North American countries. This investment approach can be expected to have a level of portfolio volatility below that of equity markets and greater than that of fixed income markets.

Material Risks: Asset Allocation Risk, Management & Strategy Risk, Mutual Fund Risk, Foreign Investing Risk, Company Size Risk, Value Style Risk, Growth Stock Risk, Stock Market Risk, Interest Rate Risk, Credit Risk, Call Risk, Liquidity Risk, Asset-Backed Securities Risk, High Yield Securities Risk.

II. Specialty / Single Asset Class Strategies

All Equity Strategy – Canadian: The primary focus of this strategy is to provide for long term growth of capital. Providing for current income is not an investment objective. The investment emphasis will be on investing in medium and large capitalization Canadian companies. This investment approach can be expected to have a level of portfolio volatility significantly above that of a balanced portfolio.

Material Risks: Asset Allocation Risk, Management & Strategy Risk, Mutual Fund Risk, Foreign Investing Risk, Company Size Risk, Value Style Risk, Growth Stock Risk, Stock Market Risk.

All Equity Strategy - Diversified Yield: The primary focus of this strategy is to provide income by investing primarily in a diversified portfolio of Canadian securities. The portfolio seeks to achieve its investment objective by investing primarily in Canadian common equities, preferred equity, real estate investment trusts, convertible debentures, and fixed income securities. This investment approach can be expected to have a level of portfolio volatility somewhat above that of a balanced portfolio.

Material Risks: Asset Allocation Risk, Management & Strategy Risk, Mutual Fund Risk, Foreign Investing Risk, Company Size Risk, Value Style Risk, Growth Stock Risk, Stock Market Risk, Interest Rate Risk, Credit Risk, Call Risk, Liquidity Risk, Asset-Backed Securities Risk, High Yield Risk.

All Equity Strategy - Canadian Small Cap: The primary focus of this strategy is to provide above average capital growth over the long term by investing in small and mid-sized Canadian companies. Providing for current income is not an investment objective. This investment objective is associated with a high level of portfolio volatility, significantly above that of a balanced portfolio.

Material Risks: Asset Allocation Risk, Management & Strategy Risk, Mutual Fund Risk, Foreign Investing Risk, Company Size Risk, Value Style Risk, Growth Stock Risk, Stock Market Risk.

All Equity Strategy - U.S.: The primary focus of this strategy is to provide for long term growth of capital. Providing for current income is not an investment objective. The investment emphasis will be on investing in medium and large capitalization U.S. companies. This investment approach can be expected to have a level of portfolio volatility significantly above that of a balanced portfolio.

Material Risks: Asset Allocation Risk, Management & Strategy Risk, Mutual Fund Risk, Company Size Risk, Value Style Risk, Growth Stock Risk, Stock Market Risk.

All Equity Strategy - Non-North American: The primary focus of this strategy is to provide for long term growth of capital. Providing for current income is not an investment objective. The investment emphasis will be on investing in medium and large capitalization non-North American companies. This investment approach can be expected to have a level of portfolio volatility significantly above that of a balanced portfolio.

Material Risks: Asset Allocation Risk, Management & Strategy Risk, Mutual Fund Risk, Foreign Investing Risk, Company Size Risk, Value Style Risk, Growth Stock Risk, Stock Market Risk.

Non-Traditional - Capital Appreciation Strategy: The primary focus of this strategy is to provide above average capital growth over the long term. The portfolio will seek to achieve its investment objective by investing in one or a variety of non-traditional capital appreciation-oriented instruments. This investment objective is associated with portfolio volatility significantly above that of a balanced portfolio.

Material Risks: Asset Allocation Risk, Management & Strategy Risk, Mutual Fund Risk, Foreign Investing Risk, Company Size Risk, Value Style Risk, Growth Stock Risk, Stock Market Risk.

Fixed Income Strategy – Canadian: The primary focus of this strategy is to provide current income with an emphasis on preserving capital. The portfolio's return will be achieved predominantly by investing in Canadian fixed income securities. This investment approach can be expected to have portfolio volatility significantly below that of a balanced portfolio.

Material Risks: Asset Allocation Risk, Management & Strategy Risk, Mutual Fund Risk, Foreign Investing Risk, Interest Rate Risk, Credit Risk, Call Risk, Liquidity Risk, Asset-Backed Securities Risk, High Yield Securities Risk.

Fixed Income Strategy - U.S.: The primary focus of this strategy is to provide current income with an emphasis on preserving capital. The portfolio's return will be achieved predominantly by investing in U.S. fixed income securities. This investment approach can be expected to have portfolio volatility significantly below that of a balanced portfolio.

Material Risks: Asset Allocation Risk, Management & Strategy Risk, Mutual Fund Risk, Interest Rate Risk, Credit Risk, Call Risk, Liquidity Risk, Asset-Backed Securities Risk, High Yield Securities Risk.

Fixed Income Strategy - Non-North American: The primary focus of this strategy is to provide current income with an emphasis on preserving capital. The portfolio's return will be achieved predominantly by investing in non-North American fixed income securities. This investment approach can be expected to have portfolio volatility significantly below that of a balanced portfolio.

Material Risks: Asset Allocation Risk, Management & Strategy Risk, Mutual Fund Risk, Foreign Investing Risk, Interest Rate Risk, Credit Risk, Call Risk, Liquidity Risk, Asset-Backed Securities Risk, High Yield Securities Risk.

Non-Traditional - Capital Preservation Strategy: The primary focus of this strategy is to preserve capital. The portfolio will seek to achieve its investment objective by investing in one or a variety of non-traditional capital preservation-oriented instruments. This investment approach can be expected to have portfolio volatility significantly below that of a balanced portfolio.

Material Risks: Asset Allocation Risk, Management & Strategy Risk, Mutual Fund Risk, Foreign Investing Risk, Interest Rate Risk, Credit Risk, Call Risk, Liquidity Risk, Asset-Backed Securities Risk, High Yield Securities Risk.

Money Market Strategy - Canadian: The primary focus of this strategy is to preserve capital and ensure liquidity as well as provide some income. The portfolio will seek to achieve its investment objective by investing primarily in high quality, low risk short-term debt instruments, such as Government of Canada and provincial treasury bills, bankers' acceptances, commercial paper and other short-term debt instruments issued by government and corporations in Canada. This investment approach can be expected to have portfolio volatility significantly below that of a balanced portfolio.

Material Risks: Asset Allocation Risk, Management & Strategy Risk, Mutual Fund Risk, Foreign Investing Risk, Interest Rate Risk, Credit Risk, Call Risk, Liquidity Risk, Asset-Backed Securities Risk, High Yield Securities Risk.

Money Market Strategy - U.S.: The primary focus of this strategy is to preserve capital and ensure liquidity as well as provide some income. The portfolio will seek to achieve its investment objective by investing primarily in high quality, low risk short-term debt instruments, such as treasury bills, bankers' acceptances, commercial paper and other short-term debt instruments issued by governments and corporations in the United States. This investment approach can be expected to have portfolio volatility significantly below that of a balanced portfolio.

Material Risks: Asset Allocation Risk, Management & Strategy Risk, Mutual Fund Risk, Interest Rate Risk, Credit Risk, Call Risk, Liquidity Risk, Asset-Backed Securities Risk, High Yield Securities Risk.

Money Market Strategy - Non-North American: The primary focus of this strategy is to preserve capital and ensure liquidity as well as provide some income. The portfolio will seek to achieve its investment objective by investing primarily in high quality, low risk short-term debt instruments, such as treasury bills, bankers' acceptances, commercial paper and other short-term debt instruments issued by non-North American governments and corporations. This investment approach can be expected to have portfolio volatility significantly below that of a balanced portfolio.

Material Risks: Asset Allocation Risk, Management & Strategy Risk, Mutual Fund Risk, Foreign Investing Risk, Interest Rate Risk, Credit Risk, Call Risk, Liquidity Risk, Asset-Backed Securities Risk, High Yield Securities Risk.

Risk of Loss

All investments may have some level and type of risk. Risk is the possibility the client will lose money, or not make money, on the investment. Generally, the higher an investment's anticipated return, the greater the risk the client must be prepared to take. Strategies involving frequent trading can affect investment performance. The following summarizes the range of potential risks generally associated with investing. Not all of the risks outlined below apply to all Investment Strategies.

The nature of the securities to be purchased and traded and the investment techniques and strategies to be employed in an effort to generate risk-adjusted investment returns may increase this risk with respect to the portfolio. Many unforeseeable events, including actions by various government agencies and domestic and international political events, may cause significant market fluctuations.

Common types of investment risks that may be applicable to a portfolio of securities include, but are not limited to the following:

- BPIC utilizes a number of Investment Strategies that focus on Canadian securities. U.S. resident clients should be aware that investments in non-U.S. securities involve additional risks resulting from different reporting standards and regulatory requirements, the amount and reliability of publicly available information, and the volume and liquidity of some non-U.S. stock and bond markets.

- The value of securities denominated in a non-U.S. currency is affected by changes in non-U.S. currency rates or the imposition of non-U.S. exchange controls.
- An issuer of a fixed income security may be unable to make interest payments or pay back the original investment.
- A high concentration of assets in a single or small number of issuers may reduce diversification and liquidity within a portfolio and increase its volatility.
- Equity securities are affected by stock market movements, and equity securities of certain companies or companies within a particular industry sector may fluctuate differently from the overall stock market because of changes in the outlook for those individual companies or the particular industry.
- The value of a portfolio that invests in bonds, mortgages and other income-producing securities is affected by changes in the general level of interest rates.
- In addition to risks associated with traditional investments, alternative investments (such as private equity, hedge funds and certain real estate investments) may have risk that the investments may not be sold at an amount that at least approximates the amount at which the security is valued, restrictions on your ability to sell the security (liquidity risk), that market quotations may not be readily available (valuation risk), that valuations may be available on a less frequent basis than those for traditional investments, risks associated with the use of leverage, risks associated with short selling and risks associated with derivatives, as described below.

In addition to the foregoing risks associated with investing in securities, the use of derivatives (such as futures, forwards or options) that BPIC may use in the Private Portfolios involves certain other risks. However, as noted above, the Private Portfolios will not be sold to BPIC's U.S. clients. U.S. resident clients who were previously resident in Canada may continue to hold the Private Portfolios in their account. Accordingly, any derivatives in a Private Portfolio held by a U.S. resident client would have been purchased while the client was resident in Canada.

The risks of investing are as follows:

Asset Allocation Risk: Rather than focusing primarily on securities selection, BPIC attempts to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance; however, a risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another

risk is that the ratio of securities, fixed income, and cash will change over time due to capital markets movement and, if not rebalanced, will no longer be appropriate for the client's goals. BPIC engages in asset allocation rebalancing as necessary.

Management and Strategy Risks: As with any investment, there is no assurance that a portfolio will achieve its investment objective. The ability of a portfolio to meet its investment objective is directly related to the investment strategy for the portfolio. The investment process used could fail to achieve the portfolio's investment objective and cause investments to lose value.

Mutual Fund Risks: The Private Portfolios are not registered for sale to U.S. resident clients; however, U.S. residents may be invested in the Private Portfolios if purchased while resident in Canada. Mutual funds are subject to investment advisory, transactional, operating and other expenses. Each mutual fund is subject to specific risks, depending on its investments. The value of mutual funds' investments and the net asset value of mutual funds' units will fluctuate in response to changes in market and economic conditions, as well as the financial condition and prospects of securing issuing companies and other investments in which the funds invest.

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

Growth Stock Risks: A growth stock's revenues and earnings are expected to increase at a faster rate than the average company within the same industry or the overall market. Due to their relatively high valuations, growth stocks are typically more volatile than value stocks. Further, growth stocks may not pay dividends or may pay lower dividends than value stocks. This means they depend more on price changes for returns and may be more adversely affected in a down market compared to value stocks that pay higher dividends.

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

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

Foreign Investing Risks: Investments in foreign companies and markets carry a number economic, financial and political considerations that are not associated with the U.S. companies and markets, which could unfavorably affect portfolio performance. The potential risks are greater price volatility, weak supervision and regulation of securities exchanges, brokers and issuers, high brokerage costs, fluctuation in foreign currency exchange rates and related conversion costs, adverse tax consequences, and settlement delays.

Interest Rate Risks: Prices of fixed income securities rise and fall in response to changes in the interest rate paid by similar securities. Generally, when interest rates rise, prices of fixed income securities fall. Fixed income securities with longer maturities are more affected by interest rate changes.

Credit Risks: Credit risk is the possibility that an issuer or counterparty will default on a security or repurchase agreement by failing to pay interest or principal when it is due. If an issuer defaults, a fund holding securities of that issuer may lose money. Fixed income securities with higher credit risk typically have lower credit ratings, and at a certain rating level are considered speculative. Bonds that are rated BB+, Ba1 or lower have speculative characteristics.

Call Risks: Fixed income securities with an embedded call option feature may be redeemed (or called) by the issuer before maturity (callable bonds). A portfolio that invests in callable bonds that are called may have to reinvest the proceeds in securities that pay a lower interest rate, which may decrease the portfolio's overall yield. This will most likely happen when interest rates are declining.

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

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

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

Concentration Risk: The market value of an individual security may be more volatile than the market as a whole. As a result, if an individual security represents all or a significant portion of the market value of a client's portfolio or assets, changes in the market value of that security may cause greater fluctuations in the portfolio value than would normally be the case. The value of a security may increase or decrease for a number of reasons that directly relate to the issuer of the individual security, such as management performance, financial leverage and reduced demand for the issuer's goods or services.

Indexing Risk: Client portfolios may be invested in exchange traded funds ("ETFs"). ETFs use a variety of indexing strategies that involve tracking the performance of an index by tracking the performance of the investments included in the index. ETFs are unlikely to track an index perfectly because indices do not have operating or trading costs but ETFs do, which lower returns. An ETF that focuses on a particular index will be more volatile than an ETF that invests in a variety of indices because prices of securities on the same index tend to move up and down together. If required by its investment objectives, an ETF must continue to invest in the securities of the index, even if the index is performing poorly, which means that the ETF will not be able to reduce risk by diversifying its investments on other indices. If the market upon which the index is based is not open, an ETF may be unable to determine its net asset value per security, and so may be unable to satisfy redemption requests.

Item 9 – Disciplinary Information

BPIC is required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation and the integrity of BPIC. As such, please note the following:

On December 15, 2016, the Ontario Securities Commission (OSC) issued an order approving a settlement agreement entered into on a no contest basis (the Settlement Agreement) between the staff of the OSC and BPIC, BMO Nesbitt Burns Inc., BMO Investments Inc. and BMO InvestorLine Inc. (collectively, the BMO Registrants). The OSC staff alleged that there were inadequacies in the BMO Registrants' systems of controls and supervision that formed part of their compliance system, which resulted in certain clients of the BMO Registrants paying, directly or indirectly, excess fees that were not detected or corrected in a timely manner. The BMO Registrants did not make any admissions regarding the allegations and the OSC did not issue any fines or penalties; however, as part of the Settlement Agreement, the BMO Registrants undertook to pay C\$49,885,661 in compensation to affected clients and a total of C\$2,190,000 in voluntary payments to be used to cover the OSC's costs and to be allocated by the OSC to third parties or itself for the purpose of promoting financial literacy. BPIC has determined that the total amount to be paid to these Affected Clients pursuant to the Compensation Plan, inclusive of the Opportunity Cost, is \$4,784,725. The OSC closed this file on June 20, 2019.

Disciplinary history is also reported for BPIC and the Investment Counsellors on the Canadian Securities Administrator's website at <https://www.securities-administrators.ca/disciplinedpersons.aspx>.

Item 10 – Other Financial Industry Activities and Affiliations

BPIC is an investment adviser with the SEC. BPIC also holds registrations with Canadian securities regulatory authorities, specifically, BPIC is registered as:

- A Portfolio Manager in all Canadian jurisdictions (which permits BPIC to act as an adviser in respect of any security)
- An Investment Fund Manager in the provinces of Newfoundland and Labrador, Ontario and Quebec (which permits BPIC to direct or manage the business, operations or affairs of an investment fund)
- An Exempt Market Dealer in all Canadian jurisdictions (which permits BPIC to act as a dealer in Canada for securities distributed under an exemption from the prospectus requirement)

- A Commodity Trading Counsel and Commodity Trading Manager in Ontario (which permits BPIC to trade in and advise with respect to investing in commodity futures contracts and options)
- A Derivatives Portfolio Manager in Quebec (which permits BPIC to act as an adviser in respect of derivatives)
- A Firm in Financial Planning in Quebec (which permits BPIC to provide financial planning services)

Investment Counsellors with BPIC are individually registered with their provincial securities regulators.

BPIC Relationships with Affiliates

BPIC has several relationships with BPIC affiliates that may be material to its advisory business. As discussed more fully in Item 15 below, BMO Trust Company serves as the custodian for BPIC's client assets. BMO Trust Company employs BMO Nesbitt Burns Inc. as a sub-custodian of BPIC's assets.

The institutional trading desk of BMO Nesbitt Burns Inc. may act as the broker in executing a number of BPIC client transactions, but it is not the sole broker. BPIC client transactions may also be processed through external brokers independent of BMO Nesbitt Burns Inc. BMO Nesbitt Burns Inc. is the only affiliated broker that BPIC currently engages for client transactions.

BPIC clients pay an additional brokerage commission fee that will go to the broker including to a BPIC affiliate when the affiliate is the broker. While BPIC does not consider BMO Nesbitt Burns Inc. a preferred broker, nor does it use any preferred broker, in 2020, 27.7% of commissions paid by BPIC went to BMO Nesbitt Burns Inc. because BPIC determined it received the best execution price available in the market. For more information on Brokerage Practices see Item 12 below.

As required, any financial industry affiliations of BPIC or its related persons are disclosed in section 7.A. of Schedule D of Form ADV, Part 1. (Part 1 of BPIC's Form ADV can be accessed by following the directions provided on the cover page of this Brochure).

Related Persons

Where BPIC advises a client or exercises discretion on a client's behalf with respect to securities issued by BPIC or a related party in the course of distribution, BPIC must disclose to the client BPIC's relationship with the issuer of the securities. The information below includes explanations and categorized lists of BPIC's material relationships with related persons.

Bank of Montreal

As noted above, BPIC is a wholly owned indirect subsidiary of BMO Nesbitt Burns Inc., which is indirectly owned by the Bank of Montreal, a reporting issuer with securities listed and trading on the Toronto Stock Exchange and the New York Stock Exchange. Accordingly, where BMO securities are being distributed to the public it would be considered to be a related party under securities laws.

Although BPIC is a subsidiary of BMO, it is a separate corporation. This means that securities sold by BPIC (unless BPIC informs the client otherwise concerning a specific security) are:

- not insured by any government deposit insurer
- not guaranteed by BMO
- subject to fluctuations in market values

Other Affiliated Investment Advisors, Insurance Companies, and Institutions

BPIC uses both affiliated and third-party sub-advisors. Some of the benefits to BPIC using affiliated sub-advisors include familiarity with the affiliated portfolio managers and easy access to research. Further, these affiliated sub-advisors frequently offer very competitive cost rates, which are passed on to BPIC's clients. BPIC and their Investment Counsellors are not obligated to use affiliated sub-advisors and do not receive additional compensation when either chooses to do so. The following are categorized lists of BPIC's affiliated sub-advisors and other related entities.

BPIC affiliates that are registered with the U.S. Securities and Exchange Commission as Investment Advisers and/or with the Financial Industry Regulatory Authority as Broker-Dealers:

- BMO Asset Management Corp.
- BMO Capital Market Corp.
- BMO Harris Financial Advisors, Inc.
- BMO Nesbitt Burns Securities Ltd. (CRD 281337)
- BMO Nesbitt Burns Securities Ltd. (CRD 44057)
- BMO Investment Distributors, LLC
- LGM Investments Limited
- Pyrford International Limited
- Stoker Ostler Wealth Advisors, Inc.
- Taplin, Canida & Habacht, LLC
- Clearpool Execution Services, LLC

BPIC affiliates that are registered with the Ontario Securities Commission, not listed above include:

- BMO Asset Management Inc.
- BMO Investments Inc.

BPIC affiliates that are approved persons with the U.K. Financial Conduct Authority, not listed above include:

- Bank of Montreal
- BMO Asset Management Limited
- BMO Capital Markets Limited
- BMO REP Asset Management plc
- BMO AM Multi-Manager LLP

Other BPIC affiliates, not listed above include:

- MO Nesbitt Burns Inc. (Canadian Broker-Dealer)
- BMO Harris Bank, N.A. (Qualified Custodian)
- BMO Trust Company (Qualified Custodian)
- BMO Global Asset Management (Asia) Limited (registrant of the Hong Kong Securities and Futures Commission)
- BMO Estate Insurance Advisory Services Inc. (formerly, BMO Nesbitt Burns Financial Services Inc.)
- CANDEAL.CA (Canadian Broker-Dealer)

Affiliated Issuers and Mutual Funds

Generally, where an Investment Strategy includes a fund or structured product, the fund or structured product will be a BPIC proprietary product or BPIC affiliate product. The Investment Strategy may also include third party funds and structured products at BPIC's discretion. The following entities are issuers that may be considered to be affiliated with BPIC:

- The mutual funds in the BMO Private Portfolios group of funds which are managed by BPIC
- The mutual funds in the BMO Mutual Funds group of funds which are managed by our affiliate BMO Investments Inc.
- The exchange traded funds in the BMO ETFs group of funds which are managed by our affiliate BMO Asset Management Inc.
- The pooled funds in the BMO AM Pooled Funds group of funds which are managed by our affiliate BMO Asset Management Inc.
- The investment funds in the BMO TACTIC Funds group of funds which are managed and distributed by our affiliate BMO Nesbitt Burns Inc.

- Such other issuer corporations, as they may be in certain circumstances deemed to be related persons under applicable securities laws, when BMO Nesbitt Burns Inc. or its affiliates are members of the underwriting group for a new issue of securities

Additionally, the following affiliates (which are also listed above) are portfolio managers and/or sub-advisors to certain of the above-listed mutual funds and flow-through limited partnerships:

- BMO Asset Management Inc.
- BMO Asset Management Corp.
- BMO Capital Markets Corp.
- BMO Global Asset Management (Asia) Limited
- LGM Investments Limited
- Taplin, Canida & Habacht, LLC
- Pyrford International Limited

Related Registrants

Bank of Montreal is the principal shareholder of the following Canadian registrants:

- BMO Asset Management Inc.
- BMO Harris Financial Advisors, Inc.
- BMO Nesbitt Burns Inc.
- BMO Investments Inc.
- BMO InvestorLine Inc.

Related Officers & Directors

Further, certain BPIC's officers and directors are also directors and officers of affiliated entities. The following is a list of BPIC affiliates with officers and directors in-common:

- A member of BPIC's Board of Directors is also the Chair of the Board of Directors of BMO Asset Management Corp., BMO Asset Management Inc., BMO Investments Inc., LGM Investments Limited, and Pyrford International Limited.
- The Chair of the Board of Directors of BPIC is also the Chair of the Board of Directors of BMO Estate Insurance Advisory Services Inc.
- The Chief Anti-Money Laundering Officer of BPIC is also the Chief Anti-Money Laundering Officer of BMO Asset Management Inc., BMO Investments Inc., BMO Estate Insurance Advisory Services Inc., BMO InvestorLine Inc., BMO Life Assurance Company, BMO Life Insurance Company, and BMO Trust Company.

- The Corporate Secretary of BPIC is also the Assistant Corporate Secretary of BMO Asset Management Inc.
- A member of the BPIC Board of Directors is also a director of BMO Asset Management Inc., BMO Investments Inc., BMO Life Assurance Company, BMO Life Insurance Company, BMO Castle Mount Private Equity GP Inc., and is the Chief Financial Officer and Treasurer of BMO Trust Company.
- BPIC's President & CEO is also a member of the Board of Directors of BMO Nesbitt Burns Securities Ltd.
- A member of BPIC's Board of Directors is also an officer of BMO Nesbitt Burns Inc.

In connection with BPIC's ongoing business activities, BPIC obtains or provides management, administrative, referral and/or other services from or to the following affiliates (which are listed above):

- Bank of Montreal Financial Group
- BMO Asset Management Inc.
- BMO Asset Management Corp.
- BMO Capital Market Corp.
- BMO Capital Markets Limited
- BMO Financial Advisors, Inc.
- BMO Nesbitt Burns Inc.
- BMO Estate Insurance Advisory Services Inc. (formerly, BMO Nesbitt Burns Financial Services Inc.)
- BMO Investments Inc.
- BMO InvestorLine Inc.
- BMO Nesbitt Burns Securities Ltd.

How BPIC Addresses Conflicts of Interest

BPIC acts in the best interest of its clients as part of its fiduciary duty as a registered Investment Adviser.

BPIC takes the following steps, among others, to address any conflicts:

- Disclose to clients the existence of all material conflicts of interest
- Disclose to clients that they may set up restrictions around any securities they do not wish to include in their portfolio
- Collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance to ensure the client's investments are suitable and in-line with the client's expectations

- Conduct regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances
- Require employees to seek prior approval of any outside employment activity so that BPIC
- Ensure that any conflicts of interest in such activities are properly addressed
- Monitor outside employment activities of all BPIC registrants to verify that any conflicts of interest continue to be addressed by the Firm properly
- Educate BPIC registrants on ethics through BMO's Ethics, Legal & Compliance training

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

BMO's Code of Conduct

BPIC, as part of the wealth management operations with BMO Financial Group, has adopted BMO's Code of Conduct (the Code) pursuant to Rule 204A-1 of the Investment Advisers Act of 1940. BPIC Investment Counsellors who provide investment management advice and continue relationships with clients who maintain residency in the United States of America (Covered Persons) must comply with the Code and BMO Financial Group's standards and corporate policies.

The Code is the performance standard BPIC Investment Counsellors commit to everyday as BMO employees. It is BMO's enduring ethical guide and its five principles are not negotiable:

- **Principle 1 - Be honest and respectful**
Maintain integrity, empathy and responsibility in all our decisions and actions.
- **Principle 2 - Be alert to behaviour contrary to the Code**
Be alert to possible violations of laws, regulations or the Code and disclose information required by law.
- **Principle 3 - Be true to the letter and spirit of the law**
Comply with –
 - > Anti-bribery and anti-corruption laws and regulations
 - > Anti-money laundering and anti-terrorist financing requirements
 - > BMO corporate policies and corporate standards
 - > Government and legal requirements
 - > Investigations, audits and examinations

- > Competition/antitrust laws – follow all laws that seek to prevent unfair competition
- > BMO's internal trading policies
- > Legal, regulatory and policy requirements for political participation, including the use of corporate funds for political contribution

- **Principle 4 - Be conscientious about security**

Keep non-public information confidential – including non-public information about BMO's customers, suppliers and employees. Protect BMO's systems and other assets from improper access and use.

- **Principle 5 - Manage conflicts of interest**

Ensure that personal and business affairs do not conflict, or appear to conflict, with BMO's interests or the interests of BMO's current or prospective customers, counterparties and suppliers.

All BPIC Investment Counsellors are required to acknowledge that they have read, understood and will comply with the Code within 30 days of becoming a Covered Person. Annually thereafter BPIC Investment Counsellors must complete BMO's Ethics training and acknowledge that they have read, understood, have complied and will continue to comply with the Code in conjunction with BMO Financial Group's standards and corporate policies, directives and procedures.

Any BPIC Investment Counsellor who violates the Code will face corrective measures up to and including termination of employment and legal action. These consequences also apply to anyone who retaliates against someone who reports a concern and/or fails to cooperate with an investigation under the Code.

Clients or prospective clients may request a copy of the Code by contacting their local BMO branch or personal BPIC Investment Counsellor. A copy of the Code can also be found on BMO Financial Group's website at <https://our-impact.bmo.com/our-practices/business-conduct/code-of-conduct>.

Affiliate Interest in Client Transactions

As indicated in Item 10 above, it is possible that BPIC or one of its affiliates purchases or sells securities that BPIC also recommends for 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 assets.

BPIC maintains comprehensive policies and procedures regarding what should happen when BPIC purchases securities for one of its client's accounts that have been issued by an affiliated entity. Among other requirements, such purchases

must be consistent with, or necessary to meet, the client's investment objective. In addition, the purchase must be free from any influence by the affiliated issuer, without taking into account any consideration relevant to the affiliate or any of BPIC's other affiliates. It must also be the opinion of BPIC that the purchase achieves a fair and reasonable result for the client's portfolio.

BPIC believes that its policies, procedures, and controls are reasonably designed to ensure that any resultant conflicts of interest are addressed appropriately.

Personal Trading

BPIC Investment Counsellors must also not use their position at BPIC to obtain special treatment or investment opportunities not generally available to BPIC clients or the public. In addition, all employees are subject to personal trading restrictions which may require prior approval from BPIC to making trades in their personal securities accounts (unless the class of securities that is traded has specifically been exempted from this requirement by BPIC).

Specifically, the Code outlines the following prohibitions and procedure:

- Do not engage in trading activities that abuse or undermine the integrity of the capital markets.
- Do not use inside information or share it with others. Do not trade securities (including BMO securities) based on material, non-public information - that is, information which could have a significant effect on the market price or value of a security. These actions violate securities regulations, as well as the Code.
- Do not spread rumors to manipulate a security price. Do not engage in market timing of securities and mutual funds.
- Comply with BMO's internal trading policies.

BPIC reviews, on a regular basis, all securities transaction reports made in employees' personal securities accounts to identify, detect and resolve potential conflicts of interest.

Item 12 – Brokerage Practices

BPIC has the discretionary authority, within client-imposed restrictions, to determine the securities to be bought and sold and the timing and amount of all trades. Client limitations or restrictions on investments are documented in the client's Investment Policy Statement (IPS) which is agreed to and signed by both BPIC and the client.

It is BPIC's policy that all securities transactions must be executed with a broker on BPIC's approved list of brokers.

If a security is only available through a broker or dealer that is not on the approved list, specific approval to execute the transaction through such broker or dealer must be obtained.

While BPIC does not use a preferred broker, in 2020, 27.7% of commissions paid by BPIC went to an affiliate, BMO Nesbitt Burns Inc., because it offered the best execution price available in the market. When BPIC is given discretion to choose a broker or dealer, it endeavors to obtain the best prices available for the client. In approving broker-dealers for its clients' trades, BPIC considers, among other factors, financial and operational integrity and the quality and reliability of execution. BPIC selects broker-dealers for each trade based on its ability to obtain the "best execution" for its clients. BPIC considers, among other things, transaction price, size of the order, access to liquidity, certainty, speed, quality of execution, trading characteristics of the security involved, and the broker or dealer's ability to execute a large trade without moving the market. In some instances, however, clients may direct BPIC to place trades through or with a particular broker or dealer and in such cases BPIC may not be able to obtain the best pricing or execution.

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

BPIC will aggregate the purchase or sale of securities for various client accounts and certain of its Private Portfolios, also referred to as "block trading" in order to ensure fair allocation of purchase or sale price to all BPIC clients.

Item 13 – Review of Accounts

BPIC's policy is on an annual basis the Investment Counsellors will establish and review with the client their investment objective, risk tolerance, restrictions and income requirements of the account(s) in order to develop an appropriate investment strategy for the client. During this review, the types of securities and asset mixes held in client accounts are reviewed. Securities are recorded on the books and records of BPIC and the custodian, BMO Trust Company for each respective client's account.

BPIC's Investment Counsellors monitor reports relating accounts under their discretion on a daily basis.

In addition, depending on the nature of the account, Investment Counsellors review their client's transaction reports daily, and their client accounts at least annually or as otherwise required by the client relationship. Investment Counsellors look at transaction and cash balances daily, the asset mix of their client accounts weekly, and the overall suitability of the investment mandate for each client annually. On an annual basis (or more frequently if desired by the client) the

Investment Counsellor contacts each client to set up a meeting to review their investment objectives, account restrictions, income requirements, and financial position. The client and the investment counselor then use this information to amend BPIC's investment strategy for the client's account, if necessary. If an investment strategy is amended, the client will be given a new IPS to approve and sign.

Clients receive a monthly or quarterly account statement report that summarizes the performance of their account during the preceding month or quarter, as selected by the client. In addition, clients will receive annual reports on performance as well as fees and compensation. The custodian for each client's account maintains the official record for the account and delivers, on behalf of the custodian and BPIC, a joint account statement to the client and/or the client's designated agent. BPIC urges clients to carefully review such statements and compare their custodial records with any additional portfolio or performance reports that BPIC may sometimes provide to clients. Please note, however, that BPIC's reports may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities. Any questions regarding client statements should be directed to the client's Investment Counsellor.

Item 14 – Client Referrals and Other Compensation

BPIC abides by all regulatory requirements and BPIC Policies and Procedures when entering into a referral arrangement. BPIC has internal referral arrangements between BPIC and other BMO Financial Group entities, and external arrangements between BPIC and third parties. BPIC's third party referral arrangements include an agreement to pay a referral fee in respect of a referred client.

Referral Arrangements with other BMO Financial Group Entities

Clients (and prospects) receive disclosure in writing prior to BPIC opening the client's account or providing services to the referred client, including the name of each party to the referral agreement, the terms of the referral arrangement, a description of any associated conflicts of interest generated by the referral arrangement, the amount of the referral fee and how it is calculated, the registration category of each registrant that is a party to the agreement and the activities that they may undertake or are prohibited from, and any other information that a reasonable person would consider important in evaluating a referral arrangement. If a referral is made to a registrant, the disclosure will also include a statement that all activity requiring registration under securities laws will be

performed by an entity with the appropriate registrations. BPIC provides the disclosures in the Terms and Conditions booklet which accompanies each client account opening form or in a separate client disclosure document.

External Referrals

It has been BPIC's historical practice to permit external referral arrangements with Canadian resident clients. BPIC is currently a party to two separate referral agreements, as follows:

1. GNR Cabinet en assurance de personnes Inc. (GCI) – For client referrals from GCI to BPIC (this arrangement does not apply to referrals to any other BMO legal entity), BPIC pays GSI 20% of the fee revenue collected by BPIC from the referred client. This fee increased during a renegotiation in June 2017 from 15% to 20%.
2. MICA Capital Inc. (MICA) – For client referral from MICA to BPIC (this arrangement does apply to referrals to another BMO legal entity), BPIC pays MICA 20% of the fee revenue collected by BPIC from the referred client.

For existing referral arrangements with third parties, a client disclosure document is prepared which includes all disclosures listed above (the Client Disclosure Document). This Client Disclosure Document is provided to all prospective clients referred to BPIC before the account is open or any services are provided to the client. The terms of both referral arrangements are set out in a written agreement.

The referral payments made under the agreements listed above are made at BPIC's expense and do not result in any additional fee to BPIC's clients.

Changes to Referral Arrangements

Periodically, the existing referral arrangements are reviewed to determine whether they are in the best interests of BPIC and its clients to continue the relationship. If BPIC is no longer satisfied with the referral arrangement it will recommend the amendment or termination of the referral arrangement. In the event of a change to a referral agreement, each client affected by the change is notified as soon as possible and no later than 30 days before the date on which a referral fee is next paid or received.

Referral Payments

Any payments made by BPIC to other entities for clients referred by such entities are made at BPIC's expense and do not result in any additional fee to BPIC's clients. If BPIC agrees to pay a referral fee in any form, directly or indirectly, the terms of the referral arrangement must be set out in a written agreement prior to the referral being made in accordance with regulatory requirements.

In addition, where BPIC receives affiliate-generated referrals, payments by BPIC to such affiliates are made at BPIC's own expense and do not result in any additional fee to its clients. Clients (and prospective clients) are given notice of these referral arrangements.

Item 15 – Custody

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

BPIC typically assists its clients by arranging for its affiliate, BMO Trust Company, to act as custodian of its clients' funds and securities. BMO Trust Company employs BPIC's direct owner, BMO Nesbitt Burns Inc., as a sub-custodian for the client assets. Because a BPIC affiliate is custodian and sub-custodian of client funds and securities, BMO Trust Company and BMO Nesbitt Burns Inc., BPIC has engaged an independent public accountant that is registered with and subject to regular inspection by the Public Company Accounting Oversight Board (PCAOB) to perform a surprise annual examination of the client assets held by these affiliated custodians.

BPIC clients whose assets are custodied with BMO Trust Company receive joint account statements on at least a quarterly basis. BPIC urges clients to carefully review such statements and advise their Investment Counsellor if any item(s) on the statement appears incorrect.

Item 16 – Investment Discretion

BPIC receives discretionary management authority from each client at the outset of an advisory relationship. All BPIC clients execute an Acknowledgment & Agreement in the BPIC Account Opening Form, which authorizes BPIC to manage their assets including the discretion to buy, sell, exchange and otherwise deal in all securities/investments. BPIC may, in its sole discretion, directly or indirectly, purchase, sell, exchange, convert, and otherwise trade the securities and other permitted investments in a client's account.

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

Clients may impose reasonable restrictions on the management of their accounts, including instructions that particular securities

should not be purchased for the accounts. BPIC may deviate from investment decisions that it would otherwise make in managing an account as a result of any restrictions imposed. For example, money may be kept as cash in the accounts that would otherwise be invested in restricted securities.

BPIC may place securities transactions through the securities dealers of its choice, including a securities dealer with which it is affiliated, and such transactions may include those where the dealer acts as principal. As stated in Item 12 above, while BPIC does not use a preferred broker, in 2020, 27.7% of commissions paid by BPIC went to BPIC's affiliate, BMO Nesbitt Burns Inc., because it offered the best execution price available. When BPIC is given discretion to choose a broker or dealer, it endeavors to obtain the most favorable prices available for the client.

Item 17 – Voting Client Securities

All BPIC clients are given, and acknowledge receipt of, a copy of BPIC's Terms & Conditions, which state that BPIC may, in its sole discretion, exercise the right to vote a proxy or enlist another company to vote the proxies with respect to securities held in their account. Where assets for the Private Portfolios are sub-advised, the proxies are voted by the respective sub-advisors. Any exercise of voting rights by either BPIC or its sub-advisors will be made in the best interests of BPIC's clients. If BPIC or its subadvisors decide to vote a proxy, they will consider each side of the proxy at issue.

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

Clients who wish to direct their vote in a particular solicitation may do so by submitting their request in writing to their Investment Counsellor. This process is applicable to individual securities held in an account. It is not applicable for proxies impacting the Private Portfolios.

BPIC also has procedures in place to identify potential conflicts of interest. When BPIC or their subadvisors become aware of any vote that presents a conflict, it will vote such proxy in a manner consistent with, and uninfluenced by considerations other than the best interests of BPIC's clients. BPIC and its subadvisors vote on proxy matters in accordance with its written policies and procedures, independently of any interest

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

Any proxy vote that pertains to Bank of Montreal or its affiliates will be made free from any influence by Bank of Montreal or any affiliate or associate thereof and shall represent the business judgment of the BPIC portfolio manager, uninfluenced by considerations other than the best interests of BPIC clients in accordance with BPIC's policies and procedures. BPIC will hold all of its subadvisors to this same standard.

Clients or prospective clients may request a copy of BPIC's Proxy Voting Policy or learn how proxies were voted in respect of their account by contacting their Investment Counsellor.

Item 18 – Financial Information

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. BPIC does not have any financial conditions that would impair its ability to meet a contractual obligation.

Under no circumstances do we 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 financial statement.

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

Item 19 - Additional Information

Privacy Notice - BMO's Privacy Code is located here: <https://www.bmo.com/main/about-bmo/privacy-security/our-privacy-code/>. It details BMO's privacy practices, including how a client's information may be shared with BPIC's affiliates and third parties, as required or permitted by law, and the client's options on limiting certain sharing.



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