

**Part 2A of Form ADV: *Firm Brochure***

**MONTRUSCO BOLTON INVESTMENTS, INC.**

Principal Office Address:

1501 McGill College Avenue, Suite 1200  
Montreal, Quebec H3A3M8  
Canada

Telephone: (514) 282-2928

Facsimile: (514) 282-2503

Additional Office Location:

First Canadian Place  
100 King Street West, Suite 5600,  
Toronto, Ontario, M5X 1C9

E-mail: [ayottejc@montruscobolton.com](mailto:ayottejc@montruscobolton.com)

Web Address: [www.montruscobolton.com](http://www.montruscobolton.com)

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This brochure provides information about the qualifications and business practices of Montrusco Bolton Investments, Inc. ("Montrusco Bolton" or "the firm," "us" or "we"). If you have any questions about the contents of this brochure, please contact us by telephone at (514) 282-2928 or by email at [ayottejc@montruscobolton.com](mailto:ayottejc@montruscobolton.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Montrusco Bolton is a registered investment adviser. Registration does not imply any particular level of skill or training.

Additional information about Montrusco Bolton is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for Montrusco Bolton is 154475.

## **Item 2 MATERIAL CHANGES**

Consistent with SEC rules, we seek to ensure that you receive a summary of any material changes to this and subsequent Disclosure Brochures within 120 days after the close of our fiscal year. We may also provide you with other disclosures at other times during the year in the event of any material changes to our business.

Since our last annual updating amendment filed by Montrusco Bolton with the SEC in March 2020, we have entered arrangements with DSF Advisors LLC and AMG Funds LLC (a subsidiary of Affiliated Managers Group, Inc.). More details about these arrangements are included in Item 10 and Item 14 of this brochure.

We encourage you to read this brochure in its entirety.

**Item 3. Table of Contents**

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#### **Item 4. ADVISORY BUSINESS**

Montrusco Bolton is an SEC-registered investment adviser with its principal place of business in Montreal Canada, Quebec province. Montrusco Bolton was founded in 1946 and began providing advisory services as an SEC registered adviser in 2010. Montrusco Bolton is owned by AMG Canada, Inc., *Fonds de solidarité des travailleurs du Québec* ("FTQ") and certain key employees.

AMG Canada Inc. is a Canadian-based subsidiary of Affiliated Managers Group, Inc., ("AMG") a global asset management company based in Boston with equity investments in leading boutique investment management firms. AMG provides centralized assistance to its Affiliates in strategic matters, marketing, distribution, product development and operations. FTQ is a venture capital fund which seeks to invest in all sectors of the Québec economy. FTQ is registered with the Autorité des Marchés Financiers du Québec ("AMF").

Montrusco Bolton offers the following advisory services to our clients.

#### **Portfolio Management Services**

Montrusco Bolton offers Portfolio Management Services to clients defined as the provision of continuous advice to a client, or making investment decisions for a client, regarding investment of the client's assets, based on the individual needs of the client.

Through a specific mandate or personal discussions, Montrusco Bolton develops (or obtains) a client's personal investment policy and creates and manages a portfolio based on that policy. Montrusco Bolton manages US-based advisory client accounts on a discretionary or non-discretionary basis. Account supervision is guided by the stated objectives of the client (e.g., maximum capital appreciation, growth, income, or growth and income).

Montrusco Bolton offers clients a variety of investment strategies in the equity, fixed income, balanced and alternative asset classes. Equity strategies offered include US, Canadian, and global equity.

Depending on the size of their investment, clients may choose to either invest through a separate account structure or utilize the firm's commingled private investment funds (collectively, "Montrusco Bolton Funds" or "the Funds") to achieve their stated objectives. Separate accounts are generally invested in one of specific equity or fixed income strategies offered by firm. Portfolios consisting primarily of interests in one or more of the *Montrusco Bolton Funds* (described below), may also include:

- individual equities,
- exchange traded funds (ETFs),
- bonds, and
- cash or cash equivalents.

Montrusco Bolton will allocate the client's assets among the Funds and other investments, as appropriate, taking into consideration the overall management style selected by the

client. The Funds will be selected on the basis of investment objectives and strategy. Portfolio weighting among Funds and other investments will be determined by each client's individual needs and circumstances. Investment in any of the Funds will be permitted only after the client has been pre-screened to determine eligibility, has received the Fund's offering memorandum and disclosures, has had ample opportunity to review such documentation and to ask questions, if necessary, and has submitted the requisite subscription documents which Montrusco Bolton has determined to accept. Based on client needs or preferences, and subject to Montrusco Bolton's sole discretion, the firm may construct a portfolio or a portion of a portfolio modeled after one or more of the Funds without investing in the Funds themselves. Under these circumstances, the client will retain an undivided, individual ownership interest in all portfolio securities.

When appropriate to the needs of the client, Montrusco Bolton at times recommends the use of short sales, margin transactions or option writing. Because these investment strategies involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated tolerance for risk.

### **Montrusco Bolton Funds**

Montrusco Bolton, through our alternative investment division MB Solutions, also acts as investment manager to a number of private investment funds including the Montrusco Bolton Funds one or more of which are offered to investors in the U.S. The Funds are not required to register as investment companies under the Investment Company Act of 1940, nor are interests in the Funds required to be registered under the Securities Act of 1933, in reliance upon certain exemptions available to funds whose securities are not publicly offered. Montrusco Bolton manages the Funds in accordance with the terms and conditions of each Fund's offering and organizational documents.

**Assets:** As of December 31, 2020, we were managing approximately \$5.069 billion of client assets on a discretionary basis and approximately \$200 thousand of client assets on a non-discretionary basis.

## **Item 5. FEES AND COMPENSATION**

The annual fee for Portfolio Management Services will be charged as a percentage of assets under management pursuant to an investment agreement entered into by and between Montrusco Bolton and each client. The annual fee will typically range from 0.20% to 1.12% depending on the type of mandate and the amount of assets placed under management. Except in the case of Fund-level fees, as described in more detail below, the Portfolio Management Services fee is negotiable in the sole discretion of Montrusco Bolton.

Clients are invoiced or their account directly debited, as authorized, in arrears at the end of each calendar quarter. While fees are charged quarterly in arrears, they are calculated monthly based upon the value of the portfolio (market value or fair market value in the absence of market value) on the last day of each month-end for the quarter.

Under certain circumstances, in its sole discretion, Montrusco Bolton groups certain related client accounts for the purposes of determining the annualized fee. There is also a minimum required investment of \$10,000,000 for segregated accounts and \$150,000 per Montrusco

Bolton Fund. Montrusco Bolton has the sole discretion to waive this minimum required investment.

### **General Information**

***Personal Investments in Funds:*** Certain executive officers and/or other employees of Montrusco Bolton have invested or may invest a portion of their personal net worth in one or more of the Funds.

***Negotiability of Fees:*** In certain circumstances, all fees and account minimums may be negotiable. In addition, certain family members and personal acquaintances of Montrusco Bolton's affiliated persons receive advisory services at a discounted rate which is not available to advisory clients generally.

***Valuations and NAV Corrections:*** As disclosed above, client account assets are valued based on market value, or in the absence of market value, fair market value. To the extent possible, Montrusco Bolton relies on the valuations provided by third parties, such as the account custodian or third party pricing service. When there is an error in the calculation of a Montrusco Bolton Fund's net asset value, the error will be corrected retroactively, subject to certain materiality thresholds. The materiality threshold at which investor accounts are corrected and the applicable Fund is made whole is 50 basis points of NAV. The correction of investor accounts is subject to a further materiality threshold of \$25, below which individual investor accounts need not be reprocessed.

***Side Letter Arrangements:*** Montrusco Bolton (or the General Partner of the relevant Montrusco Bolton Fund, as appropriate) has and may in the future, waive or modify the terms of Fund investment for certain large, strategic or seed investors, in side letters or otherwise, in its sole discretion, including but not necessarily limited to, a waiver or lowering of the Management or Performance Fees or fee structure. We may also agree to increased or more frequent performance reporting.

***Termination:*** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement. Investors in a Montrusco Bolton Fund, should refer to the appropriate Fund's private placement memorandum and governing documents for information regarding redemptions and withdrawals of investments.

***Other Expenses:*** Clients should also note that, although they will not incur fund-level fees on investments made in most Montrusco Bolton Fund investments, they typically will incur a pro rata share of applicable fund expenses including, but not necessarily limited to, audit, legal, trustee, transfer agent and custodian fees, as well as expenses related to the preparation of reports for and communications with investors.

In addition to fees paid to our firm clients will also be responsible for the fees and expenses charged by custodians and imposed by any broker dealer with which Montrusco Bolton effects transactions.

Please refer to Item 12 of this brochure for additional information regarding brokerage.

**General:** Prospective investors in any Montrusco Bolton Fund should refer to the appropriate Funds' offering and organizational documents for additional important information, terms, conditions and risks involved with investing in the Funds.

## **Item 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

While certain of the Funds managed by Montrusco Bolton charge a performance based fee, as applicable, none of the Funds offered in the United States do so.

Performance-based fees can create an incentive for an adviser such as Montrusco Bolton to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Also, because the Performance Fee is calculated on a basis which includes unrealized as well as realized appreciation of assets, it may be greater than if such compensation were based solely on realized gains.

Because the Funds offered in the United States do not charge a performance based fee, certain conflicts of interest arise in that we have incentive to allocate investment opportunities, particularly limited investment opportunities, to those Funds or accounts in which we charge a performance based fee due to the potential to earn increased compensation should the account perform well. We also have an economic incentive to invest more of a separately managed client's account into Funds charging a performance based fee rather than other securities. In theory, when managing the Funds, we could also have incentive to favor a Fund with significantly greater assets than other Funds or a Fund otherwise paying higher aggregate performance-based fees than those paying less, or to favor a Fund in which the officers and employees of the firm have invested more of their personal assets over other Funds managed by the firm. Since we endeavor at all times to put the interests of our clients first as part of our fiduciary duty as a registered investment adviser, we take the following steps to address these conflicts:

- We disclose to clients and prospective clients the existence of material conflicts of interest, including the potential for our firm and its employees to earn more compensation from some clients than others;
- We collect, maintain and document accurate, complete and relevant background information from each client to ensure that investment in the subscribed Fund is appropriate for the client's financial goals, objectives and risk tolerance and that the client is qualified to invest;
- We have implemented written policies and procedures for fair and consistent allocation of investment opportunities among all Funds or other client accounts, subject to the Fund's/client's underlying strategy, cash availability, and other appropriate considerations;
- We periodically compare holdings and performance of all accounts with similar strategies to identify significant performance disparities indicative of possible favorable treatment;

- We educate our employees regarding the responsibilities of a fiduciary, including the equitable treatment of all clients, regardless of the fee arrangement.

Performance-based fees will only be charged in accordance with the provisions of Rule 205-3 of the Investment Advisers Act of 1940 and/or applicable state regulations.

## **Item 7. TYPES OF CLIENTS**

Our firm provides Portfolio Management Services to high net worth individuals, banks or thrift institutions, investment companies, pension and profit sharing plans, trusts, estates, or charitable organizations, government entities, insurance companies, corporations or other business entities and to several private investment funds as disclosed at Item 4 of this Brochure.

Under certain circumstances, in its sole discretion, Montrusco Bolton groups certain related client accounts for the purposes of determining the annualized fee. There is also a minimum required investment of \$10,000,000 for segregated accounts and \$150,000 per Montrusco Bolton Fund. At times, Montrusco Bolton waives this minimum required investment in its sole discretion.

Depending on the exemptions relied upon by the Montrusco Bolton Funds selected as part of any client's portfolio, as applicable, clients may be required to meet certain qualification requirements prior to investment. For example, clients may be required to be "accredited investors" as defined for purposes of Regulation D under the Securities Act of 1933 and/or "qualified purchasers" for purposes of Section 3c-7 of the Investment Company Act.

Prospective investors should refer to the appropriate Fund offering documents for additional important qualifications requirements for investment.

## **Item 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### ***METHODS OF ANALYSIS***

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

***Fundamental Analysis.*** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is under priced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

***Technical analysis.*** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.



Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may under-perform regardless of market movement.

**Asset Allocation.** Rather than focusing solely on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

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

## **INVESTMENT STRATEGIES**

The following investment strategies may be used when managing client portfolios.

**Long-term purchases:** We purchase securities with the idea of holding them in the client's account for a year or longer. We may do this because we believe the securities to be currently undervalued. We may do this because we want exposure to a particular asset class over time, regardless of the current projection for this class.

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

**Short-term purchases:** We purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A risk in a short-term purchase strategy is that, should the anticipated price swing not materialize, we are left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

**Option Writing:** From time to time as we deem appropriate, and in accordance with the investment mandate for the Funds, we may also use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset. The two types of options are calls and puts:

A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.

A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We will use options to speculate on the possibility of a sharp price swing. We will also use options to “hedge” a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We may use “covered calls”, in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

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

We use a “spreading strategy”, in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

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

**Risks in General:** Securities investments are not guaranteed and you may lose money on your investments. Investors or prospective investors should carefully review the Private Offering Memorandum for any Montrusco Bolton Fund under consideration for investment for a detailed explanation of many of the risks associated with investment.

## **Item 9. DISCIPLINARY INFORMATION**

Neither our firm nor our management personnel have any reportable disciplinary events to disclose.

## **Item 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Montrusco Bolton is owned by AMG Canada, Inc., *Fonds de solidarité des travailleurs du Québec* (“FTQ”) and certain key employees.

AMG Canada Inc. is a Canadian-based subsidiary of Asset Managers Group, Inc. (“AMG”), a global asset management company based in Boston with equity investments in leading boutique investment management firms. AMG provides centralized assistance to its Affiliates in strategic matters, marketing, distribution, product development and operations. FTQ is a

venture capital fund which seeks to invest in all sectors of the Québec economy. FTQ is registered with the Autorité des Marchés Financiers du Québec ("AMF").

Montrusco Bolton acts as investment manager to the Montrusco Bolton Funds, each a private investment pool with a distinct investment objective. The Funds are not required to register as investment companies under the Investment Company Act of 1940, nor are interests in the Funds required to be registered under the Securities Act of 1933, in reliance upon certain exemptions available to funds whose securities are not publicly offered. Montrusco Bolton manages the Funds in accordance with the terms and conditions of each Fund's offering and organizational documents. Montrusco Bolton will allocate the client's assets among the Funds and other investments, as appropriate, taking into consideration the overall management style selected by the client.

Montrusco Bolton also acts as sub-adviser to the AMG Montrusco Bolton Large Cap Growth Fund which is a registered investment company under the Investment Company Act of 1940.

#### **Item 11. CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

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

Montrusco Bolton and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of certain securities transactions engaged in by personnel for their personal accounts or accounts in which our personnel have a beneficial interest. Transactions in certain securities however, have been specifically exempted from the preclearance requirement based on a determination that the transaction presents a low risk to our clients. Our code also provides for oversight, enforcement and recordkeeping provisions.

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

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [ayottejc@montruscobolton.com](mailto:ayottejc@montruscobolton.com) or by calling us at 514-282-2928.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

At times, our firm and/or individuals associated with our firm buy or sell for their personal accounts securities identical to or different from those recommended to our clients. Also at

times, related persons have an interest or position in a certain security(ies) which is (are) also recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

Montrusco Bolton and individuals associated with our firm are prohibited from engaging in principal transactions except with proper notice and consent as required by Section 206(3) of the Investment Adviser Act of 1940. A principal transaction occurs when our firm or individuals associated with our firm may buy securities for the firm or for themselves from our advisory clients; or sell securities owned by the firm or the individual(s) to our advisory clients. The Investment Advisers Act of 1940 makes it unlawful for any investment adviser, directly or indirectly, acting as principal for its own account, to knowingly sell any security to, or purchase any security from, a client without disclosing to the client in writing the capacity in which the adviser is acting and obtaining the client's consent to the transaction. This rule may apply to certain transactions involving accounts in which investment advisers have interests, such as private fund investments by the firm's owners, principals, or employees. The SEC has indicated that when an investment adviser and/or its controlling persons own more than 25% of a fund's outstanding securities, it would be effectively treated as a principal transaction if such an account were to engage in a trade with another client account or fund. Montrusco Bolton will seek the requisite consent before engaging in a transaction that would be considered a principal transaction under applicable SEC interpretations.

Montrusco Bolton and individuals associated with our firm are also prohibited from engaging in agency cross transactions. An agency cross transaction occurs where our firm acts as an investment adviser in relation to a transaction in which any person controlled by or under common control with our firm, acts as broker for both the advisory client and for another person on the other side of the transaction.

## **Item 12. BROKERAGE PRACTICES**

Montrusco Bolton requires that each client provide the firm with written authority to determine which broker dealer to use for client transactions and the commission costs that will be charged to the client for these transactions. Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.

As investment manager to the Funds, Montrusco Bolton is granted the discretionary authority in the relevant governing documents and/or agreements to determine which securities and the amounts of securities that are to be bought or sold as well as the broker dealer to use for client transactions and the commission costs that will be charged to the Funds for these transactions.

Montrusco Bolton will endeavor to select those brokers or dealers that will provide the best execution services at competitive commission rates and costs. Subject to the requirement to obtain best execution of brokerage transactions, transactions for clients typically are allocated to brokers on the basis of and in consideration of such broker's provision or payment of the costs of investment research and analysis, administrative and operational services and support, bookkeeping and recordkeeping services, trading terminals or other

office equipment and other trading services and products (sometimes referred to as "soft dollar" services and products) that are of benefit to clients, including the Funds, as well as to Montrusco Bolton.

Accordingly, the commission rates charged by brokers in the foregoing circumstances may (or may not) be higher than those charged by other brokers who may not offer such services. Montrusco Bolton at times therefore uses a broker who provides soft dollar services and products even though a lower commission may be charged by a broker who does not offer the same level of products and services. Research services are often useful in servicing all of Montrusco Bolton's clients, including the Funds, and not all of such research may be useful for the client for which the particular transaction was effected.

### **Soft Dollar Arrangements.**

With respect to brokerage decisions, as part of a broker's ability to provide "best execution," Montrusco Bolton often considers the value of "research" or additional brokerage products and services a broker-dealer has provided or may be willing to provide. This is known as paying for such services or products with "soft dollars." Because many of the products or services could be considered to provide a benefit to Montrusco Bolton and, because the "soft dollars" used to acquire them are client assets, Montrusco Bolton has a conflict of interest in allocating client brokerage business, that is, it could receive valuable benefits by selecting a particular broker over another to execute transactions for clients, including the Funds, even though the commission (or other transaction compensation) charged by that broker might not be the lowest Montrusco Bolton might otherwise be able to negotiate.

Montrusco Bolton will provide an annual report detailing the soft dollar transactions generated by the client's account. In addition, clients should note that Montrusco Bolton is subject to audit by its Canadian regulator on a regular basis with respect to its soft dollar ratios.

Montrusco Bolton's use of soft dollars is also intended to comply with the requirements of Section 28(e) of the Securities Exchange Act of 1934. Section 28(e) provides a "safe harbor" for investment managers who use commissions or transaction fees paid by their advised accounts to obtain investment research services that provide lawful and appropriate assistance to the manager in performing investment decision-making responsibilities. As required by Section 28(e), Montrusco Bolton will make a good faith determination that the amount of commissions or other fees paid is reasonable in relation to the value of the brokerage and research services provided. That is, before placing orders with a particular broker, Montrusco Bolton generally determines, considering all the factors described below, that the compensation paid to the broker dealer is reasonable in relation to the value of all the brokerage and research products and services provided. In making this determination, the firm typically considers not only the particular transaction or transactions, and not only the value of brokerage and research services and products to a particular client, but also the value of those services and products in Montrusco Bolton's performance of its overall responsibilities to all of its clients. On an exception basis, certain clients with legacy, segregated accounts have prohibited Montrusco Bolton from earning soft dollar credits with regard to trades entered in their accounts. As a result, these clients receive the benefit of certain investment decisions made with research paid for with soft dollars earned from trades entered in other client accounts. In some cases, the commissions or other transaction fees charged by the selected broker for a particular transaction or set of

transactions may (or may not) be greater than the amounts another broker-dealer who did not provide research services or products might charge.

**Research and Brokerage Products and Services.** "Research" products and services Montrusco Bolton receives often includes economic surveys, data and analysis; financial publications; recommendations or other information about particular companies and industries (through research reports and otherwise); and other products or services (e.g., computer services and equipment, including software, and data bases) that provide lawful and appropriate assistance to the firm in the performance of its investment decision-making responsibilities. Consistent with Section 28(e), brokerage products and services (beyond traditional execution services) consist primarily of computer services and software that permit Montrusco Bolton to effect securities transactions and perform functions incidental to transaction execution.

**Other Uses and Products.** Montrusco Bolton uses some products or services not only as "research" and as brokerage (i.e., to assist in making investment decisions for clients or to perform functions incidental to transaction execution) but also for our administrative and other purposes as well. In these instances, Montrusco Bolton makes a reasonable allocation of the cost of the products and services so that only the portion of the cost that is attributable to making investment decisions and executing transactions is paid with commission dollars and the firm bears the cost of the balance.

### **Trade Aggregation**

Montrusco Bolton will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts. Block trading may permit equity trades to be executed in a timelier and more equitable manner while allowing Montrusco Bolton to obtain an average share price for clients participating in the block.

## **Item 13. REVIEW OF ACCOUNTS**

**Reviews:** While the underlying securities within Portfolio Management Services accounts are continuously monitored, these accounts are reviewed at least quarterly by a member of Montrusco Bolton's Investment Team. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

**Reports:** In addition to the statements and confirmations of transactions that Portfolio Management Services clients receive from their broker dealer, Montrusco Bolton will provide quarterly reports summarizing account performance, balances and holdings. Monthly performance reports may also be provided upon client request.

Annual audit reports and semi-annual financial statements are also provided to each investor in the Montrusco Bolton Funds. Investors in one or more of the Funds may also receive quarterly performance summaries with respect to the relevant Funds.

## **Item 14. CLIENT REFERRALS AND OTHER COMPENSATION**

As part of our marketing efforts, Montrusco Bolton is party to an arrangement with Tessera Capital Partners, LLC ("Tessera") to compensate Tessera for referring clients to Montrusco Bolton and/or investors to the Montrusco Bolton Global Equity Fund. While Montrusco Bolton continues to pay Tessera under the terms of the initial agreement for the referrals, Tessera no longer provides such referrals. Also, Montrusco Bolton is now party to an agreement with DSF Advisors LLC ("DSF") in which DSF and Montrusco Bolton will refer investors to one another in order to invest in the DSF Multi-Family Fund-2019, LP, MBI/DSF Real Estate Fund-2019, LP, DSF Multi-Family Fund-2019 A, LP, and/or the DSF Multi-Family Fund-2019 B, LP and, where the context so requires, any feeder vehicle of any of these limited partnerships, all of which are managed by DSF and/or Montrusco Bolton and marketed by both DSF and Montrusco Bolton. If a client is referred to Montrusco Bolton through these or similar arrangements, we will pay the referring party a fee calculated as an agreed percentage of the investor's initial account size or Fund investment and/or an on-going fee based on a percentage of the Management Fee and/or Performance Fee or Allocation charged to the investor's capital account by Montrusco Bolton. The fees paid to Tessera and DSF by Montrusco are not charged back to clients or investors who have been referred by Tessera or DSF. Referred clients and investors pay the same fees to Montrusco Bolton as they would have had they not been referred by Tessera or DSF.

In addition, Montrusco Bolton is party to client service/marketing agreements with subsidiaries of affiliated firm AMG under which the AMG subsidiaries introduce Montrusco Bolton's investment management services to prospective institutional clients and/or provide institutional client services to certain of Montrusco Bolton's clients in various foreign jurisdictions. Montrusco Bolton pays the AMG subsidiaries a fee for these services. Depending on the foreign jurisdiction, the AMG subsidiaries may be registered or exempt from registration, as appropriate, with the relevant foreign financial regulatory authorities.

Although common, such referral arrangements do create a potential conflict of interest because, in theory, the referrer is motivated, at least partially, by financial gain and not necessarily because our services or the Funds are the most suitable to the prospective client or investor. To mitigate this conflict, Montrusco Bolton always endeavors to act in the best interest of each of its clients and ensures that all investments are suitable for each investor, including those investors referred to our firm.

#### **Item 15. CUSTODY**

As previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure, our firm directly debits advisory fees from client accounts. As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

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

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis.

***We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.***

As disclosed at Item 4 of this Brochure, we act as investment manager to the Montrusco Bolton Funds. Montrusco Bolton has adopted procedures requiring that each of the Funds undergo a financial audit on an annual basis by an independent public accountant that is both registered with and subject to regular inspection by the Public Company Accounting Oversight Board ("PCAOB") and seeks to send these audited financials to each Fund investor, as appropriate, within 90 days of the applicable Fund's fiscal year end.

#### **Item 16. INVESTMENT DISCRETION**

As disclosed at Item 4 of this Brochure, Montrusco Bolton typically provides Portfolio Management Services on a discretionary basis.

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

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by providing us with written instructions.

As investment adviser to the Funds, Montrusco Bolton is granted the discretionary authority in the relevant organizational documents and/or advisory agreements to determine which securities and the amounts of securities that are bought or sold for the Funds.

#### **Item 17. VOTING CLIENT SECURITIES**

Montrusco Bolton maintains a written Proxy Policy & Procedures, which reflect the firm's duty as a fiduciary to vote proxies in the best interests of our clients. Montrusco Bolton has retained an unaffiliated third party service provider to vote client proxies in accordance with Montrusco Bolton's written Proxy Voting Policy and Procedures. For ERISA plan clients, proxies are voted solely in the best interests of the plan participants and beneficiaries. With respect to ERISA accounts, Montrusco Bolton will vote proxies unless the plan documents specifically reserve the right to vote proxies to the plan sponsor or another fiduciary.

Certain clients may expressly retain proxy-voting authority and in such instances, Montrusco Bolton will have no proxy voting responsibility and may not take any action regarding such clients' proxies.

In the event of any actual or potential conflicts of interests in the voting of any client proxies, Montrusco Bolton will make appropriate disclosures to clients and either request that the client vote the proxy(s), abstain from voting or vote the client proxies, depending on the circumstances.

Montrusco Bolton maintains relevant and appropriate proxy records as part of the firm's Proxy Policy & Procedures. Our Proxy Policy & Procedures and information about the voting of a client's proxies, where Montrusco Bolton has proxy voting responsibility, are available to



a client upon written request sent to the address set forth on the cover page of this Brochure or by calling (514) 282-2960.

***Class Actions, Bankruptcies and Other Legal Proceedings:*** Montrusco Bolton will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct Montrusco Bolton to transmit copies of class action notices to the client or a third party. Upon such direction, Montrusco Bolton will make commercially reasonable efforts to forward such notices in a timely manner.

#### **Item 18. FINANCIAL INFORMATION**

Under no circumstances will we earn fees from any U.S. client in excess of \$1,200 more than six months in advance of services rendered.

As an advisory firm that both has investment discretion and is deemed to have custody of certain client accounts (see Item 15 of this Brochure for additional information), we are required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. We have no adverse financial circumstances to report.

Montrusco Bolton has not been the subject of a bankruptcy petition at any time.