

Cover Page

Firm Brochure (Part 2A of Form ADV)
March 31, 2023

BMO ASSET MANAGEMENT CORP.
(“BMO AM”)

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This brochure provides information about the qualifications and business practices of BMO Asset Management Corp. If you have any questions about the contents of this brochure, please contact us at 312-461-4002. 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.

BMO Asset Management Corp. is a registered investment adviser. Registration of an adviser with the SEC does not imply a certain level of skill or training.

Additional information about BMO Asset Management Corp. also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

There have been no material changes that BMO AM has made to this brochure since the last annual update on March 31, 2022.

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Item 4 - Advisory Business

Overview. BMO Asset Management Corp. (“BMO AM”, “we,” “our” and “us”)¹, is a registered investment adviser with the U.S. Securities and Exchange Commission (“SEC”). BMO AM was established in 1989 and is headquartered in Chicago, IL. BMO AM is a wholly-owned subsidiary of BMO Financial Corp., which is in turn a wholly-owned subsidiary of Bank of Montreal (“BMO”), a publicly-held Canadian diversified financial services company.

Advisory Services. BMO AM provides discretionary advisory and subadvisory services to affiliates and non-affiliates including, without limitation, private funds, collateralized loan obligation issuers (“CLOs”) and institutional investors, that invest principally in secured loans and other financial instruments originated by BMO Harris Bank, N.A., our affiliate (“Loans”). While our investment advice is generally limited to Loans, we do manage equity received by clients as a result of a debt-to-equity conversion and/or restructuring. Clients generally invest in Loans by purchasing an assignment or participation interest in one or more Loans and/or investing in a pooled investment vehicle managed by BMO AM, such as a private fund or CLO, that has purchased an assignment or participation interest in such Loans. In this brochure, we use the terms “client” and “investor” interchangeably to refer to private funds and CLOs managed by BMO AM as well as investors in such pooled investment vehicles, and institutions for whom BMO AM manages assets through a “fund of one” or a separately managed account. In addition to the foregoing, we are currently in the process of winding down two investment partnerships with different strategies than that described above but which are no longer making any new investments.

Client accounts are managed in accordance with the particular investment objectives, strategies, restrictions, and guidelines set forth in each client’s investment advisory agreement and any other relevant agreements or documents, including investment policy statements and offering circulars; however, BMO AM’s management of pooled investment vehicles is not tailored to the individualized needs of any particular investor who has invested in such pooled investment vehicle.

Assets under Management. As of December 31, 2022, BMO AM had approximately \$4.7 billion in assets under management, and all of our assets under management are managed on a discretionary basis.

Item 5 - Fees and Compensation

Clients pay us asset management fees which are generally based on the average aggregate daily outstanding principal balance of all Loans held by such client, without regard to changes in market value, accrued interest or general or specific loan loss reserves, plus the fair market value of client assets other than Loans, such as equity investments received upon a debt-to-equity conversion. In addition, certain clients pay a performance fee (also known as carried interest), as described in Item 6 (Performance-Based Fees and Side-By-Side Management). Advisory agreements related to certain pooled investment vehicles we manage allow us, in our sole discretion, to waive, reduce or rebate all or

¹ Formerly Harris Investment Management, Inc. (“HIM”), HIM changed its name to BMO Asset Management Corp. following its merger with M&I Investment Management Corp. (“M&I IMC”) on June 1, 2012. BMO acquired M&I IMC as part of its acquisition of Marshall & Ilsley Corporation (“M&I”) in July 2011. M&I IMC was founded in 1973.

any portion of our asset management and/or performance fees for the benefit of any limited partner, including affiliates of BMO AM. These fee waivers do not impact fees paid by any other investors in these pooled investment vehicles. All asset management, service, and other fees payable to BMO AM and/or its affiliates are specifically negotiated with each client and documented in the relevant investment advisory agreement and/or offering circular. We have no set fee schedules.

In addition to the asset management and other fees described above, clients are responsible for any other expenses set forth in the applicable client agreement and/or offering circular, including, without limitation, expenses associated with the acquisition, credit rating, holding, monitoring, settlement, workout and disposition of a client's investments (including any brokerage and transaction costs, and any third party professional fees such as legal, consulting fees, valuation and appraisal fees); the costs and expenses of any custodians, fund administrators and lenders or other financing sources and providers; any indemnity expenses; and the costs and expenses of any litigation involving a client.

BMO AM will generally bill its fees on a monthly or quarterly basis in arrears, with the fees either billed directly to the client or, where authorized, debited from the client's account. Certain management fees are prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of de minimis contributions and withdrawals). Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

The receipt of fees by affiliates of BMO AM for administrative and other services represents a conflict of interest because we have an economic incentive to recommend or cause clients to use our affiliates for such services.

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

BMO AM charges some clients performance-based fees, which are specifically authorized in the client agreement and/or disclosed in the offering circular and are typically based on a share of the income, capital gains or capital appreciation in the client's account. Performance fees create potential conflicts of interest, as they could incent BMO AM to undertake investments carrying greater risks, or favor accounts paying performance fees over accounts that do not. BMO AM simultaneously manages multiple types of accounts according to the same investment strategy or similar investment strategies (i.e., side-by-side management). Some clients only pay a fixed fee, or an advisory fee based on assets under management without a performance fee component.

To manage these risks, BMO AM has adopted and implemented policies and procedures which it believes are reasonably designed to mitigate the potential conflicts associated with managing portfolios for multiple clients. Please see Item 12 (Brokerage Practices) for information on our trade aggregation and allocation practices. BMO AM also oversees investment guidelines for its investment strategies and client accounts through the administration of trading rules and the periodic review of accounts to confirm portfolio compliance. While BMO AM seeks to treat all accounts fairly and equitably over time, all accounts within the same investment strategy or accounts within similar investment strategies will not necessarily be managed in the same manner at all times. Different client guidelines, investment restrictions, tax sensitivity, cash requirements or other constraints can lead to either a combination of different investment practices, portfolio holdings or performance results.

Item 7 - Types of Clients

Our clients generally consist of discretionary accounts managed for private funds, entities established in conjunction with structured finance transactions (i.e., collateralized loan obligation issuers or CLOs) and “funds of one” or separately managed accounts for institutional investors. Clients and investors generally consist of financial institutions, insurance companies and other institutional investors, such as corporate or public pension funds, foundations, and family offices.

Certain products or services offered by BMO AM are only available to accredited investors that satisfy qualified purchaser requirements. This information is available in the offering circular associated with these types of investments.

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

Overview. While BMO AM’s clients invest primarily in Loans, some clients will also hold equity investments as a result of a debt-to-equity conversion. As investment manager, we provide our clients with investment advice and services as outlined in each client agreement and/or offering circular. Investment advice and services generally consist of the selection, analysis, and due diligence of Loans before acquiring or disposing of any Loans on behalf of a client.

Methods of Analysis and Investment Strategies. The types of Loans recommended and/or purchased for client accounts consist of first and second lien secured “middle market loans” (defined below), including term Loans, delayed draw term Loans, revolving credit facilities, unitranche Loans, stretch senior Loans, first lien term Loans behind revolvers, split lien Loans and last out term Loans, some of which will be non-investment grade. A “middle market loan” is debt issued, typically as part of a Loan facility, to U.S. companies which have stable cash flows, leading market positions and experienced management teams, and EBITDA typically ranging from \$5 million to \$100 million. Middle market loans are not broadly syndicated to institutional investors.

Risk of Loss. Our investment activities involve a significant degree of risk of loss. Because it is not possible to identify all of the risks associated with investing, this section contains a discussion of certain primary risks associated with our investment activities. The particular risks applicable to a client will depend on the nature of its investment strategy or strategies and the types of investments held. Investors in pooled investment vehicles should review the applicable offering circular for specific additional information regarding the risks associated with an investment. While we seek to manage portfolios so that risks are appropriate to the return potential for the strategy, it is often not possible to fully mitigate risks. Any investment includes the risk of loss and there can be no guarantee that a particular level of return will be achieved. Our services are not intended to provide a complete investment program for investors, and we expect that the assets we manage do not represent all of an investor’s assets. Investors are responsible for appropriately diversifying their assets to guard against the risk of loss.

Assignments and Participations. Clients invest in Loans by assignment from a lender selling such Loans to a client or by acquiring a participation interest therein. Holders of participation interests are subject to additional risks not applicable to a holder of a direct interest in such Loans. Participation interests typically constitute the unsecured obligation of the participation seller to pay over principal, interest, and certain fees when received from the Loan obligor. The holder of the participation interest

takes not only the credit risk of the related Loan obligor but also the credit risk of the participation seller; such holder lacks direct contractual privity with the Loan obligor under the Loan and frequently lacks certain voting rights with respect to the Loan. Furthermore, to the extent the participation seller has sold all or a significant portion of its economic interest in a Loan, it has less incentive to monitor and exercise the voting rights it retains with respect to such Loan, and its interests might not be aligned with those of the participation buyer.

Senior Loans. Except as otherwise described in this section, the Loans typically expected to be held by clients are known as “senior” Loans. Senior loans hold a senior position in the capital structure of the borrower, are typically secured by collateral and have a claim on the assets and/or stock of the borrower that is senior to that held by subordinated debtholders and equity-holders of the borrower. Certain senior Loans, include inter-creditor arrangements whereby one group of lenders contractually agrees to subordinate its right to receive payments with respect to its interests in such unitranche Loan to the rights of one or more other groups of lenders under certain circumstances, such as after an event of default under such Loan. While the protection of being in a senior position to others with claims on the assets of the borrower can reduce risk, such Loans still present significant credit risk, particularly if they arise in connection with highly leveraged transactions, such as leveraged buyouts. Furthermore, certain clients own a subordinate position in a senior unitranche Loan. Obligations in these types of transactions are subject to greater credit risk (including default and bankruptcy) than many other investments.

Non-Investment Grade Middle Market Loans. Non-investment grade middle market loans are subject to liquidity, market value, credit, interest rate, reinvestment, and certain other risks. In addition, there can be no assurance that the BMO AM will correctly evaluate the nature and magnitude of the various factors that could affect the value and return of the Loan obligations or purchase Loan obligations that can generate sufficient returns. It is anticipated that the collateral generally will be subject to greater risks than investment grade corporate obligations. These risks could be exacerbated to the extent that the portfolio is concentrated in one or more particular types of loan obligations.

Prices of the collateral can be volatile and will generally fluctuate due to a variety of factors that are inherently difficult to predict, including but not limited to changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions, domestic and international economic or political events, developments or trends in any particular industry and the financial condition of the obligors of the collateral. In particular, the market for non-investment grade middle market loans has experienced periods of severe price volatility and reduced liquidity. Additionally, such Loans have significant liquidity and market value risks since they are not generally traded in organized exchange markets but are traded by banks and other institutional investors in privately negotiated transactions. Because such Loans are privately syndicated and Loan agreements are privately negotiated and customized, they are not purchased or sold as easily as publicly traded securities. In addition, historically the trading volume in the Loan market has been small relative to the high-yield debt securities market.

The obligors of the Loan obligations comprising the collateral will primarily be middle market businesses, the majority of which will be privately owned. There is generally no publicly available information about these businesses. Some obligors may not meet net income, cash flow and other coverage tests typically imposed by lenders. Numerous factors affect an obligor’s ability to repay its related Loan obligations, including the failure to meet its business plan, a downturn in its industry or

continuing negative economic conditions. Deterioration in an obligor's financial condition and prospects could be accompanied by deterioration in the collateral securing the Loan obligation. Such deterioration might impair the ability of the obligor to obtain refinancing or force it to seek to have the Loan obligation restructured.

A non-investment grade middle market Loan is generally considered speculative in nature. They can become a defaulted obligation for a variety of reasons leading to either substantial workout negotiations or restructuring, which entails, among other things, a substantial reduction in the interest rate, a substantial write-down of principal, and a substantial change in the terms, conditions, and covenants with respect to such defaulted obligation. In addition, such negotiations or restructuring can be quite extensive, protracted, and costly over time, and therefore result in substantial uncertainty with respect to the ultimate recovery on the defaulted obligation. The liquidity of defaulted obligations may be limited, and to the extent that defaulted obligations are sold, it is highly unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest thereon.

Non-investment grade Loans to middle market businesses typically carry more inherent risks than non-investment grade Loans to larger, publicly traded entities. These companies generally have more limited access to capital and higher financing costs and possibly be in a weaker financial position, need more capital to expand or compete and be unable to obtain financing from public capital markets or from traditional sources, such as commercial banks. Accordingly, Loans made to middle market companies involve higher risks than Loans made to companies that have larger businesses, greater financial resources or are otherwise able to access traditional credit sources. Middle market businesses typically have narrower product lines and smaller market shares than large businesses. Therefore, they tend to be more vulnerable to competitors' actions and market conditions, as well as general economic downturns. These businesses sometimes experience substantial variations in operating results. Typically, the success of a middle market business also depends on the management talents and efforts of one or two persons or a small group of persons. The death, disability, or resignation of one or more of these persons could have a material adverse impact on the obligor and its ability to repay its obligations. In addition, middle market businesses often need substantial additional capital to expand or compete and will often have to borrow money from other lenders and need additional capital to survive economic downturns. Accordingly, Loans made to middle market companies involve higher risks than loans made to companies that have larger businesses, greater financial resources or are otherwise able to access traditional credit sources. Middle-market and leveraged Loans have historically experienced greater default rates than has been the case for investment grade and larger loans. There can be no assurance as to the levels of defaults or recoveries on the Loan obligations, and an increase in default levels or decrease in recovery rates could adversely affect payments on the account.

Prepayments. Loans are generally prepayable in whole or in part at any time at the option of the obligor at par plus accrued unpaid interest. Prepayments on Loans are caused by a variety of factors which are often difficult to predict. Consequently, there exists a risk that Loans purchased at a price greater than par will experience a capital loss as a result of such a prepayment. In addition, Loans that include excess cash flow capture and other mandatory prepayment provisions, can result in accelerated amortization. If BMO AM is delayed in reinvesting, or unable or not permitted to reinvest, payments or other proceeds from such Loans in additional Loans (this sentence needs to be cleaned up so that it reads clearly) with comparable interest rates, clients will be adversely affected. We cannot predict the actual rate of prepayments, accelerated amortization or defaults.

Use of Leverage. BMO AM expects to direct certain clients to borrow money or otherwise incur leverage in connection with the acquisition or financing of their Loan portfolios and most often such borrowed money is secured by liens and security interests in such client portfolios, as collateral. While the use of leverage can potentially increase profits, it can also result in an increased risk of loss and increased volatility to the client due to possible margin calls, events of default, adverse fluctuations in interest rates, downturns in the leveraged loan market or the economy and the possible inability to refinance such debt when it matures or liquidate the related Loan portfolio for an amount sufficient to pay such debt and return capital and/or profits to the client. Any such event or any other event that adversely affects the value of a client's Loan portfolio could result in a substantial loss to the client, which would be greater than if the client's account was not subject to leverage. Interest or similar costs associated with such leverage will be a direct or indirect expense to the client, and, to the extent not covered by net returns attributable to the assets acquired, will cause the returns of such clients to be lower than if they have not used leverage. To the extent a client uses leverage or otherwise directly or indirectly incurs indebtedness, the client's returns will depend significantly on the availability and terms of financing. If a client were unable to obtain financing (or unable to obtain financing on favorable terms), the ability of BMO AM to acquire Loans on behalf of the client will be reduced, and returns will likely be similarly reduced, perhaps significantly, and losses could occur as a result.

Diversification. While BMO AM expects to recommend/acquire a diversified portfolio of Loans for each client, there is no guarantee that it will be able to do so, and it is not anticipated that any client will be diversified across asset classes other than Loans. It is possible that a relatively substantial portion of a client's capital could be invested in one or a small group of Loans and/or cash or temporary investments, particularly as a client's portfolio is ramping up or winding down. Unfavorable performance by one or more of such Loans could have a substantial adverse economic impact on the client and the holding of cash or investment of cash in temporary investments for a longer period of time than initially contemplated, could have an adverse economic impact on the client's rate of return.

Performance-Based Fees. With respect to client accounts for which BMO AM receives a performance-based fee, BMO AM has an incentive to take risks greater than a client might decide to take with respect to the underlying Loans held in the client's account. See Item 6 (Performance-Based Fees and Side-By-Side Management) for further information.

Political, Social and Economic Uncertainty. Social, political, economic, and other conditions and events (such as natural disasters, epidemics and pandemics, terrorism, conflicts, and social unrest) will occur that create uncertainty and have significant impacts on issuers, industries, governments, and other systems, including the financial markets, to which clients are exposed. As global systems, economies and financial markets are increasingly interconnected, events that once had only local impact are now more likely to have regional or even global effects. Events that occur in one country, region or financial market will, more frequently, adversely impact issuers in other countries, regions, or markets, including in established markets such as the United States. These impacts can be exacerbated by failures of governments and societies to adequately respond to an emerging event or threat. Uncertainty can result in or coincide with, among other things: increased volatility in financial markets; increased risk of default on Loans; greater governmental involvement in the economy or in social factors that impact the economy; substantial, and in some periods extremely high, rates of inflation, which can last many years and have substantial negative effects on financial markets as well

as the economy as a whole; recessions; and difficulties in obtaining and/or enforcing legal judgments. Although it is impossible to predict the precise nature and consequences of these (or similar) events, or of any political or policy decisions and regulatory changes occasioned by emerging events or uncertainty on applicable laws or regulations that impact clients' investments, it is clear that the middle market companies that are borrowers on the Loans in which our clients invest are being significantly impacted by these events and the uncertainty caused by these events. There can be no assurance that such events will not cause a client to suffer losses and/or negatively impact returns.

Legal, Regulatory and Tax Risks. Clients could be adversely impacted by laws, rules, and regulations, including tax laws, that impact lending or the business of Loan obligors. In addition, legal, regulatory and tax changes have occurred and, in the future, might occur that could adversely affect clients. For example, clients invest in Loans to obligors in a number of different industries, some of which are or could become subject to regulation by one or more U.S. federal agencies and by various agencies of the states, localities, and counties in which they operate, or, with respect to obligors with operations outside of the United States, equivalent foreign bodies. New and existing regulations, changing regulatory schemes and the burdens of regulatory compliance all could have a material negative impact on the performance of companies that operate in these industries.

It is impossible to predict whether legislation or regulations governing those industries, (including the U.S. tax code), will be enacted by legislative bodies or governmental agencies. In addition, we cannot predict what effect any new legislation or regulation might have, directly or indirectly, on the Loan obligors, clients' investments, or the availability of investment opportunities in the middle market. There can be no assurance that new legislation or regulations, including changes to existing laws and regulations, will not have a material negative impact on the value of investments typically made by BMO AM, clients' investment performance or any related investment opportunities.

Item 9 - Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. The following are disciplinary events relating to BMO AM and/or its affiliates within the past 10 years:

On September 27, 2019, BMO AM and its affiliate, BMO Harris Financial Advisors, Inc. ("BHFA") (both, the "Settling Parties") entered into a settlement with the U.S. Securities and Exchange Commission ("SEC"). The SEC order made findings, which the Settling Parties neither admitted nor denied, and the Settling Parties consented to the entry of the order ("Order") findings that the Settling Parties violated Sections 206(2) and 206(4) of the Investment Advisers Act of 1940, as amended (the "Advisers Act"), and Rule 206(4)-7 thereunder. The SEC alleged that from July 2012 through March 2016, the Settling Parties did not disclose that they preferred proprietary mutual funds for retail investors in a specific investment advisory program offered by BHFA and advised by BMO AM. The Order also found that BHFA breached its duty of best execution, and the Settling Parties insufficiently implemented policies and procedures reasonably designed to detect and prevent conflicts of interest. The Order censures the Settling Parties and directs them to cease-and-desist from committing or causing any violations and any future violations of the above-enumerated statutory provisions. Additionally, the Order requires the Settling Parties to pay a total of \$37,983,542 composed of disgorgement, prejudgment interest, and a civil penalty, and to use those monies to repay affected clients of BHFA.

Item 10 - Other Financial Industry Activities and Affiliations

Overview. BMO AM is an SEC-registered investment adviser controlled by BMO Financial Corp., a diversified financial services organization with numerous directly- and indirectly-owned domestic and foreign subsidiaries providing a wide range of financial services and products. As a result, BMO AM has business relationships or arrangements that present or appear to present a conflict of interest with BMO AM's clients.

Material Relationships with Related Persons. BMO AM has business arrangements with related persons that may be considered material to its investment advisory business. In addition, BMO AM occasionally provides services to (or recommends or uses the services of) its affiliates. The type of services involved depends on the affiliate's service offerings. BMO AM has policies and procedures reasonably designed to appropriately prevent, limit, or mitigate conflicts of interest that can arise between BMO AM and its related persons.

Pooled Investment Vehicles. BMO AM acts as an investment adviser and, could at times, in other capacities (e.g., general partner or managing member) act as such to pooled investment vehicles, such as private funds and CLOs. In return, BMO AM receives advisory and/or management fees. These fees are typically separate from other fees investors (as clients) pay to BMO AM affiliates for other services, such as custody. When BMO AM recommends that a client invest in a pooled investment vehicle for which BMO AM and/or its affiliates provide services, this creates a conflict of interest as BMO AM (and BMO AM affiliates providing services) benefits from the increased investment allocation to these pooled investment vehicles; specifically, those additional services with fees based on the amount of assets held by the pooled investment vehicle. BMO AM generally does not receive duplicative advisory fees from both the client's separate account and the affiliated collective investment vehicle in which the separate account is invested.

Management Persons. Some BMO AM management personnel hold positions and have responsibilities at related BMO entities. In carrying out their roles, those management persons may encounter the same or similar potential conflicts of interest that exist between BMO AM and related entities.

Banking Institution. BMO AM is wholly-owned by BMO Financial Corp., a bank holding company registered with the Federal Reserve Board and supervised and regulated by the Federal Reserve, and an affiliate of BMO Harris Bank, N.A. which is wholly-owned by BMO Financial Corp. and a national banking association supervised and regulated by the Office of the Comptroller of the Currency. BMO Harris Bank provides trustee, custody, securities lending, and other services to BMO AM clients, while BMO AM at times provides investment advisory or other services to BMO Harris Bank. The recommendation of BMO AM by BMO Harris Bank, and the use by BMO AM of BMO Harris Bank's services, creates a conflict of interest, as each entity benefits from an increased allocation to its respective business. BMO AM advisory clients have no obligation to use BMO Harris Bank, or any other related persons, as a service provider for their assets.

Additional Considerations. BMO AM shares facilities, management, marketing, and other resources with related persons. In particular, related persons at times provide BMO AM with administrative

support, including information technology, human resources, business continuity, legal, compliance, finance, enterprise risk management, internal audit, and general administrative support.

Conflicts of Interest. The existing and potential business relationships or arrangements between BMO AM and its related persons can present or appear to present a conflict of interest with BMO AM's clients. Policies and procedures have been adopted that are reasonably designed to appropriately mitigate, prevent, or limit such conflicts of interests, including policies and procedures concerning trading with affiliates, trade allocation and information barriers. Any conflicts that arise will be discussed and resolved on a case-by-case basis. The following sections contain more information on the policies and procedures about the conflicts of interests discussed above:

- **Item 5** – Fees and Compensation
- **Item 11** – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading
- **Item 12** – Brokerage Practices
- **Item 14** – Client Referrals and Other Compensation

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

Code of Ethics. BMO AM maintains a Code of Ethics pursuant to which all of its supervised persons are required to adhere to the highest duty of trust and fair dealing and to place the interests of the clients ahead of their own personal interests or the interests of others. Under the Code of Ethics, all supervised persons owe a fiduciary duty to, among others, all clients of BMO AM to conduct their personal securities transactions in a manner that neither interferes with any client's portfolio transactions nor otherwise takes unfair or inappropriate advantage of an employee's relationship to such client. The Code of Ethics, which includes BMO AM's policies that address matters relating to compliance with laws, conflicts of interest, client gifts and entertainment, and personal trading and reporting and insider trading, is intended to assist employees in carrying out their duties as fiduciaries to clients. A copy of BMO AM's Code of Ethics is available upon request.

Related persons of BMO AM could own securities which BMO AM recommends to clients, or invest in investment vehicles, which BMO AM recommends to clients. Any related person is subject to BMO AM's Insider Trading Policy, which prohibits trading on material, non-public information, and BMO AM's Code of Ethics, which restricts personal securities transactions by BMO AM's related persons and any supervised person (as defined in the Code of Ethics).

The Code of Ethics provides for the imposition of sanctions against those persons who violate the Code. Compliance personnel oversee the Code of Ethics' operation, review holdings reports, and review personal securities transaction reports.

Investments in Pooled Investment Vehicles. BMO AM recommends that clients invest in pooled investment vehicles described in Item 10 (Other Financial Industry Activities and Affiliations) in which BMO AM or an affiliate provides various services, including investment advisory and/or management services. Such investments present a conflict of interest because BMO AM or a related person has a financial interest in the transaction. BMO AM seeks to mitigate these conflicts of interest by disclosing them to clients and maintaining policies and procedures, including a code of ethics, and controls which it believes are reasonably designed to ensure such conflicts are addressed.

Whenever BMO AM considers recommending an investment in a pooled investment vehicle, it first looks at its own asset management capabilities and will recommend a BMO AM advised fund if deemed appropriate by BMO AM. BMO AM has a conflict of interest when recommending or investing in such pooled investment vehicles because BMO AM and/or its affiliates receive more revenue from advisory, origination, administration, custody or other fees when the level of assets in such entities is higher.

When starting a new strategy, BMO AM might establish an account with funds provided by BMO AM or an affiliate. This account is managed along with other client accounts in such a way that the “proprietary” account does not receive favorable treatment over other client accounts. BMO AM personnel may be investors in certain pooled vehicles for which BMO AM acts as adviser. Such investment vehicles are treated as clients and are not subject to the personal trading restrictions of the Code of Ethics.

Investments in BMO Securities. BMO AM does not recommend BMO (parent company of BMO AM) securities for client accounts. However, in certain instances, clients can direct in writing that BMO AM buy BMO securities.

Participation in Client Transactions. BMO AM generally does not engage in principal or agency cross transactions or trading with affiliates unless BMO AM has obtained the client’s permission.

Item 12 - Brokerage Practices

Broker Approval and Monitoring. BMO AM has a duty to execute transactions for each client in the best interests of the client and, accordingly, seeks to obtain best execution of client portfolio transactions. However, unlike trading in public securities, our focus on acquiring Loans in private companies generally does not require the engagement of a broker-dealer.

In the event that a client were to acquire marketable securities (for example, in connection with a workout or restructuring) and BMO AM were to execute transactions in such securities through brokers, dealers or other intermediaries on behalf of clients, BMO AM would seek to obtain best execution for such transactions by selecting broker-dealers or other intermediaries that we believe would provide appropriate execution quality at acceptable costs, but we would not be required to execute through the broker offering the most favorable spread, lowest commissions or trading expenses or otherwise resulting in the lowest trading expenses. Rather, in seeking best execution, BMO AM would take into account a variety of quantitative and qualitative factors including, as relevant under the circumstances, price, transaction costs, experience of the broker, anticipated speed of execution, as well as any research services provided to BMO AM.

As of the date of this brochure, BMO AM does not receive research or other products or services from a broker-dealer or a third party in connection with purchases and sales of Loans on behalf of client accounts.

Aggregation and Allocation of Investment Opportunities. Allocation determinations are inherently subjective and give rise to conflicts of interest due to the inherent biases and other judgments that are part of the process. For example, in allocating an investment opportunity among clients with differing fee structures, BMO AM has an incentive to allocate investment opportunities to the clients from

whom BMO AM or its affiliates derive, directly or indirectly, higher fees or other benefits. While BMO AM determines how to allocate investment opportunities using its best judgment, considering such factors as it deems relevant, there can be no assurance that a client's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which BMO AM is subject did not exist.

In addressing such conflicts, BMO AM has developed an allocation policy that provides a general framework for how investment opportunities are allocated. BMO AM's affiliate bank balance sheet and CLO's first take a core hold position in each loan investment opportunity to demonstrate to clients complete alignment of interest in the affiliate bank acting as a principal in connection with a financing. Pursuant to this policy, BMO AM will make allocation decisions between or among clients in its discretion, consistent with its fiduciary duties and contractual commitments, subject to the terms of the client's governing documents and taking into account, among other factors: the investment program, current portfolio and available capital of each client account; client investment guidelines and restrictions; tax and regulatory considerations; minimum size requirements; a client's tolerance for volatility and risk; a client's liquidity needs; and such other factors that BMO AM determines are consistent with the fair and equitable treatment of all clients over time. There can be no guarantee that a client will be allocated any investments or that the portion of any such investment that will be made available to such client. The application of this allocation policy can result in allocation at times on a non-pro rata basis and there can be no assurance that a client will participate in all investment opportunities that fall within its investment objectives.

When the amount of demand from our clients for an investment exceeds the total amount available for allocation, we believe that it is fair and equitable over time, and in the long-term best interests of each client, to allocate the specific investment opportunity ratably based on the aggregate targeted individual investment amounts for eligible clients. The presence of minimum allocation limits for some clients can result in those clients not receiving allocations, depending upon the total amount available for allocation.

An investment opportunity in a Loan can be allocated on a basis different than specified above if such deviation is determined to be fair and equitable to all of our clients over time and the reasons for the deviation are documented and approved by our Chief Compliance Officer before the Loan is closed.

A client may be approached on a discretionary basis for an investment outside of their agreed upon investment parameters and have the ability to approve or decline an investment opportunity presented to them. Such clients should understand that delays in approving such an investment opportunity could result in an allocation not being available.

For any number of reasons, we may determine that it is in the best interests of one or more of our clients to sell all or a portion of a Loan held by that client or group of clients, but not necessarily for other clients. Once we make that determination, we will combine the amounts of the Loan desired to be sold for our clients and work to sell the full aggregate amount of the Loan on the same terms and conditions for all our clients. If the full aggregate amount of the Loan cannot be sold, we believe it is fair and equitable over time and in the long-term best interests of our clients to allocate the amount of the Loan that can be sold on a pro rata basis.

Our policies and procedures prohibit the allocation of an investment opportunity to a client solely based on the expected returns of the investment opportunity, the amount or structure of the asset management fees, the existence of any performance fees, the direct or indirect participation of BMO affiliates, or whether the client's investment entity is proprietary or third party.

Cross Trades. BMO AM may cross transactions between accounts of different clients only if such transactions are fair to both clients, are not prohibited by law or the instruments governing the relationships and provide no benefits to BMO AM. For all such transactions, evidence of an independent valuation source will be maintained. Crossing transactions between client accounts presents a potential conflict of interest for BMO AM as it is recommending that one client purchase a security it has recommended another client to sell.

BMO AM does not typically engage in principal or agency cross transactions. Principal transactions generally occur when an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. An agency cross transaction occurs when the investment adviser in relation to a transaction in which it, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction.

Trade Errors. During the course of BMO AM's daily order processing activities for client accounts, trade errors could happen. BMO AM will take steps to correct the error as soon as practicable. In taking corrective action, BMO AM seeks to ensure that all BMO AM accounts negatively impacted by the error are placed back in the same position they would have been had the error not occurred. Any gains resulting from these transactions will be left to the client's account and any losses, including transaction costs to correct the trade, will be promptly reimbursed to the client's account. Correcting transactions that yield both gains and losses may be netted, and BMO AM will reimburse any net loss.

Item 13 - Review of Accounts

BMO AM employs various pre- and post-trade controls and monitoring techniques through automated and manual procedures in an effort to ensure that portfolios are managed in accordance with client-specific guidelines or restrictions. Portfolio managers review the securities and assets held in each client's account no less frequently than monthly. Before accepting a new account, BMO AM conducts an initial review of the account's investment objectives. Thereafter, in addition to the monthly portfolio manager reviews, BMO AM performs ongoing monitoring activity in the account against the account's investment objectives.

In general, clients receive a quarterly report that summarizes the performance of their account during the immediately preceding quarter. Clients also meet with relationship managers, portfolio managers or both on a quarterly, semi-annual, or annual basis, or as agreed by the client and the assigned portfolio manager. During such meetings, the relationship managers, portfolio managers or both review with the client relevant objectives, guidelines, securities in the client's account, investment performance and current investment strategy. Moreover, the relationship manager, portfolio managers or both provide a report at such meetings and will occasionally modify the format or information contained in the reports to meet the needs of the specific client. In addition, each client's qualified custodian maintains the official book and record for the account and independently delivers statements to the client, client's

designated agent or both. In addition to BMO AM's review and reconciliation, clients should also independently review and reconcile their qualified custodian's records.

Item 14 - Client Referrals and Other Compensation

Affiliate Referrals. BMO AM compensates its employees for client referrals when certain conditions are met, including, compliance with Rule 206(4)-1 under the Advisers Act. It could also enter into an arrangement to pay employees of BMO Harris Bank or other affiliates of BMO AM for clients referred to or clients retained with BMO AM. Such payments are made at BMO AM's expense and do not result in any additional fee to advisory clients. Alternatively, if officers and employees of BMO AM market products and services of its financial institution and investment advisory affiliates under solicitation agreements with those affiliates, such persons could receive incentive compensation related to such activities when certain conditions are met.

Third Party Referrals. BMO AM does not currently have any solicitation arrangements with unaffiliated third parties. Should BMO AM enter into such an arrangement, the solicitation agreement would comply with Rule 206(4)-1 under the Advisers Act. Generally, these types of agreements provide for compensation equal to a specified percentage of the fees received by BMO AM. No additional fees or amounts are charged to any client in addition to BMO AM's advisory fees as a result of any solicitation agreement. Details of the referral agreement would be fully disclosed in a written disclosure statement provided to the client prior to such client's entry into an investment advisory agreement with BMO AM.

Item 15 - Custody

BMO AM is deemed to have custody of client assets in certain instances where (i) an affiliated qualified custodian, such as BMO Harris Bank, maintains custody of client accounts or (ii) BMO AM serves as general partner or managing member for a pooled investment vehicle, described in Item 10 (Other Financial Industry Activities and Affiliations). BMO AM clients, regardless of their advisory relationship, are under no obligation to use BMO Harris Bank, or any other BMO Financial Group affiliate as custodian of their assets.

Clients are responsible for selecting the qualified custodian at which their assets will be maintained. All clients for whom BMO AM is deemed to have custody receive quarterly account statements directly from the qualified custodian. Please compare the information in BMO AM's client statements with the information in account statements provided by the custodian. In addition, the pooled investment vehicles' financial statements are audited by a Public Company Accounting Oversight Board ("PCAOB") registered accounting firm and distributed to investors in the vehicles.

Item 16 – Investment Discretion

BMO AM performs its advisory services by exercising full discretionary authority with respect to its discretionary accounts. In general, there is no limitation on BMO AM's authority to select specific Loans or the amount of Loans to purchase or sell on behalf of a client. BMO AM usually receives discretionary authority to select the Loans to be bought or sold for an account through the client's written agreement with BMO AM at the outset of an advisory relationship. In all cases, however, such discretion is exercised in a manner consistent with the stated investment guidelines and/or governing

documents for the client's account. When selecting Loans for client accounts, BMO AM observes the investment guidelines, limitations, and restrictions of the clients it advises. Clients will sometimes impose reasonable restrictions on the management of their accounts. Investment guidelines and restrictions must be provided to BMO AM in writing. Additionally, a client can direct certain investment decisions in accordance with the client's written agreement with BMO AM.

At times, depending upon account guidelines, objectives, cash-flow characteristics and other criteria, BMO AM gives advice to some clients or effects transactions for the accounts of some clients that are similar to, or differ from, the advice given to, or actions taken on behalf of other clients.

Item 17 - Voting Client Securities

We do not vote or provide recommendations with respect to proxies relating to securities or other assets held by clients. Typically, the custodian or transfer agent will deliver proxies to our clients or client delegates. If we receive a proxy intended for a client, we will forward the proxy to the client or client delegate.

Item 18 - Financial Information

BMO AM does not have any financial condition reasonably likely to impair its ability to meet contractual commitments to clients and has not been the subject of a bankruptcy proceeding. A balance sheet is not required to be provided because BMO AM does not require prepayment of more than \$1,200 in fees per client six months or more in advance.

Additional Information

Privacy Policy. BMO AM's Privacy Notice, which includes information about the collection and sharing of client information by BMO AM (including, the sharing of information with affiliates and third parties), is available upon request.

Anti-Money Laundering. To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who or business entity that opens an account.

When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We will typically also ask you to provide a copy of your driver's license or other identifying documents.

A corporation, partnership, trust, or other legal entity will, in certain instances, need to provide other information, such as its principal place of business, local office, employer identification number, certificate of incorporation, government-issued business license, partnership agreement, trust agreement, or other identifying documents.

The information you provide is used to verify your identity by using internal sources and third-party vendors. If the requested information is not provided within thirty (30) calendar days, the account will be subject to closure.

BMO Asset Management Corp.
Form ADV, Part 2A

Information collected will be maintained confidential pursuant to BMO AM's privacy policy, and might be disclosed if required by applicable law, rules, or regulation.