

# Client Relationship Summary

## I. Introduction

BMO Private Investment Counsel Inc. (BPIC) is registered with the Securities and Exchange Commission as an Investment Adviser and does not provide broker-dealer (brokerage) services. It is important for our clients to understand that investment advisory services and fees differ from brokerage. You can find free and simple tools at the Commission's website, [www.investor.gov/CRS](http://www.investor.gov/CRS), to research firms and financial professionals, and explore educational materials about investment advisers and investing. To access this information electronically, hit "ctrl" on your keyboard + click your mouse to follow the link, or you can type in the address in your web browser.

## II. What investment services and advice can you provide me?

### Overview of services:

We offer discretionary account management and securities investment services to retail and institutional investors in Canada and the United States. We offer these services through financial professionals called Investment Counsellors, who develop a personalized Investment Policy Statement (IPS) indicating your individual investment goals, time horizon, risk tolerance, asset allocation targets, guidelines, liquidity needs, and other investment directions. We use that information to make investments for you in a Separately Managed Account (SMA) according to our models, primarily in equities and fixed income securities, but may also invest you in exchange traded funds (ETFs) and structured notes.

### Monitoring:

Your IPS will be reviewed at least annually and your SMA will be rebalanced to the investment objective stated in your IPS. If your IPS is amended, you will receive a new IPS to review and approve, and your SMA will be adjusted accordingly.

### Investment authority:

We provide discretionary investment advisory services based on the objective and constraints as outlined in your IPS. Discretion allows us to direct the investment purchases and sells in your account(s).

### Limited investment offerings:

The BMO Private Portfolios are not registered for sale to U.S. resident clients. You may only be invested in the BMO Private Portfolios or other Canadian domiciled investment funds if you purchased them while residing in Canada.

### Account minimums and other requirements:

Our account minimum is C\$1,000,000. However, we may reduce the account minimum, subject to our discretion.

### Additional information:

A copy of this form and our Form ADV Part 2A Brochure (our Brochure), which contains additional information about the firm and its services, is available at <https://adviserinfo.sec.gov/firm/summary/160344>. For more information, you may contact your Investment Counsellor or visit us at [www.bmo.com/privatewealth](http://www.bmo.com/privatewealth).

### Key questions to ask your financial professional:

1. Given my financial situation, should I choose an investment advisory service? Why or why not?
2. How will you choose investments to recommend to me?
3. What is your relevant experience, including your licenses, education and other qualifications? What do those qualifications mean?

## III. Summary of fees, costs, conflicts, and standards of conduct

### What fees will I pay?

We charge you a quarterly fee, calculated as a percentage of your assets based on an average of month-end market values, and billed to you on a quarterly basis. Meaning, the more assets in your account(s), the more you will pay in fees. We generally have an incentive to encourage you to increase the assets in your account(s). We mitigate this conflict, however, by charging lower percentages at specific thresholds the more assets you add to your account. You will also incur embedded fees if you are invested in proprietary, affiliated or non-affiliated investment fund vehicles.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. Our fee schedules for all accounts are in our Brochure.

#### **What third-party costs or other charges will I incur?**

You will also pay charges imposed by custodians, broker-dealers, referral fees and other third parties for the transactions within your SMA, as well as embedded fees and expenses when holding securities with fees such as the BMO Private Portfolios and ETFs. For more information please refer to our Brochure at <https://adviserinfo.sec.gov/firm/summary/160344> and our Terms and Conditions at <https://bmo.com/privatebankingtermsandconditions>.

#### **Help me understand how these fees and costs might affect my investments. If I give you C\$2,000,000 to invest how much will go to fees and costs, and how much will be invested for me?**

We have a minimum annual fee of C\$15,700 for a SMA relationship. If C\$2,000,000 is invested, you will pay 1.6% on the first C\$500,000 invested and 1.1% on the next C\$1,500,000. This would come to about C\$24,500 in annual fees depending how your account value fluctuated over time. Your account value could be more or less than your initial investment after the first quarter. Fees are calculated and charged quarterly in arrears, based on the higher of the average of the month-end market values, including accrued income of the portfolios within the quarter or the quarterly minimum fee.

#### **What are your legal obligations to me when acting as my investment adviser?**

When we act as your Investment Adviser, we have a fiduciary duty to you. We will act in your best interests and will not put our interests ahead of yours.

#### **How else does your firm make money and what conflicts of interest do you have?**

We make money from the investment management fee we charge you, which is a direct conflict to your interests. You should understand and ask us about these conflicts because they can affect the advice we provide you. You may also hold units of our proprietary BMO Private Portfolios, which contain additional embedded fees and expenses. We mitigate these and other conflicts through disclosures to you here and in our Brochure. Some examples include:

- **Common management and officers with some of our affiliates:**

Our officers and directors may also serve as officers and directors of affiliated entities. Please refer to our Form ADV Part 2A Brochure Item 10 section "Related Officers & Directors".

- **Services from recommended brokers:**

It is BPIC's policy that all securities transactions must be executed with a broker from BPIC's approved list of brokers. BPIC does not use a preferred broker, nor does it have any preferred broker. When BPIC is given discretion to choose a broker or dealer, it endeavors to obtain the best execution for the client. BPIC selects broker-dealers for each trade based on its ability to obtain the best execution for its clients.

#### **How do your financial professionals make money?**

Our Investment Counsellors are paid a base salary and earn additional asset-based fees based on the assets they manage. The more assets in your advisory account, the more we will make in fees. We therefore have an incentive to encourage you to increase the assets in your account. BPIC does not charge any performance-based fees or engage in side by side management.

## **IV. Do you or your financial professionals have legal or disciplinary history?**

Yes. On December 15, 2016, there was a settlement agreement (no contest basis) between the Ontario Securities Commission and BPIC. BPIC paid approximately \$4.7M to affected clients. For more information regarding our legal and disciplinary history please see Item 9 of our Brochure which can be found at <https://adviserinfo.sec.gov/firm/summary/160344>. Disciplinary history is also reported for the firm and individual Investment Counsellors on the Canadian Securities Administrator's website at <https://www.sedarplus.ca/>.

#### **Key question to ask your financial professional:**

1. As a financial professional, do you have any disciplinary history? For what type of conduct?

## **V. Who is my primary contact person? Is he or she a representative of an investment adviser? Who can I talk to if I have concerns about how the person is treating me?**

Your Investment Counsellor will be your primary contact person. Should you have concerns about your Investment Counsellor, please forward your complaint in writing to the Office of the Chief Compliance Officer at [Complaints.BMOPB@bmo.com](mailto:Complaints.BMOPB@bmo.com).