BMO Private Investment Counsel Inc.

Form ADV, Part 2A: Firm Brochure

1 – Cover page

BMO Private Investment Counsel Inc.
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https://www.bmo.com/privatewealth/services/investment-management/

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

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

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

BMO | Private Wealth

JANUARY 29, 2025

2 – Material changes

There have been no material changes made to this Brochure since our last update on January 29, 2024.

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4 – Advisory business

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

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

Assets under management
BPIC had C$49.77 billion (US$35.76 billion) in assets under management on a discretionary basis as of October 31, 2024. BPIC has no assets under management on a non-discretionary basis.

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

Once the client's investment objective is determined, BPIC's client assets are invested in a manner consistent with one of the Investment Strategies (see Item 8 below for more detail about the Investment Strategies). BPIC will purchase and sell securities for clients in accordance with the client's Investment Strategy, monitor and review the client's holdings and investment performance to ensure client accounts are aligned with their Investment Strategy, and provide information to the client on their investments. BPIC invests client assets in a variety of strategies, which are managed by a group of dedicated Portfolio Managers and sub-advisors. BPIC's Investment Policy Committee (chaired by Head, BMO Private Investment Counsel Inc. and Head, Products & Platforms, North American Private Wealth).

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

BMO Private Portfolios
As of January 29, 2025, the 11 Private Portfolios are:

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

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

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

5 – Fees and compensation

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

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

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

Further, each Private Portfolio pays its own brokerage commissions and fees and includes these in the cost of investments. Information regarding fees and expenses payable directly by the Private Portfolios is available in the Private Portfolios' Simplified Prospectus, and Fund Facts document. For more information, please see Prospectuses & Financial Reports: https://www.bmo.com/privatewealth/regulatory-documents/bpic/.

Establishment of a Fee Schedule

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

1. U.S. client investment management Fee Schedule

There is a minimum annual fee of C$15,700 for a segregated portfolio relationship. The segregated portfolio relationship typically will be the type of account that is held by U.S. residents.

The standard investment management fee rates are as follows:

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

2. Smaller account investment management Fee Schedule

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

3. Canadian Money Market and U.S. Dollar Money Market Fee Schedules

A rate of 0.20% is applied for any portfolio size.

4. Ultra-high net worth investment management Fee Schedule

The following fee schedule represents the investment management fee rates that apply to all ultra-high net worth (UHNW) accounts:

Portfolio Size	Rate
First C$10 million	0.65%
Next C$25 million, up to C$35 million	0.50%
Next C$25 million, up to C$60 million	0.40%
Next C$40 million, up to C$100 million	0.30%
Over C$100 million	0.20%

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

Calculation of fees

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

What is included in the investment management fee:

- Portfolio management services in accordance with the client's defined investment objectives
- An assigned Investment Counsellor
- Annual account consultations
- Additional consultations as required during the year
- Customized financial reporting
- Custodial services (provided by BPIC's affiliated entity BMO Trust Company)
- Sub-custodial services provided by BMO Nesbitt Burns Inc.
- Up to 0.15% of the sub-advisor costs associated with the Private Portfolios are absorbed by BPIC

What is not included in the investment management fee:

- Any fixed fees charged for brokerage commissions on individual trades in a client's account (see Item 12 for more information on brokerage practices)
- Any embedded fees associated with an investment product, traditional and non-traditional, such as management fees, performance fees, operating and trading expenses
- Foreign currency conversion fees
- Wire transfer fees from the client's BPIC account (i.e, service charges)
- Regulatory transaction charges
- Any other fees that may be charged by external parties (including affiliates) relating to investment vehicles held in the BPIC account(s)
- Sub-advisor fees for individual securities under a Separately Managed Account

Your portfolio may invest in certain investment instruments that charge additional fees, including those embedded with the investment instrument. Examples of such fees may include management and operating expenses, performance fees and trading-related fees and expenses. These investments will be included as part of your total investment with BPIC for the purposes of calculating the quarterly investment management fee for your investment management account(s). However, in the case where BPIC receives commissions, such as trailing commissions, that are included in the structure of the investment instrument, these investments will not be included for the purpose of calculating the quarterly investment management fee. Generally, BPIC does not invest clients into securities with trailing commissions. Any securities with trailing commissions would have been transferred to BPIC when you moved your account holdings to BPIC. BPIC's business practice is to divest these securities as soon as possible but may retain certain securities for a longer period due to early redemption penalties or specific tax considerations, as determined by you and your tax advisor. For additional information regarding fees and expenses payable by the securities or directly by you, refer to your BMO Private Investment Counsel Inc. Account Agreement and to the securities' offering and continuous disclosure documents. You will receive an annual costs and compensation summary in your year-end statement which highlights all fees that you directly pay.

Account statements

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

BMO Private Portfolios pay all administration fees and expenses relating to their operation and may pay a portion of the sub-advisory fees charged by its portfolio manager. These expenses are included in each Portfolio's calculation of their Management Expense Ratio (MER). For additional information regarding fees and expenses payable by the BMO Private Portfolios refer to the BMO Private Portfolio's Simplified Prospectus and Fund Facts.

Potential impact of fees

Fees impact the investment returns of your portfolio. Fees charged directly to your account(s) reduce the market value of your account(s) directly, while fees embedded within certain investment instruments reduce the market value of those securities held in your account(s). The impact of fees reduces your investment returns and this impact, due to the effect of compounding, increases over time.

6 – Performance-based fees and side-by-side management

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

7 – Types of clients

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

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

8 – Methods of analysis, investment strategies, and risk of loss

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

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

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

All material risks listed in each Investment Strategy's description that follows, are explained in full detail in the "Risk of Loss" section that follows.

BPIC offers dedicated responsible investment solutions and mandates to meet the growing demand for responsible investment strategies. Offering responsible investment strategies can align individual client objectives, such as contributing to a more sustainable economy and/or being sensitive to labour standards, human rights, health, pay and other sustainability factors, with BMO's Purpose and commitments for a thriving economy, sustainable future and inclusive society. BPIC considers Environmental, Social and Governance (ESG) criteria in its selection of sub-advisors and its related due diligence and oversight. The majority of sub-advisors engaged by BMO Private Investment Counsel are signatories to the UN Principles for Responsible Investment (UNPRI).

I. Standard multi-asset class strategies

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

II. Specialty / single asset class strategies

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Risk Disclosure Statement

All investments have some level and type of risk. Simply put, risk is the possibility you may lose money, or that you may not earn a return on your investment. Generally, the higher an investment's anticipated return, the greater the risk you must be prepared to take. Underlying investments held in your account and the value of your account may fluctuate over short-term periods due to market movements and over longer periods during more prolonged market upturns or downturns.

In addition to changes in the condition of markets generally, local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues and recessions could have a significant impact on your account and its investments and could also result in fluctuations in the value of your account. The following summarizes the range of potential risks generally associated with investing in our investment strategies. Not all of the risks outlined below apply to all of our strategies.

a) **Alternative Investment Risk:** In addition to risks associated with traditional investments, alternative investments (such as private equity, hedge funds and certain real estate investments) may have additional risks, including the risk that the investments may not be sold at an amount that at least approximates the amount at which the security is valued, restrictions on your ability to sell the security (liquidity risk), that market quotations may not be readily available (valuation risk), that valuations may be available on a less frequent basis than those for traditional investments, risks associated with the use of leverage, risks associated with short selling and risks associated with derivatives, as described below. Each investment will have its own investment risks and these risks can vary. For additional information regarding the specific risks, refer to your investment products' offering documents. These documents are available upon request from your Investment Counsellor.

b) **Asset Allocation Risk:** Risk that an investment strategy may not fully participate in the returns of a particular asset class, geography, industry or security if the investment strategy is diversified across multiple asset classes, geographies, industries and/or securities.

c) **Commodity Risk:** Changes in the prices of commodities, such as oil and gas, may have an effect on a natural resource company or an income or royalty trust whose business is based on a particular commodity. Prices of commodities are generally cyclical and may experience dramatic fluctuations in short periods of time. Prices of commodities may also be affected by new resource discoveries or changes in government regulations.

d) **Company-Specific Risk:** Risks tied to an individual company that affect its ability to meet debt obligations or generate future profits. Examples include loss of competitive advantage, poor use of capital and diminishing corporate governance. Such risks could cause fixed income and equity security prices to fall.

e) **Concentration Risk:** Investment strategies that are concentrated in a limited number of asset classes, sectors, securities or issuers may be more volatile than those invested across a diversified range of asset classes, sectors, securities or issuers, since the market value fluctuations of those concentrated positions would have a greater impact on the strategy's performance. A greater degree of concentration could also lead to reduced liquidity.

f) **Currency Risk:** Risk of lower or negative investment returns due to an adverse fluctuation in the exchange rate of an investment's currency relative to your local currency.

g) **Default and Credit Risk:** Investments in money market instruments, bonds and other fixed income investments issued by governments and corporations are affected by the issuing entity's ability and willingness to pay interest or repay principal when it is due. Default risk is the risk that a borrower will fail to meet its debt obligations while credit risk is the risk that a borrower's willingness or ability to meet its debt obligations will diminish. If a designated rating organization determines that an issuer has become less creditworthy, it may decrease the credit rating of the issuer and/or the security of the issuer. A downgrade will likely cause the price of the security to decrease. High yield securities, those that carry a credit rating below that of investment-grade securities, typically have greater degrees of credit risk. Since these securities have a greater degree of credit risk, adverse economic or company-specific circumstances could impair the ability to sell these securities.

h) **Foreign Investment Risk:** The value of a foreign security may be affected by the economic, political and financial environments in the country of the government or the company that issued the security. Issuers of foreign securities are generally not subject to the same degree of regulation as Canadian or U.S. issuers. The reporting, accounting and auditing standards of foreign countries may differ, in some cases significantly, from Canadian or U.S. standards. Strategies that invest in securities of issuers based in countries with developing economies have the potential for greater market, credit, currency, legal, political, and other risks that differ from, or may be greater than, the risks of investing in developed foreign security markets. Some foreign markets have less trading volume, which may make it more difficult to sell an investment or make prices more volatile. Certain countries may also have foreign investment or exchange laws that make it difficult to sell an investment or may impose withholding or other taxes that could reduce the return on the investment. The risks of foreign investments are generally higher in emerging markets.

i) **Indexing Risk:** You may be invested in an exchange-traded fund (ETF). ETFs may involve tracking the performance of an index by tracking the performance of the investments included in the index. It is unlikely that an ETF will be able to track an index perfectly because each ETF has its own operating and trading costs, which lower returns. Indices do not have these costs.

j) **Inflation Risk:** Risk that purchasing power is diminished due to rising inflation. This is prevalent in fixed income markets when inflation rises higher than expected.

k) **Interest Rate Risk:** Investments in fixed income securities can move up or down in value as interest rates change. Many fixed income securities—including bonds, mortgages, treasury bills and commercial paper—pay a rate of interest that's fixed when they are issued. Their value tends to move in the opposite direction to interest rate changes. For example, when interest rates rise, the value of an existing bond will fall because the interest rate on that bond is less than the market rate. Equity securities can also be affected by the level of interest rates. For example, as interest rates rise, some equity securities may become relatively less attractive.

l) **Investment Funds Risk:** Certain strategies may invest directly in, or obtain exposure to, investment funds as part of their investment strategy. These strategies will be subject to the risks outlined in the offering documents and/or simplified prospectus of the underlying investment funds. If an underlying investment fund suspends its redemptions, you may be unable to redeem such securities. An investment fund may have one or more investors who hold a substantial number of units. The purchase or redemption of a substantial number of units may change the composition of the investment fund's holdings significantly or may force the investment fund to sell investments at unfavourable prices. This can affect an investment fund's performance, as well as the performance of any strategy investing in it. In addition, with respect to money market funds, although many intend to maintain a constant price for their units, there is no assurance they can maintain a constant unit price as the value of their securities may fluctuate under certain conditions, including where interest rates are low or negative.

m) **Legislation Change Risk:** There can be no assurance that tax, securities or other laws will not be changed in a manner that adversely affects your investment returns, including the distributions you receive.

n) **Liquidity Risk:** Liquidity is a measure of how easy it is to convert an investment into cash. Liquidity risk is not being able to sell an investment in a reasonable amount of time to prevent or minimize a loss. An investment in securities may be less liquid if the securities are not widely traded or if there are restrictions on the ability to sell such securities. Investments with low liquidity can have significant changes in value. Strategies that invest in foreign securities, securities of small companies or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk.

o) **Management & Strategy Risk:** Risk that a particular investment strategy will not achieve its objective due to reasons such as an out-of-favour investment style or the performance of the investment manager does not meet expectations.

p) **Market Risk:** The risk that a security's price falls due to adverse circumstances that influence all securities in financial markets. These factors are numerous and include, but are not limited to, economic, sectorial and geopolitical factors as well as supply and demand dynamics. A strategy that invests in smaller capitalization companies and/or growth stocks may be more volatile than a strategy that invests in larger capitalization companies and/or value stocks.

q) **Reinvestment Risk:** Risk that cash generated from an investment will have to be reinvested at lower rates of return. This is a prevalent in fixed income markets in a decreasing interest rate environment where interest earned must be reinvested at lower rates of return.

r) **Time Horizon Risk:** Risk that an investor's time horizon is shortened compared to the time horizon initially anticipated when the investment was made. This could lead to a situation in which an investor is forced to sell securities at a lower price than otherwise expected.

s) **Responsible Investment Risk:** When requested, "responsible investment" – an investment approach incorporating environmental, social and governance (ESG) considerations – has been incorporated into your investment portfolio, complementing traditional financial analysis and portfolio construction techniques. Our investment advisors make decisions in line with their respective investment strategies and clients' objectives. This includes the integration of ESG considerations into your investment portfolio, where applicable. However, while best efforts are made to screen investments by selecting companies that observe ESG standards, we cannot guarantee the extent to which such ESG standards are actually adhered to by these companies. Further, all investments, including those that consider ESG, carry a certain measure of risk.

Each investment will have its own investment risks and these risks can vary. For additional information, regarding the specific risks, refer to your investment products' offering documents. These documents are available upon request from your Investment Counsellor.

Derivatives are investments whose value is based on the value of an underlying investment. Derivatives can be useful for hedging against losses associated with currencies, stock markets and interest rates or as a substitute for the underlying assets. Derivatives are associated with certain risks:

i. There is no assurance that a liquid market will exist to allow you to realize profits or limit losses by closing out a derivative position;

ii. You could experience a loss if the other party to the derivative contract is unable to fulfill its obligations, including in instances where the other party is adversely affected by regulatory or market changes;

iii. Derivatives that are traded in foreign markets may offer less liquidity and greater credit risk than comparable instruments traded in Canada;

iv. There is no assurance that a hedging strategy will be effective; and

v. The price of a derivative may not accurately reflect the value of the underlying security or index.

The statements above do not disclose all of the risks and other important aspects of investing in securities and the use of derivatives in a portfolio.

9 – Disciplinary information

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

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

Disciplinary history is also reported for BPIC and the Investment Counsellors on the Canadian Securities Administrator's website at https://www.sedarplus.ca/.

10 – Other financial industry activities and affiliations

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

- A Portfolio Manager in all Canadian jurisdictions (which permits BPIC to act as an adviser in respect of any security)
- An Investment Fund Manager in the provinces of Newfoundland and Labrador, Ontario and Quebec (which permits BPIC to direct or manage the business, operations or affairs of an investment fund)
- An Exempt Market Dealer in all Canadian jurisdictions (which permits BPIC to act as a dealer in Canada for securities distributed under an exemption from the prospectus requirement)
- A Commodity Trading Counsel and Commodity Trading Manager in Ontario (which permits BPIC to trade in and advise with respect to investing in commodity futures contracts and options)
- A Derivatives Portfolio Manager in Quebec (which permits BPIC to act as an adviser in respect of derivatives)
- A Firm in Financial Planning in Quebec (which permits BPIC to provide financial planning services)

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

BPIC relationships with affiliates

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

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

BPIC clients pay an additional brokerage commission fee that will go to the broker including to a BPIC affiliate when the affiliate is the broker. While BPIC does not consider BMO Nesbitt Burns Inc. a preferred broker, nor does it use any preferred broker, in 2024, a portion of commissions paid by BPIC went to BMO Nesbitt Burns Inc. because BPIC determined it received the best execution price available in the market. For more information on Brokerage Practices see Item 12 below.

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

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

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

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

- Not insured by any government deposit insurer
- Not guaranteed by BMO
- Subject to fluctuations in market values

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

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

- BMO Asset Management Corp.
- BMO Capital Markets Corp.
- BMO Direct Invest, Inc.
- BMO Nesbitt Burns Securities Ltd. (CRD 281337)
- BMO Nesbitt Burns Securities Ltd. (CRD 44057)
- Clearpool Execution Services, LLC
- Stoker Ostler Wealth Advisors, Inc.

BPIC affiliates that are registered with the OSC, not listed above include:

- BMO Asset Management Inc.
- BMO Investments Inc.

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

- Bank of Montreal
- BMO Capital Markets Limited

Other BPIC affiliates, not listed above include:

- BMO Estate Insurance Advisory Services Inc. (formerly, BMO Nesbitt Burns Financial Services Inc.)
- BMO Bank, N.A. (qualified custodian)
- BMO Nesbitt Burns Inc. (Canadian broker-dealer)
- BMO Trust Company (qualified custodian)
- CANDEAL.CA (Canadian broker-dealer)

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

- The mutual funds in the BMO Private Portfolios group of funds which are managed by BPIC
- The mutual funds in the BMO Mutual Funds group of funds which are managed by our affiliate BMO Investments Inc.
- The exchange-traded funds in the BMO ETFs group of funds which are managed by our affiliate BMO Asset Management Inc.
- The pooled funds in the BMO Asset Management Pooled Funds group of funds which are managed by our affiliate BMO Asset Management Inc.
- The issuers in the BMO Alternative Products group of issuers which are managed or administered by our affiliate BMO Asset Management Inc.
- Such other issuers, as they may be in certain circumstances deemed to be related issuers under applicable securities laws, when BMO Nesbitt Burns Inc. or its affiliates are members of the underwriting group for a new issue of securities

Additionally, the following affiliates are portfolio managers and/or sub-advisors to certain of the above-listed mutual funds, pooled funds and alternative issuers:

- BMO Asset Management Inc.
- BMO Capital Markets Corp.

Related registrants

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

- BMO Asset Management Inc.
- BMO Nesbitt Burns Inc.
- BMO Investments Inc.
- BMO InvestorLine Inc.

Related officers & directors

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

The Chair of BPIC's Board of Directors is also the Chair of the Board of Directors of BMO Asset Management Inc., BMO Investments Inc., and BMO Corporate Class Inc.

The Chief Anti-Money Laundering Officer of BPIC is also the Chief Anti-Money Laundering Officer of BMO Asset Management Inc., BMO Investments Inc., BMO Nesbitt Burns Inc., BMO InvestorLine Inc., BMO Life Assurance Company, BMO Life Insurance Company, and BMO Trust Company.

The Corporate Secretary of BPIC is also the Corporate Secretary for BMO InvestorLine Inc. and BMO Radicle Inc. and the Assistant Corporate Secretary of BMO Asset Management Inc., BMO Corporate Class Inc., BMO Investments Inc., and BMO Nesbitt Burns Inc.

The Assistant Corporate Secretary of BPIC is also the Corporate Secretary of:

- BMO Asset Management Inc.
- BMO Castle Mount Private Equity GP Inc.
- BMO Corporate Class Inc.
- BMO First Canadian Capital Partners (GP) Inc.
- BMO Georgian GP Inc.
- BMO Investments Inc.
- BMO Monthly Dividend Fund Ltd.
- BMO Mutual Funds

The Chief Financial Officer of BPIC is also the Chief Financial Officer of BMO Estate Insurance Advisory Services Inc., and BMO Nesbitt Burns Securities Ltd.

The Designated Risk Officer (DRO) of BPIC is also the DRO for BMO InvestorLine Inc. and BMO Trust Company.

A member of the BPIC Board of Directors is also a director of BMO Nesbitt Burns Securities Ltd. and BMO Trust Company and an officer of BMO Nesbitt Burns Inc.

The Head of BPIC is also pending regulatory approval as an officer of BMO Nesbitt Burns Inc.

The Head of Investments, North American Private Wealth is also an officer and member of the Board of Directors of BMO Asset Management Corp. and BMO Family Office, LLC. and an officer of BMO Delaware Trust Company.

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

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

How BPIC addresses conflicts of interest

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

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

- BPIC and Employees are required to address all material conflicts of interest (COI) in the best interest of the client. Any material conflicts of interest that cannot be addressed in the best interest of the client must be avoided.
- BPIC must disclose in writing all material conflicts of interest to a client whose interests are affected by the conflicts of interest if a reasonable client would expect to be informed of those conflicts of interest.

- Disclose to clients that they may set up restrictions around any securities they do not wish to include in their portfolio.
- Collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives, time horizon, and risk profile to ensure the client's investments are suitable and in-line with the client's expectations.
- Conduct regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances.
- Require employees to seek prior approval of any outside business or employment activity to ensure that any conflicts of interest in such activities are properly addressed.
- Monitor outside business activities of all BPIC registrants to verify that any conflicts of interest continue to be addressed by the Firm properly.
- BMO Enterprise Ethics, Legal & Compliance Training (ELCT) is provided to Employees on an annual basis and specific BMO Private Wealth Employee COI training is provided at the start of their employment and when there are material changes to the program.

11 – Code of ethics, participation or interest in client transactions and personal trading

BMO's Code of Conduct

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

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

- **Commitment 1 - Make a Positive Impact**
  We embrace diversity, equity and inclusion, treat others with respect, and make meaningful impacts on our customers, employees and communities.
- **Commitment 2 - Do What's Right**
  We conduct business with integrity and follow the letter and spirit of the law and BMO Policies.
- **Commitment 3 - Protect our Brand**
  We safeguard our reputation, information, assets and property.
- **Commitment 4 - Avoid Conflicts**
  We are customer focused and use good judgment to manage conflicts of interest.
- **Commitment 5 - Speak Up!**
  We speak up when something doesn't seem right and support others who raise concerns.

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

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

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

Affiliate interest in client transactions

As indicated in Item 10 above, it is possible that BPIC or one of its affiliates purchases or sells securities that BPIC also recommends for clients. It is possible that other related parties also recommend, purchase, or sell the same securities, thus sharing in the profits and losses of those assets.

BPIC maintains comprehensive policies and procedures regarding what should happen when BPIC purchases securities for one of its client's accounts that have been issued by an affiliated entity. Among other requirements, such purchases must be consistent with, or necessary to meet, the client's investment objective. In addition, the purchase must be free from any influence by the affiliated issuer, without taking into account any consideration relevant to the affiliate or any of BPIC's other affiliates. It must also be the opinion of BPIC that the purchase achieves a fair and reasonable result for the client's portfolio.

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

Personal trading

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

Specifically, the Code outlines the following prohibitions and procedure:

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

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

12 – Brokerage lower case

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

It is BPIC's policy that all securities transactions must be executed with a broker-dealer on BPIC's approved list of broker-dealers. If a security is only available through a broker or dealer that is not on the approved list, specific approval to execute the transaction through such broker or dealer must be obtained.

While BPIC does not use a preferred broker-dealer, in 2024, a portion of commissions paid by BPIC went to an affiliate, BMO Nesbitt Burns Inc., because it offered the best execution price available in the market. When BPIC is given discretion to choose a broker or dealer, it endeavors to obtain the best prices available for the client. In approving broker-dealers for its clients' trades, BPIC considers, among other factors, financial and operational integrity and the quality and reliability of execution. BPIC selects broker-dealers for each trade based on its ability to obtain the "best execution" for its clients. BPIC considers, among other things, transaction price, size of the order, access to liquidity, certainty, speed, quality of execution, trading characteristics of the security involved, and the broker or dealer's ability to execute a large trade without moving the market. In some instances, however, clients may direct BPIC to place trades through or with a particular broker or dealer and in such cases BPIC may not be able to obtain the best pricing or execution.

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

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

13 – Review of accounts

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

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

In addition, depending on the nature of the account, Investment Counsellors review their client's transaction reports daily, and their client accounts at least annually or as otherwise required by the client relationship. Investment Counsellors look at transaction and cash balances daily, the asset mix of their client accounts weekly, and the overall suitability of the investment mandate for each client annually. On an annual basis (or more frequently if desired by the client) the Investment Counsellor contacts each client to set up a meeting to review their investment objectives, account restrictions, income requirements, and financial position. The client and the Investment Counsellor then use this information to amend BPIC's Investment Strategy for the client's account, if necessary. If an Investment Strategy is amended, the client will be given a new IPS to approve and sign.

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

14 – Client referrals and other compensation

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

Referral arrangements with other BMO Financial Group Entities
Clients (and prospects) receive disclosure in writing prior to BPIC opening the client's account or providing services to the referred client, including the name of each party to the referral agreement, the terms of the referral arrangement, a description of any associated conflicts of interest generated by the referral arrangement, the amount of the referral fee and how it is calculated, the registration category of each registrant that is a party to the agreement and the activities that they may undertake or are prohibited from, and any other information that a reasonable person would consider important in evaluating a referral arrangement. If a referral is made to a registrant, the disclosure will also include a statement that all activity requiring registration under securities laws will be performed by an entity with the appropriate registrations. BPIC provides the disclosures in the Terms and Conditions booklet which accompanies each client Account Opening Form or in a separate client disclosure document.

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

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

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

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

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

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

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

15 – Custody

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

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

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

16 – Investment discretion

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

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

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

BPIC may place securities transactions through the securities dealers of its choice, including a securities dealer with which it is affiliated, and such transactions may include those where the dealer acts as principal. As stated in Item 12 above, while BPIC does not use a preferred broker-dealer, in 2024, a portion of commissions paid by BPIC went to BPIC's affiliate, BMO Nesbitt Burns Inc., because it offered the best execution price available. When BPIC is given discretion to choose a broker or dealer, it endeavors to obtain the most favorable prices available for the client.

17 – Voting client securities

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

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

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

BPIC also has procedures in place to identify potential conflicts of interest. When BPIC or their sub-advisors become aware of any vote that presents a conflict, it will vote such proxy in a manner consistent with, and uninfluenced by considerations other than the best interests of BPIC's clients. BPIC and its sub-advisors vote on proxy matters in accordance with its written policies and procedures, independently of any interest BPIC or any of its affiliates may have in the proposal. A conflict of interest may exist if BPIC, its personnel, or another related entity has a business relationship with (or is actively soliciting business from) either the company soliciting the proxy or a third party that has a material interest in the outcome of a proxy vote or that is actively lobbying for a particular outcome of a proxy vote. Individual conflicts of interest also may arise if the portfolio manager involved in the proxy voting decision has a direct or indirect material personal relationship or other material interest in either the company soliciting the proxy or in a third party that has a material interest in the outcome of a proxy vote or that is lobbying for a particular outcome of a proxy vote.

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

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

18 – Financial information

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

Under no circumstances do we require or solicit payment of fees in excess of $1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

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

19 – Additional information

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

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