

# BMO Charitable Fund Program

**DONOR-ADVISED FUND**  
PROGRAM GUIDELINES

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# Introduction

BMO professionals understand that the decision to make charitable donations can demand a great deal of time and resources. With that in mind, BMO has worked in collaboration with National Philanthropic Trust (“NPT”) to establish a donor-advised fund program—the BMO Charitable Fund Program (“Program”). The Program is administered and sponsored by NPT, an independently operated public charity described in 501(c)(3), 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code of 1986, as amended. These Program Guidelines outline the BMO Charitable Fund Program and the benefits, policies and procedures for establishing a DAF and may be modified by NPT’s Board of Trustees at any time.

## Giving Made Easy

The BMO Charitable Fund Program allows you to establish a Donor-Advised Fund (DAF)—a flexible and efficient way to benefit charitable organizations important to you. By establishing a DAF, you can make a gift today for distribution of funds to a wide variety of charitable organizations and programs. Although the distributions may be spread out over a number of years, you may receive a current charitable income tax deduction in the year the gift is made to the DAF (subject to some limitations). As the term “donor-advised” suggests, you may recommend which charities and organizations should benefit from your DAF’s assets and how your DAF’s assets should be invested—the final decision as to distributions and investments resides with NPT’s Board of Trustees which has exclusive legal control over the assets contributed, the investment of the donated assets and their use for charitable purposes. The DAF compares quite favorably to private foundations. DAFs such as those established through the Program, are characterized by:

### Tax Effectiveness

Because a donation to NPT under the Program to create a DAF is considered an outright gift, your gifts may qualify for an immediate income-tax deduction up to the maximum allowed by law. Through DAFs, you avoid certain excise

taxes to which private foundations are subject. Consequently, the tax advantages of a DAF can significantly exceed those of a private foundation.

### Flexibility

When you create a DAF, you may change your charitable recipient recommendations at any time. You or members of your family may also advise a DAF’s administrators on the timing, amount, purpose and destination of gifts. NPT is the administrator for the Program.

### Simplicity

Giving to a DAF saves you time, because you leave all administrative responsibilities to the DAF’s administrators (NPT). You are exempt from the responsibilities of managing, reporting, and distributing the DAF’s proceeds, which also saves you the additional costs associated with starting a private foundation.

### Personalization

As part of the DAF opening process, you will be asked to name your DAF. The DAF may be named for yourself, your family, your company, a relative, a friend or in memory of a loved one (e.g., “The Jones Family Charitable Fund”). Another option is to choose a name that reflects your particular charitable interest such as “The Jones Educational Fund.”

### Foreign and Domestic Grant Distribution

The BMO Charitable Fund Program can broaden the scope of your charitable contributions by considering charities anywhere in the United States or international organizations that are not government-affiliated, something that is most often not available through institutional and community foundation DAFs.

### Donate Now, Decide Later

Even if you are unsure how you want to allocate your charitable contributions, you can create a DAF now and reap the tax benefits in the current calendar year. At a later date, you can provide your specific recommendations regarding charities, amounts, and timing of grants.

### Anonymity

No other option for charitable giving enables complete anonymity on the part of the donor.

Private foundations have more stringent public reporting requirements, making it nearly impossible for your gifts to remain anonymous. Donations from DAFs are structured so that you can maintain as much anonymity as you wish—you choose whether the ultimate recipient of your grant learns your identity. This is especially useful when you wish to make a single gift to a charity but do not wish to pursue a continued relationship with the recipient.

### **Family Legacy**

Many of the intangible benefits of family giving sought in operating a family foundation can still be achieved through DAF giving. Family members can work together to determine which nonprofit organizations to support. Younger family members can be brought into the family philanthropy by allowing joint participation in the recommendation of grants. Working together, family members can still make site visits, review investment reports, analyze charitable proposals and serve as successor advisors thereby learning from and perpetuating the family's involvement in the charitable giving process.

## **Eligible Donors, Donor Advised Fund Advisors, and Contributions**

### **Donors**

Gifts from individuals, trusts, estates, charitable remainder trusts, charitable lead trusts, corporations and other entities under the Program will be accepted by NPT to establish a DAF.

### **Primary Advisor**

The Primary Advisor typically is the primary donor to the DAF. The Primary Advisor has the authority to recommend grants and investment allocations, name and remove joint advisors, secondary advisors, successors and/or charitable beneficiaries to the DAF. They will have online access to view all DAF information, activity and statements. All DAF correspondence will be sent to the Primary Advisor at the Primary Advisor's address of record.

### **Joint Advisors**

The Primary Advisor may name a Joint Advisor (typically a spouse, sibling, family member, etc.) to the DAF. Each Joint Advisor will have full and equal privileges to recommend grants, to recommend changes to investment allocations, to name and remove secondary advisors (see below), successors and/or charitable beneficiaries to the DAF, and to name and remove additional advisors with the same privileges.

### **Secondary Advisors**

The Primary Advisor may name Secondary Advisors who may recommend grants from the DAF. A Secondary Advisor is usually a child, relative or friend whom the donor believes will recommend grants from the DAF that are consistent with the donor's areas of interest. A Secondary Advisor does not automatically become a Successor Advisor to the DAF (see below), however, you can name Successor Advisors to assume responsibility for the DAF after the death of all original donors.

### **Agents**

The Donor(s), Primary Advisors and Successor Advisors ("Advisors") may appoint an Agent or Agents who may be granted "read only" access rights to view the Advisor's DAF. The Advisor can also give such Agent the power to transmit grant and investment allocation recommendations on behalf of such Advisor. If granted the authority to transmit an Advisor's grant and investment allocation recommendations, such Agent shall only act pursuant to the directions of the Advisor which directions shall be memorialized in writing.

### **Successor Advisors**

When a DAF is established, the Primary Advisor to the DAF may select any person or persons to assume the privileges and responsibilities associated with the Program upon the death or incapacity of the Primary Advisor and Joint Advisor (if named) on the DAF ("Successor Advisor"). Written notification and verification of the death or incapacity of all of the Primary Advisor and Joint Advisor (if named) to the DAF is required prior to becoming a Successor Advisor to the DAF. Successor Advisors can be granted full privileges regarding grant recommendations and investment pool designation or may be granted limited privileges at the discretion of the donor. NPT

will recognize recommendations from any single Successor Advisor unless otherwise specified in the Donor Application.

### **Charitable Beneficiary**

If the Primary Advisor fails to designate Successor Advisors but has recommended a qualified charitable recipient or recipients for the DAF's assets upon the death of all original donors, the remaining DAF balance will be distributed – either as a lump sum; or as a designated percentage annually for the remaining term of the DAF -- to the recommended qualified charitable recipient or recipients subject to final approval by NPT's Board of Trustees. If the Primary Advisor fails to designate Successor Advisors or recommend a qualified charitable recipient or recipients for the DAF's assets upon the death of all original donors, the remaining DAF balance will be distributed to the NPT Giving Fund (contact NPT for more information regarding the NPT Giving Fund).

### **Contributions**

Assets acceptable for contributions under the Program include cash, publicly traded stocks, bonds and other securities, mutual funds, and certain restricted stock. Gifts of real estate, artworks, closely-held stock, limited liability company or partnership interests, may be accepted subject to the approval of NPT's Board of Trustees. Contributions of assets other than cash will be sold at the earliest date possible. Notwithstanding the foregoing, final acceptance of any contribution is in the sole discretion of NPT's Board of Trustees.

### **Updating Donor and Donor-Advised Fund Information**

Any Primary or Joint Advisor may add or update any other advisor's contact information, or revoke another advisor's DAF privileges, change or add Secondary Advisors, Successor Advisors, Agents or Charitable Beneficiaries and other modifications at any time via the Donor-Advised Fund Update form. Donors being added or removed must agree with signed consent on the Donor-Advised Fund Update form to their addition or removal.

## **Establishing a Donor-Advised Fund**

### **Donor Application and Asset Contribution**

To open a DAF, you must sign a Donor Application and a Contribution Agreement. The Donor Application asks you to provide information about you, the name(s) of the Primary Advisor, Joint and/or Secondary Advisors, and Agents for the DAF, and recommended charitable beneficiaries for the remaining assets in the DAF upon your death. The Contribution Agreement asks for the details on the amount of your contribution and the type of asset(s) you are contributing. Gifting of stock certificates, stocks in street name, real estate, etc., will require specific terms of delivery to assure deductibility. These requirements and the timing of a gift become especially important at the end of the year if a deduction is desired for that same year. To make gifts of securities or other in-kind assets, you will need to complete a Contribution Agreement. **All donors are encouraged to consult with their tax advisors regarding the tax ramifications of his or her gift made to a DAF under the Program. Neither BMO nor NPT is responsible for and neither renders any tax or legal advice regarding deductibility of assets contributed to a DAF under the Program.**

To make additional contributions to your DAF, you must complete a Contribution Agreement for each subsequent gift.

Please contact NPT for more information regarding how to make contributions. Charitable contributions to a DAF under the Program are irrevocable; they cannot be refunded. All contributions are reviewed and approved by NPT. Contributions that cannot be accepted will be returned promptly after review. Please consult with your own tax advisor regarding your particular situation before contributing to a DAF under the Program.

### **Testamentary Gifts and/or Gifts from Trusts**

Contributions to a DAF under the Program can be an important part of your estate planning. DAFs can be the beneficiary of a bequest from a will (e.g., cash, securities, real estate, etc.) or other testamentary instrument.

It can also be the beneficiary of:

- A retirement plan such as an Individual Retirement Accounts (IRAs), or 401(k) plan.
- A Charitable Remainder Trust, and certain Charitable Lead Trusts.
- A life insurance policy.
- A brokerage account or other account allowing designation of beneficiaries.

Please contact NPT for suggested language to use when designating your DAF as the beneficiary of such assets. Be sure to consult with your tax, legal or financial advisor when setting up any testamentary gift, trust or other deferred gift.

### **DAF Minimums**

In order to open a DAF under the Program your contribution must have a value of at least \$25,000. Subsequent contributions to your DAF can be as little as \$5,000 or as generous as you desire. All DAF's must maintain a minimum balance of \$2,500.

### **DAF Activity**

If a DAF is opened and no assets are contributed within 60 days after set-up, the DAF will automatically be closed.

## **Investment of Contributions**

At the time a DAF is established, the Primary Advisor to the DAF may recommend that such gift be allocated to one of the specific investment pools. Failure to recommend a specific pool for investment will result in such gift being placed in the Highly Conservative pool. Cash contributions can be allocated immediately to the investment pool recommended by the donor. For contributions of assets other than cash, NPT will seek to sell such assets promptly and invest the net sales proceeds in the approved investment pool.

At the time a contribution is allocated to the investment pool, NPT will allocate units to the DAF. In general, the value of the donor's recommended investment pool will be determined at the end of each business day based on the prices of the underlying assets held in that investment pool. This value will include any realized and unrealized

gains and losses on the portfolio of investments, as well as undistributed net investment income (income earned on the underlying portfolio securities, less expenses charged to the underlying assets held in the investment pools) attributable to the pool, if any. At the end of each business day, a unit value will be calculated for each pool based on its aggregate value, after expenses, divided by the number of units outstanding. The value of each DAF will be the number of pool units assigned to that DAF multiplied by the current unit value for that pool.

### **Investment Pools**

Under the Program NPT invests contributions in investment pools composed primarily of various mutual funds that NPT's Board of Trustees has selected as appropriate investment choices for the Program. The Program investment options are designed to reflect the "risk and reward" philosophy of its donors. Each donor may recommend that his or her gifted funds be managed in one of the pools. Final investment decisions rest solely with NPT's Board of Trustees. In identifying a pool, the donor should consider his or her charitable giving objectives.

The investment pool options are described in detail in the Investment Descriptions and Options attached to these Program Guidelines as an Addendum. The Investment Descriptions and Options attached as an Addendum may be modified by the Board of Trustees of NPT from time to time and you should contact NPT at (888) 344-3454 to receive an up-to-date description of the investment pools.

A DAF may only be in one investment pool at a time. Failure to select a pool will result in a donor's contribution being invested in the Highly Conservative pool.

The investment pools are not investment entities themselves and are not available for investment outside the Program. There are no prospectuses for the pools, but each pool attempts to achieve its investment objectives (more specifically described in the Investment Descriptions and Options attached as an Addendum). Market fluctuations will cause the value of assets invested in a pool to fluctuate and may be worth more or less than the value of the original contribution.

CTC myCFO, LLC provides investment advisory services to NPT for the Program and receives



fees for such services. The pools and the investments they hold: **Are Not FDIC Insured—May Lose Value—Are Not Bank Guaranteed.**

*There is no assurance or guarantee that any pool will achieve its stated objective.*

## Frequency in Recommending a Change in Investment Pool

The advisors for the DAFs may recommend, in writing, that the assets of such DAF be invested in a different investment pool once a quarter. Once a recommendation is approved by NPT, the assets in the donor's DAF will be reinvested at the end of the quarter in which such recommendation is made. NPT will consider such recommendation but the final decision as to whether or not to invest such assets in another investment pool is in the sole discretion of NPT's Board of the Trustees.

## Grantmaking

### Grant Minimums and Restrictions

The minimum amount that will be considered for distribution under the Program is \$250. The DAF's advisors may make recommendations to NPT regarding the timing and amount of gifts and the charitable organizations that will receive them. Grants will be made to tax-exempt, nonprofit, public charities as defined and qualified under Sections 501(c)(3) and 509(a)(1) and (2) as well as certain 509 (a)(3) organizations of the Internal Revenue Code. NPT will consider recommendations for grants to public charities anywhere in the United States and to qualified international, nongovernmental organizations. However, any grant recommendation to foreign charitable organizations will be subject to an additional fee to support the research and due diligence required to ensure the tax-deductibility of such a donation, and to properly oversee the use of such funds.

**Grants may not be made to honor existing pledges and may not be made directly to individuals under any circumstances. No distributions will be made to any private foundation.** Proposed grants must be equal to or less than the balance in the DAF. Grant recommendations that exceed the DAF's balance

will not be processed and the DAF's advisors will be notified. Grants cannot be made for lobbying purposes or to support political campaigns. **Grant recommendations made to pay for tickets to benefit dinners, or for memberships, charitable auction items, school tuition, or grants for any other benefit for a specific individual will not be processed.** Such benefits are impermissible under the IRS regulations. The IRS requirements and the Program's policy forbidding "quid pro quo" grants is designed to assure that the dollars given are utilized solely for charitable programs.

### Grantee Eligibility

NPT will determine the eligibility of the charitable grantee and perform appropriate due diligence to assure that the recommended grant meets IRS guidelines and the Program's policies. If it is determined that a grant made by NPT does not meet the IRS guidelines and/or the Program's policies, NPT reserves the right to take any and all appropriate action to ensure that the assets are utilized solely for charitable purposes and that no impermissible private benefit has been received by any individual.

### Review and Timing of Grants

Grant recommendations are reviewed and processed at least weekly. Following review of the recommended grant recipient's eligibility, NPT's Board of Trustees reviews the grant recommendations. NPT's Board of Trustees has exclusive legal control over the assets contributed, the investment of such assets and the charitable use of such assets. Following such review, the NPT Board of Trustees shall approve or disapprove the grant recommendations. In the event a grant is not approved, the Primary Advisor or Joint Advisors to the DAF will be notified regarding the reasons for such disapproval.

Once the grant recommendation is approved, the grant is made as soon as possible. The Primary Advisor or Joint Advisors should allow for 10 to 14 business days between the time of submission of a grant request and the mailing of the check to a charitable recipient.

### Recurring Grants

The Primary Advisor or Joint Advisors may recommend that a grant be made on a recurring basis – quarterly, semi-annually, yearly – to a specific

charity. Please note that recurring grants may be discontinued for insufficient funds, or if the Primary Advisor or Joint Advisors send NPT a notice to suspend those grants.

### Grant Notification and Acknowledgment

When a grant has been approved, the units will be redeemed from the DAF and the proceeds sent by check to the approved charitable organization. The letter accompanying the grant check can acknowledge the advisor who recommended the grant, the name of the DAF, can be made in memory of or in honor of another individual or can be made anonymously as the advisor so designates.

### Minimum Donor-Advised Fund Activity

If your DAF is dormant for three (3) years (no grant recommendations from the DAF), NPT will make every effort to contact you, your advisor(s), and/or successor(s) to request that a grant recommendation be made. If you or your advisor(s), and/or successor(s) do not respond within a reasonable time, NPT will transfer the entire DAF to the NPT Giving Fund (contact NPT for more information regarding the NPT Giving Fund).

## Fees and Expenses

The contributions of donors to the Program DAFs are combined in investment pools for cost efficiency, but the contributions, investments results and grants for each DAF are tracked separately and reports are provided for each DAF.

NPT has entered into a service agreement with CTC myCFO LLC to provide investment advice. Investment and administrative expenses are charged to each DAF based on the following policies which may be changed by NPT's Board of Trustees at any time.

### Administration Fees

The Program incurs administrative expenses to carry out its operations as a charitable organization. Such expenses include but are not limited to, general operating expenses such as legal and accounting fees, vendor and service provider fees, fund-raising expenses and other expenses necessary to the proper administration of the Program. In addition, the Program incurs expenses in com-

pensating its investment advisor, CTC myCFO LLC which monitors the pools' asset allocation and the managers of the funds comprising the pools. To cover the foregoing costs, an annualized investment advisory fee of 0.25% (25 basis points) and the following charitable administrative fees will be charged to each DAF at the end of each month based on the average daily balance for the month. Such fees will be paid to NPT to cover donor advised fund operating expenses such as grant making, record keeping, annual audits, tax filing, quarterly statements, and other legal and fiscal responsibilities. **A minimum fee is applied to each DAF based on the minimum required balance of \$2,500.**

Month's Average Daily Balance	Annualized Charitable Administrative Fee
\$25,000 - \$500,000	0.60% (60 basis points)
Next \$500,000	0.40% (40 basis points)
Next \$29,000,000	0.15% (15 basis points)
Above \$30,000,000	0.05% (5 basis points)

For DAFs established prior to April 1, 2010, the following annual administrative fee schedule applies: Month-end DAF value between \$25,000-\$1 million: 0.60% (60 basis points); next \$4 million: 0.50% (50 basis points); next \$5 million: 0.35% (35 basis points); over \$10 million and above: 0.20% (20 basis points).

### Investment Expenses

Each investment pool will be invested in the investments described in the Addendum as modified by NPT's Board of Trustees from time to time. The underlying assets held in the investment pools bear their own management, servicing and operating expenses that are reflected in each asset's (and the pool's) daily net asset value. Because such fees are charged at the underlying asset level, these expenses are not charged directly at the DAF level. The estimated weighted average management fee of each investment pool is shown in the Addendum, based on third-party sources NPT deems reliable and is subject to change at any time.

### **Short-term Donor-Advised Fund Fee**

If a donor advises NPT to grant out more than 95% of the assets in a DAF within 12 months of opening the DAF, a one-time fee will be charged directly to the DAF prior to making a grant from the DAF that results in a balance of less than \$25,000. The fee will be equal to the greater of (1) \$500, or (2) two percent (2%) of the opening balance in the DAF during the 12-month period (up to a maximum fee of \$25,000).

### **Minimum Donor-Advised Fund Balance**

NPT will not fulfill a requested grant that would reduce the DAF value to \$2,500 or less, unless (i) the DAF is to be closed immediately after the grant, or (ii) an additional contribution of not less than \$5,000 has been made to the DAF.

### **Additional Restrictions on Donor-Advised Funds Below \$25,000**

DAFs with a value of less than \$25,000 (i) at inception, or (ii) on any annual anniversary date of such DAF opening:

(1) Shall be limited to six (6) grants during that year ending on the next anniversary date unless and until the DAF value exceeds \$25,000 in that year. Thereafter, there shall be no limit on the number of grants from the DAF in that year. Each grant in excess of the six (6) grant limit, if applicable, shall be subject to a processing fee of \$25 per grant.

(2) Will not be allowed to recommend a grant to a non-U.S. charity from a DAF (i) with a value of less than \$25,000 immediately before the grant, or (ii) if the requested grant would reduce the DAF value to less than \$25,000.

### **Foreign Grants and Processing Fees**

From time to time, donors may wish to recommend grants to non-US based charities. Due to the extensive research required before making a grant to a non-U.S. charity, NPT reserves the right to charge an additional fee for grants made to a non-U.S. charity. This additional fee shall be paid by the Account prior to making such a grant. There are two methods NPT utilizes to process foreign grants, and that determination is made by NPT based on the type of grant and country and charity to which the grant is made. The base fee for each grant using expenditure responsibility will be \$1,750. Any subsequent grant to the same charity

using expenditure responsibility within a 12-month period will be charged a fee of \$875.00. For an Account over \$5 million this fee will be \$1,500 for the initial grant, and for an Account over \$10 million the fee will be waived for the first three (3) grants, with all subsequent grants charged \$1,250 per grant. If a donor were to recommend a grant to the same charity more than 12-months after the original grant, the respective original base fee would apply.

All grants using equivalency determination process will be charged \$1,750 per grant, with all subsequent grants disbursed to that same charity during the subsequent 12-month period included in that processing fee. For an Account over \$5 million this fee will be \$1,500 for the initial grant, and for an Account over \$10 million the fee will be waived for the first three (3) grants, with all subsequent grants charged \$1,250 per grant.

### **Written Grant Agreement Fees**

In those cases where a donor or the Primary Advisor or the Joint Advisors request that NPT enter into a written grant agreement with a recipient charity for a specific purpose and NPT would not otherwise use a written grant agreement, NPT will charge the Account an additional \$1,750 plus legal fees which will be listed as a charitable administrative expense. For Accounts between \$5-\$10 million this fee will be \$1,500 plus legal fees, and for Accounts above \$10 million donors will receive three (3) grant agreements at no charge, with each additional grant agreement charged \$1,250 plus legal fees.

NPT will only monitor or enforce a written grant agreement if special arrangements are made with NPT prior to the granting process. In addition to the aforementioned fees, NPT will assess a charge to the Account of \$500 for each year in which the grant agreement is in place.

### **Illiquid Donor-Advised Fund Fees**

Where fees cannot be collected on the monthly basis due to a cash shortfall or an inability to sell securities or other property, these fees shall accrue. Interest at the rate of one percent (1%) per month will be charged on accrued amounts, and interest shall accrue monthly. All accrued amounts and interest shall become due and payable when the property is sold, when an in kind distribution from the DAF is requested, or upon notice of termination of the DAF.

All fees and interest must be paid in full by the DAF or the donor prior to making a distribution or transfer from the DAF.

## Record Keeping and Reporting

### Confirmation of Contributions

NPT will provide a letter confirming the receipt and approval of a contribution by the donor. Such letter will provide the date of the contribution and a description of the asset transferred. The confirmation letter is designed to fulfill the Internal Revenue Service's requirement for substantiation of the contribution and should be maintained as part of the donor's tax records. As a courtesy to donors, the confirmation letter will reflect NPT's good faith estimate of the fair market value of securities as of the date of gift. Donors making contributions of assets other than cash or publicly traded securities are responsible for obtaining their own appraisal of value as required by law and, nothing herein should be construed to mean that the donor may rely on any estimate of value provided by NPT's staff for purposes of the donor's tax deduction. **Neither BMO nor NPT is responsible for and neither renders any tax or legal advice regarding the value or deductibility of assets contributed to a DAF under the Program.**

### Donor-Advised Fund Statement

NPT will provide quarterly statements that summarize contributions, grants and investment pool activity for each DAF. DAF statements are only available online on NPT's BMO Charitable Fund Program website.

### Access to Reports and Documents Through the Web

For your convenience, all Program forms and documents necessary to open and administer your donor-advised fund account – such as the Donor Application, Contribution Agreement, Letter of Authorization, Grant Recommendation form, etc. – are available as PDF files at [www.BMOCharitableFund.com](http://www.BMOCharitableFund.com). The website provides links to NPT's BMO Charitable Fund Program website. After a donor-advised fund is established,

all your donor-advised fund account information will be located on NPT's BMO Charitable Fund Program website. Donors and advisors will have access to account balances, and can submit grant recommendations online and download forms through NPT's BMO Charitable Fund Program website. Please review the privacy and security policies of NPT's BMO Charitable Fund Program website before you choose to open a donor-advised fund through this Program.

## Important Contact Information

For questions, please contact your BMO representative or contact the BMO Charitable Fund Program philanthropic advisors as provided below:

### U.S. Mail/Overnight delivery

BMO Charitable Fund Program  
c/o National Philanthropic Trust  
165 Township Line Road  
Suite 150  
Jenkintown, PA 19046

**Fax**  
(215) 277-3029

**Phone**  
(888) 344-3454

**E-mail**  
[npt@npitrust.org](mailto:npt@npitrust.org)

BMO, as used herein, includes BMO Harris Bank N.A. and its affiliates participating in the Program. National Philanthropic Trust is not an affiliate of BMO Harris Bank N.A. or of any BMO Harris Bank N.A. affiliate. The BMO Charitable Fund Program is not a separate legal entity. The BMO Charitable Fund Program is administered and sponsored by National Philanthropic Trust.

The BMO Charitable Fund is an initiative of BMO Harris Bank N.A. and various financial service providers of BMO Financial Corp.

CTC myCFO LLC, an SEC-registered investment advisor and affiliate of BMO Harris Bank N.A., provides investment advisory services to the BMO Charitable Fund Program and receives fees for such services. The products offered: **ARE NOT FDIC INSURED – MAY LOSE VALUE – HAVE NO BANK GUARANTEE.**

This summary is not intended to be tax or legal advice. This summary cannot be used by any taxpayer for the purpose of avoiding tax penalties that may be imposed on the taxpayer. This summary is being used to support the promotion or marketing of the transactions discussed herein. The taxpayer should consult an independent tax advisor.

## Investment Descriptions and Options

National Philanthropic Trust (NPT), administrator and sponsor of the BMO Charitable Fund Program, provides differing investment strategies (investment pools) designed to help diversify and grow your charitable contributions.

### I. Capital Growth Pool (70% equity / 30% fixed income)

#### Objective

Above-average capital appreciation, rather than current income generation.

#### Risk Profile

Growth/ higher risk and potential for highest return. May be substantial fluctuations (and therefore gains and losses) in portfolio values.

#### Grantmaking

Longer time horizon.

#### Weighted Average Management Fee

(excluding cash): 0.73%

Fund	Allocation
Cash and Equivalents	2.0%
PIMCO Total Return	8.4%
Wellington Core Plus	5.6%
Neuberger Berman High Income	3.5%
Angel Oak Multi-Strategy Income Instl	3.5%
Templeton Global Bond	3.5%
BlueBay EM Debt	3.5%
Vulcan Small Cap	2.8%
Westwood Income Opportunity	2.8%
JO Hambro Global Select	8.4%
Wasatch International Small Growth	5.6%
Magellan Global	8.4%
Vanguard Total Stock Market ETF	10.8%
Vanguard Total Non-US ETF	7.2%
Thornberg Developing World	11.0%
Tortoise MLPs	3.3%
SPDR S&P Global Nat Resources ETF	3.3%
Powershares DB Commodity Index	6.4%

### II. Moderate Pool (40% equity / 60% fixed income)

#### Objective

Modest capital appreciation and income generation.

#### Risk Profile

Moderate growth / moderate risk.

#### Grantmaking

Intermediate time horizon.

#### Weighted Average Management Fee

(excluding cash): 0.68%

Fund	Allocation
Cash and Equivalents	2.0%
PIMCO Total Return	19.8%
Wellington Core Plus	13.2%
Neuberger Berman High Income	6.3%
Angel Oak Multi-Strategy Income Instl	6.3%
Templeton Global Bond	6.2%
BlueBay EM Debt	6.2%
Vulcan Small Cap	3.8%
JO Hambro Global Select	5.7%
Wasatch International Small Growth	3.8%
Magellan Global	5.7%
Vanguard Total Stock Market ETF	7.2%
Vanguard Total Non-US ETF	4.8%
Thornberg Developing World	4.0%
Tortoise MLPs	1.3%
SPDR S&P Global Nat Resources ETF	1.3%
Powershares DB Commodity Index	2.4%



### III. Income Pool (25% equity / 75% fixed income)

#### Objective

Preserve capital while providing income.  
Investment stability and liquidity.

#### Risk Profile

Low risk.

#### Grantmaking

Short to intermediate time horizon.

#### Weighted Average Management Fee

(excluding cash): 0.61%

Fund	Allocation
Cash and Equivalents	2.0%
PIMCO Total Return	26.4%
Wellington Core Plus	17.6%
Neuberger Berman High Income	5.8%
Seix Bank Loans	5.8%
Angel Oak Multi-Strategy Income Instl	5.8%
Templeton Global Bond	5.8%
BlueBay EM Debt	5.8%
JO Hambro Global Select	7.3%
Magellan Global	7.2%
Vanguard Total Stock Market ETF	5.4%
Vanguard Total Non-US ETF	3.6%
Tortoise MLPs	0.4%
SPDR S&P Global Nat Resources ETF	0.4%
Powershares DB Commodity Index	0.7%

### IV. Highly Conservative Pool (0% equity / 100% fixed income)

#### Objective

Preserve capital while providing income.

#### Risk Profile

Lowest Risk.

#### Grantmaking

Short time horizon.

#### Weighted Average Management Fee

(excluding cash): 0.60%

Fund	Allocation
Cash and Equivalents	2.0%
PIMCO Total Return	35.4%
Wellington Core Plus	23.6%
Neuberger Berman High Income	7.8%
Seix Bank Loans	7.8%
Angel Oak Multi-Strategy Income Instl	7.8%
Templeton Global Bond	7.8%
BlueBay EM Debt	7.8%

The information provided is current as of April 1, 2014. The allocations and investments in any given strategy may be modified by the Board of Trustees of NPT from time to time. The investment descriptions will be available at [www.BMOCharitableFundProgram.com](http://www.BMOCharitableFundProgram.com). However, you should contact NPT at (888) 344-3454 to receive an up-to-date description of the investment pools.

CTC myCFO LLC, advises NPT on the portfolio allocations and the investment vehicles it thinks appropriate for the investment pools/strategies below. However, the BMO Charitable Fund Program is administered and sponsored by NPT, an independently operated public charity described in 501(c)(3), 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code of 1986, as amended. NPT's Board of Trustees has sole responsibility for investing the donor advised fund assets and may adjust the composition of the investment pools from time to time.

Neither NPT nor CTC myCFO LLC can provide any assurance that a strategy (or underlying fund) will achieve its objective. Investment returns may change with changes in the market.

CTC myCFO LLC, an SEC registered investment advisor, provides investment advisory services. CTC myCFO LLC is not an affiliate of NPT.

The BMO Charitable Fund Program is not a separate legal entity. The BMO Charitable Fund Program is administered and sponsored by National Philanthropic Trust.

Cash may be maintained by investing in money market mutual funds.

Allocation percentages shown above are subject to changes caused by differences in performance among the investments and may be rebalanced by NPT. The "Weighted Average Management Fee" charged by the funds listed is also subject to change. The investment pools are not investment entities themselves and are not available for investment outside the BMO Charitable Fund Program. There are no prospectuses for the pools, but each pool attempts to achieve its investment objectives. Market fluctuations will cause the value of assets invested in a pool to fluctuate and may be worth more or less than the value of the original contribution.

See the Donor Program Guidelines to the BMO Charitable Fund Program for more information on these investment pools.

The investment pools and the assets they hold:

Are Not FDIC or Government-Insured	May Lose Value	Carry No Bank Guarantee
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