

Glossary

BMO Private Banking Investments Online

Account Groups provide you with an aggregated view of your Accounts.

Accrued Income represents investment income that has been earned but not yet received. It includes dividends on equity holdings that have been declared but not yet paid and interest on fixed income investments.

Annualized Returns represent the compounded average performance returns of your Account or Account Group, per year, for the period of time being reviewed. However, returns for time periods under 1 year are not compounded. This information allows you to easily compare returns across different investments or accounts, over different periods of time. For example, while a 3-year annualized return of 5% means that an investment effectively provided an average return of 5% a year, it does not provide insight into how widely returns fluctuated from year to year.

Asset Allocation represents the breakdown of your investments in each asset class.

Asset Class is a grouping of securities that exhibit similar characteristics and attributes (such as risk levels, geography or industry) and often behave similarly in the marketplace. BPIC has two broad asset classes: Capital Preservation and Capital Appreciation. Each asset class is further divided into sub-asset classes, in order to help you understand the diversification of your investment holdings.

BPIC refers to BMO Private Investment Counsel Inc.

Calendar Year Returns represent the performance of your Account or Account Group over an individual calendar year (January 1 to December 31), stated as the percentage gained or lost per dollar invested on January 1.

Capital Account Transactions are transactions related to activity for capital beneficiaries of a trust account.

Capital Appreciation is one of BPIC's two broad asset classes; Capital Appreciation has four sub-asset classes: Equities – Canadian; Equities – U.S.; Equities – Non-North American; and Non-Traditional Capital Appreciation. Capital Appreciation investments are characterized by relatively higher volatility. Investors accept higher volatility as a trade-off for a higher probability of generating positive returns over the long-term. Capital Appreciation assets tend to generate returns

through capital gains. This asset class may consist of equity securities or non-traditional investment solutions that have similar risk and return characteristics as traditional equity securities.

Capital Preservation is one of BPIC's two broad asset classes, Capital Preservation has five sub-asset classes: Cash and Cash Equivalents – Canadian; Cash and Cash Equivalents – Non-Canadian; Fixed Income – Canadian; Fixed Income – Non-Canadian; and Non-Traditional Capital Appreciation. Capital Preservation investments are characterized by relatively low volatility. Investors accept lower expected returns as a trade-off for a higher probability of generating positive returns over an intermediate (or shorter) time horizon. This asset class may consist of cash, short-term investments, fixed-income securities or non-traditional investment solutions that have similar risk and return characteristics as traditional fixed income securities.

Corporate Actions are changes to a security initiated by the security's issuer or caused by market-driven activities.

Cost of a security held in your Account typically represents the book value which is the total amount you paid to purchase the security, including any transaction charges related to the purchase, and adjusted for reinvested distributions, returns of capital and corporate reorganizations. In certain circumstances, cost may be represented as a market value or a blend of book value and market value.

Cumulative Monthly Gain (Loss) is the accumulated realized gain or loss for an Account or Account Group over a period of time. It includes the gain or loss of the current month and prior months dating back to inception of the Account or Account Group.

Cumulative Net Invested is the amount of contributions, less disbursements and withdrawals, accumulated since the inception of the Account or Account Group.

Distributions represent amounts distributed from investment funds or certain other securities held in your Account, during a calendar year. These distributions may take the form of cash inflows or fund units. Information about the tax treatment of the distributions (e.g. their classification as capital gains, ordinary Canadian dividends, foreign source income, other income and/or return of capital) is reflected in your annual BMO Private Banking Tax Package.

Dividends are the income received from an equity (shares of a corporation) investment.

Estimated Annual Income is an approximation of the income an investment may receive if held over a 1-year period. This estimate is based on current information and may change over time.

Income Account Transactions are transactions related to activity for income beneficiaries of a trust account.

Interest is typically income received from cash or fixed income investments (e.g. money market product, GIC, bond).

Investment Income Summary shows year-to-date totals of your investment income broken down by income categories (interest, dividends, distributions, return of capital).

Investment Value is the market value of an investment, including accrued income.

Investment Value Added is the difference between what you deposited in your Account or Account Groups (referred to as "Cumulative Net Invested" over time, meaning contributions less disbursements and withdrawals) and your Account or Account Group's ending investment value for the period.

Market Price per unit or per share of a security is a measure of price on a dollar basis.

Market Value Including Accrued Income is the total value of your investment – typically calculated as the number of units times the market price, plus income earned but not yet paid.

Maturities of Investments are some securities that have a maturity or end date. At the maturity date of any holding, your Account is credited for the maturity value of the investment and those funds become available for reinvestment.

Maturity Date for investments that have a specific term, this is the date at which the investment is converted back to cash.

Net Proceeds represent the amount received from the sale of an investment, less commissions and/or regulatory charges.

Net Gain (Loss) is the difference between the Net Proceeds and the Cost of an investment when an investment is sold.

Non-Registered Account provides no tax shelter and is not protected from taxes.

Non-Traditional Capital Appreciation refers to investment solutions that have similar risk and return characteristics as traditional equity securities. Investments may include, but are not limited to, structured notes, private equity, private placements, limited partnerships, direct investments and pooled investment vehicles. Please note that certain regulatory restrictions, such as non-resident status, status as an accredited investor (as defined in Canadian securities legislation), or minimum investment size may restrict investors from accessing certain non-traditional investment strategies.

Non-Traditional Capital Preservation refers to investment solutions that have similar risk and return characteristics as traditional fixed income securities. Investments may include, but are not limited to, structured notes, private placements, limited partnerships, direct investments and pooled investment vehicles. Please note that certain regulatory restrictions, such as non-resident status, status as an accredited investor (as defined in Canadian securities legislation) or minimum investment size may restrict investors from accessing certain non-traditional investment strategies.

Quantity represents the number of units, shares or par value of an investment.

Rate represents either the Estimated Annual Income per investment unit or the rate of interest.

Realized Gain (Loss) is the difference between the Net Proceeds and the Cost of an investment when the investment is sold.

Registered Account is an account that is set up as a tax-shelter such as an RRSP, TFSA or RRIF.

Reporting Period is the period of time over which the data is presented.

Security Identifier is an industry-accepted code used to trade and track securities e.g. CUSIP or ticker symbol.

Settlement Date is the date on which cash and securities are exchanged in order to finalize or "settle" a security trade. The period between trade date and settlement date depends on the type of security being traded.

Since Inception refers to the date on which we started certain calculations provided in your Account. In the certain sections, 'Since Inception' refers to the date on which you opened your Account, whereas for an Account Group, it refers to the earliest account open date of all the accounts included in your Account Group. In the Performance Returns section 'Since Inception' refers to the start date of a particular performance return calculation.

Total Assets represent the total of all assets held in your Account or Account Group.

Trade Date is the date on which a purchase or sale of a security is executed or "traded" in the market.

Transaction Type is used to group similar types of transactions together for easier viewing.

Unrealized Gain (Loss) is the dollar value that represents the difference between your Market Value Including Accrued Income and your Cost.

Yield % represents an estimated rate of annual income you may receive related to an investment. It is typically calculated as the Estimated Annual Income divided by the market value.