

# Relationship Disclosure

BMO InvestorLine adviceDirect believes the best way to help you meet your financial goals is to offer a clear understanding of the service we offer, the features of your account(s), including how it operates, and outline our mutual responsibilities.

## Our service

adviceDirect is an online investing service for long-term investors who value unbiased, structured portfolio oversight and investment advice. It continuously monitors your portfolio and notifies you with specific recommendations to keep your portfolio on track.

When you open an account, you're required to select an Investor profile that you believe suits you best. An adviceDirect Investment Specialist will then call you to discuss your investment objectives, risk tolerance, financial situation and investment knowledge. Based on the information you provide, we will recommend the most suitable Investor profile. That is why keeping your information up to date and accurate is very important. You can always see and review the current "know your client" information we have about you on the Investor Profile Preferences after you log on to your account. Please contact us as soon as possible to update your information when you have had a material change in your circumstances.

As part of its service, adviceDirect offers you a wide range of accounts, including: Cash or Margin accounts, Non-personal accounts (ex. Trusts, Estates, For Corporations) Retirement Savings accounts and Retirement Income accounts (RIFs and LIFs).

## How adviceDirect works

With adviceDirect, you will receive investment recommendations that align with one of the following Investor profiles that we have recommended as suitable for you:

### Income profile

This profile is suited to the security-conscious investor with some preference for capital preservations and limited growth. The typical Income investor is someone who depends on their investments for income. Emphasis is placed primarily on more secure asset types like cash, cash equivalents and fixed income investments, with only a limited exposure to higher yield equities. The Income investor may require cash from their investment account. They are uncomfortable with any significant fluctuation in their portfolio from year-to-year and are content with their portfolio keeping pace with inflation. The target asset allocation for this profile is 26% Equity and 74% Fixed income. This investor's risk tolerance varies from low to medium and they are willing to accept up to 10% of their account in riskier assets.

### Balanced profile

This profile is suited to the moderate investor seeking both income and long-term growth. The Balanced investor is seeking to balance risk and return. Emphasis is placed on achieving these objectives through a mix of fixed income and growth oriented investments. This investor may occasionally require cash from their investment account. They would like their portfolio to grow slightly faster than inflation and understand that the value of their portfolio

may fluctuate and are comfortable with that. The target asset allocation for this profile is 53% Equity and 47% Fixed income. The Balanced investor's risk tolerance is best described as medium and they are willing to accept up to 20% of their account in riskier assets.

### Growth profile

This profile is suited to the patient investor. The Growth investor is seeking investments expected to grow at an above-average rate compared to its industry or the overall market. Emphasis is placed primarily on equity investments designed to achieve growth over a longer time horizon. Less emphasis is placed on cash, cash equivalents and fixed income investments. Growth investors rarely require cash from their investment account. They would like their portfolio to grow faster than inflation and understand that the value of their portfolio may fluctuate somewhat and are comfortable with that. The target asset allocation for this profile is 80% Equity and 20% Fixed income. The Growth investor's risk tolerance is best described as medium to high and they are willing to accept up to 30% of their account in riskier assets.

### Aggressive Growth Profile

This profile is suited to the assertive investor. The Aggressive investor is attempting to achieve maximum returns by seeking investments that will grow at an above-average rate compared to its industry or the overall market and is willing to take on additional risk. Emphasis is placed primarily on investing in higher risk equity investments to allow for the potential of higher long-term growth. They do not require cash from their investment account. These investors would like to have their portfolio grow much faster than inflation and understand that the value of their portfolio may fluctuate significantly and are comfortable with that. The target asset allocation for this profile is 100% Equity and 0% Fixed Income. The Aggressive investor's risk tolerance is best described as high and they are willing to accept up to 100% of their account in riskier securities.

Since our investment advice aligns with one of these four investor profiles, adviceDirect may not be suitable for every type of investor. adviceDirect monitors your portfolio and makes recommendations to ensure your account positions are aligned with your Investor profile across the following

four key criteria. Suitability reviews and recommendations are based on (1) asset allocation, (2) risk, and (3) diversification while notifications and recommendations are also provided with respect to (4) ratings (equity, mutual fund and ETFs).

### Communication

You will receive a monthly statement to reflect transactions you've made with your account. Your account statement confirms your current holdings, the value of your portfolio, all account activity, including purchases and sales of securities, contributions and withdrawals, dividends, interest earned and paid, transfers, and any other transactions that have occurred in your account over the reporting period. BMO InvestorLine will also include two additional sections:

- On the December year – end statement Your Performance Report, which includes your total percentage return – on both a Time-Weighted and Money-Weighted basis, and;
- On each statement you receive, A Year-to-Date Fees Summary which includes all fees paid directly by you (Operating and Transaction charges), and any compensation we received through third parties, for the previous calendar year.

If there is no activity in your account from the prior month, we will send a quarterly statement. Also note that you will promptly receive trade confirmations once your orders have been filled. If you don't receive a statement within ten business days of the date you normally receive one, please advise us and we will investigate.

In addition, you'll receive automatic notifications by email when your account is not aligned with your Investor profile, encouraging you to take action.

### Suitability review timing

adviceDirect reviews your accounts for suitability to your appropriate Investor profile on a daily basis including in the event of significant market fluctuations, when trades are placed, a recommendation is provided, securities are transferred or deposited into the account or when notified by you of a material change in your "know your client" information.

## adviceDirect account documents

BMO InvestorLine adviceDirect is required to provide you with these documents when you open your account:

adviceDirect account documents	
• Client agreements	• Opening your retail account
• Protecting your privacy	• Relationship Disclosure
• adviceDirect fee schedule	• <a href="#">CIPF Official Brochure</a>
• Conflicts of interest	• <a href="#">IIROC Official Brochure</a>

Note: that you can also access these documents online.

## Conflicts of interest

A conflict between our interest and yours may arise where we act for you in transactions involving related and/or connected issuers. You will be notified of any future potential conflicts of interest as they arise. For more information on existing conflicts of interest, click the "Conflicts of interest" link found at the bottom of every page of the site.

## Fees

*Billable assets include:*

- Equities
- Gold and Silver certificates
- Fixed Income
- Cash equivalents (i.e., fixed income instruments with less than one year to maturity)
- Mutual Funds

*Non-billable assets include:*

- Cash
- Mutual funds that pay a trailer
- Money market funds

## Fee Schedule

- Minimum asset level is \$50,000
- Minimum fee is \$750 (for billable asset balances between \$50,000.00 - \$100,000.00)
- Maximum fee of \$3,750 will apply for asset balances greater than \$500,000.00 (i.e., no incremental fees)
- For billable assets between \$100,000 and \$500,000 fees are calculated as 0.75% x billable asset balance

For total billable assets of:	Fee per annum
\$50,000.00 to \$100,000.00	\$ 750 flat fee
or \$100,000.01 to 500,000.01	0.75% x billable assets
or \$500,000.01 and up	\$3,750 maximum fee

## Closing fees

adviceDirect accounts can only be closed by an adviceDirect investment specialist. You will be required to pay any accrued unpaid advisory fees, any outstanding Excess Trade Charges will be collected separately. These fees and charges are subject to GST, QST, and/or HST where applicable.

[View full Fee Schedule & Trade Guide.](#)

## Using benchmarks to measure portfolio performance

Benchmarks provide investors with a means of measuring the relative performance of their portfolio against a standardized or "benchmark" portfolio over a prescribed period of time. Although a singular benchmark may be used (i.e., a broad stock market or bond index), a blend of benchmarks may be appropriate for portfolios which include different asset classes and/or investments. Investors are reminded that past performance is not necessarily an indicator of future performance. Investors are encouraged to work with their Investment Specialist to determine the most relevant and appropriate benchmark to measure and monitor their portfolio. We do not currently provide benchmark comparisons in our account reporting.

## Complaint handling

Upon opening an account with BMO InvestorLine, you will be provided with a copy of IIROC's approved complaint handling process brochure, An Investor's Guide to Making a Complaint. If at any time you need access to this brochure, visit the Education - Resources section of our secure website or call BMO InvestorLine at 1-844-274-3762.

If you have a complaint, please contact us by email, telephone or mail. We will do everything we can to address your problem or concern quickly, efficiently and professionally.

Here are the steps you can take to file a complaint:

### Step 1 – Gather your information

- include supporting documents regarding your concern, paying special attention to the dates of occurrence;
- names of the employee(s) involved; and
- specifics of the concern and what you would like us to do.

### Step 2 – Talk to Us

- call 1-844-274-3762 to speak to an adviceDirect Investment Specialist; or
- send us an email or letter.

If you're not satisfied, a Manager will become involved in the resolution of your problem or concern.

### Step 3 – Take it to the next level

If you are also unsatisfied with the outcome from Step 2:

- The Manager will offer to communicate all the relevant details to our Client Relationship Management centre or provide you with the contact information to escalate the issue yourself.
- We'll respond within 24 business hours offering you a deadline by which we commit to resolve the problem. If we're not able to reach you personally, we'll send a letter of acknowledgement setting out this commitment.
- Our staff will regularly update you on the progress being made if there's a delay.

## Availability

You can access your account online 24 hours a day, 7 days a week to review your account positions, transaction history and select whether you would like to receive your statements online.

An adviceDirect account is a non-discretionary fee based account which offers investment recommendations. adviceDirect does not provide portfolio management by a portfolio manager. The client makes their own investment decisions and manages their own investment portfolio. adviceDirect does not offer discretionary, managed accounts.