

Your Assets are Safeguarded at BMO Nesbitt Burns Inc.

BMO Nesbitt Burns | March 2023

As a client of BMO Nesbitt Burns Inc., your dedicated BMO Nesbitt Burns Investment Advisor takes pride in helping you manage your wealth and reaching your financial goals. You trust us with your most confidential information, as well as safeguarding the wealth that you've worked hard to build. We take this responsibility seriously and have protections in place to safeguard your assets. Beyond our internal controls, BMO Nesbitt Burns is a member of the governing bodies of our industry and, as such, operates its business in strict adherence to the regulations, policies and bylaws dictated by these governing organizations.

As a client, it's important to understand all the safeguards in place to protect you and your assets, and we hope this overview provides you with clarity and a better understanding.

Foremost, is our financial strength as a member of BMO Financial Group. Established in 1817, with assets of C\$1.15 trillion, BMO is one of North America's largest banks by assets^{1,2,3}. BMO's strength and stability has been the foundation of its 200+ year history, with a strong capital and liquidity position consistently exceeding regulatory requirements and a long-term track record of leading risk performance. We are highly diversified, serving over 12 million customers with a broad range of personal and commercial banking, wealth management, global markets and investment banking products and services.

Asset Segregation

When you set up an account at BMO Nesbitt Burns and purchase stocks, bond and other securities (referred to as fully-paid securities), investment industry regulations require that all securities held by BMO Nesbitt Burns on your behalf must be kept separate and easily identified from the total assets of the firm. This means that your securities are not co-mingled with our assets and cannot be loaned, pledged or used for collateral or any other purpose by us. They can only be used to satisfy claims of clients, such as yourself, and not claims made by any general creditors.

In addition to our daily segregation monitoring and follow-up, we have detailed control and reporting procedures in place to ensure compliance with industry regulations and provincial securities laws, which govern the segregation of securities. Compliance with these regulations and laws is mandatory; failure to comply could result in severe penalties to a firm. Reviews by internal auditors (including BMO Bank of Montreal's Audit Department), external auditors and the New Self-Regulatory Organization of Canada (formerly Investment Industry Regulatory Organization of Canada ("IIROC")) are conducted periodically to verify compliance.

Canadian Investor Protection Fund ("CIPF")

Clients' accounts are protected by the Canadian Investor Protection Fund ("CIPF") within specified limits, and this coverage begins when you open your account at BMO Nesbitt Burns. CIPF is a not-for-profit organization, sponsored by the New Self-Regulatory Organization of Canada Member firms. CIPF provides coverage to eligible clients, ensuring that the securities, cash or other assets they hold with an investment dealer are protected should the dealer becomes insolvent and fails to return their property.

CIPF provides up to \$1 million per separately insured account, which includes general investment accounts, registered retirement accounts, and Registered Education Savings Plans ("RESP"). A brochure describing the nature and limits of coverage is available upon request from us. You can also visit the CIPF website at www.cipf.ca to learn more.

¹BMO data as at January 31, 2023.

²Source: Bloomberg GICS screen of North American banks by total assets as at January 31, 2023.

³Ranking by assets and internal analysis as December 31, 2022 of Top 10 U.S. Commercial Banks (JP Morgan, Bank of America, Citibank, Wells Fargo, U.S. Bank, PNC Bank, TruistBank, TD Bank, Capital One, BMO).

Canada Deposit Insurance Corporation (“CDIC”)

Your portfolio may include deposit products, such as Canadian dollar term deposits. The CDIC insures eligible deposits at CDIC member institutions in case of the failure of a member Firm, such as BMO. If a member institution should fail, CDIC will reimburse you for any insured deposits you have with the failed institution. Subject to coverage limits, eligible deposits held with CDIC member institutions are automatically insured. You do not need to apply for deposit insurance.

The maximum basic coverage that is available for all eligible deposits that are held in the name of a depositor at a single member institution is \$100,000 (principal and interest combined). CDIC provides separate coverage (up to a maximum of \$100,000, including principal and interest) for each of the following types of eligible deposits: those that are held jointly, in the name of two or more persons; those that are held in trust; those held in RRSPs; and those in RRIFFs.

Cyber Protection

Your security is our priority. That’s why we’re diligent in applying advanced security measures, so you can make real financial progress with peace of mind. Our Financial Crimes Unit (“FCU”) is a security operations team that’s the first of its kind in Canada. Founded in 2019, the FCU combines world-class expertise from our cyber security, fraud, physical security, and crisis management teams to detect, prevent, respond to and recover from security threats. To learn more about our security controls, visit bmo.com/security.

We’re committed to your financial well-being and making certain that we go beyond established precautions to safeguard your assets. For additional questions about the security of your assets at BMO Nesbitt Burns, please contact your BMO Nesbitt Burns Investment Advisor.



BMO Private Wealth is a brand name for a business group consisting of Bank of Montreal and certain of its affiliates in providing private wealth management products and services. Not all products and services are offered by all legal entities within BMO Private Wealth. Banking services are offered through Bank of Montreal. Investment management, wealth planning, tax planning, and philanthropy planning services are offered through BMO Nesbitt Burns Inc. and BMO Private Investment Counsel Inc. If you are already a client of BMO Nesbitt Burns Inc., please contact your Investment Advisor for more information. An insurance policy should be accompanied by an illustration. Insurance services and products are offered through BMO Estate Insurance Advisory Services Inc., a wholly-owned subsidiary of BMO Nesbitt Burns Inc. Estate, trust, and custodial services are offered through BMO Trust Company. BMO Private Wealth legal entities do not offer tax advice. BMO Trust Company and BMO Bank of Montreal are Members of CDIC.

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