

# BMO Nesbitt Burns Architect Program<sup>®</sup>

## The flexibility and freedom to build your investment portfolio

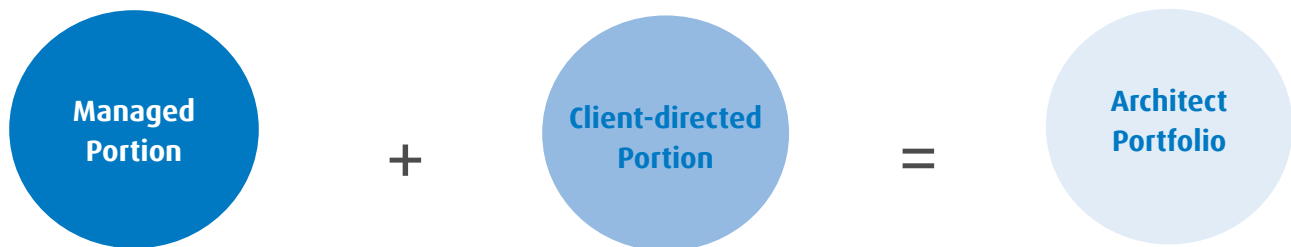
The BMO Nesbitt Burns Architect Program (“Architect”) gives you the ability to combine professionally managed investment solutions, with the option to include client-directed investments – all within a single portfolio solution, and for a predictable, transparent fee. In conjunction with the expertise of your BMO Nesbitt Burns Investment Advisor, Architect enables you to build an investment portfolio that is tailor-made to your investor profile, preferences and risk tolerance; giving you the latitude you need to achieve your long-term objectives.

### Flexibility and freedom

The Architect Program provides flexibility in building a dual currency portfolio - Canadian and U.S. dollar investments - that aligns to your personal goals, while considering what’s important to you as an investor, including the sustainability and ethical impact of your investments. You’ll have the ability to construct a portfolio that recognizes these priorities, and the opportunity to go beyond an “off the shelf” investment management solution.

Architect includes both a Managed portion and a Client-directed portion, through one “investment account.” Within the Managed portion you can combine one or more professionally managed investment solutions. The Client-directed portion further enhances your flexibility by allowing you to add complementary individual investments, including stocks, bonds, mutual funds and exchange-traded funds (“ETFs”), either when you open your Architect portfolio, or as you continue to build your investment portfolio over time.

### A truly collaborative approach to investing



The **Managed portion** of your Architect portfolio includes one or more professionally managed investments – including separately managed accounts<sup>1</sup>, and select mutual funds and/or ETFs – based on your investor profile and advice of your BMO Nesbitt Burns Investment Advisor. Investments held in the Managed portion are directly managed by a professional Portfolio Manager<sup>2</sup>.

The **Client-directed portion** gives you the option to further diversify your portfolio to complement the investments held in the Managed portion of your Architect portfolio. You can include individual stocks, bonds, ETFs, mutual funds, and other eligible investments, based on the advice of your BMO Nesbitt Burns Investment Advisor.

One **investment solution** that gives you the flexibility and freedom to combine and control the investments in your portfolio.

<sup>1</sup> May also be referred to as an investment strategy.

<sup>2</sup> May also be referred to as a manager or investment manager.

Together, you and your BMO Nesbitt Burns Investment Advisor will build a comprehensive picture of you as an investor – everything from your personal and financial situation, long-term goals, risk management profile, and any special circumstances and considerations. In addition, you can apply constraints to the investments you hold, based on any environmental, social and corporate governance (“ESG”) considerations you want to include in the management of your portfolio. Based on this due diligence, your Investment Advisor will confirm an appropriate asset allocation strategy for your overall Architect portfolio.

Your Investment Advisor will review your personal goals and financial position on an ongoing and regular basis, and recommend any necessary changes to your Architect portfolio as your life situation progresses.

### Benefits of the Architect Program

The Architect Program is a flexible, all-inclusive investment solution with many unique benefits; making this a truly full-service investment solution.



### 1. Access to World Class Investment Managers

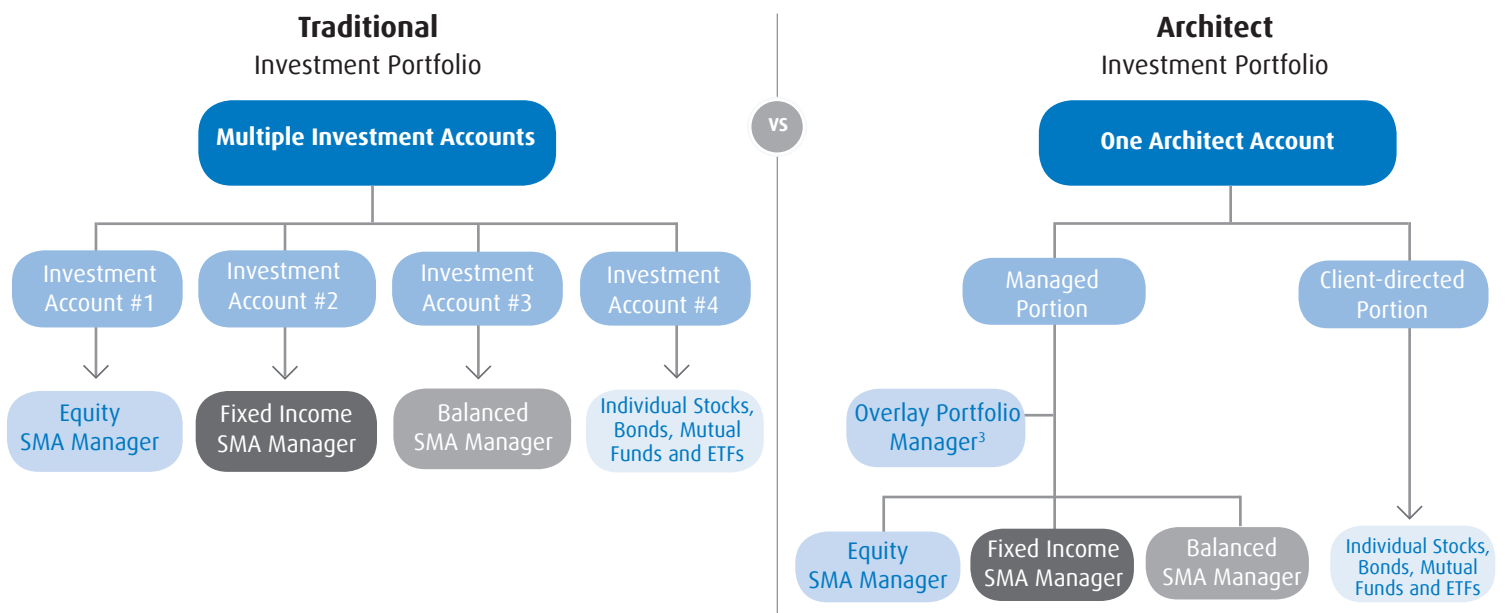
The investment managers available for the Managed portion of your Architect portfolio have been carefully screened and selected, and are continuously monitored by the BMO Nesbitt Burns Managed Assets Strategy and Analytics team. This team is comprised of experienced investment professionals responsible for the investment integrity of the Architect Program. The team employs a rigorous and disciplined process in identifying appropriate investment managers; ensuring that only the most qualified are selected and remain in the program. Once added to the Architect Program, these investment managers are closely monitored on an ongoing basis to make certain they continue to manage their investment strategy according to their stated objectives and process, and that they perform to the expectations of the team.

The Managed Assets Strategy and Analytics team conducts regular meetings with all of the managers and, between meetings, evaluates and analyzes all Architect investment strategies for any changes that may impact their short- and long-term performance. Your BMO Nesbitt Burns Investment Advisor receives regular updates and reporting on the managers, and can share this analysis to assist you in monitoring the progress of your Architect portfolio. When necessary, you may decide to change or adjust your investment manager(s) and/or investment strategy based on recommendations from the Managed Assets Strategy and Analytics team and your Investment Advisor.

## 2. Customized Portfolio Construction

The ability to build a diversified portfolio solution that incorporates both a Managed portion and Client-directed portion is a distinguishing feature of the Architect Program, versus a traditional approach to investment management.

Unlike a traditional portfolio management approach, which requires an investor to open multiple accounts in order to invest in one or more separately managed accounts, and include client-directed individual investments, Architect allows you to facilitate all of this through a single “account.” By consolidating and streamlining your investments, you’ll have a complete line of site into all investments held in your Architect portfolio, while ensuring that your Investment Advisor can truly maintain the proper oversight and integrity of your investment portfolio.



<sup>3</sup> The BMO Nesbitt Burns Overlay Portfolio Management team oversees the portfolio administration, trade execution, and tax management functions (i.e., tax-loss harvesting) for the Managed portion of your Architect portfolio.

## 3. Trade Execution

To ensure consistency and deliver the best trade execution for all clients invested in the Architect Program, all portfolio administration and trade execution functions are centralized for all clients. This includes ensuring that any constraints placed on your Architect portfolio are honoured.

## 4. Portfolio Rebalancing and Ongoing Review

Architect provides multiple levels of review to help ensure the Managed portion of your Architect portfolio remains on target. This includes making sure that cash deposits and withdrawals, which can impact your portfolio’s overall asset allocation, are properly managed and that your portfolio is rebalanced upon effecting these transactions. Your BMO Nesbitt Burns Investment Advisor can provide you with additional information on how your Architect account is

monitored and rebalanced to ensure your portfolio remains on track to achieving your long-term investment objectives.

## 5. Comprehensive Reporting

Your Architect client statement – which is produced quarterly, and for any month in which there is activity in your account – provides comprehensive reporting to keep you informed about your portfolio, including a summary of all of transactions, performance analysis and details of all the securities held in your account. Performance reporting includes relevant benchmarks for each investment strategy in the Managed portion, so you can review returns against comparative benchmarks. In addition, your BMO Nesbitt Burns Investment Advisor can provide insightful portfolio profiles, quarterly investment manager commentaries, and a comprehensive year-end summary for further insights on your investments.

You also have online access to your account through BMO Nesbitt Burns Gateway®, anytime, anywhere you have Internet access through your desktop, tablet or mobile device.

## 6. Custody and Investor Protection

As with all securities held in client accounts, BMO Nesbitt Burns segregates the assets held in your Architect portfolio from those of BMO Nesbitt Burns, ensuring they remain safe and secure in the unlikely event of the firm's insolvency. To further safeguard your assets, protection is also provided by the Canadian Investor Protection Fund ("CIPF"), and the Canada Deposit Insurance Corporation ("CDIC"). Further details on CIPF and CDIC are available on their websites.

## 7. Tax Management/Tax-Loss Harvesting

The advanced customization and benefits available through the Architect Program makes it highly tax efficient. The following are some of the tax management features of Architect:

- **Annual tax-loss harvesting:** You can request an automatic annual review of the Managed portion of your portfolio in order to realize capital losses to offset any realized capital gains.
- **Superficial loss monitoring:** To avoid superficial losses, proceeds from annual tax-loss harvesting trades are used to purchase a complementary substitute ETF. The substitute ETF is held for a period of 35 days in order to avoid violating the Canada Revenue Agency's superficial loss rules. After the 35 days have expired, the original security will be purchased back into the applicable separately managed account of your Architect portfolio.
- **Ad-hoc tax-loss harvesting:** You may request an ad-hoc tax-loss sale any time; tailored specifically to your portfolio and personal situation.

As with all tax planning programs, it's important to consult with your personal tax advisor in before executing any tax-loss selling strategy.

## 8. One All-inclusive Fee

A single fee charged monthly or quarterly, covers all professional portfolio management services, transaction costs, as well as custody, administration, and reporting services. Your all-inclusive fee also includes the continuous guidance, support and any additional services provided by your BMO Nesbitt Burns Investment Advisor. The fee may be tax deductible for non-registered portfolios; however, clients are advised to seek independent advice on all tax-related matters.

In addition, the Architect Program offers 'household pricing' capabilities; allowing you and all members of your family household to benefit from lower fees through asset consolidation. All accounts within a combined household share the same fee schedule, based on the total assets of the household in calculating their respective fees.

## One investment management solution

For all its advantages and sophistication, the Architect Program presents a remarkably simple and easy-to-manage investment solution that combines the "power of one:"

- One fully customized and tailor-made investment solution based on your investor profile, preferences and risk tolerance;
- One comprehensive solution to hold all your investments – both Managed and Client-directed;
- One portfolio to hold dual currency investments and cash;
- One annual summary of account activity and performance; and
- One comprehensive client fee.

It all adds up to one flexible investment solution, giving you the freedom to build your portfolio – and your financial future – on your terms.



Contact your BMO Nesbitt Burns Investment Advisor for more information about the Architect Program.