

BMO NESBITT BURNS

Architect Program™

Building wealth by design





The evolution of managed assets programs

As investing has evolved to offer more choice and opportunities, so have the products that help individuals invest successfully.

The BMO Nesbitt Burns Architect Program is the first full-featured unified managed account in Canada.



Put all your eggs in one basket. Now you can.

Conventional investing wisdom has always said that you shouldn't put all your eggs in one basket. That was before BMO Nesbitt Burns introduced the Architect Program. The first of its kind in Canada, the Architect Program is the next evolution in managed assets programs – a unified managed account. Now within a single, comprehensive program you can achieve a level of diversification and sophistication previously only possible through multiple, separate investment vehicles and multiple investment accounts.

The Architect Program brings together the best of mutual fund investing with the best of separately managed accounts. For a minimum investment of \$150,000, you have access to a broad array of investment vehicles and solutions offering diversification and portfolio oversight long favoured by pension plan and institutional managers.

Designed to provide you with the opportunity to enhance your return potential while seeking to limit the volatility of returns, the Architect Program provides you with enormous benefits:

- An individualized strategic asset mix;
- Skilled expertise in portfolio management that incorporates risk management principles by including the potential for diversification by investment vehicles, managers and styles;
- Ongoing portfolio oversight, and;
- Active coordination of the underlying investment vehicles for systematic portfolio rebalancing, and intelligent cash management.

With the Architect Program your BMO Nesbitt Burns Investment Advisor has flexibility when designing and constructing your recommended portfolio. The Investment Advisor will draw from a selection of separately managed accounts, mutual funds, exchange traded funds and alternative investments. This selection will include access to investment managers previously unavailable for such a low minimum investment.

Tracking and managing your investments is so much easier with the Architect Program. A single account means one set of documents to complete, one set of statements to review and one annual fee payable either quarterly or monthly. Less administration means less paperwork and a more efficient and timesaving process for you.

The BMO Nesbitt Burns Architect Program – the only investment program you'll ever need.

Step up to an unparalleled level of diversification

As you know, diversification is one of the most important rules to follow when investing – it is the fundamental portfolio building block. A



well-planned and executed diversification strategy supports a portfolio that will stand up to the fluctuations in returns that are characteristic of market cycles.

Most people are aware of diversifying by asset class – allocating your portfolio between an appropriate mix of fixed income instruments and equities. This strategic mix is vitally important, as it reflects your individual time horizon for investing, investment preferences and tolerance for market volatility. But there's more to a sound diversification strategy than asset allocation.

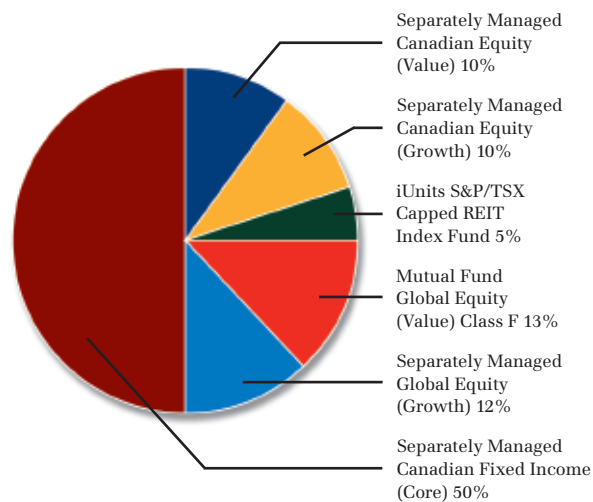
The Architect Program introduces you to a whole new level of diversification, one that's on par with the approach used by institutional investors and pension plans. With the Architect Program, your Investment Advisor has the flexibility to add an equally important dimension of diversification to your portfolio. By diversifying by investment manager, investment style and among various investment vehicles – all within a single account – your Investment Advisor can deliver much more effective diversification at lower investment levels.

Diversification is a key strategy for managing investment risk and, through effective and

deliberate risk management, we have the opportunity to enhance returns. By taking diversification to the next level through the Architect Program, you can seek to manage several risks at once – the risk that each investment manager will have a period of outperformance but, likewise, will have a period of relative underperformance; the risk that a manager's investment style is out of favour; and the risk that certain asset classes and investment vehicles will lag when others advance.

Architect Program: style diversification at work

Sample Balanced Portfolio





Reap the benefits of active portfolio oversight

Through thoughtful design and skilled construction, the Architect Program can provide you with a portfolio ideally suited to your personal investment needs. A team of BMO Nesbitt Burns experts, aided by the overlay portfolio manager, provides rigorous, ongoing oversight and portfolio management with a view to making sure your investments are in tune with your objectives and remain focused on your goals.

For this industry-leading program, BMO Nesbitt Burns has selected the leading provider of overlay portfolio management services in North America, Placemark Investments, Inc., to act as overlay portfolio manager, performing many of the day-to-day coordination tasks that keep your portfolio on track, such as:

- Systematic rebalancing, as required, to return your portfolio to its strategic asset mix when market drift among investments meaningfully disrupts your target asset allocation;

- Intelligent cash management so that money flowing in or out of your portfolio is allocated automatically to maintain your asset mix, and;
- Coordinating the trading among your various investment managers to avoid superficial losses. You will also have a single cost basis for each holding in your Architect Program account, even if it is held across a number of investment managers.

You'll find that the Architect Program offers unique tax minimization strategies that will serve to enhance your overall returns. With the Architect Program, you can request that the overlay portfolio manager review the realized gain position in your portfolio annually and, if practical, trigger losses to offset some of the realized gains. By scrutinizing the buying and selling of securities across the portfolio, the overlay portfolio manager will take care to avoid superficial losses that can result when one money manager buys a security at the same time or within 30 days of the other money manager selling it.

The selection and monitoring of investment managers participating in the Architect Program is carried out by our experienced team

of portfolio managers and analysts meeting BMO Nesbitt Burns' exacting standards. Mercer Investment Consulting (Mercer IC) provides consulting assistance on this selection and with the monitoring of the investment managers for the separately managed accounts of the Architect Program, although all final decisions are made by BMO Nesbitt Burns. As one of Canada's largest investment consulting firms, Mercer IC is well versed in the evaluation and oversight of investment managers for pension plans. When building your portfolio, your Investment Advisor will select from a range of recommended investment vehicles as compiled by the specialists at BMO Nesbitt Burns, as well as exchange traded funds, if so desired. And, should an investment manager no longer meet expectations, your Investment Advisor is notified immediately so that he or she can make an alternate recommendation to you.

About Architect's Overlay Portfolio Manager – Placemark Investments, Inc.

BMO Nesbitt Burns searched North America to select an Overlay Portfolio Manager for the Architect Program, ultimately partnering with Placemark Investments, Inc. Founded in 1999, Placemark is a pioneer of the unified managed account concept and is recognized as one of the foremost experts in overlay portfolio management. Placemark has a proven track record of providing overlay portfolio management services to leading brokerage firms, banks and investment managers in the United States.

Enjoy the convenience of a single, simplified solution

For all its complexity and sophistication, the Architect Program presents you with a remarkably simple and easy-to-manage investment solution. It embodies the essence of what people have been looking for in a managed assets program – freedom from ongoing monitoring of the markets and day-to-day investment decisions and the comfort that your investments are being optimally managed by a team of experts led by your Investment Advisor.

You'll find the Architect Program statements provide everything that you need to keep abreast of your portfolio, all within a single, quarterly statement. On a portfolio summary level, the reporting package provides performance details and tax information. For



each separately managed account, performance reporting includes relative benchmarks so that you can review your investment manager's returns relative to comparative benchmarks. And within any separately managed account, there is full disclosure of the securities that make up the account.

Benefit from the power of one

The Architect Program gives you:

- One investment policy statement executed through one coordinated portfolio;
- One set of documents to complete;
- One fee, and;
- One all-inclusive quarterly statement.

It all adds up to the most efficient and effective investment solution available to you.

Take advantage of our proven process

When you decide to invest with the Architect Program you stand to benefit from our long-standing, proven approach to investment management and portfolio management oversight. Throughout the process your Investment Advisor is at the helm, supported by a team of knowledgeable professionals.

• A personal plan for success

Crafting your Investment Policy Statement



Your Investment Advisor will need a thorough understanding of your goals and objectives, investment preferences, investment time horizon and tolerance for

investment risk in order to recommend an appropriate strategy for the Architect Program. With specific knowledge of your investment time horizon, comfort with market risk, return expectations, as well as other relevant personal preferences, your Investment Advisor will draft your Investment Policy Statement – the document that forms the basis of your portfolio design.

• Laying the foundation

Designing the underlying structure of your portfolio with asset allocation and diversification



In keeping with your strategic asset mix laid out in your Investment Policy Statement, your Investment Advisor's recommendations for your Architect portfolio may consist of fixed income instruments, equities and alternative asset classes. Recommended equity categories may include Canadian, U.S. and international securities, and the shares of small, mid and large capitalization companies in various markets and exchanges.

• Constructing your optimal portfolio

Rigorous selection of expert managers and investment vehicles



Once the structure of your portfolio is established, your Investment Advisor will recommend approved experts to manage the various components, which can take the form of mutual funds or separately managed accounts. Every manager and mutual fund is selected based on BMO Nesbitt Burns' research analysis and must meet our exacting standards.



- **Active monitoring and maintenance**

Keeping your portfolio true to your goals and expectations



Oversight and monitoring are built right into the Architect Program. Regular manager reviews and portfolio scrutiny, systematic portfolio rebalancing back to your strategic asset mix, if required, and intelligent cash management are completed by the overlay portfolio manager. Your Investment Advisor will keep you up-to-date on the progress of your account, including quarterly performance tracking.

One decision is all you have to make

Investing with the BMO Nesbitt Burns Architect Program is that simple. When you decide to participate in this groundbreaking program in order to help realize your investment goals, your Investment Advisor - supported by a team of experts - will look after the rest.

With the Architect Program, you have the convenience of a single, coordinated portfolio customized to your needs – it couldn't be easier.

You can invest with confidence, knowing that the Architect Program provides institutional-style diversification and portfolio management to help manage risk and work to enhance your return potential.

You can take comfort, knowing that your investments are well tended to thanks to the continuous oversight of BMO Nesbitt Burns' experts, and the knowledge and due diligence of your Investment Advisor supported by a team of professionals working on your behalf.

Your goal of building wealth can be accomplished expertly and efficiently – one account, one set of documents, one comprehensive statement, and one fee.

Talk to your Investment Advisor about how the Architect Program can advance your investment goals.

The BMO Nesbitt Burns Architect Program – building wealth by design.



A tradition of leadership and innovation

The BMO Nesbitt Burns name has long been associated with leadership and innovation in investing. Now with the introduction of the industry-leading Architect Program, we are adding to our enviable track record. For 25 years, our equity research has consecutively ranked number one in Canada by the Brendan Wood Survey¹. We were the

first company in Canada to evolve managed assets programs to the separately managed account. And our advances in client rights and responsibilities, privacy issues and innovative web-based services such as BMO Nesbitt Burns Gateway[®], demonstrate our commitment to delivering a positive investing experience every step of the way.

As an integral member of the BMO Private Client Group, BMO Nesbitt Burns can assist clients with all aspects for their wealth management to accumulate, grow and preserve their wealth.



www.bmonesbittburns.com

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¹Brendan Woods International Survey, Institutional Equity Sales, Research and Trading Performance in Canada, 1980 - 2005