

BMO Bank N.A. (the “Bank”) information and disclosure of Conflicts of Interest



PROPRIETARY PRODUCTS—STRUCTURED NOTES AND EQUITY OFFERINGS

Your account at the Bank may be invested in proprietary structured notes. If permitted, many of these structured notes are issued by the Bank of Montreal (“BMO”), the parent company of the Bank, and/or sold through BMO Capital Markets Corp. (“BMOCM”), a subsidiary of BMO and an affiliate of the Bank. Your account at the Bank may be invested in U.S.-listed initial public offerings, follow-on equity offerings, and preferred stock offerings that were underwritten or distributed by BMOCM. We refer to these as affiliate-underwritten equity offerings. These proprietary structured notes and affiliate-underwritten equity offerings are referred to as Proprietary Products.

We select the investments that we believe best fit our asset allocation goals and forward-looking views to meet your investment objective. We consider multiple factors when we approve Proprietary Products and make them available for your account. Selection is not based solely on performance relative to peers or benchmarks.

Potential Conflicts of Interests

The purchase of Proprietary Products in your account involves conflicts of interest. BMO, BMOCM, and the Bank’s other affiliates have economic interests in Proprietary Products that present a conflict of interest relative to our clients’ interests in the Proprietary Products. Generally, we prefer structured notes issued by BMO through BMOCM or our other affiliates. We expect that most (and at times, all) of the structured notes we approve for purchase in our clients’ accounts will be Proprietary Products issued by BMO and sold through an affiliated agent such as BMOCM. Similarly, we expect that most (and at times, all) of the equity offerings described above that we approve for purchase in our clients’ accounts will be Proprietary Products underwritten or distributed by BMOCM or another affiliate of the Bank.

Compensation

For proprietary structured notes, BMO and BMOCM are compensated through the difference between the principal amount of the proprietary structured note and the estimated initial value of the proprietary structured note. The estimated initial value of the proprietary structured note, which is typically expressed as a dollar value per \$1,000 in principal amount, will be detailed in the final offering documents describing the proprietary structured note. For affiliate-underwritten equity offerings, BMOCM or another affiliated underwriter is typically compensated through underwriting discounts or commissions that are detailed in the final offering documents describing the affiliate-underwritten equity offering. If Proprietary Products are purchased in your account, you will receive the final offering documents that describe the compensation received by the Bank’s affiliates.

When we act as custodian, investment manager, trustee, executor, conservator, personal representative, or guardian for a non-Retirement account invested in structured notes, we do not charge investment product fees for structured notes. This means that we do not charge you twice, once directly and once indirectly, for investment services relating to proprietary structured notes. We do charge an Account Services and Related Advice fee which is paid directly from your account. This fee includes investment services for accounts other than custody accounts. This fee is not reduced when your account holds structured notes.

For both affiliate-underwritten equity offerings and equity offerings underwritten by a third party, we charge an Investment Product Fee for Individually Managed Securities of forty basis points (0.40%). This fee is in addition to our Account Services and Related Advice fee and is paid directly from your account.

Retirement Accounts

Proprietary Products may not be purchased in Retirement Accounts.

BMO’S RELATIONSHIP WITH AMERIPRISE

In November 2021, BMO completed the sale of its Europe, Middle East and Africa asset management businesses to Ameriprise Financial, Inc., including certain affiliates (“Ameriprise”) (the “European Transaction”). In addition, BMO transferred certain sub-advisory mandates to affiliates of Ameriprise (together with the European Transaction, the “Transaction”). As part of the Transaction, BMO entered into an agreement (the “Relationship Agreement”) with Ameriprise. The Transaction and Relationship Agreement set forth a framework of cooperation between the parties and give rise to conflicts of interest.

As a result of the Transaction, Ameriprise may act as a sub-advisor for mandates relating to your account that were formerly performed by BMO affiliates. Under the Relationship Agreement, we have agreed to consider Ameriprise, and retain them as an approved manager for client portfolios, for certain new sub-advisory mandates where their offering is suitable for the mandate under consideration. To be hired as a sub-advisor, Ameriprise must present a reasonable and competitive proposal in which their relevant performance exceeds the benchmark median in comparison to rolling 1, 3 and 5 year time periods.

We address the conflict of interest related to the Transaction and the Relationship Agreement in the following manner:

- Ameriprise must meet the above-mentioned performance and proposal standards before we will hire them as a sub-advisor.
- Ameriprise will be subject to our ongoing sub-advisory monitoring and oversight procedures.
- The engagement of Ameriprise as a sub-advisor must also comply with our policies and procedures, and other fiduciary, regulatory, contractual and legal obligations.

BMO’S RELATIONSHIP WITH GOLDMAN SACHS

In February 2022, BMO sold its BMO money market funds to Goldman Sachs Asset Management and its affiliates (“Goldman Sachs”). In connection with this transaction, BMO Wealth Management has entered into a revenue sharing agreement with Goldman Sachs. Pursuant to this agreement, we are entitled to receive revenue sharing payments on certain assets, including discretionary client assets, invested in certain Goldman Sachs money market funds, including the Goldman Sachs Financial Square Government Fund, the Goldman Sachs Investor Money Market Fund and the Goldman Sachs Investor Tax-Exempt Money Market Fund.

The revenue sharing agreement creates a conflict of interest as we have an incentive to invest client assets in the Goldman Sachs money market funds for which we will receive revenue sharing payments.

We address this conflict of interest by:

- Reviewing each Goldman Sachs money market fund to ensure its objectives are appropriate for our clients.
- Monitoring the performance and expenses of any Goldman Sachs money market fund for which we receive revenue sharing payments.
- Disclosing this conflict of interest to clients and offering clients the ability to restrict our ability to invest clients’ account assets in Goldman Sachs money market funds.

MORE INFORMATION

Your account administrator or portfolio manager can answer questions about compensation we and our affiliates receive from Proprietary Products as well as BMO’S relationships with Ameriprise and Goldman Sachs.

BMO Wealth Management is a brand name that refers to BMO Bank N.A. and certain of its affiliates that provide certain investment, investment advisory, trust, banking, securities, insurance and brokerage products and services.

Investments are: NOT FDIC INSURED - NOT BANK GUARANTEED - NOT A DEPOSIT - MAY LOSE VALUE