

Dahab Associates, Inc.
Request for Proposal – 2016

Small Cap Core

Franklin Regional Retirement System

Company Name	BMO Global Asset Management
Investment Style	Small-Cap Core
Product Name	BMO Disciplined Small-Cap Core Strategy
Principal Address	115 S. LaSalle St., 11 th Floor, Chicago, IL 60603
Telephone Number	617-622-5215
Email Address	Dan.Burke@bmo.com
Individual Completing this RFP	Daniel Burke
Position	Director, Consultant Relations
Mailing Address (if different from above)	
Telephone Number (if different from above)	
Fax Number	312-765-8169
Date Completed	November 3, 2016

Firm Name	BMO Global Asset Management
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Summary

General Information:

Firm Name	BMO Global Asset Management
Product Name	BMO Disciplined Small-Cap Core Strategy
City, State of firm's headquarters	Chicago, IL
Name of Parent Company, or "Independent"	BMO Financial Corp.
Tax-Exempt Assets Under Management	\$9.8B
Total Assets Under Management	\$35.7B
Year Founded	1989
Year Registered	1989
Contact Name	Daniel Burke
Contact Number	617-622-5215
Contact Email	Dan.Burke@bmo.com

Which of the following types of products are available for this search? You may offer multiple product types if you choose. Indicate with an "X." There will be room to elaborate on the product offerings elsewhere in this document.

This selection should indicate that any minimum account sizes for the product are either met or waived for this search.

Separate Account	X
Commingled Funds	
Mutual Fund	X

Equity Product Information:

Please provide the following figures for a representative account, with the data as of **the end of 3rd Quarter 2016** only.

Do not submit the following data for any other quarter, even if footnoted as such.

It is acceptable to submit preliminary data, if necessary.

Only provide statistics for indicated time-periods.

Do not put “since inception” statistics in lieu of the requested time-period.

If statistics for a given time period are not available, leave the response area blank.

All statistics must be **based on quarterly** numbers, never monthly, even when the question isn’t explicit in that regard.

All statistics should be made with regard to the following benchmark:

Russell 2000

Do not submit statistical data compared to any other benchmark, even if your product is traditionally benchmarked against a different index, **even** if you choose to indicate it as such.

Product Name	BMO Disciplined Small-Cap Core Strategy
Style (Core, Growth, Value) Please answer as to your firm’s specific classification of this product.	Core
Typical Number of Securities Held	175
Portfolio Turnover, 12-month rolling (%)	72.08%
P/E of typical portfolio- Estimate	14.98x
P/E of typical portfolio- Trailing	16.83x
5-year information ratio	1.38
5-Year Tracking Error	3.45
5-year Upside Capture Ratio	105.87
5-year Downside Capture Ratio	83.43
5-year R-squared statistic	.95
Strategy Inception	July 1, 2010
Benchmark Used for Above and below statistics (Must be the required benchmark as indicated)	Russell 2000 Index
Benchmark for product	Russell 2000 Index
Total Assets In This Strategy	\$47mm
Soft/Hard Close Amount for the Strategy	\$2.0B

	3-Year	5-Year
Alpha	5.00	4.84
Batting Average (% of quarters beating benchmark)	0.58	0.63
Standard Deviation	13.51	14.75
Beta	0.90	0.96

Firm Affiliation

- | | | |
|----|-------------------------------------------------------------------|------|
| 1. | Is the firm independent? | No. |
| 2. | Is the firm registered under the Investment Advisors Act of 1940? | Yes. |
| 3. | Is the firm minority owned? If so, what percent? | No. |
| 4. | Is the firm women owned? If so, what percent? | No. |
| 5. | Is the firm a subsidiary of, or related in any way to: | |

A brokerage firm	Yes.
Insurance company	Yes.
A bank	Yes.
Other	Yes.

- | | | |
|----|----------------------------------------------------------------|---------------------|
| 6. | What is the name of the parent company? | BMO Financial Corp. |
| 7. | Please provide details of the ownership structure of the firm. | |

BMO Global Asset Management is a wholly owned subsidiary of BMO Financial Corp., which is a wholly owned subsidiary of Bank of Montreal (BMO), a publicly held diversified financial services company headquartered in Toronto, Canada.

Contracting entity will be BMO Asset Management Corp. (BMO AM), a registered investment adviser with the U.S. Securities and Exchange Commission. BMO Global Asset Management (BMO GAM) is the brand name for various affiliated entities of BMO Financial Group that provide investment management, trust and custody services and securities products, among them BMO Global Asset Management (U.S.), which consists of BMO Asset Management Corp. Unless otherwise noted, all further references in this document to BMO Global Asset Management refer to the contracting entity, BMO Asset Management Corp.

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|----|------------------------------------------------------------------------------------------------|--|
| 8. | If the firm is related in any fashion (financially or otherwise) to any other entity, explain. | |
|----|------------------------------------------------------------------------------------------------|--|

BMO Global Asset Management has several key affiliates:*

Bank of Montreal	CTC myCFO, LLC
BMO Asset Management, Inc.	F&C Asset Managers Ltd.
BMO Capital Markets Corp.	F&C Fund Management Limited
BMO Capital Markets Limited	F&C Investment Business Limited
BMO Delaware Trust Company	F&C Management Limited
BMO Global Asset Management (Asia) Limited	F&C Managers Limited
BMO Harris Bank N.A.	F&C REIT Property Asset Management plc.
BMO Harris Financial Advisors, Inc.	LGM Investments Limited
BMO Investment Distributors, LLC	Lloyd George Investment Management (Bermuda) Ltd.
BMO Investments Inc.	Money, Inc.
BMO Life Insurance Company	Pyrford International LTD
BMO Nesbitt Burns Securities LTD.	Stoker Ostler Wealth Advisors, Inc.
BMO Nesbitt Burns Trading Corp. S.A.	Taplin, Canida & Habacht, LLC
BMO Nesbitt Burns, Inc.	Thames River Capital LLP
BMO Private Investment Counsel Inc.	Thames River Multi-Capital LLP

BMO REP Asset Management plc.

*As of March 28, 2016

General Background Information

1. Please indicate the types of accounts that your firm currently manages:

Domestic Equity	X	Socially Conscious	X
Fixed Income	X	Hedge Fund of any type	X
Balanced	X	Institutional Mutual Funds	X
International	X	Retail Mutual Funds	X
Global	X		

2. Please provide the location and function of each of the firm's offices.

Our primary offices for investment strategy and portfolio management are Chicago and Milwaukee. Each location offers the following functions:

- Asset management
- Legal
- Compliance
- Operations
- Performance measurement

3. Please give a brief history of the firm.

BMO Global Asset Management is an investment adviser established in 1989. The firm consists of two legacy investment managers: Harris Investment Management, Inc. (HIM) and M&I Investment Management Corp. (M&I IMC). BMO acquired M&I IMC as part of its acquisition of Marshall & Ilsley Corporation in 2011; HIM merged with M&I IMC in 2012, changing its name to BMO Asset Management Corp. M&I IMC was founded in 1973.

4. When was the firm founded?

1989

5. When was it registered as an investment advisor?

1989

6. When did the firm begin to manage tax exempt accounts?

1989

7. Describe the level of error and omission insurance coverage the firm carries.

Limits for our errors and omissions insurance coverage exceed \$25mm.

8. Are you now the subject of a SEC or other regulatory body sanction? If so, explain.

No.

9. Has the firm ever been subject to a SEC or other regulatory body sanction? If so, explain.

No.

10. Discuss, in detail, any litigation brought against the firm in the last five years.

As an investment adviser and part of BMO FC, BMO Global Asset Management is asked to provide information to various regulators in the ordinary course of business, and is subject to routing examination by regulators such as the SEC.

From time to time, BMO FC and its affiliates are a party to legal proceedings and regulatory inquiries in the ordinary course of business. While there is inherent difficulty in predicting the outcome of these proceedings, management does not expect the outcome of any of these proceedings, individually or in the aggregate, to have a material adverse effect on the consolidated financial position or the results of operations of BMO FC or its affiliates.

11. Please provide details on the financial condition of the firm.

For the quarter ended July 31, 2016, BMO Financial Group reported net income of \$1.2B or \$1.86 per share on a reported basis and net income of \$1.3B or \$1.94 per share on an adjusted basis.

Please refer to our website address for additional information. <http://www.bmo.com/main/about-bmo>

Financial strength, sound management and an ongoing commitment to delivering innovation and service excellence are more important than ever. When you choose to work with BMO Global Asset Management, you choose to work with a firm that is backed by the strength of BMO Financial Group, a fully diversified financial services organization that has helped clients like you pursue their investment goals for more than 190 years.

12. Provide a breakdown of assets by type of Investment Strategy. (for example, Mid Cap Growth, Core Fixed Income, Emerging Markets, etc.) You may add additional rows to this table as needed.

Investment Strategy	# of Accounts	\$ Value
Disciplined Large-Cap Growth	6	\$426mm
Disciplined Large-Cap Equity	42	\$5.6B
Disciplined Large-Cap Value	55	\$2.7B
Large-Cap Low Volatility Alpha	9	\$280mm
Disciplined Mid-Cap Value	1	\$226k
Disciplined Small-/Mid-Cap Core	2	\$12mm
Disciplined Small-Cap Growth	1	\$25mm
Disciplined Small-Cap Core	12	\$47mm
Disciplined Small-Cap Value	4	\$228mm
Disciplined Micro-Cap	2	\$10mm
Disciplined Dividend Income	78	\$566mm
Disciplined Tax-Efficient Portfolio	68	\$306mm
Fundamental Mid-Cap Growth	3	\$125mm
Fundamental Mid-Cap Value	18	\$309mm
Fundamental Small-Cap Growth	38	\$694mm
Fundamental Small-Cap Value	2	\$69mm
International Equity	7	\$699mm
Global Low Volatility	7	\$67mm
Global Natural Resources	1	\$23mm
Other International, Global & Emerging Market strategies	54	\$2.0B
Other Equity strategies	19	\$404mm
Long Tax-Free Income	10	\$277mm
Intermediate 1-10 Year Municipal	90	\$427mm
Intermediate 1-15 Year Municipal	1	\$1.8B
Mortgage Income	1	\$106mm
Emerging Market Bond Fund	1	\$14mm
Core Plus Bond Fund	1	\$966mm
Corporate Income Fund	1	\$213mm
Intermediate Income Fund	1	\$81mm

High Yield Bond Fund	1	\$137mm
Other Fixed Income strategies	35	\$377mm
Other (CLO)	3	\$948mm
Liquid Cash	31	\$887mm
Short-Term Cash	10	\$709mm
Medium-Term Cash	5	\$147mm
Prime Money Market	2	\$1.0B
Government Money Market	1	\$3.0B
Tax-Free Money Market	1	\$357mm
Short-Term Bond	72	\$1.1B
Short-Term Tax-Free Bond	11	\$330mm
Ultra-Short Tax-Free Bond	5	\$723mm
Stable Principal	1	\$1.5B
Other Short-Duration/Cash (incl. Securities Lending)	21	\$5.0B
Target Date	10	\$416mm
Risk Allocation	5	\$1.1B
Diversified Income Strategy	12	\$27mm
Other Asset Allocation	98	\$307mm
Alternative	6	\$306mm

*Total is GIPS Firm AUM, and so does not include double counted fund AUM.

13. Please provide a breakdown of the *FIRM'S* accounts & assets in the following table:

	# of Accounts	\$ Value
Tax Exempt Assets:		
ERISA	57	\$3.1B
Public	61	\$3.6B
Taft-Hartley	39	\$731mm
Endowment	20	\$71mm
Foundation	98	\$779mm
Religious Order	40	\$235mm
Other	49	\$945mm
Total Tax-Exempt	368	\$9.5B
Taxable Assets:		
Personal Trusts	274	\$961mm
Commingled	1	\$225mm

Total Taxable	445*	\$8.8B*
Mutual Funds:		
Equity	30	\$7.7B
Fixed Income	7	\$3.2B
Money Market	9	\$4.7B
Total Mutual Funds	62*	\$16.4B*
Overall Total	875	\$34.7B

14. Provide a breakdown of the *PRODUCT'S* accounts & assets in the following table:

	# of Accounts	\$ Value
Tax Exempt Assets:		
ERISA		
Public	1	\$2mm
Taft-Hartley	4	\$17mm
Endowment		
Foundation	3	\$7mm
Religious Order	1	\$2mm
Other		
Total Tax-Exempt	9	\$28mm
Taxable Assets:		
Personal Trusts	1	\$5mm
Commingled	1	\$365k
Total Taxable	2	\$5mm
Mutual Funds:		
Equity	1	\$13mm
Fixed Income		
Money Market		
Total Mutual Funds	1	\$13mm
Overall Total	12	\$47mm

15. What are your firm's plans for growth of these assets?

We expect to grow assets across most of our product offerings. We expect the following primary growth drivers:

- Enhanced distribution channels
- Continued strong performance

In addition, we regularly review our product offerings and adjust them to align with both client needs and our

long-term strategic goals. We anticipate launching new strategies or solutions based on our preceding product offerings review and rigorous market analysis.

16. Are there plans for limiting growth in any of the above areas?

No.

17. How does your firm plan to staff the growth of the firm described above?

Our growth philosophy is to ensure that adequate resources are in place to manage new accounts and assets.

18. Give five (5) references for your services.

We would be pleased to provide client references when required in this evaluation process.

19. State the average size of the firm's 5 largest tax-exempt funds.

Average account size for the top five tax-exempt accounts is \$568mm.

20. Indicate the number & assets of tax-exempt accounts the FIRM gained & lost in each category:

Gained	2011		2012		2013		2014		2015	
	#	\$	#	\$	#	\$	#	\$	#	\$
Public							26	\$1.2B	11	\$204mm
ERISA	3	\$32mm	4	\$53mm			3	\$427mm	27	\$572mm
Taft-Hartley	1	\$14mm					1	\$26mm	6	\$73mm
Endowment							7	\$3mm		
Foundation	2	\$5mm			8	\$88mm	34	\$135mm	30	\$322mm
Religious Order								\$14mm	1	\$3mm
Other	9	\$417mm	8	\$168mm	9	\$324mm	10	\$68mm	2	\$41mm
Total	15	\$468mm	12	\$221mm	17	\$412mm	81	\$1.9B	77	\$1.2B

Lost	2011		2012		2013		2014		2015	
	#	\$	#	\$	#	\$	#	\$	#	\$
Public	2	\$20mm	4	\$650mm	6	\$75mm	7	\$236mm	7	\$816mm
ERISA			1	\$309mm	10	\$227mm	15	\$1.0B	7	\$20mm
Taft-Hartley	3	\$11mm	2	\$12mm	1	\$18mm	2	\$23mm		
Endowment			1	\$3mm	3	\$14mm	7	\$51mm	10	\$46mm
Foundation	5	\$28mm	9	\$57mm	38	\$254mm	16	\$54mm	20	\$112mm
Religious Order									4	\$2mm
Other	4	\$377mm	62	\$690mm	103	\$1.1B	5	\$101mm	10	\$165mm
Total	14	\$436mm	79	\$1.7B	161	\$1.7B	52	\$1.5B	58	\$1.1B

21. Please discuss any unusually large number of accounts or assets lost.

Five of the tax-exempt accounts lost in 2012, totaling \$791mm, were assets belonging to Delta Asset Management, a domestic equity asset manager acquired as part of the BMO Harris/M&I merger. We subsequently closed Delta and closed these tax-exempt accounts.

In addition, we moved a significant percentage of the assets in the "Other" category, representing retirement

plan clients, into a collective trust account still managed by BMO Global Asset Management. We also transferred a residual number of personal accounts from BMO Global Asset Management to BMO Harris' private banking operations.

22. Indicate the number & assets of tax-exempt accounts the *PRODUCT* gained & lost:

Gained	2011		2012		2013		2014		2015	
	#	\$	#	\$	#	\$	#	\$	#	\$
Public									1	\$2mm
ERISA										
Taft-Hartley									1	\$975k
Endowment										
Foundation					2	\$8mm				
Religious Order										
Other	1	\$2mm								
Total										

Lost	2011		2012		2013		2014		2015	
	#	\$	#	\$	#	\$	#	\$	#	\$
Public										
ERISA										
Taft-Hartley										
Endowment									2	\$4mm
Foundation										
Religious Order										
Other										
Total									2	\$4mm

23. For the *PRODUCT*, please discuss any unusually large # of accounts or assets lost.

There have been no unusually large losses (# of accounts or AUM) in this account since inception.

In the following table, list the 5 clients (or all clients, if fewer than 5 in the strategy) with the most invested in the product (including clients that aren't included in the composite), and the requested details.

If the client is public (or you may disclose its name) please do. Otherwise state the type of client (e.g. Taft-Hartley, Foundation, Sub-Advisory, Mutual Fund, etc.).

For Vehicle, potential choices would include (but aren't limited to) Separate Account, Commingled Fund, CIT, Mutual Fund, etc.

	Client Name or Type	\$ Invested	State (or Nation)	Investment Year	Vehicle	Included In Composite?
1	Mutual Funds- 40 Act	\$13mm	United States	2013	Mutual fund	Yes
2	Defined Benefit Plan- Taft Hartley	\$13mm	United States	2016	Separate account	Yes
3	Personal- High Net Worth	\$5mm	United States	2015	Separate account	Yes
4	Foundation	\$4mm	United States	2011	Separate account	Yes
5	Foundation	\$3mm	United States	2013	Separate account	Yes

Investment Philosophy Implementation

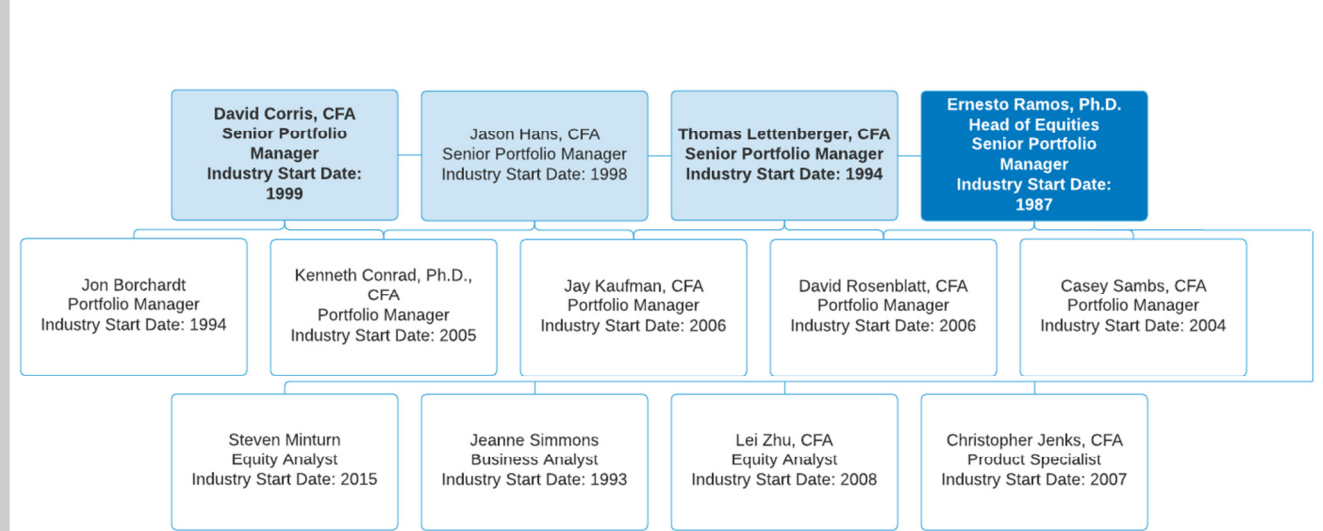
- Describe the structure of the product's investment team, including how many members the team has and the responsibilities of each member. Include an organizational chart which details the flow of information used in the decision making process.

The investment process is a team effort; the Chicago-based equity team that manages the BMO Disciplined Small-Cap Core Strategy consists of three portfolio managers supported by a team of seven analysts and two traders.

Co-managers Ernesto Ramos, Thomas Lettenberger and David Corris are responsible for investment strategy, asset allocation, portfolio construction and security selection. All team members are generalists and have responsibility for both research and portfolio management. The quantitative investment approach allows analysts and portfolio managers to generate insights across all segments of the market through evaluating our stock selection models and portfolio construction processes, including both security- and portfolio-level decisions.

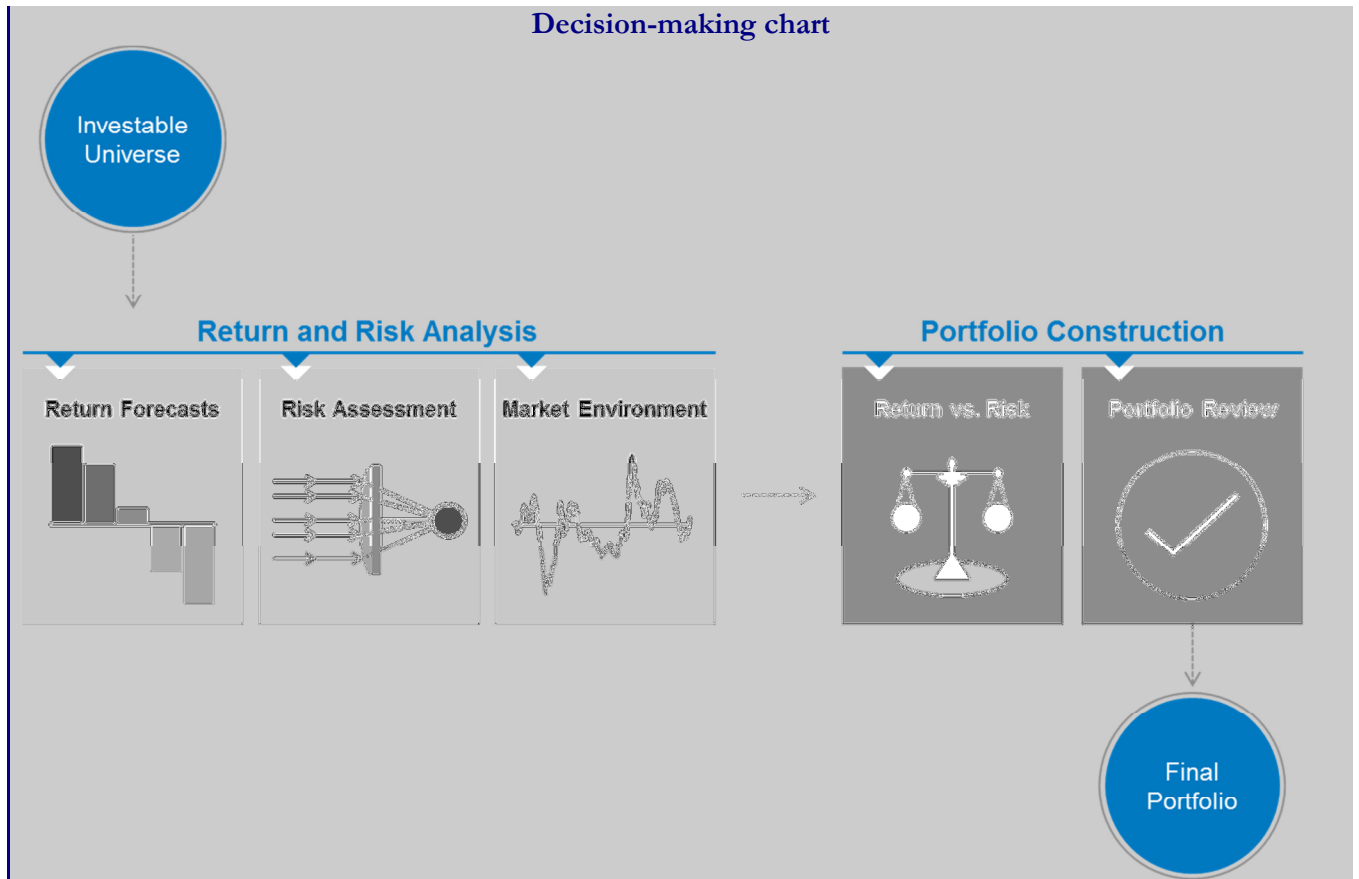
The portfolio management team, listed below with their respective years of investment experience, makes final decisions upon reaching a consensus.

BMO Disciplined Small-Cap Core Team organizational chart



The primary portfolio managers on this strategy make the final investment decisions. The investment process for the strategy, however, is a team effort. All members of the team are involved in idea generation, research, and portfolio management, including portfolio exposures and positioning. The primary portfolio managers on this strategy share their analysis with the entire BMO Disciplined Equity Team and solicit the team's feedback on both portfolio exposures and individual securities. After synthesizing this feedback and discussing iteratively with the team, the primary portfolio managers are responsible for making the final decisions.

The decision-making chart below details the flow of information used in the decision-making process.



2. How long have the key members of the team worked with this product? Have there been additions or departures in the last 3 years for the team managing the proposed product? Please explain.

Team member	Responsibilities	Year joined firm	Year joined product
Ernesto Ramos, Ph.D.	Portfolio Management	2005	2010
David Corris, CFA	Portfolio Management	2008	2010
Thomas P. Lettenberger, CFA	Portfolio Management	2005	2010
Kenneth Conrad, Ph.D., CFA	Research	2008	2011
Jason C. Hans, CFA	Research	2008	2010
Jay M. Kaufman, CFA	Research	2010	2010
David Rosenblatt, CFA	Research	2012	2012
Casey Sambs, CFA	Research	2001	2011
Jon Borchardt	Research	2011	2015
Jeanne Simmons	Research**	1992	2011
Lei Zhu, CFA	Research	2011	2011
Steven Minturn	Research	2015	2015

Christopher Jenks	Product Specialist	2007	2016
David Canon	Trading	2008	2010
Phillip B. Krauss	Trading	2004	2010

***Business Research Analyst*

There have been no departures from the product in the last three years. There have been three additions to the product team in the past three years: Jon Borchardt in 2015, Steven Minturn in 2015, and Christopher Jenks in 2016.

3. What is the # of accounts and account volume (in \$) that is handled by this team?

The same team above is responsible for all of our Disciplined Equity strategies. The total of assets under management for these strategies is \$11.4B as of June 30, 2016. The total number of accounts across our 12 Disciplined Equity strategies sums to 282.

4. Do the same groups manage equity, fixed income, & balanced portfolios at the firm?

No.

5. Does the firm employ a central trading desk?

Yes.

6. If yes, describe the trading operation & the traders' qualifications.

Our four equity traders average more than 20 years of trading experience each. This strategy has two dedicated traders, Phillip Krauss and David Canon, who provide both execution and market feedback to portfolio management. Phillip and David have more than 36 and 23 years of industry experience, respectively.

Orders are electronically communicated by the portfolio manager directly to the trader via our order management system. Orders are then aggregated and electronically staged to our execution management system. All orders are electronically communicated to brokers for execution and executions are electronically received for trade processing.

The portfolio managers of the BMO Disciplined Equity Team work closely with our trading desk on all trades. As part of the portfolio construction process, the team incorporates a qualitative review to validate all potential trades and verify investment suitability. Any stocks eliminated during this review are replaced using an iterative optimization process. The portfolio is then implemented. Optimal weights are entered into the order management system and all portfolios in the strategy are built accordingly. Trades are then sent to the desk for execution. The portfolio managers and traders maintain consistent contact throughout the process, and portfolio managers receive a daily report regarding all trades executed in their respective strategies.

Below are biographies for Phillip Krauss and David Canon, our two dedicated traders.

Phillip Krauss

Manager, Equity Trading

Phil oversees the Equity Trading Department at BMO Global Asset Management (U.S.). He joined the company in 2004.

Previously, he served as a trader for broker-dealers and institutional asset management firms such as UBS Asset Management and Kemper Financial. Phil began his asset management experience in 1979.

He holds a B.B.A. in business administration from Lewis University. In addition, Phillip is a member of the Security Traders Association of Chicago.

David S. Canon

Senior Trader

David is a senior trader in the Equity Trading Department. He joined the company in 2008. Previously, he served as an equity trader for broker-dealers such as First Honolulu Securities and Cabrera Capital Markets. He entered the financial services industry in 1991.

He holds a B.S. in finance from Northern Illinois University. In addition, David is a member of the Security Traders Association of Chicago.

7. Does the firm have an investment committee?

Yes.

8. If yes, describe how it operates & the background/experience of the members.

The BMO Global Asset Management Investment Committee reviews, discusses and establishes overall investment policy and strategy. The committee seeks to achieve the appropriate balance of risk and return for all products, portfolios and strategies offered to BMO Global Asset Management clients. The BMO Disciplined Equity Team remains responsible for the decisions affecting its portfolios.

The committee consists of senior officers of the firm representing key business units. Other senior personnel may serve on the committee from time to time as appointed by the chair. Background and experience of the current members are as follows:

Steve Ilott

Chief Investment Officer

Steve is co-Head of Investment Management and a member of the Group Management team for BMO Global Asset Management (EMEA). Steve joined the company in 2012 and has over 25 years' investment experience in a variety of senior roles. He was previously a principal of Alignment Investors, a division of Blue Crest Capital. Steve began his career with Robert Fleming & Company before moving to Morgan Grenfell (later rebranded Deutsche Asset Management) in 1998. During his time at Deutsche he was based in the U.S. before becoming Head of Fixed Income based in London in 2002. As Head of Fixed Income, he was heavily involved in Aberdeen's acquisition of a number of businesses from Deutsche Asset Management in 2005.

Subsequently, he was responsible for integrating and restructuring the combined fixed income businesses of Deutsche and Aberdeen and a member of Aberdeen's Executive Committee Management until March 2008.

Steven Arquilla, CFA®, CPA

Head of Strategic Initiatives

Steve is head of strategic initiatives of BMO Global Asset Management U.S. He joined the company in December 2007 as head of operations, but has been a part of the BMO organization since 2000, serving in several risk and control-related roles focused on operational, regulatory and governance risks. His prior experience includes six years in the U.S. Navy's Nuclear Engineering Program followed by six years with the U.S. Securities & Exchange Commission.

Steve holds a B.S. in accounting, with a second major in finance, from the University of Illinois–Chicago. In addition, he is a certified public accountant, a CFA® charterholder and a member of the CFA Society of Chicago.

Peter Arts

Head of Taxable Fixed Income

Portfolio Manager

Peter manages the BMO Taxable Fixed Income Team, overseeing assets in short-duration taxable bond funds, stable value, securities lending, collateralized loan products, offshore funds and separately managed accounts. He is the lead manager of the BMO Prime Money Market Fund, the BMO Government Money Market Fund, the BMO Short-Term Income Fund and related portfolios. He is co-manager of the BMO Tax-Free Money Market Fund. Peter also serves on the Investment Committee, the Risk Committee and the New Business

Committee.

Peter joined the company in 1994 as a portfolio manager specializing in securities lending portfolios, as well as 2a-7/ultra-short mutual funds. Previously, he was on the BMO Capital Markets foreign exchange and derivatives trading desk. He also worked in fixed income and equity sales at Lehman Brothers.

He holds an M.B.A. in finance from DePaul University and a B.A. in finance from Loras College.

Tere Alvarez Canida, CFA®

Chairperson

Tere is a founder of TCH and continues to serve as chairperson. She has been with TCH since founding the firm in 1985.

Tere serves on the board of directors of Infinity Property and Casualty Corporation, a publicly traded company based in Birmingham, Alabama. She also serves on the board of directors of New America Alliance (NAA), as well as the board of advisors for Georgetown University's School of Foreign Service. She was inducted into the National Association of Securities Professionals (NASP) hall of fame in April 2001 and currently serves on their board of directors.

Tere holds an M.B.A. from The George Washington University and a B.S. in international economics from Georgetown University. In addition, she is a CFA® charterholder.

Ernesto Ramos, Ph.D.

Head of Equities

Portfolio Manager

Ernesto leads the portfolio management and research teams for all equity strategies at BMO Global Asset Management in the U.S. He joined the company in 2005.

Ernesto began his investment management career in 1992 with Batterymarch Financial Management. He was a partner and lead portfolio manager at Nicholas-Applegate Capital Management LLC, and he also served as a software developer at Bolt, Beranek and Newman. His career features investment management and research, econometric research, statistical research and computer graphics research.

He holds a Ph.D. and an M.A. in statistics from Harvard University and a B.S. in mathematics from the Massachusetts Institute of Technology.

Lowell Yura, CFA®, ASA

Head of Multi-Asset Solutions

Portfolio Manager

Lowell heads Multi-Asset Solutions at BMO Global Asset Management in the U.S., overseeing the group's strategic modeling, manager research and selection, and portfolio management teams. He also chairs the Investment Strategy Committee.

Prior to joining the company in 2014, Lowell spent 11 years at UBS Global Asset Management, where he was most recently managing director and head strategist of the Americas and the U.K. He oversaw the U.S.- and U.K.-based multi-asset strategies and was a co-manager of the UBS Global Allocation Fund and Dynamic Alpha Mutual Fund, a macro liquid alternative strategy. Prior to this, Lowell managed global and global ex-U.S. equity portfolios at UBS.

Lowell also spent 13 years as a consultant, including time at Mercer Investment Consulting, where he was responsible for advising clients on asset allocation and liability-driven asset investing. He began his career as a pension actuary for Towers Perrin.

Lowell holds an M.B.A. in finance from the University of Chicago and a B.S. in actuarial science from the University of Illinois. In addition, he is a CFA® charterholder and a member of the CFA Society of Chicago. He is also an Associate of the Society of Actuaries.

John Blaser
President, BMO Funds

John oversees BMO's U.S. mutual funds. He joined the company in 1998.

John began his investment and securities experience more than 25 years ago. Previously, he was an initial partner and the chief financial officer for Artisan Partners LP and the principal administrative and finance officer for the Artisan Funds. He has also served as senior vice president of Kemper Securities and spent 14 years in public accounting with Price Waterhouse.

John holds a B.B.A. in accounting and finance from the University of Wisconsin–Madison and is a certified public accountant with a personal finance specialist designation.

9. If applicable, how often does the investment committee meet?

The Investment Committee meets at least quarterly, and generally monthly.

Equity Investment Philosophy

1. Please indicate which categories most correctly identify the equity investment style of the product:

Large Cap		Core	X
Mid Cap		Bottom-Up	X
Small Cap	X	Top-Down	
Micro Cap		Momentum	
All Cap		Sector Rotator	
Value		Market Neutral	
Relative Value		Low P/E	
Deep Value		Quantitative	X
Growth		Fundamental	X
GARP		Index Funds	

2. In one or two brief sentences, please state the product's investment philosophy.

The BMO Disciplined Equity Team believes that fundamentally strong, attractively valued companies with growing investor interest will outperform over the long run. The team seeks to identify these companies and builds portfolios using a systematic, data-driven process that avoids behavioral biases and grounds all investment decisions in hard data and time-tested investment principles.

3. Describe the equity investment philosophy including how buy and sell decisions are made.

The BMO Disciplined Equity investment process involves three broad activities:

1. Define investable universe
2. Return and risk evaluation within this universe
 - a. Return forecasting: Alpha model
 - b. Risk forecasting: Risk models
 - c. Market evaluation: Market Monitor
3. Portfolio construction and review
 - a. Portfolio construction
 - b. Portfolio review

These steps will be described in detail below.

Define investable universe

Three overriding principles define the strategy's investable universe:

- Breadth: The team prefers larger universes so that the quantitative process can take advantage of breadth.
- Consistency: To counterbalance breadth, the team limits the universe to names whose characteristics are broadly consistent with the benchmark. This approach also ensures style purity.
- Investability: All stocks in the universe must be investable.

As a result, the team includes all stocks in the benchmark in the investable universe. It may also add other stocks outside this benchmark with similar market cap and style characteristics.

Return and risk evaluation

Return forecasting: Alpha model

The team runs the entire investable universe through its proprietary model each day to systematically and

consistently forecast each security's relative attractiveness. This produces relative rankings based on three broad groups of factors:

- **Fundamentals:** Examines the quality and sustainability of each company's financials, considering factors such as profitability, growth, and earnings quality. The team asks: What are we buying when we purchase this stock?
- **Valuation:** Evaluates each stock's relative valuation using a diversified set of factors, including earnings, cash flows, and normalized (cyclically adjusted) metrics. The team asks: Are we getting these fundamental characteristics at an attractive price?
- **Investor interest:** Uses information from market participants to gauge investor sentiment surrounding the stock as well as real-time information on the company's fundamentals that may not yet be reflected in the financial statements. The team asks: Is this a reasonable time to be purchasing the stock?

The team combines these metrics into a proprietary "alpha" score that measures the relative attractiveness of each stock in the universe. Because of the team's emphasis on robustness in model construction, it uses several metrics in each category to provide a holistic, diversified view of each stock's attractiveness.

Risk forecasting: Risk models

To provide a diversified forecast of risk, the team uses several different models, among them: fundamental short horizon, fundamental long horizon, statistical short horizon, statistical long horizon and macroeconomic. The fundamental models use predetermined factors, such as size, leverage and industry membership, to measure risk. In contrast, statistical models use a procedure called principal component analysis to identify groupings of companies that explain risk. The macroeconomic risk models measure each company's sensitivity to economic variables such as GDP growth, inflation and oil prices to estimate risk. The models complement each other well, both in terms of their methodology for identifying risk and the horizon upon which they are focused.

Market evaluation: Market Monitor

Another component of the team's return and risk evaluation is a proprietary tool called Market Monitor, a proprietary suite of tools developed in-house to quantitatively monitor the market environment for unusual conditions and identify, analyze and capitalize on opportunities for both risk management and alpha generation. For example, the team uses its full platform of quantitative data to identify groups of stocks that have become historically cheap, expensive, risky or highly correlated. Market Monitor improves the team's ability to be adaptive within a disciplined, data-driven framework. It allows the team to adjust portfolio exposures during rapidly changing market conditions to make sure positioning is consistent with any emerging dislocations in the market.

Portfolio construction and review

Portfolio construction

After forecasting stock returns, stock risk and market-level dislocations, the team uses an optimizer to construct well-diversified portfolios that seek to maximize expected returns subject to a variety of risk considerations, including any client guidelines or constraints. The common-sense constraints used during portfolio construction represent yet another layer of risk management. Finally, the team incorporates a transaction cost model into the portfolio construction process to explicitly trade off alpha generation and risk management with explicit trading costs.

The output of each optimization is a preliminary optimal portfolio and buy/sell list.

Portfolio review

While quantitative analytics drive the process, the team manually reviews all trades and portfolio exposures. First, the team reviews all trades from a quantitative perspective to validate data quality. Second, the team reviews all trades from a fundamental perspective to check for risks not captured by the models. Third, the team reviews all portfolio exposures to ensure consistency with both process design and Market Monitor observations. If any adjustments need to be made, the team replaces stocks or adjusts portfolio exposures using an iterative optimization process.

The team then implements the portfolio, entering optimal weights into the order management system and sending trades to the trading desk for execution.

Buy/sell discipline

The strategy's buy/sell discipline is based on a combination of quantitative and qualitative analysis. Buys typically occur when a security's expected return becomes attractive (according to the team's quantitative modeling approach), or when its inclusion improves the overall risk/return profile of the portfolio.

Sells typically occur when a security's expected return deteriorates, or when its exclusion improves the overall risk/return profile of the portfolio. In addition, a security may be sold if an event outside the scope of the alpha or risk models causes the models to be ineffective at forecasting the stock's future return and risk expectations (e.g., a stock becomes a takeover target).

4. When was the investment philosophy established?

The BMO Disciplined Equity Team has invested according to its quantitative investment philosophy for 30 years; the first track record appeared in 1985. The philosophy was based partly on groundbreaking academic research in behavioral finance that was being conducted at the time. BMO Global Asset Management (Harris Bank at the time) was involved in funding some of this early research and consulted with the academics about the results of the research. The results of this research were so compelling that the investment team decided to implement a quantitative investment philosophy rooted in behavioral finance.

Though the team's philosophy and general approach have remained constant, its alpha model has evolved and been improved by team members.

Between 2005 and 2008, Ernesto Ramos, Jason Hans and David Corris joined BMO Global Asset Management (then Harris Investments) as part of the quantitative research group. They have been primarily responsible for continuously improving the alpha model, supported by contributions from the entire team.

5. Has this philosophy been implemented for the last five years? If not, are the creators of the previous philosophy still with the firm?

The product and composite were inceptioned on July 1, 2010, and have not been managed by any other firms.

6. What is considered to be the competitive advantage of the philosophy?

We believe the team's philosophy and overall approach has several competitive advantages:

Integration of fundamental and quantitative disciplines

The team has integrated a fundamental philosophy with quantitative implementation at every stage of the process, starting with team composition and extending through stock selection and portfolio construction. This is a competitive advantage because the team successfully blends the complementary benefits of a fundamental perspective (e.g., economic intuition, transparency) with those of quantitative implementation (e.g., discipline, consistency, and repeatability). The benefit for our clients is a smart quantitative process that makes investment sense and resists common shortcomings of naïve quantitative approaches.

Superior alpha generation

The team believes it has a superior approach to alpha generation, driven primarily by a sophisticated and thoughtful quantitative model that includes a number of proprietary factors, and a number of modeling decisions geared toward forward-looking performance rather than backtest maximization.

Comprehensive risk management

The team believes it has a superior approach to risk management, driven by an appreciation for the ever-changing nature of risk and the importance of continually viewing risk through multiple lenses. The team believes that the combination of multiple risk models, portfolio constraints, a fundamental review process, and a tool to measure market dislocations (Market Monitor) allows it to more thoughtfully and comprehensively manage risk compared to its peers.

Adaptability within a disciplined, data-driven framework

The team recognizes that markets are always evolving, and the best managers must be able to thrive in unfamiliar situations. The team also recognizes that all models have limitations and may face headwinds in certain market environments. In response, the team developed Market Monitor, a proprietary tool designed to assess the market environment and identify historically unusual situations, including scenarios that may be challenging for the team's models. This tool provides a competitive advantage in providing our clients with consistent outperformance across a broad variety of market environments.

7. What changes have been made to the investment process in the past 5 years?

While the investment philosophy and core investment process have been consistent since the product's inception, the BMO Disciplined Equity Team views enhancing the model as a continuous process. The team regularly researches and evaluates new modeling concepts, and uses two main criteria to judge enhancements to the model:

1. **Improving expected return:** The model has greater predictive power
2. **Reducing expected risk:** The model is more stable

The team uses a variety of tests and procedures to evaluate if a proposed enhancement is beneficial to the model while also being consistent with the team's investment philosophy and core investment process.

In the past five years, the team has developed Market Monitor, a suite of proprietary tools to quantitatively monitor the market environment:

- Measuring the interaction of various risk and alpha factors
- Highlighting opportunities
- Identifying risks and dislocations that exist in the market at a given time

8. In what market environments is the strategy expected to outperform/underperform?

The BMO Disciplined Equity Team designed the strategy to outperform in a wide variety of market environments, provided company fundamentals are driving stock prices. The strategy tends to benefit from stock selection versus "systematic bets," and as such, generally outperforms when stock price dislocations are correcting.

When company-specific fundamentals are not driving stock prices, or equivalently, when non-fundamental factors are driving stock prices, the strategy may underperform. Examples include periods of:

- Excessive greed or exuberance, when investors continue to buy shares of already expensive securities
- Fear or panic, as other investors refuse to buy securities that are underpriced relative to their fundamentals
- Low-quality rallies, as the strategy typically invests in higher-quality and more liquid names

9. Please explain any significant quarterly underperformance over the past five years.

One of the strategy's largest periods of underperformance occurred from January 31, 2012 to September 30, 2012. During this period, the BMO Disciplined Small-Cap Core Strategy returned 3.7% compared to 6.7% for the Russell 2000 Index, resulting in 3.0% underperformance. This underperformance came from two sources: the team's stock selection model and the team's Market Monitor portfolio adjustments.

First, the stock selection model was not effective during this period, as valuations and strong fundamentals were not rewarded by the market. This eight-month stretch served as a transition from the risk aversion of 2011 into the cyclical recovery in 2013. The 2011 environment was marked by risk aversion and macro uncertainty, with investors rewarding fundamentally strong, attractively valued stocks; against this supportive backdrop the BMO Disciplined Equity Team's process outperformed by more than 800 basis points.

However, in 2012, investors continued exhibiting risk aversion with less focus on fundamentals and valuation, in particular avoiding the quality cyclical names that became cheap during the market sell-off in 2011. During this period of underperformance, attribution shows that the team's overall stock rankings

accounted for more than half of underperformance, with its emphases on attractive valuation and strong fundamentals both detracting from the portfolio (particularly valuation).

Second, the team's Market Monitor adjustments contributed to underperformance. Market Monitor, the team's proprietary tool for identifying unusual market conditions, indicated that following the 2011 market sell-off, riskier cyclical companies had become historically inexpensive relative to lower-risk, defensive companies. The team's research suggests this is a strongly predictive relationship, and as a result the team started repositioning the portfolio toward attractively valued, higher-risk cyclical names. However, during this period of underperformance the relationship did not correct — the lowest risk decile of stocks outperformed the highest risk decile by over 20%, and telecom, health care, and consumer staples led the market while energy, technology, and industrials all lagged. As a result, the team was early on predicting a rotation from defensive into cyclical, and this also detracted from performance. This relationship ultimately reverted starting in May 2013, leading to approximately 10% outperformance during the cyclical rebound.

The net result is that January 31, 2012 to September 30, 2012 was a period of underperformance, but easily explainable given the team's investment process and model attribution, and overall rolling three-year periods performance remained strong.

10. Indicate the % of equity market capitalization as of the most recent quarter-end, as well as a range over the last three years.

	<u>Current</u>	<u>3 year range</u>
Micro Cap (<\$100mm)	0%	0%–0.15%
Small Cap (\$100mm - \$2b)	67.46%	65.58%–79.28%
Mid Cap (\$2b - \$15b)	32.54%	20.72%–34.42%
Large Cap (>\$15b)	0%	0%

11. Indicate the median and average market capitalizations for the most recent quarter-end.

	(Product)	(Benchmark)
Median Market Cap	\$1.2B	\$735mm
Average Market Cap	\$1.6B	\$1.9B

12. Please share some of the risk constraints that are used by the firm (e.g., maximum sector weightings, maximum % for an individual holding, tracking error, etc.)

Below please find a sample of the risk constraints used by the BMO Disciplined Equity Team in managing the strategy:

Policy and Constraints	
General	
Number of holdings	150–250
Average number of holdings	175
Holding period	9–18 months
Active share	80%–90%
Turnover	60%–90%
Turnover average	75%
Cash position	0%–5%

Gross exposure	100%
Hedging Utilized?	No
Financial Leverage?	No
Capacity	\$2B
Sector	
Single sector weight	+/-5% of benchmark
Single industry weight	+/-3% of benchmark
Security weight	+2% of benchmark
Performance / Risk Questions	
Tracking Error	4%–6%
Performance objective vs benchmark (gross of fees)	3%–4%
Information ratio	0.75
Beta	+/-0.05
International / Country / Region	
Foreign Securities Utilized? If yes, range	No
ADR Utilized? If yes, range	Yes, 10% max
Non-US exposure? If yes, range	0%–5%
Investable Options	
MLPs? If yes, range	No
Derivatives Utilized?	No
Allow Shorting?	No

13. Are your managers given an approved stock list?

No.

14. If so, how many securities are typically on that list?

N/A

15. Are there provisions so that securities that are not on the approved list may be purchased?

N/A

16. Does the product invest in ADRs? If so, what are the current and maximum exposures?

Though the portfolio's stated constraints generally permit up to 10% of assets invested in ADRs, they are typically only lightly used. As of June 2016, there are no ADRs in the portfolio.

17. Does the product invest in foreign ordinary shares?

No.

18. Describe, in detail, the use of cash in the equity process.

The strategy does not allocate tactically to cash, which is residual to the investment process. Cash typically represents less than 2% of portfolio assets, and 5% is generally considered a maximum level.

19. What range of cash is typical?

Generally below 2%.

20. | For the most recent period available please indicate the Product's top ten holdings:

	<u>Name</u>	<u>Industry</u>	<u>%</u>
(1)	Hawaiian Holdings, Inc.	Airlines	1.11
(2)	MRC Global Inc.	Trading Companies & Distributors	1.06
(3)	Masimo Corporation	Health Care Equipment & Supplies	1.06
(4)	Investors Bancorp Inc	Banks	1.04
(5)	Insight Enterprises, Inc.	Electronic Equipment Instruments & Components	1.04
(6)	Portland General Electric Company	Electric Utilities	1.03
(7)	Atlas Air Worldwide Holdings, Inc.	Air Freight & Logistics	1.02
(8)	Travelport Worldwide Ltd.	IT Services	1.02
(9)	El Paso Electric Company	Electric Utilities	1.00
(10)	Sanmina-SCI Corporation	Electronic Equipment Instruments & Components	0.99

% Total	10.38
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Research

1. What percentage of research is generated internally? 90%
2. What percentage of research is obtained from outside sources? 10%
3. Please describe how the research operation within your firm works.

The team conducts 90% of strategy research internally and uses it to enhance the strategy's quantitative models, portfolio construction and fundamental research overlay. The majority of the team's research is internally generated, although the team supplements internal idea generation by regularly reviewing external ideas.

The team's primary research tools are shown in the table below.

BMO Disciplined Equity Team research tools	
Primary research tools	Purpose
FactSet	<ul style="list-style-type: none"> • Historical construction and testing of quantitative factors and models • Ongoing model production • Fundamental information and research reports
Visual Basic, PERL and R	<ul style="list-style-type: none"> • Daily model production
Axioma optimizer and associated risk models	<ul style="list-style-type: none"> • Build portfolios • Backtest historical performance

External inputs	
<ul style="list-style-type: none"> • Compustat 	<ul style="list-style-type: none"> • IBES
<ul style="list-style-type: none"> • Wall Street research 	<ul style="list-style-type: none"> • Regional brokerage research
<ul style="list-style-type: none"> • Online sources 	<ul style="list-style-type: none"> • Bloomberg

4. Please describe how your firm obtains and pays for outside research reports.

FactSet is the primary research platform and paid for as part of our operating budget.

Within the equity strategies, Wall Street research and third-party services including general research, quantitative analysis, quote systems, news services and exchange fees may be acquired with soft dollars.

Subject to our duty to seek best execution, we may place trades through and with broker-dealers who also provide us with research and brokerage services (as defined by Section 28(e) of the Securities Exchange Act of 1934, as amended), so-called "soft dollar" arrangements. These services must provide lawful and appropriate assistance to BMO Global Asset Management in carrying out our investment decision-making responsibilities or trade execution processes. Such services may include: databases, data services, and analytical services and publications; analysis and reports concerning issues, industries, securities, economic factors and trends, portfolio strategy and performance of accounts; communications services related to the execution, clearing, and settlement of transactions; other functions incidental to effecting securities transactions; and other similar services. The provision for such services is taken into account in broker selection and, in exchange for these services, we may pay higher commissions than would otherwise be charged (i.e., "pay up"). Before effecting any such transaction, we determine in good faith that the amount of

such commission is reasonable in relation to the value of the brokerage and research services provided by such brokers, viewed in terms of either that particular transaction or our overall responsibilities to all of our clients.

Due to the nature of soft dollar arrangements, we may obtain services from brokerage commissions charged to client's account that may not directly benefit such client at that particular time. Similarly, clients may benefit from soft dollar research even if trades placed on their behalf did not contribute to the compensation of the broker-dealer providing such research. While we do not seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generated, we endeavor to ensure that, over time, all clients receive the benefit of services purchased with brokerage commissions charged to their accounts and to the accounts of our other clients.

We regularly monitor and evaluate soft dollar benefits gained from client transactions. We have therefore adopted policies and procedures to determine whether the amount of commissions paid to broker-dealers is reasonable in relation to the value of the research or brokerage products or services received.

Our Investment Committee approves all new soft dollar products, as well as the soft dollar budget, at least annually. In addition, our chief compliance officer reviews all new products, and our Risk Committee oversees the annual soft dollar budget and Section 28(e) compliance.

5. Please name the three primary sources of data and/or analyses upon which your firm relies.

(1) FactSet

(2) Compustat

(3) Axioma

6. Who coordinates the firm's research effort & what are their qualifications for that position.

Head of Equities Ernesto Ramos sets and maintains the research agenda. Ernesto has more than 20 years of experience managing and leading high-performance equity teams.

The BMO Disciplined Equity Team's experience spans both fundamental and quantitative disciplines, and each member is a generalist, able to suggest candidates from across the investment universe. Idea generation comes from a variety of sources including team members, academia, sell side research and conferences.

The team maintains an ongoing list of potential research projects that are prioritized by their potential to add value to client portfolios.

Personnel

1. In the table below, indicate the appropriate number of employees employed in each category.

	2012	2013	2014	2015
Equity portfolio managers	13	12	14	13
Bond portfolio managers	19	15	14	14
Balanced fund managers		4	6	6
Equity research analysts	11	9	11	11
Bond research analysts	10	9	13	11
Economists	7	0	0	0
Management and Administrative (Compliance, Operations)	48	49	39	36
Computer professionals	10	8	0	0
Clerical	0	0	0	0
Other (Marketing, Client Service, Trading)	61	67	50	52
Total	179	173	147	143

2. Please provide biographical information on all key members of the proposed product's asset mgmt team, including years of experience with this asset class & years with the firm.

Ernesto Ramos, Ph.D.

Head of Equities

Portfolio Manager

Ernesto leads the portfolio management and research teams for all equity strategies at BMO Global Asset Management (U.S.). He joined the company in 2005.

Ernesto began his investment management career in 1992 with Batterymarch Financial Management. He was a partner and lead portfolio manager at Nicholas-Applegate Capital Management LLC, and he also served as a software developer at Bolt, Beranek and Newman. His career features investment management and research, econometric research, statistical research and computer graphics research.

David Corris, CFA®

Head of Disciplined Equities

Portfolio Manager

David heads the BMO Disciplined Equity Team and is responsible for equity portfolio management and research. He joined the company in 2008.

David began his investment management career in 1999, and was a quantitative equity portfolio manager/researcher at Northern Trust Global Investments and a quantitative equity research analyst at Citigroup Asset Management.

He holds an M.B.A. from Harvard Business School and a B.S. in mathematics and quantitative economics from the University of Wisconsin. In addition, he is a CFA® charterholder and a member of the CFA Institute, the CFA Society of Chicago and the Chicago Quantitative Alliance.

Jon Borchardt

Portfolio Manager

Jon provides research to the BMO Disciplined Equity Team and is the portfolio manager for the BMO Global Natural Resources Strategy. He joined BMO Global Asset Management in 2011.

Jon began his investment career in 1984 at Nicholas-Applegate Capital Management, where he worked as portfolio manager and covered emerging markets and global energy equities. He then served as a senior equity analyst at Marathon Resource Investments, an equity fund focused on global natural resources. Most recently, he worked as investment partner at Savitr Capital, which invests in both the public and private energy equity markets.

Jon holds a B.S. in business administration from the University of San Francisco.

Kenneth Conrad, Ph.D., CFA®**Portfolio Manager**

Ken is responsible for equity research and portfolio management. He joined the company in 2008, and contributes to the BMO Disciplined Dividend Income and BMO Disciplined Tax-Efficient Portfolio (TEP) investment strategies.

Ken began his investment career in 2000, working with Comsys and PulseMetrics as a consultant to NASDAQ. Ken has also worked as a quantitative analyst for MEMBERS Capital Advisors, where he supported equity and fixed income mutual funds.

Ken holds a Ph.D. in economics and an M.S. in operations research from George Mason University, as well as a B.A. in economics from Pomona College. In addition, Ken is a CFA® charterholder and an active member of the CFA Society of Madison.

Jason Hans, CFA®**Portfolio Manager**

Jason is responsible for equity portfolio management and research. He joined the company in 2008.

He began his experience in the investment industry in 1998, and previously served as a managing director and the head of research at Quantitative Services Group.

He holds an M.B.A. in finance from Notre Dame and a B.S. in business, with a major in finance and a minor in physics, from Miami University. In addition, Jason is a CFA® charterholder and a member of the CFA Institute, the CFA Institute of Chicago and the Chicago Quantitative Alliance.

Jay Kaufman, CFA®**Portfolio Manager**

Jay is responsible for equity portfolio management and research. He joined BMO Global Asset Management in 2010.

Previously, Jay worked as a quantitative investment analyst at Strategic Investment Group. He began his investment experience in 2006.

He holds an M.B.A. with High Honors from the University of Chicago, concentrating in analytic finance, econometrics and statistics. He also holds a B.S. in economics from the Wharton School at the University of Pennsylvania, concentrating in finance. In addition, Jay is a CFA® charterholder and a member of the CFA Institute, the CFA Society of Chicago and the Chicago Quantitative Alliance.

Thomas Lettenberger, CFA®, CPA**Portfolio Manager**

Tom is responsible for equity portfolio management and research. He joined the company in 2005. Previously, he served as a vice president and portfolio manager at Columbia Management and as an equity research analyst at William Blair & Company, LLC. He entered the investment industry in 1994.

He holds an M.A. in accounting and a B.B.A. in finance and accounting from the University of Michigan. In addition, Tom is a CFA® charterholder, a Certified Public Accountant (CPA) and a member of the CFA Institute and the CFA Society of Chicago.

Steven Minturn

Equity Analyst

Steve conducts research in support of BMO Global Asset Management's disciplined equity strategies. He joined the company in 2015 after an internship with the BMO Disciplined Equity Team in 2013.

Previously, Steve was a senior consultant of advanced analytics and modeling at Deloitte Consulting.

Steve holds an M.B.A. in finance and economics *cum laude* from the University of Chicago Booth School of Business and a B.B.A. in finance and actuarial science from the University of Wisconsin-Madison.

David Rosenblatt, CFA®

Portfolio Manager

David is responsible for equity research and portfolio management. He joined BMO Global Asset Management in 2012.

Previously, David worked in various roles at First Manhattan Consulting in risk management and capital markets groups, where he was responsible for managing consultant teams, building M&A and financial forecast models, and making recommendations to management on capital structures and instruments.

David holds an M.B.A. with a dual concentration in analytic finance and economics from the University of Chicago Booth School of Business. He holds a B.A. in economics and psychology from the University of Pennsylvania. In addition, David is a CFA® charterholder.

Casey J. Sambs, CFA®

Portfolio Manager

Casey is responsible for equity research and portfolio management. He joined the company in 2004, and contributes to the BMO Disciplined Dividend Income and BMO Disciplined Tax-Efficient Portfolio (TEP) investment strategies.

Casey began his investment career in 2001 when he joined the company to provide client support in the Investor Services Department.

He holds an M.B.A. from the University of Wisconsin-Madison and a B.S. in finance and economics from the University of Wisconsin-La Crosse. In addition, Casey is a CFA® charterholder, a member of the CFA Institute and an active member of the CFA Society of Milwaukee.

Jeanne E. Simmons

Business Analyst

Jeanne supports the efforts of the BMO Custom Quantitative Solutions Group (CQS) by handling many of the group's day-to-day operational aspects, including managing accounts within the High Dividend, Tax-Efficient Portfolio (TEP) and Socially Responsible strategies, as well as creating and maintaining numerous statistical reports. Jeanne joined the company in 1992.

Jeanne holds a B.S. in business management from Cardinal Stritch University. In addition, she holds the FINRA Series 6, 63 and 65 securities licenses.

Lei Zhu, CFA®

Equity Analyst

Lei is primarily responsible for researching, testing and developing equity investment models, in addition to supporting daily investment operations for the BMO International Equity Index ETF and BMO Emerging

Markets Equity Index ETF portfolios.

Lei began his investment experience in 2008 and joined the company in 2011. Previously, Lei worked as a senior analyst in the Model Risk and Vetting, Enterprise Risk & Portfolio Management Group of the Bank of Montreal. His primary focus was on assessing and quantifying the model risk of quantitative fiduciary models. He holds an M.S. in mathematics from the University of Waterloo and B.S. in computer science from the University of Toronto. In addition, Lei is a CFA® charterholder.

Christopher Jenks, CFA®

Product Specialist

As the product specialist for the BMO Disciplined Equity Team, Chris is responsible for providing clients, prospects and consultants with ongoing updates and insights on the team's investment process and performance.

Chris began his investment experience in 2007 and joined the company in 2016. Prior to joining BMO, Chris served as director of investments at Embree Financial Group and as vice president and investment strategist at Northern Trust Global Investments.

Chris holds a B.S. in finance and marketing from DePaul University. He is also a CFA® charterholder and a member of the CFA Institute and the CFA Society of Chicago.

3. In the last 3 years, how many professional employees have left the firm for any reason?

In the last three years no investment professionals associated with the BMO Disciplined Equity Team left the firm.

4. What qualifications are typical of the PMs, include yrs w/ firm, \$ under mgmt & # of accounts.

Our portfolio managers are required to hold solid academic and professional qualifications along with relevant investment experience. Many portfolio managers also have earned the Chartered Financial Analyst® designation. The average portfolio manager has been with BMO Global Asset Management for more than 10 years and has more than 20 years of industry experience. The total assets and numbers of accounts per manager will vary according to the investment guidelines and objectives of our clients. The total number of strategies managed by the BMO Disciplined Equity Team comes to 12.

5. Please describe the method of compensation employed for portfolio managers.

BMO Global Asset Management's compensation plan for investment professionals consists of a base salary, annual cash incentives and deferred incentives.

We establish a **base salary** by considering each professional's skill, experience and qualifications.

Annual cash incentives reward success that meets or exceeds expectations against established goals. The current year's business performance drives the funding of the incentive pool for BMO Global Asset Management and BMO as a whole. For the most part, each person or team's investment performance determines this award. Performance is measured against established market benchmarks and includes multiple reference periods. Other factors impacting the annual cash incentive include new business efforts and adherence to the BMO Global Asset Management Standards of Business Conduct and Code of Ethics.

We use various **deferred incentives** to reward sustained performance over multiple years. The value of the final payout can fluctuate according to inputs such as investment performance, net new AUM, net income and BMO's stock price, depending on the deferred incentive vehicle. In most instances, deferred incentives vest in three years and pay out in cash.

6. Please describe the method of compensation employed for research analysts.

BMO Global Asset Management's compensation plan for investment professionals consists of a base salary, annual cash incentives and deferred incentives.

We establish a **base salary** by considering each professional's skill, experience and qualifications.

Annual cash incentives reward success that meets or exceeds expectations against established goals. The

current year's business performance drives the funding of the incentive pool for BMO Global Asset Management and BMO as a whole. For the most part, each person or team's investment performance determines this award. Performance is measured against established market benchmarks and includes multiple reference periods. Other factors impacting the annual cash incentive include new business efforts and adherence to the BMO Global Asset Management Standards of Business Conduct and Code of Ethics.

We use various **deferred incentives** to reward sustained performance over multiple years. The value of the final payout can fluctuate according to inputs such as investment performance, net new AUM, net income and BMO's stock price, depending on the deferred incentive vehicle. In most instances, deferred incentives vest in three years and pay out in cash.

Client Service

1. Who would be the individual providing service for this client? Please provide a brief bio and description of responsibilities for this individual.

John Mirante, CFA®, CPA
Senior Relationship Manager

John acts as a key adviser to our clients, managing and expanding relationships across multiple asset classes. John is also a member of BMO Global Asset Management's Responsible Investing-ESG Committee. He began his financial services experience in 1994 and joined BMO Global Asset Management in 2013.

Prior to joining the company, he was an investment relationship manager with Northern Trust Asset Management's institutional client group. Prior to Northern Trust, John was a vice president with Credit-Suisse, and served as a portfolio consultant for their CS HOLT research division. In addition, John was an internal auditor for Kraft Foods and an external auditor for Crowe Chizek.

John received a B.S. in accountancy from Northern Illinois University. He is a CFA® charterholder, a member of the CFA Society of Chicago and currently serves as co-chair of the Society's career management advisory group. In addition, he holds the FINRA Series 3, 7 and 63 securities licenses and is a certified public accountant.

2. What information about investments made in the submitted product is available to institutional clients in this strategy? How regular/up-to-date is this information, and how detailed?

We provide quarterly reporting of account holdings, characteristics and performance. Client account returns are calculated monthly and reported quarterly, both gross and net of fees.

3. Does your firm offer an online portal for accessing information about this product?

At this time, we do not offer an online portal to access individual client account data. Information specific to the strategy's mutual fund vehicle, the BMO Small-Cap Core Fund as well as the separate account composite, are posted at our website: www.bmogam.com.

4. How often does your firm create attribution reports for the portfolio (either on a perfunctory basis, or as solicited by clients).

Typically, portfolio attribution is provided quarterly, upon request. However, intervals for this reporting may be tailored to client needs.

5. Would your firm have a representative accept invitations to present to the board on a regular basis (roughly once per year, though possibly more or less often?) Would your firm be willing to have a portfolio manager present to the board as part of those presentations?

Our client service professionals expect to meet with clients on a schedule appropriate to their needs. With sufficient notice, portfolio managers may be available to present to the board.

Performance

1. Is your firm in compliance with GIPS?
2. If yes to the above, has your GIPS compliance been audited?
3. If yes to the above, who performed the audit?

Yes.

Yes.

ACA Beacon Verification Services

Performance – as of 3Q16

Investment Style	Small-Cap Core
Product Name Used For Performance	BMO Disciplined Small-Cap Core
Inception Date	July 1, 2010
Account Type	Separate Accounts
Benchmark Used	Russell 2000 Index
Portfolio Manager/Team Leader	Ernesto Ramos / Thomas Lettenberger / David Corris
Years Managing this Product	6 / 6 / 6

Only include **RETURNS FOR COMPLETE YEARS'** performance in the table below.

Do NOT place returns for partial years in the table below, even if noted as incomplete.

Partial years and their performance may **only** go in the indicated box above.

Only complete years may be included in the returns below. List incomplete years, if any, this product has had in the box to the right.

Commingled Funds and Separate Accounts must provide Gross of Fees Returns
Mutual Funds should submit Gross of Fees numbers if you have access to those numbers,
and must provide Net of Fees numbers at a minimum.

Never delete any of the below columns for any reason, even if you are leaving it blank.

These returns are **in addition** to the requirement to submit a complete quarterly returns since inception document, as described in the instructions section at the beginning of this RFP.

Are you providing Net of Fees instead of Gross of Fees returns below?
 Indicate with an "X" to the right **only** if yes. Otherwise, leave blank.
 (Only Mutual Fund submissions may do this)

Period	Return Gross of Fees	Return Net of Fees	Preferred Benchmark Return	# of Accounts for Product	Assets (\$) in Composite
2006					
2007					
2008					
2009					
2010					
2011	4.17%	3.24%	-4.18%	4	\$5mm
2012	16.72%	15.67%	16.35%	3	\$5mm
2013	49.15%	47.81%	38.82%	7	\$21mm
2014	9.19%	8.15%	4.89%	8	\$35mm
2015	1.64%	0.74%	-4.41%	9	\$42mm
1 st Quarter 2016	1.82%	1.61%	-1.52%	9	\$43mm
2 nd Quarter 2016	0.91%	0.70%	3.79%	11	\$41mm
3 rd Quarter 2016	8.29%	8.06%	9.05%	11	\$47mm
Annualized 3-year	11.31%	10.31%	15.82%		
Annualized 5-year	20.58%	19.50%	6.71%		