

Semi-Annual Financial Statements

BMO Private Portfolios

June 30, 2024

BMO Private Canadian Income Equity Portfolio

NOTICE OF NO AUDITOR REVIEW OF THE SEMI-ANNUAL FINANCIAL STATEMENTS

BMO Private Investment Counsel Inc., the Manager of the Portfolios, appoints independent auditors to audit the Portfolio's Annual Financial Statements. Under Canadian securities laws (National Instrument 81-106), if an auditor has not reviewed the Semi-Annual Financial Statements, this must be disclosed in an accompanying notice.

The Portfolio's independent auditors have not performed a review of these Semi-Annual Financial Statements in accordance with standards established by the Chartered Professional Accountants of Canada.



Private Wealth

BMO Private Canadian Income Equity Portfolio

(unaudited)

STATEMENT OF FINANCIAL POSITION

(All amounts in thousands of Canadian dollars, except per unit data)

As at	June 30 2024	December 31 2023
Assets		
Current Assets		
Cash	6,540	3,555
Investments		
Non-derivative financial assets	3,041,498	2,926,622
Subscriptions receivable	1,653	729
Dividends receivable	5,743	5,784
Distribution receivable from investment trusts	100	102
Total assets	3,055,534	2,936,792
Liabilities		
Current Liabilities		
Redemptions payable	2,151	1,588
Distributions payable	1,333	—
Accrued expenses	104	104
Total liabilities	3,588	1,692
Net assets attributable to holders of redeemable units	3,051,946	2,935,100
Net assets attributable to holders of redeemable units per unit	\$ 12.42	\$ 11.88

The accompanying notes are an integral part of these financial statements.

BMO Private Canadian Income Equity Portfolio

(unaudited)

STATEMENT OF COMPREHENSIVE INCOME

(All amounts in thousands of Canadian dollars, except per unit data)

For the periods ended	June 30 2024	June 30 2023
Income		
Interest income	1,578	49
Dividend income	43,626	40,468
Distributions received from investment trusts	3,513	1,433
Other changes in fair value of investments and derivatives		
Net realized gain	27,534	31,380
Change in unrealized appreciation	105,370	30,321
Net gain in fair value of investments and derivatives	181,621	103,651
Securities lending (note 8)	99	173
Foreign exchange gain (loss)	53	(372)
Total other income (loss)	152	(199)
Total income	181,773	103,452
Expenses		
Sub-advisory fees	1,688	1,571
Audit fees	7	5
Independent review committee fees	2	2
Withholding taxes	1	1
Custodian fees	14	13
Interest expense	0	3
Legal and filing fees	35	36
Unitholder servicing fees	221	219
Printing and stationery fees	5	5
Commissions and other portfolio transaction costs (note 6)	200	135
Operating expenses absorbed by the Manager	(1,688)	(1,571)
Total expenses	485	419
Increase in net assets attributable to holders of redeemable units	181,288	103,033
Increase in net assets attributable to holders of redeemable units per unit (note 8)	0.73	0.42

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BMO Private Canadian Income Equity Portfolio

(unaudited)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

(All amounts in thousands of Canadian dollars)

For the periods ended	June 30 2024	June 30 2023
Net assets attributable to holders of redeemable units at beginning of period	2,935,100	2,771,278
Increase in net assets attributable to holders of redeemable units	181,288	103,033
Distributions to holders of redeemable units		
From net investment income	(46,847)	(41,996)
Total distributions to holders of redeemable units	(46,847)	(41,996)
Redeemable unit transactions		
Proceeds from redeemable units issued	253,170	155,544
Reinvestments of distributions to holders of redeemable units	44,224	39,511
Redemption of redeemable units	(314,989)	(163,505)
Net (decrease) increase from redeemable unit transactions	(17,595)	31,550
Net increase in net assets attributable to holders of redeemable units	116,846	92,587
Net assets attributable to holders of redeemable units at end of period	3,051,946	2,863,865

The accompanying notes are an integral part of these financial statements.

BMO Private Canadian Income Equity Portfolio

(unaudited)

STATEMENT OF CASH FLOWS

(All amounts in thousands of Canadian dollars)

For the periods ended	June 30 2024	June 30 2023
Cash flows from operating activities		
Increase in net assets attributable to holders of redeemable units	181,288	103,033
Adjustments for:		
Foreign exchange (gain) loss on cash	(39)	487
Net realized gain on sale of investments and derivatives	(27,534)	(31,380)
Change in unrealized appreciation of investments and derivatives	(105,370)	(30,321)
Decrease (increase) in dividends receivable	41	(698)
Decrease (increase) in distribution receivable from investment trusts	2	(4)
Increase in accrued expenses	1	7
Return of capital distributions received	(145)	2,579
Return of capital dividend received	—	1,986
Purchases of investments	(313,535)	(243,495)
Proceeds from sale and maturity of investments	331,707	210,112
Net cash from operating activities	66,416	12,306
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(1,290)	(1,181)
Proceeds from issuances of redeemable units	252,246	155,483
Amounts paid on redemption of redeemable units	(314,426)	(163,611)
Net cash used in financing activities	(63,470)	(9,309)
Foreign exchange gain (loss) on cash	39	(487)
Net increase in cash	2,946	2,997
Cash at beginning of period	3,555	16,239
Cash at end of period	6,540	18,749
Supplementary Information		
Interest received, net of withholding taxes*	1,578	49
Dividends received, net of withholding taxes*	43,667	41,756
Distributions received from investment trusts, net of withholding taxes*	3,370	4,008
Interest expense paid*	0	3

*These items are from operating activities

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(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2024 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Money Market Investments — 1.5%			
<i>Federal — 1.1%</i>			
Government of Canada, Treasury Bills, 4.870% Aug 1, 2024	1,100	1,086	1,095
Government of Canada, Treasury Bills, 4.831% Aug 15, 2024	1,000	987	994
Government of Canada, Treasury Bills, 4.725% Aug 29, 2024	6,600	6,522	6,546
Government of Canada, Treasury Bills, 4.672% Sep 12, 2024	8,500	8,391	8,419
Government of Canada, Treasury Bills, 4.585% Sep 26, 2024	13,000	12,851	12,855
Government of Canada, Treasury Bills, 4.719% Nov 7, 2024	4,000	3,899	3,934
		33,736	33,843
<i>Provincial — 0.4%</i>			
Province of Alberta, Treasury Bills, 4.679% Jul 10, 2024	10,000	9,957	9,984
Total Money Market Investments — 1.5%		43,693	43,827

Security	Number of Shares or Units	Cost+ (\$)	Fair Value (\$)
Equities			
<i>Communication Services — 3.2%</i>			
Rogers Communications Inc., Class B	1,374,775	83,758	69,564
TELUS Corporation	1,457,727	41,646	30,189
		125,404	99,753
<i>Consumer Discretionary — 5.9%</i>			
Dollarama Inc.	1,055,421	25,799	131,833
Restaurant Brands International Inc.	500,400	47,025	48,238
		72,824	180,071
<i>Consumer Staples — 3.4%</i>			
Alimentation Couche-Tard Inc.	1,349,614	36,186	103,610
		36,186	103,610
<i>Energy — 12.4%</i>			
ARC Resources Ltd.	1,210,600	27,267	29,551
Canadian Natural Resources Limited	2,020,800	80,981	98,474
Enbridge Inc.	2,242,117	90,094	109,124
Pembina Pipeline Corporation	967,093	40,928	49,090
TC Energy Corporation	1,219,754	59,481	63,256
Tourmaline Oil Corp.	455,200	28,856	28,245
		327,607	377,740
<i>Financials — 35.4%</i>			
Bank of Montreal	496,100	62,794	56,967
Bank of Nova Scotia, The,	1,671,094	98,207	104,577
Brookfield Asset Management Ltd., Class A	826,932	9,772	43,067
Brookfield Corporation, Class A	3,307,631	68,351	188,204
iA Financial Corporation Inc.	489,381	23,813	42,043
Intact Financial Corporation	542,367	55,759	123,665
Manulife Financial Corporation	1,640,102	31,010	59,749
Royal Bank of Canada	1,854,702	129,903	270,137

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SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2024 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Number of Shares or Units	Cost+ (\$)	Fair Value (\$)
Toronto-Dominion Bank, The,	2,547,184	123,190	191,548
		602,799	1,079,957
Industrials — 23.1%			
Canadian National Railway Company	796,930	57,602	128,832
Canadian Pacific Kansas City Limited	1,101,239	86,131	118,647
Element Fleet Management Corp.	3,709,826	49,825	92,338
Thomson Reuters Corporation	321,150	36,686	74,060
Waste Connections, Inc.	718,169	68,846	172,382
WSP Global Inc.	557,855	38,880	118,840
		337,970	705,099
Information Technology — 1.2%			
Constellation Software Inc.	9,500	27,194	37,448
		27,194	37,448
Materials — 6.2%			
CCL Industries Inc., Class B	805,268	48,214	57,931
Franco-Nevada Corporation	443,743	47,143	71,975
Nutrien Ltd.	844,274	56,578	58,804
		151,935	188,710
Real Estate — 1.2%			
Canadian Apartment Properties REIT	832,405	40,137	37,000
		40,137	37,000
Utilities — 6.2%			
Brookfield Infrastructure Partners L.P.	2,470,525	37,150	92,843
Fortis Inc.	1,119,879	44,043	59,544
Northland Power Inc.	1,526,203	45,265	35,896
		126,458	188,283
Total Equities — 98.2%		1,848,514	2,997,671
Total Investment Portfolio — 99.7%		1,892,207	3,041,498
Other Assets Less Liabilities — 0.3%			10,448
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS — 100.0%			3,051,946

+ Where applicable, distributions received from holdings as a return of capital are used to reduce the adjusted cost base of the securities in the portfolio.

BMO Private Canadian Income Equity Portfolio

(unaudited)

Notes to the Financial Statements

(All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2024

1. The Portfolio

BMO Private Canadian Income Equity Portfolio (“the Portfolio”) is an open-ended mutual fund trust established by a Declaration of Trust under the laws of the Province of Ontario, most recently amended on July 8, 2016. BMO Private Investment Counsel Inc. (“the Manager”) is the Manager of the Portfolio. The address of the Portfolio’s registered office is 1 First Canadian Place, 41st Floor, Toronto, Ontario, M5X 1A1.

The Statement of Financial Position and related notes of each of the Portfolios are as at June 30, 2024 and December 31, 2023. The Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Holders of Redeemable Units, Statement of Cash Flows and related notes are for the periods ended June 30, 2024 and June 30, 2023.

These financial statements were authorized for issuance by the Board of Directors of the Manager on August 6, 2024.

These financial statements should be read in conjunction with the annual financial statements for the period ended December 31, 2023, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”).

2. Basis of preparation and presentation

These unaudited financial statements have been prepared in accordance with IFRS Accounting Standards and in accordance with International Accounting Standard (“IAS”) 34 – Interim Financial Reporting. The financial statements have been prepared on a historic cost basis, except for the revaluation of financial assets and financial liabilities (including derivative financial instruments) measured at fair value through profit of loss (“FVTPL”).

3. Material accounting policy information

Financial instruments

Financial instruments include financial assets and financial liabilities such as equity and debt securities, investment funds and derivatives. These investments are part of a group of financial instruments that are managed and their performance is evaluated on a fair value basis in accordance with the Portfolio’s investment strategy.

The Portfolio classifies and measures financial instruments in accordance with IFRS 9 Financial Instruments (“IFRS 9”). Upon initial recognition,

financial instruments are recorded at fair value. A financial instrument is recognized when the Portfolio becomes a party to the contractual requirements of the instrument and is derecognized when the right to receive cash flows from the instrument has expired or the Portfolio has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. Investments and derivatives are subsequently measured at FVTPL, with changes in fair value recognized in the Statement of Comprehensive Income as “Change in unrealized appreciation (depreciation)”.

All financial assets and financial liabilities are recognized in the Statement of Financial Position.

The Portfolio’s outstanding redeemable units, which are puttable instruments, are entitled to a contractual obligation of annual distribution of any net income and net realized capital gains by the Portfolio. This annual distribution can be in cash at the option of the unitholders, and therefore the ongoing redemption feature is not the redeemable units’ only contractual obligation. Consequently, the units of the Portfolio do not meet the conditions to be classified as equity. As a result, the Portfolio’s obligations for net assets attributable to holders of redeemable units (“Net Assets”) are classified as financial liabilities and presented at the redemption amounts.

Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis, and excludes commissions and other portfolio transaction costs, which are reported separately in the Statement of Comprehensive Income. Realized gains and losses on disposition are determined based on the cost of the investments.

Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For exchange-traded securities, close prices are considered to be fair value if they fall within the bid-ask spread. In circumstances where the close price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

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(unaudited)

Notes to the Financial Statements (cont'd)

(All amounts in thousands of Canadian dollars, except per unit data)

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Procedures are in place to fair value equities traded in countries outside of North America daily, to avoid stale prices and to take into account, among other things, any significant events occurring after the close of a foreign market.

For bonds, debentures, asset-backed securities, short-term investments and other debt securities, fair value is determined as the last traded market price or close price, or other such prices, that fall within the bid-ask spread of the security.

Mutual fund units held as investments are valued at their respective Net Asset Value ("NAV") on each Valuation Date (the "Valuation Date" is each day on which the Toronto Stock Exchange is open for trading), as these values are the most readily and regularly available.

The Portfolio may enter into forward currency contracts for hedging purposes either directly or indirectly or for non-hedging purposes. The fair value of forward currency contracts entered into by the Portfolio is recorded as the difference between the fair value of the contract on the Valuation Date and the fair value on the date the contract originated.

Unlisted warrants, if any, are valued based on a pricing model which considers factors such as the market value of the underlying security, strike price and terms of the warrant.

For securities where market quotes are not available, unreliable or not considered to reflect the current value, the Manager may determine another value which it considers to be fair and reasonable, or use a valuation technique that, to the extent possible, makes maximum use of inputs and assumptions based on observable market data including volatility, comparable companies, NAV (for exchange-traded funds) and other applicable rates or prices. These estimation techniques include discounted cash flows, internal models that utilize observable data or comparisons with other securities that are substantially similar. In limited circumstances, the Manager may use internal models where the inputs are not based on observable market data.

Cash

Cash is comprised of cash and deposits with banks, which include bankers' acceptances and overnight demand deposits. The carrying amount of cash approximates its fair value because it is short-term in nature.

Other assets and other liabilities

Other assets and other liabilities generally include receivable for investments sold, subscriptions receivable, interest receivable, dividend receivable, distribution receivable from investment trusts, payable for investments purchased, redemption payable, distribution payable and accrued expenses. These financial assets and financial liabilities are short-term in nature and are measured at amortized cost, which approximates their fair value.

Investments in subsidiaries, joint ventures and associates

Subsidiaries are entities over which the Portfolio has control through its exposure or rights to variable returns from its investment and has the ability to affect those returns through its power over the entity. The Manager has determined that the Portfolio is an investment entity and as such, it accounts for subsidiaries, if any, at fair value. Joint ventures are investments where the Portfolio exercises joint control through an agreement with other shareholders, and associates are investments in which the Portfolio exerts significant influence over operating, investing, and financing decisions (such as entities in which the Portfolio owns 20% - 50% of voting shares), all of which, if any, have been classified at FVTPL.

Unconsolidated structured entities

The Manager has determined that the investment funds in which the Portfolio may invest are unconsolidated structured entities. This determination is based on the fact that decision making about the investment funds is not governed by the voting right or other similar right held by the Portfolio. Similarly, investments in securitizations, asset-backed securities and mortgage-backed securities are determined to be interests in unconsolidated structured entities.

The Portfolio may invest in investment funds whose investment objectives range from achieving short-term to long-term income and capital growth potential. Investment funds may use leverage in a manner consistent with their respective investment objectives and as permitted by Canadian securities regulatory authorities. Investment funds finance their operations by issuing redeemable units which are puttable at the holders' option and entitles the holder to a proportionate stake in the respective fund's Net Assets. The change in fair value of each of the investment funds during the periods is included in "Change in unrealized appreciation (depreciation)" in the Statement of Comprehensive Income.

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Notes to the Financial Statements (cont'd)

(All amounts in thousands of Canadian dollars, except per unit data)

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Mortgage-related securities are created from pools of residential or commercial mortgage loans, including mortgage loans made by savings and loan institutions, mortgage bankers, commercial banks and others. Asset-backed securities are created from many types of assets, including auto loans, credit card receivables, home equity loans, and student loans.

The Portfolio does not provide and has not committed to providing any additional significant financial or other support to the unconsolidated structured entities other than its investment in the unconsolidated structured entities.

Additional information on the Portfolio's interest in unconsolidated structured entities, where applicable, is provided in Note 8.

Offsetting of financial assets and financial liabilities

Financial instruments are presented at net or gross amounts on the Statement of Financial Position depending on the existence of intention and legal right to offset opposite positions of such instruments held with the same counterparties. Amounts offset in the Statement of Financial Position are related to transactions for which the Portfolio has legally enforceable rights to offset and intends to settle the positions on a net basis. Amounts not offset in the Statement of Financial Position relate to positions where there is no legally enforceable right to offset, or the legal right to offset is only in the event of default, insolvency or bankruptcy, or where the Portfolio has no intention of settling on a net basis. There were no master netting agreements during the periods.

Income recognition

Dividend income and distributions received from investment trusts are recognized on the ex-dividend and ex-distribution date, respectively.

Interest income from interest bearing investments is recognized in the Statement of Comprehensive Income using the effective interest rate. Interest receivable shown in the Statement of Financial Position is accrued based on the interest bearing investments' stated rates of interest.

Foreign currency translation

The fair value of investments and other assets and liabilities in foreign currencies are translated into the Portfolio's functional currency at the rates of exchange prevailing at the period-end date. Purchases and sales of investments, and income and expenses are translated at the rates of exchange prevailing on the respective dates

of such transactions. Realized and unrealized foreign exchange gains (losses) on investment transactions are included in "Net realized gain (loss)" and in "Change in unrealized appreciation (depreciation)", respectively, in the Statement of Comprehensive Income. Realized and unrealized foreign exchange gains (losses) relating to cash, receivables and payables, as applicable, are included in "Foreign exchange gain (loss)" in the Statement of Comprehensive Income.

Securities lending

A Portfolio may engage in securities lending pursuant to the terms of an agreement with BNY Mellon (the "securities lending agent"). The aggregate market value of all securities loaned by the Portfolio cannot exceed 50% of the NAV of the Portfolio. The Portfolio will receive collateral of at least 102% of the value of securities on loan. Collateral will generally be comprised of obligations of or guarantee by the Government of Canada or a province thereof, or by the United States government or its agencies, but it may include obligations of other governments with appropriate credit ratings. Further, the program entered into provides for 100% indemnification by the securities lending agent and parties related to the Portfolio's custodian, to the Portfolio for any defaults by borrowers.

For those Portfolios participating in the program, aggregate values of securities on loan and the collateral held as at June 30, 2024 and December 31, 2023 and information about the security lending income earned by the Portfolio are disclosed in Note 8, where applicable.

Income from securities lending, where applicable, is included in the Statement of Comprehensive Income and is recognized when earned. The breakdown of the securities lending income is disclosed in Note 8, where applicable.

Short-term trading penalty

To discourage excessive trading, the Portfolio may, at the Manager's sole discretion, charge a short-term trading penalty. This penalty is paid directly to the Portfolio and is included in "Short-term trading penalty fees" in the Statement of Comprehensive Income.

Increase or decrease in net assets attributable to holders of redeemable units per unit

"Increase (decrease) in net assets attributable to holders of redeemable units per unit" in the Statement of Comprehensive Income represents the increase

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(unaudited)

Notes to the Financial Statements (cont'd)

(All amounts in thousands of Canadian dollars, except per unit data)

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(decrease) in net assets attributable to holders of redeemable units divided by the weighted average number of units outstanding during the period. Refer to Note 8 for details.

Taxation

The Portfolio qualifies as a unit trust under the provisions of the Income Tax Act (Canada). Distributions of all net taxable income and sufficient amounts of net realized capital gains for each taxation year will be paid to unitholders so that the Portfolio will not be subject to income tax. As a result, the Manager has determined that the Portfolio is in substance not taxable and therefore does not record income taxes in the Statement of Comprehensive Income nor does it recognize any deferred tax assets or liabilities in the Statement of Financial Position.

The Portfolio may incur withholding taxes imposed by certain countries on investment income and capital gains. Such income and capital gains are recorded on a gross basis with the related withholding taxes shown as a separate expense in the Statement of Comprehensive Income.

4. Critical accounting judgements and estimates

The preparation of financial statements requires the use of judgement in applying the Portfolio's accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgements and estimates that the Portfolio has made in preparing the Portfolio's financial statements.

Accounting judgements:

Functional and presentation currency

The Portfolio's unitholders are mainly Canadian residents, with the subscriptions and redemptions of the redeemable units denominated in Canadian dollars. The Portfolio invests in Canadian and U.S. dollars and other foreign denominated securities, as applicable. The performance of the Portfolio is measured and reported to the investors in Canadian dollars. The Manager considers the Canadian dollar as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Canadian dollars, which is the Portfolio's functional and presentation currency.

Classification and measurement of investment portfolio

In classifying and measuring financial instruments held by the Portfolio, the Manager is required to make

an assessment of the Portfolio's business model for managing financial instruments and the Manager is also required to make significant judgements in determining the most appropriate classification in accordance to IFRS 9. The Manager has assessed the Portfolio's business model with respect to the manner in which financial assets and financial liabilities are managed as a group and performance is evaluated on a fair value basis, and has concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Portfolio's investment portfolio. The collection of principal and interest is incidental to the fair value business model.

Accounting estimates:

Fair value measurement of securities not quoted in an active market

The Manager has established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed, and consistently applied from period to period. The estimates of the value of the Portfolio's assets and liabilities are believed to be appropriate as at the reporting date.

The Portfolio may hold financial instruments that are not quoted in active markets. Note 3 discusses the policies used by the Portfolio for the estimates used in determining fair value.

5. Units and unit transactions

The redeemable units of the Portfolio are classified as financial liabilities. The units have no par value and are entitled to distributions, if any. Upon redemption, a unit is entitled to a proportionate share of the Portfolio's NAV. The Portfolio is required to pay distributions in an amount not less than the amount necessary to ensure the Portfolio will not be liable for income taxes on realized capital gains, dividends and interest. The Portfolio has no restrictions or specific capital requirements on the subscriptions and redemptions of units except as disclosed in Note 8. The relevant movements in redeemable units are shown in the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units.

In accordance with its investment objectives and strategies, and the risk management practices outlined in Note 7, the Portfolio endeavours to invest the subscriptions received in appropriate investments, while maintaining sufficient liquidity to meet redemptions, with such liquidity being augmented by

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Notes to the Financial Statements (cont'd)

(All amounts in thousands of Canadian dollars, except per unit data)

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short-term borrowings or disposal of investments where necessary.

Redeemable units of the Portfolio are offered for sale on a continuous basis and may be purchased or redeemed on any Valuation Date at the NAV per unit. The NAV per unit for the purposes of subscription or redemption is computed by dividing the NAV of the Portfolio (that is, the total fair value of the assets less the liabilities) by the total number of units of the Portfolio outstanding at such time on each Valuation Date, in accordance with Part 14 of National Instrument ("NI") 81-106 Investment Fund Continuous Disclosure for the purpose of unitholder transactions. Net Assets are determined in accordance with IFRS Accounting Standards and may differ to the Portfolio's NAV. Where the Portfolio's NAV is not equal to its Net Assets, a reconciliation is shown in Note 8.

6. Related party transactions

(a) Management fees

The Manager is responsible for the day-to-day management of the Portfolio, including managing or arranging for the management of the Portfolio's investment portfolio as well as providing and arranging for the provision of administrative services to the Portfolio such as valuation services, fund accounting and unitholder records. The Manager does not receive a fee from the Portfolio for its services. Instead, unitholders pay an investment management fee directly to BMO Trust Company and the Manager as arranged between the unitholder, BMO Trust Company and the Manager.

(b) Unitholder servicing, sub-advisory commissions and other portfolio transaction costs

The Portfolio is provided with certain facilities and services by affiliates of the Manager. Expenses incurred in the administration of the Portfolio were paid to BMO Trust Company ("the Trustee") and to BMO Asset Management Inc. ("the Registrar") and charged to the Portfolio. These expenses are included in "Unitholder servicing fees" in the Statement of Comprehensive Income.

The sub-advisors (including affiliates of the Manager, where applicable) engaged by the Manager provide investment advice and make investment decisions for the Portfolio's investment portfolio. For these services the sub-advisors receive sub-advisory fees. These fees are paid monthly by the Manager on behalf of the Portfolio. These expenses are included in "Sub-advisory

fees" in the Statement of Comprehensive Income. Any sub-advisory fees less than or equal to 0.15% of the NAV of the Portfolio are absorbed by the Manager.

(c) Portfolio expenses

The Portfolio also pays certain operating expenses directly, including compensation and expenses payable to Independent Review Committee ("IRC") members and any independent counsel or other advisors employed by the IRC, the costs of the orientation and continuing education of IRC members and the costs and expenses associated with IRC meetings.

(d) Commissions and other portfolio transaction costs

The Portfolio may execute trades with and through BMO Nesbitt Burns Inc., an affiliate of the Manager, based on established standard brokerage agreements at market prices. These fees are included in "Commissions and other portfolio transaction costs" in the Statement of Comprehensive Income. Refer to Note 8 for related party fees charged to the Portfolio during the periods ended June 30, 2024 and June 30, 2023.

(e) Other related party transactions

From time to time, the Manager may, on behalf of the Portfolio, enter into transactions or arrangements with or involving subsidiaries and affiliates of Bank of Montreal, or certain other persons or companies that are related or connected to the Manager. These transactions or arrangements may include transactions or arrangements with or involving subsidiaries and affiliates of Bank of Montreal, including without limitation, BMO Asset Management Corp., BMO Asset Management Inc., BMO Investments Inc., BMO InvestorLine Inc., BMO Nesbitt Burns, BMO Trust Company, or other investment funds offered by affiliates of Bank of Montreal, and may involve the purchase or sale of portfolio securities from or to subsidiaries or affiliates of Bank of Montreal, the purchase or sale of securities issued or guaranteed by subsidiaries or affiliates of Bank of Montreal, entering into derivatives instruments with subsidiaries or affiliates of Bank of Montreal acting as counterparty, the purchase or redemption of units or shares of other investment funds offered by affiliates of Bank of Montreal or the provision of services to the Manager.

7. Financial instruments risks

The Portfolio's activities expose it to a variety of risks associated with the financial instruments, as follows: market risk (including currency risk, interest rate risk and other market risk), credit risk and liquidity risk.

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Notes to the Financial Statements (cont'd)

(All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2024

The concentration table groups securities by asset type, geographic location and/or market segment. The Portfolio's risk management practice outlines the monitoring of compliance to investment guidelines.

The Manager manages the potential effects of these financial risks on the Portfolio's performance by employing and overseeing professional and experienced portfolio managers that regularly monitor the Portfolio's positions, market events and diversify investment portfolios within the constraints of the investment guidelines.

Where the Portfolio invests in other investment fund(s), it may be indirectly exposed to the financial instrument's risks of the investment fund(s), depending on the investment objectives and types of securities held by the investment fund(s). The decision to buy or sell an investment fund is based on the investment guidelines and positions, rather than the exposure of the investment fund(s).

(a) Currency risk

Currency risk is the risk that the fair value of financial instruments denominated in currencies, other than the functional currency of the Portfolio, will fluctuate due to changes in foreign exchange rates. Investments in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Portfolio's functional currency in determining fair value. The Portfolio may enter into forward currency contracts for hedging purposes to reduce foreign currency exposure or to establish exposure to foreign currencies. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, the Manager monitors the exposure on all foreign currency denominated assets and liabilities. The Portfolio's exposure to currency risk, if any, is further disclosed in Note 8.

(b) Interest rate risk

Interest rate risk is the risk that the fair value of the Portfolio's interest bearing investments will fluctuate due to changes in market interest rates. The Portfolio's exposure to interest rate risk is concentrated in its investment in debt securities (such as bonds, money market investments, short-term investments and debentures) and interest rate derivative instruments, if any. Other assets and liabilities are short-term in nature and/or non-interest bearing. The Portfolio's exposure to interest rate risk, if any, is further discussed in Note 8.

(c) Other market risk

Other market risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market. Other assets and liabilities are monetary items that are short-term in nature, as such they are not subject to other market risk. The Portfolio's exposure to other market risk, if any, is further discussed in Note 8.

(d) Credit risk

Credit risk is the risk that a loss could arise from a security issuer or counterparty to a financial instrument not being able to meet its financial obligations. The fair value of debt securities includes consideration of the credit worthiness of the debt issuer. Credit risk exposure for over-the-counter derivative instruments is based on the Portfolio's unrealized gain of the contractual obligations with the counterparty as at the reporting date. The credit exposure of other assets is represented by its carrying amount. The Portfolio's exposure to credit risk, if any, is further discussed in Note 8.

The Portfolio may enter into securities lending transactions with approved counterparties. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient approved credit rating and the market value of collateral held by the Portfolio must be at least 102% of the fair value of securities loaned, as disclosed in Note 8, where applicable.

(e) Liquidity risk

The Portfolio's exposure to liquidity risk is concentrated in the daily cash redemptions of units, and other liabilities. The Portfolio primarily invests in securities that are traded in active markets and can be readily disposed. In addition, the Portfolio retains sufficient cash positions to maintain liquidity. The Portfolio may, from time to time, enter into over-the-counter derivative contracts or invest in unlisted securities, which are not traded in an organized market and may be illiquid. Securities for which a market quotation could not be obtained and may be illiquid are identified in the Schedule of Investment Portfolio. The proportion of illiquid securities to the NAV of the Portfolio is monitored by the Manager to ensure it does not exceed the regulatory limit and does not significantly affect

BMO Private Canadian Income Equity Portfolio

(unaudited)

Notes to the Financial Statements (cont'd)

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June 30, 2024

the liquidity required to meet the Portfolio's financial obligations.

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(unaudited)

Notes to the Financial Statements (cont'd)

(All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2024

8. Portfolio specific information

(a) Portfolio information and change in units

The Portfolio's inception date was May 15, 1997.

The number of units that have been issued and are outstanding are disclosed in the table below.

For the periods ended (in thousands of units)	Jun. 30, 2024	Jun. 30, 2023
Units issued and outstanding, beginning of period	247,089	242,641
Issued for cash	20,612	13,198
Issued on reinvestment of distributions	3,543	3,384
Redeemed during the period	(25,454)	(13,874)
Units issued and outstanding, end of period	245,790	245,349

(b) Reconciliation of NAV to Net Assets

As at June 30, 2024 and December 31, 2023, there were no differences between the Portfolio's NAV per unit and its Net Assets per unit calculated in accordance with IFRS Accounting Standards.

(c) Increase (decrease) in net assets attributable to holders of redeemable units per unit

The increase (decrease) in net assets attributable to holders of redeemable units per unit for the periods ended June 30, 2024 and June 30, 2023 is calculated as follows:

For the periods ended	Jun. 30, 2024	Jun. 30, 2023
Increase in net assets attributable to holders of redeemable units	181,288	103,033
Weighted average units outstanding during the period (in thousands of units)	249,373	243,398
Increase in net assets attributable to holders of redeemable units per unit	0.73	0.42

(d) Income taxes

As at the tax year-ended December 15, 2023, the Portfolio had the following capital and non-capital losses available for income tax purposes:

Total Capital Losses (\$)	Total Non-Capital Losses (\$)	Non-Capital Losses That Expire in		
		2029 (\$)	2030 (\$)	2031 and thereafter (\$)
80,277	—	—	—	—

(e) Related party transactions

Unitholder servicing

The related party fees charged for unitholder servicing fees are as follows:

For the periods ended	Jun. 30, 2024	Jun. 30, 2023
Unitholder servicing (\$)	114	114

Brokerage commissions and soft dollars

Brokerage commissions paid (excluding transaction costs) on security transactions and amounts paid to related parties of the Manager for brokerage services provided to the Portfolio for the periods are as follows:

For the periods ended	Jun. 30, 2024	Jun. 30, 2023
Total brokerage amounts paid (\$)	200	135
Total brokerage amounts paid to related parties (\$)	2	19

The Manager may select brokers who charge a commission in "soft dollars" if they determine in good faith that the commission is reasonable in relation to the order execution and research services utilized.

There were no ascertainable soft dollars paid or payable to dealers by the Portfolio during the periods.

(f) Financial instruments risks

The Portfolio's objective is to provide a higher than average income stream primarily from income, royalties and distributions or dividends of equity securities of Canadian issuers.

No changes affecting the overall level of risk of investing in the Portfolio were made during the period.

Currency risk

As at June 30, 2024 and December 31, 2023, the Portfolio did not have significant exposure to currency risk.

Interest rate risk

As at June 30, 2024 and December 31, 2023, the Portfolio did not have significant exposure to interest rate risk.

BMO Private Canadian Income Equity Portfolio

(unaudited)

Notes to the Financial Statements (cont'd)

(All amounts in thousands of Canadian dollars, except per unit data)

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Other market risk

The Portfolio has a significant exposure to other market risk arising from its investment in equity securities. Using historical correlation between the Portfolio's return and the return of its benchmark, if the benchmark, S&P/TSX Composite Dividend Index, had increased or decreased by 10%, with all other variables held constant, the Net Assets of the Portfolio would have increased or decreased, respectively, by \$266,302 (December 31, 2023 — \$253,477). Historical correlation may not be representative of future correlation, and accordingly, actual results may differ and the difference could be material.

Credit risk

As at June 30, 2024 and December 31, 2023, the Portfolio did not have significant exposure to credit risk.

Securities lending

The Portfolio had assets involved in securities lending transactions outstanding as at June 30, 2024 and December 31, 2023 as follows:

	Aggregate Value of Securities on Loan (\$)	Aggregate Value of Collateral Received for the Loan (\$)
June 30, 2024	85,248	89,641
December 31, 2023	153,670	161,521

The table below is a reconciliation of the gross amount generated from securities lending transactions to the security lending revenue for the periods ended June 30, 2024 and June 30, 2023:

For the periods ended	Jun. 30, 2024		Jun. 30, 2023	
	Amount	% of Gross Securities Lending Revenue	Amount	% of Gross Securities Lending Revenue
Gross securities lending revenue	141	100.0	246	100.0
Withholding taxes	1	0.9	1	0.6
	139	99.1	245	99.4
Payment to securities lending agents	42	29.7	73	29.8
Net securities lending revenue*	98	69.4	172	69.6

* Amount shown on the Statement of Comprehensive Income is gross of withholding taxes of \$1 (June 30, 2023 — \$1).

Concentration risk

The Portfolio's concentration risk is summarized in the following table:

As at	Jun. 30, 2024	Dec. 31, 2023
Money Market Investments		
Federal	1.1%	1.2%
Provincial	0.4%	—%
Equities		
Communication Services	3.2%	4.1%
Consumer Discretionary	5.9%	4.8%
Consumer Staples	3.4%	4.6%
Energy	12.4%	12.1%
Financials	35.4%	34.3%
Industrials	23.1%	21.9%
Information Technology	1.2%	1.1%
Materials	6.2%	6.0%
Real Estate	1.2%	2.7%
Utilities	6.2%	6.9%
Other Assets Less Liabilities	0.3%	0.3%
	100.0%	100.0%

(g) Fair value hierarchy

The Portfolio classifies its financial instruments into three levels based on the inputs used to value the financial instruments. Level 1 securities are valued based on quoted prices in active markets for identical securities. Level 2 securities are valued based on significant observable market inputs, such as quoted prices from similar securities and quoted prices in inactive markets or based on observable inputs to models. Level 3 securities are valued based on significant unobservable inputs that reflect the Manager's determination of assumptions that market participants might reasonably use in valuing the securities. The tables below show the relevant disclosure.

As at Jun. 30, 2024

Financial assets	Level 1	Level 2	Level 3	Total
Debt Securities	—	43,827	—	43,827
Equity Securities	2,997,671	—	—	2,997,671
Total	2,997,671	43,827	—	3,041,498

As at Dec. 31, 2023

Financial assets	Level 1	Level 2	Level 3	Total
Debt Securities	—	34,264	—	34,264
Equity Securities	2,892,358	—	—	2,892,358
Total	2,892,358	34,264	—	2,926,622

Transfers between levels

There were no transfers between the levels during the periods.

Manager

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