

Semi-Annual Financial Statements

BMO Private Portfolios

June 30, 2020

BMO Private Canadian Short-Term Bond 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.

BMO Private Canadian Short-Term Bond Portfolio

(unaudited)

STATEMENT OF FINANCIAL POSITION

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

As at	June 30 2020	December 31 2019
Assets		
Current Assets		
Cash	2,337	6,235
Investments		
Non-derivative financial assets	2,426,022	2,604,271
Receivable for investments sold	8,362	—
Subscriptions receivable	901	1,367
Interest receivable	11,153	12,736
Total assets	2,448,775	2,624,609
Liabilities		
Current Liabilities		
Payable for investments purchased	8,334	5,931
Redemptions payable	2,163	1,096
Distributions payable	259	—
Accrued expenses	127	130
Total liabilities	10,883	7,157
Net assets attributable to holders of redeemable units	2,437,892	2,617,452
Net assets attributable to holders of redeemable units per unit	\$ 10.41	\$ 10.13

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

BMO Private Canadian Short-Term Bond Portfolio

(unaudited)

STATEMENT OF COMPREHENSIVE INCOME

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

For the periods ended	June 30 2020	June 30 2019
Income		
Interest income	24,785	20,280
Other changes in fair value of investments and derivatives		
Net realized gain	8,799	131
Change in unrealized appreciation	65,676	35,383
Net gain in fair value of investments and derivatives	99,260	55,794
Securities lending (note 8)	182	152
Foreign exchange gain	0	0
Total other income	182	152
Total income	99,442	55,946
Expenses		
Sub-advisory fees	1,425	1,154
Audit fees	7	6
Independent review committee fees	2	4
Withholding taxes	1	2
Custodian fees	16	13
Interest expense	8	—
Legal and filing fees	83	39
Unitholder servicing fees	267	230
Printing and stationery fees	7	7
Operating expenses absorbed by the Manager	(1,425)	(1,154)
Total expenses	391	301
Increase in net assets attributable to holders of redeemable units	99,051	55,645
Increase in net assets attributable to holders of redeemable units per unit (note 8)	0.40	0.27

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BMO Private Canadian Short-Term Bond 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 2020	June 30 2019
Net assets attributable to holders of redeemable units at beginning of period	2,617,452	2,034,129
Increase in net assets attributable to holders of redeemable units	99,051	55,645
Distributions to holders of redeemable units		
From net investment income	(29,768)	(24,523)
Total distributions to holders of redeemable units	(29,768)	(24,523)
Redeemable unit transactions		
Proceeds from redeemable units issued	252,681	193,900
Reinvestments of distributions to holders of redeemable units	28,184	23,338
Redemption of redeemable units	(529,708)	(189,841)
Net (decrease) increase from redeemable unit transactions	(248,843)	27,397
Net (decrease) increase in net assets attributable to holders of redeemable units	(179,560)	58,519
Net assets attributable to holders of redeemable units at end of period	2,437,892	2,092,648

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BMO Private Canadian Short-Term Bond Portfolio

(unaudited)

STATEMENT OF CASH FLOWS

(All amounts in thousands of Canadian dollars)

For the periods ended	June 30 2020	June 30 2019
Cash flows from operating activities		
Increase in net assets attributable to holders of redeemable units	99,051	55,645
Adjustments for:		
Foreign exchange (gain) loss on cash	(0)	0
Net realized gain on sale of investments and derivatives	(8,799)	(131)
Change in unrealized appreciation of investments and derivatives	(65,676)	(35,383)
Decrease (increase) in interest receivable	1,583	(516)
Decrease in accrued expenses	(3)	(32)
Amortization of premium and discount	5,226	4,906
Purchases of investments	(616,787)	(639,472)
Proceeds from sale and maturity of investments	858,326	614,010
Net cash from operating activities	272,921	(973)
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(1,325)	(973)
Proceeds from issuances of redeemable units	253,147	192,990
Amounts paid on redemption of redeemable units	(528,641)	(188,287)
Net cash from financing activities	(276,819)	3,730
Foreign exchange gain on cash	0	0
Net (decrease) increase in cash	(3,898)	2,757
Cash at beginning of period	6,235	550
Cash at end of period	2,337	3,307
Supplementary Information		
Interest received, net of withholding taxes*	31,594	24,670
Interest expense paid*	8	—

*These items are from operating activities

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BMO Private Canadian Short-Term Bond Portfolio

(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2020 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Bonds & Debentures			
<i>Federal Bonds — 44.2%</i>			
Canada Housing Trust, Mortgage Bonds, Series 75, Secured, 1.150% Dec 15, 2021	20,000	19,848	20,235
Canada Housing Trust, Mortgage Bonds, Series 76, Secured, 1.500% Dec 15, 2021	20,000	19,982	20,336
Canada Housing Trust, Mortgage Bonds, Series 45, Secured, 2.650% Mar 15, 2022	26,750	27,235	27,788
Canada Housing Trust, Mortgage Bonds, Series 78, Secured, 1.750% Jun 15, 2022	37,250	37,252	38,244
Canada Housing Trust, Mortgage Bonds, Series 48, Secured, 2.400% Dec 15, 2022	53,729	54,594	56,305
Canada Housing Trust, Mortgage Bonds, Series 83, Secured, 2.350% Jun 15, 2023	40,700	40,937	42,928
Canada Housing Trust, Mortgage Bonds, Series 52, Secured, 2.350% Sep 15, 2023	29,250	29,920	30,960
Canada Housing Trust, Mortgage Bonds, Series 55, Secured, 3.150% Sep 15, 2023	14,040	14,555	15,217
Canada Housing Trust, Mortgage Bonds, Series 86, Secured, 2.550% Dec 15, 2023	33,100	33,805	35,378
Canada Housing Trust, Mortgage Bonds, Series 58, Secured, 2.900% Jun 15, 2024	47,790	50,029	52,110
Canada Housing Trust, Mortgage Bonds, Series 90, Secured, 1.800% Dec 15, 2024	13,500	13,510	14,196
Canada Housing Trust, Mortgage Bonds, Series 62, Secured, 2.550% Mar 15, 2025	2,500	2,706	2,720
Canada Housing Trust, Mortgage Bonds, No. 1, Series MAR, Secured, 0.950% Jun 15, 2025	21,250	21,516	21,538
Government of Canada, Unsecured, 1.500% Aug 1, 2021	9,500	9,497	9,631
Government of Canada, Unsecured, 0.750% Sep 1, 2021	57,500	57,246	57,855
Government of Canada, 1.250% Nov 1, 2021	36,000	35,846	36,485
Government of Canada, 1.500% Feb 1, 2022	35,000	34,975	35,689
Government of Canada, Unsecured, 0.500% Mar 1, 2022	54,850	54,184	55,086
Government of Canada, 1.500% May 1, 2022	16,000	16,118	16,360
Government of Canada, 2.750% Jun 1, 2022	30,400	31,103	31,864
Government of Canada, 0.250% Aug 1, 2022	11,500	11,483	11,491
Government of Canada, Unsecured, 1.000% Sep 1, 2022	73,600	73,410	74,759
Government of Canada, 1.750% Mar 1, 2023	62,660	62,687	65,121
Government of Canada, Series 1, 1.500% Jun 1, 2023	17,000	16,938	17,610
Government of Canada, 2.000% Sep 1, 2023	40,250	40,293	42,396
Government of Canada, 2.250% Mar 1, 2024	36,600	37,334	39,176
Government of Canada, 2.500% Jun 1, 2024	24,450	25,728	26,544
Government of Canada, 1.500% Sep 1, 2024	35,000	35,343	36,687
Government of Canada, 1.250% Mar 1, 2025	38,500	38,821	40,106
Government of Canada, 2.250% Jun 1, 2025	75,000	81,974	82,052
PSP Capital Inc., Series 8, Senior, Unsecured, Notes, 1.340% Aug 18, 2021	4,000	3,981	4,043
PSP Capital Inc., Senior, Unsecured, Notes, 1.730% Jun 21, 2022	9,000	9,000	9,226

BMO Private Canadian Short-Term Bond Portfolio

(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2020 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
PSP Capital Inc., Series 9, Senior, Unsecured, Notes, 2.090% Nov 22, 2023	3,000	3,024	3,145
PSP Capital Inc., Series 7, Senior, Unsecured, Notes, 3.290% Apr 4, 2024	5,000	5,258	5,476
		1,050,132	1,078,757
Provincial Bonds — 20.5%			
Municipal Finance Authority of British Columbia, Unsecured, Notes, 2.600% Apr 23, 2023	6,800	6,799	7,172
Municipal Finance Authority of British Columbia, Unsecured, Notes, 3.750% Sep 26, 2023	2,000	2,115	2,196
OPB Finance Trust, Series D, Senior, Unsecured, Debentures, 1.880% Feb 24, 2022	4,000	4,002	4,085
Province of Alberta, Unsecured, 1.350% Sep 1, 2021	4,500	4,483	4,552
Province of Alberta, Unsecured, 1.600% Sep 1, 2022	2,000	1,982	2,048
Province of Alberta, Senior, Unsecured, 2.550% Dec 15, 2022	5,000	5,055	5,245
Province of Alberta, Unsecured, 2.650% Sep 1, 2023	3,500	3,507	3,718
Province of Alberta, Unsecured, 3.400% Dec 1, 2023	2,000	2,045	2,182
Province of Alberta, Unsecured, 3.100% Jun 1, 2024	4,100	4,300	4,460
Province of Alberta, Unsecured, 2.350% Jun 1, 2025	20,000	21,258	21,331
Province of British Columbia, 3.250% Dec 18, 2021	4,600	4,706	4,793
Province of British Columbia, Senior, Unsecured, 2.700% Dec 18, 2022	2,500	2,544	2,637
Province of British Columbia, Unsecured, 3.300% Dec 18, 2023	7,500	7,802	8,194
Province of British Columbia, Unsecured, 2.850% Jun 18, 2025	18,000	19,786	19,799
Province of Manitoba, Unsecured, 1.550% Sep 5, 2021	5,500	5,495	5,576
Province of Manitoba, Unsecured, 2.550% Jun 2, 2023	8,000	8,107	8,452
Province of Manitoba, Unsecured, 3.300% Jun 2, 2024	3,300	3,486	3,626
Province of Manitoba, Unsecured, 2.450% Jun 2, 2025	8,100	8,681	8,710
Province of New Brunswick, Unsecured, 3.350% Dec 3, 2021	3,300	3,375	3,438
Province of New Brunswick, Unsecured, 1.550% May 4, 2022	1,500	1,494	1,530
Province of New Brunswick, Unsecured, 2.850% Jun 2, 2023	2,000	2,014	2,129
Province of New Brunswick, Senior, Unsecured, 3.650% Jun 3, 2024	3,440	3,674	3,823
Province of Newfoundland and Labrador, Unsecured, 1.950% Jun 2, 2022	3,000	3,022	3,078
Province of Newfoundland and Labrador, Unsecured, 2.300% Jun 2, 2025	7,500	7,878	7,917
Province of Nova Scotia, Unsecured, Notes, 2.150% Jun 1, 2025	3,000	3,178	3,187
Province of Ontario, Senior, Unsecured, 1.350% Mar 8, 2022	19,600	19,461	19,910
Province of Ontario, Unsecured, 3.150% Jun 2, 2022	25,000	25,671	26,297
Province of Ontario, Senior, Unsecured, 1.950% Jan 27, 2023	12,500	12,346	12,957
Province of Ontario, Unsecured, 2.850% Jun 2, 2023	36,250	36,711	38,645
Province of Ontario, Unsecured, 2.600% Sep 8, 2023	7,750	7,835	8,238
Province of Ontario, Series HP, 8.100% Sep 8, 2023	9,500	11,078	11,742
Province of Ontario, Unsecured, 3.500% Jun 2, 2024	32,050	34,314	35,504
Province of Ontario, Unsecured, Notes, 2.300% Sep 8, 2024	11,800	12,029	12,558
Province of Ontario, Senior, Unsecured, 2.650% Feb 5, 2025	9,750	10,165	10,572
Province of Ontario, Unsecured, 2.600% Jun 2, 2025	60,000	64,891	65,078
Province of Prince Edward Island, Unsecured, 8.500% Dec 15, 2023	1,500	1,783	1,895
Province of Quebec, Unsecured, 4.250% Dec 1, 2021	25,000	25,879	26,367

BMO Private Canadian Short-Term Bond Portfolio

(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2020 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Province of Quebec, Senior, Unsecured, 1.650% Mar 3, 2022	5,750	5,747	5,871
Province of Quebec, Unsecured, 3.500% Dec 1, 2022	21,000	21,645	22,519
Province of Quebec, Unsecured, 3.000% Sep 1, 2023	22,500	22,867	24,208
Province of Quebec, Unsecured, 3.750% Sep 1, 2024	19,500	21,144	21,930
Province of Quebec, Unsecured, 5.350% Jun 1, 2025	2,175	2,632	2,641
Province of Quebec Canada, Series QV, Senior, Unsecured, Notes, 2.250% Feb 22, 2024	6,000	6,073	6,349
Province of Saskatchewan, Unsecured, 3.200% Jun 3, 2024	3,000	3,159	3,283
		486,218	500,442
Municipal Bonds — 0.8%			
City of Montreal, Unsecured, Notes, 3.500% Sep 1, 2023	1,500	1,548	1,629
City of Montreal, Unsecured, Notes, 3.500% Sep 1, 2024	2,500	2,673	2,763
City of Toronto, Unsecured, Notes, 3.500% Dec 6, 2021	2,100	2,138	2,190
City of Toronto, Unsecured, 3.900% Sep 29, 2023	2,400	2,545	2,644
City of Toronto, Senior, Unsecured, Notes, 3.400% May 21, 2024	2,500	2,604	2,745
City of Toronto, Unsecured, Notes, 2.450% Feb 6, 2025	4,500	4,627	4,802
City of Vancouver, Senior, Unsecured, Notes, 3.450% Dec 2, 2021	1,100	1,125	1,146
Montreal, City of, Unsecured, Debentures, 4.500% Dec 1, 2021	800	830	845
		18,090	18,764
Corporate Bonds & Debentures — 32.3%			
407 International Inc., Series 17-D1, Medium Term Notes, Secured, Subordinated, Callable, 2.470% Sep 8, 2022	1,000	1,000	1,025
407 International Inc., Series 14-A1, Medium Term Notes, Senior, Secured, 3.350% May 16, 2024	750	780	808
407 International Inc., Senior, Secured, Notes, Callable, 1.800% May 22, 2025	1,429	1,429	1,463
AIMCo Realty Investors LP, Series 1, Senior, Unsecured, Notes, Callable, 2.266% Jun 26, 2024	2,000	1,993	2,065
Alectra Inc., Series B, Senior, Unsecured, Notes, Callable, 3.239% Nov 21, 2024	1,700	1,773	1,844
Alimentation Couche-Tard Inc., Series 3, Senior, Unsecured, Notes, 3.899% Nov 1, 2022	1,000	1,027	1,058
Alimentation Couche-Tard Inc., Series 6, Senior, Unsecured, Notes, Callable, 3.056% Jul 26, 2024	560	572	589
Alimentation Couche-Tard Inc., Series 5, Senior, Unsecured, Notes, Callable, 3.600% Jun 2, 2025	6,500	6,935	7,014
Allied Properties Real Estate Investment Trust, Series C, Senior, Unsecured, Notes, Callable, 3.636% Apr 21, 2025	1,000	1,031	1,054
AltaGas Ltd., Series 8, Medium Term Notes, Unsecured, 3.720% Sep 28, 2021	1,000	1,017	1,029
AltaGas Ltd., Medium Term Notes, Senior, Unsecured, 2.609% Dec 16, 2022	133	133	136
AltaGas Ltd., Series 10, Medium Term Notes, Unsecured, Callable, 3.570% Jun 12, 2023	2,000	2,007	2,103
AltaGas Ltd., Series 15, Medium Term Notes, Senior, Unsecured, Callable, 3.840% Jan 15, 2025	5,000	5,211	5,396
AltaLink, L.P., Series 2012-2, Medium Term Notes, Secured, 2.978% Nov 28, 2022	1,400	1,427	1,467

BMO Private Canadian Short-Term Bond Portfolio

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SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2020 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
AltaLink, L.P., Series 2013-4, Medium Term Notes, Secured, 3.668% Nov 6, 2023	1,550	1,592	1,683
AltaLink, L.P., Series 2014-1, Medium Term Notes, Secured, 3.399% Jun 6, 2024	2,000	2,097	2,167
Bank of Montreal, Senior, Unsecured, Notes, 1.610% Oct 28, 2021	8,000	7,967	8,086
Bank of Montreal, Deposit Notes, Senior, Unsecured, 2.120% Mar 16, 2022	4,600	4,609	4,696
Bank of Montreal, Deposit Notes, Senior, Unsecured, 2.270% Jul 11, 2022	5,000	5,003	5,132
Bank of Montreal, Deposit Notes, Senior, Unsecured, 2.890% Jun 20, 2023	6,550	6,592	6,902
Bank of Montreal, Senior, Unsecured, Notes, 2.850% Mar 6, 2024	8,318	8,382	8,759
Bank of Montreal, Senior, Unsecured, Notes, 2.280% Jul 29, 2024	4,154	4,153	4,295
Bank of Montreal, Deposit Notes, Senior, Unsecured, 2.700% Sep 11, 2024	6,530	6,673	6,942
Bank of Montreal, Medium Term Notes, Senior, Unsecured, Callable, 2.370% Feb 3, 2025	3,500	3,542	3,637
Bank of Montreal, Medium Term Notes, Fixed to Floating, Unsecured, Subordinated, Callable, 2.570% Jun 1, 2027	2,500	2,457	2,549
Bank of Montreal, Unsecured, Notes, Subordinated, Callable, 2.880% Sep 17, 2029	4,250	4,239	4,404
Bank of Nova Scotia, The, Deposit Notes, Senior, Unsecured, 1.900% Dec 2, 2021	10,000	9,988	10,154
Bank of Nova Scotia, The, Deposit Notes, Senior, Unsecured, 1.830% Apr 27, 2022	7,000	6,897	7,116
Bank of Nova Scotia, The, Deposit Notes, Senior, Unsecured, 2.360% Nov 8, 2022	3,000	3,000	3,095
Bank of Nova Scotia, The, Deposit Notes, Senior, Unsecured, 2.980% Apr 17, 2023	3,500	3,522	3,688
Bank of Nova Scotia, The, Senior, Unsecured, Notes, 2.380% May 1, 2023	5,362	5,362	5,532
Bank of Nova Scotia, The, Deposit Notes, Senior, Unsecured, 2.290% Jun 28, 2024	14,500	14,653	15,158
Bank of Nova Scotia, The, Senior, Unsecured, Notes, 2.490% Sep 23, 2024	6,303	6,303	6,573
Bank of Nova Scotia, The, Senior, Unsecured, Notes, 2.160% Feb 3, 2025	4,636	4,714	4,776
Bank of Nova Scotia, The, Fixed to Floating, Notes, Subordinated, Callable, 2.580% Mar 30, 2027	3,500	3,443	3,565
Bank of Nova Scotia, The, Fixed to Floating, Unsecured, Debentures, Subordinated, Callable, 3.890% Jan 18, 2029	1,868	1,881	1,996
Bank of Nova Scotia, The, Unsecured, Debentures, Subordinated, Callable, 2.836% Jul 3, 2029	2,403	2,403	2,486
bcIMC Realty Corp., Series 10, Unsecured, Notes, 3.510% Jun 29, 2022	500	513	524
bcIMC Realty Corp., Series A, Senior, Unsecured, Notes, Callable, 2.150% Aug 11, 2022	1,000	992	1,022
bcIMC Realty Corp., Medium Term Notes, Senior, Unsecured, Callable, 2.840% Jun 3, 2025	1,960	2,072	2,093
Bell Canada, Series M-30, Medium Term Notes, Senior, Unsecured, Callable, 3.150% Sep 29, 2021	2,000	2,027	2,049

BMO Private Canadian Short-Term Bond Portfolio

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SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2020 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Bell Canada, Series M-42, Medium Term Notes, Senior, Unsecured, 2.000% Oct 1, 2021	3,750	3,745	3,793
Bell Canada, Series M-40, Medium Term Notes, Senior, Unsecured, Callable, 3.000% Oct 3, 2022	4,500	4,537	4,671
Bell Canada, Series M-26, Medium Term Notes, Senior, Unsecured, 3.350% Mar 22, 2023	2,000	2,015	2,099
Bell Canada, Series M-29, Medium Term Notes, Senior, Unsecured, Callable, 4.700% Sep 11, 2023	2,200	2,291	2,410
Bell Canada, Series M-44, Medium Term Notes, Senior, Unsecured, Callable, 2.700% Feb 27, 2024	3,000	2,966	3,125
Bell Canada, Series M-49, Medium Term Notes, Senior, Unsecured, Callable, 2.750% Jan 29, 2025	3,379	3,449	3,552
Bell Canada, Series M-47, Medium Term Notes, Senior, Unsecured, Callable, 3.350% Mar 12, 2025	4,000	4,234	4,304
BMW Canada Inc., Series S, Senior, Unsecured, Notes, 2.570% Aug 6, 2021	1,000	1,005	1,012
BMW Canada Inc., Series U, Senior, Unsecured, Notes, 2.150% Nov 26, 2021	1,039	1,039	1,048
BMW Canada Inc., Series V, Senior, Unsecured, Notes, 2.410% Nov 27, 2023	413	413	421
Brookfield Asset Management Inc., Medium Term Notes, Senior, Unsecured, 4.540% Mar 31, 2023	1,000	1,035	1,071
Brookfield Asset Management Inc., Medium Term Notes, Senior, Unsecured, Callable, 5.040% Mar 8, 2024	1,000	1,057	1,099
Brookfield Infrastructure Finance ULC, Medium Term Notes, Senior, Unsecured, Callable, 3.315% Feb 22, 2024	4,100	4,081	4,263
Brookfield Property Finance ULC, Medium Term Notes, Senior, Unsecured, 4.115% Oct 19, 2021	614	614	618
Brookfield Property Finance ULC, Medium Term Notes, Senior, Unsecured, Callable, 4.346% Jul 3, 2023	1,000	1,000	1,013
Brookfield Property Finance ULC, Medium Term Notes, Senior, Unsecured, Callable, 4.300% Mar 1, 2024	3,000	3,065	3,023
Brookfield Renewable Partners ULC, Medium Term Notes, Senior, Unsecured, Callable, 3.752% Jun 2, 2025	2,500	2,669	2,698
BRP Finance ULC, Series 8, Medium Term Notes, Unsecured, 4.790% Feb 7, 2022	2,250	2,324	2,366
Bruce Power L.P., Series 2017-1, Senior, Unsecured, Notes, Callable, 3.000% Jun 21, 2024	1,500	1,523	1,577
Cameco Corporation, Series E, Senior, Unsecured, Notes, 3.750% Nov 14, 2022	2,000	1,992	2,059
Cameco Corporation, Series G, Senior, Unsecured, Notes, Callable, 4.190% Jun 24, 2024	2,000	2,079	2,087
Canadian Imperial Bank of Commerce, Unsecured, Notes, 1.640% Jul 12, 2021	8,000	7,981	8,079
Canadian Imperial Bank of Commerce, Deposit Notes, Senior, Unsecured, 2.900% Sep 14, 2021	4,250	4,274	4,358
Canadian Imperial Bank of Commerce, Deposit Notes, Senior, Unsecured, 2.040% Mar 21, 2022	8,000	8,020	8,155
Canadian Imperial Bank of Commerce, Deposit Notes, Senior, Unsecured, 2.300% Jul 11, 2022	3,700	3,705	3,800

BMO Private Canadian Short-Term Bond Portfolio

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SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2020 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Canadian Imperial Bank of Commerce, Deposit Notes, Senior, Unsecured, 2.470% Dec 5, 2022	4,500	4,500	4,655
Canadian Imperial Bank of Commerce, Senior, Unsecured, Notes, 2.430% Jun 9, 2023	2,382	2,381	2,461
Canadian Imperial Bank of Commerce, Deposit Notes, Senior, Unsecured, 2.970% Jul 11, 2023	2,800	2,800	2,958
Canadian Imperial Bank of Commerce, Senior, Unsecured, Notes, 3.290% Jan 15, 2024	3,871	3,924	4,127
Canadian Imperial Bank of Commerce, Senior, Unsecured, Notes, 2.350% Aug 28, 2024	3,750	3,750	3,884
Canadian Imperial Bank of Commerce, Deposit Notes, Unsecured, 3.300% May 26, 2025	9,418	10,242	10,359
Canadian Imperial Bank of Commerce, Fixed to Floating, Unsecured, Debentures, Subordinated, Callable, 3.450% Apr 4, 2028	4,000	4,013	4,179
Canadian Imperial Bank of Commerce, Unsecured, Debentures, Subordinated, Callable, 2.950% Jun 19, 2029	4,000	3,999	4,154
Canadian Natural Resources Limited, Medium Term Notes, Senior, Unsecured, 3.310% Feb 11, 2022	1,500	1,520	1,535
Canadian Natural Resources Limited, Medium Term Notes, Senior, Unsecured, Callable, 3.550% Jun 3, 2024	1,500	1,551	1,561
Canadian Tire Corporation, Limited, Medium Term Notes, Senior, Unsecured, 3.167% Jul 6, 2023	857	857	886
Canadian Utilities Limited, Senior, Unsecured, Debentures, 3.122% Nov 9, 2022	1,000	1,020	1,046
Canadian Western Bank, Deposit Notes, Senior, Unsecured, 2.788% Sep 13, 2021	2,500	2,511	2,526
Canadian Western Bank, Deposit Notes, Senior, Unsecured, 2.833% Mar 14, 2022	500	500	506
Canadian Western Bank, Deposit Notes, Senior, Unsecured, 2.737% Jun 16, 2022	2,000	1,998	2,024
Canadian Western Bank, Deposit Notes, Senior, Unsecured, 2.924% Dec 15, 2022	3,000	3,028	3,053
Canadian Western Bank, Deposit Notes, Senior, Unsecured, Callable, 2.597% Sep 6, 2024	500	500	504
Canadian Western Bank, Series F, Unsecured, Notes, Debentures, Subordinated, Callable, 3.668% Jun 11, 2029	2,400	2,405	2,355
Capital Desjardins Inc., Series J, Fixed to Floating, Senior, Unsecured, Notes, Callable, 4.954% Dec 15, 2026	2,000	2,104	2,099
Capital Power Corporation, Medium Term Notes, Senior, Unsecured, Callable, 4.284% Sep 18, 2024	2,000	2,067	2,117
Caterpillar Financial Services Limited, Medium Term Notes, Senior, Unsecured, 2.090% Sep 12, 2022	350	350	357
Central 1 Credit Union, Deposit Notes, Senior, Unsecured, 2.600% Nov 7, 2022	500	501	505
Central 1 Credit Union, Senior, Unsecured, Notes, 2.584% Dec 6, 2023	1,400	1,400	1,415
Central 1 Credit Union, Fixed to Floating, Unsecured, Notes, Subordinated, Callable, 3.060% Oct 14, 2026	1,000	1,009	1,005
Chartwell Retirement Residences, Series B, Senior, Unsecured, Debentures, Callable, 4.211% Apr 28, 2025	506	520	518

BMO Private Canadian Short-Term Bond Portfolio

(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2020 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Choice Properties L.P., Series 10, Senior, Unsecured, Notes, Callable, 3.600% Sep 20, 2022	1,000	1,011	1,037
Choice Properties Real Estate Investment Trust, Series I, Senior, Unsecured, Debentures, Callable, 3.010% Mar 21, 2022	1,000	1,011	1,022
Choice Properties Real Estate Investment Trust, Series B, Senior, Unsecured, Notes, Callable, 4.903% Jul 5, 2023	1,700	1,771	1,839
Choice Properties Real Estate Investment Trust, Series D, Senior, Unsecured, Notes, Callable, 4.293% Feb 8, 2024	1,000	1,039	1,076
Choice Properties Real Estate Investment Trust, Series K, Senior, Unsecured, Debentures, Callable, 3.556% Sep 9, 2024	1,000	1,027	1,058
Choice Properties Real Estate Investment Trust, Series J, Senior, Unsecured, Debentures, Callable, 3.546% Jan 10, 2025	1,450	1,495	1,537
CI Financial Corp., Medium Term Notes, Senior, Unsecured, Callable, 2.775% Nov 25, 2021	1,000	1,005	1,007
CI Financial Corp., Senior, Unsecured, Debentures, Callable, 3.520% Jul 20, 2023	3,492	3,492	3,573
CI Financial Corp., Senior, Unsecured, Debentures, Callable, 3.215% Jul 22, 2024	2,396	2,396	2,414
Coast Capital Savings Credit Union, Fixed to Floating, Unsecured, Notes, Subordinated, Callable, 5.000% May 3, 2028	250	251	261
Crombie Real Estate Investment Trust, Series D, Senior, Unsecured, Notes, Callable, 4.066% Nov 21, 2022	1,500	1,500	1,540
Crombie Real Estate Investment Trust, Series E, Senior, Unsecured, Notes, Callable, 4.800% Jan 31, 2025	150	162	160
Daimler Canada Finance Inc., Senior, Unsecured, Notes, 1.910% Jul 8, 2021	2,000	1,983	2,001
Daimler Canada Finance Inc., Euro Medium Term Notes, Senior, Unsecured, 2.230% Dec 16, 2021	2,000	2,000	2,008
Daimler Canada Finance Inc., Euro Medium Term Notes, Senior, Unsecured, 3.050% May 16, 2022	2,000	2,020	2,037
Daimler Canada Finance Inc., Euro Medium Term Notes, Senior, Unsecured, 3.300% Aug 16, 2022	2,000	2,039	2,049
Daimler Canada Finance Inc., Medium Term Notes, Senior, Unsecured, 2.570% Nov 22, 2022	1,000	1,005	1,009
Daimler Canada Finance Inc., Senior, Unsecured, Notes, 2.540% Aug 21, 2023	1,000	1,000	1,008
Daimler Canada Finance Inc., Euro Medium Term Notes, Senior, Unsecured, 2.970% Mar 13, 2024	1,096	1,096	1,119
Dollarama Inc., Senior, Unsecured, Notes, 2.337% Jul 22, 2021	2,000	2,002	2,026
Dollarama Inc., Senior, Unsecured, Notes, Callable, 3.550% Nov 6, 2023	1,911	1,905	2,038
Eagle Credit Card Trust, Series 171A, Secured, Notes, 2.631% Oct 17, 2022	1,000	1,010	1,030
Eagle Credit Card Trust, Series A, Secured, Notes, 2.220% Jul 17, 2024	1,500	1,500	1,537
Emera Inc., Series 2016-1, Senior, Unsecured, Notes, 2.900% Jun 16, 2023	1,000	993	1,032
Empire Life Insurance Company, The, Fixed to Floating, Unsecured, Debentures, Subordinated, Callable, 3.664% Mar 15, 2028	2,000	2,084	2,074
Enbridge Gas Distribution Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.150% Aug 22, 2024	900	940	965

BMO Private Canadian Short-Term Bond Portfolio

(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2020 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Enbridge Inc., Medium Term Notes, Senior, Unsecured, 3.190% Dec 5, 2022	1,400	1,424	1,455
Enbridge Inc., Medium Term Notes, Senior, Unsecured, 3.940% Jan 13, 2023	2,143	2,183	2,268
Enbridge Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.940% Jun 30, 2023	1,960	1,999	2,080
Enbridge Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.950% Nov 19, 2024	1,500	1,578	1,629
Enbridge Inc., Medium Term Notes, Senior, Unsecured, Callable, 2.440% Jun 2, 2025	80	80	82
Enbridge Pipelines Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.790% Aug 17, 2023	1,000	1,042	1,064
ENMAX Corporation, Series 5, Senior, Unsecured, Debentures, 2.922% Oct 18, 2022	1,381	1,381	1,415
ENMAX Corporation, Senior, Unsecured, Notes, Callable, 3.805% Dec 5, 2024	5,000	5,172	5,370
ENMAX Corporation, Series 6, Senior, Unsecured, Debentures, Callable, 3.331% Jun 2, 2025	273	285	289
EPCOR Utilities Inc., Medium Term Notes, Senior, Unsecured, 1.949% Jul 8, 2022	150	150	153
Equitable Bank, Deposit Notes, Senior, Unsecured, 2.948% Sep 26, 2022	875	875	878
Fairfax Financial Holdings Limited, Senior, Unsecured, Notes, 5.840% Oct 14, 2022	1,500	1,569	1,600
Fairfax Financial Holdings Limited, Senior, Unsecured, Notes, 4.500% Mar 22, 2023	2,500	2,554	2,598
Fairfax Financial Holdings Limited, Senior, Unsecured, Notes, 4.950% Mar 3, 2025	2,500	2,760	2,676
Federation des caisses Desjardins du Quebec, Medium Term Notes, Senior, Unsecured, 2.091% Jan 17, 2022	4,000	4,008	4,075
Federation des caisses Desjardins du Quebec, Medium Term Notes, Senior, Unsecured, 2.394% Aug 25, 2022	2,000	2,011	2,059
Federation des caisses Desjardins du Quebec, Medium Term Notes, Senior, Unsecured, 3.056% Sep 11, 2023	2,286	2,286	2,425
Federation des caisses Desjardins du Quebec, Senior, Unsecured, Notes, 2.417% Oct 4, 2024	1,250	1,250	1,299
First Capital Realty, Inc., Series P, Senior, Unsecured, Debentures, 3.950% Dec 5, 2022	3,500	3,598	3,568
First Capital Realty, Inc., Series Q, Senior, Unsecured, Debentures, 3.900% Oct 30, 2023	2,000	2,005	2,036
First National Financial Corporation, Series 2, Senior, Unsecured, Notes, 3.582% Nov 25, 2024	267	267	264
Fortified Trust, Series A, Secured, Notes, 2.340% Jan 23, 2023	1,733	1,733	1,780
Fortified Trust, Series A, Secured, Notes, 2.558% Mar 23, 2024	2,308	2,309	2,401
Gaz Metro inc., Series J, First Mortgage, Secured, 5.450% Jul 12, 2021	1,000	1,040	1,046
GE Capital Canada Funding Company, Series A, Medium Term Notes, Senior, Unsecured, 4.600% Jan 26, 2022	3,500	3,644	3,612
General Motors Financial of Canada, Ltd., Senior, Unsecured, Notes, 2.600% Jun 1, 2022	2,000	1,975	1,985

BMO Private Canadian Short-Term Bond Portfolio

(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2020 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
General Motors Financial of Canada, Ltd., Series 5, Senior, Unsecured, Notes, 3.250% Nov 7, 2023	500	500	495
Genworth MI Canada Inc., Unsecured, Debentures, 4.242% Apr 1, 2024	650	667	681
George Weston Limited, Medium Term Notes, Senior, Unsecured, 4.115% Jun 17, 2024	3,000	3,149	3,255
Gibson Energy Inc., Senior, Unsecured, Notes, Callable, 5.250% Jul 15, 2024	2,000	2,104	2,082
Glacier Credit Card Trust, Series 2019, Senior, Secured, Notes, 2.280% Jun 6, 2024	2,125	2,125	2,167
Granite REIT Holdings Limited Partnership, Series 3, Senior, Unsecured, Notes, Callable, 3.873% Nov 30, 2023	2,000	1,992	2,114
Greater Toronto Airports Authority, Series 2012-1, Medium Term Notes, Secured, Callable, 3.040% Sep 21, 2022	500	508	518
H&R Real Estate Investment Trust, Series L, Senior, Unsecured, Notes, 2.923% May 6, 2022	2,000	2,011	1,989
H&R Real Estate Investment Trust, Series O, Senior, Unsecured, Notes, Callable, 3.416% Jan 23, 2023	500	500	500
H&R Real Estate Investment Trust, Series N, Senior, Unsecured, Notes, Callable, 3.369% Jan 30, 2024	2,500	2,472	2,483
Honda Canada Finance, Inc., Series 16-4, Senior, Unsecured, Notes, 1.823% Dec 7, 2021	1,000	998	1,008
Honda Canada Finance, Inc., Senior, Unsecured, Notes, 2.268% Jul 15, 2022	2,000	1,994	2,037
Honda Canada Finance, Inc., Senior, Unsecured, Notes, 2.488% Dec 19, 2022	1,000	997	1,026
Honda Canada Finance, Inc., Senior, Unsecured, Notes, 2.537% Mar 1, 2023	1,000	1,008	1,028
Honda Canada Finance, Inc., Senior, Unsecured, Notes, 3.176% Aug 28, 2023	3,000	3,088	3,148
Honda Canada Finance, Inc., Senior, Unsecured, Notes, 2.500% Jun 4, 2024	1,000	1,000	1,032
Honda Canada Finance, Inc., Senior, Unsecured, Notes, 3.444% May 23, 2025	2,845	2,990	3,068
HSBC Bank Canada, Deposit Notes, Senior, Unsecured, 2.908% Sep 29, 2021	4,500	4,547	4,599
HSBC Bank Canada, Deposit Notes, Senior, Unsecured, 2.170% Jun 29, 2022	3,000	2,974	3,049
HSBC Bank Canada, Deposit Notes, Senior, Unsecured, 2.253% Sep 15, 2022	1,237	1,237	1,260
HSBC Bank Canada, Deposit Notes, Senior, Unsecured, 3.245% Sep 15, 2023	3,366	3,367	3,543
HSBC Bank of Canada, Senior, Unsecured, Notes, 2.542% Jan 31, 2023	4,500	4,470	4,623
Husky Energy Inc., Senior, Unsecured, Notes, Callable, 3.550% Mar 12, 2025	5,750	5,776	5,715
Hydro One Inc., Series 25, Medium Term Notes, Unsecured, 3.200% Jan 13, 2022	750	765	776
Hydro One Inc., Medium Term Notes, Senior, Unsecured, Callable, 2.540% Apr 5, 2024	2,375	2,402	2,496

BMO Private Canadian Short-Term Bond Portfolio

(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2020 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Hydro One Inc., Medium Term Notes, Senior, Unsecured, Callable, 1.760% Feb 28, 2025	1,314	1,314	1,344
Hydro One Inc., Medium Term Notes, Senior, Unsecured, Callable, 2.970% Jun 26, 2025	2,250	2,430	2,431
iA Financial Corporation Inc., Unsecured, Debentures, Subordinated, Callable, 2.400% Feb 21, 2030	100	100	101
Industrial Alliance Insurance and Financial Services Inc., Fixed to Floating, Notes, Subordinated, Callable, 2.640% Feb 23, 2027	1,000	1,005	1,017
Industrial Alliance Insurance and Financial Services Inc., Fixed to Floating, Notes, Subordinated, Callable, 3.300% Sep 15, 2028	1,000	1,001	1,048
Intact Financial Corporation, Series 4, Medium Term Notes, Senior, Unsecured, 4.700% Aug 18, 2021	1,300	1,339	1,352
Inter Pipeline Ltd., Series 3, Medium Term Notes, Senior, Unsecured, 3.776% May 30, 2022	1,500	1,545	1,537
Inter Pipeline Ltd., Series 8, Medium Term Notes, Senior, Unsecured, Callable, 2.608% Sep 13, 2023	2,800	2,732	2,793
Inter Pipeline Ltd., Series 10, Medium Term Notes, Senior, Unsecured, Callable, 2.734% Apr 18, 2024	1,535	1,522	1,532
Ivanhoe Cambridge II Inc, Series 1, Senior, Unsecured, Debentures, Callable, 2.909% Jun 27, 2023	1,500	1,500	1,572
Ivanhoe Cambridge II Inc, Senior, Unsecured, Debentures, Callable, 2.296% Dec 12, 2024	1,800	1,800	1,871
John Deere Canada Funding Inc., Medium Term Notes, Senior, Unsecured, 2.700% Oct 12, 2021	2,000	2,013	2,045
John Deere Canada Funding Inc., Series 15-01, Senior, Unsecured, Notes, 2.050% May 13, 2022	2,000	2,002	2,038
John Deere Canada Funding Inc., Medium Term Notes, Senior, Unsecured, 2.630% Sep 21, 2022	2,000	2,024	2,068
John Deere Canada Funding Inc., Series 18-01 Senior, Unsecured, Notes, 2.700% Jan 17, 2023	300	300	312
John Deere Financial Inc., Senior, Unsecured, Notes, 3.070% Jul 23, 2021	417	417	427
John Deere Financial Inc., Medium Term Notes, Senior, Unsecured, 2.990% Jan 14, 2022	1,269	1,269	1,307
John Deere Financial Inc., Medium Term Notes, Senior, Unsecured, 2.460% Apr 4, 2024	700	700	730
John Deere Financial Inc., Medium Term Notes, Senior, Unsecured, 2.400% Sep 17, 2024	250	249	261
John Deere Financial Inc., Senior, Unsecured, Notes, 2.410% Jan 14, 2025	356	356	372
Laurentian Bank of Canada, Deposit Notes, Senior, Unsecured, 2.550% Jun 20, 2022	900	899	907
Laurentian Bank of Canada, Deposit Notes, Senior, Unsecured, 3.000% Sep 12, 2022	2,000	2,015	2,033
Laurentian Bank of Canada, Deposit Notes, Senior, Unsecured, 3.450% Jun 27, 2023	3,000	2,982	3,094
Loblaw Companies Limited, Series 2023, Senior, Unsecured, Notes, Callable, 4.860% Sep 12, 2023	1,500	1,567	1,658
Loblaw Companies Limited, Senior, Unsecured, Notes, Callable, 3.918% Jun 10, 2024	2,500	2,625	2,733

BMO Private Canadian Short-Term Bond Portfolio

(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2020 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Magna International Inc., Senior, Unsecured, Notes, Callable, 3.100% Dec 15, 2022	900	911	928
Manufacturers Life Insurance Company, The, Fixed to Floating, Notes, Subordinated, Callable, 3.181% Nov 22, 2027	2,400	2,457	2,496
Manulife Bank of Canada, Deposit Notes, Senior, Unsecured, 1.915% Sep 1, 2021	2,500	2,494	2,528
Manulife Bank of Canada, Deposit Notes, Senior, Unsecured, 2.082% May 26, 2022	2,000	1,997	2,037
Manulife Bank of Canada, Deposit Notes, Senior, Unsecured, 2.844% Jan 12, 2023	3,000	2,982	3,121
Manulife Bank of Canada, Deposit Notes, Senior, Unsecured, 2.378% Nov 19, 2024	171	171	179
Manulife Financial Corporation, Fixed to Floating, Unsecured, Debentures, Subordinated, Callable, 3.317% May 9, 2028	2,450	2,450	2,564
Manulife Financial Corporation, Fixed to Floating, Unsecured, Debentures, Subordinated, Callable, 3.049% Aug 20, 2029	3,000	3,085	3,144
MCAP Commercial L.P., Senior, Secured, Notes, 5.000% Dec 14, 2022	3,500	3,500	3,555
MCAP Commercial LP, Senior, Secured, Notes, 4.151% Jun 17, 2024	300	300	302
Metro Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.200% Dec 1, 2021	1,000	1,014	1,029
Metro Inc., Medium Term Notes, Senior, Unsecured, Callable, 2.680% Dec 5, 2022	1,000	1,000	1,035
Morguard Corporation, Series E, Senior, Unsecured, Debentures, Callable, 4.715% Jan 25, 2024	2,400	2,400	2,422
Morguard Corporation, Series F, Senior, Unsecured, Debentures, Callable, 4.204% Nov 27, 2024	500	500	495
National Bank of Canada, Deposit Notes, Senior, Unsecured, 1.809% Jul 26, 2021	5,500	5,501	5,564
National Bank of Canada, Deposit Notes, Senior, Unsecured, 2.105% Mar 18, 2022	3,000	3,003	3,062
National Bank of Canada, Deposit Notes, Senior, Unsecured, 1.957% Jun 30, 2022	2,000	1,993	2,041
National Bank of Canada, Senior, Unsecured, Notes, 2.983% Mar 4, 2024	675	675	713
National Bank of Canada, Senior, Unsecured, Notes, 2.545% Jul 12, 2024	4,100	4,114	4,283
National Bank of Canada, Senior, Unsecured, Notes, 2.580% Feb 3, 2025	2,000	2,032	2,096
National Bank of Canada, Fixed to Floating, Medium Term Notes, Unsecured, Subordinated, Callable, 3.183% Feb 1, 2028	1,000	1,000	1,033
Nissan Canada Financial Services, Inc., Series F, Senior, Unsecured, Notes, 3.150% Sep 14, 2021	1,757	1,757	1,717
North West Redwater Partnership/NWR Financing Co., Ltd., Series A, Secured, Notes, Callable, 3.200% Jul 22, 2024	2,000	2,070	2,118
OMERS Realty Corporation, Series 2, Senior, Unsecured, Notes, 3.358% Jun 5, 2023	1,000	1,011	1,063
OMERS Realty Corporation, Series 12, Senior, Unsecured, Debentures, 1.298% Sep 22, 2023	1,210	1,210	1,213
OMERS Realty Corporation, Series 7, Senior, Unsecured, Notes, Callable, 2.858% Feb 23, 2024	1,500	1,509	1,584

BMO Private Canadian Short-Term Bond Portfolio

(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2020 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
OMERS Realty Corporation, Series 6, Senior, Unsecured, Notes, 3.328% Nov 12, 2024	2,500	2,604	2,711
OMERS Realty Corporation, Series 10, Senior, Unsecured, Debentures, Callable, 3.331% Jun 5, 2025	1,472	1,591	1,604
Pembina Pipeline Corporation, Series 2, Medium Term Notes, Unsecured, 3.770% Oct 24, 2022	800	814	838
Pembina Pipeline Corporation, Medium Term Notes, Senior, Unsecured, 2.560% Jun 1, 2023	2,155	2,155	2,205
Pembina Pipeline Corporation, Series 8, Medium Term Notes, Senior, Unsecured, Callable, 2.990% Jan 22, 2024	2,500	2,455	2,592
Penske Truck Leasing Canada Inc., Senior, Unsecured, Notes, Callable, 2.850% Dec 7, 2022	1,500	1,500	1,515
Penske Truck Leasing Canada Inc., Senior, Unsecured, Notes, Callable, 2.700% Sep 30, 2024	407	406	405
Prime Structured Mortgage Trust, Series 20-1, Senior, Secured, 1.968% Feb 15, 2023	1,867	1,867	1,898
Reliance L.P., Secured, Notes, 4.075% Aug 2, 2021	3,000	3,012	3,057
RioCan Real Estate Investment Trust, Series R, Senior, Unsecured, Notes, 3.716% Dec 13, 2021	1,550	1,573	1,583
RioCan Real Estate Investment Trust, Series V, Senior, Unsecured, Notes, 3.746% May 30, 2022	1,500	1,538	1,541
RioCan Real Estate Investment Trust, Series T, Senior, Unsecured, Notes, 3.725% Apr 18, 2023	750	758	776
RioCan Real Estate Investment Trust, Series AA, Senior, Unsecured, Debentures, Callable, 3.209% Sep 29, 2023	1,150	1,134	1,172
RioCan Real Estate Investment Trust, Series W, Senior, Unsecured, Notes, 3.287% Feb 12, 2024	1,000	999	1,022
RioCan Real Estate Investment Trust, Series AB, Senior, Unsecured, Notes, Debentures, Callable, 2.576% Feb 12, 2025	2,538	2,556	2,514
Rogers Communications, Inc., Senior, Unsecured, Notes, 4.000% Jun 6, 2022	2,000	2,077	2,111
Rogers Communications, Inc., Medium Term Notes, Senior, Unsecured, Callable, 4.000% Mar 13, 2024	4,190	4,352	4,558
Royal Bank of Canada, Deposit Notes, Senior, Unsecured, 1.650% Jul 15, 2021	7,000	6,989	7,071
Royal Bank of Canada, Senior, Unsecured, Notes, 1.583% Sep 13, 2021	5,500	5,461	5,554
Royal Bank of Canada, Deposit Notes, Senior, Unsecured, 1.968% Mar 2, 2022	8,655	8,690	8,810
Royal Bank of Canada, Deposit Notes, Senior, Unsecured, 2.000% Mar 21, 2022	6,000	5,997	6,114
Royal Bank of Canada, Deposit Notes, Senior, Unsecured, 2.360% Dec 5, 2022	6,000	6,014	6,195
Royal Bank of Canada, Deposit Notes, Senior, Unsecured, 2.949% May 1, 2023	5,000	5,124	5,266
Royal Bank of Canada, Senior, Unsecured, Notes, 3.296% Sep 26, 2023	4,800	4,800	5,105
Royal Bank of Canada, Deposit Notes, Senior, Unsecured, 2.333% Dec 5, 2023	7,600	7,597	7,914
Royal Bank of Canada, Senior, Unsecured, Notes, 2.352% Jul 2, 2024	5,000	5,000	5,192
Royal Bank of Canada, Senior, Unsecured, Notes, 2.609% Nov 1, 2024	3,769	3,769	3,953
Royal Bank of Canada, Senior, Unsecured, Notes, 1.936% May 1, 2025	2,500	2,554	2,553

BMO Private Canadian Short-Term Bond Portfolio

(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2020 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Royal Bank of Canada, Fixed to Floating, Unsecured, Notes, Subordinated, Callable, 3.450% Sep 29, 2026	4,000	4,069	4,104
Royal Bank of Canada, Unsecured, Notes, Subordinated, Callable, 2.740% Jul 25, 2029	5,315	5,307	5,492
Royal Bank of Canada, Unsecured, Notes, Subordinated, Callable, 2.880% Dec 23, 2029	667	668	693
Saputo Inc., Medium Term Notes, Senior, Unsecured, Callable, 1.939% Jun 13, 2022	1,000	992	1,013
Saputo Inc., Medium Term Notes, Senior, Unsecured, Callable, 2.827% Nov 21, 2023	500	488	521
Saputo Inc., Medium Term Notes, Senior, Unsecured, Callable, 2.876% Nov 19, 2024	1,875	1,875	1,970
Shaw Communications Inc., Senior, Unsecured, Notes, Callable, 3.800% Nov 2, 2023	1,409	1,443	1,507
Shaw Communications Inc., Senior, Unsecured, Notes, 4.350% Jan 31, 2024	1,250	1,296	1,359
Sienna Senior Living Inc., Series A, Senior, Unsecured, Debentures, Callable, 3.109% Nov 4, 2024	750	750	732
SmartCentres Real Estate Investment Trust, Series I, Senior, Unsecured, Notes, 3.985% May 30, 2023	2,000	2,074	2,091
SmartCentres Real Estate Investment Trust, Series N, Senior, Unsecured, Notes, 3.556% Feb 6, 2025	2,000	2,093	2,077
Sun Life Financial Inc., Series E, Senior, Unsecured, Debentures, 4.570% Aug 23, 2021	1,500	1,545	1,561
Sun Life Financial Inc., Fixed to Floating, Medium Term Notes, Unsecured, Subordinated, Callable, 2.750% Nov 23, 2027	1,000	1,003	1,030
Sun Life Financial Inc., Series 2016-2, Fixed to Floating, Unsecured, Debentures, Subordinated, Callable, 3.050% Sep 19, 2028	4,000	3,964	4,182
Sun Life Financial Inc., Unsecured, Debentures, Subordinated, Callable, 2.380% Aug 13, 2029	2,667	2,667	2,738
Suncor Energy, Inc., Series 5, Medium Term Notes, Unsecured, Callable, 3.100% Nov 26, 2021	2,550	2,582	2,602
Sysco Canada, Inc., Senior, Unsecured, Notes, Callable, 3.650% Apr 25, 2025	3,267	3,149	3,349
TELUS Corporation, Series CT, Unsecured, Notes, Callable, 2.350% Mar 28, 2022	2,705	2,707	2,759
TELUS Corporation, Series CJ, Unsecured, Notes, Callable, 3.350% Mar 15, 2023	2,500	2,522	2,625
TELUS Corporation, Series CK, Unsecured, Notes, Callable, 3.350% Apr 1, 2024	3,500	3,584	3,725
TELUS Corporation, Series CQ, Unsecured, Notes, Callable, 3.750% Jan 17, 2025	3,000	3,144	3,269
Teranet Holdings L.P., Secured, Notes, Callable, 3.646% Nov 18, 2022	2,400	2,415	2,461
Teranet Holdings L.P., Series 2020, Senior, Secured, Notes, Callable, 3.544% Jun 11, 2025	480	480	490
Thomson Reuters Corporation, Senior, Unsecured, Notes, Callable, 2.239% May 14, 2025	2,000	2,000	2,041
TMX Group Limited, Series D, Senior, Unsecured, Debentures, Callable, 2.997% Dec 11, 2024	2,000	2,037	2,110

BMO Private Canadian Short-Term Bond Portfolio

(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2020 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Toronto Hydro Corporation, Series 7, Senior, Unsecured, Debentures, 3.540% Nov 18, 2021	1,000	1,024	1,036
Toronto Hydro Corporation, Series 8, Senior, Unsecured, Debentures, Callable, 2.910% Apr 10, 2023	580	584	607
Toronto-Dominion Bank, The, Deposit Notes, Senior, Unsecured, 2.621% Dec 22, 2021	7,300	7,361	7,493
Toronto-Dominion Bank, The, Deposit Notes, Senior, Unsecured, 1.994% Mar 23, 2022	7,300	7,289	7,439
Toronto-Dominion Bank, The, Deposit Notes, Unsecured, 3.005% May 30, 2023	6,227	6,256	6,582
Toronto-Dominion Bank, The, Deposit Notes, Senior, Unsecured, 1.909% Jul 18, 2023	7,000	6,802	7,186
Toronto-Dominion Bank, The, Senior, Unsecured, Notes, 2.850% Mar 8, 2024	7,053	7,133	7,438
Toronto-Dominion Bank, The, Deposit Notes, Senior, Unsecured, 3.226% Jul 24, 2024	7,200	7,535	7,804
Toronto-Dominion Bank, The, Senior, Unsecured, Notes, 2.496% Dec 2, 2024	7,200	7,222	7,536
Toronto-Dominion Bank, The, Senior, Unsecured, Notes, 1.943% Mar 13, 2025	2,400	2,400	2,454
Toronto-Dominion Bank, The, Medium Term Notes, Fixed to Floating, Unsecured, Subordinated, Callable, 3.589% Sep 14, 2028	5,500	5,526	5,813
Toronto-Dominion Bank, The, Medium Term Notes, Fixed to Floating, Subordinated, Callable, 3.224% Jul 25, 2029	7,460	7,652	7,859
Toronto-Dominion Bank, The, Fixed to Floating, Medium Term Notes, Unsecured, Subordinated, Callable, 3.105% Apr 22, 2030	3,000	3,153	3,155
Toyota Credit Canada Inc., Medium Term Notes, Senior, Unsecured, 1.750% Jul 21, 2021	2,000	1,997	2,016
Toyota Credit Canada Inc., Medium Term Notes, Senior, Unsecured, 2.020% Feb 28, 2022	2,000	2,006	2,029
Toyota Credit Canada Inc., Medium Term Notes, Senior, Unsecured, 2.350% Jul 18, 2022	1,000	1,006	1,023
Toyota Credit Canada Inc., Medium Term Notes, Senior, Unsecured, 2.620% Oct 11, 2022	2,000	2,022	2,063
Toyota Credit Canada Inc., Medium Term Notes, Senior, Unsecured, 2.700% Jan 25, 2023	2,000	2,023	2,072
Toyota Credit Canada Inc., Medium Term Notes, Senior, Unsecured, 3.040% Jul 12, 2023	1,620	1,620	1,700
Toyota Credit Canada Inc., Medium Term Notes, Senior, Unsecured, 2.640% Mar 27, 2024	429	429	447
Toyota Credit Canada Inc., Medium Term Notes, Senior, Unsecured, 2.110% Feb 26, 2025	1,158	1,158	1,184
TransCanada PipeLines Limited, Medium Term Notes, Unsecured, 3.650% Nov 15, 2021	1,350	1,380	1,392
TransCanada PipeLines Limited, Medium Term Notes, Senior, Unsecured, Callable, 3.690% Jul 19, 2023	1,000	1,029	1,058
Union Gas Limited, Series 10, Medium Term Notes, Unsecured, Callable, 3.790% Jul 10, 2023	1,500	1,549	1,610
Vancouver Airport Fuel Facilities Corporation, Series I, Secured, Callable, 2.168% Jun 23, 2025	1,000	1,000	1,003

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SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2020 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Ventas Canada Finance Limited, Series E, Senior, Unsecured, Notes, Callable, 2.800% Apr 12, 2024	250	250	245
Ventas Canada Finance Ltd., Series D, Senior, Unsecured, Notes, Callable, 2.550% Mar 15, 2023	2,000	2,003	1,962
Ventas Canada Finance Ltd., Series B, Senior, Unsecured, Notes, Callable, 4.125% Sep 30, 2024	1,000	1,055	1,025
VW Credit Canada, Inc., Senior, Unsecured, Notes, 2.650% Jun 27, 2022	1,364	1,365	1,384
VW Credit Canada, Inc., Senior, Unsecured, Notes, 3.700% Nov 14, 2022	3,000	3,074	3,115
VW Credit Canada, Inc., Senior, Unsecured, Notes, 3.250% Mar 29, 2023	2,000	1,999	2,061
VW Credit Canada, Inc., Senior, Unsecured, Notes, 2.850% Sep 26, 2024	1,364	1,364	1,396
Wells Fargo Canada Corporation, Medium Term Notes, Unsecured, 3.460% Jan 24, 2023	3,000	3,050	3,170
Westcoast Energy Inc., Series 14, Medium Term Notes, Senior, Unsecured, 3.120% Dec 5, 2022	1,000	1,011	1,041
Westcoast Energy Inc., Series 15, Medium Term Notes, Senior, Unsecured, Callable, 3.430% Sep 12, 2024	5,500	5,716	5,891
Winnipeg Airports Authority Inc., Series E, Secured, Notes, 3.039% Apr 14, 2023	1,500	1,505	1,568
		767,160	786,968
Asset-Backed Securities — 0.3%			
CARDS II Trust, Series A, Secured, Notes, 2.427% Nov 15, 2024	833	833	867
Eagle Credit Card Trust, Credit Card Receivables-Backed, Series 2018-1, Class A, Senior, Secured, Notes, 3.042% Jul 17, 2023	1,625	1,656	1,704
Fortified Trust, Series 2016-1, Class A, Real Estate Secured Line of Credit-Backed Notes, 1.670% Jul 23, 2021	2,000	1,985	2,013
Glacier Credit Card Trust, Series 2017-1, Credit Card Asset-Backed Notes, Senior, Secured, 2.048% Sep 20, 2022	3,000	2,960	3,043
		7,434	7,627
Supranational Bonds — 1.4%			
International Bank for Reconstruction & Development, Series GDIF, Senior, Unsecured, 2.200% Jan 18, 2022	1,500	1,510	1,541
International Bank for Reconstruction & Development, Series GDIF, Senior, Unsecured, 2.250% Jan 17, 2023	3,000	3,045	3,098
International Bank for Reconstruction & Development, Series GDIF, Senior, Unsecured, Notes, 2.500% Aug 3, 2023	3,000	3,077	3,172
International Bank for Reconstruction & Development, Series GDIF, Unsecured, 1.800% Jul 26, 2024	14,000	13,998	14,601
International Bank for Reconstruction & Development, Series GDIF, Senior, Unsecured, 1.900% Jan 16, 2025	5,000	4,995	5,257
International Finance Corporation, Global Medium Term Notes, Senior, Unsecured, 2.375% Jul 19, 2023	1,600	1,625	1,686

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SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2020 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
International Finance Corporation, Unsecured, 1.375% Sep 13, 2024	4,000	3,982	4,109
		32,232	33,464
Total Investment Portfolio — 99.5%		2,361,266	2,426,022
Other Assets Less Liabilities — 0.5%			11,870
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS — 100.0%			2,437,892

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NOTES TO THE FINANCIAL STATEMENTS

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1. The Portfolio

BMO Private Canadian Short-Term Bond 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, 2020 and December 31, 2019. 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, 2020 and June 30, 2019.

These financial statements were authorized for issuance by the Board of Directors of the Manager on August 11, 2020.

These financial statements should be read in conjunction with the annual financial statements for the period ended December 31, 2019, which have been prepared in accordance with the International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

2. Basis of preparation and presentation

These unaudited interim financial statements have been prepared in accordance with IFRS and in accordance with the International Accounting Standard (“IAS”) 34 – Interim Financial Reporting, as issued by the IASB. 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. Summary of significant accounting policies

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.

Procedures are in place to fair value equities traded in countries outside of North America daily, to avoid stale

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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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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 and other debt securities, fair value is determined as the last traded market price or close price, or other such prices, fall within the bid-ask spread of the security. Short-term investments, if any, are held at amortized cost which approximates fair value due to their short-term nature.

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 subsequently 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 underlying funds in which the Portfolio may invest are unconsolidated structured entities. This determination is based on the fact that decision making about the underlying 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 underlying funds whose investment objectives range from achieving short-term to long-term income and capital growth potential. Underlying funds may use leverage in a manner consistent with their respective investment objectives and as permitted by Canadian securities regulatory authorities. Underlying 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 underlying funds during the periods is included in "Change in unrealized appreciation (depreciation)" in the Statement of Comprehensive Income.

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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 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 transactions where a master netting arrangement or similar agreement is in place with a right to offset 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 foreign exchange gains (losses) on investment transactions are included in "Net realized gain (loss)" in the Statement of Comprehensive Income and unrealized foreign exchange gains (losses) are included in "Change in unrealized appreciation (depreciation)" in the Statement of Comprehensive Income. Foreign exchange gains (losses) relating to cash, receivables and payables 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 "security 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 guaranteed 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, 2020 and December 31, 2019 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 (decrease) in net assets attributable to holders of

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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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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 Portfolio has determined that it 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. In classifying and measuring financial instruments held by the Portfolio, the Manager is required to make significant judgements in determining the most appropriate classification in accordance with 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)

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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 Instruments (“NI”) 81-106 Investment Fund Continuous Disclosure for the purpose of unitholder transactions. Net Assets are determined in accordance with IFRS 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, 2020 and June 30, 2019.

(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 of the Portfolio. These transactions or arrangements may include transactions or arrangements with or involving subsidiaries and affiliates of Bank of Montreal, BMO Asset Management Inc., BMO Trust Company, BMO Nesbitt Burns Inc., BMO InvestorLine Inc., BMO Private Investment Counsel Inc., BMO Asset Management Corp., Pyrford International Limited, or other investment funds offered by Bank of Montreal, and may involve the purchase or sale of portfolio securities through or from 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 forward contracts with subsidiaries or affiliates of Bank of Montreal acting as counterparty, the purchase or redemption of units or shares of other Bank of Montreal affiliated investment funds 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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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 underlying fund(s), depending on the investment objectives and types of securities held by the underlying fund(s). The decision to buy or sell an underlying fund is based on the investment guidelines and positions, rather than the exposure of the underlying 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

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

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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, 2020	Jun. 30, 2019
Units issued and outstanding, beginning of period	258,339	202,240
Issued for cash	24,567	19,112
Issued on reinvestment of distributions	2,732	2,295
Redeemed during the period	(51,475)	(18,715)
Units issued and outstanding, end of period	234,163	204,932

(b) Reconciliation of NAV to Net Assets

As at June 30, 2020 and December 31, 2019, there were no differences between the Portfolio's NAV per unit and its Net Assets per unit calculated in accordance with IFRS.

(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, 2020 and June 30, 2019 is calculated as follows:

For the periods ended	Jun. 30, 2020	Jun. 30, 2019
Increase in net assets attributable to holders of redeemable units	99,051	55,645
Weighted average units outstanding during the period (in thousands of units)	249,650	203,164
Increase in net assets attributable to holders of redeemable units per unit	0.40	0.27

(d) Income taxes

As at the tax year-ended December 15, 2019, 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		
		2030 (\$)	2031 (\$)	2032 and thereafter (\$)
100,183	—	—	—	—

(e) Related party transactions

Unitholder servicing

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

For the periods ended	Jun. 30, 2020	Jun. 30, 2019
Unitholder servicing (\$)	130	130

Brokerage commissions and soft dollars

There were no brokerage commissions charged to the Portfolio during the periods ended June 30, 2020 and June 30, 2019.

(f) Financial instruments risks

The Portfolio's objectives are to provide a high level of interest income and to preserve the capital invested by primarily investing in high quality fixed income securities such as bonds and debentures issued by governments and corporations in Canada that mature in more than one year.

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

Currency risk

As at June 30, 2020 and December 31, 2019, the Portfolio did not have any significant exposure to currency risk as it invested fully in Canadian securities.

Interest rate risk

The Portfolio's exposure to interest rate risk, by remaining term to maturity, is summarized in the following table:

Number of years	Interest Rate Exposure as at	
	Jun. 30, 2020	Dec. 31, 2019
Less than one year	—	—
One to three years	1,213,698	1,359,127
Three to five years	1,134,727	1,149,284
Five to ten years	77,597	89,495
Greater than ten years	—	6,365
Total	2,426,022	2,604,271

As at June 30, 2020 and December 31, 2019, if the prevailing interest rates had been raised or lowered by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, the Net Assets of the Portfolio could possibly have decreased or increased, respectively, by approximately \$68,389 (December 31, 2019 - \$71,597). The Portfolio's interest rate sensitivity was determined based on portfolio weighted duration. In practice, actual results may differ from

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NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

June 30, 2020

this sensitivity analysis and the difference could be material.

Other market risk

The Portfolio was not significantly exposed to other market risk as at June 30, 2020 and December 31, 2019 as it was invested fully in fixed income securities.

Credit risk

The Portfolio's exposure to credit risk, grouped by credit ratings, is summarized in the following table:

Credit Rating	As a % of Net Assets as at	
	Jun. 30, 2020	Dec. 31, 2019
AAA	48.2	49.6
AA	12.9	15.0
A	25.6	22.4
BBB	12.8	12.5
Total	99.5	99.5

Securities lending

The Portfolio had assets involved in securities lending transactions outstanding as at June 30, 2020 and December 31, 2019 as follows:

	Aggregate Value of Securities on Loan (\$)	Aggregate Value of Collateral Received for the Loan (\$)
June 30, 2020	791,186	831,383
December 31, 2019	609,283	640,296

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, 2020 and June 30, 2019:

For the periods ended	Jun. 30, 2020		Jun. 30, 2019	
	Amount	% of Gross Securities Lending Revenue	Amount	% of Gross Securities Lending Revenue
Gross securities lending revenue	260	100.0	216	100.0
Withholding taxes	1	0.3	2	0.9
	259	99.7	214	99.1
Payment to securities lending agents	78	29.9	64	29.7
Net securities lending revenue*	181	69.8	150	69.4

* Amount shown on the Statement of Comprehensive Income is gross of withholding taxes of \$1 (June 30, 2019 — \$2).

Concentration risk

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

As at	Jun. 30, 2020	Dec. 31, 2019
Bonds & Debentures		
Federal Bonds	44.2%	46.3%
Provincial Bonds	20.5%	17.8%
Municipal Bonds	0.8%	0.9%
Corporate Bonds & Debentures	32.3%	33.2%
Asset-Backed Securities	0.3%	0.3%
Supranational Bonds	1.4%	1.0%
Other Assets Less Liabilities	0.5%	0.5%
	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, 2020

Financial assets	Level 1	Level 2	Level 3	Total
Debt Securities	2,426,022	—	—	2,426,022

As at Dec. 31, 2019

Financial assets	Level 1	Level 2	Level 3	Total
Debt Securities	2,604,271	—	—	2,604,271

Transfers between levels

There were no transfers between the levels during the periods.

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

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(h) Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the following table:

As at	Carrying amount		As at	Carrying amount	Carrying amount
	Jun. 30, 2020	Dec. 31, 2019		Jun. 30, 2020	Dec. 31, 2019
Canada Housing Trust, Mortgage Bonds, Series 71, Secured, 1.250% Jun 15, 2021	—	43,169	Canada Housing Trust, Mortgage Bonds, Series 90, Secured, 1.800% Dec 15, 2024	14,196	9,916
Canada Housing Trust, Mortgage Bonds, Series 40, Secured, 3.800% Jun 15, 2021	—	29,044	Canada Housing Trust, Mortgage Bonds, Series 62, Secured, 2.550% Mar 15, 2025	2,720	—
Canada Housing Trust, Mortgage Bonds, Series 75, Secured, 1.150% Dec 15, 2021	20,235	24,697	Canada Housing Trust, Mortgage Bonds, No. 1, Series MAR, Secured, 0.950% Jun 15, 2025	21,538	—
Canada Housing Trust, Mortgage Bonds, Series 76, Secured, 1.500% Dec 15, 2021	20,336	19,891	CARDS II Trust, Series A, Secured, Notes, 2.427% Nov 15, 2024	867	834
Canada Housing Trust, Mortgage Bonds, Series 45, Secured, 2.650% Mar 15, 2022	27,788	27,231	Eagle Credit Card Trust, Series 171A, Secured, Notes, 2.631% Oct 17, 2022	1,030	1,009
Canada Housing Trust, Mortgage Bonds, Series 78, Secured, 1.750% Jun 15, 2022	38,244	37,179	Eagle Credit Card Trust, Credit Card Receivables-Backed, Series 2018-1, Class A, Senior, Secured, Notes, 3.042% Jul 17, 2023	1,704	1,662
Canada Housing Trust, Mortgage Bonds, Series 48, Secured, 2.400% Dec 15, 2022	56,305	43,888	Eagle Credit Card Trust, Series A, Secured, Notes, 2.220% Jul 17, 2024	1,537	1,488
Canada Housing Trust, Mortgage Bonds, Series 83, Secured, 2.350% Jun 15, 2023	42,928	46,367	Fortified Trust, Series 2016-1, Class A, Real Estate Secured Line of Credit-Backed Notes, 1.670% Jul 23, 2021	2,013	1,984
Canada Housing Trust, Mortgage Bonds, Series 52, Secured, 2.350% Sep 15, 2023	30,960	32,222	Fortified Trust, Series A, Secured, Notes, 2.340% Jan 23, 2023	1,780	1,735
Canada Housing Trust, Mortgage Bonds, Series 55, Secured, 3.150% Sep 15, 2023	15,217	14,648	Fortified Trust, Series A, Secured, Notes, 2.558% Mar 23, 2024	2,401	4,336
Canada Housing Trust, Mortgage Bonds, Series 86, Secured, 2.550% Dec 15, 2023	35,378	36,412	Glacier Credit Card Trust, Series 2017-1, Credit Card Asset-Backed Notes, Senior, Secured, 2.048% Sep 20, 2022	3,043	2,979
Canada Housing Trust, Mortgage Bonds, Series 58, Secured, 2.900% Jun 15, 2024	52,110	49,684	Glacier Credit Card Trust, Series 2019, Senior, Secured, Notes, 2.280% Jun 6, 2024	2,167	2,110
			Prime Structured Mortgage Trust, Series 20-1, Senior, Secured, 1.968% Feb 15, 2023	1,898	—
			PSP Capital Inc, Series 7, Senior, Unsecured, Notes, 3.290% Apr 4, 2024	5,476	2,104

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	Carrying amount	Carrying amount
As at	Jun. 30, 2020	Dec. 31, 2019
PSP Capital Inc., Series 8, Senior, Unsecured, Notes, 1.340% Aug 18, 2021	4,043	3,969
PSP Capital Inc., Senior, Unsecured, Notes, 1.730% Jun 21, 2022	9,226	8,969
PSP Capital Inc., Series 9, Senior, Unsecured, Notes, 2.090% Nov 22, 2023	3,145	3,013
Total	418,285	450,540

The carrying value of mortgage related and other asset-backed securities are included in “Investments – Non-derivative financial assets” in the Statement of Financial Position. This amount also represents the maximum exposure to losses at that date.

The change in fair value of mortgage related and other asset-backed securities are included in the Statement of Comprehensive Income in “Change in unrealized appreciation (depreciation)”.

9. Significant event

The current spread of the novel coronavirus (COVID-19) has caused a global pandemic and the unprecedented responses taken by many governments, including closing borders, restricting international and domestic travel, and the imposition of prolonged social distancing or similar restrictions, as well as the forced or voluntary closure of, or operational changes to many retail and other businesses, has resulted in fundamental changes in the business world with significant impacts on operations and world markets. The impacts on operations includes changes in work environments, inherent controls risk and cyber-risks; while the main impacts on investments includes increase in market risks, market volatility and liquidity risk, with its impacts on valuations.

Management has implemented and will continue to review the situation with a view to implementing additional controls and procedures to adequately address the risks and reduce the impacts of the COVID-19 on the Portfolio, to the extent possible.

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