

Semi-Annual Management Report of Fund Performance

BMO Private Canadian Special Equity Portfolio

For the period ended June 30, 2024

This semi-annual management report of fund performance contains financial highlights, but does not contain the semi-annual or annual financial statements of the Portfolio. If the semi-annual or annual financial statements of the Portfolio do not accompany the mailing of this report, you may obtain a copy of the semi-annual or annual financial statements at your request, and at no cost, by calling 1-855-852-1026, by e-mailing us at contactcentre@bmo.com, by writing to us at BMO Private Investment Counsel Inc., 1 First Canadian Place, 100 King St. W., 41st Floor, Toronto, Ontario, M5X 1A1 or by visiting our website at www.bmo.com/privatewealth/regulatory-documents/bpic/ or SEDAR+ at www.sedarplus.ca. You may also contact us using one of these methods to request a copy of the Portfolio's interim financial report, proxy voting policies and procedures, proxy voting disclosure record and/or quarterly portfolio disclosure.

Management Discussion of Fund Performance

BMO Private Investment Counsel Inc. (“BPIC” or the “Manager”), the manager and portfolio manager, is responsible for the management of the overall business, investments and operations of the BMO Private Portfolios and has engaged BMO Asset Management Inc. (“BMO AM Inc.” or the “sub-advisor”) as the sub-advisor of BMO Private Canadian Special Equity Portfolio (the “Portfolio”).

Results of Operations

Over the six-month period ended June 30, 2024, the Portfolio returned 4.28%, after expenses. The Portfolio's benchmark is the S&P/TSX SmallCap Index, which generated an 8.83% total return over the same six-month period. The S&P/TSX Composite Index returned 6.05% over the same six-month period.

Canadian small-capitalization equities were up solidly in the first six months of 2024 with seven of the 11 TSX SmallCap Index sectors generating a positive return. Energy and Materials led the way on sector performance year-to-date as both generated double-digit total returns due to a strong showing in underlying commodity prices. Real Estate was the worst performing sector during the period, followed by Consumer Discretionary.

Underweight allocations to the Energy and Materials sectors detracted from the Portfolio's performance as these sectors performed well. Stock selection within

the Real Estate sector also detracted from performance. A position in Lithium Ionic Corp. detracted from the Portfolio's performance because of continued weakness in the price of lithium. The Portfolio's holding in Valeura Energy Inc. also detracted from performance after the company's suspension of operations at one of its oil fields as a result of a structural issue. A holding in Coveo Solutions Inc. was another detractor from the Portfolio's performance. The company reported a weaker-than-expected sales forecast for fiscal 2025.

Security selection within the Financials and Consumer Discretionary sectors contributed to the Portfolio's performance, as did an underweight exposure to the Consumer Staples sector. Top individual contributors to the Portfolio's performance were holdings in Trisura Group Ltd., Park Lawn Corp. and Aya Gold & Silver Inc. Trisura Group Ltd.'s stock outperformed following strong first-quarter 2024 results, particularly in its Canadian business, as well as a positive update surrounding run-off losses from a challenged U.S. program. Park Lawn Corp. benefitted from a takeover offer at a significant premium. Aya Gold & Silver Inc. largely benefitted from the 22% year-to-date rise in the price of silver.

The sub-advisor added a new holding in TerraVest Industries Inc. to the Portfolio. The company is a consolidator of niche cylindrical steel manufacturing businesses in regulated industries, such as fuel and liquid gas storage, where barriers to entry are high. The company has a strong track record of acquisitions, led by a strong and well-aligned management team. The sub-advisor believes that the outlook for further growth is attractive while the stock trades at a reasonable valuation.



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An existing holding in North American Construction Group Ltd. was increased. The company missed expectations on its quarterly financial results, but the sub-advisor sees the underlying issues as transitory. A holding in Aritzia Inc. was eliminated from the Portfolio amid concerns about persistent negative same-store-sales, which implies that the company has been losing market share. A position in Cargojet Inc. was trimmed. The company made the decision to reduce growth capital expenditures and focus more on the domestic market. While this increased its near-term free cash flow generation, the long-term growth opportunity was also somewhat reduced.

For information on the Portfolio's longer-term performance and composition, please refer to the Past Performance section and Summary of Investment Portfolio section of this report.

Recent Developments

The sub-advisor believes that the outlook for the Canadian economy is mixed. Central bank interest-rate-cut expectations have shifted lower versus the start of the year while consumer confidence and spending expectations have diminished. However, the sub-advisor continues to see attractive opportunities in Canadian small-capitalization equities. Over the past three economic and market cycles, small-capitalization equities have outperformed large-capitalization stocks after central banks finished their monetary tightening. Canadian small-capitalization stocks are trading at valuations that are near historically low levels on multiple metrics. This has allowed the sub-advisor to take advantage of several opportunities to add exposure for the Portfolio to high-quality companies with the strongest long-term fundamentals.

Related Party Transactions

BMO Trust Company, an indirect, wholly-owned subsidiary of Bank of Montreal ("BMO"), is the trustee (the "trustee") and BPIC is the manager of the Portfolio. From time to time, BPIC may, on behalf of the Portfolio, enter into transactions or arrangements with or involving other members of BMO Financial Group, or certain other persons or companies that are related or

connected to the Portfolio (each, a "related party" and collectively, the "related parties"). The purpose of this section is to provide a brief description of any transaction involving the Portfolio and a related party. In each instance where a conflict of interest is identified, it will be referred to the Portfolio's independent review committee (the "IRC"). The primary focus of the IRC is to determine whether the proposed action of the Manager in respect of the conflict of interest matter achieves a fair and reasonable result for the Portfolio.

Sub-advisor

BPIC has hired BMO AM Inc., a related party, to provide investment advice and make investment decisions for the Portfolio's investment portfolio. BMO AM Inc. receives a sub-advisory fee based on assets under management, which is paid monthly. BMO AM Inc. is paid by BPIC.

Buying and Selling Securities

During the period, the Manager relied on Standing Instructions provided by the Portfolio's IRC for any of the following related party transactions that may have occurred in the Portfolio:

- (a) investments in securities issued by BMO, an affiliate of the Manager, or any other issuer related to the Manager;
- (b) investments in a class of securities of an issuer during the distribution period of those securities or the 60-day period following the completion of the distribution where BMO Nesbitt Burns Inc., an affiliate of the Manager, or any other affiliate of the Manager acts as an underwriter in the distribution of those securities;
- (c) trades in over-the-counter debt securities in the secondary market with BMO Nesbitt Burns Inc., or any other affiliate of the Manager, acting as principal in the Canadian debt securities market; and
- (d) trades of a security of any issuer from or to, another investment fund managed by the Manager or an affiliate of the Manager or a managed account managed by an affiliate of the Manager

(each, a "Related Party Transaction").

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In accordance with the IRC's Standing Instructions, in making a decision to cause the Portfolio to make a Related Party Transaction, the Manager and the sub-advisor of the Portfolio are required to comply with the Manager's written policies and procedures governing the Related Party Transaction and report periodically to the IRC, describing each instance that the Manager and/or the sub-advisor relied on the Standing Instructions and their compliance or non-compliance with the governing policies and procedures. The governing policies and procedures are designed to ensure that each Related Party Transaction (i) is made free from any influence of BMO, BMO Nesbitt Burns Inc. or an associate or affiliate of BMO and/or BMO Nesbitt Burns Inc. and without taking into account any considerations relevant to BMO, BMO Nesbitt Burns Inc. or an associate or affiliate of BMO and/or BMO Nesbitt Burns Inc., (ii) represents the business judgment of the Manager and/or the sub-advisor, uninfluenced by considerations other than the best interests of the Portfolio, and (iii) achieves a fair and reasonable result for the Portfolio. The IRC has reviewed the related party transactions described above and has provided an approval that each transaction achieves a fair and reasonable result for the Portfolio.

Brokerage Commissions

The Portfolio pays standard brokerage commissions at market rates to BMO Nesbitt Burns Inc., an affiliate of the Manager, for executing a portion of its trades. The brokerage commissions charged to the Portfolio during the periods were as follows:

	Period ended June 30, 2024 (\$000s)	Period ended June 30, 2023 (\$000s)
Total Brokerage Commissions	482	341
Brokerage Commissions paid to BMO Nesbitt Burns Inc.	19	3

Wealth Management Fee

Units of the Portfolio are only available through the wealth management service offered by BMO Financial Group. The trustee, a related party, and the Manager receive an annual fee from each investor for the wealth management service offered by BMO Financial Group.

A tiered schedule is applied to calculate the annual fee for this service. The fee schedule starts at 1.95% and declines to 0.20% (depending on the nature and size of the investor's investment portfolio), and is calculated as a percentage of the assets under management. The actual wealth management fee payable by each investor is set out in BPIC's *Investment Management Fee Schedule* that is provided to the investor when the investor enters into an investment management agreement with the trustee and BPIC. The wealth management fee is paid directly by the investor to the trustee and the Manager. The trustee may compensate financial institutions and securities registrants within BMO Financial Group for client referrals to the wealth management service.

Unitholder Services

The Portfolio is provided with certain facilities and services by related parties. BPIC is the registrar of the Portfolio. The trustee and BPIC are paid by the Portfolio for fees relating to the custodial and administrative services they provide, respectively. Administrative services include fund accounting, record keeping and purchases/redemption order processing.

The fees charged to the Portfolio during the periods were as follows:

	Period ended June 30, 2024 (\$000s)	Period ended June 30, 2023 (\$000s)
Unitholder Services	82	82

Management Fee

There is no management fee charged to the Portfolio. The trustee and the Manager receive an annual wealth management fee from investors for the wealth management service offered by BMO Financial Group.

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Financial Highlights

The following tables show selected key financial information about the Portfolio and are intended to help you understand the Portfolio's financial performance for the periods indicated.

The Portfolio's Net Assets Per Unit ⁽¹⁾	Six months ended June 30, 2024	Years ended December 31				
		2023	2022	2021	2020	2019
Net assets, beginning of period	\$ 86.93	90.23	114.46	97.42	78.13	62.17
Increase (decrease) from operations:						
Total revenue	\$ 0.88	1.19	1.01	1.31	0.82	1.24
Total expenses ⁽²⁾	\$ (0.13)	(0.21)	(0.20)	(0.17)	(0.19)	(0.13)
Realized gains (losses) for the period	\$ 1.60	2.35	1.78	9.49	2.76	1.72
Unrealized gains (losses) for the period	\$ 1.38	(4.64)	(28.63)	13.73	15.29	15.05
Total increase (decrease) from operations ⁽³⁾	\$ 3.73	(1.31)	(26.04)	24.36	18.68	17.88
Distributions:						
From income (excluding dividends)	\$ —	0.16	0.01	—	—	0.02
From dividends	\$ —	1.03	1.42	0.86	0.79	1.17
From capital gains	\$ —	1.04	—	6.29	—	0.75
Return of capital	\$ —	0.00	0.01	0.01	0.00	0.01
Total Annual Distributions ⁽⁴⁾	\$ —	2.23	1.44	7.16	0.79	1.95
Net assets, end of period	\$ 90.65	86.93	90.23	114.46	97.42	78.13

⁽¹⁾ This information is derived from the Portfolio's unaudited and audited financial statements.

⁽²⁾ Includes commissions and other portfolio transaction costs and withholding taxes.

⁽³⁾ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

⁽⁴⁾ Distributions were paid in cash or reinvested in additional units of the Portfolio, or both.

Ratios and Supplemental Data	Six months ended June 30, 2024	Years ended December 31				
		2023	2022	2021	2020	2019
Total net asset value (000s) ⁽¹⁾	\$ 437,838	420,747	370,997	621,834	432,732	325,627
Number of units outstanding (000s) ⁽¹⁾	4,830	4,840	4,112	5,433	4,442	4,168
Management expense ratio ⁽²⁾	% 0.08	0.08	0.07	0.06	0.08	0.08
Management expense ratio before waivers or management absorptions ⁽²⁾	% 0.19	0.19	0.19	0.17	0.19	0.19
Trading expense ratio ⁽³⁾	% 0.22	0.16	0.13	0.09	0.16	0.10
Portfolio turnover rate ⁽⁴⁾	% 22.61	35.99	27.24	22.83	37.87	23.64
Net asset value per unit	\$ 90.65	86.93	90.23	114.46	97.42	78.13

⁽¹⁾ This information is provided as at June 30 or December 31 of the period shown, as applicable.

⁽²⁾ Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

⁽³⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

⁽⁴⁾ The portfolio turnover rate indicates how actively the Portfolio's sub-advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Portfolio buying and selling all of the securities in its portfolio once in the course of the year. The higher a portfolio turnover rate in a year, the greater the trading costs payable by the portfolio in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a portfolio.

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Past Performance

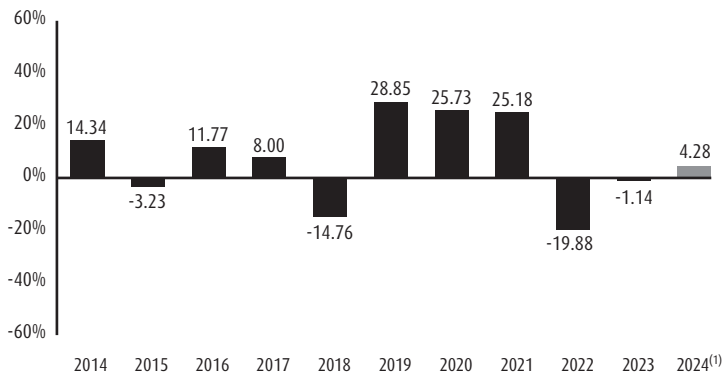
General

The Portfolio's performance information assumes that all distributions made by the Portfolio in the periods shown were reinvested in additional units of the Portfolio and is based on the net asset value of the Portfolio. The reinvestment of distributions increases returns.

The performance information does not take into account sales, redemption, distribution or other optional charges that, if applicable, would have reduced returns or performance. Please remember, how the Portfolio has performed in the past does not necessarily indicate how it will perform in the future.

Year-by-Year Returns

The following bar chart shows the performance for each of the financial years shown and for the six-month period ended June 30, 2024, and illustrates how the performance has changed from year to year. The bar chart shows in percentage terms how an investment made on the first day of each financial year would have increased or decreased by the last day of each financial year.



⁽¹⁾ For the six-month period ended June 30, 2024.

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Summary of Investment Portfolio

as at June 30, 2024

Portfolio Allocation	% of Net Asset Value	Top 25 Holdings Issuer	% of Net Asset Value
Materials	18.7	Trisura Group Ltd.	6.2
Industrials	16.7	North American Construction Group Ltd.	5.0
Financials	13.5	Andlauer Healthcare Group Inc.	4.6
Energy	13.5	Pet Valu Holdings Ltd.	4.2
Real Estate	7.9	Polaris Renewable Energy Inc.	4.1
Information Technology	7.3	StorageVault Canada Inc.	3.6
Money Market Investments	7.0	Foran Mining Corporation	3.5
Utilities	5.8	K92 Mining Inc.	3.5
Health Care	4.6	EQB Inc.	3.1
Consumer Discretionary	4.2	Docebo Inc.	2.8
Cash/Receivables/Payables	0.8	Element Fleet Management Corp.	2.8
Total portfolio allocation	100.0	goeasy Ltd.	2.8
		Aya Gold & Silver Inc.	2.6
		Cargojet Inc.	2.5
		Matrr Corp.	2.5
		GDI Integrated Facility Services Inc.	2.5
		Topaz Energy Corp.	2.4
		DATA Communications Management Corp.	2.2
		Lumine Group Inc.	2.1
		TerraVest Industries Inc.	2.0
		Altius Renewable Royalties Corp.	1.7
		Colliers International Group Inc.	1.7
		Brookfield Business Partners L.P.	1.6
		Government of Canada, Treasury Bills, 4.814% Aug 15, 2024	1.6
		Valeura Energy Inc.	1.6
		Top holdings as a percentage of total net asset value	73.2
		Total Net Asset Value	\$437,838,340

The Summary of Investment Portfolio may change due to the Portfolio's ongoing portfolio transactions. Updates are available quarterly.

Manager

BMO Private Investment Counsel Inc.
1 First Canadian Place
100 King Street West, 41st Floor
Toronto, Ontario M5X 1A1

Trustee

BMO Trust Company
1 First Canadian Place
100 King Street West, 41st Floor
Toronto, Ontario M5X 1A1

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This document may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent our beliefs regarding future events. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking statements will not prove to be accurate. We caution readers of this document not to place undue reliance on our forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed or implied in the forward-looking statements. Actual results may differ materially from management expectations as projected in such forward-looking statements for a variety of reasons, including but not limited to market and general economic conditions, interest rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the Portfolio may invest and the risks detailed from time to time in the simplified prospectus of the BMO Private Portfolios. We caution that the foregoing list of factors is not exhaustive and that when relying on forward-looking statements to make decisions with respect to investing in the Portfolio, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Due to the potential impact of these factors, BMO Private Investment Counsel Inc. does not undertake, and specifically disclaims, any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

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