

Semi-Annual Management Report of Fund Performance

BMO Private Canadian Bond Portfolio

(formerly, BMO Private Canadian Short-Mid Bond 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 contact.centre@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 Bond Portfolio (the “Portfolio”).

Fund Name, Investment Strategies and Benchmark Changes
Effective January 26, 2024, the Portfolio's investment strategies changed to permit the sub-advisor to select fixed income securities with a variety of investment maturities based on the interest rate outlook and to determine the best potential investments for the Portfolio by analyzing the credit ratings of various issuers. In conjunction with this change, the Portfolio's benchmark changed to the FTSE Canada Universe Bond Index (100%) from its previous benchmark, which was made up of the FTSE Canada Short Term Overall Bond Index (50%) and the Canada Mid Term Overall Bond Index (50%). In addition, the Portfolio's name changed from BMO Private Canadian Short-Mid Bond Portfolio to BMO Private Canadian Bond Portfolio.

Results of Operations

Over the six-month period ended June 30, 2024, the Portfolio returned 0.92%, after expenses. The Portfolio's benchmark is the FTSE Canada Universe Bond Index, which generated a -0.38% total return over the same six-month period. The Portfolio's benchmark until January 26, 2024 (a blend of 50% FTSE Canada Short Term Overall Bond Index and 50% FTSE Canada Mid Term Overall Bond Index) generated a 0.30% total return over the same six-month period.

During the period, Canadian fixed income performance was muted. Canada's 10-year bond yield was volatile. Despite this volatility, the Canadian short-term debt market, as measured by the FTSE Canada Short Term Overall Bond Index, gained over the period. Conversely, the FTSE Canada Mid Term and Long Term Overall Bond Indexes declined. The Portfolio held an overweight allocation to corporate bonds during the six-month period ended June 30, 2024, which contributed to performance. Corporate spreads (the difference in yield between corporate and government bonds of similar maturity) above government Treasury bond yields narrowed in what was a positive environment for riskier assets. An overweight exposure to short-term corporate bonds (those with maturities of five years or less) and BBB-rated corporate bonds contributed to performance as these segments of the market outperformed and kept the yield of the Portfolio in excess of that of its benchmark.

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The Portfolio's yield curve positioning across the maturity spectrum versus the benchmark detracted from performance in an environment where the yield curve steepened (increasing spread between a point on the short end of the yield curve versus on the long end of the curve). The Bank of Canada (the "BoC") reduced its policy interest rate by 25 basis points during the period and expressed confidence that monetary policy was working to bring inflation towards target.

The sub-advisor reduced the Portfolio's interest rate sensitivity during the period.

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 Canadian economy remains sluggish, and while inflation remains above the BoC's target, it has continued to trend lower. The BoC has expressed confidence that its monetary policy is restrictive enough even after reducing its policy rate by a cumulative 50 basis points to 4.50%, and that it is reasonable to expect further interest rate cuts if the inflation outlook continues to ease. The BoC remains data dependent, and the pace and amount of any interest rate cuts will be determined by its ongoing conviction in inflation falling back to target. The sub-advisor anticipates keeping the Portfolio's duration, on balance, in line with that of the benchmark.

Credit spreads (the difference in yield between securities of similar maturity but differing credit quality) in the corporate sector are no longer at outright attractive levels but are nevertheless broadly in line with longer-term averages. Fundamentals, meanwhile, remain generally supportive of corporate credit. As a result, the sub-advisor will maintain for the Portfolio an overweight allocation to the corporate sector while emphasizing areas of the credit curve that offer the best yield enhancement and protection against any potential spread widening.

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

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(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”).

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.

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	141	141

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	Years ended December 31				
		June 30, 2024	2023	2022	2021	2020	2019
Net assets, beginning of period	\$	10.31	10.01	11.05	11.64	10.84	10.52
Increase (decrease) from operations:							
Total revenue	\$	0.20	0.29	0.20	0.18	0.24	0.27
Total expenses ⁽²⁾	\$	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Realized gains (losses) for the period	\$	(0.04)	(0.30)	(0.50)	0.05	0.20	0.05
Unrealized gains (losses) for the period	\$	(0.06)	0.57	(0.49)	(0.46)	0.59	0.26
Total increase (decrease) from operations ⁽³⁾	\$	0.10	0.56	(0.79)	(0.23)	1.03	0.58
Distributions:							
From income (excluding dividends)	\$	0.16	0.26	0.25	0.25	0.27	0.28
From dividends	\$	—	—	—	—	—	—
From capital gains	\$	—	—	—	0.01	—	—
Return of capital	\$	—	0.01	0.00	0.00	0.00	0.00
Total Annual Distributions ⁽⁴⁾	\$	0.16	0.27	0.25	0.26	0.27	0.28
Net assets, end of period	\$	10.24	10.31	10.01	11.05	11.64	10.84

⁽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	Years ended December 31				
		June 30, 2024	2023	2022	2021	2020	2019
Total net asset value (000s) ⁽¹⁾	\$	5,244,179	4,891,969	4,440,812	5,426,771	2,758,074	2,309,440
Number of units outstanding (000s) ⁽¹⁾		511,945	474,278	443,462	491,332	236,969	213,035
Management expense ratio ⁽²⁾	%	0.02	0.02	0.02	0.02	0.03	0.03
Management expense ratio before waivers or management absorptions ⁽²⁾	%	0.13	0.19	0.13	0.13	0.14	0.14
Trading expense ratio ⁽³⁾	%	0.00	0.01	—	—	—	—
Portfolio turnover rate ⁽⁴⁾	%	62.38	101.57	70.00	30.25	41.13	39.45
Net asset value per unit	\$	10.24	10.31	10.01	11.05	11.64	10.84

⁽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

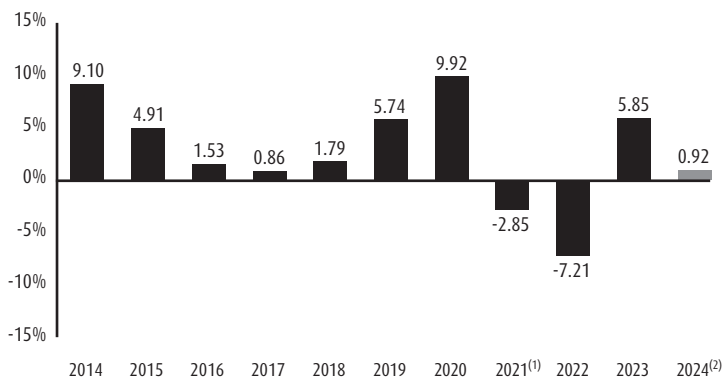
General

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⁾ On July 9, 2021, BMO Private Canadian Short-Term Bond Portfolio merged into the Portfolio, which changed its name to BMO Private Canadian Short-Mid Bond Portfolio at the time of the merger.

⁽²⁾ 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
Corporate Bonds	54.14	Long Positions	
Provincial Bonds	26.27	Toronto-Dominion Bank, The, Senior, Unsecured, Notes,	
Government Bonds	17.71	4.344% Jan 27, 2026	0.85
Municipal Bonds	0.94	Province of Quebec, Senior, Unsecured, Notes,	
Cash/Receivables/Payables	0.71	3.250% Sep 1, 2032	0.81
Asset-Backed Securities	0.21	Canada Housing Trust, Mortgage Bonds, Series 112, Secured,	
Supranational Bonds	0.14	3.650% Jun 15, 2033	0.75
Money Market Investments	0.04	Cash/Receivables/Payables	0.71
Credit Default Swaps	-0.16	Government of Canada, 2.750% Jun 1, 2033	0.70
Total portfolio allocation	100.00	Government of Canada, Real Return Bonds,	
		1.500% Dec 1, 2044	0.69
Top 25 Holdings Issuer	% of Net Asset Value	Bank of Montreal, Medium Term Notes, Senior, Unsecured,	
		Callable, 3.650% Apr 1, 2027	0.69
Long Positions		National Bank of Canada, Senior, Unsecured, Notes, Callable,	
Province of Ontario, Senior, Unsecured, Notes,		1.573% Aug 18, 2026	0.68
4.150% Dec 2, 2054	6.77	Brookfield Asset Management Inc., Medium Term Notes,	
Government of Canada, 3.000% Jun 1, 2034	2.86	Senior, Unsecured, Callable, 3.800% Mar 16, 2027	0.66
Province of Quebec, Senior, Unsecured, Debentures,		Long positions as a percentage of total net asset value	33.28
4.400% Dec 1, 2055	2.34		
Government of Canada, 3.500% Dec 1, 2045	1.90	Short Positions	
Government of Canada, 4.000% Jun 1, 2041	1.42	Markit CDX North America Investment Grade Index,	
Canada Housing Trust, Mortgage Bonds, Series 107,		Series 42, Version 1, 1.000%, Jun 20, 2029	-0.14
Secured, 3.550% Sep 15, 2032	1.26	Markit CDX North America High Yield Index,	
Bank of Montreal, Senior, Unsecured, Callable,		Series 42, Version 1, 5.000%, Jun 20, 2029	-0.02
4.537% Dec 18, 2028	1.24	Short positions as a percentage of total net asset value	-0.16
Bank of Nova Scotia, The, Senior, Unsecured, Notes,			
2.950% Mar 8, 2027	1.22	Top holdings as a percentage of total net asset value	33.12
Canada Housing Trust, Mortgage Bonds, Series 92, Secured,		Total Net Asset Value	\$5,244,179,423
1.750% Jun 15, 2030	1.14		
Government of Canada, 2.750% Dec 1, 2048	1.03	<i>The Summary of Investment Portfolio may change due to the Portfolio's ongoing portfolio transactions. Updates are available quarterly.</i>	
Province of Ontario, Unsecured, Notes, 2.050% Jun 2, 2030	1.02		
Province of Quebec, Senior, Unsecured, Notes,			
3.600% Sep 1, 2033	0.93		
Manulife Financial Corporation, Unsecured, Notes,			
Subordinated, Callable, 5.054% Feb 23, 2034	0.92		
Province of Quebec, Unsecured, 3.500% Dec 1, 2045	0.92		
Government of Canada, 2.500% Dec 1, 2032	0.91		
Province of British Columbia, Unsecured,			
4.250% Dec 18, 2053	0.86		

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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