

Annual Financial Statements

BMO Private Portfolios

December 31, 2020

BMO Private Canadian Short-Term Bond Portfolio

Independent Auditor's Report

To the Unitholders and Trustee of

BMO Private Canadian Money Market Portfolio
BMO Private Canadian Short-Term Bond Portfolio
BMO Private Canadian Mid-Term Bond Portfolio
BMO Private Canadian Corporate Bond Portfolio
BMO Private Diversified Yield Portfolio
BMO Private Canadian Income Equity Portfolio

BMO Private Canadian Core Equity Portfolio
BMO Private Canadian Special Equity Portfolio
BMO Private U.S. Equity Portfolio
BMO Private U.S. Growth Equity Portfolio
BMO Private U.S. Special Equity Portfolio
BMO Private International Equity Portfolio
BMO Private Emerging Markets Equity Portfolio
(individually, a Portfolio)

Our opinion

In our opinion, the accompanying financial statements of each Portfolio present fairly, in all material respects, the financial position of each Portfolio as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

The financial statements of each Portfolio comprise:

- the statements of financial position as at December 31, 2020 and 2019;
- the statements of comprehensive income for the years then ended;
- the statements of changes in net assets attributable to holders of redeemable units for the years then ended;
- the statements of cash flows for the years then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements section* of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of each Portfolio in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Other information

Management is responsible for the other information of each Portfolio. The other information comprises the Annual Management Report of Fund Performance of each Portfolio.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of each Portfolio, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of each Portfolio or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of each Portfolio in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of each Portfolio to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate any Portfolio or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of each Portfolio.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole for each Portfolio are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements of each Portfolio.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of each Portfolio, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and

Independent Auditor's Report

appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of each Portfolio.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of each Portfolio to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements of each Portfolio or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause any Portfolio to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of each Portfolio, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario

March 23, 2021

BMO Private Canadian Short-Term Bond Portfolio

STATEMENT OF FINANCIAL POSITION

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

| As at | December 31 2020 | December 31 2019 |
|--|---------------------|---------------------|
| Assets | | |
| Current Assets | | |
| Cash | 5,267 | 6,235 |
| Investments | | |
| Non-derivative financial assets | 2,470,218 | 2,604,271 |
| Subscriptions receivable | 1,474 | 1,367 |
| Interest receivable | 11,491 | 12,736 |
| Total assets | 2,488,450 | 2,624,609 |
| Liabilities | | |
| Current Liabilities | | |
| Payable for investments purchased | 3,755 | 5,931 |
| Redemptions payable | 1,366 | 1,096 |
| Accrued expenses | 124 | 130 |
| Total liabilities | 5,245 | 7,157 |
| Net assets attributable to holders of redeemable units | 2,483,205 | 2,617,452 |
| Net assets attributable to holders of redeemable units per unit | \$ 10.42 | \$ 10.13 |

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

BMO Private Canadian Short-Term Bond Portfolio

STATEMENT OF COMPREHENSIVE INCOME

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

| For the periods ended | December 31 2020 | December 31 2019 |
|---|---------------------|---------------------|
| Income | | |
| Interest income | 46,105 | 44,131 |
| Other changes in fair value of investments and derivatives | | |
| Net realized gain | 14,493 | 1,019 |
| Change in unrealized appreciation | 68,797 | 19,963 |
| Net gain in fair value of investments and derivatives | 129,395 | 65,113 |
| Securities lending (note 8) | 398 | 313 |
| Foreign exchange gain | 0 | 0 |
| Total other income | 398 | 313 |
| Total income | 129,793 | 65,426 |
| Expenses | | |
| Sub-advisory fees | 2,770 | 2,534 |
| Audit fees | 14 | 13 |
| Independent review committee fees | 4 | 6 |
| Withholding taxes | 1 | 4 |
| Custodian fees | 30 | 29 |
| Interest expense | 9 | 0 |
| Legal and filing fees | 165 | 79 |
| Unitholder servicing fees | 518 | 459 |
| Printing and stationery fees | 13 | 13 |
| Operating expenses absorbed by the Manager | (2,770) | (2,534) |
| Total expenses | 754 | 603 |
| Increase in net assets attributable to holders of redeemable units | 129,039 | 64,823 |
| Increase in net assets attributable to holders of redeemable units per unit (note 8) | 0.53 | 0.29 |

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

BMO Private Canadian Short-Term Bond Portfolio

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

(All amounts in thousands of Canadian dollars)

| For the periods ended | December 31 2020 | December 31 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 | 129,039 | 64,823 |
| Distributions to holders of redeemable units | | |
| From net investment income | (57,998) | (53,360) |
| Return of capital | (289) | (267) |
| Total distributions to holders of redeemable units | (58,287) | (53,627) |
| Redeemable unit transactions | | |
| Proceeds from redeemable units issued | 452,048 | 940,369 |
| Reinvestments of distributions to holders of redeemable units | 55,102 | 50,975 |
| Redemption of redeemable units | (712,149) | (419,217) |
| Net (decrease) increase from redeemable unit transactions | (204,999) | 572,127 |
| Net (decrease) increase in net assets attributable to holders of redeemable units | (134,247) | 583,323 |
| Net assets attributable to holders of redeemable units at end of period | 2,483,205 | 2,617,452 |

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

BMO Private Canadian Short-Term Bond Portfolio

STATEMENT OF CASH FLOWS

(All amounts in thousands of Canadian dollars)

| For the periods ended | December 31 2020 | December 31 2019 |
|--|---------------------|---------------------|
| Cash flows from operating activities | | |
| Increase in net assets attributable to holders of redeemable units | 129,039 | 64,823 |
| Adjustments for: | | |
| Foreign exchange (gain) loss on cash | (0) | 0 |
| Net realized gain on sale of investments and derivatives | (14,493) | (1,019) |
| Change in unrealized appreciation of investments and derivatives | (68,797) | (19,963) |
| Decrease (increase) in interest receivable | 1,245 | (3,449) |
| (Decrease) increase in accrued expenses | (6) | 13 |
| Amortization of premium and discount | 11,934 | 10,189 |
| Purchases of investments | (1,030,452) | (1,677,539) |
| Proceeds from sale and maturity of investments | 1,233,685 | 1,113,379 |
| Net cash from (used in) operating activities | 262,155 | (513,566) |
| Cash flows from financing activities | | |
| Distributions paid to holders of redeemable units, net of reinvested distributions | (3,185) | (2,652) |
| Proceeds from issuances of redeemable units | 451,941 | 941,158 |
| Amounts paid on redemption of redeemable units | (711,879) | (419,255) |
| Net cash (used in) from financing activities | (263,123) | 519,251 |
| Foreign exchange gain on cash | 0 | 0 |
| Net (decrease) increase in cash | (968) | 5,685 |
| Cash at beginning of period | 6,235 | 550 |
| Cash at end of period | 5,267 | 6,235 |
| Supplementary Information | | |
| Interest received, net of withholding taxes* | 59,284 | 50,871 |
| Interest expense paid* | 9 | 0 |

*These items are from operating activities

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

BMO Private Canadian Short-Term Bond Portfolio

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2020 (All amounts in thousands of Canadian dollars, unless otherwise noted)

| Security | Par Value (in thousands) | Cost (\$) | Fair Value (\$) |
|--|-----------------------------|--------------|--------------------|
| Bonds & Debentures | | | |
| <i>Federal Bonds — 46.8%</i> | | | |
| Canada Housing Trust, Mortgage Bonds, Series 45, Secured, 2.650% Mar 15, 2022 | 22,750 | 23,041 | 23,414 |
| Canada Housing Trust, Mortgage Bonds, Series 78, Secured, 1.750% Jun 15, 2022 | 37,250 | 37,252 | 38,071 |
| Canada Housing Trust, Mortgage Bonds, Series 48, Secured, 2.400% Dec 15, 2022 | 53,729 | 54,420 | 55,956 |
| Canada Housing Trust, Mortgage Bonds, Series 83, Secured, 2.350% Jun 15, 2023 | 40,700 | 40,898 | 42,706 |
| Canada Housing Trust, Mortgage Bonds, Series 52, Secured, 2.350% Sep 15, 2023 | 35,250 | 36,123 | 37,135 |
| Canada Housing Trust, Mortgage Bonds, Series 55, Secured, 3.150% Sep 15, 2023 | 14,040 | 14,476 | 15,091 |
| Canada Housing Trust, Mortgage Bonds, Series 86, Secured, 2.550% Dec 15, 2023 | 33,100 | 33,705 | 35,197 |
| Canada Housing Trust, Mortgage Bonds, Series 58, Secured, 2.900% Jun 15, 2024 | 47,790 | 49,753 | 51,797 |
| Canada Housing Trust, Mortgage Bonds, Series 90, Secured, 1.800% Dec 15, 2024 | 22,500 | 22,947 | 23,637 |
| Canada Housing Trust, Mortgage Bonds, Series 62, Secured, 2.550% Mar 15, 2025 | 5,000 | 5,387 | 5,417 |
| Canada Housing Trust, Mortgage Bonds, No. 1, Series MAR, Secured, 0.950% Jun 15, 2025 | 28,000 | 28,334 | 28,479 |
| Canada Housing Trust, Mortgage Bonds, Series 67, Secured, 1.950% Dec 15, 2025 | 37,680 | 40,045 | 40,112 |
| Canada Housing Trust, Mortgage Bonds, Series 70, Secured, 2.250% Dec 15, 2025 | 19,690 | 21,213 | 21,248 |
| Government of Canada, 1.500% Feb 1, 2022 | 33,000 | 32,984 | 33,476 |
| Government of Canada, Unsecured, 0.500% Mar 1, 2022 | 54,850 | 54,384 | 55,067 |
| Government of Canada, 1.500% May 1, 2022 | 24,250 | 24,479 | 24,678 |
| Government of Canada, 2.750% Jun 1, 2022 | 30,400 | 30,920 | 31,509 |
| Government of Canada, 0.250% Aug 1, 2022 | 37,000 | 36,993 | 37,042 |
| Government of Canada, Unsecured, 1.000% Sep 1, 2022 | 73,600 | 73,453 | 74,617 |
| Government of Canada, 0.250% Nov 1, 2022 | 16,250 | 16,254 | 16,264 |
| Government of Canada, 0.250% Feb 1, 2023 | 21,500 | 21,484 | 21,505 |
| Government of Canada, 1.750% Mar 1, 2023 | 62,660 | 62,681 | 64,691 |
| Government of Canada, Series 1, 1.500% Jun 1, 2023 | 32,000 | 32,393 | 32,987 |
| Government of Canada, 2.000% Sep 1, 2023 | 40,250 | 40,286 | 42,104 |
| Government of Canada, 2.250% Mar 1, 2024 | 36,600 | 37,235 | 38,878 |
| Government of Canada, 0.250% Apr 1, 2024 | 2,000 | 1,996 | 1,997 |
| Government of Canada, 2.500% Jun 1, 2024 | 24,450 | 25,567 | 26,290 |
| Government of Canada, 1.500% Sep 1, 2024 | 35,000 | 35,302 | 36,525 |
| Government of Canada, 1.250% Mar 1, 2025 | 38,500 | 38,787 | 39,953 |
| Government of Canada, 2.250% Jun 1, 2025 | 75,000 | 81,266 | 81,273 |
| Government of Canada, 0.500% Sep 1, 2025 | 61,750 | 62,144 | 62,054 |
| PSP Capital Inc., Senior, Unsecured, Notes, 1.730% Jun 21, 2022 | 9,000 | 9,000 | 9,194 |
| PSP Capital Inc., Series 9, Senior, Unsecured, Notes, 2.090% Nov 22, 2023 | 3,000 | 3,021 | 3,141 |

BMO Private Canadian Short-Term Bond Portfolio

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at December 31, 2020 (All amounts in thousands of Canadian dollars, unless otherwise noted)

| Security | Par Value (in thousands) | Cost (\$) | Fair Value (\$) |
|--|-----------------------------|--------------|--------------------|
| PSP Capital Inc., Series 7, Senior, Unsecured, Notes, 3.290% Apr 4, 2024 | 5,000 | 5,224 | 5,448 |
| PSP Capital Inc., Series 11, Senior, Unsecured, Notes, 3.000% Nov 5, 2025 | 4,500 | 4,969 | 4,984 |
| | | 1,138,416 | 1,161,937 |
| Provincial Bonds — 20.4% | | | |
| Municipal Finance Authority of British Columbia, Unsecured, Notes, 2.600% Apr 23, 2023 | 6,800 | 6,800 | 7,146 |
| Municipal Finance Authority of British Columbia, Unsecured, Notes, 3.750% Sep 26, 2023 | 2,000 | 2,098 | 2,179 |
| OPB Finance Trust, Series D, Senior, Unsecured, Debentures, 1.880% Feb 24, 2022 | 4,000 | 4,001 | 4,069 |
| Province of Alberta, Unsecured, 1.600% Sep 1, 2022 | 2,000 | 1,986 | 2,044 |
| Province of Alberta, Senior, Unsecured, 2.550% Dec 15, 2022 | 5,000 | 5,044 | 5,219 |
| Province of Alberta, Unsecured, 2.650% Sep 1, 2023 | 3,500 | 3,506 | 3,706 |
| Province of Alberta, Unsecured, 3.400% Dec 1, 2023 | 2,000 | 2,038 | 2,170 |
| Province of Alberta, Unsecured, 3.100% Jun 1, 2024 | 4,100 | 4,275 | 4,457 |
| Province of Alberta, Unsecured, 2.350% Jun 1, 2025 | 15,000 | 15,849 | 16,086 |
| Province of British Columbia, Senior, Unsecured, 2.700% Dec 18, 2022 | 2,500 | 2,535 | 2,618 |
| Province of British Columbia, Unsecured, 3.300% Dec 18, 2023 | 7,500 | 7,760 | 8,136 |
| Province of British Columbia, Unsecured, 2.850% Jun 18, 2025 | 15,000 | 16,340 | 16,466 |
| Province of Manitoba, Unsecured, 2.550% Jun 2, 2023 | 6,000 | 6,092 | 6,312 |
| Province of Manitoba, Unsecured, 3.300% Jun 2, 2024 | 3,300 | 3,463 | 3,608 |
| Province of Manitoba, Unsecured, 2.450% Jun 2, 2025 | 8,100 | 8,623 | 8,722 |
| Province of Manitoba, Medium Term Notes, 4.400% Sep 5, 2025 | 8,150 | 9,488 | 9,515 |
| Province of New Brunswick, Unsecured, 1.550% May 4, 2022 | 1,500 | 1,496 | 1,526 |
| Province of New Brunswick, Unsecured, 2.850% Jun 2, 2023 | 2,000 | 2,012 | 2,117 |
| Province of New Brunswick, Senior, Unsecured, 3.650% Jun 3, 2024 | 3,440 | 3,645 | 3,800 |
| Province of New Brunswick, Unsecured, 1.800% Aug 14, 2025 | 3,000 | 3,126 | 3,147 |
| Province of Newfoundland and Labrador, Unsecured, 1.950% Jun 2, 2022 | 3,000 | 3,016 | 3,069 |
| Province of Newfoundland and Labrador, Unsecured, 2.300% Jun 2, 2025 | 7,500 | 7,841 | 8,002 |
| Province of Nova Scotia, Unsecured, Notes, 2.150% Jun 1, 2025 | 3,000 | 3,160 | 3,193 |
| Province of Ontario, Senior, Unsecured, 1.350% Mar 8, 2022 | 14,600 | 14,527 | 14,796 |
| Province of Ontario, Unsecured, 3.150% Jun 2, 2022 | 25,000 | 25,497 | 26,020 |
| Province of Ontario, Senior, Unsecured, 1.950% Jan 27, 2023 | 12,500 | 12,375 | 12,919 |
| Province of Ontario, Unsecured, 2.850% Jun 2, 2023 | 38,250 | 38,746 | 40,517 |
| Province of Ontario, Unsecured, 2.600% Sep 8, 2023 | 7,750 | 7,822 | 8,199 |
| Province of Ontario, Series HP, 8.100% Sep 8, 2023 | 9,500 | 10,836 | 11,436 |
| Province of Ontario, Unsecured, 3.500% Jun 2, 2024 | 24,050 | 25,588 | 26,466 |
| Province of Ontario, Unsecured, Notes, 2.300% Sep 8, 2024 | 11,800 | 12,002 | 12,551 |
| Province of Ontario, Senior, Unsecured, 2.650% Feb 5, 2025 | 9,750 | 10,121 | 10,558 |
| Province of Ontario, Unsecured, 2.600% Jun 2, 2025 | 60,000 | 64,400 | 65,019 |
| Province of Ontario, Unsecured, Notes, 1.750% Sep 8, 2025 | 29,500 | 30,819 | 30,910 |
| Province of Prince Edward Island, Unsecured, 8.500% Dec 15, 2023 | 1,500 | 1,743 | 1,847 |
| Province of Quebec, Senior, Unsecured, 1.650% Mar 3, 2022 | 10,750 | 10,831 | 10,931 |
| Province of Quebec, Unsecured, 3.500% Dec 1, 2022 | 22,000 | 22,572 | 23,346 |

BMO Private Canadian Short-Term Bond Portfolio

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at December 31, 2020 (All amounts in thousands of Canadian dollars, unless otherwise noted)

| Security | Par Value (in thousands) | Cost (\$) | Fair Value (\$) |
|---|-----------------------------|--------------|--------------------|
| Province of Quebec, Senior, Unsecured, 2.450% Mar 1, 2023 | 6,000 | 6,271 | 6,276 |
| Province of Quebec, Unsecured, 3.000% Sep 1, 2023 | 20,000 | 20,328 | 21,383 |
| Province of Quebec, Series QV, Senior, Unsecured, Notes, 2.250% Feb 22, 2024 | 6,000 | 6,063 | 6,344 |
| Province of Quebec, Unsecured, 3.750% Sep 1, 2024 | 14,500 | 15,579 | 16,203 |
| Province of Quebec, Unsecured, 5.350% Jun 1, 2025 | 2,175 | 2,587 | 2,613 |
| Province of Quebec, Unsecured, 2.600% Jul 6, 2025 | 9,000 | 9,729 | 9,797 |
| Province of Quebec, Unsecured, 2.750% Sep 1, 2025 | 15,390 | 16,814 | 16,863 |
| Province of Saskatchewan, Unsecured, 3.200% Jun 3, 2024 | 3,000 | 3,139 | 3,271 |
| | | 492,583 | 505,572 |
| Municipal Bonds — 0.9% | | | |
| City of Montreal, Unsecured, Notes, 3.500% Sep 1, 2023 | 1,500 | 1,540 | 1,621 |
| City of Montreal, Unsecured, Notes, 3.500% Sep 1, 2024 | 2,500 | 2,652 | 2,761 |
| City of Montreal, Unsecured, Notes, 3.000% Sep 1, 2025 | 7,000 | 7,685 | 7,707 |
| City of Toronto, Unsecured, 3.900% Sep 29, 2023 | 2,400 | 2,523 | 2,623 |
| City of Toronto, Senior, Unsecured, Notes, 3.400% May 21, 2024 | 2,500 | 2,591 | 2,736 |
| City of Toronto, Unsecured, Notes, 2.450% Feb 6, 2025 | 4,500 | 4,614 | 4,818 |
| | | 21,605 | 22,266 |
| Corporate Bonds & Debentures — 29.9% | | | |
| 407 International Inc., Series 17-D1, Medium Term Notes, Secured, Subordinated, Callable, 2.470% Sep 8, 2022 | 1,000 | 1,000 | 1,027 |
| 407 International Inc., Series 14-A1, Medium Term Notes, Senior, Secured, 3.350% May 16, 2024 | 750 | 776 | 811 |
| 407 International Inc., Senior, Secured, Notes, Callable, 1.800% May 22, 2025 | 1,429 | 1,429 | 1,490 |
| AIMCo Realty Investors LP, Series 1, Senior, Unsecured, Notes, Callable, 2.266% Jun 26, 2024 | 2,000 | 1,994 | 2,090 |
| Alectra Inc., Series B, Senior, Unsecured, Notes, Callable, 3.239% Nov 21, 2024 | 1,700 | 1,765 | 1,853 |
| Alimentation Couche-Tard Inc., Series 3, Senior, Unsecured, Notes, 3.899% Nov 1, 2022 | 1,000 | 1,021 | 1,061 |
| Alimentation Couche-Tard Inc., Series 6, Senior, Unsecured, Notes, Callable, 3.056% Jul 26, 2024 | 560 | 570 | 600 |
| Alimentation Couche-Tard Inc., Series 5, Senior, Unsecured, Notes, Callable, 3.600% Jun 2, 2025 | 3,500 | 3,711 | 3,853 |
| Allied Properties Real Estate Investment Trust, Series C, Senior, Unsecured, Notes, Callable, 3.636% Apr 21, 2025 | 1,000 | 1,028 | 1,084 |
| AltaGas Ltd., Medium Term Notes, Senior, Unsecured, 2.609% Dec 16, 2022 | 133 | 133 | 138 |
| AltaGas Ltd., Series 10, Medium Term Notes, Unsecured, Callable, 3.570% Jun 12, 2023 | 2,000 | 2,006 | 2,116 |
| AltaGas Ltd., Series 15, Medium Term Notes, Senior, Unsecured, Callable, 3.840% Jan 15, 2025 | 5,000 | 5,189 | 5,483 |
| AltaLink, L.P., Series 2012-2, Medium Term Notes, Secured, 2.978% Nov 28, 2022 | 1,400 | 1,421 | 1,467 |
| AltaLink, L.P., Series 2013-4, Medium Term Notes, Secured, 3.668% Nov 6, 2023 | 1,550 | 1,586 | 1,687 |
| AltaLink, L.P., Series 2014-1, Medium Term Notes, Secured, 3.399% Jun 6, 2024 | 2,000 | 2,085 | 2,173 |

BMO Private Canadian Short-Term Bond Portfolio

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at December 31, 2020 (All amounts in thousands of Canadian dollars, unless otherwise noted)

| Security | Par Value (in thousands) | Cost (\$) | Fair Value (\$) |
|---|-----------------------------|--------------|--------------------|
| Bank of Montreal, Deposit Notes, Senior, Unsecured, 2.120% Mar 16, 2022 | 4,600 | 4,606 | 4,696 |
| Bank of Montreal, Deposit Notes, Senior, Unsecured, 2.270% Jul 11, 2022 | 7,000 | 7,046 | 7,196 |
| Bank of Montreal, Deposit Notes, Senior, Unsecured, 2.890% Jun 20, 2023 | 6,550 | 6,585 | 6,925 |
| Bank of Montreal, Senior, Unsecured, Notes, 2.850% Mar 6, 2024 | 8,318 | 8,374 | 8,856 |
| Bank of Montreal, Senior, Unsecured, Notes, 2.280% Jul 29, 2024 | 4,154 | 4,153 | 4,363 |
| Bank of Montreal, Deposit Notes, Senior, Unsecured, 2.700% Sep 11, 2024 | 6,530 | 6,657 | 7,000 |
| Bank of Montreal, Medium Term Notes, Senior, Unsecured, Callable, 2.370% Feb 3, 2025 | 3,500 | 3,538 | 3,700 |
| Bank of Montreal, Deposit Notes, Senior, Unsecured, 4.609% Sep 10, 2025 | 6,000 | 7,004 | 7,043 |
| Bank of Montreal, Medium Term Notes, Fixed to Floating, Unsecured, Subordinated, Callable, 2.570% Jun 1, 2027 | 2,500 | 2,460 | 2,569 |
| Bank of Montreal, Unsecured, Notes, Subordinated, Callable, 2.880% Sep 17, 2029 | 4,250 | 4,240 | 4,516 |
| Bank of Nova Scotia, The, Deposit Notes, Senior, Unsecured, 1.830% Apr 27, 2022 | 7,000 | 6,925 | 7,132 |
| Bank of Nova Scotia, The, Deposit Notes, Senior, Unsecured, 2.360% Nov 8, 2022 | 5,500 | 5,579 | 5,692 |
| Bank of Nova Scotia, The, Deposit Notes, Senior, Unsecured, 2.980% Apr 17, 2023 | 3,500 | 3,518 | 3,692 |
| Bank of Nova Scotia, The, Senior, Unsecured, Notes, 2.380% May 1, 2023 | 5,362 | 5,362 | 5,575 |
| Bank of Nova Scotia, The, Deposit Notes, Senior, Unsecured, 2.290% Jun 28, 2024 | 14,500 | 14,635 | 15,299 |
| Bank of Nova Scotia, The, Senior, Unsecured, Notes, 2.490% Sep 23, 2024 | 6,303 | 6,303 | 6,680 |
| Bank of Nova Scotia, The, Senior, Unsecured, Notes, 2.160% Feb 3, 2025 | 4,636 | 4,705 | 4,868 |
| Bank of Nova Scotia, The, Fixed to Floating, Notes, Subordinated, Callable, 2.580% Mar 30, 2027 | 3,500 | 3,447 | 3,584 |
| Bank of Nova Scotia, The, Fixed to Floating, Unsecured, Debentures, Subordinated, Callable, 3.890% Jan 18, 2029 | 1,868 | 1,881 | 2,029 |
| Bank of Nova Scotia, The, Unsecured, Debentures, Subordinated, Callable, 2.836% Jul 3, 2029 | 2,403 | 2,403 | 2,544 |
| bcIMC Realty Corp., Series 10, Unsecured, Notes, 3.510% Jun 29, 2022 | 500 | 510 | 522 |
| bcIMC Realty Corp., Series A, Senior, Unsecured, Notes, Callable, 2.150% Aug 11, 2022 | 1,000 | 994 | 1,025 |
| bcIMC Realty Corp., Medium Term Notes, Senior, Unsecured, Callable, 2.840% Jun 3, 2025 | 1,960 | 2,061 | 2,114 |
| Bell Canada, Series M-40, Medium Term Notes, Senior, Unsecured, Callable, 3.000% Oct 3, 2022 | 4,500 | 4,529 | 4,677 |
| Bell Canada, Series M-26, Medium Term Notes, Senior, Unsecured, 3.350% Mar 22, 2023 | 2,000 | 2,012 | 2,103 |
| Bell Canada, Series M-29, Medium Term Notes, Senior, Unsecured, Callable, 4.700% Sep 11, 2023 | 2,200 | 2,277 | 2,408 |

BMO Private Canadian Short-Term Bond Portfolio

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at December 31, 2020 (All amounts in thousands of Canadian dollars, unless otherwise noted)

| Security | Par Value (in thousands) | Cost (\$) | Fair Value (\$) |
|--|-----------------------------|--------------|--------------------|
| Bell Canada, Series M-44, Medium Term Notes, Senior, Unsecured, Callable, 2.700% Feb 27, 2024 | 3,000 | 2,970 | 3,163 |
| Bell Canada, Series M-49, Medium Term Notes, Senior, Unsecured, Callable, 2.750% Jan 29, 2025 | 3,379 | 3,442 | 3,609 |
| Bell Canada, Series M-47, Medium Term Notes, Senior, Unsecured, Callable, 3.350% Mar 12, 2025 | 4,000 | 4,210 | 4,364 |
| BMW Canada Inc., Series V, Senior, Unsecured, Notes, 2.410% Nov 27, 2023 | 413 | 413 | 432 |
| Brookfield Asset Management Inc., Medium Term Notes, Senior, Unsecured, 4.540% Mar 31, 2023 | 1,000 | 1,029 | 1,080 |
| Brookfield Asset Management Inc., Medium Term Notes, Senior, Unsecured, Callable, 5.040% Mar 8, 2024 | 1,000 | 1,049 | 1,114 |
| Brookfield Infrastructure Finance ULC, Medium Term Notes, Senior, Unsecured, Callable, 3.315% Feb 22, 2024 | 4,100 | 4,084 | 4,369 |
| Brookfield Property Finance ULC, Medium Term Notes, Senior, Unsecured, Callable, 4.346% Jul 3, 2023 | 1,000 | 1,000 | 1,042 |
| Brookfield Property Finance ULC, Medium Term Notes, Senior, Unsecured, Callable, 4.300% Mar 1, 2024 | 3,000 | 3,057 | 3,138 |
| Brookfield Renewable Partners ULC, Medium Term Notes, Senior, Unsecured, Callable, 3.752% Jun 2, 2025 | 2,500 | 2,652 | 2,759 |
| Bruce Power L.P., Series 2017-1, Senior, Unsecured, Notes, Callable, 3.000% Jun 21, 2024 | 1,500 | 1,520 | 1,599 |
| Cameco Corporation, Series G, Senior, Unsecured, Notes, Callable, 4.190% Jun 24, 2024 | 2,000 | 2,070 | 2,146 |
| Canadian Imperial Bank of Commerce, Deposit Notes, Senior, Unsecured, 2.040% Mar 21, 2022 | 8,000 | 8,014 | 8,161 |
| Canadian Imperial Bank of Commerce, Deposit Notes, Senior, Unsecured, 2.300% Jul 11, 2022 | 8,700 | 8,816 | 8,947 |
| Canadian Imperial Bank of Commerce, Deposit Notes, Senior, Unsecured, 2.470% Dec 5, 2022 | 4,500 | 4,500 | 4,671 |
| Canadian Imperial Bank of Commerce, Senior, Unsecured, Notes, 2.430% Jun 9, 2023 | 2,382 | 2,381 | 2,482 |
| Canadian Imperial Bank of Commerce, Deposit Notes, Senior, Unsecured, 2.970% Jul 11, 2023 | 2,800 | 2,800 | 2,968 |
| Canadian Imperial Bank of Commerce, Senior, Unsecured, Notes, 3.290% Jan 15, 2024 | 3,871 | 3,917 | 4,161 |
| Canadian Imperial Bank of Commerce, Senior, Unsecured, Notes, 2.350% Aug 28, 2024 | 3,750 | 3,750 | 3,948 |
| Canadian Imperial Bank of Commerce, Deposit Notes, Unsecured, 3.300% May 26, 2025 | 9,418 | 10,161 | 10,435 |
| Canadian Imperial Bank of Commerce, Fixed to Floating, Unsecured, Debentures, Subordinated, Callable, 3.450% Apr 4, 2028 | 4,000 | 4,012 | 4,230 |
| Canadian Imperial Bank of Commerce, Unsecured, Debentures, Subordinated, Callable, 2.950% Jun 19, 2029 | 4,000 | 3,999 | 4,247 |
| Canadian National Railway Company, Senior, Unsecured, Notes, Callable, 2.800% Sep 22, 2025 | 2,600 | 2,811 | 2,829 |
| Canadian Natural Resources Limited, Medium Term Notes, Senior, Unsecured, 3.310% Feb 11, 2022 | 1,500 | 1,514 | 1,542 |
| Canadian Natural Resources Limited, Senior, Unsecured, Notes, 1.450% Nov 16, 2023 | 750 | 749 | 759 |

BMO Private Canadian Short-Term Bond Portfolio

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at December 31, 2020 (All amounts in thousands of Canadian dollars, unless otherwise noted)

| Security | Par Value (in thousands) | Cost (\$) | Fair Value (\$) |
|--|-----------------------------|--------------|--------------------|
| Canadian Natural Resources Limited, Medium Term Notes, Senior, Unsecured, Callable, 3.550% Jun 3, 2024 | 1,500 | 1,545 | 1,612 |
| Canadian Tire Corporation, Limited, Medium Term Notes, Senior, Unsecured, 3.167% Jul 6, 2023 | 857 | 857 | 905 |
| Canadian Utilities Limited, Senior, Unsecured, Debentures, 3.122% Nov 9, 2022 | 1,000 | 1,016 | 1,047 |
| Canadian Western Bank, Deposit Notes, Senior, Unsecured, 2.833% Mar 14, 2022 | 500 | 500 | 513 |
| Canadian Western Bank, Deposit Notes, Senior, Unsecured, 2.737% Jun 16, 2022 | 2,000 | 1,999 | 2,061 |
| Canadian Western Bank, Deposit Notes, Senior, Unsecured, 2.924% Dec 15, 2022 | 3,000 | 3,022 | 3,125 |
| Canadian Western Bank, Deposit Notes, Senior, Unsecured, Callable, 2.597% Sep 6, 2024 | 500 | 500 | 526 |
| Canadian Western Bank, Series F, Unsecured, Notes, Debentures, Subordinated, Callable, 3.668% Jun 11, 2029 | 2,400 | 2,405 | 2,528 |
| Capital Power Corporation, Medium Term Notes, Senior, Unsecured, Callable, 4.284% Sep 18, 2024 | 2,000 | 2,059 | 2,199 |
| CARDS II Trust, Series A, Secured, Notes, 2.427% Nov 15, 2024 | 833 | 833 | 883 |
| Caterpillar Financial Services Limited, Medium Term Notes, Senior, Unsecured, 2.090% Sep 12, 2022 | 350 | 350 | 359 |
| Central 1 Credit Union, Deposit Notes, Senior, Unsecured, 2.600% Nov 7, 2022 | 500 | 501 | 517 |
| Central 1 Credit Union, Senior, Unsecured, Notes, 2.584% Dec 6, 2023 | 1,400 | 1,400 | 1,465 |
| Chartwell Retirement Residences, Series B, Senior, Unsecured, Debentures, Callable, 4.211% Apr 28, 2025 | 506 | 519 | 540 |
| Choice Properties L.P., Series 10, Senior, Unsecured, Notes, Callable, 3.600% Sep 20, 2022 | 1,000 | 1,009 | 1,042 |
| Choice Properties Real Estate Investment Trust, Series I, Senior, Unsecured, Debentures, Callable, 3.010% Mar 21, 2022 | 1,000 | 1,008 | 1,027 |
| Choice Properties Real Estate Investment Trust, Series B, Senior, Unsecured, Notes, Callable, 4.903% Jul 5, 2023 | 700 | 725 | 762 |
| Choice Properties Real Estate Investment Trust, Series D, Senior, Unsecured, Notes, Callable, 4.293% Feb 8, 2024 | 1,000 | 1,034 | 1,093 |
| Choice Properties Real Estate Investment Trust, Series K, Senior, Unsecured, Debentures, Callable, 3.556% Sep 9, 2024 | 1,000 | 1,024 | 1,084 |
| Choice Properties Real Estate Investment Trust, Series J, Senior, Unsecured, Debentures, Callable, 3.546% Jan 10, 2025 | 1,450 | 1,490 | 1,577 |
| Choice Properties Real Estate Investment Trust, Series F, Senior, Unsecured, Notes, Callable, 4.055% Nov 24, 2025 | 2,923 | 3,249 | 3,270 |
| CI Financial Corp., Senior, Unsecured, Notes, Callable, 3.520% Jul 20, 2023 | 3,492 | 3,492 | 3,668 |
| CI Financial Corp., Senior, Unsecured, Debentures, Callable, 3.215% Jul 22, 2024 | 2,396 | 2,396 | 2,514 |
| Coast Capital Savings Credit Union, Fixed to Floating, Unsecured, Notes, Subordinated, Callable, 5.000% May 3, 2028 | 250 | 251 | 266 |
| Coast Capital Savings Credit Union, Series 2, Fixed to Floating, Unsecured, Notes, Subordinated, Callable, 5.250% Oct 29, 2030 | 933 | 1,031 | 1,046 |
| Crombie Real Estate Investment Trust, Series D, Senior, Unsecured, Notes, Callable, 4.066% Nov 21, 2022 | 1,500 | 1,500 | 1,581 |

BMO Private Canadian Short-Term Bond Portfolio

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at December 31, 2020 (All amounts in thousands of Canadian dollars, unless otherwise noted)

| Security | Par Value (in thousands) | Cost (\$) | Fair Value (\$) |
|---|-----------------------------|--------------|--------------------|
| Crombie Real Estate Investment Trust, Series E, Senior, Unsecured, Notes, Callable, 4.800% Jan 31, 2025 | 150 | 161 | 169 |
| Daimler Canada Finance Inc., Euro Medium Term Notes, Senior, Unsecured, 3.050% May 16, 2022 | 2,000 | 2,015 | 2,065 |
| Daimler Canada Finance Inc., Euro Medium Term Notes, Senior, Unsecured, 3.300% Aug 16, 2022 | 2,000 | 2,030 | 2,084 |
| Daimler Canada Finance Inc., Medium Term Notes, Senior, Unsecured, 2.570% Nov 22, 2022 | 1,000 | 1,004 | 1,034 |
| Daimler Canada Finance Inc., Senior, Unsecured, Notes, 2.540% Aug 21, 2023 | 1,000 | 1,000 | 1,043 |
| Daimler Canada Finance Inc., Euro Medium Term Notes, Senior, Unsecured, 2.970% Mar 13, 2024 | 1,096 | 1,096 | 1,164 |
| Daimler Canada Finance Inc., Medium Term Notes, Senior, Unsecured, 1.650% Sep 22, 2025 | 1,286 | 1,284 | 1,309 |
| Dollarama Inc., Senior, Unsecured, Notes, Callable, 3.550% Nov 6, 2023 | 1,911 | 1,906 | 2,054 |
| Eagle Credit Card Trust, Series 171A, Secured, Notes, 2.631% Oct 17, 2022 | 1,000 | 1,008 | 1,036 |
| Eagle Credit Card Trust, Series A, Secured, Notes, 2.220% Jul 17, 2024 | 1,500 | 1,500 | 1,570 |
| Emera Inc., Series 2016-1, Senior, Unsecured, Notes, 2.900% Jun 16, 2023 | 1,000 | 994 | 1,049 |
| Empire Life Insurance Company, The, Fixed to Floating, Unsecured, Debentures, Subordinated, Callable, 3.664% Mar 15, 2028 | 2,000 | 2,079 | 2,110 |
| Enbridge Gas Distribution Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.150% Aug 22, 2024 | 900 | 936 | 973 |
| Enbridge Gas Distribution Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.310% Sep 11, 2025 | 2,500 | 2,754 | 2,771 |
| Enbridge Inc., Medium Term Notes, Senior, Unsecured, 3.190% Dec 5, 2022 | 1,400 | 1,419 | 1,466 |
| Enbridge Inc., Medium Term Notes, Senior, Unsecured, 3.940% Jan 13, 2023 | 1,143 | 1,160 | 1,217 |
| Enbridge Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.940% Jun 30, 2023 | 1,960 | 1,993 | 2,096 |
| Enbridge Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.950% Nov 19, 2024 | 1,500 | 1,570 | 1,653 |
| Enbridge Inc., Medium Term Notes, Senior, Unsecured, Callable, 2.440% Jun 2, 2025 | 80 | 80 | 84 |
| Enbridge Pipelines Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.790% Aug 17, 2023 | 1,000 | 1,035 | 1,071 |
| Enbridge Pipelines Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.450% Sep 29, 2025 | 4,000 | 4,371 | 4,411 |
| ENMAX Corporation, Series 5, Senior, Unsecured, Debentures, 2.922% Oct 18, 2022 | 1,381 | 1,381 | 1,435 |
| ENMAX Corporation, Senior, Unsecured, Notes, Callable, 3.805% Dec 5, 2024 | 5,000 | 5,154 | 5,456 |
| ENMAX Corporation, Series 6, Senior, Unsecured, Debentures, Callable, 3.331% Jun 2, 2025 | 273 | 284 | 295 |
| EPCOR Utilities Inc., Medium Term Notes, Senior, Unsecured, 1.949% Jul 8, 2022 | 150 | 150 | 153 |

BMO Private Canadian Short-Term Bond Portfolio

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at December 31, 2020 (All amounts in thousands of Canadian dollars, unless otherwise noted)

| Security | Par Value (in thousands) | Cost (\$) | Fair Value (\$) |
|--|-----------------------------|--------------|--------------------|
| Equitable Bank, Deposit Notes, Senior, Unsecured, 2.948% Sep 26, 2022 | 875 | 875 | 905 |
| Equitable Bank, Deposit Notes, Senior, Unsecured, 1.774% Sep 21, 2023 | 857 | 857 | 869 |
| Equitable Bank, Deposit Notes, Senior, Unsecured, 1.876% Nov 26, 2025 | 1,600 | 1,600 | 1,606 |
| Fairfax Financial Holdings Limited, Senior, Unsecured, Notes, 5.840% Oct 14, 2022 | 1,500 | 1,554 | 1,616 |
| Fairfax Financial Holdings Limited, Senior, Unsecured, Notes, 4.500% Mar 22, 2023 | 2,500 | 2,544 | 2,657 |
| Fairfax Financial Holdings Limited, Senior, Unsecured, Notes, 4.950% Mar 3, 2025 | 2,500 | 2,734 | 2,784 |
| Federation des caisses Desjardins du Quebec, Medium Term Notes, Senior, Unsecured, 2.091% Jan 17, 2022 | 4,000 | 4,006 | 4,072 |
| Federation des caisses Desjardins du Quebec, Medium Term Notes, Senior, Unsecured, 2.394% Aug 25, 2022 | 2,000 | 2,009 | 2,064 |
| Federation des caisses Desjardins du Quebec, Medium Term Notes, Senior, Unsecured, 3.056% Sep 11, 2023 | 2,286 | 2,286 | 2,436 |
| Federation des caisses Desjardins du Quebec, Senior, Unsecured, Notes, 2.417% Oct 4, 2024 | 1,250 | 1,250 | 1,320 |
| First Capital Realty, Inc., Series P, Senior, Unsecured, Debentures, 3.950% Dec 5, 2022 | 3,500 | 3,578 | 3,663 |
| First Capital Realty, Inc., Series Q, Senior, Unsecured, Debentures, 3.900% Oct 30, 2023 | 2,000 | 2,004 | 2,122 |
| First Capital Realty, Inc., Series S, Senior, Unsecured, Debentures, 4.323% Jul 31, 2025 | 3,000 | 3,134 | 3,283 |
| First National Financial Corporation, Series 2, Senior, Unsecured, Notes, 3.582% Nov 25, 2024 | 267 | 267 | 279 |
| Fortified Trust, Series A, Secured, Notes, 2.340% Jan 23, 2023 | 1,733 | 1,733 | 1,794 |
| Fortified Trust, Series A, Secured, Notes, 2.558% Mar 23, 2024 | 2,308 | 2,309 | 2,440 |
| GE Capital Canada Funding Company, Series A, Medium Term Notes, Senior, Unsecured, 4.600% Jan 26, 2022 | 3,500 | 3,598 | 3,632 |
| General Motors Financial of Canada, Ltd., Senior, Unsecured, Notes, 2.600% Jun 1, 2022 | 2,000 | 1,982 | 2,046 |
| General Motors Financial of Canada, Ltd., Series 5, Senior, Unsecured, Notes, 3.250% Nov 7, 2023 | 500 | 500 | 526 |
| Genworth MI Canada Inc., Unsecured, Debentures, 4.242% Apr 1, 2024 | 650 | 665 | 701 |
| George Weston Limited, Medium Term Notes, Senior, Unsecured, 4.115% Jun 17, 2024 | 3,000 | 3,131 | 3,270 |
| Glacier Credit Card Trust, Series 2019, Senior, Secured, Notes, 2.280% Jun 6, 2024 | 2,125 | 2,125 | 2,222 |
| Glacier Credit Card Trust, Series 2020, Senior, Secured, Notes, 1.388% Sep 22, 2025 | 500 | 500 | 506 |
| Granite REIT Holdings Limited Partnership, Series 3, Senior, Unsecured, Notes, Callable, 3.873% Nov 30, 2023 | 2,000 | 1,993 | 2,161 |
| Greater Toronto Airports Authority, Series 2012-1, Medium Term Notes, Secured, Callable, 3.040% Sep 21, 2022 | 500 | 506 | 518 |
| H&R Real Estate Investment Trust, Series L, Senior, Unsecured, Notes, 2.923% May 6, 2022 | 2,000 | 2,008 | 2,034 |

BMO Private Canadian Short-Term Bond Portfolio

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at December 31, 2020 (All amounts in thousands of Canadian dollars, unless otherwise noted)

| Security | Par Value (in thousands) | Cost (\$) | Fair Value (\$) |
|--|-----------------------------|--------------|--------------------|
| H&R Real Estate Investment Trust, Series O, Senior, Unsecured, Notes, Callable, 3.416% Jan 23, 2023 | 500 | 500 | 516 |
| H&R Real Estate Investment Trust, Series N, Senior, Unsecured, Notes, Callable, 3.369% Jan 30, 2024 | 2,500 | 2,475 | 2,594 |
| Honda Canada Finance, Inc., Senior, Unsecured, Notes, 2.268% Jul 15, 2022 | 2,000 | 1,995 | 2,054 |
| Honda Canada Finance, Inc., Senior, Unsecured, Notes, 2.488% Dec 19, 2022 | 1,000 | 997 | 1,036 |
| Honda Canada Finance, Inc., Senior, Unsecured, Notes, 2.537% Mar 1, 2023 | 1,000 | 1,007 | 1,040 |
| Honda Canada Finance, Inc., Senior, Unsecured, Notes, 3.176% Aug 28, 2023 | 3,000 | 3,074 | 3,190 |
| Honda Canada Finance, Inc., Senior, Unsecured, Notes, 2.500% Jun 4, 2024 | 1,000 | 1,000 | 1,055 |
| Honda Canada Finance, Inc., Senior, Unsecured, Notes, 3.444% May 23, 2025 | 2,845 | 2,976 | 3,135 |
| HSBC Bank Canada, Deposit Notes, Senior, Unsecured, 2.170% Jun 29, 2022 | 3,000 | 2,980 | 3,072 |
| HSBC Bank Canada, Deposit Notes, Senior, Unsecured, 2.253% Sep 15, 2022 | 1,237 | 1,237 | 1,272 |
| HSBC Bank Canada, Deposit Notes, Senior, Unsecured, 3.245% Sep 15, 2023 | 3,366 | 3,367 | 3,588 |
| HSBC Bank of Canada, Senior, Unsecured, Notes, 2.542% Jan 31, 2023 | 4,500 | 4,476 | 4,676 |
| Husky Energy Inc., Senior, Unsecured, Notes, Callable, 3.550% Mar 12, 2025 | 5,750 | 5,774 | 6,074 |
| Hydro One Inc., Medium Term Notes, Senior, Unsecured, Callable, 2.540% Apr 5, 2024 | 2,375 | 2,399 | 2,517 |
| Hydro One Inc., Medium Term Notes, Senior, Unsecured, Callable, 1.760% Feb 28, 2025 | 1,314 | 1,314 | 1,366 |
| Hydro One Inc., Medium Term Notes, Senior, Unsecured, Callable, 2.970% Jun 26, 2025 | 2,250 | 2,413 | 2,457 |
| iA Financial Corporation Inc., Unsecured, Debentures, Subordinated, Callable, 2.400% Feb 21, 2030 | 100 | 100 | 104 |
| Industrial Alliance Insurance and Financial Services Inc., Fixed to Floating, Notes, Subordinated, Callable, 2.640% Feb 23, 2027 | 1,000 | 1,005 | 1,021 |
| Industrial Alliance Insurance and Financial Services Inc., Fixed to Floating, Notes, Subordinated, Callable, 3.300% Sep 15, 2028 | 1,000 | 1,001 | 1,059 |
| Inter Pipeline Ltd., Series 3, Medium Term Notes, Senior, Unsecured, 3.776% May 30, 2022 | 1,500 | 1,533 | 1,560 |
| Inter Pipeline Ltd., Series 8, Medium Term Notes, Senior, Unsecured, Callable, 2.608% Sep 13, 2023 | 2,800 | 2,742 | 2,898 |
| Inter Pipeline Ltd., Series 10, Medium Term Notes, Senior, Unsecured, Callable, 2.734% Apr 18, 2024 | 1,535 | 1,523 | 1,596 |
| Ivanhoe Cambridge II Inc, Series 1, Senior, Unsecured, Debentures, Callable, 2.909% Jun 27, 2023 | 1,500 | 1,500 | 1,580 |
| Ivanhoe Cambridge II Inc, Senior, Unsecured, Debentures, Callable, 2.296% Dec 12, 2024 | 1,800 | 1,800 | 1,898 |
| John Deere Canada Funding Inc., Series 15-01, Senior, Unsecured, Notes, 2.050% May 13, 2022 | 2,000 | 2,002 | 2,044 |

BMO Private Canadian Short-Term Bond Portfolio

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at December 31, 2020 (All amounts in thousands of Canadian dollars, unless otherwise noted)

| Security | Par Value (in thousands) | Cost (\$) | Fair Value (\$) |
|---|-----------------------------|--------------|--------------------|
| John Deere Canada Funding Inc., Medium Term Notes, Senior, Unsecured, 2.630% Sep 21, 2022 | 2,000 | 2,018 | 2,073 |
| John Deere Canada Funding Inc., Series 18-01 Senior, Unsecured, Notes, 2.700% Jan 17, 2023 | 300 | 300 | 313 |
| John Deere Financial Inc., Medium Term Notes, Senior, Unsecured, 2.990% Jan 14, 2022 | 1,269 | 1,269 | 1,303 |
| John Deere Financial Inc., Medium Term Notes, Senior, Unsecured, 2.460% Apr 4, 2024 | 700 | 700 | 738 |
| John Deere Financial Inc., Medium Term Notes, Senior, Unsecured, 2.400% Sep 17, 2024 | 250 | 249 | 264 |
| John Deere Financial Inc., Senior, Unsecured, Notes, 2.410% Jan 14, 2025 | 356 | 356 | 378 |
| Laurentian Bank of Canada, Deposit Notes, Senior, Unsecured, 2.550% Jun 20, 2022 | 900 | 899 | 923 |
| Laurentian Bank of Canada, Deposit Notes, Senior, Unsecured, 3.000% Sep 12, 2022 | 2,000 | 2,011 | 2,070 |
| Laurentian Bank of Canada, Deposit Notes, Senior, Unsecured, 3.450% Jun 27, 2023 | 3,000 | 2,985 | 3,174 |
| Loblaw Companies Limited, Series 2023, Senior, Unsecured, Notes, Callable, 4.860% Sep 12, 2023 | 1,500 | 1,557 | 1,648 |
| Loblaw Companies Limited, Senior, Unsecured, Notes, Callable, 3.918% Jun 10, 2024 | 2,500 | 2,610 | 2,747 |
| Magna International Inc., Senior, Unsecured, Notes, Callable, 3.100% Dec 15, 2022 | 900 | 909 | 938 |
| Manufacturers Life Insurance Company, The, Fixed to Floating, Notes, Subordinated, Callable, 3.181% Nov 22, 2027 | 2,400 | 2,453 | 2,512 |
| Manulife Bank of Canada, Deposit Notes, Senior, Unsecured, 2.082% May 26, 2022 | 2,000 | 1,998 | 2,044 |
| Manulife Bank of Canada, Deposit Notes, Senior, Unsecured, 2.844% Jan 12, 2023 | 3,000 | 2,985 | 3,137 |
| Manulife Bank of Canada, Deposit Notes, Senior, Unsecured, 2.378% Nov 19, 2024 | 171 | 171 | 181 |
| Manulife Financial Corporation, Fixed to Floating, Unsecured, Debentures, Subordinated, Callable, 3.317% May 9, 2028 | 2,450 | 2,450 | 2,588 |
| Manulife Financial Corporation, Fixed to Floating, Unsecured, Debentures, Subordinated, Callable, 3.049% Aug 20, 2029 | 3,000 | 3,081 | 3,210 |
| MCAP Commercial L.P., Senior, Secured, Notes, 5.000% Dec 14, 2022 | 3,500 | 3,500 | 3,767 |
| MCAP Commercial LP, Senior, Secured, Notes, 4.151% Jun 17, 2024 | 300 | 300 | 316 |
| MCAP Commercial LP, Senior, Secured, Notes, 3.743% Aug 25, 2025 | 400 | 400 | 417 |
| Metro Inc., Medium Term Notes, Senior, Unsecured, Callable, 2.680% Dec 5, 2022 | 1,000 | 1,000 | 1,038 |
| Morguard Corporation, Series E, Senior, Unsecured, Debentures, Callable, 4.715% Jan 25, 2024 | 2,400 | 2,400 | 2,456 |
| Morguard Corporation, Series F, Senior, Unsecured, Debentures, Callable, 4.204% Nov 27, 2024 | 500 | 500 | 503 |
| National Bank of Canada, Deposit Notes, Senior, Unsecured, 2.105% Mar 18, 2022 | 3,000 | 3,002 | 3,062 |
| National Bank of Canada, Deposit Notes, Senior, Unsecured, 1.957% Jun 30, 2022 | 2,000 | 1,995 | 2,046 |

BMO Private Canadian Short-Term Bond Portfolio

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at December 31, 2020 (All amounts in thousands of Canadian dollars, unless otherwise noted)

| Security | Par Value (in thousands) | Cost (\$) | Fair Value (\$) |
|--|-----------------------------|--------------|--------------------|
| National Bank of Canada, Senior, Unsecured, Notes, 2.983% Mar 4, 2024 | 675 | 675 | 721 |
| National Bank of Canada, Senior, Unsecured, Notes, 2.545% Jul 12, 2024 | 4,100 | 4,113 | 4,342 |
| National Bank of Canada, Senior, Unsecured, Notes, 2.580% Feb 3, 2025 | 2,000 | 2,029 | 2,131 |
| National Bank of Canada, Fixed to Floating, Medium Term Notes, Unsecured, Subordinated, Callable, 3.183% Feb 1, 2028 | 1,000 | 1,000 | 1,046 |
| North West Redwater Partnership/NWR Financing Co., Ltd., Series A, Secured, Notes, Callable, 3.200% Jul 22, 2024 | 2,000 | 2,062 | 2,142 |
| OMERS Realty Corporation, Series 2, Senior, Unsecured, Notes, 3.358% Jun 5, 2023 | 1,000 | 1,009 | 1,066 |
| OMERS Realty Corporation, Series 12, Senior, Unsecured, Debentures, 1.298% Sep 22, 2023 | 1,210 | 1,210 | 1,230 |
| OMERS Realty Corporation, Series 7, Senior, Unsecured, Notes, Callable, 2.858% Feb 23, 2024 | 1,500 | 1,507 | 1,598 |
| OMERS Realty Corporation, Series 6, Senior, Unsecured, Notes, 3.328% Nov 12, 2024 | 2,500 | 2,593 | 2,737 |
| OMERS Realty Corporation, Series 10, Senior, Unsecured, Debentures, Callable, 3.331% Jun 5, 2025 | 1,472 | 1,580 | 1,619 |
| Pembina Pipeline Corporation, Series 2, Medium Term Notes, Unsecured, 3.770% Oct 24, 2022 | 800 | 811 | 843 |
| Pembina Pipeline Corporation, Medium Term Notes, Senior, Unsecured, 2.560% Jun 1, 2023 | 2,155 | 2,155 | 2,240 |
| Pembina Pipeline Corporation, Series 8, Medium Term Notes, Senior, Unsecured, Callable, 2.990% Jan 22, 2024 | 2,500 | 2,461 | 2,640 |
| Penske Truck Leasing Canada Inc., Senior, Unsecured, Notes, Callable, 2.850% Dec 7, 2022 | 1,500 | 1,500 | 1,553 |
| Penske Truck Leasing Canada Inc., Senior, Unsecured, Notes, Callable, 2.700% Sep 30, 2024 | 407 | 406 | 426 |
| Prime Structured Mortgage Trust, Series 20-1, Senior, Secured, 1.968% Feb 15, 2023 | 1,867 | 1,867 | 1,913 |
| RioCan Real Estate Investment Trust, Series V, Senior, Unsecured, Notes, 3.746% May 30, 2022 | 1,500 | 1,528 | 1,558 |
| RioCan Real Estate Investment Trust, Series T, Senior, Unsecured, Notes, 3.725% Apr 18, 2023 | 750 | 756 | 792 |
| RioCan Real Estate Investment Trust, Series AA, Senior, Unsecured, Debentures, Callable, 3.209% Sep 29, 2023 | 1,150 | 1,136 | 1,206 |
| RioCan Real Estate Investment Trust, Series W, Senior, Unsecured, Notes, 3.287% Feb 12, 2024 | 1,000 | 999 | 1,055 |
| RioCan Real Estate Investment Trust, Series AB, Senior, Unsecured, Notes, Debentures, Callable, 2.576% Feb 12, 2025 | 2,538 | 2,554 | 2,626 |
| Rogers Communications, Inc., Senior, Unsecured, Notes, 4.000% Jun 6, 2022 | 2,000 | 2,057 | 2,094 |
| Rogers Communications, Inc., Medium Term Notes, Senior, Unsecured, Callable, 4.000% Mar 13, 2024 | 4,190 | 4,330 | 4,569 |
| Royal Bank of Canada, Deposit Notes, Senior, Unsecured, 1.968% Mar 2, 2022 | 8,655 | 8,680 | 8,815 |
| Royal Bank of Canada, Deposit Notes, Senior, Unsecured, 2.000% Mar 21, 2022 | 8,000 | 8,028 | 8,157 |

BMO Private Canadian Short-Term Bond Portfolio

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at December 31, 2020 (All amounts in thousands of Canadian dollars, unless otherwise noted)

| Security | Par Value (in thousands) | Cost (\$) | Fair Value (\$) |
|---|-----------------------------|--------------|--------------------|
| Royal Bank of Canada, Deposit Notes, Senior, Unsecured, 2.360% Dec 5, 2022 | 6,000 | 6,011 | 6,217 |
| Royal Bank of Canada, Deposit Notes, Senior, Unsecured, 2.949% May 1, 2023 | 5,000 | 5,102 | 5,276 |
| Royal Bank of Canada, Senior, Unsecured, Notes, 3.296% Sep 26, 2023 | 4,800 | 4,800 | 5,135 |
| Royal Bank of Canada, Deposit Notes, Senior, Unsecured, 2.333% Dec 5, 2023 | 7,600 | 7,597 | 7,978 |
| Royal Bank of Canada, Senior, Unsecured, Notes, 2.352% Jul 2, 2024 | 5,000 | 5,000 | 5,264 |
| Royal Bank of Canada, Senior, Unsecured, Notes, 2.609% Nov 1, 2024 | 6,269 | 6,413 | 6,680 |
| Royal Bank of Canada, Senior, Unsecured, Notes, 1.936% May 1, 2025 | 2,500 | 2,549 | 2,605 |
| Royal Bank of Canada, Deposit Notes, Senior, Unsecured, 4.930% Jul 16, 2025 | 5,000 | 5,851 | 5,916 |
| Royal Bank of Canada, Unsecured, Notes, Subordinated, Callable, 2.740% Jul 25, 2029 | 5,315 | 5,307 | 5,624 |
| Royal Bank of Canada, Unsecured, Notes, Subordinated, Callable, 2.880% Dec 23, 2029 | 667 | 668 | 711 |
| Saputo Inc., Medium Term Notes, Senior, Unsecured, Callable, 1.939% Jun 13, 2022 | 1,000 | 994 | 1,019 |
| Saputo Inc., Medium Term Notes, Senior, Unsecured, Callable, 2.827% Nov 21, 2023 | 500 | 490 | 527 |
| Saputo Inc., Medium Term Notes, Senior, Unsecured, Callable, 2.876% Nov 19, 2024 | 1,875 | 1,875 | 2,006 |
| Saputo Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.603% Aug 14, 2025 | 1,833 | 2,005 | 2,028 |
| Shaw Communications Inc., Senior, Unsecured, Notes, Callable, 3.800% Nov 2, 2023 | 1,409 | 1,438 | 1,522 |
| Shaw Communications Inc., Senior, Unsecured, Notes, 4.350% Jan 31, 2024 | 1,250 | 1,290 | 1,371 |
| Sienna Senior Living Inc., Series A, Senior, Unsecured, Debentures, Callable, 3.109% Nov 4, 2024 | 750 | 750 | 768 |
| SmartCentres Real Estate Investment Trust, Series I, Senior, Unsecured, Notes, 3.985% May 30, 2023 | 2,000 | 2,062 | 2,136 |
| SmartCentres Real Estate Investment Trust, Series N, Senior, Unsecured, Notes, 3.556% Feb 6, 2025 | 2,000 | 2,084 | 2,161 |
| Sun Life Financial Inc., Fixed to Floating, Medium Term Notes, Unsecured, Subordinated, Callable, 2.750% Nov 23, 2027 | 1,000 | 1,003 | 1,039 |
| Sun Life Financial Inc., Series 2016-2, Fixed to Floating, Unsecured, Debentures, Subordinated, Callable, 3.050% Sep 19, 2028 | 4,000 | 3,966 | 4,239 |
| Sun Life Financial Inc., Unsecured, Debentures, Subordinated, Callable, 2.380% Aug 13, 2029 | 2,667 | 2,667 | 2,798 |
| Sysco Canada, Inc., Senior, Unsecured, Notes, Callable, 3.650% Apr 25, 2025 | 3,267 | 3,160 | 3,558 |
| TELUS Corporation, Series CT, Unsecured, Notes, Callable, 2.350% Mar 28, 2022 | 2,705 | 2,706 | 2,761 |
| TELUS Corporation, Series CJ, Unsecured, Notes, Callable, 3.350% Mar 15, 2023 | 2,500 | 2,518 | 2,626 |
| TELUS Corporation, Series CK, Unsecured, Notes, Callable, 3.350% Apr 1, 2024 | 3,500 | 3,573 | 3,757 |
| TELUS Corporation, Series CQ, Unsecured, Notes, Callable, 3.750% Jan 17, 2025 | 3,000 | 3,129 | 3,308 |

BMO Private Canadian Short-Term Bond Portfolio

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at December 31, 2020 (All amounts in thousands of Canadian dollars, unless otherwise noted)

| Security | Par Value (in thousands) | Cost (\$) | Fair Value (\$) |
|--|-----------------------------|--------------|--------------------|
| Teranet Holdings L.P., Secured, Notes, Callable, 3.646% Nov 18, 2022 | 2,400 | 2,412 | 2,500 |
| Teranet Holdings L.P., Series 2020, Senior, Secured, Notes, Callable, 3.544% Jun 11, 2025 | 480 | 480 | 516 |
| Thomson Reuters Corporation, Senior, Unsecured, Notes, Callable, 2.239% May 14, 2025 | 2,000 | 2,000 | 2,090 |
| TMX Group Limited, Series D, Senior, Unsecured, Debentures, Callable, 2.997% Dec 11, 2024 | 2,000 | 2,033 | 2,159 |
| Toromont Industries Ltd., Senior, Unsecured, Notes, Callable, 3.710% Sep 30, 2025 | 1,250 | 1,358 | 1,367 |
| Toronto Hydro Corporation, Series 8, Senior, Unsecured, Debentures, Callable, 2.910% Apr 10, 2023 | 580 | 583 | 607 |
| Toronto-Dominion Bank, The, Deposit Notes, Senior, Unsecured, 1.994% Mar 23, 2022 | 7,300 | 7,292 | 7,444 |
| Toronto-Dominion Bank, The, Deposit Notes, Unsecured, 3.005% May 30, 2023 | 6,227 | 6,251 | 6,594 |
| Toronto-Dominion Bank, The, Deposit Notes, Senior, Unsecured, 1.909% Jul 18, 2023 | 7,000 | 6,833 | 7,239 |
| Toronto-Dominion Bank, The, Senior, Unsecured, Notes, 2.850% Mar 8, 2024 | 7,053 | 7,123 | 7,515 |
| Toronto-Dominion Bank, The, Deposit Notes, Senior, Unsecured, 3.226% Jul 24, 2024 | 7,200 | 7,495 | 7,840 |
| Toronto-Dominion Bank, The, Senior, Unsecured, Notes, 2.496% Dec 2, 2024 | 7,200 | 7,220 | 7,654 |
| Toronto-Dominion Bank, The, Senior, Unsecured, Notes, 1.943% Mar 13, 2025 | 2,400 | 2,400 | 2,502 |
| Toronto-Dominion Bank, The, Medium Term Notes, Fixed to Floating, Unsecured, Subordinated, Callable, 3.589% Sep 14, 2028 | 5,500 | 5,524 | 5,894 |
| Toronto-Dominion Bank, The, Medium Term Notes, Fixed to Floating, Subordinated, Callable, 3.224% Jul 25, 2029 | 7,460 | 7,643 | 8,021 |
| Toronto-Dominion Bank, The, Fixed to Floating, Medium Term Notes, Unsecured, Subordinated, Callable, 3.105% Apr 22, 2030 | 5,500 | 5,808 | 5,937 |
| Toyota Credit Canada Inc., Medium Term Notes, Senior, Unsecured, 2.020% Feb 28, 2022 | 2,000 | 2,004 | 2,037 |
| Toyota Credit Canada Inc., Medium Term Notes, Senior, Unsecured, 2.350% Jul 18, 2022 | 1,000 | 1,004 | 1,029 |
| Toyota Credit Canada Inc., Medium Term Notes, Senior, Unsecured, 2.620% Oct 11, 2022 | 2,000 | 2,017 | 2,074 |
| Toyota Credit Canada Inc., Medium Term Notes, Senior, Unsecured, 2.700% Jan 25, 2023 | 2,000 | 2,019 | 2,087 |
| Toyota Credit Canada Inc., Medium Term Notes, Senior, Unsecured, 3.040% Jul 12, 2023 | 1,620 | 1,620 | 1,716 |
| Toyota Credit Canada Inc., Medium Term Notes, Senior, Unsecured, 2.640% Mar 27, 2024 | 429 | 429 | 454 |
| Toyota Credit Canada Inc., Medium Term Notes, Senior, Unsecured, 2.110% Feb 26, 2025 | 1,158 | 1,158 | 1,213 |
| TransCanada PipeLines Limited, Medium Term Notes, Senior, Unsecured, Callable, 3.690% Jul 19, 2023 | 1,000 | 1,025 | 1,067 |
| TransCanada PipeLines Limited, Medium Term Notes, Senior, Unsecured, Callable, 3.300% Jul 17, 2025 | 6,200 | 6,633 | 6,754 |

BMO Private Canadian Short-Term Bond Portfolio

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at December 31, 2020 (All amounts in thousands of Canadian dollars, unless otherwise noted)

| Security | Par Value (in thousands) | Cost (\$) | Fair Value (\$) |
|--|-----------------------------|--------------|--------------------|
| Union Gas Limited, Series 10, Medium Term Notes, Unsecured, Callable, 3.790% Jul 10, 2023 | 1,500 | 1,541 | 1,609 |
| Union Gas Limited, Series 13, Medium Term Notes, Senior, Unsecured, Callable, 3.190% Sep 17, 2025 | 1,000 | 1,097 | 1,103 |
| Vancouver Airport Fuel Facilities Corporation, Series I, Secured, Callable, 2.168% Jun 23, 2025 | 1,000 | 1,000 | 1,001 |
| Ventas Canada Finance Limited, Series E, Senior, Unsecured, Notes, Callable, 2.800% Apr 12, 2024 | 250 | 250 | 262 |
| Ventas Canada Finance Ltd., Series D, Senior, Unsecured, Notes, Callable, 2.550% Mar 15, 2023 | 2,000 | 2,003 | 2,065 |
| Ventas Canada Finance Ltd., Series B, Senior, Unsecured, Notes, Callable, 4.125% Sep 30, 2024 | 1,000 | 1,048 | 1,095 |
| VW Credit Canada, Inc., Senior, Unsecured, Notes, 2.650% Jun 27, 2022 | 1,364 | 1,365 | 1,403 |
| VW Credit Canada, Inc., Senior, Unsecured, Notes, 3.700% Nov 14, 2022 | 3,000 | 3,059 | 3,164 |
| VW Credit Canada, Inc., Senior, Unsecured, Notes, 3.250% Mar 29, 2023 | 2,000 | 1,999 | 2,106 |
| VW Credit Canada, Inc., Senior, Unsecured, Notes, 1.200% Sep 25, 2023 | 1,650 | 1,650 | 1,664 |
| VW Credit Canada, Inc., Senior, Unsecured, Notes, 2.850% Sep 26, 2024 | 1,364 | 1,364 | 1,452 |
| VW Credit Canada, Inc., Senior, Unsecured, Notes, 1.500% Sep 23, 2025 | 1,650 | 1,647 | 1,667 |
| Wells Fargo Canada Corporation, Medium Term Notes, Unsecured, 3.460% Jan 24, 2023 | 3,000 | 3,040 | 3,174 |
| Westcoast Energy Inc., Series 14, Medium Term Notes, Senior, Unsecured, 3.120% Dec 5, 2022 | 1,000 | 1,009 | 1,047 |
| Westcoast Energy Inc., Series 15, Medium Term Notes, Senior, Unsecured, Callable, 3.430% Sep 12, 2024 | 5,500 | 5,691 | 5,971 |
| Westcoast Energy Inc., Series 16, Medium Term Notes, Senior, Unsecured, Callable, 3.770% Dec 8, 2025 | 1,500 | 1,672 | 1,681 |
| Winnipeg Airports Authority Inc., Series E, Secured, Notes, 3.039% Apr 14, 2023 | 1,500 | 1,504 | 1,569 |
| | | 712,910 | 742,180 |
| <i>Asset-Backed Securities — 0.2%</i> | | | |
| Eagle Credit Card Trust, Credit Card Receivables-Backed, Series 2018-1, Class A, Senior, Secured, Notes, 3.042% Jul 17, 2023 | 1,625 | 1,651 | 1,719 |
| Glacier Credit Card Trust, Series 2017-1, Credit Card Asset-Backed Notes, Senior, Secured, 2.048% Sep 20, 2022 | 3,000 | 2,969 | 3,072 |
| | | 4,620 | 4,791 |
| <i>Supranational Bonds — 1.3%</i> | | | |
| International Bank for Reconstruction & Development, Series GDIF, Senior, Unsecured, 2.200% Jan 18, 2022 | 1,500 | 1,507 | 1,530 |
| International Bank for Reconstruction & Development, Series GDIF, Senior, Unsecured, 2.250% Jan 17, 2023 | 3,000 | 3,036 | 3,087 |
| International Bank for Reconstruction & Development, Series GDIF, Senior, Unsecured, Notes, 2.500% Aug 3, 2023 | 3,000 | 3,065 | 3,162 |

BMO Private Canadian Short-Term Bond Portfolio

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at December 31, 2020 (All amounts in thousands of Canadian dollars, unless otherwise noted)

| Security | Par Value (in thousands) | Cost (\$) | Fair Value (\$) |
|---|-----------------------------|------------------|--------------------|
| International Bank for Reconstruction & Development, Series GDIF, Unsecured, 1.800% Jul 26, 2024 | 14,000 | 13,998 | 14,631 |
| International Bank for Reconstruction & Development, Series GDIF, Senior, Unsecured, 1.900% Jan 16, 2025 | 5,000 | 4,996 | 5,261 |
| International Finance Corporation, Global Medium Term Notes, Senior, Unsecured, 2.375% Jul 19, 2023 | 1,600 | 1,621 | 1,679 |
| International Finance Corporation, Unsecured, 1.375% Sep 13, 2024 | 4,000 | 3,984 | 4,122 |
| | | 32,207 | 33,472 |
| Total Investment Portfolio — 99.5% | | 2,402,341 | 2,470,218 |
| Other Assets Less Liabilities — 0.5% | | | 12,987 |
| NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS — 100.0% | | | 2,483,205 |

BMO Private Canadian Short-Term Bond Portfolio

Notes to the Financial Statements

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

December 31, 2020

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 December 31, 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 December 31, 2020 and December 31, 2019.

In each of the statements and in the notes to the financial statements “periods” refers to “years”.

These financial statements were authorized for issuance by the Board of Directors of the Manager on March 9, 2021.

2. Basis of preparation and presentation

These audited financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“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 or 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 prices and to take into account, among other things, any significant events occurring after the close of a foreign market.

BMO Private Canadian Short-Term Bond Portfolio

Notes to the Financial Statements (cont'd)

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

December 31, 2020

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

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

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-

BMO Private Canadian Short-Term Bond Portfolio

Notes to the Financial Statements (cont'd)

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

December 31, 2020

backed securities are created from many types of assets, including auto loans, credit card receivables, home equity loans, and student loans.

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

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

Offsetting of financial assets and financial liabilities

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

Income recognition

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

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

Foreign currency translation

The fair value of investments and other assets and liabilities in foreign currencies are translated into the Portfolio's functional currency at the rates of exchange prevailing at the period-end date. Purchases and sales of investments, and income and expenses are translated at the rates of exchange prevailing on the respective dates of such transactions. Realized and unrealized foreign exchange gains (losses) on investment transactions are included in "Net realized gain (loss)" and in "Change in unrealized appreciation (depreciation)", respectively,

in the Statement of Comprehensive Income. 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 guarantee by the Government of Canada or a province thereof, or by the United States government or its agencies, but it may include obligations of other governments with appropriate credit ratings. Further, the program entered into provides for 100% indemnification by the securities lending agent and parties related to the Portfolio's custodian, to the Portfolio for any defaults by borrowers.

For those Portfolios participating in the program, aggregate values of securities on loan and the collateral held as at December 31, 2020 and December 31, 2019 and information about the security lending income earned by the Portfolio are disclosed in Note 8, where applicable.

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

Short-term trading penalty

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

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

"Increase (decrease) in net assets attributable to holders of redeemable units per unit" in the Statement of Comprehensive Income represents the increase (decrease) in net assets attributable to holders of redeemable units divided by the weighted average number of units outstanding during the period. Refer to Note 8 for details.

BMO Private Canadian Short-Term Bond Portfolio

Notes to the Financial Statements (cont'd)

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

December 31, 2020

Taxation

The Portfolio qualifies as a unit trust under the provisions of the Income Tax Act (Canada). Distributions of all net taxable income and sufficient amounts of net realized capital gains for each taxation year will be paid to unitholders so that the Portfolio will not be subject to income tax. As a result, the Manager has determined that the Portfolio 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 short-term borrowings or disposal of investments where necessary.

BMO Private Canadian Short-Term Bond Portfolio

Notes to the Financial Statements (cont'd)

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

December 31, 2020

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 December 31, 2020 and December 31, 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. 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.

BMO Private Canadian Short-Term Bond Portfolio

Notes to the Financial Statements (cont'd)

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

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

(a) Currency risk

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

(b) Interest rate risk

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

(c) Other market risk

Other market risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are

caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market. Other assets and liabilities are monetary items that are short-term in nature, as such they are not subject to other market risk. The Portfolio's exposure to other market risk, if any, is further discussed in Note 8.

(d) Credit risk

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

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

(e) Liquidity risk

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

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Notes to the Financial Statements (cont'd)

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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) | Dec. 31, 2020 | Dec. 31, 2019 |
|---|------------------|------------------|
| Units issued and outstanding, beginning of period | 258,339 | 202,240 |
| Issued for cash | 43,680 | 92,348 |
| Issued on reinvestment of distributions | 5,315 | 5,010 |
| Redeemed during the period | (68,967) | (41,259) |
| Units issued and outstanding, end of period | 238,367 | 258,339 |

(b) Reconciliation of NAV to Net Assets

As at December 31, 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 December 31, 2020 and December 31, 2019 is calculated as follows:

| For the periods ended | Dec. 31, 2020 | Dec. 31, 2019 |
|--|------------------|------------------|
| Increase in net assets attributable to holders of redeemable units | 129,039 | 64,823 |
| Weighted average units outstanding during the period (in thousands of units) | 243,044 | 219,930 |
| Increase in net assets attributable to holders of redeemable units per unit | 0.53 | 0.29 |

(d) Income taxes

As at the tax year-ended December 15, 2020, the Portfolio had the following estimated capital and non-capital losses available for income tax purposes:

| Total Capital Losses (\$) | Total Non-Capital Losses (\$) | Non-Capital Losses That Expire in | | |
|------------------------------|----------------------------------|-----------------------------------|--------------|-----------------------------|
| | | 2031 (\$) | 2032 (\$) | 2033 and thereafter (\$) |
| 103,425 | — | — | — | — |

(e) Related party transactions

Unitholder servicing

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

| For the periods ended | Dec. 31, 2020 | Dec. 31, 2019 |
|---------------------------|------------------|------------------|
| Unitholder servicing (\$) | 264 | 267 |

Brokerage commissions and soft dollars

There were no brokerage commissions charged to the Portfolio during the periods ended December 31, 2020 and December 31, 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 December 31, 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 | |
|------------------------|------------------------------|------------------|
| | Dec. 31, 2020 | Dec. 31, 2019 |
| Less than one year | — | — |
| One to three years | 1,275,456 | 1,359,127 |
| Three to five years | 1,119,290 | 1,149,284 |
| Five to ten years | 75,472 | 89,495 |
| Greater than ten years | — | 6,365 |
| Total | 2,470,218 | 2,604,271 |

As at December 31, 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 \$67,785 (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

BMO Private Canadian Short-Term Bond Portfolio

Notes to the Financial Statements (cont'd)

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this sensitivity analysis and the difference could be material.

Other market risk

The Portfolio was not significantly exposed to other market risk as at December 31, 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 | |
|---------------|----------------------------|---------------|
| | Dec. 31, 2020 | Dec. 31, 2019 |
| AAA | 50.3 | 49.6 |
| AA | 11.6 | 15.0 |
| A | 24.9 | 22.4 |
| BBB | 12.7 | 12.5 |
| Total | 99.5 | 99.5 |

Securities lending

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

| | Aggregate Value of Securities on Loan (\$) | Aggregate Value of Collateral Received for the Loan (\$) |
|-------------------|--|--|
| December 31, 2020 | 829,549 | 871,319 |
| 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 December 31, 2020 and December 31, 2019:

| For the periods ended | Dec. 31, 2020 | | Dec. 31, 2019 | |
|--------------------------------------|---------------|---------------------------------------|---------------|---------------------------------------|
| | Amount | % of Gross Securities Lending Revenue | Amount | % of Gross Securities Lending Revenue |
| Gross securities lending revenue | 568 | 100.0 | 445 | 100.0 |
| Withholding taxes | 1 | 0.2 | 4 | 0.9 |
| | 567 | 99.8 | 441 | 99.1 |
| Payment to securities lending agents | 170 | 29.9 | 132 | 29.7 |
| Net securities lending revenue* | 397 | 69.9 | 309 | 69.4 |

* Amount shown on the Statement of Comprehensive Income is gross of withholding taxes of \$1 (December 31, 2019 – \$4).

Concentration risk

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

| As at | Dec. 31, 2020 | Dec. 31, 2019 |
|--------------------------------------|---------------|---------------|
| Bonds & Debentures | | |
| Federal Bonds | 46.8% | 46.3% |
| Provincial Bonds | 20.4% | 17.8% |
| Municipal Bonds | 0.9% | 0.9% |
| Corporate Bonds & Debentures | 29.9% | 33.2% |
| Asset-Backed Securities | 0.2% | 0.3% |
| Supranational Bonds | 1.3% | 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 Dec. 31, 2020

| Financial assets | Level 1 | Level 2 | Level 3 | Total |
|------------------|-----------|---------|---------|-----------|
| Debt Securities | 2,470,218 | — | — | 2,470,218 |

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.

BMO Private Canadian Short-Term Bond Portfolio

Notes to the Financial Statements (cont'd)

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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 Dec. 31, 2020 | Carrying amount Dec. 31, 2019 | As at | Carrying amount Dec. 31, 2020 | Carrying amount 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 | 23,637 | 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 | 5,417 | — |
| Canada Housing Trust, Mortgage Bonds, Series 75, Secured, 1.150% Dec 15, 2021 | — | 24,697 | Canada Housing Trust, Mortgage Bonds, No. 1, Series MAR, Secured, 0.950% Jun 15, 2025 | 28,479 | — |
| Canada Housing Trust, Mortgage Bonds, Series 76, Secured, 1.500% Dec 15, 2021 | — | 19,891 | Canada Housing Trust, Mortgage Bonds, Series 67, Secured, 1.950% Dec 15, 2025 | 40,112 | — |
| Canada Housing Trust, Mortgage Bonds, Series 45, Secured, 2.650% Mar 15, 2022 | 23,414 | 27,231 | Canada Housing Trust, Mortgage Bonds, Series 70, Secured, 2.250% Dec 15, 2025 | 21,248 | — |
| Canada Housing Trust, Mortgage Bonds, Series 78, Secured, 1.750% Jun 15, 2022 | 38,071 | 37,179 | CARDS II Trust, Series A, Secured, Notes, 2.427% Nov 15, 2024 | 883 | 834 |
| Canada Housing Trust, Mortgage Bonds, Series 48, Secured, 2.400% Dec 15, 2022 | 55,956 | 43,888 | Eagle Credit Card Trust, Series 171A, Secured, Notes, 2.631% Oct 17, 2022 | 1,036 | 1,009 |
| Canada Housing Trust, Mortgage Bonds, Series 83, Secured, 2.350% Jun 15, 2023 | 42,706 | 46,367 | Eagle Credit Card Trust, Credit Card Receivables-Backed, Series 2018-1, Class A, Senior, Secured, Notes, 3.042% Jul 17, 2023 | 1,719 | 1,662 |
| Canada Housing Trust, Mortgage Bonds, Series 52, Secured, 2.350% Sep 15, 2023 | 37,135 | 32,222 | Eagle Credit Card Trust, Series A, Secured, Notes, 2.220% Jul 17, 2024 | 1,570 | 1,488 |
| Canada Housing Trust, Mortgage Bonds, Series 55, Secured, 3.150% Sep 15, 2023 | 15,091 | 14,648 | Fortified Trust, Series 2016-1, Class A, Real Estate Secured Line of Credit-Backed Notes, 1.670% Jul 23, 2021 | — | 1,984 |
| Canada Housing Trust, Mortgage Bonds, Series 86, Secured, 2.550% Dec 15, 2023 | 35,197 | 36,412 | Fortified Trust, Series A, Secured, Notes, 2.340% Jan 23, 2023 | 1,794 | 1,735 |
| Canada Housing Trust, Mortgage Bonds, Series 58, Secured, 2.900% Jun 15, 2024 | 51,797 | 49,684 | Fortified Trust, Series A, Secured, Notes, 2.558% Mar 23, 2024 | 2,440 | 4,336 |
| | | | Glacier Credit Card Trust, Series 2017-1, Credit Card Asset-Backed Notes, Senior, Secured, 2.048% Sep 20, 2022 | 3,072 | 2,979 |
| | | | Glacier Credit Card Trust, Series 2019, Senior, Secured, Notes, 2.280% Jun 6, 2024 | 2,222 | 2,110 |

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| As at | Carrying amount | Carrying amount |
|---|--------------------|--------------------|
| | Dec. 31, 2020 | Dec. 31, 2019 |
| Glacier Credit Card Trust, Series 2020, Senior, Secured, Notes, 1.388% Sep 22, 2025 | 506 | — |
| Prime Structured Mortgage Trust, Series 20-1, Senior, Secured, 1.968% Feb 15, 2023 | 1,913 | — |
| PSP Capital Inc, Series 7, Senior, Unsecured, Notes, 3.290% Apr 4, 2024 | 5,448 | 2,104 |
| PSP Capital Inc., Series 8, Senior, Unsecured, Notes, 1.340% Aug 18, 2021 | — | 3,969 |
| PSP Capital Inc., Senior, Unsecured, Notes, 1.730% Jun 21, 2022 | 9,194 | 8,969 |
| PSP Capital Inc., Series 9, Senior, Unsecured, Notes, 2.090% Nov 22, 2023 | 3,141 | 3,013 |
| PSP Capital Inc., Series 11, Senior, Unsecured, Notes, 3.000% Nov 5, 2025 | 4,984 | — |
| Total | 458,182 | 450,540 |

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.

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

Management's Responsibility for Financial Reporting

The accompanying financial statements have been prepared by management of BMO Private Investment Counsel Inc. Management is responsible for the information and representations contained in these financial statements.

Management has maintained appropriate processes to ensure that relevant and reliable information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and include certain amounts that are based on estimates and judgements. The significant accounting policies which management believes are appropriate for the Portfolio are described in Note 3 of the financial statements. The Trustee (BMO Trust Company) is responsible for reviewing and approving the financial statements and overseeing management's performance of its financial reporting responsibilities. The Trustee reviews the financial statements of the Portfolios, adequacy of the internal controls, the audit process and financial reporting with management and external auditor.

PricewaterhouseCoopers LLP is the external auditor of the Portfolios. The auditor has been appointed by Board of the Manager and of the Trustees and cannot be changed without the prior approval of the Independent Review Committee and 60 days notice to the Unitholders. They have audited the financial statements in accordance with generally accepted auditing standards in Canada to enable them to express to the unitholders and trustee their opinion on the financial statements. Their report is included as an integral part of the financial statements.

Stephen MacDonald
Interim Chief Executive Officer
BMO Private Investment Counsel Inc.
March 9, 2021

Robert J. Schauer
Chief Financial Officer
BMO Private Portfolios
March 9, 2021

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