

Annual Management Report of Fund Performance

BMO Private Canadian Core Equity Portfolio

For the period ended December 31, 2024

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

Management Discussion of Fund Performance

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

The Portfolio utilizes two distinct investment strategies (managed by different portfolio management teams of BMO AM Inc.) to achieve its investment objectives. The Quantitative Investments team uses a quantitative framework to incorporate fundamental insights, as it believes that fundamentally strong, attractively valued companies with growing investor interest will outperform over the long run. The Fundamental Equity team believes in identifying high-quality, under-followed companies with high growth potential which, when combined with a disciplined portfolio construction methodology and a unique risk management approach, will lead to superior performance over the long term.

Investment Objective and Strategies

The Portfolio's investment objective is to provide long-term capital appreciation through investing primarily in equity securities of large Canadian issuers.

To achieve the Portfolio's objectives, the sub-advisor primarily employs bottom-up security selection for its holdings that is based on quantitative and traditional fundamental analyses, including assessment of the company's projected earnings growth, quality of management, and identification of reasonable stock price valuations relative to other companies in the same industry.

Risk

The risks associated with an investment in the Portfolio remain as disclosed in the Portfolio's most recent simplified prospectus or any amendments thereto and fund facts. During the period, there were no changes to the Portfolio's investment objective, strategies or management that materially affected the overall risk level associated with an investment in the Portfolio. The Manager reviewed the Portfolio using the standardized investment risk classification methodology prescribed by National Instrument 81-102 *Investment Funds* and determined on May 17, 2024 that the risk rating of the Portfolio had not changed. The Manager reviews the Portfolio's investment risk level and reference index, if any, at least annually.

Results of Operations

Over the 12-month period ended December 31, 2024, the Portfolio returned 21.14%, after expenses. The Portfolio's benchmark is the S&P/TSX Composite Index (the “S&P/TSX”), which generated a 21.65% total return over the same 12-month period.



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Canadian equities were strong in 2024, with the S&P/TSX Composite Index setting multiple record highs. Despite coming off its record high set on December 6, the Canadian equity market delivered a strong 21.65% total return for the year. Financials, Materials and Energy were among the sectors that outperformed, delivering 30.10%, 21.44% and 23.84% total returns, respectively.

Quantitative Investments Component

Security selection within the Energy, Industrials and Materials sectors detracted from the Quantitative Investments component's performance. The largest individual detractors from the component's performance included overweight holdings in Parkland Corp. and Interfor Corp. and an underweight position in TC Energy Corp. A lack of exposure to Atkinsrealis Group Inc., Bombardier Inc. and Kinross Gold Corp. also detracted from the component's performance as the stocks of these companies outperformed.

Stock selection within the Information Technology, Utilities and Consumer Staples sectors contributed to the Quantitative Investments component's performance. Top individual contributors to the component's performance were overweight positions in Celestica Inc., TransAlta Corp., Capital Power Corp., ATCO Ltd. and George Weston Ltd. Exiting a holding in Open Text Corp. also contributed to the component's performance.

The sub-advisor added to the Quantitative Investments component a new holding in Alamos Gold Inc., a growth-oriented gold producer with mines in North America. The company boasts stable production from its two Canadian mines and has self-funded growth opportunities from extending the life of its Mexican mine and other development projects. The company has a solid operational track record and has more than replaced its reserves over the past five years. It generates consistent free cash flow and recently beat market expectations with record gold production in its third quarter of 2024.

An existing component position in WSP Global Inc. was increased. The company has a record backlog and no construction risk, and it is a beneficiary of the U.S. infrastructure plan. The company is focused on using acquisitions to become a top three player in each geography and end market, becoming a one-stop shop for clients with cross-selling opportunities. The sub-advisor likes its market sentiment and momentum.

The component's holding in Magna International Inc. was eliminated. While the company invests for future growth in areas such as advanced driver assistance systems and electrification, its management has revised its sales forecast and pushed back the timeline for these programs to become profitable, citing delayed electric vehicle rollouts. The company's debt level is high following its Veoneer Inc. transaction, and its free cash flow in the next three years remains low. With increasing competition from Chinese electric vehicles, the sub-advisor is also concerned about the demand risks from the company's primary customers.

A holding in BCE Inc., Canada's largest telecommunications provider, was trimmed as the company navigates a slower revenue environment. Its Zipy Fiber acquisition and unsuccessful bid for Frontier Communications Corp. indicated its U.S. growth ambition, which might require further funding from capital recycling, dividend revisit or equity issuance.

Fundamental Equity Component

Security selection within the Financials and Energy sectors detracted from the Fundamental Equity component's performance. Within Energy, an underweight allocation to pipeline stocks detracted from the component's performance. An overweight exposure to the Industrials sector, the third-worst sector performer in the Canadian equity market, also detracted from the component's performance. An underweight holding in The Bank of Nova Scotia also detracted from performance. The company showed early signs of success in its new strategic plan, which is helping regain some investor confidence. A position in Northland Power Inc. detracted from the Fundamental Equity component's performance as the company's stock underperformed amid diminished investor interest in renewable wind power given macroeconomic trends. The company was also affected by the departure of its CEO. The component's underweight holding in Loblaw Cos. Ltd. was another detractor from performance. The company's stock performed well amid low double-digit earnings growth.

Stock selection within the Industrials, Information Technology and Communication Services sectors contributed to the Fundamental Equity component's performance. Top individual contributors to performance were positions in Constellation Software Inc., Element Fleet Management Corp. and Waste Connections Inc. Constellation Software Inc. continued to execute well

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on its acquisition-led growth strategy. Element Fleet Management Corp. outperformed quarterly expectations while also raising its forecast due to strong underlying business momentum. Waste Connections Inc.'s stock performed better than expected, with price above inflation driving margin expansion. The company also had good contributions to growth from acquisitions.

A new holding in TFI International Inc. was added to the Fundamental Equity component. The sub-advisor anticipates positive domestic economic growth policies undertaken by Donald Trump's administration should contribute to increased trucking activity. The company was already expected to see an acceleration in earnings growth throughout 2025.

An existing position in Thomson Reuters Inc. was increased. The company has mostly cycled through its year of increased investments (which temporarily held back growth), and the sub-advisor expects that the market will now look forward to a reacceleration in the company's earnings-per-share growth.

A holding in Cargojet Inc. was eliminated from the component amid concerns around rising cost pressure negatively impacting the company's margins. A position in Agnico Eagle Mines Ltd. was trimmed to take profits following a strong rebound in gold prices. The proceeds were reallocated to other high-conviction opportunities.

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

Recent Developments

Quantitative Investments Component

While inflation in Canada has been brought under control, gross domestic product growth has been weak, and political uncertainty persists at the federal level. The Canadian economy may face more challenges given the uncertainty around the tariff policy pledged by the incoming Trump Administration.

The sub-advisor believes that the Bank of Canada's steady interest rate cuts should provide some relief to consumers and housing markets, while growth and policy uncertainty should add volatility to the market in 2025.

The sub-advisor believes that its focus on high-quality earnings, attractive valuation and growing investor interest with good diversification and tight risk control should add value in this market environment.

Fundamental Equity Component

The sub-advisor believes that the outlook for Canadian equities has moderated after a strong 2024, although positive momentum could continue to carry the market higher. The sub-advisor does expect that some pockets of strength will persist. One of those areas of potential strength is Canadian companies with significant exposure to the U.S. economy, which should benefit from pro-domestic-growth policies undertaken by the incoming U.S. administration. Another area is natural gas stocks, which should benefit from the upcoming start-up of LNG Canada.

Despite the broad-based Canadian equity rebound in 2024, which has reduced return expectations in general, the sub-advisor sees several individual stock opportunities that offer significant upside potential for investors. These are the opportunities where the sub-advisor has been adding exposure to the Fundamental Equity component in its focus on high-quality companies with the strongest long-term fundamentals.

Related Party Transactions

BMO Trust Company, an indirect, wholly-owned subsidiary of Bank of Montreal ("BMO"), is the trustee (the "trustee") and BPIC is the manager of the Portfolio. From time to time, BPIC may, on behalf of the Portfolio, enter into transactions or arrangements with or involving other members of BMO Financial Group, or certain other persons or companies that are related or connected to the Portfolio (each, a "related party" and collectively, the "related parties"). The purpose of this section is to provide a brief description of any transaction involving the Portfolio and a related party. In each instance where a conflict of interest is identified, it will be referred to the Portfolio's independent review committee (the "IRC"). The primary focus of the IRC is to determine whether the proposed action of the Manager in respect of the conflict of interest matter achieves a fair and reasonable result for the Portfolio.

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Sub-advisor

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

Buying and Selling Securities

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

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

(each, a "Related Party Transaction").

In accordance with the IRC's Standing Instructions, in making a decision to cause the Portfolio to make a Related Party Transaction, the Manager and the sub-advisor of the Portfolio are required to comply with the Manager's written policies and procedures governing the Related Party Transaction and report periodically to the IRC, describing each instance that the Manager and/or the sub-advisor relied on the Standing Instructions and their compliance or non-compliance with the governing policies and procedures. The governing policies and procedures are designed to ensure that each Related Party Transaction (i) is made free from any influence of BMO, BMO Nesbitt Burns Inc.

or an associate or affiliate of BMO and/or BMO Nesbitt Burns Inc. and without taking into account any considerations relevant to BMO, BMO Nesbitt Burns Inc. or an associate or affiliate of BMO and/or BMO Nesbitt Burns Inc., (ii) represents the business judgment of the Manager and/or the sub-advisor, uninfluenced by considerations other than the best interests of the Portfolio, and (iii) achieves a fair and reasonable result for the Portfolio. The IRC has reviewed the related party transactions described above and has provided an approval that each transaction achieves a fair and reasonable result for the Portfolio.

Brokerage Commissions

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

	Period ended Dec. 31, 2024 (\$000s)	Period ended Dec. 31, 2023 (\$000s)
Total Brokerage Commissions	415	422
Brokerage Commissions paid to BMO Nesbitt Burns Inc.	46	43

Wealth Management Fee

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

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Unitholder Services

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

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

	Period ended Dec. 31, 2024 (\$000s)	Period ended Dec. 31, 2023 (\$000s)
Unitholder Services	166	162

Management Fee

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

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Financial Highlights

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

The Portfolio's Net Assets Per Unit ⁽¹⁾		Years ended December 31				
		2024	2023	2022	2021	2020
Net assets, beginning of period	\$	21.58	20.08	22.23	18.88	19.72
Increase (decrease) from operations:						
Total revenue	\$	0.65	0.63	0.55	0.50	0.54
Total expenses ⁽²⁾	\$	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Realized gains (losses) for the period	\$	1.28	0.63	0.76	2.24	(0.39)
Unrealized gains (losses) for the period	\$	2.63	1.07	(2.89)	2.10	(0.35)
Total increase (decrease) from operations ⁽³⁾	\$	4.55	2.32	(1.59)	4.83	(0.21)
Distributions:						
From income (excluding dividends)	\$	0.01	0.01	—	0.00	—
From dividends	\$	0.65	0.64	0.58	0.54	0.51
From capital gains	\$	0.33	0.19	0.02	0.91	—
Return of capital	\$	0.00	0.00	0.00	0.01	0.00
Total Annual Distributions ⁽⁴⁾	\$	0.99	0.84	0.60	1.46	0.51
Net assets, end of period	\$	25.17	21.58	20.08	22.23	18.88

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

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

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

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

Ratios and Supplemental Data		Years ended December 31				
		2024	2023	2022	2021	2020
Total net asset value (000s) ⁽¹⁾	\$	1,433,242	1,239,985	1,168,348	1,456,686	1,140,572
Number of units outstanding (000s) ⁽¹⁾		56,946	57,464	58,177	65,536	60,403
Management expense ratio ⁽²⁾	%	0.03	0.03	0.03	0.02	0.03
Management expense ratio before waivers or management absorptions ⁽²⁾	%	0.14	0.14	0.14	0.13	0.14
Trading expense ratio ⁽³⁾	%	0.03	0.04	0.04	0.04	0.03
Portfolio turnover rate ⁽⁴⁾	%	28.13	28.96	28.24	53.49	22.13
Net asset value per unit	\$	25.17	21.58	20.08	22.23	18.88

⁽¹⁾ This information is provided as at December 31 of the period shown.

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

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

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

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Past Performance

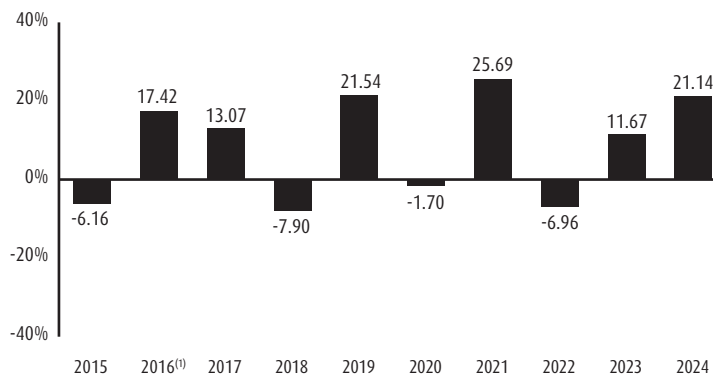
General

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

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

Year-by-Year Returns

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



⁽¹⁾ On July 8, 2016, BMO Private Canadian Growth Equity Portfolio merged into the Portfolio, which changed its name to BMO Private Canadian Core Equity Portfolio at the time of the merger.

Annual Compound Returns

This chart compares the historical annual compound returns of the Portfolio with the S&P/TSX Composite Index. The S&P/TSX Composite Index reflects the price movements of a floating list of companies on the Toronto Stock Exchange that meet Standard & Poor's criteria for inclusion in the index.

	1 yr %	3 yrs %	5 yrs %	10 yrs %
BMO Private Canadian Core Equity Portfolio ^{‡*}	21.14	7.97	9.23	8.05
S&P/TSX Composite Index	21.65	8.58	11.08	8.65

[‡] The Portfolio's return is after the deduction of expenses, while the benchmark does not include any costs of investing.

^{*} On July 8, 2016, BMO Private Canadian Growth Equity Portfolio merged into the Portfolio, which changed its name to BMO Private Canadian Core Equity Portfolio at the time of the merger.

A commentary on the market and/or information regarding the relative performance of the Portfolio as compared to its benchmark can be found under the Results of Operations section of this report.

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Summary of Investment Portfolio

as at December 31, 2024

Portfolio Allocation	% of Net Asset Value	Top 25 Holdings Issuer	% of Net Asset Value
Financials	31.9	Royal Bank of Canada	7.8
Energy	15.6	Shopify Inc., Class A	5.5
Industrials	14.5	Toronto-Dominion Bank, The,	4.7
Information Technology	10.9	Canadian Natural Resources Limited	3.9
Materials	10.5	Constellation Software Inc.	3.9
Utilities	3.7	Brookfield Corporation, Class A	3.5
Consumer Discretionary	3.1	Canadian Pacific Kansas City Limited	3.5
Consumer Staples	3.0	Bank of Montreal	3.3
Communication Services	2.0	Waste Connections, Inc.	2.9
Real Estate	2.0	Bank of Nova Scotia, The,	2.4
Cash/Receivables/Payables	1.2	Alimentation Couche-Tard Inc.	2.1
Health Care	0.9	Agnico Eagle Mines Limited	2.1
Money Market Investments	0.7	WSP Global Inc.	1.8
Total portfolio allocation	100.0	Pembina Pipeline Corporation	1.8
		Enbridge Inc.	1.8
		Teck Resources Limited, Class B	1.7
		Intact Financial Corporation	1.7
		Cameco Corporation	1.6
		Brookfield Infrastructure Partners L.P.	1.5
		Dollarama Inc.	1.5
		Canadian Imperial Bank of Commerce	1.4
		Alamos Gold Inc., Class A	1.4
		Suncor Energy Inc.	1.4
		Franco-Nevada Corporation	1.4
		iA Financial Corporation Inc.	1.3
		Top holdings as a percentage of total net asset value	65.9
		Total Net Asset Value	\$1,433,242,000

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

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