

Annual Management Report of Fund Performance

BMO Private U.S. Special 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 contactcentre@bmo.com, by writing to us at BMO Private Investment Counsel Inc., 1 First Canadian Place, 100 King St. W., 41st Floor, Toronto, Ontario, M5X 1A1 or by visiting our website at www.bmo.com/privatewealth/regulatory-documents/bpic/ or SEDAR+ at www.sedarplus.ca. You may also contact us using one of these methods to request a copy of the Portfolio's interim financial report, proxy voting policies and procedures, proxy voting disclosure record and/or quarterly portfolio disclosure.

Management Discussion of Fund Performance

BMO Private Investment Counsel Inc. ("BPIC" or the "Manager"), the manager and portfolio manager, is responsible for the management of the overall business, investments and operations of the BMO Private Portfolios and has engaged William Blair Investment Management, LLC ("William Blair" or the "sub-advisor") as the sub-advisor of BMO Private U.S. Special Equity Portfolio (the "Portfolio").

Investment Objective and Strategies

The Portfolio's investment objective is to achieve long-term growth through capital appreciation by primarily investing in equity securities of small and mid capitalization U.S. companies.

To achieve the Portfolio's objectives, the sub-advisor primarily employs bottom-up security selection, quantitative and traditional fundamental analyses, analysis of the financial results, financial condition and potential future growth of the company, and seeks to identify companies showing improvement in the growth rates of one or more fundamental metrics, such as revenue, earnings or margins.

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 21.27% in C\$ (11.83% in US\$), after expenses. The Portfolio's benchmark is the Russell 2500 Growth Index, which generated a 23.91% total return in C\$ (13.90% in US\$) over the same 12-month period.

The U.S. equity market was broadly positive for the 12-month period ended December 31, 2024. Performance in the first quarter was supported by positive economic data as recession fears continued to subside, inflation gradually moderated and corporate profits were solid. While some of this strength continued through the second quarter, economic data softened, which contributed to a variation in returns across market caps and styles. In the third quarter, U.S. equity returns were more volatile. While gross domestic product growth was positive, manufacturing activity declined amid weaker demand and political uncertainty. Unemployment remained low, but the labour market showed signs of cooling. Inflation inched closer to the U.S. Federal Reserve Board's (the "Fed") 2% target and in September, the Fed lowered its federal funds rate by 50 basis points.



BMO Private U.S. Special Equity Portfolio

In November, Donald Trump and the Republican Party won the U.S. presidency, the Senate and the House of Representatives, albeit by a slim margin. Following the election, stocks moved sharply higher as investors anticipated a more favourable regulatory and tax environment under the new administration. Stocks viewed as beneficiaries of a more deregulated backdrop markedly outperformed in the weeks after the election.

Late in the year, after the Fed's meeting in mid-December, many stocks moved lower. Despite enacting the Fed's third interest rate cut in 2024, investors were responding to Fed Chair Jerome Powell's comments that further interest rate cuts will likely occur at a slower pace due to the higher-than-expected inflation readings and the possible implications of future tariffs. Despite healthy corporate earnings, U.S. equity indices were mixed in the fourth quarter of 2024, with the magnitude of returns varied across size and style dimensions.

Stock selection within the Energy sector detracted from the Portfolio's performance. The largest individual detractors from the Portfolio's performance included holdings in New Fortress Energy Inc. and Acadia Healthcare Co. Inc. New Fortress Energy Inc.'s stock declined early in the year due to the delayed launch of its first fast liquefied natural gas project and the delayed receipt of a sizeable contract payment related to emergency power assets in Puerto Rico. Behavioural health company Acadia Healthcare Co. Inc. received several government inquiries regarding patient admissions, length of stay and billing practices, creating an overhang on both the company's stock and patient referrals during the period.

Stock selection in the Consumer Staples sector contributed to the Portfolio's performance. From a stock-specific perspective, the Portfolio's top individual contributors to performance included holdings in Freshpet Inc. and Doximity Inc. Freshpet Inc., a leading manufacturer of refrigerated fresh pet food, benefitted from strong sales growth and market share gains. Shares of Doximity Inc., the leading digital network for medical professionals in the United States, benefitted from strong new product growth and favourable user engagement metrics.

The sub-advisor added several new positions, including Exact Sciences Corp., Doximity and Avantor Inc. to the Portfolio, and increased existing Portfolio holdings in Cognex Corp., Regal Rexnord Corp. and Whitecap Resources Inc. Several holdings were eliminated from the Portfolio, including HEICO Corp., Live Nation Entertainment Inc. and Shoals Technologies Group Inc. Holdings in Freshpet Inc., Exact Sciences Corp. and Eagle Materials Inc. were trimmed.

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

Looking ahead, investors have generally remained cautiously optimistic, supported by a solid economic backdrop. While the incoming U.S. presidential administration's pro-growth policies, including a focus on domestic businesses, could help stimulate the economy, the inflationary impacts of new tariffs remain a concern. Further, uncertainty surrounding the pace of disinflation, escalating geopolitical tensions and increasing government debt could be impediments to economic growth and thus negatively impact corporate earnings.

The sub-advisor is focused on companies with durable businesses, whose stock prices are not reflective of long-term fundamental expectations, that the sub-advisor believes can outperform over a market cycle. The sub-advisor's fundamental analysis aims to identify companies with superior management, high barriers to entry and differentiated products or services that are underappreciated by the market.

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

BMO Private U.S. Special Equity Portfolio

instance where a conflict of interest is identified, it will be referred to the Portfolio's independent review committee (the "IRC"). The primary focus of the IRC is to determine whether the proposed action of the Manager in respect of the conflict of interest matter achieves a fair and reasonable result for the Portfolio.

Sub-advisor

BPIC has hired William Blair to provide investment advice and make investment decisions for the Portfolio's investment portfolio. William Blair receives a sub-advisory fee based on assets under management, which is paid quarterly. William Blair is paid by BPIC, and BPIC charges a portion of the sub-advisory fee as an expense to the Portfolio.

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	245	226
Brokerage Commissions paid to BMO Nesbitt Burns Inc.	2	3

BMO Private U.S. Special Equity Portfolio

Wealth Management Fee

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

Unitholder Services

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

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

	Period ended Dec. 31, 2024 (\$000s)	Period ended Dec. 31, 2023 (\$000s)
Unitholder Services	175	171

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.

BMO Private U.S. Special Equity Portfolio

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	\$ 14.37	13.04	15.67	15.74	12.06
Increase (decrease) from operations:					
Total revenue	\$ 0.09	0.09	0.06	0.06	0.06
Total expenses ⁽²⁾	\$ (0.10)	(0.10)	(0.09)	(0.11)	(0.10)
Realized gains (losses) for the period	\$ 2.40	0.93	(0.09)	1.71	0.82
Unrealized gains (losses) for the period	\$ 0.65	1.06	(2.61)	(0.41)	2.50
Total increase (decrease) from operations ⁽³⁾	\$ 3.04	1.98	(2.73)	1.25	3.28
Distributions:					
From income (excluding dividends)	\$ —	—	—	—	—
From dividends	\$ —	—	—	—	—
From capital gains	\$ 1.80	0.70	—	1.37	—
Return of capital	\$ —	—	—	—	—
Total Annual Distributions ⁽⁴⁾	\$ 1.80	0.70	—	1.37	—
Net assets, end of period	\$ 15.67	14.37	13.04	15.67	15.74

⁽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⁾	\$ 645,141	581,245	508,799	642,289	498,094
Number of units outstanding (000s) ⁽¹⁾	41,161	40,456	39,023	40,981	31,641
Management expense ratio ⁽²⁾	0.56	0.58	0.59	0.56	0.63
Management expense ratio before waivers or management absorptions ⁽²⁾	0.73	0.74	0.76	0.73	0.80
Trading expense ratio ⁽³⁾	0.04	0.04	0.04	0.02	0.04
Portfolio turnover rate ⁽⁴⁾	60.17	53.14	56.04	40.86	68.47
Net asset value per unit	\$ 15.67	14.37	13.04	15.67	15.74

⁽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.

BMO Private U.S. Special Equity Portfolio

Past Performance

General

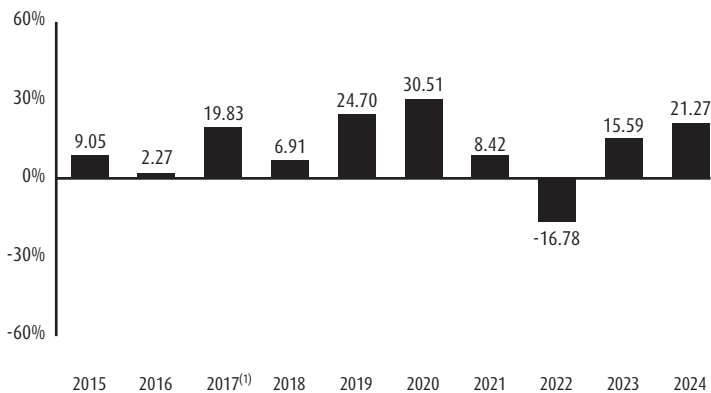
The Portfolio's performance information assumes that all distributions made by the Portfolio in the periods shown were reinvested in additional units of the Portfolio and is based on the net asset value of the Portfolio. The reinvestment of distributions increases returns.

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.

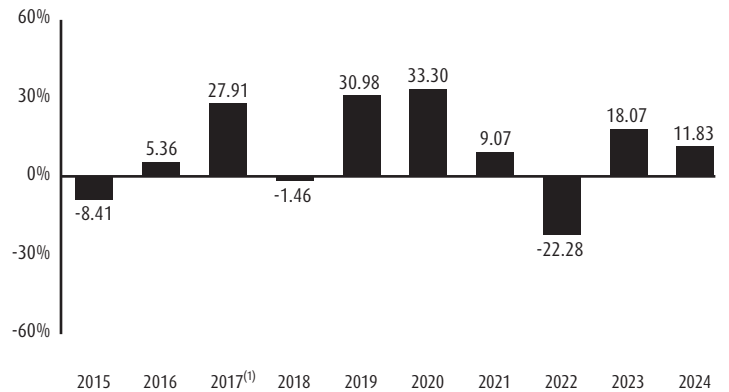
Year-by-Year Returns

The following bar charts show the performance for each of the financial years shown, and illustrate how the performance has changed from year to year. The bar charts show 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.

BMO Private U.S. Special Equity Portfolio (C\$)



BMO Private U.S. Special Equity Portfolio (US\$)



⁽¹⁾ On January 16, 2017, the Portfolio's sub-advisor and benchmark were changed. Accordingly, the Portfolio's performance prior to this date would have been different under the current sub-advisor and benchmark.

Annual Compound Returns

These charts compare the historical annual compound returns of the Portfolio with the Russell 2500 Growth Index, which measures the performance of those Russell 2500 Index companies with higher price-to-book ratios and higher earnings and sales growth rates. The Russell 2500 Index generally includes small and mid capitalization companies, representing the smallest 2,500 companies covered in the Russell 3000 Index, a broad-based U.S. equity market index.

	1 yr %	3 yrs %	5 yrs %	10 yrs %
BMO Private U.S. Special Equity Portfolio (C\$) ^{‡*}	21.27	5.27	10.54	11.39
Russell 2500 Growth Index (C\$) ^{**}	23.91	4.29	10.32	11.80
	1 yr %	3 yrs %	5 yrs %	10 yrs %
BMO Private U.S. Special Equity Portfolio (US\$) ^{‡*}	11.83	0.87	8.33	9.04
Russell 2500 Growth Index (US\$) ^{**}	13.90	-0.02	8.08	9.40

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

^{*} On January 16, 2017, the Portfolio's sub-advisor and benchmark were changed.

^{**} The Portfolio's benchmark is the Russell 2500 Growth Index. Prior to January 16, 2017 it was the Russell 2000 Growth Index.

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.

BMO Private U.S. Special Equity Portfolio

Summary of Investment Portfolio

as at December 31, 2024

Portfolio Allocation	% of Net Asset Value	Top 25 Holdings Issuer	% of Net Asset Value
United States	93.9	Carlyle Group Inc., The,	2.3
Canada	3.0	Primo Brands Corporation	2.3
United Kingdom	1.5	e.l.f. Beauty, Inc.	2.2
Israel	1.2	Doximity, Inc., Class A	2.1
Cash/Receivables/Payables	0.4	Dynatrace, Inc.	2.0
Total portfolio allocation	100.0	Talen Energy Corp.	2.0
		Confluent, Inc., Class A	2.0
		SharkNinja, Inc.	2.0
		Bright Horizons Family Solutions Inc.	1.9
		Chemed Corporation	1.9
		Stride, Inc.	1.8
		ExlService Holdings, Inc.	1.7
		Manhattan Associates, Inc.	1.7
		Clearwater Analytics Holdings, Inc., Class A	1.7
		Mercury Systems, Inc.	1.7
		Mueller Industries, Inc.	1.6
		Everest Group, Ltd.	1.6
		Flywire Corporation	1.6
		New Fortress Energy Inc., Class A	1.5
		Cognex Corporation	1.5
		Q2 Holdings, Inc.	1.5
		CF Industries Holdings, Inc.	1.5
		Casella Waste Systems, Inc., Class A	1.5
		Pool Corporation	1.5
		Planet Fitness, Inc., Class A	1.5
		Top holdings as a percentage of total net asset value	44.6
		Total Net Asset Value	\$645,141,373

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

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

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