

Annual Management Report of Fund Performance

BMO Harris Canadian Special Growth Portfolio

For the period ended December 31, 2014

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 1-800-361-1392, by e-mailing us at contact.centre@bmo.com, by writing to us at BMO Private Investment Counsel Inc. (formerly BMO Harris Investment Management Inc.), 1 First Canadian Place, 100 King St. W., 41st Floor, Toronto, Ontario, M5X 1A1 or by visiting our website at www.bmoprivatebanking.com or SEDAR at www.sedar.com. You may also contact us using one of these methods to request a copy of the Portfolio's proxy voting policies and procedures, proxy voting disclosure record and/or quarterly portfolio disclosure.

Management Discussion of Fund Performance

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

Investment Objective and Strategies

The Portfolio's investment objective is to provide above average capital growth over the long term by investing in small and mid-sized Canadian companies whose shares are listed on a Canadian stock exchange.

To seek to achieve the Portfolio's objectives, the sub-advisor analyses each company's financial health (including projected earnings and cash flow), operations, research and development to assess the company's future growth potential, and its management quality.

Risk

No significant changes affecting the overall level of risk associated with investing in the Portfolio were made during the period. The risks of this Portfolio remain as discussed in the Portfolio's most recently filed simplified prospectus or its amendments.

Results of Operations

Over the 12-month period ended December 31, 2014, the Portfolio returned 14.34%, after expenses. The Portfolio's benchmark is the BMO Capital Markets Small Cap Index, which generated a -0.09% total return over the same 12-month period.

North American economies continued to grow in 2014 as improved economic data, including a rise in employment rates, housing price appreciation and higher consumer net worth, led to higher levels of consumer spending. Oil prices were extremely volatile over the period, causing wide swings in Energy sector performance. Energy was the best-performing sector at mid-year but the worst-performing sector by year end.

Contributing to the Portfolio's performance during the period was stock selection in the Consumer Discretionary, Energy and Industrials sectors. An underweight allocation to the poorly performing Energy sector also contributed to the Portfolio's performance on a relative basis. Significant individual contributors to performance included Amaya Gaming Group Inc. and Boyd Group Income Fund. During the year, Amaya Gaming Group Inc.'s share price increased by over 250%, based on good results and the announcement of their acquisition of PokerStars. Boyd Group Income Fund announced several acquisitions and continued to execute their business plan, resulting in an increase of over 45% during the period. Boyd Group Income Fund continues to benefit from the consolidation of the U.S. collision repair industry, which now accounts for a significant portion of the company's revenues.

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Stock selection in the Information Technology, Consumer Staples and Financials sectors detracted from the Portfolio's performance. Significant individual detractors from the Portfolio's performance included Redknee Solutions Inc. and Ikkuma Resources Corp. Redknee Solutions Inc. lost ground after its strong 2013 performance as investors became concerned about the company reaching its revenue and growth targets following their acquisition of Nokia Siemens Networks' business support systems. Ikkuma Resources Corp.'s stock price suffered as oil and gas prices dropped and company growth became more challenged.

During the period, the sub-advisor eliminated the Portfolio's positions in ViXS Systems Inc. and Halogen Software Inc. ViXS Systems Inc. was eliminated amid concerns about their growth outlook after end markets failed to develop as quickly as anticipated, and Halogen Software Inc. was sold as the company's growth outlook deteriorated. The Portfolio's position in Computer Modelling Group Ltd. was decreased and a new position initiated in Callidus Capital Corporation, a specialized lender to temporarily distressed businesses. Callidus Capital Corporation is poised to benefit from growth in this underserved area of the market and is expected to experience significant growth in their business. The sub-advisor also initiated a position in an initial public offering of Kinaxis Inc., which has a strong management team and organic growth prospects. In addition, the Portfolio's existing Altus Group Limited holding was significantly increased over the period.

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

Recent Developments

The sub-advisor maintains a positive outlook for the Canadian stock market in 2015 and believes that the best investment opportunities for the Portfolio are in the non-resource areas of the market. While the valuations of many stocks are closer to the top end of their historic range, growth prospects for the companies held in the Portfolio are good and should drive future returns. The sub-advisor has positioned the Portfolio to benefit from a resurgence of growth prospects in several areas of the small-capitalization market.

Benchmark Change

Effective January 1, 2015, the Portfolio's benchmark is changed to the S&P/TSX SmallCap Index from the BMO Capital Markets Small Cap Index to ensure alignment with industry for more accurate peer group comparisons and ease of access for index data for performance analysis.

Name Changes

Effective February 2, 2015, BMO Harris Investment Management Inc. is named BMO Private Investment Counsel Inc., and BMO Harris Private Banking is named BMO Private Banking. Effective February 2, 2015, the Portfolio is named BMO Private Canadian Special Equity Portfolio. These name changes are the result of a rebranding initiative by BMO Financial Group.

Significant Accounting Changes

Resulting from our Adoption of IFRS

Effective January 1, 2014, the Portfolio adopted International Financial Reporting Standards ("IFRS") as its basis of accounting. The annual financial statements for the year ended December 31, 2014 are the first set of annual financial statements prepared on an IFRS basis. The adjustments made to reflect the impact of the change from Canadian generally accepted accounting principles ("Canadian GAAP") to IFRS are presented in note 8 to the financial statements.

Key changes to the financial statements as a result of the implementation of IFRS are:

- Statement of Financial Position replaced the former Statement of Net Assets:
 - The Portfolio's unitholders investments in the units of the Portfolio did not qualify for equity classification under IFRS and have been classified as a financial liability for financial reporting purposes.
 - Classification of financial instruments: derivatives and short positions have been classified as held for trading while all other financial instruments have been designated as fair valued through profit and loss. Following adoption of IFRS by the Portfolio for financial reporting purposes the Portfolio now fair values its investment securities traded on an exchange at close price, which is determined as the price within the bid ask range that represents the best estimate of fair value.

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- Statement of Comprehensive Income replaced Statement of Operations:
 - The Portfolio accounts for interest income using the effective interest rate method, rather than the coupon method previously used under Canadian GAAP.
- Statement of Changes in Net Assets Attributable to Holders of Redeemable Units replaced the Statement of Changes in Net Assets and the Portfolio now presents a Statement of Cash Flows.
- Other notable changes to the financial statement notes include additional or enhanced information in the notes to the financial statements including a more detailed note and reconciliation on the Portfolio's transition from Canadian GAAP to IFRS.

Related Party Transactions

BMO Trust Company, an indirect, wholly-owned subsidiary of Bank of Montreal, is the trustee (the "trustee") and BHIMI is the manager of the Portfolio. From time to time, BHIMI 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").

Sub-advisor

BHIMI 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 an investment advisory fee based on assets under management, which is paid monthly. BMO AM Inc. is paid by BHIMI.

Buying and Selling Securities

Investing in Equity or Non-Government Debt Securities Underwritten by BMO Nesbitt Burns Inc.

During the period, the Manager relied on an approval and standing instruction provided by the Portfolio's Independent Review Committee ("IRC") to enable the Portfolio to make an investment in a class of equity and/or non-government debt securities of an issuer during the period of distribution of those securities to the public and/or the 60-day period following the distribution period where BMO Nesbitt Burns Inc., an affiliate of the Manager, acted as an underwriter in the distribution (each investment, a "Related Party

Transaction"). In accordance with the IRC's approval and standing instruction, 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 relied on the approval and standing instruction and their compliance or non-compliance with the governing policies and procedures. The governing policies and procedures are designed to ensure the Related Party Transaction (i) is made free from any influence of BMO Nesbitt Burns Inc. or an associate or affiliate of BMO Nesbitt Burns Inc. and without taking into account any considerations relevant to BMO Nesbitt Burns Inc. or an associate or affiliate of BMO Nesbitt Burns Inc., (ii) represents the business judgement of the Manager, uninfluenced by considerations other than the best interests of the Portfolio, and (iii) 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 period were as follows:

	Period ended Dec. 31, 2014 (\$000s)	Period ended Dec. 31, 2013 (\$000s)
Total Brokerage Commissions	809	714
Brokerage Commissions paid to BMO Nesbitt Burns Inc.	2	8

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 BHIMI's *Investment Management Fee*

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Schedule that has been provided to the investor when the investor enters into an investment management agreement with the trustee and BHIMI. 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. BMO AM Inc. is the registrar of the Portfolio. The trustee and BMO AM Inc. 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 period were as follows:

	Period ended Dec. 31, 2014 (\$000s)	Period ended Dec. 31, 2013 (\$000s)
Unitholder Services	141	148

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				
	2014	2013	2012	2011	2010
Net assets, beginning of period	\$ 63.71	45.60	40.96	49.58	35.96
Increase (decrease) from operations:					
Total revenue	\$ 0.79	0.65	0.60	0.66	0.32
Total expenses ⁽²⁾	\$ (0.27)	(0.27)	(0.25)	(0.30)	(0.31)
Realized gains (losses) for the period	\$ 11.31	4.32	1.07	2.56	6.83
Unrealized gains (losses) for the period	\$ (2.60)	13.63	3.64	(11.22)	7.48
Total increase (decrease) from operations ⁽³⁾	\$ 9.23	18.33	5.06	(8.30)	14.32
Distributions:					
From income (excluding dividends)	\$ —	—	0.00	—	0.01
From dividends	\$ 0.72	0.50	0.56	0.79	0.11
From capital gains	\$ 3.00	—	—	—	—
Return of capital	\$ —	0.00	0.01	0.00	—
Total Annual Distributions ⁽⁴⁾	\$ 3.72	0.50	0.57	0.79	0.12
Net assets, end of period	\$ 69.12	63.71	45.60	40.96	49.58

⁽¹⁾ This information is derived from the Portfolio's audited annual financial statements. The financial information presented for the years ended December 31, 2014 and December 31, 2013 is derived from the financial statements determined in accordance with IFRS. Information for years prior to January 1, 2013 is derived from prior period financial statements prepared in accordance with Canadian GAAP. An explanation of these differences can be found in the notes to the financial statements.

⁽²⁾ Includes commissions and portfolio transaction costs. Prior to 2013, withholding taxes were not included in expenses as they were included in revenue.

⁽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				
	2014	2013	2012	2011	2010
Total net asset value (000s) ⁽¹⁾	\$ 292,662	246,791	158,987	171,224	238,987
Number of units outstanding (000s) ⁽¹⁾	4,234	3,874	3,468	4,161	4,803
Management expense ratio ⁽²⁾	%	0.09	0.13	0.16	0.16
Management expense ratio before waivers or management absorptions	%	0.21	0.26	0.20	0.16
Trading expense ratio ⁽³⁾	%	0.28	0.37	0.41	0.50
Portfolio turnover rate ⁽⁴⁾	%	57.26	68.19	59.35	77.27
Net asset value per unit	\$ 69.12	63.71	45.85	41.15	49.75

⁽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

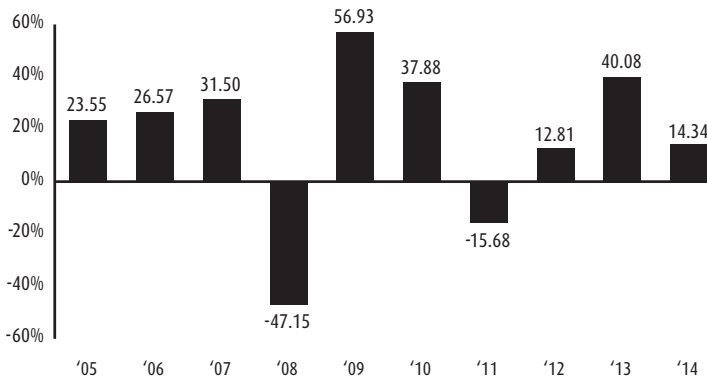
General

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 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.



Annual Compound Returns

This chart compares the historical annual compound returns of the Portfolio with the returns of the BMO Capital Markets Small Cap Index and the S&P/TSX Composite Index. The BMO Capital Markets Small Cap Index reflects the stock performance of small to mid-sized Canadian companies, real estate investment trusts and business trusts. 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 Harris Canadian Special Growth Portfolio [‡]	14.34	21.80	16.00	13.61
BMO Capital Markets Small Cap Index [*]	-0.09	3.32	5.58	5.73
S&P/TSX Composite Index	10.55	10.22	7.53	7.60

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

^{*}The Portfolio's benchmark is BMO Capital Markets Small Cap Index, and prior to January 1, 2012 it was BMO Capital Markets Small Cap Equity Only 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.

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Summary of Investment Portfolio

as at December 31, 2014

Portfolio Allocation	% of Net Asset Value	Top 25 Holdings	% of Net Asset Value
Financials	22.7	Issuer	
Information Technology	19.1	Tricon Capital Group Inc.	4.1
Consumer Discretionary	17.6	Callidus Capital Corporation	3.8
Industrials	13.3	Boyd Group Income Fund	3.6
Energy	12.4	ATS Automation Tooling Systems Inc.	3.5
Money Market Investments	5.9	MacDonald, Dettwiler and Associates Ltd.	3.5
Materials	3.2	Badger Daylighting Ltd.	3.5
Health Care	3.1	Descartes Systems Group Inc., The,	3.4
Consumer Staples	1.9	Government of Canada, Treasury Bills, 0.956% Jan 8, 2015	3.4
Cash/Receivables/Payables	0.8	Alaris Royalty Corporation	3.4
Total portfolio allocation	100.0	Altus Group Limited	3.2
		Element Financial Corporation	3.2
		Amaya Inc.	3.2
		AutoCanada Inc.	3.1
		Interfor Corporation	2.7
		Knight Therapeutics Inc.	2.1
		Solium Capital Inc.	2.1
		Parkland Fuel Corporation	2.1
		Kinaxis Inc.	2.1
		AirBoss of America Corp.	2.0
		Redknee Solutions Inc.	2.0
		DHX Media Ltd.	1.9
		Sylogist Ltd.	1.8
		Storm Resources Ltd.	1.7
		Performance Sports Group Ltd.	1.7
		Canadian Energy Services & Technology Corp.	1.7
		Top holdings as a percentage of total net asset value	68.8
		Total Net Asset Value	\$292,662,014

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

Manager

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