

Semi-Annual Management Report of Fund Performance

BMO Private U.S. Equity Portfolio (formerly, BMO Harris U.S. Equity Portfolio)

For the period ended June 30, 2015

This semi-annual management report of fund performance contains financial highlights, but does not contain semi-annual or annual financial statements of the Portfolio. If the semi-annual or annual financial statements of the Portfolio do not accompany the mailing of this report, you may obtain a copy of the semi-annual or annual financial statements at your request, and at no cost, by calling 1-800-361-1392, 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 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 (formerly, the BMO Harris Private Portfolios) and has engaged BMO Asset Management Corp. (“BMO AM Corp.” or the “sub-advisor”) as the sub-advisor of BMO Private U.S. Equity Portfolio (the “Portfolio”).

Results of Operations

Over the six-month period ended June 30, 2015, the Portfolio returned 11.02% in C\$ (3.28% in US\$), after expenses. The Portfolio's benchmark is the S&P 500 Index, which generated an 8.85% total return in C\$ (1.23% in US\$) over the same six-month period.

During the period, U.S. markets were characterized largely by volatility. The 10-year U.S. Treasury yield declined more than 50 basis points in January before rebounding sharply and ending the period higher on the anticipation that the U.S. Federal Reserve Board (the “Fed”) would be raising interest rates later in 2015. Commodity prices were also volatile, with crude oil ending the period up slightly, but the Energy sector as a whole underperforming the broader market. The ongoing debt crisis in Greece continued to be a concern and was a contributing factor to the strengthening of the U.S. dollar over the period.

Security selection was a significant contributor to the Portfolio's performance, given recent volatility in oil prices. An underweight allocation to the Energy sector

was beneficial to the Portfolio's performance, as was the Portfolio's focus on stocks with exposure to rising interest rates. Top contributors to the Portfolio's performance included holdings in Gilead Sciences Inc., Aetna Inc. and Foot Locker Inc. Biotechnology company Gilead Sciences Inc.'s stock rose on positive earnings results and rapid sales growth of its hepatitis C treatments. Aetna Inc. stock performed well, driven by rumours of various mergers and acquisitions within the health insurance and managed care industry. Foot Locker Inc. benefited from strong U.S. consumer sentiment and the continued sales trend toward athletic apparel.

Stock selection in the Industrials sector detracted from the Portfolio's performance, particularly in its overweight position in transportation-related stocks. Significant individual detractors from the Portfolio's performance included its holdings in Southwest Airlines Co., NetApp Inc. and American Electric Power Company Inc. Southwest Airlines Co. shares declined amid rebounding oil prices and concerns over increased capacity in the industry. NetApp Inc. was negatively impacted by sentiment in the personal computer market, and American Electric Power Company Inc. underperformed relative to its Utilities sector peers as investors sold higher dividend yielding securities.

The sub-advisor initiated a new holding in Citigroup Inc. on the strength of its attractive valuation and improved operations, which should position it to benefit from a rising interest rate environment. The sub-advisor added to the Portfolio's existing shares of

BMO Private U.S. Equity Portfolio

chemical manufacturer, LyondellBasell Industries NV, to take advantage of the stock's attractive valuation and to decrease the Portfolio's exposure to falling oil prices. The sub-advisor sold the Portfolio's holdings in rail operator Union Pacific Corporation, based on deteriorating fundamentals and a declining market, and trimmed the position in American Electric Power Company Inc. as part of a larger shift to ensure that the Portfolio would be positively exposed to rising interest rates.

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 believes that investors will continue to focus their attention on various global concerns such as the Greek debt crisis, the Chinese stock market sell-off, Puerto Rico's debt renegotiations and the timing of the Fed's interest rate increases. While investors' perception around these issues will likely drive the majority of asset returns and market volatility in the coming period, the sub-advisor believes that strong U.S. corporate earnings growth will ultimately prevail and the market will follow suit. Given this, the Portfolio is positioned to reduce the impact of a number of macroeconomic risks, such as commodity prices and foreign currency risks, with a focus on driving outperformance through stock selection.

Related Party Transactions

BMO Trust Company, an indirect, wholly-owned subsidiary of Bank of Montreal, 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").

Sub-advisor

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

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 has been 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. BMO Asset Management Inc. ("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 periods were as follows:

	Period ended June 30, 2015 (\$000s)	Period ended June 30, 2014 (\$000s)
Unitholder Services	131	135

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. 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⁾	Six months ended June 30, 2015	Years ended December 31				
		2014	2013	2012	2011	2010
Net assets, beginning of period	\$ 21.24	17.30	12.35	11.22	10.65	9.82
Increase (decrease) from operations:						
Total revenue	\$ 0.21	0.35	0.26	0.22	0.17	0.13
Total expenses ⁽²⁾	\$ (0.04)	(0.07)	(0.06)	(0.02)	(0.02)	(0.02)
Realized gains (losses) for the period	\$ 2.08	2.14	1.72	0.02	0.53	0.05
Unrealized gains (losses) for the period	\$ 0.04	2.35	3.24	1.08	0.04	0.80
Total increase (decrease) from operations ⁽³⁾	\$ 2.29	4.77	5.16	1.30	0.72	0.96
Distributions:						
From income (excluding dividends)	\$ —	—	0.00	0.00	0.00	—
From dividends	\$ —	0.26	0.19	0.19	0.17	0.11
From capital gains	\$ —	0.51	—	—	—	—
Return of capital	\$ —	0.00	0.00	0.00	0.00	0.00
Total Annual Distributions ⁽⁴⁾	\$ —	0.77	0.19	0.19	0.17	0.11
Net assets, end of period	\$ 23.58	21.24	17.30	12.35	11.22	10.65

⁽¹⁾ This information is derived from the Portfolio's unaudited semi-annual and audited annual financial statements. The financial information presented for the periods ended June 30, 2015, 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	Six months ended June 30, 2015	Years ended December 31				
		2014	2013	2012	2011	2010
Total net asset value (000s) ⁽¹⁾	\$ 2,490,433	2,110,352	1,488,013	738,655	620,756	586,020
Number of units outstanding (000s) ⁽¹⁾	105,626	99,343	86,021	59,827	55,317	55,010
Management expense ratio ⁽²⁾	%	0.03	0.03	0.05	0.06	0.08
Management expense ratio before waivers or management absorptions	%	0.18	0.26	0.22	0.14	0.08
Trading expense ratio ⁽³⁾	%	0.07	0.07	0.10	0.07	0.09
Portfolio turnover rate ⁽⁴⁾	%	30.06	61.24	67.59	38.03	64.95
Net asset value per unit	\$ 23.58	21.24	17.30	12.35	11.22	10.65

⁽¹⁾ This information is provided as at June 30 or December 31 of the period shown, as applicable.

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

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

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

BMO Private U.S. Equity Portfolio

Past Performance

General

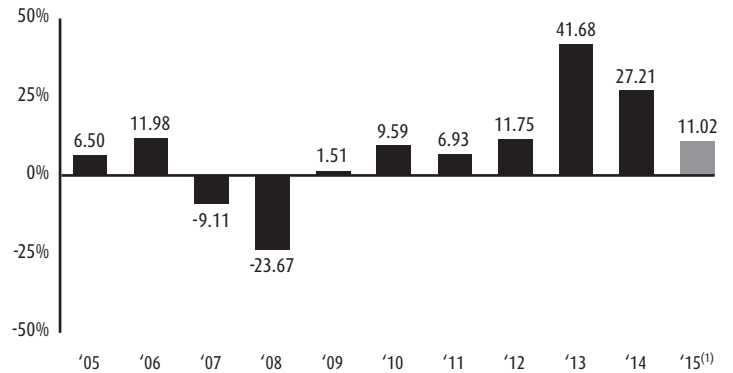
The Portfolio's performance information assumes that all distributions made by the Portfolio in the periods shown were reinvested in additional units of the Portfolio and is based on the net asset value of the Portfolio.

The 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

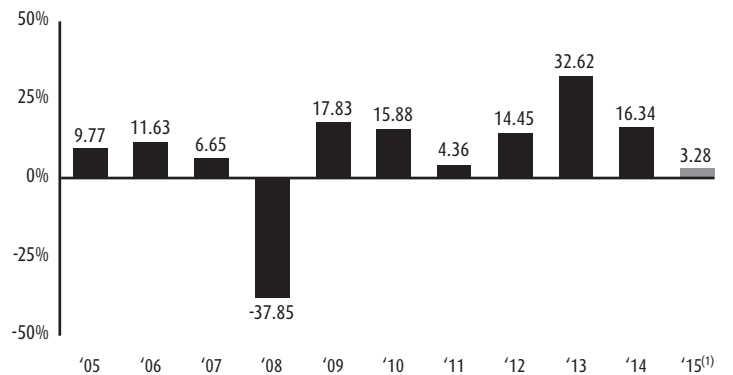
The following bar charts show the performance for each of the financial years and for the six-month period ended June 30, 2015 shown and illustrate how the performance has changed from year to year. The bar charts show in percentage terms how an investment made on the first day of each financial year would have increased or decreased by the last day of each financial year.

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



⁽¹⁾ For the six-month period ended June 30, 2015.

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



⁽¹⁾ For the six-month period ended June 30, 2015.

BMO Private U.S. Equity Portfolio

Summary of Investment Portfolio

as at June 30, 2015

Portfolio Allocation	% of Net Asset Value	Top 25 Holdings	% of Net Asset Value
Information Technology	18.2	Issuer	
Financials	16.3	Apple Inc.	5.1
Health Care	16.0	Johnson & Johnson	3.2
Consumer Discretionary	16.0	Gilead Sciences, Inc.	2.8
Industrials	10.3	Comcast Corporation, Class A	2.6
Consumer Staples	7.9	UnitedHealth Group Incorporated	2.3
Energy	7.0	CVS Health Corporation	2.2
Materials	2.5	Capital One Financial Corporation	2.0
Utilities	2.3	FedEx Corporation	2.0
Cash/Receivables/Payables	1.9	Cisco Systems, Inc.	2.0
Telecommunication Services	1.6	Fifth Third Bancorp	2.0
Total portfolio allocation	100.0	LyondellBasell Industries N.V., Class A	2.0
		General Dynamics Corporation	1.9
		Archer Daniels Midland Company	1.9
		Ameriprise Financial, Inc.	1.9
		Cash/Receivables/Payables	1.9
		Travelers Companies Inc., The,	1.9
		Foot Locker, Inc.	1.9
		Microsoft Corporation	1.8
		Lear Corporation	1.8
		Medtronic PLC	1.8
		Macy's, Inc.	1.7
		Verizon Communications Inc.	1.6
		Marathon Petroleum Corporation	1.6
		Kroger Co., The,	1.6
		Amgen Inc.	1.6
		Top holdings as a percentage of total net asset value	53.1
		Total Net Asset Value	\$2,490,432,670

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

Manager

BMO Private Investment Counsel Inc.
1 First Canadian Place
100 King St. W., 41st Floor
Toronto, Ontario M5X 1A1

Trustee

BMO Trust Company
1 First Canadian Place
100 King St. W., 41st Floor
Toronto, Ontario M5X 1A1

BMO (M-bar roundel symbol) registered trademark, and BMO (M-bar roundel symbol) Private Banking trademark are owned by Bank of Montreal, used under licence. BMO Private Banking (formerly, BMO Harris Private Banking) is part of BMO Wealth Management. Banking services are offered through Bank of Montreal. Investment management services are offered through BMO Private Investment Counsel Inc., an indirect subsidiary of Bank of Montreal. Estate, Trust, Planning and Custodial Services are offered through BMO Trust Company, a wholly-owned subsidiary of Bank of Montreal.

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.

www.bmoprivatebanking.com

(06/15)