

Annual Financial Statements

BMO Harris Private Portfolios

December 31, 2014

BMO Harris U.S. Growth Portfolio

Independent Auditor's Report

To the Unitholders of

BMO Harris Canadian Money Market Portfolio
BMO Harris Canadian Special Growth Portfolio
BMO Harris U.S. Equity Portfolio
BMO Harris International Equity Portfolio
BMO Harris U.S. Growth Portfolio
BMO Harris Canadian Income Equity Portfolio
BMO Harris Canadian Short-Term Bond Portfolio
(formerly BMO Harris Canadian Bond Income Portfolio)
BMO Harris Canadian Growth Equity Portfolio

BMO Harris Canadian Conservative Equity Portfolio
BMO Harris Canadian Mid-Term Bond Portfolio
(formerly BMO Harris Canadian Total Return Bond Portfolio)
BMO Harris Canadian Corporate Bond Portfolio
BMO Harris Diversified Yield Portfolio
BMO Harris Emerging Markets Equity Portfolio
BMO Harris U.S. Special Equity Portfolio
(collectively the "Portfolios")

We have audited the accompanying financial statements of each of the Portfolios, which comprise the statements of financial position as at December 31, 2014, December 31, 2013 and January 1, 2013 and the statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the years ended December 31, 2014 and December 31, 2013, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of each of the Portfolios in accordance with International Financial Reporting Standards, 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.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements of each of the Portfolios based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material

misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements of each of the Portfolios present fairly, in all material respects, the financial position of each of the Portfolios as at December 31, 2014, December 31, 2013 and January 1, 2013 and the financial performance and cash flows of each of the Portfolios for the years ended December 31, 2014 and December 31, 2013 in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants
Toronto, Ontario
March 31, 2015

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

BMO Harris U.S. Growth Portfolio

STATEMENT OF FINANCIAL POSITION

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

As at	December 31 2014	December 31 2013	January 1 2013
Assets			
Current Assets			
Cash	5,147	4,815	1,168
Investments			
Non-derivative financial assets	266,024	202,218	100,712
Receivable for investments sold	—	—	210
Subscriptions receivable	68	287	1
Dividends receivable	57	43	13
Total assets	271,296	207,363	102,104
Liabilities			
Current Liabilities			
Payable for investments purchased	—	2,843	605
Redemptions payable	29	6	3
Accrued expenses	433	319	115
Total liabilities	462	3,168	723
Net assets attributable to holders of redeemable units	270,834	204,195	101,381
Net assets attributable to holders of redeemable units per unit	\$ 9.87	\$ 8.30	\$ 5.50

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

BMO Harris U.S. Growth Portfolio

STATEMENT OF COMPREHENSIVE INCOME

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

For the periods ended	December 31 2014	December 31 2013
Income		
Dividend income	980	607
Other changes in fair value of investments and derivatives		
Net realized gain	19,102	14,898
Change in unrealized appreciation	22,140	45,321
Net gain in fair value of investments and derivatives	42,222	60,826
Foreign exchange gain	294	0
Total other income	294	0
Total income	42,516	60,826
Expenses		
Sub-advisory fees	1,218	789
Audit fees	6	6
Independent review committee fees	1	2
Withholding taxes	118	76
Custodian fees	10	17
Legal and filing fees	39	32
Unitholder servicing fees	101	95
Printing and stationery fees	3	2
Commissions and other portfolio transaction costs (note 6)	38	54
Operating expenses absorbed by the Manager	(416)	(255)
Total expenses	1,118	818
Increase in net assets attributable to holders of redeemable units	41,398	60,008
Increase in net assets attributable to holders of redeemable units per unit (note 3)	1.58	2.81

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

BMO Harris U.S. Growth 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 2014	December 31 2013
Net assets attributable to holders of redeemable units at beginning of period	204,195	101,381
Increase in net assets attributable to holders of redeemable units	41,398	60,008
Distributions to holders of redeemable units		
From net investment income	(438)	(83)
Return of capital	—	0
Total distributions paid to holders of redeemable units	(438)	(83)
Redeemable unit transactions		
Proceeds from redeemable units issued	76,839	91,817
Reinvestments of distributions to holders of redeemable units	288	83
Redemption of redeemable units	(51,448)	(49,011)
Net increase from redeemable unit transactions	25,679	42,889
Net increase in net assets attributable to holders of redeemable units	66,639	102,814
Net assets attributable to holders of redeemable units at end of period	270,834	204,195

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

BMO Harris U.S. Growth Portfolio

STATEMENT OF CASH FLOWS

(All amounts in thousands of Canadian dollars)

For the periods ended	December 31 2014	December 31 2013
Cash flows from operating activities		
Increase in net assets attributable to holders of redeemable units	41,398	60,008
Adjustments for:		
Net realized gain on sale of investments and derivatives	(19,102)	(14,898)
Change in unrealized (appreciation) of investments and derivatives	(22,140)	(45,321)
Increase in dividends receivable	(14)	(30)
Increase in accrued expenses	114	204
Purchases of investments	(83,868)	(107,022)
Proceeds from sale and maturity of investments	58,461	68,183
Net cash from operating activities	(25,150)	(38,876)
Cash flows used in financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(150)	—
Proceeds from issuances of redeemable units	77,058	91,531
Amounts paid on redemption of redeemable units	(51,425)	(49,008)
Net cash used in financing activities	25,483	42,523
Net increase in cash	333	3,647
Cash at beginning of year	4,815	1,168
Cash at end of year	5,147	4,815
Supplementary Information		
Dividends received, net of withholding taxes*	848	501

*These items are from operating activities

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

BMO Harris U.S. Growth Portfolio

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2014 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Number of Shares or Units	Cost+ (\$)	Fair Value (\$)
Equities			
<i>Consumer Discretionary — 16.6%</i>			
Chipotle Mexican Grill, Inc.	13,100	5,023	10,418
Las Vegas Sands Corp.	99,900	5,557	6,750
NIKE Inc., Class B	86,800	5,185	9,696
priceline.com Incorporated	8,100	7,096	10,730
Twenty-First Century Fox Inc.	164,100	6,639	7,322
		29,500	44,916
<i>Consumer Staples — 2.4%</i>			
Whole Foods Market, Inc.	113,600	5,470	6,654
<i>Energy — 8.8%</i>			
FMC Technologies Inc.	93,100	4,479	5,067
National-Oilwell Varco, Inc.	72,700	5,002	5,535
Schlumberger Limited	87,100	7,637	8,643
Southwestern Energy Company	146,800	5,590	4,654
		22,708	23,899
<i>Financials — 2.6%</i>			
Charles Schwab Corporation, The,	198,400	5,105	6,959
<i>Health Care — 18.1%</i>			
Alexion Pharmaceuticals, Inc.	35,100	3,271	7,546
athenahealth, Inc.	32,000	3,585	5,417
Biogen Idec Inc.	25,200	5,712	9,938
BioMarin Pharmaceutical Inc.	59,700	3,471	6,270
Cerner Corporation	94,300	4,364	7,084
Regeneron Pharmaceuticals, Inc.	26,900	6,838	12,821
		27,241	49,076
<i>Information Technology — 46.4%</i>			
Adobe Systems Incorporated	102,800	8,144	8,683
Alibaba Group Holdings Ltd., ADR	46,100	3,875	5,567
ARM Holdings PLC	97,200	4,389	5,228
ASML Holdings N.V.	39,000	2,207	4,886
Baidu, Inc., ADR	39,700	4,859	10,515
Facebook, Inc.	176,000	7,470	15,953
Google Inc., Class A	15,000	10,403	9,248
Google Inc., Class C	11,400	698	6,972
LendingClub Corporation	63,300	1,511	1,861
LinkedIn Corporation	49,300	10,609	13,157
Salesforce.com, Inc.	223,100	9,589	15,373
Splunk Inc.	97,000	5,460	6,643
Visa Inc., Class A	70,700	10,507	21,537
		79,721	125,623

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

BMO Harris U.S. Growth Portfolio

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at December 31, 2014 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Number of Shares or Units	Cost+ (\$)	Fair Value (\$)
<i>Materials — 3.3%</i>			
Monsanto Company	64,100	7,259	8,897
Total Investment Portfolio — 98.2%		177,004	266,024
Other Assets Less Liabilities — 1.8%			4,810
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS — 100.0%			270,834

+ Where applicable, distributions received from holdings as a return of capital are used to reduce the adjusted cost base of the securities in the portfolio

BMO Harris U.S. Growth Portfolio

NOTES TO FINANCIAL STATEMENTS

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

December 31, 2014

1. The Portfolio

BMO Harris U.S. Growth 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 May 7, 2014. BMO Harris Investment Management 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.

The information provided in these annual financial statements is as at and for the periods ended December 31, 2014, December 31, 2013 and opening Statement of Financial Position as at January 1, 2013.

These financial statements were authorized for issue by the Manager on March 11, 2015.

2. Basis of preparation and presentation

These annual financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The Portfolio has adopted this basis of accounting effective January 1, 2014 as required by Canadian securities legislation and the Canadian Accounting Standards Board. Previously the Portfolio prepared its financial statements in accordance with Canadian Generally Accepted Accounting Principles as defined in Part V of the Chartered Professional Accountant (“CPA”) Handbook (Canadian GAAP). The Portfolio has consistently applied the accounting policies used in the preparation of their opening IFRS statements of financial position at January 1, 2013 and throughout all periods presented as if these policies had always been in effect.

As required under IFRS, the Portfolio has:

- provided comparative financial information including an opening balance sheet as at the transition date
- retroactively applied all IFRS, other than in respect of elections taken under IFRS 1; and
- applied all mandatory exceptions as applicable for the first-time adopters of IFRS.

Note 8 contains reconciliations and descriptions of the effects of the transition to IFRS on the Portfolio’s reported financial position, financial performance and cash flows.

3. Summary of significant accounting policies

Financial instruments

The Portfolio records financial instruments at fair value. Investment transactions are accounted for on the trade date. The Portfolio’s investments are either designated

at fair value through profit or loss (“FVTPL”) at inception or classified as held for trading. The changes in the investment fair values and related transaction costs are recorded in the Portfolio’s Statement of Comprehensive Income.

Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purpose of selling or repurchasing in the near future, or on initial recognition, are part of a portfolio of identified financial instruments that the Portfolio manages together and that have a recent actual pattern of short-term profit taking. The Portfolio classifies all derivatives and short positions as held for trading. The Portfolio does not designate any derivatives as hedges in a hedging relationship.

The Portfolio designates all other investments at FVTPL, as they have reliably measurable fair values, are part of a group of financial assets or liabilities that are managed and have their performance evaluated on a fair value basis in accordance with the Portfolio’s investment strategy.

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 and therefore are classified as financial liabilities and presented at the redemption amounts.

All other financial assets and liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount required to be received or paid or discounted, when appropriate, at the contract’s effective interest rate.

The Portfolio has determined that it meets the definition of “investment entity” and as a result, it measures subsidiaries other than those which provide services to the Portfolio, at FVTPL.

Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis.

Fair value measurement

Investments are recorded at their fair value with the change between this amount and their average cost

BMO Harris U.S. Growth Portfolio

NOTES TO FINANCIAL STATEMENTS (cont'd)

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

December 31, 2014

being recorded as change in unrealized appreciation (depreciation) in the Statement of Comprehensive Income.

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 securities 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.

For bonds, debentures, asset-backed securities and other debt securities fair value is represented by bid prices provided by independent security pricing services. Short-term investments, if any, are carried at amortized cost which approximates fair value. 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. Exchange traded funds 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.

For securities where market quotes are not available, unreliable or not considered to reflect the current value, the Portfolio may determine another value which it considers to be fair and reasonable, or using a valuation technique that, to the extent possible, makes maximum use of inputs and assumptions based on observable market data including volatility, comparable companies 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 Portfolio uses internal models where the inputs are not based on observable market data.

The Portfolio's accounting policies for measuring the fair value of its investments and derivatives are aligned with the valuation policies used in measuring its NAV for transactions with unitholders.

Derivative instruments

Derivative instruments are financial contracts that derive their value from underlying changes in interest rates, foreign exchange rates or other financial or commodity prices or indices.

Derivative instruments are either regulated exchange-traded contracts or negotiated over-the-counter contracts. The Portfolio may use these instruments for trading purposes, as well as to manage the Portfolio's risk exposures.

Derivatives are marked to fair value. Discussion of the fair value measurement of derivatives is included in Note 3. Realized and unrealized gains and losses are recorded in the Statement of Comprehensive Income.

Forward currency contracts

A forward currency contract is an agreement between two parties (the Portfolio and the counterparty) to purchase or sell a currency against another currency at a set price on a future date. The Portfolio may enter into forward currency contracts for hedging purposes which can include the hedging of all or a portion of the currency exposure of an investment or group of investments, either directly or indirectly. The Portfolio may also enter into these contracts for non-hedging purposes which can include increasing the exposure to a foreign currency or to shift exposure to foreign currency fluctuations from one country to another. The value of forward currency contracts entered into by the Portfolio is recorded as the difference between the value of the contract on the Valuation Date and the value on the date the contract originated.

Income recognition

Dividend income and distributions from investment trust units 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 is shown in the Statement of Financial Position is accrued based on the interest bearing instruments' stated rates of interest.

Interest on inflation-indexed bonds is paid based on a principal value, which is adjusted for inflation. The inflation adjustment of the principal value is recognized as part of interest income in the Statement of Comprehensive Income. If held to maturity, the Portfolio will receive, in addition to a coupon interest payment, a final payment equal to the sum of the par

BMO Harris U.S. Growth Portfolio

NOTES TO FINANCIAL STATEMENTS (cont'd)

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

December 31, 2014

value and the inflation compensation accrued from the original issue date. Interest is accrued on each Valuation Date based on the inflation adjusted par value at that time and is included in "Interest income" in the Statement of Comprehensive Income.

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. Foreign exchange gains (losses) on completed transactions are included in "Realized gains (losses)" and unrealized foreign exchange gains (losses) are included in "Change in unrealized appreciation (depreciation)" in the Statement of Comprehensive Income. Foreign exchange gains and losses relating to cash, receivables and payables are included as "Foreign exchange gain (loss)".

Securities lending

A Portfolio may engage in securities lending pursuant to the terms of an agreement which includes restrictions as set out in Canadian securities legislation. Collateral held is government Treasury Bills and qualified Notes.

Income from securities lending, where applicable, is included in the Statement of Comprehensive Income and is recognized when earned. The securities on loan continue to be displayed in the Schedule of Investment Portfolio. The market value of the securities loaned and collateral held is determined daily. Aggregate values of securities held in trust as at December 31, 2014, December 31, 2013 and January 1, 2013, where applicable, are disclosed in Note 8(e).

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 penalty trading fees" in the Statement of Comprehensive Income.

Cash

Cash is comprised of cash and deposits with banks which include banker acceptances and overnight demand deposits. Cash is recorded at amortized cost.

Other assets and other liabilities

Dividend receivable, interest receivable, distributions from investment trust units receivable, due from broker

and subscriptions receivable are measured at fair value and subsequently measured at amortized cost. Similarly, due to broker, redemptions payable and accrued expenses are initially measured at amortized cost. Other assets and liabilities are short-term in nature, and are carried at cost or amortized cost, which approximates fair value.

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

"Increase (decrease) in net assets attributable to holders of redeemable units" 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.

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 Portfolio has determined that it is in substance not taxable and therefore nor does it not record income taxes in the Statement of Comprehensive Income and or recognize any deferred tax assets in the Statement of Financial Position.

The Portfolio incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis with the related withholding taxes are shown separately in the Statement of Comprehensive Income.

Investments in associates, joint ventures and subsidiaries

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 Portfolio has determined that it is an investment entity and as such, it accounts for subsidiaries at fair value. Joint ventures are those 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 have been designated at FVTPL.

BMO Harris U.S. Growth Portfolio

NOTES TO FINANCIAL STATEMENTS (cont'd)

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

December 31, 2014

Unconsolidated structured entities

The Portfolio invests in securitizations, asset-backed securities and mortgage-backed securities.

The Portfolio has determined that its investments in securitizations, asset-backed securities and mortgaged-backed securities are unconsolidated structured entities. The determination is based on the fact that decision making about the securitizations, asset-backed securities and mortgage-backed securities is not governed by the voting right or other similar right held by the Portfolio.

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-backed securities 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 information or other support to the unconsolidated structured entities other than its investments in the unconsolidated structured entities. During the periods, the Portfolio had no sponsored 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 transactions for which the Portfolio has legally enforceable rights to offset and intends to settle the positions on a net basis, such as derivative instruments. Amounts not offset in the Statement of Financial Position relate to transactions where a master netting arrangement or similar agreement is in place with a right of offset only in the event of default, insolvency or bankruptcy, or where the offset criteria are otherwise not met, including where the Portfolio has no intention to settling on a net basis. There were no master netting agreements during the period.

Accounting standards issued but not yet adopted

Below are accounting standards issued or amended but not yet effective and not yet adopted. The Manager does not expect the adoption of these standards or amendments to have a significant impact to the Portfolio's financial statements.

In July 2014, the IASB issued the most recent version of IFRS 9 Financial Instruments, which addresses classification and measurement, impairment and hedge accounting.

The new standard requires assets to be carried at amortized cost, fair value through profit and loss or fair value through comprehensive income based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial asset. The classification and measurement of liabilities remains generally unchanged with the exception of liabilities recorded at fair value through profit and loss. For these liabilities, fair value changes attributable to changes in the entity's own credit risk are to be presented in other comprehensive income unless they affect amounts recorded in income.

The new standard also addresses impairment of financial assets. It also introduced a new hedge accounting model that expands the scope of eligible hedged items and risks eligible for hedge accounting, and aligns hedge accounting more closely with risk management.

The new standard is effective for the Portfolio for its fiscal year beginning January 1, 2018. The Portfolio is evaluating the impact of this standard on its financial statements.

4. Critical accounting estimates and judgements

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 its financial statements:

Accounting judgements:

Functional and presentation currency

The Portfolio unitholders are mainly Canadian residents, with the subscriptions and redemptions of the redeemable shares 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

BMO Harris U.S. Growth Portfolio

NOTES TO FINANCIAL STATEMENTS (cont'd)

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

December 31, 2014

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 of measurement of financial instruments and application of fair value option

In classifying and measuring financial instruments held by the Portfolio, the Manager is required to make significant judgements about whether or not the business of the Portfolio is to invest on a total return basis for the purpose of applying the fair value options for financial assets.

Accounting estimates:

Fair value measurement of securities not quoted in an active market

The Portfolio has established policies and control procedures that are intended to ensure these judgements 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 estimates used in determining fair value.

5.Units and unit transactions

The redeemable units of the Portfolio are classified as 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. The Portfolio has no restrictions or specific capital requirements on the subscriptions and redemptions of units except as disclosed in Note 8(a). The relevant movements in redeemable units are shown on 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.

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 of a particular series. 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.

6.Related party transactions

(a) 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 that are paid monthly by the Manager. 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 net asset value of the Portfolio are absorbed by the Manager.

The Portfolio may execute trades with and or through BMO Nesbit 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 for the periods ended December 31, 2014 and December 31, 2013.

(b) 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 or affiliates of Bank of Montreal group of companies, 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

BMO Harris U.S. Growth Portfolio

NOTES TO FINANCIAL STATEMENTS (cont'd)

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

December 31, 2014

affiliates of Bank of Montreal group of companies, BMO Trust Company, BMO Nesbitt Burns Inc., BMO Private Investment Counsel Inc., BMO Asset Management Inc., BMO Asset Management Corp., BMO Investments Inc., Pyrford International Ltd, LGM Investments Limited., F&C Asset Management plc, or other investment funds offered by BMO, and may involve the purchase or sale of portfolio securities through or from a subsidiary or affiliate of Bank of Montreal group of companies, the purchase or sale of securities issued or guaranteed by a member of Bank of Montreal group of companies, entering into forward contracts with a member of Bank of Montreal group of companies acting as counterparty, the purchase or redemption of units of other BMO Harris Private Portfolios or the provision of services to the Manager.

7. Financial instrument risk

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.

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.

(a) Currency risk

Currency risk is the risk that the 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. 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 instruments, 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.

(e) Liquidity risk

The Portfolio's exposure to liquidity risk is concentrated in the daily cash redemptions of units. The Portfolio primarily invests in securities that are traded in active markets and can be readily disposed. In addition, the Portfolio retains sufficient cash and cash equivalent

BMO Harris U.S. Growth Portfolio

NOTES TO FINANCIAL STATEMENTS (cont'd)

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

December 31, 2014

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 on the Statement 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.

BMO Harris U.S. Growth Portfolio

NOTES TO FINANCIAL STATEMENTS

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

December 31, 2014

8. Portfolio specific information

(a) Portfolio information and change in units

The Portfolio's inception date was June 28, 2000.

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, 2014	Dec. 31, 2013
Units issued and outstanding, beginning of period	24,591	18,424
Issued for cash	8,617	13,481
Issued on reinvestment of distributions	29	10
Redeemed during the period	(5,807)	(7,324)
Units issued and outstanding, end of period	27,430	24,591

(b) Reconciliation of NAV to net assets

As at December 31, 2014, December 31, 2013 and January 1, 2013, there were no differences between the Fund'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, 2014 and December 31, 2013 is calculated as follows:

	Dec. 31, 2014	Dec. 31, 2013
Increase in net assets attributable to holders of redeemable units	41,398	60,008
Weighted average units outstanding during the period	26,192	21,323
Increase (decrease) in net assets attributable to holders of redeemable units per unit	1.58	2.81

(d) Income taxes

As at the tax year-ended December 2014, the Portfolio had the following estimated capital and non-capital losses for income tax purposes:

Total Capital Losses (\$)	Total Non- Capital Losses (\$)	Non-Capital Losses That Expire in		
		2014 (\$)	2015 (\$)	2026 and thereafter (\$)
70,776	—	—	—	—

(e) Related party transactions

Unitholder servicing

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

	Dec. 31, 2014	Dec. 31, 2013
Unitholder servicing (\$)	86	84

Brokerage commissions and soft dollars

Brokerage commissions paid on securities transactions and amounts paid to related parties of the Manager for brokerage services provided to the Portfolio for the periods are as follows:

	Dec. 31, 2014	Dec. 31, 2013
Total brokerage amounts paid (\$)	34	50
Total brokerage amounts paid to related parties (\$)	nil	nil

The Manager may select brokers who charge a commission in "soft dollars" if they determine in good faith that the commission is reasonable in relation to the order execution and research services utilized. There were no ascertainable soft dollars paid or payable to dealers by the Portfolio during the periods.

(f) Financial instrument risk

The Portfolio's objective is to provide the above average long term capital growth by investing in the equity securities of large-capitalization, U.S. based companies.

No changes affecting the overall level of risk of investing in the Portfolio were made during the period.

Currency risk

The tables below summarize the Portfolio's exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets (including derivatives and the underlying principle (notional) amount of forward currency contracts, if any).

As at Dec. 31, 2014

	Cash and other current receivables & payables (\$)	Invest- ments (Monetary & Non- monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
U.S. Dollar	5,199	266,024	-	271,223	100.1

All amounts in Canadian Dollars

BMO Harris U.S. Growth Portfolio

NOTES TO FINANCIAL STATEMENTS (cont'd)

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

December 31, 2014

As at Dec. 31, 2013

	Cash and other current receivables & payables (\$)	Invest- ments (Monetary & Non- monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
U.S. Dollar	2,015	202,150	-	204,165	100.0

All amounts in Canadian Dollars

As at Jan. 1, 2013

	Cash and other current receivables & payables (\$)	Invest- ments (Monetary & Non- monetary) (\$)	Forward currency contracts (\$)	Net currency exposure (\$)	As a % of Net Assets (%)
U.S. Dollar	786	100,687	-	101,473	100.1

All amounts in Canadian Dollars

As at the periods ended December 31, 2014, December 31, 2013 and January 1, 2013, if the Canadian dollar had strengthened or weakened by 5% in relation to all foreign currencies, with all factors remaining constant, Net Assets could possibly have increased or decreased, respectively, by approximately \$13,561 (December 31, 2013 - \$10,208; January 1, 2013 - \$5,074). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Interest rate risk

As at December 31, 2014, December 31, 2013 and January 1, 2013, the Portfolio did not have any significant exposure to interest rate risk.

Other market risk

The Portfolio has a significant exposure to other market risk arising from its investment in equity securities. Using historical correlation between the Portfolio's return and the return of its Benchmark, if the Benchmark, Russell 100 Growth Index (CAD), had increased or decreased by 10%, with all other variables held constant, the Net Assets of the Portfolio would have increased or decreased, respectively, by \$30,683 (December 31, 2013 - \$23,099; January 1, 2013 - \$11,158). Historical correlation may not be representative of future correlation, and accordingly, actual results may differ and the difference could be material.

Credit risk

As at December 31, 2014, December 31, 2013 and January 1, 2013, the Portfolio did not have any significant exposure to credit risk.

Securities lending

There were no assets involved in securities lending transactions as at December 31, 2014, December 31, 2013 and January 1, 2013.

Concentration risk

The following is a summary of the Portfolio's concentration risk:

	Dec. 31, 2014	Dec. 31, 2013	Jan. 1, 2013
Equities			
Consumer Discretionary	16.6%	26.3%	24.7%
Consumer Staples	2.4%	—%	—%
Energy	8.8%	11.1%	9.4%
Financials	2.6%	2.4%	2.2%
Health Care	18.1%	16.5%	17.7%
Information Technology	46.4%	40.0%	42.4%
Materials	3.3%	2.7%	2.9%
Other Assets Less Liabilities	1.8%	1.0%	0.7%
	100.0%	100.0%	100.0%

(g) Financial assets and financial liabilities

Categories of financial assets and financial liabilities

The table below shows the categories of financial assets and financial liabilities:

	Dec. 31, 2014	Dec. 31, 2013	Jan. 1, 2013
Financial assets designated as FVTPL	266,024	202,218	100,712
Loans and receivables	125	330	224
Financial liabilities measured at amortized cost	462	3,168	723

BMO Harris U.S. Growth Portfolio

NOTES TO FINANCIAL STATEMENTS (cont'd)

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

December 31, 2014

Net gains and losses on financial assets and financial liabilities at fair value

	Dec. 31, 2014	Dec. 31, 2013
Net realized gains (losses) on financial assets at FVTPL		
Designated at FVTPL	20,565	15,505
	20,565	15,505
Total net realized gains (losses) on financial assets and liabilities at FVTPL	20,565	15,505
Change in unrealized gains (losses) on financial assets at FVTPL		
Designated as at FVTPL	21,657	45,321
	21,657	45,321
Total change in unrealized gains (losses) on financial assets and liabilities at FVTPL	21,657	45,321

(h) 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, 2014

Financial assets	Level 1	Level 2	Level 3	Total
Equity Securities	249,942	16,082	—	266,024

As at Dec. 31, 2013

Financial assets	Level 1	Level 2	Level 3	Total
Equity Securities	194,282	7,936	—	202,218

As at Jan. 1, 2013

Financial assets	Level 1	Level 2	Level 3	Total
Equity Securities	100,712	—	—	100,712

Transfers between levels

There were no transfers between the levels during the periods.

(i) Transition to IFRS

The differences between the Portfolio's Canadian GAAP accounting policies and IFRS requirements resulted in measurement and classification differences on transition to IFRS. The net impact of these differences was recorded in opening Net Assets as of January 1, 2013.

The following information reflects the Portfolio's transition elections under IFRS 1, First-time Adoption of International Financial Reporting Standards ("IFRS 1"), the standard for first-time adoption and the significant accounting changes resulting from our adoption of IFRS. The general principle under IFRS 1 is retroactive application, such that the Portfolio's Statement of Financial Position as at January 1, 2013 was restated as though the Portfolio has always applied IFRS with the net impact shown as an adjustment to opening Net Assets.

Transition elections

The fund had applied the voluntary exemption upon transition to designate financial assets or financial liabilities at FVTPL. All financial assets designated at FVTPL upon transition were previously recorded at fair value under Canadian GAAP as required by Accounting Guideline 18, Investment Companies.

Statement of cash flows

Under Canadian GAAP, the Portfolio was exempt from providing a Statement of Cash Flows. IAS 1, Presentation of Financial Statements ("IAS 1"), requires that a Statement of Cash Flows to be presented as part of a complete set of financial statements. As such, the Portfolio has presented a Statement of Cash Flows in the annual financial statements for the periods ended December 31, 2014 and December 31, 2013.

BMO Harris U.S. Growth Portfolio

NOTES TO FINANCIAL STATEMENTS (cont'd)

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

December 31, 2014

Classification of redeemable units issued by the Portfolio

Under Canadian GAAP, redeemable units of the Portfolio were presented as Net Assets. IAS 32, Financial Instruments: Disclosure and Presentation ("IAS 32"), however, requires an assessment to determine whether the units issued to unitholders are puttable instruments that qualify for equity classification. The Portfolio's units do not meet the criteria in IAS 32 for equity classification and therefore, have been reclassified as financial liabilities on transition to IFRS, and presented on the Statement of Financial Position as Net Assets.

Reclassification adjustments

In addition to the measurement adjustments noted above, the Portfolio reclassified certain amounts upon transition in order to conform its financial statement presentation under IFRS. Under Canadian GAAP, the Portfolio presented withholding taxes by netting them against investment income, whereas they have been reclassified and presented separately as an expense under IFRS.

Revaluation of investments at FVTPL

Canadian GAAP required the use of bid prices for long positions and ask prices for short positions in determining fair valuation of investments traded in an active market, rather than the use of close prices used for the purpose of determining NAV. IFRS 13, Fair Value Measurement ("IFRS 13"), requires that if an asset or a liability has a bid price and an ask price, then its fair value is to be based on a price within the bid-ask spread that is most representative of fair value. The standard also allows the use of mid-market pricing or other pricing conventions that are used by market participants as a practical expedient for fair value measurements within a bid-ask spread. Upon adoption of IFRS, the fund has determined that for traded securities, close prices on the reporting date are considered to be fair value, if they fall within the bid-ask spread. See Note 3 for the Portfolio's fair value measurement policy.

Reconciliation of Net Assets as reported under Canadian GAAP to IFRS

As at	Dec. 31, 2013	Jan. 1, 2013
Net assets representing unitholders' equity under Canadian GAAP	204,127	101,356
Revaluation of investments at FVTPL	68	25

Reconciliation of Net Assets as reported under Canadian GAAP to IFRS

As at	Dec. 31, 2013	Jan. 1, 2013
Net assets attributable to holders of redeemable units	204,195	101,381

Reconciliation of increase (decrease) in net assets reported under Canadian GAAP to IFRS

For the period ended	Dec. 31, 2013
Increase in net assets from operations under Canadian GAAP	59,965
Revaluation of investments at FVTPL	43
Increase in net assets attributable to holders of redeemable units	60,008

(j) Subsequent events

Portfolio name change

Effective February 2, 2015, the Portfolio name changed from BMO Harris U.S. Growth Portfolio to BMO Private U.S. Growth Portfolio.

Manager name change

Effective February 2, 2015, the Manager changed its name from BMO Harris Investment Management Inc. to BMO Private Investment Counsel Inc.

Management's Responsibility for Financial Reporting

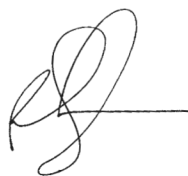
The accompanying financial statements have been prepared by an affiliate of the Manager and approved by the Board of Trustees of the Portfolios. Management is responsible for the information and representations contained in these financial statements.

The affiliate of the Manager maintains 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 2 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 auditors.

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 for 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 their opinion on the financial statements. Their report is included as an integral part of the financial statements.



Richard Mason
Chief Executive Officer
BMO Private Investment Counsel Inc.
March 11, 2015



Robert J. Schauer
Chief Financial Officer
BMO Private Portfolios
March 11, 2015

Manager

BMO Private Investment
Counsel Inc.
1 First Canadian Place
100 King St. W., 41st Floor
Toronto, Ontario M5X 1H3

Trustee

BMO Trust Company
1 First Canadian Place
100 King St. W., 41st Floor
Toronto, Ontario M5X 1H3

Independent Auditor

PricewaterhouseCoopers LLP
PwC Tower
18 York Street, Suite 2600
Toronto, Ontario M5J 0B2

® "BMO (M-bar roundel symbol) Private Banking" is a registered trade-mark of Bank of Montreal, used under licence. BMO Private Banking is comprised of Bank of Montreal, BMO Private Investment Counsel Inc., and BMO Trust Company. 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, administration and custodial services are offered through BMO Trust Company, a wholly owned subsidiary of Bank of Montreal.

<http://www.bmoprivatebanking.com>

For more information please call 1-800-361-1392