Semi-Annual Financial Statements

BMO Private Portfolios

June 30, 2015

BMO Private U.S. Special Equity Portfolio

(formerly BMO Harris U.S. Special Equity Portfolio)

NOTICE OF NO AUDITOR REVIEW OF THE SEMI-ANNUAL FINANCIAL STATEMENTS

BMO Private Investment Counsel Inc., the Manager of the Portfolios, appoints independent auditors to audit the Portfolio's Annual Financial Statements. Under Canadian securities laws (National Instrument 81-106), if an auditor has not reviewed the Semi-Annual Financial Statements, this must be disclosed in an accompanying notice.

The Portfolio's independent auditors have not performed a review of these Semi-Annual Financial Statements in accordance with standards established by the Chartered Professional Accountants of Canada.

BMO Private Banking

BMO Private U.S. Special Equity Portfolio

(formerly BMO Harris U.S. Special Equity Portfolio) (unaudited)

STATEMENT OF FINANCIAL POSITION
(All amounts in thousands of Canadian dollars, except per unit data)

As at	June 30 2015	December 31 2014
Assets		
Current Assets		
Cash	10,935	4,809
Investments		
Non-derivative financial assets	240,927	191,146
Receivable for investments sold	511	1,468
Subscriptions receivable	270	109
Dividends receivable	204	125
Total assets	252,847	197,657
Liabilities		
Current Liabilities		
Payable for investments purchased	3,734	116
Redemptions payable	291	37
Accrued expenses	571	487
Total liabilities	4,596	640
Net assets attributable to holders of redeemable units	248,251	197,017
Net assets attributable to holders of redeemable units per unit	**$ 8.83**	**$ 7.60**

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

BMO Private U.S. Special Equity Portfolio

(formerly BMO Harris U.S. Special Equity Portfolio) (unaudited)

STATEMENT OF COMPREHENSIVE INCOME
(All amounts in thousands of Canadian dollars, except per unit data)

For the periods ended	June 30 2015	June 30 2014
Income		
Dividend income	1,124	590
Other changes in fair value of investments and derivatives		
Net realized gain	16,865	19,587
Change in unrealized appreciation (depreciation)	15,195	(9,530)
Net gain in fair value of investments and derivatives	33,184	10,647
Securities lending	175	145
Foreign exchange gain	461	85
Total other income	636	230
Total income	33,820	10,877
Expenses		
Sub-advisory fees	720	594
Audit fees	2	3
Independent review committee fees	1	1
Withholding taxes	120	180
Custodian fees	14	10
Legal and filing fees	11	19
Unitholder servicing fees	110	115
Printing and stationery fees	4	3
Commissions and other portfolio transaction costs (note 6)	287	241
Operating expenses absorbed by the Manager	(195)	(153)
Total expenses	1,074	1,013
Increase in net assets attributable to holders of redeemable units	32,746	9,864
Increase in net assets attributable to holders of redeemable units per unit (note 3)	1.21	0.41

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

BMO Private U.S. Special Equity Portfolio

(formerly BMO Harris U.S. Special Equity Portfolio) (unaudited)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS
(All amounts in thousands of Canadian dollars)

For the periods ended	June 30 2015	June 30 2014
Net assets attributable to holders of redeemable units at beginning of period	197,017	165,458
Increase in net assets attributable to holders of redeemable units	32,746	9,864
Redeemable unit transactions		
Proceeds from redeemable units issued	31,576	24,086
Redemption of redeemable units	(13,088)	(9,994)
Net increase from redeemable unit transactions	18,488	14,092
Net increase in net assets attributable to holders of redeemable units	51,234	23,956
Net assets attributable to holders of redeemable units at end of period	248,251	189,414

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

BMO Private U.S. Special Equity Portfolio

(formerly BMO Harris U.S. Special Equity Portfolio) (unaudited)

STATEMENT OF CASH FLOWS
(All amounts in thousands of Canadian dollars)

For the periods ended	June 30 2015	June 30 2014
Cash flows from operating activities		
Increase in net assets attributable to holders of redeemable units	32,746	9,864
Adjustments for:		
Foreign exchange (gain) loss on cash	(106)	62
Net realized gain on sale of investments and derivatives	(16,865)	(19,587)
Change in unrealized (appreciation) depreciation of investments and derivatives	(15,195)	9,530
Increase in dividends receivable	(79)	(103)
Increase in accrued expenses	84	63
Purchases of investments	(100,881)	(90,019)
Proceeds from sale and maturity of investments	87,735	74,166
Net cash from operating activities	(12,561)	(16,024)
Cash flows used in financing activities		
Proceeds from issuances of redeemable units	31,414	24,156
Amounts paid on redemption of redeemable units	(12,833)	(9,942)
Net cash used in financing activities	18,581	14,214
Foreign exchange gain (loss) on cash	106	(62)
Net increase (decrease) in cash	6,020	(1,810)
Cash at beginning of year	4,809	7,678
Cash at end of year	10,935	5,806
Supplementary Information		
Dividends received, net of withholding taxes*	972	352

*These items are from operating activities

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

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2015 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Number of Shares or Units	Cost+ ($)	Fair Value ($)
Equities			
Consumer Discretionary — 14.4%			
Burlington Stores, Inc.	40,177	2,514	2,569
Columbia Sportswear Company	40,113	2,157	3,029
Francesca's Holdings Corp	102,300	1,772	1,721
Krispy Kreme Doughnuts, Inc.	102,614	2,013	2,468
LifeLock, Inc.	80,630	1,279	1,652
M/I Homes, Inc.	93,240	2,087	2,873
Men's Wearhouse, Inc., The,	16,400	1,245	1,312
National CineMedia, Inc.	75,874	1,442	1,513
New Media Investment Group Inc.	195,641	4,221	4,381
Restoration Hardware Holdings, Inc.	21,864	1,852	2,666
TRI Pointe Homes, Inc.	246,465	4,155	4,710
UCP, Inc., Class A	89,837	1,302	851
William Lyon Homes, Class A	189,683	4,941	6,082
		30,980	35,827
Consumer Staples — 0.9%			
Hain Celestial Group, Inc., The,	26,285	1,130	2,162
Energy — 4.2%			
Gaslog Ltd.	178,400	3,981	4,445
Golar LNG Limited	102,772	3,940	6,008
		7,921	10,453
Financials — 11.3%			
Actua Corp.	222,943	3,589	3,971
Apple Hospitality REIT, Inc.	118,060	2,697	2,782
GAIN Capital Holdings, Inc.	443,972	4,443	5,301
LaSalle Hotel Properties	62,900	2,017	2,786
New Senior Investment Group Inc.	354,278	8,048	5,916
Newcastle Investment Corporation	145,966	761	806
PICO Holdings, Inc.	196,935	4,416	3,621
Summit Hotel Properties, Inc.	175,151	1,903	2,846
		27,874	28,029
Health Care — 20.7%			
ABIOMED, Inc.	35,392	1,020	2,905
Acadia Healthcare Company, Inc.	34,200	1,541	3,346
Akorn, Inc.	27,700	869	1,510
Albany Molecular Research, Inc.	123,100	2,666	3,109
AMN Healthcare Services, Inc.	40,243	1,171	1,588
Centene Corporation	21,300	862	2,139
DexCom, Inc.	28,400	925	2,837
Endologix, Inc.	58,445	923	1,120
Globus Medical, Inc., Class A	92,219	2,035	2,957
HealthSouth Corporation	53,300	2,016	3,066
Hill-Rom Holdings, Inc.	32,000	2,221	2,171
HMS Holdings Corp.	51,700	1,258	1,109
Horizon Pharma Plc	91,010	1,381	3,949

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)
As at June 30, 2015 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Number of Shares or Units	Cost+ ($)	Fair Value ($)
ICON Public Limited Company	35,500	1,577	2,984
Medicines Company, The,	24,798	829	886
NxStage Medical, Inc.	203,500	3,427	3,631
Pacira Pharmaceuticals, Inc.	21,770	1,483	1,923
PAREXEL International Corporation	21,400	1,077	1,719
Phibro Animal Health Corporation, Class A	45,420	1,696	2,209
PRA Health Sciences, Inc.	24,942	1,085	1,132
Spectranetics Corporation	68,400	2,227	1,966
Thoratec Corp.	24,716	927	1,376
Vanda Pharmaceuticals Inc.	115,222	1,384	1,826
		34,600	51,458
Industrials — 13.3%			
Acacia Research Corporation	371,602	7,505	4,071
Advisory Board Company, The,	57,200	3,199	3,906
ARC Document Solutions, Inc.	276,000	2,857	2,623
Barnes Group Inc.	62,936	2,417	3,065
Builders FirstSource, Inc.	275,800	3,869	4,423
Continental Building Products, Inc.	38,479	672	1,018
Hexcel Corporation	50,600	1,963	3,144
Lennox International Inc.	18,900	1,538	2,542
MiX Telematics Limited, ADR	147,515	1,834	1,435
On Assignment, Inc.	79,212	2,577	3,886
Watsco, Inc.	18,500	1,859	2,859
		30,290	32,972
Information Technology — 25.9%			
Aspen Technology Inc.	51,376	1,848	2,923
CalAmp Corp.	72,141	1,252	1,645
Callidus Software Inc.	43,700	817	850
Cardtronics, Inc.	92,900	3,393	4,299
Criterio SA, ADR	113,980	5,172	6,786
Cypress Semiconductor Corporation	122,400	1,936	1,798
Endurance International Group Holdings, Inc.	105,830	2,024	2,731
Fleetmatics Group Limited PLC	49,503	1,824	2,896
Internap Coporation	108,613	856	1,255
LogMein, Inc.	44,600	2,299	3,592
Manhattan Associates, Inc.	35,173	1,275	2,621
MAXIMUS, Inc.	45,000	2,086	3,694
Microsemi Corporation	42,000	1,082	1,833
Proofpoint, Inc.	36,201	1,181	2,879
Rovi Corporation	159,200	3,522	3,172
Rubincon Project Inc., The,	342,854	6,909	6,406
Ruckus Wireless, Inc.	84,044	1,237	1,085
Shutterstock, Inc.	88,780	6,464	6,502
SYNNEX Corporation	20,385	1,644	1,864
VeriFone Systems Inc.	70,100	2,993	2,973
Virtusa Corporation	41,100	1,660	2,639
		51,474	64,443

BMO Private U.S. Special Equity Portfolio

(formerly BMO Harris U.S. Special Equity Portfolio) (unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2015 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Number of Shares or Units	Cost+ ($)	Fair Value ($)
Materials — 1.8%			
SunCoke Energy, Inc.	269,800	5,381	4,381
Telecommunication Services — 4.5%			
8x8, Inc.	189,100	1,702	2,116
inContact, Inc.	737,003	6,513	9,086
		8,215	11,202
Total Investment Portfolio — 97.0%		**197,865**	**240,927**
Other Assets Less Liabilities — 3.0%			**7,324**
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS — 100.0%			**248,251**

+ 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

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

NOTES TO THE FINANCIAL STATEMENTS
(All amounts in thousands of Canadian dollars, except per unit data)
June 30, 2015

1.The Portfolio

BMO Private U.S. Special Equity 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 Private Investment Counsel 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 unaudited interim financial statements is for the periods ended June 30, 2015 and June 30, 2014, except for the comparative information in the Statement of Financial Position and the related notes which are as at December 31, 2014.

These financial statements were authorized for issue by the Manager on August 14, 2015.

2.Basis of preparation and presentation

These unaudited interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Portfolio adopted this basis of accounting effective January 1, 2014, as required by Canadian securities legislation and the Canadian Accounting Standards Board. Certain prior period balances have been reclassified to conform with the current period presentation.

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 financial liabilities are measured at amortized cost. Under this method, financial assets and financial 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 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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
(All amounts in thousands of Canadian dollars, except per unit data)
June 30, 2015

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. Mutual fund units 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 investments' 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 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)

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
(All amounts in thousands of Canadian dollars, except per unit data)
June 30, 2015

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 in "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 June 30, 2015 and December 31, 2014, 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 bankers' 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 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. 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.

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 mortgage-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. 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 periods.

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 final 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, FVTPL or fair value through other 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 FVTPL. 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 units 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 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 policies used by the Portfolio for 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 June 30, 2015 and June 30, 2014.

(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, 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 affiliates of Bank of Montreal, 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, or other investment funds offered by Bank of Montreal, and may involve the purchase or sale of portfolio securities through or from a subsidiary or affiliate of Bank of Montreal, the purchase or sale of securities issued or guaranteed by a subsidiary or affiliate of Bank of Montreal, entering into forward contracts with a subsidiary or affiliate of Bank of Montreal acting as counterparty, the purchase or redemption of units of other Bank of Montreal affiliated investment funds or the provision of services to the Manager.

7.Financial instruments risks

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 investments, 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 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.

NOTES TO THE FINANCIAL STATEMENTS
(All amounts in thousands of Canadian dollars, except per unit data)
June 30, 2015

8. Portfolio specific information

(a) Portfolio information, change in units and significant events

The Portfolio's inception date was September 29, 2006.

The number of units of each series that have been issued and are outstanding are disclosed in the table below.

For the periods ended (in thousands of units)	Jun. 30, 2015	Jun. 30, 2014
Units issued and outstanding, beginning of period	25,940	23,291
Issued for cash	3,707	3,229
Redeemed during the period	(1,525)	(1,349)
Units issued and outstanding, end of period	28,122	25,171

Portfolio name change

Effective February 2, 2015, the Portfolio's name changed from BMO Harris U.S. Special Equity Portfolio to BMO Private U.S. Special Equity 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.

(b) Reconciliation of NAV to Net Assets

As at June 30, 2015 and December 31, 2014, 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 June 30, 2015 and June 30, 2014 is calculated as follows:

For the periods ended	Jun. 30, 2015	Jun. 30, 2014
Increase in net assets attributable to holders of redeemable units	32,746	9,864
Weighted average units outstanding during the period	26,987	24,285
Increase in net assets attributable to holders of redeemable units per unit	1.21	0.41

(d) Income taxes

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

Total Capital Losses ($)	Total Non-Capital Losses ($)	Non-Capital Losses That Expire in		
		2015 ($)	2016 ($)	2027 and thereafter ($)
29,039	—	—	—	—

(e) Related party transactions

Unitholder servicing

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

For the periods ended	Jun. 30, 2015	Jun. 30, 2014
Unitholder servicing ($)	83	87

Brokerage commissions and soft dollars

Brokerage commissions paid (excluding transaction costs) on security transactions and amounts paid to related parties of the Manager for brokerage services provided to the Portfolio for the periods are as follows:

For the periods ended	Jun. 30, 2015	Jun. 30, 2014
Total brokerage amounts paid ($)	284	239
Total brokerage amounts paid to related parties ($)	—	—

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. The ascertainable soft dollar value of services received as a percentage of total brokerage commissions paid under the soft dollar arrangement entered into by the portfolio advisor for the periods ended is as follows:

For the periods ended	Jun. 30, 2015	Jun. 30, 2014
Total soft dollars ($)	65	—
Total soft dollars as a percentage of total commissions ($)	23	–

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
(All amounts in thousands of Canadian dollars, except per unit data)
June 30, 2015

(f) Financial instruments risks

The Portfolio's objective is to achieve long term growth through appreciation by investing primarily in small- and mid-sized companies in the U.S. market.

No other 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 Jun. 30, 2015

	Cash and other current receivables & payables ($)	Investments (monetary & non-monetary) ($)	Forward currency contracts ($)	Net currency exposure ($)	As a % of Net Assets (%)
U.S. Dollar	7,916	240,927	–	248,843	100.2

All amounts in Canadian Dollars

As at Dec. 31, 2014

	Cash and other current receivables & payables ($)	Investments (monetary & non-monetary) ($)	Forward currency contracts ($)	Net currency exposure ($)	As a % of Net Assets (%)
U.S. Dollar	6,289	191,146	–	197,435	100.2

All amounts in Canadian Dollars

As at June 30, 2015 and December 31, 2014, 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 decreased or increased, respectively, by approximately $12,442 (December 31, 2014 – $9,872). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Interest rate risk

As at June 30, 2015 and December 31, 2014, 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 2000 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 $20,371 (December 31, 2014 - $15,207). 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 June 30, 2015 and December 31, 2014, the Portfolio did not have any significant exposure to credit risk.

Securities lending

The Portfolio had assets involved in securities lending transactions outstanding as at June 30, 2015 and December 31, 2014 as follows:

	Aggregate Value of Securities on Loan ($)	Aggregate Value of Collateral Received for the Loan ($)
June 30, 2015	51,949	55,194
December 31, 2014	40,602	42,945

Concentration risk

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

As at	Jun. 30, 2015	Dec. 31, 2014
Equities		
Consumer Discretionary	14.4%	16.2%
Consumer Staples	0.9%	0.8%
Energy	4.2%	4.4%
Financials	11.3%	12.9%
Health Care	20.7%	24.9%
Industrials	13.3%	12.3%
Information Technology	25.9%	21.2%
Materials	1.8%	—%
Telecommunication Services	4.5%	4.3%
Other Assets Less Liabilities	3.0%	3.0%
	100.0%	**100.0%**

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
(All amounts in thousands of Canadian dollars, except per unit data)
June 30, 2015

(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.

As at	Jun. 30, 2015	Dec. 31, 2014
Financial assets designated at FVTPL	240,927	191,146
Loans and receivables	985	1,702
Financial liabilities measured at amortized cost	4,596	640

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

For the periods ended	Jun. 30, 2015	Jun. 30, 2014
Net realized gains (losses) on financial assets		
Designated at FVTPL	17,989	20,177
	17,989	20,177
Total net realized gains (losses) on financial assets and financial liabilities	17,989	20,177
Change in unrealized gains (losses) on financial assets		
Designated at FVTPL	15,195	(9,530)
	15,195	(9,530)
Total change in unrealized gains (losses) on financial assets and financial liabilities	15,195	(9,530)

(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 Jun. 30, 2015

Financial assets	Level 1	Level 2	Level 3	Total
Equity Securities	234,141	6,786	—	240,927

As at Dec. 31, 2014

Financial assets	Level 1	Level 2	Level 3	Total
Equity Securities	188,334	2,812	—	191,146

Transfers between levels

There were no transfers between levels during the periods.

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

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

www.bmoprivatebanking.com

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

BMO Private Banking