

Semi-Annual Management Report of Fund Performance

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

For the period ended June 30, 2015

This semi-annual management report of fund performance contains financial highlights, but does not contain semi-annual or annual financial statements of the Portfolio. If the semi-annual or annual financial statements of the Portfolio do not accompany the mailing of this report, you may obtain a copy of the semi-annual or annual financial statements at your request, and at no cost, by calling 1-800-361-1392, by e-mailing us at contact.centre@bmo.com, by writing to us at BMO Private Investment Counsel Inc. (formerly, BMO Harris Investment Management Inc.), 1 First Canadian Place, 100 King St. W., 41st Floor, Toronto, Ontario, M5X 1A1 or by visiting our website at www.bmoprivatebanking.com or SEDAR at www.sedar.com. You may also contact us using one of these methods to request a copy of the Portfolio's proxy voting policies and procedures, proxy voting disclosure record and/or quarterly portfolio disclosure.

Management Discussion of Fund Performance

BMO Private Investment Counsel Inc. (“BPIC” or the “Manager”), the manager and portfolio manager, is responsible for the management of the overall business, investments and operations of the BMO Private Portfolios (formerly, the BMO Harris Private Portfolios) and has engaged BMO Asset Management Corp. (“BMO AM Corp.” or the “sub-advisor”) as the sub-advisor of BMO Private U.S. Special Equity Portfolio (the “Portfolio”).

Results of Operations

Over the six-month period ended June 30, 2015, the Portfolio returned 16.18% in C\$ (8.10% in US\$), after expenses. The Portfolio's benchmark is the Russell 2000 Growth Index, which generated a 16.92% total return in C\$ (8.74% in US\$) over the same six-month period.

During the period, markets were impacted by investors' concerns over the financial health of Greece and the eurozone. The European Central Bank formally announced its long-anticipated accommodative monetary policy program in January, which benefited U.S. small- and mid-capitalization companies as they are generally less reliant on global growth. The low interest rate environment persisted in the United States, despite relatively strong economic and employment data. Commodities prices continued to underperform as a result of abundant supply and muted demand from lacklustre global economic growth.

Stock selection in the Financials and Consumer Discretionary sectors detracted from the Portfolio's performance. Stock selection in the Information Technology sector was another detractor from performance, particularly in the Portfolio's overweight exposure to software and service companies at the expense of hardware firms (notably semiconductors). Significant individual detractors from the Portfolio's performance included its holdings in Acacia Research Corporation, Bellatrix Exploration Ltd. and SunCoke Energy Inc. Acacia Research Corporation's share price came under pressure as a negative court ruling delayed a potential settlement with Apple Inc. The share price of oil and gas producer Bellatrix Exploration Ltd. declined amid ongoing commodity price weakness. SunCoke Energy Inc.'s share price was negatively impacted by proposed changes in the tax code that has the potential to affect its affiliate, SunCoke Energy Partners LP.

Security selection in the Health Care and Telecommunication Services sectors contributed to the Portfolio's performance, as did an underweight allocation to the Materials sector. Top contributors to the Portfolio's performance included holdings in Horizon Pharma plc, ABIOMED Inc. and Golar LNG Limited. Horizon Pharma plc's shares performed strongly as the company executed well on its acquisition strategy and reported better-than-expected revenue and earnings results. ABIOMED Inc., a cardiac device company, benefited from strong sales of its

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Impella heart pumps and received regulatory clearance earlier than anticipated for two new devices. Golar LNG Limited's stock rose as the market reacted positively to its plans to build floating liquefaction units.

The sub-advisor initiated a new position in Shutterstock Inc. in the Portfolio in February, on the strength of the company's increased revenue and new product lines. Subsequently, the holding was increased amid weakness as a result of the perceived threat of Adobe Systems Inc. Other new purchases made in the Portfolio included Burlington Stores Inc. on strong sales trends, Vanda Pharmaceuticals Inc. for its accelerating revenue growth, and Golar LNG Limited. The sub-advisor eliminated the Portfolio's shares of Bellatrix Exploration Ltd. amid a weak commodity price environment, and Aruba Networks Inc. in light of its acquisition by Hewlett-Packard Company. Other Portfolio holdings sold during the period included AMAG Pharmaceuticals Inc., Libbey Inc. and Unilife Corporation, as a result of stock price appreciation, and Marin Software Incorporated and Insulet Corporation. The sub-advisor trimmed the Portfolio's positions in Centene Corporation, The Hain Celestial Group Inc. and DexCom Inc., on stock price strength.

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

Recent Developments

The sub-advisor believes that the U.S. economy will continue its expansion despite gross domestic product weakness in the first quarter of 2015, and that U.S. interest rates are likely to rise later in 2015. Lower energy prices and continued strong employment levels in the United States should help to boost consumer spending. The sub-advisor believes that the Portfolio is well positioned to capitalize on a rebound in the housing market and related spending.

Related Party Transactions

BMO Trust Company, an indirect, wholly-owned subsidiary of Bank of Montreal, is the trustee (the "trustee") and BPIC is the manager of the Portfolio. From time to time, BPIC may, on behalf of the Portfolio, enter into transactions or arrangements with or involving other members of BMO Financial Group, or certain other persons or companies that are related or connected to the Portfolio (each, a "related party" and collectively, the "related parties").

Sub-advisor

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

Wealth Management Fee

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

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Unitholder Services

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

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

	Period ended June 30, 2015 (\$000s)	Period ended June 30, 2014 (\$000s)
Unitholder Services	83	87

Management Fee

There is no management fee charged to the Portfolio. The trustee and the Manager receive an annual wealth management fee from investors for the wealth management service offered by BMO Financial Group.

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Financial Highlights

The following tables show selected key financial information about the Portfolio and are intended to help you understand the Portfolio's financial performance for the periods indicated.

The Portfolio's Net Assets Per Unit ⁽¹⁾	Six months ended June 30, 2015	Years ended December 31				
		2014	2013	2012	2011	2010
Net assets, beginning of period	\$ 7.60	7.10	4.68	4.44	5.46	4.78
Increase (decrease) from operations:						
Total revenue	\$ 0.05	0.07	0.03	0.13	0.12	0.10
Total expenses ⁽²⁾	\$ (0.04)	(0.11)	(0.08)	(0.07)	(0.06)	(0.06)
Realized gains (losses) for the period	\$ 0.64	0.63	0.79	0.07	(0.09)	(0.02)
Unrealized gains (losses) for the period	\$ 0.56	0.03	1.57	0.22	(0.89)	0.69
Total increase (decrease) from operations ⁽³⁾	\$ 1.21	0.62	2.31	0.35	(0.92)	0.71
Distributions:						
From income (excluding dividends)	\$ —	—	—	—	—	—
From dividends	\$ —	0.15	—	0.09	0.12	0.08
From capital gains	\$ —	—	—	—	—	—
Return of capital	\$ —	0.00	—	—	—	—
Total Annual Distributions ⁽⁴⁾	\$ —	0.15	—	0.09	0.12	0.08
Net assets, end of period	\$ 8.83	7.60	7.10	4.67	4.44	5.46

⁽¹⁾ This information is derived from the Portfolio's unaudited semi-annual and audited annual financial statements. The financial information presented for the periods ended June 30, 2015, December 31, 2014 and December 31, 2013 is derived from the financial statements determined in accordance with IFRS. Information for years prior to January 1, 2013 is derived from prior period financial statements prepared in accordance with Canadian GAAP. An explanation of these differences can be found in the notes to the financial statements.

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

⁽³⁾ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

⁽⁴⁾ Distributions were paid in cash or reinvested in additional units of the Portfolio, or both.

Ratios and Supplemental Data	Six months ended June 30, 2015	Years ended December 31				
		2014	2013	2012	2011	2010
Total net asset value (000s) ⁽¹⁾	\$ 248,251	197,017	165,458	30,749	29,201	38,417
Number of units outstanding (000s) ⁽¹⁾	28,122	25,940	23,291	6,575	6,573	7,030
Management expense ratio ⁽²⁾	% 0.58	0.64	0.81	1.04	0.76	0.70
Management expense ratio before waivers or management absorptions	% 0.75	0.81	0.97	1.06	0.76	0.70
Trading expense ratio ⁽³⁾	% 0.25	0.25	0.39	0.54	0.44	0.45
Portfolio turnover rate ⁽⁴⁾	% 39.05	76.58	92.65	195.27	99.55	97.54
Net asset value per unit	\$ 8.83	7.60	7.10	4.68	4.44	5.46

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

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

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

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

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Past Performance

General

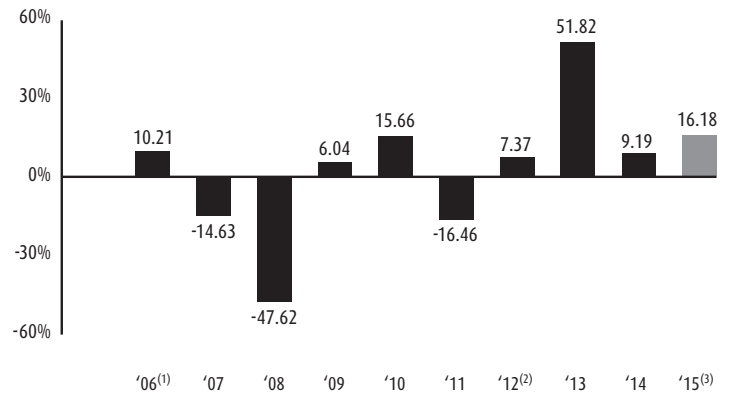
The Portfolio's performance information assumes that all distributions made by the Portfolio in the periods shown were reinvested in additional units of the Portfolio and is based on the net asset value of the Portfolio.

The performance information does not take into account sales, redemption, distribution or other optional charges that, if applicable, would have reduced returns or performance. Please remember, how the Portfolio has performed in the past does not necessarily indicate how it will perform in the future.

Year-by-Year Returns

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

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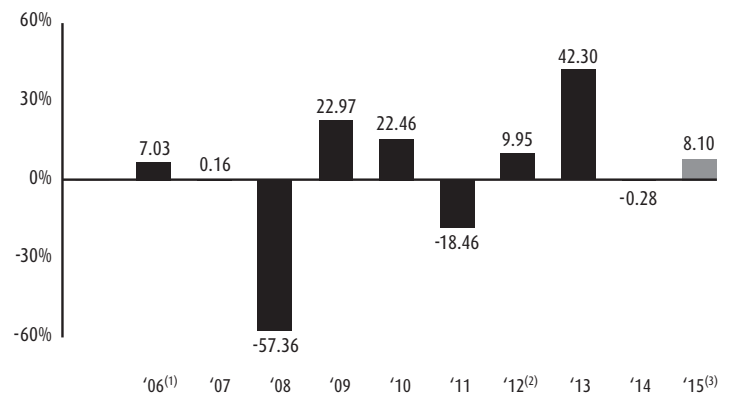


⁽¹⁾ Return from November 1, 2006 to December 31, 2006.

⁽²⁾ On October 26, 2012, the Portfolio's investment objectives, investment strategies, sub-advisor and benchmark were changed.

⁽³⁾ For the six-month period ended June 30, 2015.

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⁽¹⁾ Return from November 1, 2006 to December 31, 2006.

⁽²⁾ On October 26, 2012, the Portfolio's investment objectives, investment strategies, sub-advisor and benchmark were changed.

⁽³⁾ For the six-month period ended June 30, 2015.

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Summary of Investment Portfolio

as at June 30, 2015

Portfolio Allocation	% of Net Asset Value
United States	87.1
Cash/Receivables/Payables	3.0
France	2.7
Bermuda	2.4
Ireland	2.4
Monaco	1.8
South Africa	0.6
Total portfolio allocation	100.0

Sector Allocation	%
Information Technology	25.9
Health Care	20.7
Consumer Discretionary	14.4
Industrials	13.3
Financials	11.3
Telecommunication Services	4.5
Energy	4.2
Cash/Receivables/Payables	3.0
Materials	1.8
Consumer Staples	0.9
Total sector allocation	100.0

Top 25 Holdings	% of Net Asset Value
Issuer	
inContact, Inc.	3.7
Cash/Receivables/Payables	3.0
Criterion SA, ADR	2.7
Shutterstock, Inc.	2.6
Rubincon Project Inc., The,	2.6
William Lyon Homes, Class A	2.4
Golar LNG Limited	2.4
New Senior Investment Group Inc.	2.4
GAIN Capital Holdings, Inc.	2.1
TRI Pointe Homes, Inc.	1.9
Gaslog Ltd.	1.8
Builders FirstSource, Inc.	1.8
New Media Investment Group Inc.	1.8
SunCoke Energy, Inc.	1.8
Cardtronics, Inc.	1.7
Acacia Research Corporation	1.6
Actua Corp.	1.6
Horizon Pharma Plc	1.6
Advisory Board Company, The,	1.6
On Assignment, Inc.	1.6
MAXIMUS, Inc.	1.5
NxStage Medical, Inc.	1.5
PICO Holdings, Inc.	1.5
LogMein, Inc.	1.4
Acadia Healthcare Company, Inc.	1.3
Top holdings as a percentage of total net asset value	49.9
Total Net Asset Value	\$248,250,952

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

Manager

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

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