

Semi-Annual Management Report of Fund Performance

BMO Harris Canadian Special Growth Portfolio

For the period ended June 30, 2014

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 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.bmoharrisprivatebanking.com or SEDAR at www.sedar.com. You may also contact us using one of these methods to request a copy of the Portfolio's proxy voting policies and procedures, proxy voting disclosure record and/or quarterly portfolio disclosure.

Management Discussion of Fund Performance

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

Results of Operations

For the six-month period ended June 30, 2014, the Portfolio returned 21.33%, after expenses. The Portfolio's benchmark is the BMO Capital Markets Small Cap Index, which generated an 18.15% total return over the same six-month period.

Global equity markets gained over the period, as a result of accommodative monetary policies and optimism that growth would accelerate in most developed countries. Higher commodity prices, such as for crude oil and gold, supported the resource-heavy Canadian small-capitalization market. Meanwhile, the economic environment was one in which small companies could grow their businesses, and the equity market rewarded this growth. Canadian small-cap stocks posted significant gains as a result.

The Portfolio outperformed the benchmark over the period. Strong security selection contributed to the Portfolio's performance, notably in the Consumer Discretionary and Energy sectors. The Portfolio's underweight position in the Consumer Staples sector

also contributed to performance. Significant individual contributors to performance included Amaya Gaming Group Inc. and AutoCanada Inc. Amaya Gaming Group Inc.'s share price increased by almost 200% in response to its announcement of a strategic acquisition. AutoCanada Inc. announced several large acquisitions and its share price rose significantly.

The Portfolio's overweight position in the Information Technology sector and underweight position in the Materials sector, particularly mining stocks, detracted from performance. Significant individual detractors from performance included Redknee Solutions Inc. and ViXS Systems Inc. Redknee Solutions Inc.'s share price fell as investors wondered how long it would take the company to reach its goals after a recent large acquisition. The end market for ViXS Systems Inc.'s products did not develop as quickly as originally anticipated. As a result, the company's growth prospects became uncertain and its share price fell significantly.

During the period, the sub-advisor added several companies to the Portfolio, including Callidus Capital Corporation and Kinaxis Inc. The sub-advisor believes that Callidus Capital Corporation, a specialized lender to temporarily distressed businesses, should generate high returns from this underserved market. The company has plans to grow its business significantly. The sub-advisor initiated a position in an initial public offering of software-as-a-service company Kinaxis Inc. The sub-advisor believes the company has a strong management team and a business plan to grow its businesses significantly over the next few years.

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The sub-advisor eliminated several Portfolio positions, including ViXS Systems Inc. and Halogen Software Inc. These positions were eliminated as the sub-advisor became more cautious about their growth outlooks.

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 recovery in the U.S. and Canadian economies will support the Canadian small-cap market. In the sub-advisor's view, the Portfolio should benefit from the improving growth outlook in many areas of the small-cap market. The sub-advisor expects that growth will be a key driver of Portfolio returns in the near term.

The Portfolio will remain focused on small-capitalization companies that, in the sub-advisor's view, offer the best opportunities for sustainable growth over the next several years. The sub-advisor believes that the market will reward these companies over the long term.

Significant Accounting Changes

Resulting from our Adoption of IFRS

Effective January 1, 2014, the Portfolio adopted International Financial Reporting Standards ("IFRS") as its basis of accounting. The semi-annual financial statements for the period ended June 30, 2014 are the first set of financial statements prepared on an IFRS basis. The adjustments made to reflect the impact of the change from Canadian GAAP to IFRS are presented in note 8 to the financial statements.

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

- Statement of Financial Position has replaced the former Statement of Net Assets:
 - The Portfolio's unitholders investments in the units of the Portfolios did not qualify for equity classification under IFRS and have been classified as a financial liability for financial reporting purposes.
- Statement of Comprehensive Income replaced Statement of Operations
 - The Portfolio accounts for interest income using the effective interest rate method, rather than the coupon method previously used under Canadian GAAP.
- Statement of Changes in Net Assets Attributable to Holders of Redeemable Units replaced the Statement of Changes in Net Assets and the Portfolio now presents a Statement of Cash Flows.
- Other notable changes to the financial statement notes include additional or enhanced information in the notes to the financial statements, including a more detailed note and reconciliation on the Portfolio's transition from Canadian GAAP to IFRS.

Related Party Transactions

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

Sub-advisor

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

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Buying and Selling Securities

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

During the period, BHIMI relied on an approval and standing instruction provided by the Portfolio's Independent Review Committee ("IRC") to enable the Portfolio to make an investment in a class of equity and/or non-government debt securities of an issuer during the period of distribution of those securities to the public and/or the 60-day period following the distribution period where BMO Nesbitt Burns Inc., an affiliate of BHIMI, acted as an underwriter in the distribution (each investment, a "Related Party Transaction"). In accordance with the IRC's approval and standing instruction, in making a decision to cause the Portfolio to make a Related Party Transaction, BHIMI and the investment manager of the Portfolio are required to comply with BHIMI's written policies and procedures governing the Related-Party Transaction and report periodically to the IRC, describing each instance that BHIMI relied on the approval and standing instruction and their compliance or non-compliance with the governing policies and procedures. The governing policies and procedures are designed to ensure the Related Party Transaction (i) is made free from any influence of BMO Nesbitt Burns Inc. or an associate or affiliate of BMO Nesbitt Burns Inc. and without taking into account any considerations relevant to BMO Nesbitt Burns Inc. or an associate or affiliate of BMO Nesbitt Burns Inc., (ii) represents the business judgment of BHIMI, uninfluenced by considerations other than the best interests of the Portfolio, and (iii) achieves a fair and reasonable result for the Portfolio.

Brokerage Commissions

The Portfolio pays standard brokerage commissions at market rates to BMO Nesbitt Burns Inc., an affiliate of the Manager, for executing a portion of its trades. The brokerage commissions charged to the Portfolio during the period were as follows:

	Period ended June 30, 2014 (\$000s)	Period ended June 30, 2013 (\$000s)
Total Brokerage Commissions	402	378
Brokerage Commissions paid to BMO Nesbitt Burns Inc.	1	6

Wealth Management Fee

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

Unitholder Services

The Portfolio is provided with certain facilities and services by related parties. BMO AM Inc. is the registrar of the Portfolio. The trustee and BMO AM Inc. are paid by the Portfolio for fees relating to the custodial and administrative services they provide, respectively. Administrative services include fund accounting, record keeping and purchases/redemption order processing. The fees charged to the Portfolio during the period were as follows:

	Period ended June 30, 2014 (\$000s)	Period ended June 30, 2013 (\$000s)
Unitholder Services	71	78

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, 2014	Years ended December 31				
		2013	2012	2011	2010	2009
Net assets, beginning of period ⁽⁵⁾	\$ 63.71	45.60	40.96	49.58	35.96	22.97
Increase (decrease) from operations:						
Total revenue	\$ 0.36	0.64	0.60	0.66	0.32	0.25
Total expenses ⁽²⁾	\$ (0.13)	(0.27)	(0.25)	(0.30)	(0.31)	(0.26)
Realized gains (losses) for the period	\$ 6.14	4.32	1.07	2.56	6.83	(1.38)
Unrealized gains (losses) for the period	\$ 7.34	13.66	3.64	(11.22)	7.48	15.00
Total increase (decrease) from operations ⁽³⁾	\$ 13.71	18.35	5.06	(8.30)	14.32	13.61
Distributions:						
From income (excluding dividends)	\$ —	—	0.00	—	0.01	0.06
From dividends	\$ —	0.50	0.56	0.79	0.11	0.13
From capital gains	\$ —	—	—	—	—	—
Return of capital	\$ —	0.00	0.01	0.00	—	—
Total Annual Distributions ⁽⁴⁾	\$ —	0.50	0.57	0.79	0.12	0.19
Net assets, end of period ⁽⁵⁾	\$ 77.30	63.51	45.60	40.96	49.58	35.96

⁽¹⁾ This information is derived from the Portfolio's audited annual financial statements and unaudited June 30, 2014 semi-annual financial statements. Prior to 2014, the net assets per unit presented in the financial statements differed from the net asset value calculated for portfolio pricing purposes. An explanation of these differences can be found in the notes to the financial statements.

⁽²⁾ Includes commissions and portfolio transaction costs. Prior to 2014, 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.

⁽⁵⁾ Net assets prior to 2014 were calculated under Canadian GAAP. Net assets in 2014 were calculated under IFRS.

Ratios and Supplemental Data	Six months ended June 30, 2014	Years ended December 31				
		2013	2012	2011	2010	2009
Total net asset value (000s) ⁽¹⁾	\$ 316,146	246,791	158,987	171,224	238,987	126,543
Number of units outstanding (000s) ⁽¹⁾	4,090	3,874	3,468	4,161	4,803	3,499
Management expense ratio ⁽²⁾	% 0.10	0.13	0.16	0.16	0.10	0.10
Management expense ratio before waivers or management absorptions	% 0.21	0.26	0.20	0.16	0.10	0.10
Trading expense ratio ⁽³⁾	% 0.14	0.37	0.41	0.50	0.67	0.81
Portfolio turnover rate ⁽⁴⁾	% 30.39	68.19	59.35	77.27	83.84	89.22
Net asset value per unit	\$ 77.30	63.71	45.85	41.15	49.75	36.17

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

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

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

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

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Past Performance

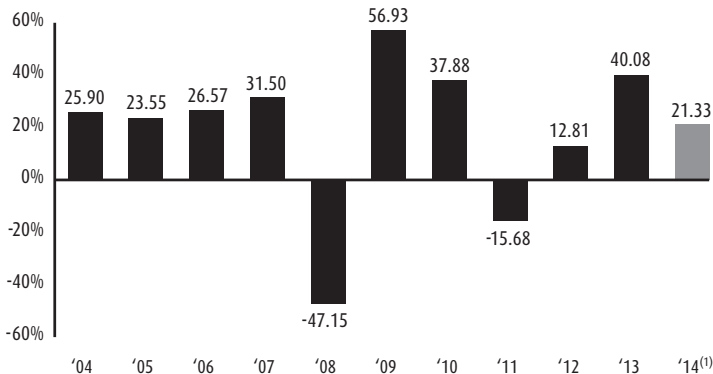
General

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

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

Year-by-Year Returns

The following bar chart shows the performance for each of the financial years and for the six-month period ended June 30, 2014 shown and illustrates how the performance has changed from year to year. The bar chart shows in percentage terms how an investment made on the first day of each financial year would have increased or decreased by the last day of each financial year.



⁽¹⁾ For the six-month period ended June 30, 2014.

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Summary of Investment Portfolio

as at June 30, 2014

Portfolio Allocation	% of Net Asset Value	Top 25 Holdings	% of Net Asset Value
Energy	22.0	Issuer	
Information Technology	19.3	Amaya Gaming Group Inc.	4.2
Financials	17.7	Boyd Group Income Fund	3.9
Consumer Discretionary	16.4	Tricon Capital Group Inc.	3.6
Industrials	12.5	Descartes Systems Group Inc., The,	3.6
Money Market Investments	5.5	AutoCanada Inc.	3.5
Materials	3.8	Redknee Solutions Inc.	3.3
Consumer Staples	2.2	Badger Daylighting Ltd.	3.1
Health Care	2.0	MacDonald, Dettwiler and Associates Ltd.	3.1
Cash/Receivables/Payables	-1.4	Element Financial Corporation	2.9
Total portfolio allocation	100.0	Callidus Capital Corporation	2.8
		DHX Media Ltd.	2.4
		ATS Automation Tooling Systems Inc.	2.3
		Performance Sports Group Ltd.	2.1
		Altus Group Limited	2.1
		Spartan Energy Corporation	2.1
		Canadian Energy Services & Technology Corp.	2.0
		Paramount Resources Ltd., Class A	2.0
		Storm Resources Ltd.	1.8
		Sylogist Ltd.	1.7
		Delphi Energy Corp.	1.7
		Computer Modelling Group Ltd.	1.7
		Secure Energy Services Inc.	1.6
		Government of Canada, Treasury Bills, 0.927% Sep 11, 2014	1.6
		Alaris Royalty Corporation	1.6
		DREAM Unlimited Corp., Class A	1.5
		Top holdings as a percentage of net asset value	62.2
		Total Net Asset Value	\$316,146,387

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 BMO Harris Private Portfolios’ simplified prospectus. 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 Harris Investment Management 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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