Semi-Annual Management Report of Fund Performance

BMO Harris U.S. Equity Portfolio

For the period ended June 30, 2013

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 1H3 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 Corp. ("BMO AM Corp." or the "sub-advisor"), as the sub-advisor of BMO Harris U.S. Equity Portfolio (the "Portfolio").

Results of Operations

For the six-month period ended June 30, 2013, the Portfolio returned 18.78% in C$ (12.34% in US$), after expenses. The Portfolio's benchmark is the S&P 500 Index, which generated a 20.27% total return in C$ (13.82% in US$) over the same six-month period.

A significant economic factor that impacted U.S equity markets over the period was the ongoing low-interest-rate environment driven by central bank intervention. Specifically, the quantitative easing measures (i.e., bond-buying program) of the U.S. Federal Reserve Board (the "Fed") have kept rates low and spurred investors, in a search for yield, to move into securities they generally perceive to be "riskier." However, speculation about the removal of the bond-buying program began later in the reporting period as the Fed alluded to a tapering of its bond-buying program. Markets reacted quickly to these comments as U.S. interest rates spiked later in the period, which drove bond markets lower.

On a sector basis, detractors from the Portfolio's performance over the period included its overweight positions in the Materials and Energy sectors. From an individual securities perspective, detractors from the Portfolio's performance included CF Industries Holdings, Inc.; Time Warner Cable Inc.; Helmerich & Payne, Inc.; Ingredion Incorporated; and Dillard's, Inc. The shares of CF Industries Holdings, Inc., a fertilizer producer, fell approximately 15% in response to macroeconomic concerns about the fertilizer industry and, more specifically, the pricing of nitrogen-based fertilizers, which make up the majority of CF Industries Holdings, Inc.'s business. The weak pricing of nitrogen was a focus for investors during this period, even though CF Industries Holdings, Inc. fundamentally performed well during the period and continues to display attractive valuation characteristics (as well as having a strong share buyback program).

On a sector basis, contributors to the Portfolio's performance over the period included an overweight position in the Health Care sector and an underweight position in the Information Technology sector. From an individual securities perspective, contributors to the Portfolio's performance over the period included Ameriprise Financial, Inc.; The Kroger Co.; Microsoft Corp.; Tesoro Corporation; and Southwest Airlines Co. After several years of lagging the market, Microsoft Corp. began the period trading at a discount despite possessing strong fundamental characteristics. Microsoft Corp. proceeded to deliver stronger-than-expected results earlier in the period, and the price of the stock rose by over 30% by the end of the period.

During the period, the sub-advisor sold the Portfolio's positions in a number of holdings including Philip Morris International Inc.; International Business Machines Corp. ("IBM"); CBS Corporation; and American International Group, Inc. ("AIG"), among others. The sales of Philip Morris International Inc. and CBS Corporation were primarily driven by valuation, while the sales of IBM and AIG were driven by what the sub-advisor believes are declining fundamental prospects.

During the period, the sub-advisor purchased positions in Comcast Corp.; NetApp, Inc.; American Express Company; Mylan Inc.; and International Paper Company, among others. NetApp, Inc. and Mylan Inc. were purchased primarily as a result of what the sub-advisor believes are attractive valuations, while Comcast Corp., American Express Company and International Paper Company were purchased as a result of these companies' strong fundamental characteristics.

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 even though macroeconomic risks are likely now lower than they have been over the past two years, there is still the potential for disruption. As a result of government efforts to curb property prices, China's economic rate growth has slowed to approximately 7.7%, from about 12% three years ago. This has already impacted commodities prices and emerging markets equities. Continued political unrest in parts of the Middle East and North Africa has the potential to escalate and drive the price of oil higher, which could negatively impact worldwide economic growth. Europe's sovereign debt issues may also continue to disrupt global economic growth.

On the positive side, the sub-advisor believes there are a number of bright spots for equities. According to the Fed, the U.S. economy should strengthen from an approximately 2.5% growth rate this year to about 3.3% in 2014. In this environment, the sub-advisor believes cyclical stocks, low-valuation stocks and higher-risk stocks could outperform. The sub-advisor also believes there is the potential for a continued cash rotation into equities as bonds continue to weaken, which would provide further support. The sub-advisor believes there is the possibility that Japan may soon emerge from its 20-year deflationary cycle, as the country's prime minister and the Bank of Japan have engaged in unprecedented monetary easing measures.

The sub-advisor believes the rotation away from bonds and into stocks — in response to rising rates and a strengthening economy — will result in the outperformance of stocks with attractive valuations, especially those in more cyclical areas of the market. The Portfolio remains positioned in a way that is consistent with the sub-advisor's investment philosophy: owning stocks that are relatively inexpensive compared to the broader market, while also displaying strong fundamental characteristics — such as higher expected growth and profitability.

Risk Classification Change

Effective July 12, 2013, as outlined in the Portfolio's most recent prospectus, the risk rating of the Portfolio was reduced from "Medium to High" to "Medium" to better align with the Portfolio's risk level. The investment objectives, investment strategies and management of the Portfolio did not change as a result of the change in risk rating.

Future Accounting Standards

Canadian investment entities will be required to prepare their financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board, for fiscal years beginning on or after January 1, 2014. For reporting periods commencing January 1, 2014, the Portfolio will adopt IFRS as the basis for preparing its financial statements. The Portfolio will report its financial results for the interim period ending June 30, 2014, prepared on an IFRS basis. It will also provide comparative data on an IFRS basis, including an opening balance sheet as at January 1, 2013 (transition date). A summary of the significant standards impacting the Portfolio under IFRS are outlined below.

Based on the Portfolio's analysis to date, the more significant accounting changes that will result from its adoption of IFRS will be in the areas of fair valuation, cash flow presentation, consolidation of investments and classification of net assets representing unitholders' equity. The differences described in the sections that follow are based on Canadian generally accepted accounting principles (“Canadian GAAP”) and IFRS that are in effect as of this date. This should not be considered a comprehensive list of the main accounting changes when the Portfolio adopts IFRS.

The framework for fair valuation is set out under IFRS 13 Fair Value Measurement, which includes the requirements for the measurement and disclosure of fair value. If an asset or liability measured at fair value has a bid price and an ask price, the standard requires valuation to be based on a price within the bid-ask spread that is most representative of fair value. The standard allows the use of mid-market pricing or other pricing conventions that are used by market participants as a practical means for fair value measurements within a bid-ask spread. Thus, this standard will impact the net assets per unit for financial statement reporting purposes compared to current standards, and may also result in the elimination of the differences between the net asset per unit and net asset value per unit (“NAVPU”) at the financial statement reporting date. The Manager has not identified any changes that will impact NAVPU as a result of the transition to IFRS.

Where the Portfolio holds controlling interest in an investment, it is the Manager’s expectation that the Portfolio will qualify as an Investment Entity in accordance with IFRS 10 Consolidated Financial Statements. As such, the Portfolio will not be required to consolidate its investments, but rather to fair value its investments regardless of whether those investments are controlled. If the Portfolio fair values investments that it controls, it may be required to make additional financial statement disclosures on its controlled investments in accordance with IFRS 12 Disclosure of Interests in Other Entities. IFRS 12 also requires additional disclosures if the Portfolio is determined to qualify as an investment entity while not possessing all of the typical characteristics of an investment entity.

The criteria contained within IAS 32 Financial Instruments: Presentation may require unitholders’ equity to be classified as a liability within the Portfolio’s Statement of Net Assets, unless certain conditions are met. The Manager is currently assessing the Portfolio’s unitholder structure to confirm classification.

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 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 that is paid quarterly. BMO AM Corp. is paid by BHIMI.

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, receives 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. The trustee may compensate financial institutions and securities registrants within BMO Financial Group for client referrals to the wealth management service.

Unitholder Services

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

	Period ended June 30, 2013 ($000s)	Period ended June 30, 2012 ($000s)
Unitholder Services	134	138

Management Fee

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

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, 2013	Years ended December 31 2012	2011	2010	2009	2008
Net assets, beginning of period	$	12.35	11.22	10.65	9.82	9.79	13.09
Increase (decrease) from operations:							
Total revenue	$	0.10	0.22	0.17	0.13	0.15	0.20
Total expenses	$	(0.01)	(0.02)	(0.02)	(0.02)	(0.03)	(0.03)
Realized gains (losses) for the period	$	1.14	0.02	0.53	0.05	(1.12)	(2.28)
Unrealized gains (losses) for the period	$	1.06	1.08	0.04	0.80	1.27	(1.25)
Total increase (decrease) from operations (2)	$	2.29	1.30	0.72	0.96	0.27	(3.36)
Distributions:							
From income (excluding dividends)	$	—	0.00	0.00	—	—	—
From dividends	$	—	0.19	0.17	0.11	0.13	0.20
From capital gains	$	—	—	—	—	—	—
Return of capital	$	—	0.00	0.00	0.00	0.00	0.00
Total Annual Distributions (3)	$	—	0.19	0.17	0.11	0.13	0.20
Net assets, end of period	$	14.66	12.35	11.22	10.65	9.82	9.79

(1) This information is derived from the Portfolio's audited annual financial statements and unaudited June 30, 2013 semi-annual financial statements. The net assets per unit presented in the financial statements differs 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) 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.

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

Ratios and Supplemental Data		Six months ended June 30, 2013	Years ended December 31 2012	2011	2010	2009	2008
Total net asset value (000s) (1)	$	957,356	738,655	620,756	586,020	442,912	320,379
Number of units outstanding (000s) (1)		65,281	59,827	55,317	55,010	45,097	32,708
Management expense ratio (2)	%	0.06	0.06	0.08	0.09	0.09	0.08
Management expense ratio before waivers or management absorptions	%	0.32	0.14	0.08	0.09	0.09	0.08
Trading expense ratio (3)	%	0.10	0.07	0.09	0.12	0.21	0.13
Portfolio turnover rate (4)	%	38.41	38.03	64.95	64.11	83.27	70.64
Net asset value per unit	$	14.67	12.35	11.22	10.65	9.82	9.80

(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.

Past Performance

General

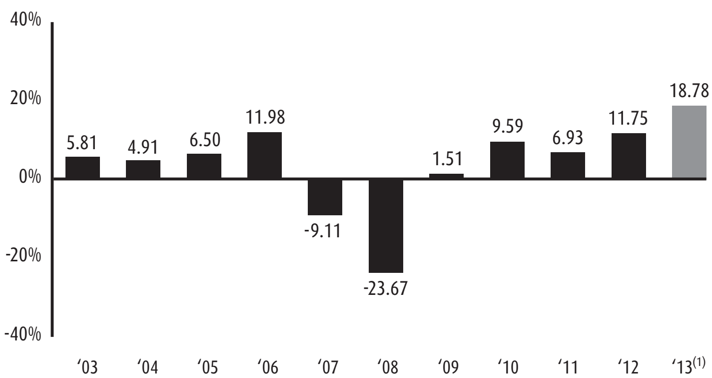
The Portfolio's performance information assumes that all distributions made by the Portfolio in the periods shown were reinvested in additional units of the Portfolio and is based on the net asset value of the Portfolio.

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

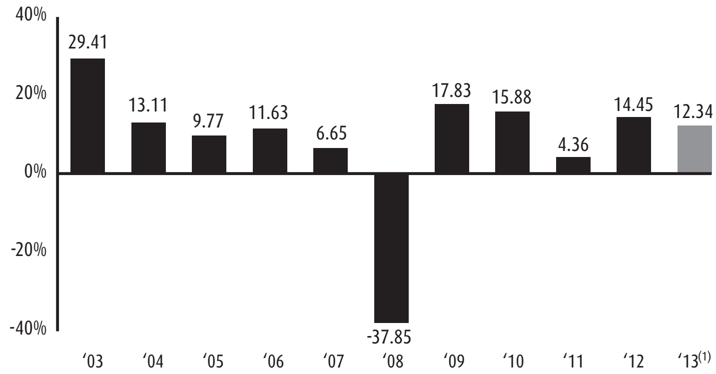
The following bar charts show the performance for each of the financial years and for the six-month period ended June 30, 2013 shown and illustrates how the performance has changed from year to year. The bar charts show in percentage terms how an investment made on the first day of each financial year would have increased or decreased by the last day of each financial year.

BMO Harris U.S. Equity Portfolio (C$)



(1) For the six-month period ended June 30, 2013.

BMO Harris U.S. Equity Portfolio (US$)



(1) For the six-month period ended June 30, 2013.

Summary of Investment Portfolio

as at June 30, 2013

Portfolio Allocation	% of Net Asset Value
Financials	17.5
Information Technology	14.6
Consumer Discretionary	13.8
Health Care	13.2
Energy	11.9
Consumer Staples	8.1
Materials	7.5
Industrials	6.3
Utilities	3.7
Cash/Receivables/Payables	3.4
Total portfolio allocation	**100.0**

Top 25 Holdings	% of Net Asset Value
Issuer	
Exxon Mobil Corporation	4.4
Microsoft Corporation	3.5
Chevron Corporation	3.4
Cash/Receivables/Payables	3.4
Pfizer Inc.	3.2
Wells Fargo & Company	3.0
Cisco Systems, Inc.	2.7
Comcast Corporation, Class A	2.4
Amgen Inc.	2.3
Apple Inc.	2.3
Discover Financial Services	2.1
Alliance Data Systems Corp.	2.0
Ameriprise Financial, Inc.	2.0
Macy’s, Inc.	2.0
Travelers Companies Inc., The,	1.9
Union Pacific Corporation	1.9
NetApp, Inc.	1.9
American Express Company	1.9
Southwest Airlines Co.	1.9
Kroger Co., The,	1.8
United Therapeutics Corporation	1.8
PPG Industries, Inc.	1.8
CVS Caremark Corporation	1.8
Mylan Inc.	1.8
Symantec Corporation	1.7
Top holdings as a percentage of net asset value	**58.9**
Total Net Asset Value	**$957,355,856**

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

Manager
BMO Harris Investment
Management 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

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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