

Semi-Annual Management Report of Fund Performance

BMO Harris International Equity 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 the portfolio manager, is responsible for the management of the overall business and operations of BMO Harris Private Portfolios and has engaged McKinley Capital Management, LLC, Pyrford International Limited and Thornburg Investment Management, Inc. as the sub-advisors (each, a "sub-advisor" and collectively, the "sub-advisors") of BMO Harris International Equity Portfolio (the "Portfolio").

Three firms share the sub-advisory responsibilities for the Portfolio. Each sub-advisor manages one of three style components of the Portfolio, each with distinct investment strategies: core/value, deep value, and growth. Core/value and deep value investing employ the strategy of selecting stocks that trade for less than their intrinsic value which the sub-advisor believes the market has undervalued. Growth investing employs the strategy of seeking out stocks with good growth potential, defined as stocks of a company whose earnings are expected to grow at an above-average rate compared to its industry or the overall market.

Results of Operations

For the six-month period ended June 30, 2014, the Portfolio returned 3.64% in C\$ (3.29% in US\$), after expenses. The Portfolio's benchmark is the Morgan Stanley Capital International Europe, Australasia and the Far East Index (the "MSCI EAFE Index"), which generated a 5.17% total return in C\$ (4.78% in US\$) over the same six-month period.

The Portfolio underperformed the benchmark over the period. Developed markets continued their steady rise over the period, once again supported by economic stimulus policies of many global central banks. However, world economic growth remained subdued and equity markets became more volatile as geopolitical tension increased in the Middle East and China's economy continued to slow.

The confirmation by Janet Yellen, Chair of the U.S. Federal Reserve Board (the "Fed"), of ongoing asset purchase reductions in the United States continued to cause some unease. The Fed lowered its forecasted long-term U.S. gross domestic product growth potential. Many of the eurozone's constituents, including France, continued to have weak equity markets, although there is optimism that Greece and other troubled eurozone countries have begun to improve. At the end of the period, the European Central Bank (the "ECB") introduced measures to stimulate the eurozone economy, including negative interest rates and inexpensive long-term loans to banks. The ECB cut its deposit rate for banks to -0.1% from zero, to encourage banks to lend to businesses rather than hoard cash. It also reduced its benchmark interest rate to 0.15% from 0.25%.

Growth

From a regional perspective, detractors from the performance of the Portfolio's growth component over the period included an underweight position in Australia and overweight positions in Italy and Germany. On a sector basis, detractors from performance included

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underweight positions in the Materials and Energy sectors and an overweight position in the Information Technology sector. From an individual securities perspective, the most significant detractors from performance were BC Iron Ltd., Sumitomo Mitsui Financial Group, Inc. and Wincor Nixdorf AG.

From a regional perspective, contributors to the performance of the Portfolio's growth component over the period included an overweight position in Denmark and underweight positions in Japan and the United Kingdom. On a sector basis, contributors to performance included the growth component's overweight position in the Consumer Discretionary and Industrials sectors and underweight position in the Telecommunication Services sector. From an individual securities perspective, Pandora A/S, Shire plc and Valeo SA contributed to performance.

During the period, the sub-advisor of the growth component made several transactions within the Portfolio. The sub-advisor sold several positions, including BNP Paribas and Roche Holding AG, and trimmed several positions, including Shire plc and Wincor Nixdorf AG. These holdings generated disappointing performance results.

The growth component's sub-advisor's new purchases included Adecco SA and Royal Dutch Shell PLC, while additions were made to existing holdings Japan Airlines Co., Ltd. and Prudential plc. These holdings exhibited rising returns and accelerated earnings growth.

Deep value

From a regional perspective, detractors from the performance of the Portfolio's deep value component included its underweight exposure to Danish equities, and its stock selection in the eurozone. On a sector basis, detractors from performance included the deep value component's stock selection in the Telecommunication Services sector. From an individual securities perspective, the most significant detractors from performance were Royal Vopak N.V., adidas AG and Colruyt Group.

From a regional perspective, contributors to the performance of the Portfolio's deep value component included its underweight exposure to, and stock selection in, Japanese equities. Stock selection was also

notably strong in the United Kingdom and Australia over the period, while selection in the eurozone detracted from performance. On a sector basis, contributors to performance included the deep value component's underweight exposure to the Financials sector and overweight exposure to the Energy sector. Stock selection in the Information Technology and Industrials sectors contributed as well. From an individual securities perspective, Newcrest Mining Limited, Nihon Kohden Corporation and United Utilities Group plc contributed to performance.

During the period, the sub-advisor of the deep value component sold its position in Wincor Nixdorf AG, which was purchased in March 2010. As the company's highest margin business, replacement automated teller machines ("ATMs") in Europe, slowed, the company shifted its focus to lower margin Asian customers. With no signs of the replacement cycle in Europe picking up, the operating margin of the group declined to 5% from 8% during the period. The sub-advisor added a single position, GEA Group AG, during the period. GEA Group AG is an engineering services group that is transforming itself from a cyclical industrial conglomerate to a food-sector focused capital goods company. The sub-advisor believes that the market will see the higher return on equity, cash generation and earnings visibility of the restructured group, and should reward investors.

Core

From a regional perspective, detractors from the performance of the Portfolio's core component over the period included stock selection in the United Kingdom and Japan. On a sector basis, detractors from performance included the core component's stock selection in the Financials, Consumer Discretionary, Information Technology and Industrials sectors. Overweight exposure to the Consumer Discretionary and Information Technology sectors also detracted. From an individual securities perspective, the most significant detractors from performance were Yandex NV, adidas AG and Deutsche Bank AG. The shares of Yandex NV fell as a result of possible economic sanctions against Russia following geopolitical tension in Ukraine. adidas AG was negatively impacted by poor performance from subsidiary TaylorMade-Adidas Golf Company, which has yet to realize the anticipated benefits from recent strategic changes. Severe winter weather in TaylorMade-Adidas Golf Company's

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important market, the eastern United States, also impacted performance. Ongoing uncertainty surrounding litigation and regulatory issues combined with a weak trading environment through the first half of the year negatively affected the share price of Deutsche Bank AG.

From a regional perspective, contributors to the performance of the Portfolio's core component over the period included positive stock selection in Pacific ex-Japan and underweight exposure to Japanese equities. On a sector basis, contributors to performance included the core component's stock selection in the Energy, Health Care and Consumer Staples sectors. From an individual securities perspective, Novo Nordisk A/S, Schlumberger Limited and Novartis AG contributed to performance. Favourable competitive data, a strong pipeline and exposure to the fast growing diabetes market positively influenced Novo Nordisk A/S's stock price during the period. Schlumberger Limited delivered positive performance following strong quarterly results and recently announced long-term targets for ambitious returns and earnings per share. Novartis AG's shares rose during the quarter over enthusiasm for recent portfolio changes, which should improve the overall profitability and returns of the group. In addition, Novartis AG has developed a potential blockbuster drug to treat the heart after cardiovascular events.

During the period, the sub-advisor of the core component sold its positions in Assa Abloy AB, Bridgestone Corporation and Syngenta AG. Assa Abloy AB's shares were sold as they reached the core component sub-advisor's target price. Bridgestone Corporation's recent operating margins were down across most regions and the company's Firestone brand continues to lose market share in the United States. Syngenta AG underperformed last year for several reasons including indications that company management did not have a firm grip on necessary operation and execution decisions. This led to the core component's sub-advisor losing confidence in this holding.

The core component's sub-advisor also initiated several positions during the period, including Total S.A., UBS AG and Aviva plc. Total S.A. is a leading European oil company. The company has renewed their focus on reducing risky capital expenditures and has multiple projects coming due in the pipeline that should increase

production and grow free cash flow. Zurich-based UBS AG is one of the largest investment management companies in the world, and has recently streamlined its business to focus on wealth management. Aviva plc, a U.K.-based insurer, helps improve geographic balance within the Portfolio given its exposure to European domestic demand and strengthens the Portfolio with its supportive dividend yields and ability to produce strong cash flow under various economic conditions.

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

Growth

The sub-advisor of the Portfolio's growth component believes that there are improving investment opportunities in Denmark, Italy and Sweden, as well as in the Financials, Consumer Discretionary and Industrials sectors. The sub-advisor believes that there are fewer opportunities in the United Kingdom, Switzerland and the Netherlands, as well as in the Consumer Staples, Utilities and Health Care sectors.

Deep value

The sub-advisor of the deep value component believes that widespread deleveraging will make it more challenging for the corporate sector to generate strong earnings. The sub-advisor also believes that the Fed's ongoing tapering of its asset purchase program will likely result in continued volatility. The sub-advisor believes this is essentially a deflationary process that represents a significant challenge to economic growth.

The deep value component's sub-advisor will remain focused on companies with highly visible earnings streams, strong balance sheets and sustainable dividend payments. The sub-advisor has a zero weighting in European banks and no Greek, Portuguese, Italian or Spanish stocks. Capital preservation remains a key focus for the sub-advisor.

Core

In the near term, the sub-advisor of the Core component notes the changing nature of U.S. monetary policy on both U.S. and global growth, as well as investor

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enthusiasm for foreign investments denominated in U.S. dollars. U.S. interest rates are expected to begin to rise as early as 2015, which is likely to put pressure on various currencies around the world. Lower exchange rates would likely be welcomed in regions fighting deflation, such as Europe and Japan, but may negatively affect some emerging markets. As fundamental bottom-up investors, the sub-advisor of the Core component seeks to reduce volatility by identifying promising companies that provide geographic balance and diversification within their proprietary Three Baskets approach consisting of: Basic Value, Consistent Earners and Emerging Franchises.

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.
 - Classification of financial instruments: derivatives and short positions have been classified as held for trading while all other financial instruments have been designated as fair valued through profit and loss (“FVTPL”). Following adoption of IFRS by the Portfolio, for financial reporting purposes the Portfolio now fair values its investment securities traded on an exchange at close price, which is determined as the price within the bid ask range that represents the best estimate of fair value.
- 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 McKinley Capital Management, LLC, Pyrford International Limited (a related party) and Thornburg Investment Management, Inc. to provide investment advice and make investment decisions for the Portfolio’s investment portfolio. Each sub-advisor receives investment advisory fees based on assets under management that are paid quarterly. The sub-advisors are paid by BHIMI, and BHIMI 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 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

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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 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, 2014 (\$000s)	Period ended June 30, 2013 (\$000s)
Unitholder Services	149	147

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⁾	\$ 10.98	8.77	7.77	8.75	8.44	7.80
Increase (decrease) from operations:						
Total revenue	\$ 0.23	0.22	0.23	0.23	0.20	0.21
Total expenses ⁽²⁾	\$ (0.07)	(0.07)	(0.03)	(0.02)	(0.03)	(0.03)
Realized gains (losses) for the period	\$ 0.30	0.55	(0.21)	(0.06)	(0.15)	(0.96)
Unrealized gains (losses) for the period	\$ (0.07)	1.71	1.21	(0.91)	0.53	1.71
Total increase (decrease) from operations ⁽³⁾	\$ 0.39	2.41	1.20	(0.76)	0.55	0.93
Distributions:						
From income (excluding dividends)	\$ —	0.00	0.00	0.00	—	—
From dividends	\$ —	0.16	0.21	0.23	0.18	0.21
From capital gains	\$ —	—	—	—	—	—
Return of capital	\$ —	0.00	0.00	0.00	—	—
Total Annual Distributions ⁽⁴⁾	\$ —	0.16	0.21	0.23	0.18	0.21
Net assets, end of period ⁽⁵⁾	\$ 11.38	10.98	8.77	7.77	8.75	8.44

⁽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⁾	\$ 1,144,805	984,745	553,418	459,153	559,179	439,133
Number of units outstanding (000s) ⁽¹⁾	100,590	89,703	63,099	59,109	63,875	52,058
Management expense ratio ⁽²⁾	% 0.44	0.48	0.23	0.15	0.15	0.17
Management expense ratio before waivers or management absorptions	% 0.60	0.64	0.28	0.15	0.15	0.17
Trading expense ratio ⁽³⁾	% 0.19	0.21	0.17	0.25	0.26	0.26
Portfolio turnover rate ⁽⁴⁾	% 20.95	42.85	46.44	72.18	65.23	54.34
Net asset value per unit	\$ 11.38	10.98	8.77	7.77	8.75	8.44

⁽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-advisors manage 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

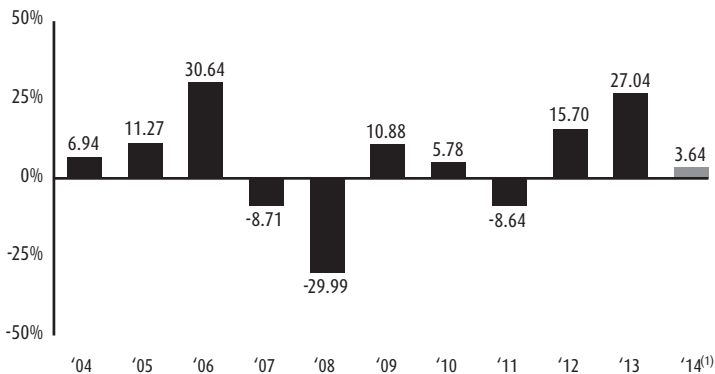
The Portfolio's performance information assumes that all distributions made by the Portfolio in the periods shown were reinvested in additional units of the Portfolio and is based on the net asset value of the Portfolio.

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

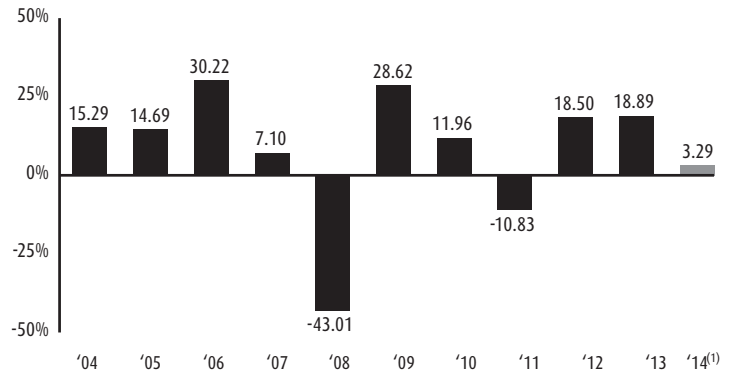
The following bar charts show the performance for each of the financial years and for the six-month period ended June 30, 2014 shown and illustrate how the performance has changed from year to year. The bar charts show in percentage terms how an investment made on the first day of each financial year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

BMO Harris International Equity Portfolio (C\$)



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

BMO Harris International Equity Portfolio (US\$)



⁽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
United Kingdom	15.3
Japan	14.2
France	9.2
Switzerland	9.2
Germany	6.7
Cash/Receivables/Payables	6.0
Australia	5.2
Hong Kong	4.7
Netherlands	4.3
Sweden	3.9
Denmark	2.6
Other	2.3
Belgium	2.3
Spain	2.0
Singapore	1.8
China	1.8
Italy	1.7
Malaysia	1.6
Norway	1.6
Taiwan	1.6
Finland	1.0
United States	1.0
Total portfolio allocation	100.0

Sector Allocation

Financials	16.9
Industrials	15.5
Consumer Discretionary	15.5
Consumer Staples	9.0
Health Care	8.3
Energy	7.5
Information Technology	7.5
Cash/Receivables/Payables	6.0
Materials	6.0
Telecommunication Services	5.8
Utilities	2.0
Total sector allocation	100.0

Top 25 Holdings	% of Net Asset Value
Issuer	
Cash/Receivables/Payables	6.0
Total S.A.	2.2
Nestle S.A.	1.9
Toyota Motor Corporation	1.9
Novartis AG	1.8
Roche Holding AG	1.7
Anheuser-Busch InBev NV/SA	1.3
AIA Group Limited	1.2
China Mobile Limited	1.2
Royal Dutch Shell PLC, A Shares	1.1
Deutsche Post AG	1.0
L'Air Liquide S.A.	1.0
KDDI Corp.	1.0
Amadeus IT Holding S.A., Class A	0.9
Novo Nordisk A/S, Class B	0.8
adidas AG	0.8
LVMH Moet Hennessy Louis Vuitton S.A.	0.8
Reckitt Benckiser Group plc	0.8
SAP SE	0.8
Pandora A/S	0.7
Valeo SA	0.7
Royal Dutch Shell PLC, Class A	0.7
Japan Airlines Co., Ltd.	0.7
Kingfisher plc	0.7
ING Groep N.V.	0.7
Top holdings as a percentage of net asset value	32.4
Total Net Asset Value	\$1,144,804,617

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

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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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