

Annual Management Report of Fund Performance

BMO Harris U.S. Growth Portfolio

For the period ended December 31, 2013

This annual management report of fund performance contains financial highlights, but does not contain the complete annual financial statements of the Portfolio. If the annual financial statements of the Portfolio do not accompany the mailing of this report, you may obtain a copy of the 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 Sands Capital Management, LLC ("Sands" or the "sub-advisor") as the sub-advisor of BMO Harris U.S. Growth Portfolio (the "Portfolio").

Investment Objective and Strategies

The Portfolio's investment objective is to provide above average long term capital growth by investing in the equity securities of large-capitalization, U.S.-based companies.

To seek to achieve the Portfolio's objectives, the sub-advisor looks for companies with consistently superior growth in revenues and earnings, in promising businesses that have distinct competitive advantages, with proven management and very strong transparent financial statements. The Portfolio may use depository receipts as part of its investment strategy.

Risk

No significant changes affecting the overall level of risk associated with investing in the Portfolio were made during the period. The risks of this Portfolio remain as discussed in the Portfolio's most recently filed simplified prospectus.

Results of Operations

Over the 12-month period ended December 31, 2013, the Portfolio returned 50.90% in C\$ (41.42% in US\$), after expenses. The Portfolio's benchmark is the Russell 1000 Growth Index, which generated a 42.70% in C\$ (33.48% in US\$) total return over the same 12-month period.

Global economic growth remained sluggish over the period. However, most global equity markets posted strong gains. Interest rates remained low, and bond yields fell to almost historic lows. As a result, the earnings yield on equities was very attractive when compared to that of the bonds.

The Portfolio outperformed the benchmark over the period. The Portfolio's underweight positions in the Consumer Staples, Utilities and Materials sectors contributed to performance, as did its overweight positions in the Health Care, Consumer Discretionary, Financials and Energy sectors. Significant individual contributors to performance included Facebook, Inc., Google Inc., Amazon.com, Inc., Visa Inc., priceline.com Inc. and Chipotle Mexican Grill, Inc. Facebook, Inc. benefited from the increasing revenue generated by its mobile platform. The company continues to launch successful initiatives that improve the mobile experience for advertisers, and its user base continues to grow.

The Portfolio's underweight positions in the Information Technology and Utilities sectors detracted from performance. Significant individual detractors from performance included Apple Inc.,

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F5 Networks, Inc., Intuitive Surgical Inc., Coach, Inc. and LinkedIn Corp. Intuitive Surgical Inc. struggled with patient lawsuits and negative news articles. However, the sub-advisor believes the company will recover from these issues and continue to grow.

During the period, the sub-advisor added several new names to the Portfolio, including ARM Holdings plc, Biogen Idec, Inc., Baidu, Inc., Splunk Inc., Ulta Salon, Cosmetics & Fragrance, Inc., Monsanto Co., The Charles Schwab Corp. and LinkedIn Corp. In the sub-advisor's view, ARM Holdings plc has a scalable business model that should enable the company to remain a market leader in the mobile industry, expand into new markets and generate revenue from higher royalty rates. The sub-advisor believes Biogen Idec, Inc. should benefit from its decades of biological research and could become a leader in neurological disease research. As China's economy becomes more consumer-driven, the sub-advisor believes that the country's advertising market will continue to expand, which would benefit Internet search engine Baidu, Inc. The sub-advisor expects beauty retailer Ulta Salon, Cosmetics & Fragrance, Inc. to continue to offer new products and services, and grow its store base. As population growth and a shift to higher-protein diets continues, the sub-advisor believes agricultural science company Monsanto Co. will continue to introduce products that enhance crop yield and farmer profitability. In the sub-advisor's view, Charles Schwab Corp. has evolved into a comprehensive personal financial management firm, and should benefit from many secular trends (such as the increasing number of retirees). In the sub-advisor's view, LinkedIn Corp. has a strong competitive advantage, rapidly growing business lines, solid margin expansion and options for new products.

The sub-advisor eliminated the Portfolio's positions in several companies, including IntercontinentalExchange Group, Inc., Coach, Inc., Apple Inc., Qualcomm Inc., F5 Networks, Inc., Praxair, Inc. and Allergan, Inc. The sub-advisor grew concerned about IntercontinentalExchange Group, Inc.'s ability to sustain above-average earnings growth, the strength of its competitive advantage, and its intention to acquire Euronext N.V. The sub-advisor believes Coach, Inc.'s competitive advantage in North America is eroding, which could have a negative impact on growth. The sub-advisor believes Qualcomm Inc.'s

core business could soon face long-term challenges. F5 Networks, Inc. is likely to struggle with slowing sales growth for application delivery controllers, and the company's competitive advantage appears to be weakening. Praxair, Inc. lowered its growth expectations in response to macroeconomic challenges, primarily in the emerging markets. Allergan, Inc. faced product development delays and regulatory changes that could affect its long-term growth potential as the company's core business begins to mature.

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 has identified several trends that could benefit select industries and businesses over the long term (three to five years). For example, the rise in mobile devices and accompanying applications and services is transforming how companies and consumers interact. This increased connectivity and transparency has significantly changed consumption patterns and consumers' relationships with brands. The Portfolio's focus will remain on holdings that the sub-advisor believes are well positioned to benefit from this trend, including companies that are using technology to strengthen their relationships with consumers. Other trends identified by the sub-advisor include the growth of e-commerce, the increasing importance of unconventional hydrocarbons and the digitization of healthcare, among others.

The Portfolio will remain focused on companies that, in the sub-advisor's view, have solid business fundamentals, can withstand economic challenges and are well positioned to generate strong long-term earnings growth.

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. As a result, 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").

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The differences between the Portfolio's accounting policies under Canadian Generally Accepted Accounting Principles ("GAAP") and IFRS requirements will result in measurement and recognition differences on transition to IFRS. The net impact of these differences will be recorded in the increase/decrease in net assets attributable to redeemable unitholders.

Significant Accounting Changes Resulting from Our Adoption of IFRS

The main accounting changes listed below should not be considered a comprehensive list of impacts of adopting IFRS, but rather the most significant of certain key changes.

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.

While IFRS does not require interest income to be disclosed for debt instruments measured at Fair Value through Profit or Loss, when interest income is disclosed, IFRS requires that the effective interest rate method of calculating accrued interest be used rather than the straight-line amortization method. The Manager is assessing the impact of this change to the Portfolio's financial statements. 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 hold the investments at Fair Value through Profit or Loss regardless of whether those investments are controlled. If the Portfolio fair values the investments 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"). IFRS 12 also requires additional disclosures if the Portfolio is determined to qualify as an investment entity without having all of the typical characteristics of an investment entity.

The criteria contained within IAS 32 Financial Instruments: Presentation ("IAS 32") will result in the classification of the unitholders' equity as a liability within the Portfolio's Statement of Net Assets, unless all conditions required for equity classification are met. The Manager is currently assessing the Portfolio's unitholder structure to determine classification under IAS 32.

Under IFRS, cash flows statement is one of the primary financial statements required to be presented. The Portfolio will therefore be presenting cash flows statement in its set of financial statements in accordance with the presentation requirements in IAS 7 Statement of Cash Flows.

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 Sands to provide investment advice and make investment decisions for the Portfolio's investment portfolio. Sands receives an investment advisory fee based on assets under management that is paid quarterly. Sands is paid by BHIMI, and BHIMI charges a portion of the sub-advisory fee as an expense to the Portfolio.

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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 Dec. 31, 2013 (\$000s)	Period ended Dec. 31, 2012 (\$000s)
Unitholder Services	84	84

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.

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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⁾	Years ended December 31				
	2013	2012	2011	2010	2009
Net assets, beginning of period	\$ 5.50	4.55	4.33	3.64	2.46
Increase (decrease) from operations:					
Total revenue	\$ 0.02	0.04	0.02	0.02	0.01
Total expenses	\$ (0.03)	(0.02)	(0.01)	(0.01)	(0.01)
Realized gains (losses) for the period	\$ 0.70	0.31	0.26	0.24	(0.12)
Unrealized gains (losses) for the period	\$ 2.12	0.52	(0.08)	0.33	1.28
Total increase (decrease) from operations ⁽²⁾	\$ 2.81	0.85	0.19	0.58	1.16
Distributions:					
From income (excluding dividends)	\$ —	—	—	—	—
From dividends	\$ 0.00	0.02	0.01	0.01	—
From capital gains	\$ —	—	—	—	—
Return of capital	\$ 0.00	—	—	—	—
Total Annual Distributions ⁽³⁾	\$ 0.00	0.02	0.01	0.01	—
Net assets, end of period	\$ 8.30	5.50	4.55	4.33	3.64

⁽¹⁾ This information is derived from the Portfolio's audited 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	Years ended December 31				
	2013	2012	2011	2010	2009
Total net asset value (000s) ⁽¹⁾	\$ 204,195	101,381	71,149	62,935	67,264
Number of units outstanding (000s) ⁽¹⁾	24,591	18,424	15,634	14,522	18,477
Management expense ratio ⁽²⁾	% 0.48	0.23	0.22	0.27	0.30
Management expense ratio before waivers					
or management absorptions	% 0.66	0.28	0.22	0.27	0.30
Trading expense ratio ⁽³⁾	% 0.04	0.03	0.03	0.07	0.07
Portfolio turnover rate ⁽⁴⁾	% 48.00	43.08	40.32	57.81	29.84
Net asset value per unit	\$ 8.30	5.50	4.55	4.33	3.64

⁽¹⁾ This information is provided as at 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

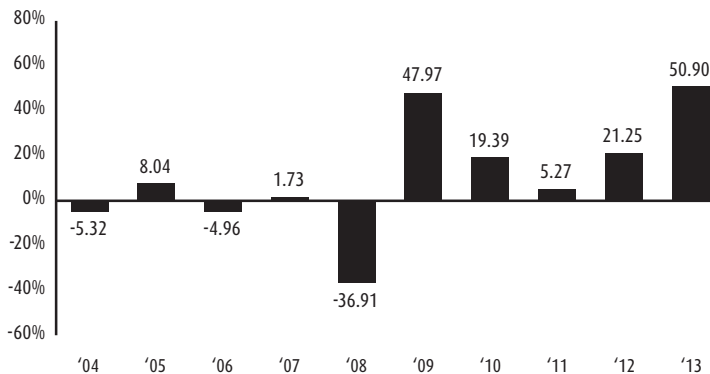
The Portfolio's performance information assumes that all distributions made by the Portfolio in the periods shown were reinvested in additional units of the Portfolio and is based on the net asset value of the Portfolio.

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.

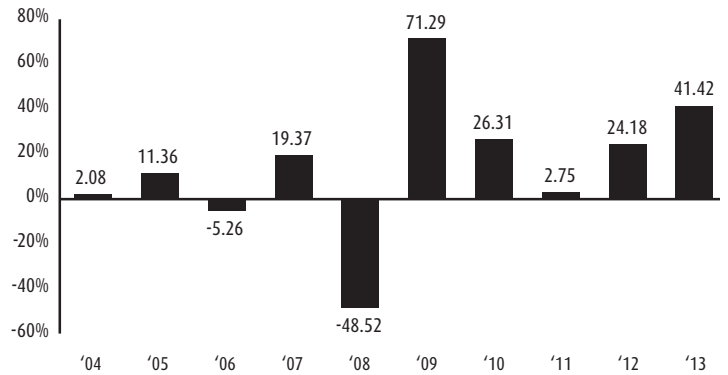
Year-by-Year Returns

The following bar charts show the performance for each of the financial years 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. Growth Portfolio (C\$)



BMO Harris U.S. Growth Portfolio (US\$)



Annual Compound Returns

These charts compare the historical annual compound returns of the Portfolio with the Russell 1000 Growth Index, which measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

	1 yr %	3 yrs %	5yrs %	10yrs %
BMO Harris U.S. Growth Portfolio [†] (C\$)	50.90	24.42	27.75	7.82
Russell 1000 Growth Index (C\$)	42.70	19.08	17.04	5.75
	1 yr %	3 yrs %	5yrs %	10yrs %
BMO Harris U.S. Growth Portfolio [†] (US\$)	41.42	21.74	31.31	9.96
Russell 1000 Growth Index (US\$)	33.48	16.45	20.39	7.83

[†]The Portfolio's return is after the deduction of expenses, while the benchmarks do not include any costs of investing.

A commentary on the market and/or information regarding the relative performance of the Portfolio as compared to its benchmark can be found under the Results of Operations section of this report.

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Summary of Investment Portfolio

as at December 31, 2013

Portfolio Allocation	% of Net Asset Value	Top 25 Holdings	% of Net Asset Value
Information Technology	40.0	Issuer	
Consumer Discretionary	26.3	Google Inc., Class A	7.9
Health Care	16.5	Visa Inc., Class A	7.2
Energy	11.1	Amazon.com, Inc.	6.8
Materials	2.7	Salesforce.com, Inc.	6.1
Financials	2.4	priceline.com Incorporated	5.3
Cash/Receivables/Payables	1.0	Facebook, Inc.	4.8
Total portfolio allocation	100.0	Chipotle Mexican Grill, Inc.	3.9
		Baidu, Inc., ADR	3.9
		Schlumberger Limited	3.4
		Biogen Idec Inc.	3.3
		NIKE Inc., Class B	3.2
		ARM Holdings PLC, US Trades	3.1
		Alexion Pharmaceuticals, Inc.	3.1
		Las Vegas Sands Corp.	3.0
		National-Oilwell Varco, Inc.	2.7
		Southwestern Energy Company	2.7
		Regeneron Pharmaceuticals, Inc.	2.7
		Monsanto Company	2.7
		ASML Holdings N.V.	2.6
		Cerner Corporation	2.5
		Charles Schwab Corporation, The,	2.4
		FMC Technologies Inc.	2.3
		Ulta Salon, Cosmetics & Fragrance, Inc.	2.2
		Splunk Inc.	2.2
		LinkedIn Corporation	2.2
		Top holdings as a percentage of net asset value	92.2
		Total Net Asset Value	\$204,195,010

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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