

Semi-Annual Management Report of Fund Performance

BMO Harris U.S. 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 Sands Capital Management, LLC ("Sands" or the "sub-advisor") as the sub-advisor of BMO Harris U.S. Growth Portfolio (the "Portfolio").

Results of Operations

Over the six-month period ended June 30, 2014, the Portfolio returned 2.41% in C\$ (1.92% in US\$) after expenses. The Portfolio's benchmark is the Russell 1000 Growth Index, which generated a 6.71% total return in C\$ (6.31% in US\$) over the same six-month period.

The U.S. economy continued to grow and its equity markets rose over the period.

The Portfolio underperformed the benchmark over the period. The Portfolio's underweight positions in the Utilities, Materials and Consumer Staples sectors, and overweight positions in the Financials and Consumer Discretionary sectors, detracted from performance. Significant individual detractors from performance included Amazon.com, Inc., ARM Holdings plc and LinkedIn Corporation. Amazon.com, Inc.'s share price fell as a result of lower-than-expected revenue and decelerating growth in units sold. However, the sub-advisor expects the company to continue to grow its user base and increase its market share in the rapidly growing e-commerce industry as a result of its competitive advantage and strong network.

The Portfolio's underweight position in the producer durables sub-sector, and overweight positions in the Energy, Information Technology and Health Care sectors, contributed to performance. Significant individual contributors to performance included Facebook, Inc., Schlumberger Limited and Alexion Pharmaceuticals, Inc. Schlumberger Limited benefited from its leading market share, higher margins and a steady release of new technologies and services.

During the period, the sub-advisor added Twenty-First Century Fox Inc. and Whole Foods Market, Inc. to the Portfolio. The sub-advisor believes that Twenty-First Century Fox's investment in new channels, such as Fox Sports 1, could drive profits going forward. The sub-advisor also believes that the company is well positioned to benefit from pay-TV market penetration, which should drive advertising revenue growth. The sub-advisor believes Whole Foods Market, Inc. can expand its current market-leading position among natural and organic grocers, a market segment that is growing at double-digit rates. The sub-advisor also expects Whole Foods Market, Inc. will continue to make long-term investments that allow the company to offer lower prices and broaden its customer base.

The sub-advisor eliminated the Portfolio's position in Ulta Salon, Cosmetics & Fragrance, Inc. in response to expectations of declining long-term growth. The pace of the company's new store expansions is likely to be slower than the sub-advisor's original forecast. In addition, the company recently announced plans to invest in improving its supply chain and distribution

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capabilities, in-store experience and e-commerce presence, and to increase advertising and marketing spending. The sub-advisor believes this will suppress operating margins and earnings growth for an extended time.

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 will continue to focus on the underlying fundamentals of individual stocks, and will maintain a concentrated portfolio of approximately 30 businesses. The sub-advisor may adjust the Portfolio's holdings in response to key changes to a company's business fundamentals.

The sub-advisor will also continue to monitor the long-term trends that are expected to benefit the Portfolio's holdings. For example, the Portfolio's Energy sector holdings provide technologies and expertise that address the issue of increasing energy demand and decreasing supply. The sub-advisor therefore believes these holdings are well positioned to achieve above-average growth for several years.

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 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, 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 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	44	42

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⁾	\$ 8.30	5.50	4.55	4.33	3.64	2.46
Increase (decrease) from operations:						
Total revenue	\$ 0.02	0.02	0.04	0.02	0.02	0.01
Total expenses ⁽²⁾	\$ (0.02)	(0.03)	(0.02)	(0.01)	(0.01)	(0.01)
Realized gains (losses) for the period	\$ 0.30	0.70	0.31	0.26	0.24	(0.12)
Unrealized gains (losses) for the period	\$ (0.13)	2.12	0.52	(0.08)	0.33	1.28
Total increase (decrease) from operations ⁽³⁾	\$ 0.17	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 ⁽⁴⁾	\$ —	0.00	0.02	0.01	0.01	—
Net assets, end of period ⁽⁵⁾	\$ 8.50	8.30	5.50	4.55	4.33	3.64

⁽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⁾	\$ 225,417	204,195	101,381	71,149	62,935	67,264
Number of units outstanding (000s) ⁽¹⁾	26,505	24,591	18,424	15,634	14,522	18,477
Management expense ratio ⁽²⁾	% 0.43	0.48	0.23	0.22	0.27	0.30
Management expense ratio before waivers or management absorptions	% 0.63	0.66	0.28	0.22	0.27	0.30
Trading expense ratio ⁽³⁾	% 0.02	0.04	0.03	0.03	0.07	0.07
Portfolio turnover rate ⁽⁴⁾	% 10.86	48.00	43.08	40.32	57.81	29.84
Net asset value per unit	\$ 8.50	8.30	5.50	4.55	4.33	3.64

⁽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

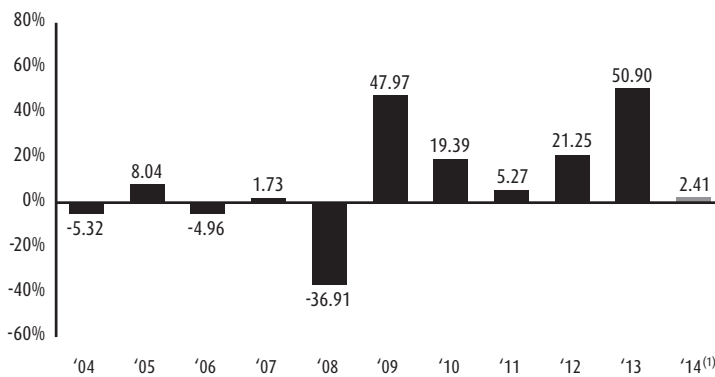
The Portfolio's performance information assumes that all distributions made by the Portfolio in the periods shown were reinvested in additional units of the Portfolio and is based on the net asset value of the Portfolio.

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

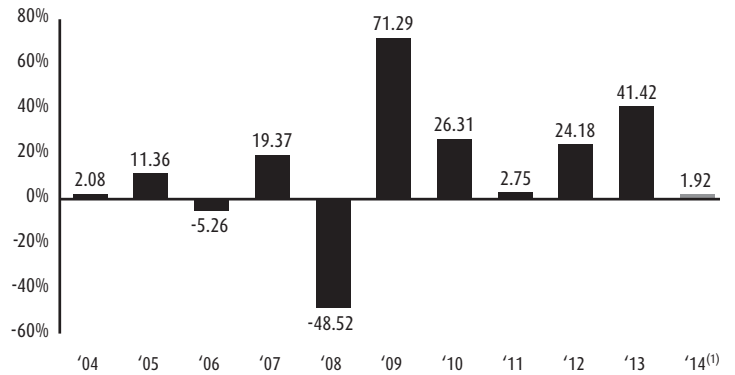
The following bar charts show the performance for each of the financial years and for the six-month period ended June 30, 2014 shown and illustrate how the performance has changed from year to year. The bar charts show in percentage terms how an investment made on the first day of each financial year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

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



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

BMO Harris U.S. Growth 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	Top 25 Holdings	% of Net Asset Value
Information Technology	39.1	Issuer	
Consumer Discretionary	22.9	Google Inc.	7.0
Health Care	17.2	Visa Inc., Class A	6.6
Energy	12.1	Amazon.com, Inc.	5.4
Materials	3.6	Facebook, Inc.	5.3
Financials	2.4	Salesforce.com, Inc.	5.3
Consumer Staples	2.0	Chipotle Mexican Grill, Inc.	4.2
Cash/Receivables/Payables	0.7	Baidu, Inc., ADR	4.0
Total portfolio allocation	100.0	LinkedIn Corporation	3.8
		Schlumberger Limited	3.8
		Priceline Group Inc., The	3.8
		Monsanto Company	3.6
		Biogen Idec Inc.	3.6
		Regeneron Pharmaceuticals, Inc.	3.4
		NIKE Inc., Class B	3.1
		Southwestern Energy Company	3.0
		Las Vegas Sands Corp.	2.8
		National-Oilwell Varco, Inc.	2.7
		ARM Holdings PLC	2.6
		FMC Technologies Inc.	2.6
		Alexion Pharmaceuticals, Inc.	2.5
		Splunk Inc.	2.4
		Charles Schwab Corporation, The,	2.4
		Cerner Corporation	2.2
		ASML Holdings N.V.	2.1
		Whole Foods Market, Inc.	2.0
		Top holdings as a percentage of net asset value	90.2
		Total Net Asset Value	\$225,417,145

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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