Semi-Annual Financial Statements

BMO Harris Private Portfolios

June 30, 2013

BMO Harris Canadian Income Equity Portfolio

NOTICE OF NO AUDITOR REVIEW OF THE SEMI-ANNUAL FINANCIAL STATEMENTS

BMO Harris Investment Management Inc., the Manager of the Portfolios, appoints independent auditors to audit the Portfolio's Annual Financial Statements. Under Canadian securities laws (National Instrument 81-106), if an auditor has not reviewed the Semi-Annual Financial Statements, this must be disclosed in an accompanying notice.

The Portfolio's independent auditors have not performed a review of these Semi-Annual Financial Statements in accordance with standards established by the Canadian Institute of Chartered Accountants.

BMO Harris Private Banking®

BMO Harris Canadian Income Equity Portfolio

(unaudited)

STATEMENT OF NET ASSETS
(in thousands of Canadian dollars, except per unit data)

As at	June 30, 2013	December 31, 2012
Assets		
Cash	15,033	25,093
Investments at fair value	992,519	883,468
Income receivable	3,576	3,079
Subscriptions receivable	414	813
Total assets	1,011,542	912,453
Liabilities		
Distributions payable	295	—
Accrued expenses	49	58
Redemptions payable	905	605
Total liabilities	1,249	663
Net assets representing unitholders’ equity	1,010,293	911,790
Net assets per unit	$ 6.67	$ 6.59

The accompanying notes are an integral part of these financial statements.

BMO Harris Canadian Income Equity Portfolio

(unaudited)

STATEMENT OF OPERATIONS
(in thousands of Canadian dollars, except per unit data)

For the periods ended	June 30, 2013	June 30, 2012
Investment Income		
Dividends	16,297	12,550
Interest	162	205
Foreign taxes	—	(2)
	16,459	12,753
Expenses		
Sub-advisory fees (note 5)	599	—
Audit fees	8	8
Independent Review Committee fees	2	1
Custodian fees	7	7
Legal and filing fees	31	21
Unitholder servicing fees (note 5)	121	105
Printing and stationery fees	6	4
Operating expenses absorbed by the Manager (note 5)	(599)	—
Commissions and other portfolio transaction costs (note 5)	128	244
	303	390
Net investment income for the period	16,156	12,363
Realized loss on sale of investments	(1,935)	(1,813)
Realized gain on foreign exchange	103	3
Change in unrealized appreciation in value of investments	9,527	3,184
Increase in net assets from operations	23,851	13,737
Increase in net assets from operations per unit (note 2)	0.16	0.11

The accompanying notes are an integral part of these financial statements.

BMO Harris Canadian Income Equity Portfolio

(unaudited)

STATEMENT OF CHANGES IN NET ASSETS
(in thousands of Canadian dollars)

For the periods ended	June 30, 2013	June 30, 2012
Net assets – beginning of period	911,790	724,420
Increase in net assets from operations	23,851	13,737
Unit Transactions:		
Proceeds from sale of units	155,262	160,532
Reinvested distributions	14,939	11,394
Amounts paid on units redeemed	(80,019)	(71,246)
Total unit transactions	90,182	100,680
Distributions to Unitholders from:		
Net investment income	(15,530)	(11,863)
Total distributions paid to unitholders	(15,530)	(11,863)
Net assets – end of period	1,010,293	826,974

The accompanying notes are an integral part of these financial statements.

BMO Harris Canadian Income Equity Portfolio

(unaudited)

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2013 (in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost ($)	Fair Value ($)
Money Market Investments			
Corporate – 3.0%			
Bank of Nova Scotia, Bearer Deposit Notes, 1.115% Jul 8, 2013	15,000	14,958	14,997
National Bank of Canada, Bearer Deposit Notes, 1.107% Jul 8, 2013	15,000	14,959	14,997
		29,917	29,994
Total Money Market Investments – 3.0%		**29,917**	**29,994**

Security	Number of Shares or Units	Cost+* ($)	Fair Value ($)
Equities			
Consumer Discretionary – 6.1%			
Thomson Reuters Corporation	587,100	21,131	20,102
Tim Hortons Inc.	726,000	27,304	41,201
		48,435	61,303
Consumer Staples – 4.4%			
Loblaw Companies Limited	295,000	10,124	14,013
Shoppers Drug Mart Corporation	622,750	25,901	30,147
		36,025	44,160
Energy – 18.0%			
ARC Resources Ltd.	531,600	11,656	14,566
Canadian Natural Resources Limited	420,300	14,983	12,462
Cenovus Energy Inc.	612,300	14,779	18,345
Crescent Point Energy Corp.	527,400	22,923	18,802
Enbridge Inc.	958,500	21,460	42,202
Peyto Exploration & Development Corp.	418,800	10,589	12,681
Suncor Energy Inc.	1,151,020	30,548	35,670
TransCanada Corporation	610,700	20,753	27,634
		147,691	182,362
Financials – 43.0%			
Bank of Nova Scotia	969,800	41,716	54,503
Brookfield Asset Management Inc., Class A	603,700	18,306	22,820
Brookfield Office Properties Inc.	1,489,200	19,702	25,987
Canadian Imperial Bank of Commerce	168,300	10,800	12,562
Canadian Western Bank	484,400	12,325	13,413
IGM Financial Inc.	681,700	25,197	30,622

+*Where applicable, distributions received from holdings as a return of capital are used to reduce the adjusted cost base of the securities in the portfolio.*
**For the purpose of the Statement of Investment Portfolio, cost includes commissions and other portfolio transaction costs (note 2).*
The accompanying notes are an integral part of these financial statements.

STATEMENT OF INVESTMENT PORTFOLIO (cont'd)
As at June 30, 2013 (in thousands of Canadian dollars, unless otherwise noted)

Security	Number of Shares or Units	Cost+* ($)	Fair Value ($)
Intact Financial Corporation	184,400	9,988	10,885
Manulife Financial Corporation	2,448,900	40,746	41,166
National Bank of Canada	622,500	33,624	46,625
Royal Bank of Canada	1,082,350	50,993	66,315
Sun Life Financial Inc.	1,234,758	35,298	38,277
Toronto-Dominion Bank, The,	851,000	54,877	71,866
		353,572	435,041
Industrials – 4.9%			
Canadian National Railway Company	243,100	11,193	24,799
Finning International Inc.	417,900	10,164	9,048
SNC-Lavalin Group Inc.	352,100	15,870	15,626
		37,227	49,473
Materials – 5.5%			
Barrick Gold Corporation	479,200	17,821	7,926
Goldcorp Inc.	672,237	22,616	17,451
Potash Corporation of Saskatchewan Inc.	574,900	22,710	23,054
Teck Resources Limited, Class B	302,500	9,423	6,791
		72,570	55,222
Telecommunication Services – 8.9%			
BCE Inc.	893,455	27,540	38,526
Bell Aliant Inc.	200,000	5,536	5,642
Rogers Communications Inc., Class B	589,100	21,616	24,259
TELUS Corporation	705,700	17,262	21,651
		71,954	90,078
Utilities – 4.4%			
Brookfield Infrastructure Partners L.P.	636,550	12,439	24,284
Fortis Inc.	640,000	17,892	20,602
		30,331	44,886
Total Equities – 95.2%		**797,805**	**962,525**
Total Investment Portfolio – 98.2%		**827,722**	**992,519**
Other Assets Less Liabilities – 1.8%			**17,774**
NET ASSETS – 100.0%			**1,010,293**

+*Where applicable, distributions received from holdings as a return of capital are used to reduce the adjusted cost base of the securities in the portfolio.*
**For the purpose of the Statement of Investment Portfolio, cost includes commissions and other portfolio transaction costs (note 2).*
The accompanying notes are an integral part of these financial statements.

STATEMENT OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2013 (in thousands of Canadian dollars, unless otherwise noted)

The Portfolio's Investment Portfolio is concentrated in the following segments as at:

	June 30, 2013	December 31, 2012
Money Market Investments		
Corporate	3.0%	1.1%
Equities		
Consumer Discretionary	6.1%	5.3%
Consumer Staples	4.4%	3.9%
Energy	18.0%	19.5%
Financials	43.0%	41.5%
Industrials	4.9%	4.8%
Materials	5.5%	7.7%
Telecommunication Services	8.9%	8.5%
Utilities	4.4%	4.6%
Other Assets Less Liabilities	1.8%	3.1%
	100.0%	**100.0%**

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS
(all amounts in thousands of Canadian dollars, except per unit data)
June 30, 2013

1. The Portfolio

BMO Harris Canadian Income Equity Portfolio ["the Portfolio"] is an open-ended mutual fund trust established by a Declaration of Trust under the laws of the Province of Ontario, most recently amended on September 18, 2007. BMO Harris Investment Management Inc. ("the Manager") is the Manager of the Portfolio.

The information provided in these unaudited financial statements is for the periods ended June 30, 2013 and 2012 except for the comparative information in the Statement of Net Assets and the related notes which are as at December 31, 2012.

2. Summary of significant accounting policies

These interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"), including estimates and assumptions made by management that may affect the reported amounts of assets, liabilities, income and expenses during the reported years. Actual results could differ from estimates.

Valuation of investments

Canadian GAAP requires the use of bid prices for long positions and ask prices for short positions in the fair valuation of investments traded in an active market, rather than the use of closing prices currently used for the purpose of determining Net Asset Value ("NAV"). For investments that are not traded in an active market, Canadian GAAP requires the use of valuation techniques, incorporating factors that market participants would consider in setting a price.

The NAV is the fair value of the total assets of a Portfolio less the fair value of its total liabilities at a Valuation Date ("the Valuation Date" is each day on which the Toronto Stock Exchange is open for trading) determined in accordance with Part 14 of National Instrument 81-106 – Investment Portfolio Continuous Disclosure ("NI 81-106") for the purpose of processing unitholder transactions. For financial statement purposes, valuations are determined in accordance with Canadian GAAP. This may result in a difference between the net assets per unit and the NAV per unit. Refer to Note 7(b) for the details of the comparison between NAV per unit and net assets per unit.

Investments are deemed to be held for trading. Investments are recorded at their fair value with the change between this amount and average cost being recorded as unrealized appreciation (depreciation) in value of investments in the Statement of Operations.

Securities listed on a recognized public securities exchange in North America are valued for financial statement purposes at their bid prices for long positions and ask prices for short positions. Procedures are in place to fair value securities traded in countries outside of North America daily, to avoid stale prices and to take into account, among other things, any significant events occurring after the close of a foreign market.

For bonds, debentures, asset-backed securities and other debt securities, the fair value represents the bid price provided by independent security pricing services. Short-term investments, if any, are included in the Statement of Investment Portfolio at their fair value. Unlisted warrants, if any, are valued based on a pricing model which considers factors such as the market value of the underlying security, strike price and terms of the warrant.

The Manager uses fair value pricing when the price of a security held in a Portfolio is unavailable, unreliable or not considered to reflect the current value, and may determine another value which it considers to be fair and reasonable using the services of third-party valuation service providers, or using a valuation technique that, to the extent possible, makes maximum use of inputs and assumptions based on observable market data including volatility, comparable companies and other applicable rates or prices.

Investment transactions

Investment transactions are accounted for on the trade date. Realized gains (losses) from the sale of investments and unrealized appreciation (depreciation) in the value of investments are calculated with reference to the average cost of the related investments which exclude brokerage commissions and other trading expenses. All net realized gains (losses), unrealized appreciation (depreciation) in value, and transaction costs are attributable to investments and derivative instruments which are deemed held for trading, and are included in the Statement of Operations.

Client brokerage commissions, where applicable, are used as payment for order execution services or research services. The portfolio advisers or Managers may select brokers, including their affiliates, who charge a commission in excess of that charged by other brokers ("soft dollars") if they determine in good faith that the commission is reasonable in relation to the order execution and research services utilized. It is the Manager's objective that over time, all clients receive benefits from client brokerage commissions.

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Portfolio are expensed and included in "Commissions and other portfolio transaction costs" in the Statement of Operations.

Cost of investments
The cost of investments represents the amount paid for each security and is determined on an average cost basis.

Income recognition
Interest income is recognized on accrual basis. Dividend income and distributions from investment trust units are recognized on the ex-dividend and ex-distribution date, respectively.

Interest on inflation-indexed bonds will be paid based on a principal value, which is adjusted for inflation. The inflation adjustment of the principal value is recognized as part of interest income in the Statement of Operations. If held to maturity, the Portfolio will receive, in addition to a coupon interest payment, a final payment equal to the sum of the par value and the inflation compensation accrued from the original issue date. Interest is accrued on each Valuation Day based on the inflation adjusted par value at that time and is included in "Interest" in the Statement of Operations.

Translation of foreign currencies
The fair value of investments and other assets and liabilities in foreign currencies are translated into the Portfolio's functional currency at the rates of exchange prevailing at the year-end date. Purchases and sales of investments, and income and expenses are translated at the rates of exchange prevailing on the respective dates of such transactions. Foreign exchange gains (losses) on completed transactions are included in "Realized gain (loss) on sale of investments" and unrealized foreign exchange gains (losses) are included in "Change in unrealized appreciation (depreciation) in value of investments" in the Statement of Operations. Realized and unrealized foreign exchange gains (losses) on assets (other than investments) and liabilities are included in "Realized gain (loss) on foreign exchange" in the Statement of Operations.

Forward currency contracts
A forward currency contract is an agreement between two parties (the Portfolio and the counterparty) to purchase or sell a currency against another currency at a set price on a future date. The Portfolio may enter into forward currency contracts for hedging purposes which can include the hedging of all or a portion of the currency exposure of an investment or group of investments, either directly or indirectly. The Portfolio may also enter into these contracts for non-hedging purposes which can include increasing the exposure to a foreign currency or to shift exposure to foreign currency fluctuations from one country to another.

The value of forward currency contracts entered into by the Portfolio is recorded as the difference between the value of the contract on the Valuation Date and the value on the date the contract originated.

Changes in the value of open forward currency contracts at each Valuation Date are recognized in the Statement of Operations as "Change in unrealized appreciation (deprecation) in value of forward currency contracts."

Amounts realized at the close of the contracts are recorded as "Realized gain (loss) on forward currency contracts" in the Statement of Operations.

NOTES TO FINANCIAL STATEMENTS (cont'd)
(all amounts in thousands of Canadian dollars, except per unit data)
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Securities lending

A Portfolio may engage in securities lending pursuant to the terms of an agreement which includes restrictions as set out in Canadian securities legislation. Collateral held is government Treasury Bills and qualified Notes.

Income from securities lending, where applicable, is included in the Statement of Operations and is recognized when earned. The securities on loan continue to be displayed in the Statement of Investment Portfolio. The market value of the securities loaned and collateral held is determined daily. Aggregate values of securities on loan and related collateral held in trust as at June 30, 2013 and December 31, 2012, where applicable, are disclosed in Note 7(h).

Increase or decrease in net assets from operations per unit

"Increase (decrease) in net assets from operations per unit" in the Statement of Operations represents the increase (decrease) in net assets from operations divided by the weighted average number of units outstanding during the period.

Short-term trading penalty

To discourage excessive trading, the Portfolio may, at the Manager's sole discretion, charge a short-term trading penalty. This penalty is paid directly to the Portfolio and is included in "Interest" in the Statement of Operations.

Other assets and liabilities

Income receivable, subscriptions receivable and due from broker are designated as loans and receivables and recorded at cost or amortized cost. Similarly, amounts due to broker, redemptions payable and accrued expenses are designated as financial liabilities and reported at amortized cost. Other assets and liabilities are short-term in nature, and are carried at cost or amortized cost which approximates fair value.

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 ("IASB"), 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 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

NOTES TO FINANCIAL STATEMENTS (cont'd)
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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 NAV per unit 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.

3. Unit valuation

Units of the Portfolio are offered for sale on a continuous basis and may be purchased or redeemed on any Valuation Date at the NAV per unit. The NAV per unit for the purposes of subscription or redemption is computed by dividing the NAV of the Portfolio (that is, the total fair value of the assets less its liabilities) by the total number of units outstanding at such time. This amount may be different from the Net Asset per unit which is presented on the Statement of Net Assets. Generally, any differences are due to valuing actively traded securities at bid prices for Canadian GAAP purposes while NAV typically utilizes closing price to determine fair value for the purchase and redemption of units. See Note 7(b) for the comparison between NAV per unit and Net Assets per unit.

Capital

The capital of the Portfolio is represented by issued and redeemable units with no par value. The units are entitled to distributions, if any, and to payment of a proportionate share based on the Portfolio's NAV per unit upon redemption. The Portfolio has no restrictions or specific capital requirements on the subscriptions and redemptions of units except as disclosed in Note 7(a), if any. The relevant movements in capital are shown on the Statement of Changes in Net Assets. In accordance with its investment objectives and strategies, and the risk management practices outlined in Note 6, the Portfolio endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

4. Income taxes

The Portfolio qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) (the "Tax Act"). Distributions of all net taxable income and sufficient amounts of net realized capital gains for each taxation year will be paid to unitholders. Part of the Portfolio's net income and net realized capital gains not paid or payable, is subject to income tax. It is the intention of the Portfolio to distribute all of its income and sufficient net realized capital gains so that the Portfolio will not be subject to income tax. Income tax on net realized capital gains not paid or payable is generally recoverable by virtue of refunding provisions contained in tax legislation, as redemptions occur.

NOTES TO FINANCIAL STATEMENTS (cont'd)
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Non-capital losses that arose in 2004 and 2005 are available to be carried forward for ten years and applied against future taxable income. Non-capital losses that arose in 2006 and thereafter are available to be carried forward for twenty years. Capital losses for income tax purposes may be carried forward indefinitely and applied against capital gains realized in future years.

The Portfolio's non-capital and capital losses for income tax purposes as of the tax year-ended December 2012 are included in Note 7(c), if applicable.

5. Related party transactions

(a) Unitholder servicing, sub-advisory commissions and other portfolio transaction costs

The Portfolio is provided with certain facilities and services by affiliates of the Manager. Expenses incurred in the administration of the Portfolio were paid to BMO Trust Company (the Trustee) and to BMO Asset Management Inc. (the Registrar) and charged to the Portfolio. These expenses are included in "Unitholder servicing fees" in the Statement of Operations.

The sub-advisors (including affiliates of the Manager, where applicable) engaged by the Manager provide investment advice and make investment decisions for the Portfolio's investment portfolio. For these services the sub-advisors receive sub-advisory fees that are paid monthly by the Manager and, effective October 26, 2012, charged to the Portfolio. These expenses are included in "Sub-advisory fees" in the Statement of Operations. Any sub-advisory fees less than or equal to 0.15% of the net asset value of the Portfolio are absorbed by the Manager.

The Portfolio may execute trades with and or through BMO Nesbit Burns Inc., an affiliate of the Manager based on established standard brokerage agreements at market prices. These fees are included in "Commissions and other portfolio transaction costs" in the Statement of Operations.

Refer to Note 7(d) for related party fees charged to the Portfolio for the periods ended June 30, 2013 and 2012.

(b) Other related party transactions

From time to time, the Manager may on behalf of the Portfolio enter into transactions or arrangements with or involving other members of Bank of Montreal Group of Companies, or certain other persons or companies that are related or connected to the Manager of the Portfolio. These transactions or arrangements may include transactions or arrangements with or involving Bank of Montreal Group of Companies, BMO Trust Company, BMO Nesbitt Burns Inc., Harris Investment Management Inc., BMO Asset Management Inc., BMO Investments Inc., Pyrford International Ltd, Lloyd George Management Inc. or other investment funds offered by BMO, and may involve the purchase or sale of portfolio securities through or from a member of Bank of Montreal Group of Companies, the purchase or sale of securities issued or guaranteed by a member of Bank of Montreal Group of Companies, the purchase or sale of securities issued or guaranteed by a member of Bank of Montreal group of Companies, entering into forward contracts with a member of Bank of Montreal Group of Companies acting as counterparty, the purchase or redemption of units of other BMO Harris Private Portfolios or the provision of services to the Manager.

6. Financial instrument risk

The Portfolio may be exposed to a variety of financial risks that are concentrated in its investment holdings, including derivative instruments. The Statement of Investment Portfolio groups securities by asset type, geographic region and/or market segment. The Portfolio's risk management practice includes the monitoring of compliance to investment guidelines.

The Manager manages the potential effects of these financial risks on the Portfolio's performance by employing and overseeing professional and experienced portfolio managers that regularly monitor the Portfolio's positions, market events and diversify investment portfolios within the constraints of the investment guidelines.

(a) Currency risk

Currency risk is the risk that the value of investments denominated in currencies, other than the functional currency of the Portfolio, will fluctuate due to changes in foreign exchange rates. Investments in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Portfolio's functional currency in determining fair value. The Portfolio may enter into forward currency contracts for hedging purposes to reduce foreign currency exposure or to establish exposure to foreign currencies. The Portfolio's exposure to currency risk, if any, is further discussed in Note 7(f).

(b) Interest rate risk

Interest rate risk is the risk that the fair value of the Portfolio's interest-bearing investments will fluctuate due to changes in market interest rates. The Portfolio's exposure to interest rate risk is concentrated in its investment in debt securities (such as bonds, money market instruments, short-term investments and debentures) and interest rate derivative instruments, if any. Other assets and liabilities are short-term in nature and/or non-interest bearing. The Portfolio's exposure to interest rate risk, if any, is further discussed in Note 7(f).

(c) Other market risk

Other market risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market. Other assets and liabilities are monetary items that are short-term in nature, and as such they are not subject to other market risk. The Portfolio's exposure to other market risk, if any, is further discussed in Note 7(f).

(d) Credit risk

Credit risk is the risk that a loss could arise from a security issuer or counterparty to a financial instrument not being able to meet its financial obligations. The fair value of debt securities includes consideration of the credit worthiness of the debt issuer. Credit risk exposure for over-the-counter derivative instruments is based on the Portfolio's unrealized gain (loss) of the contractual obligations with the counterparty as at the reporting date. The credit exposure of other assets is represented by its carrying amount. The Portfolio's exposure to credit risk, if any, is further discussed in Note 7(f).

The Portfolio may enter into securities lending transactions with approved counterparties. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient approved credit rating and the market value of collateral held by the Portfolio must be at least 102% of the fair value of securities loaned, if any, as disclosed in Note 7(h).

(e) Liquidity risk

The Portfolio's exposure to liquidity risk is concentrated in the daily cash redemptions of units. The Portfolio primarily invests in securities that are traded in active markets and can be readily disposed. In addition, the Portfolio retains sufficient cash and cash equivalent positions to maintain liquidity. The Portfolio may, from time to time, enter into over-the-counter derivative contracts or invest in unlisted securities, which are not traded in an organized market and may be illiquid. Securities for which a market quotation could not be obtained and may be illiquid are identified on the Statement of Investment Portfolio. The proportion of illiquid securities to NAV of the Portfolio is monitored by the Manager to ensure it does not exceed the regulatory limit and does not significantly affect the liquidity required to meet the Portfolio's financial obligations.

NOTES TO FINANCIAL STATEMENTS (cont'd)
(all amounts in thousands of Canadian dollars, except per unit data)
June 30, 2013

7. Portfolio specific information

(a) Portfolio information and change in units

The Portfolio's inception date was May 15, 1997.

The number of units that have been issued and are outstanding are disclosed in the table below.

For the periods ended (in thousands of units)	June 30, 2013	June 30, 2012
Units issued and outstanding, beginning of period	138,266	116,205
Issued for cash	22,857	25,111
Issued on reinvestment of distributions	2,212	1,780
Redeemed during the period	(11,796)	(11,179)
Units issued and outstanding, end of period	151,539	131,917

(b) Comparison of NAV per unit to Net Assets per unit

June 30, 2013		Dec. 31, 2012	
NAV per unit	Net Assets per unit	NAV per unit	Net Assets per unit
6.68	6.67	6.61	6.59

(c) Income taxes

As at the tax year-ended December 2012, there were no capital and non-capital losses carried forward.

(d) Related party transactions

The related party fees charged for unitholder servicing fees are as follows:

	June 30, 2013	June 30, 2012
Unitholder servicing ($)	84	81

(e) Brokerage commissions and soft dollars

Brokerage commissions paid on securities transactions and amounts paid to related parties of the Manager for brokerage services provided to the Portfolio for the periods are as follows:

	June 30, 2013	June 30, 2012
Total brokerage amounts paid ($)	128	244
Total brokerage amounts paid to related parties ($)	2	5

There were no ascertainable soft dollars paid or payable to dealers by the Portfolio during the periods.

(f) Financial instrument risk

The Portfolio's objective is to provide a higher than average income stream primarily from income, royalties and distributions or dividends of equity securities of Canadian issuers.

No changes affecting the overall level of risk of investing in the Portfolio were made during the period.

Currency risk

As at June 30, 2013 and December 31, 2012, the Portfolio did not have any significant exposure to currency risk.

Interest rate risk

As at June 30, 2013 and December 31, 2012, the Portfolio did not have any significant exposure to interest rate risk.

Other market risk

As at June 30, 2013, 95.2% (December 31, 2012 – 95.8%) of the Portfolio's Net Assets were traded on respective stock exchanges. If equity prices on the respective stock exchanges had increased or decreased by 10% as at the periods ended, with all other factors remaining constant, Net Assets could possibly have increased or decreased, respectively, by approximately $96,253 (December 31, 2012 – $87,350). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

As at June 30, 2013 and December 31, 2012, the Portfolio did not have any significant exposure to credit risk.

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June 30, 2013

(g) Fair value hierarchy

The Portfolio classifies its financial instruments into three levels based on the inputs used to value the financial instruments. Level 1 securities are valued based on the quoted prices in active markets for identical securities. Level 2 securities are valued based on significant observable market inputs, such as quoted prices from similar securities and quoted prices in inactive markets or based on unobservable inputs to models. Level 3 securities are valued based on significant unobservable inputs that reflect the Manager's determination of assumptions that market participants might reasonably use in valuing the securities. The table below shows the relevant disclosure.

As at June 30, 2013

Financial assets	Level 1	Level 2	Level 3	Total
Equity securities	962,525	—	—	962,525
Debt securities	—	29,994	—	29,994
Total	962,525	29,994	—	992,519

As at December 31, 2012

Financial assets	Level 1	Level 2	Level 3	Total
Equity securities	873,500	—	—	873,500
Debt securities	—	9,968	—	9,968
Total	873,500	9,968	—	883,468

Significant transfers

There were no significant transfers between the levels during the period.

(h) Securities lending

There were no assets involved in securities lending transactions as at June 30, 2013 and December 31, 2012.

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