

Semi-Annual Financial Statements

BMO Harris Private Portfolios

June 30, 2014

BMO Harris Canadian Corporate Bond 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 Canadian Corporate Bond Portfolio

(unaudited)

STATEMENT OF FINANCIAL POSITION

(All amounts in thousands of Canadian dollars, except per unit data)

As at	June 30 2014	December 31 2013	January 1 2013
Assets			
Current Assets			
Cash	6,413	—	1,612
Investments			
Non-derivative financial assets	938,920	231,183	351,909
Receivable for investments sold	23,900	1,051	—
Subscriptions receivable	1,426	—	84
Interest receivable	7,186	1,965	3,070
Total assets	977,845	234,199	356,675
Liabilities			
Current Liabilities			
Bank indebtedness	—	742	—
Payable for investments purchased	30,025	—	—
Redemptions payable	669	25	38
Distributions payable	113	0	1
Accrued expenses	58	23	31
Total liabilities	30,865	790	70
Net assets attributable to holders of redeemable units	946,980	233,409	356,605
Net assets attributable to holders of redeemable units per unit	\$ 10.46	\$ 10.27	\$ 10.66

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

BMO Harris Canadian Corporate Bond Portfolio

(unaudited)

STATEMENT OF COMPREHENSIVE INCOME

(All amounts in thousands of Canadian dollars, except per unit data)

For the periods ended	June 30 2014	June 30 2013
Income		
Interest income	8,766	5,522
Other changes in fair value of investments and derivatives		
Net realized gain	433	4,101
Change in unrealized appreciation (depreciation)	10,302	(11,764)
Net gain (loss) in fair value of investments and derivatives	19,501	(2,141)
Total income (loss)	19,501	(2,141)
Expenses		
Sub-advisory fees	427	210
Audit fees	4	4
Independent review committee fees	1	1
Custodian fees	10	4
Legal and filing fees	34	23
Unitholder servicing fees	155	51
Printing and stationery fees	6	1
Operating expenses absorbed by the Manager	(427)	(210)
Total expenses	210	84
Increase (decrease) in net assets attributable to holders of redeemable units	19,291	(2,225)
Increase (decrease) in net assets attributable to holders of redeemable units per unit (note 3)	0.27	(0.07)

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BMO Harris Canadian Corporate Bond Portfolio

(unaudited)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

(All amounts in thousands of Canadian dollars)

For the periods ended	June 30 2014	June 30 2013
Net assets attributable to holders of redeemable units at beginning of period	233,409	356,605
Increase (decrease) in net assets attributable to holders of redeemable units	19,291	(2,225)
Distributions to holders of redeemable units		
From net investment income	(12,156)	(7,109)
Total distributions to holders of redeemable units	(12,156)	(7,109)
Redeemable unit transactions		
Proceeds from redeemable units issued	747,664	34,852
Reinvestments of distributions to holders of redeemable units	11,667	6,834
Redemption of redeemable units	(52,895)	(84,062)
Net increase (decrease) from redeemable unit transactions	706,436	(42,376)
Net increase (decrease) in net assets attributable to holders of redeemable units	713,571	(51,710)
Net assets attributable to holders of redeemable units at end of period	946,980	304,895

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BMO Harris Canadian Corporate Bond Portfolio

(unaudited)

STATEMENT OF CASH FLOWS

(All amounts in thousands of Canadian dollars)

For the periods ended	June 30 2014	June 30 2013
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	19,291	(2,225)
Adjustments for:		
Net realized gain on sale of investments and derivatives	(433)	(4,101)
Change in unrealized (appreciation) depreciation of investments and derivatives	(10,302)	11,764
Increase in receivable for investments sold	(22,849)	—
Increase in interest receivable	(5,221)	(85)
Decrease in accrued interest on money market investments	—	5
Increase in payable for investments purchased	30,025	—
Increase (decrease) in accrued expenses	35	(7)
Amortization of premium and discount	4,660	1,601
Purchases of investments	(1,078,321)	(187,922)
Proceeds from sale and maturity of investments	376,659	228,192
Net cash from operating activities	(686,456)	47,222
Cash flows used in financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(376)	(232)
Proceeds from issuances of redeemable units	746,238	34,903
Amounts paid on redemption of redeemable units	(52,251)	(79,374)
Net cash used in financing activities	693,611	(44,703)
Net increase in cash	7,155	2,519
Cash (bank indebtedness) at beginning of period	(742)	1,612
Cash at end of period	6,413	4,131
Supplementary Information		
Interest received, net of withholding taxes*	8,206	7,044

*These items are from operating activities

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BMO Harris Canadian Corporate Bond Portfolio

(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2014 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Bonds & Debentures			
<i>Corporate Bonds & Debentures — 95.2%</i>			
407 International Inc., Series 10-A3, Medium Term Notes, Senior, Secured, 4.300% May 26, 2021	4,687	5,117	5,160
Alimentation Couche-Tard Inc., Senior, Unsecured, Notes, 2.861% Nov 1, 2017	3,500	3,516	3,547
Alimentation Couche-Tard Inc., Series 2, Senior, Unsecured, Notes, 3.319% Nov 1, 2019	4,500	4,490	4,566
Alliance Pipelines Limited Partnership, Senior, Unsecured, Notes, 4.928% Dec 16, 2019	894	966	974
AltaGas Income Trust, Medium Term Notes, Senior, Unsecured, Unsubordinated, 5.490% Mar 27, 2017	1,555	1,671	1,695
AltaGas Ltd., Medium Term Notes, Senior, Unsecured, 3.720% Sep 28, 2021	3,500	3,533	3,638
AltaLink, L.P., Series 2008-1, Medium Term Notes, Senior, Secured, 5.243% May 29, 2018	1,280	1,412	1,428
AltaLink, L.P., Medium Term Notes, Unsecured, 2.978% Nov 28, 2022	1,000	980	999
AltaLink, L.P., Medium Term Notes, Secured, 3.668% Nov 6, 2023	5,350	5,400	5,557
American Express Canada Credit Corp., Medium Term Notes, Senior, Unsecured, Unsubordinated, 3.600% Jun 3, 2016	2,200	2,275	2,278
American Express Canada Credit Corp., Medium Term Notes, Senior, Unsecured, 2.310% Mar 29, 2018	2,000	1,999	2,015
Bank of Montreal, Deposit Notes, Senior, Unsecured, 1.890% Oct 5, 2015	2,000	2,011	2,010
Bank of Montreal, Deposit Notes, Senior, Unsecured, Unsubordinated, 3.490% Jun 10, 2016	1,500	1,553	1,551
Bank of Montreal, Deposit Notes, Unsecured, Unsubordinated, 2.960% Aug 2, 2016	6,500	6,628	6,665
Bank of Montreal, Deposit Notes, Senior, Unsecured, 2.390% Jul 12, 2017	5,000	5,056	5,075
Bank of Montreal, Deposit Notes, Senior, Unsecured, 2.240% Dec 11, 2017	9,500	9,551	9,572
Bank of Montreal, Deposit Notes, Senior, Unsecured, Unsubordinated, 6.020% May 2, 2018	9,150	10,364	10,464
Bank of Montreal, Deposit Notes, Senior, Unsecured, 3.210% Sep 13, 2018	5,000	5,157	5,203
Bank of Montreal, Deposit Notes, Senior, Unsecured, 2.840% Jun 4, 2020	4,500	4,492	4,578
Bank of Montreal, Deposit Notes, Senior, Unsecured, 3.400% Apr 23, 2021	4,250	4,307	4,423
Bank of Montreal, Medium Term Notes, Fixed to Floating, Unsecured, Subordinated, Callable, 3.979% Jul 8, 2021	4,250	4,448	4,424
Bank of Nova Scotia, Senior, Notes, 3.610% Feb 22, 2016	468	482	483
Bank of Nova Scotia, Unsecured, Notes, 1.800% May 9, 2016	3,250	3,257	3,257
Bank of Nova Scotia, Deposit Notes, Senior, Unsecured, 2.100% Nov 8, 2016	4,000	4,023	4,029
Bank of Nova Scotia, Deposit Notes, Senior, 2.740% Dec 1, 2016	5,000	5,102	5,110
Bank of Nova Scotia, Deposit Notes, Senior, 2.598% Feb 27, 2017	5,000	5,093	5,097
Bank of Nova Scotia, Deposit Notes, Senior, 4.100% Jun 8, 2017	5,481	5,780	5,830

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SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2014 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Bank of Nova Scotia, Deposit Notes, Senior, Unsecured, 2.370% Jan 11, 2018	2,000	2,012	2,022
Bank of Nova Scotia, Senior, Unsecured, Notes, 2.242% Mar 22, 2018	4,000	3,991	4,024
Bank of Nova Scotia, Deposit Notes, Senior, Unsecured, 2.750% Aug 13, 2018	2,000	2,044	2,043
Bank of Nova Scotia, Deposit Notes, Senior, Unsecured, 2.462% Mar 14, 2019	4,400	4,398	4,432
Bank of Nova Scotia, Deposit Notes, Senior, Unsecured, 3.270% Jan 11, 2021	9,700	9,971	10,034
Bank of Nova Scotia, Deposit Notes, Senior, Unsecured, 2.873% Jun 4, 2021	1,750	1,754	1,760
Bank of Nova Scotia, Medium Term Notes, Fixed to Floating, Subordinated, Callable, 2.898% Aug 3, 2022	7,500	7,641	7,683
Bank of Nova Scotia, Fixed to Floating, Notes, Subordinated, Callable, 3.036% Oct 18, 2024	4,600	4,630	4,709
Bankers Hall LP, Sinking Funds, Secured, Notes, 4.377% Nov 20, 2023	496	496	517
bcIMC Realty Corp., Series 9, Unsecured, Notes, 2.650% Jun 29, 2017	2,000	2,039	2,049
bcIMC Realty Corp., Unsecured, Notes, 2.790% Aug 2, 2018	4,150	4,221	4,256
bcIMC Realty Corp., Series 8, Unsecured, Notes, 2.960% Mar 7, 2019	3,000	3,059	3,091
bcIMC Realty Corp., Series 10, Unsecured, Notes, 3.510% Jun 29, 2022	3,500	3,546	3,623
Bell Aliant Regional Communications LP, Senior, Unsecured, Notes, Unsubordinated, 5.410% Sep 26, 2016	2,545	2,714	2,733
Bell Aliant Regional Communications LP, Medium Term Notes, 4.880% Apr 26, 2018	400	426	435
Bell Aliant Regional Communications LP, Medium Term Notes, Unsecured, 5.520% Feb 26, 2019	850	948	954
Bell Aliant Regional Communications LP, Medium Term Notes, Senior, Unsecured, 3.540% Jun 12, 2020	1,500	1,514	1,546
Bell Canada, Series M-21, Medium Term Notes, Unsecured, Unsubordinated, 3.600% Dec 2, 2015	2,500	2,562	2,567
Bell Canada, Series M-23, Unsecured, Debentures, 3.650% May 19, 2016	3,278	3,359	3,389
Bell Canada, Series M-22, Medium Term Notes, 4.400% Mar 16, 2018	4,900	5,227	5,272
Bell Canada, Series M-25, Senior, Unsecured, Debentures, Unsubordinated, 3.350% Jun 18, 2019	4,000	4,060	4,141
Bell Canada, Medium Term Notes, Senior, Unsecured, 3.250% Jun 17, 2020	6,000	6,033	6,139
Bell Canada, Series M-24, Medium Term Notes, Senior, Unsecured, 4.950% May 19, 2021	3,433	3,741	3,833
Bell Canada, Medium Term Notes, Senior, Unsecured, Callable, 4.700% Sep 11, 2023	2,000	2,119	2,172
BMO Capital Trust, BMO BOaTS, Series E, Fixed to Floating, Junior, Notes, Subordinated, Perpetual, Callable, 4.633% Dec 31, 2049	600	631	625
BMO Capital Trust II, Series A, Fixed to Floating, Junior, Unsecured, Notes, Unsubordinated, Callable, 10.221% Dec 31, 2107	2,000	2,638	2,612
BMW Canada Inc., Senior, Unsecured, Notes, Unsubordinated, 2.640% Aug 10, 2015	2,000	2,016	2,025
BMW Canada Inc., Series F, Senior, Unsecured, Notes, 2.110% May 26, 2016	3,800	3,831	3,830

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SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2014 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
BMW Canada Inc., Series K, Senior, Unsecured, Notes, 2.330% Sep 26, 2018	1,000	1,000	1,005
Bow Centre Street LP, Series C, Secured, Notes, 3.797% Jun 13, 2023	3,400	3,352	3,402
Brookfield Asset Management Inc., Medium Term Notes, Senior, Unsecured, 3.950% Apr 9, 2019	4,246	4,356	4,451
Brookfield Asset Management Inc., Medium Term Notes, Senior, Unsecured, 4.540% Mar 31, 2023	3,500	3,629	3,682
BRP Finance ULC, Series 3, Medium Term Notes, Senior, Unsecured, 5.250% Nov 5, 2018	2,000	2,185	2,204
BRP Finance ULC, Series 7, Medium Term Notes, Unsecured, 5.140% Oct 13, 2020	2,000	2,177	2,217
Caisse centrale Desjardins, Medium Term Deposit Notes, Senior, Unsecured, 2.281% Oct 17, 2016	2,500	2,524	2,527
Caisse centrale Desjardins, Series 2010-4, Medium Term Deposit Notes, Senior, Unsecured, Unsubordinated, 3.502% Oct 5, 2017	1,898	1,945	1,985
Caisse centrale Desjardins, Medium Term Notes, Senior, Unsecured, 2.795% Nov 19, 2018	4,250	4,301	4,339
Calloway Real Estate Investment Trust, Series B, Senior, Unsecured, Notes, 5.370% Oct 12, 2016	400	422	429
Calloway Real Estate Investment Trust, Series H, Senior, Unsecured, Debentures, 4.050% Jul 27, 2020	850	854	888
Cameco Corporation, Series D, Senior, Unsecured, Notes, Unsubordinated, 5.670% Sep 2, 2019	4,000	4,355	4,509
Canadian Imperial Bank of Commerce, Deposit Notes, Unsecured, 3.400% Jan 14, 2016	4,000	4,056	4,111
Canadian Imperial Bank of Commerce, Unsecured, Notes, 1.750% Jun 1, 2016	5,000	5,007	5,007
Canadian Imperial Bank of Commerce, Deposit Notes, Senior, Unsecured, 2.650% Nov 8, 2016	2,800	2,857	2,856
Canadian Imperial Bank of Commerce, Deposit Notes, Senior, Unsecured, 3.950% Jul 14, 2017	2,631	2,708	2,790
Canadian Imperial Bank of Commerce, Unsecured, Notes, 2.350% Oct 18, 2017	8,500	8,528	8,597
Canadian Imperial Bank of Commerce, Unsecured, Notes, 2.220% Mar 7, 2018	7,000	7,004	7,044
Canadian Imperial Bank of Commerce, Fixed to Floating, Debentures, Subordinated, Callable, 3.150% Nov 2, 2020	7,000	7,148	7,132
Canadian Natural Resources Limited, Medium Term Notes, Senior, Unsecured, 3.050% Jun 19, 2019	2,000	2,016	2,047
Canadian Natural Resources Limited, Medium Term Notes, Senior, Unsecured, 2.600% Dec 3, 2019	2,000	2,000	2,000
Canadian Natural Resources Limited, Medium Term Notes, Unsecured, 2.890% Aug 14, 2020	1,700	1,667	1,712
Canadian Natural Resources Limited, Medium Term Notes, Senior, Unsecured, Callable, 3.550% Jun 3, 2024	2,500	2,489	2,497
Canadian Pacific Railway Company, Medium Term Notes, Unsecured, 6.250% Jun 1, 2018	1,000	1,046	1,148
Canadian Utilities Limited, Debentures, Senior, Unsecured, 3.122% Nov 9, 2022	4,250	4,157	4,282

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SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2014 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Canadian Western Bank, Deposit Notes, Senior, Unsecured, 2.378% Sep 14, 2015	1,000	1,010	1,009
Canadian Western Bank, Deposit Notes, Senior, Unsecured, 3.049% Jan 18, 2017	940	955	965
Canadian Western Bank, Deposit Notes, Senior, Unsecured, 2.531% Mar 22, 2018	4,500	4,545	4,544
Capital Desjardins Inc., Series G, Senior, Secured, Notes, 5.187% May 5, 2020	3,610	3,986	4,095
Capital Desjardins Inc., Fixed to Floating, Senior, Notes, Callable, 3.797% Nov 23, 2020	3,000	3,096	3,084
Capital Desjardins Inc., Fixed to Floating, Senior, Unsecured, Notes, Callable, 4.954% Dec 15, 2026	1,500	1,658	1,687
Capital Power L.P., Medium Term Notes, Senior, Unsecured, Unsubordinated, 4.850% Feb 21, 2019	750	770	805
Caterpillar Financial Services Limited, Unsecured, 2.630% Jun 1, 2017	3,700	3,760	3,778
Centre Street Trust, Series B, Sinking Funds, Secured, Notes, 3.693% Jun 14, 2022	205	204	203
Choice Properites L.P., Series 8, Senior, Unsecured, Notes, 3.600% Apr 20, 2020	1,800	1,846	1,849
Choice Properties Real Estate Investment Trust, Series A, Senior, Unsecured, Notes, 3.554% Jul 5, 2018	2,000	2,062	2,080
Choice Properties Real Estate Investment Trust, Series C, Senior, Unsecured, Notes, 3.498% Feb 8, 2021	3,000	3,014	3,044
CIBC Capital Trust, Series A, Tier 1 Notes, Fixed to Floating, Unsecured, Subordinated, 9.976% Jun 30, 2108	5,250	6,887	6,871
Cogeco Cable Inc., Secured, Notes, Callable, 4.175% May 26, 2023	2,400	2,418	2,460
Cominar Real Estate Investment Trust, Senior, Unsecured, Notes, 4.274% Jun 15, 2017	3,500	3,639	3,640
Cominar Real Estate Investment Trust, Senior, Unsecured, Notes, 4.230% Dec 4, 2019	4,500	4,509	4,575
Consumers' Gas Company Ltd., The, Medium Term Notes, 6.050% Jul 5, 2023	500	464	610
CU Inc., Medium Term Notes, Unsecured, Callable, 5.432% Jan 23, 2019	1,000	1,058	1,136
CU Inc., Senior, Unsecured, Debentures, 4.801% Nov 22, 2021	2,000	2,244	2,269
Daimler Canada Finance Inc., Senior, Unsecured, Notes, 2.33% Sep 14, 2015	1,410	1,414	1,422
Daimler Canada Finance Inc., Senior, Unsecured, Notes, Unsubordinated, 3.280% Sep 15, 2016	1,750	1,803	1,804
Daimler Canada Finance Inc., Senior, Unsecured, Notes, 2.280% Feb 17, 2017	2,000	2,014	2,019
Daimler Canada Finance Inc., Senior, Unsecured, Notes, 2.270% Mar 26, 2018	1,500	1,506	1,507
Dollarama Inc., Senior, Unsecured, Notes, 3.095% Nov 5, 2018	2,000	2,020	2,039
Dream Office REIT, Series C, Senior, Unsecured, Notes, 4.074% Jan 21, 2020	1,000	1,012	1,020
Emera Inc., Series H, Medium Term Notes, Senior, Unsecured, 2.960% Dec 13, 2016	2,000	2,046	2,046

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BMO Harris Canadian Corporate Bond Portfolio

(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2014 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Emera Inc., Series G, Medium Term Notes, Senior, Unsecured, Unsubordinated, 4.830% Dec 2, 2019	1,850	1,919	2,028
Enbridge Gas Distribution Inc., Medium Term Notes, Senior, Unsecured, Unsubordinated, 5.160% Dec 4, 2017	500	521	552
Enbridge Gas Distribution Inc., Medium Term Notes, Senior, Unsecured, 4.040% Nov 23, 2020	3,000	3,197	3,257
Enbridge Inc., Medium Term Notes, Unsecured, Callable, 5.170% May 19, 2016	2,600	2,765	2,761
Enbridge Inc., Medium Term Notes, Senior, Unsecured, Unsubordinated, 5.000% Aug 9, 2016	2,758	2,909	2,938
Enbridge Inc., Medium Term Notes, Unsecured, Callable, 4.770% Sep 2, 2019	2,800	3,057	3,098
Enbridge Inc., Medium Term Notes, Unsecured, Unsubordinated, 4.530% Mar 9, 2020	5,200	5,643	5,713
Enbridge Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.160% Mar 11, 2021	1,750	1,759	1,779
Enbridge Inc., Medium Term Notes, Senior, Unsecured, 3.190% Dec 5, 2022	3,000	2,942	2,999
Enbridge Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.940% Jun 30, 2023	5,800	5,886	6,062
Enbridge Pipelines Inc., Medium Term Notes, Senior, Unsecured, Unsubordinated, 6.620% Nov 19, 2018	3,500	4,129	4,144
EnCana Corporation, Medium Term Notes, Unsecured, Unsubordinated, 5.800% Jan 18, 2018	2,250	2,494	2,526
ENMAX Corporation, Senior, Unsecured, Notes, 6.150% Jun 19, 2018	1,000	1,106	1,124
EPCOR Utilities Inc., Medium Term Notes, Senior, Unsecured, Unsubordinated, 5.800% Jan 31, 2018	1,250	1,343	1,406
Fairfax Financial Holdings Limited, Senior, Unsecured, Notes, Unsubordinated, 7.500% Aug 19, 2019	1,000	1,130	1,177
First Capital Realty Inc., Series P, Senior, Unsecured, Notes, 3.950% Dec 5, 2022	2,250	2,248	2,287
First Capital Realty Inc., Series Q, Senior, Unsecured, Notes, 3.900% Oct 30, 2023	4,250	4,144	4,252
Ford Credit Canada Ltd., Senior, Unsecured, Notes, 2.634% Nov 21, 2016	1,000	1,012	1,012
Ford Credit Canada Ltd., Senior, Unsecured, Notes, 4.875% Feb 8, 2017	2,250	2,360	2,403
Ford Credit Canada Ltd., Senior, Unsecured, Notes, 3.320% Dec 19, 2017	3,500	3,589	3,607
Ford Credit Canada Ltd., Senior, Unsecured, Notes, 3.700% Aug 2, 2018	2,400	2,484	2,504
Ford Credit Canada Ltd., Senior, Unsecured, Notes, 3.279% Jul 2, 2021	1,500	1,501	1,564
GE Capital Canada Funding Company, Series A, Medium Term Notes, 5.100% Jun 1, 2016	3,929	4,046	4,179
GE Capital Canada Funding Company, Series A, Medium Term Notes, 5.530% Aug 17, 2017	5,120	5,646	5,670
GE Capital Canada Funding Company, Senior, Unsecured, Notes, 2.420% May 31, 2018	6,500	6,532	6,570

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BMO Harris Canadian Corporate Bond Portfolio

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SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2014 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
GE Capital Canada Funding Company, Medium Term Notes, Senior, Unsecured, Unsubordinated, 5.680% Sep 10, 2019	2,500	2,864	2,897
GE Capital Canada Funding Company, Medium Term Notes, Senior, Unsecured, Unsubordinated, 4.600% Jan 26, 2022	4,900	5,324	5,458
Genesis Trust II, Series 2013-1, Class A, Real Estate Secured Line of Credit-Backed Notes, 2.295% Feb 15, 2017	3,000	3,037	3,038
Greater Toronto Airports Authority, Series 2005-3, Medium Term Notes, Senior, Secured, 4.700% Feb 15, 2016	1,000	1,051	1,050
Greater Toronto Airports Authority, Series 2007-1, Medium Term Notes, Secured, Callable, 4.850% Jun 1, 2017	2,500	2,710	2,716
Greater Toronto Airports Authority, Series 2008-1, Medium Term Notes, Secured, 5.260% Apr 17, 2018	3,000	3,321	3,350
Greater Toronto Airports Authority, Series 2009-1, Medium Term Notes, Secured, 5.960% Nov 20, 2019	3,500	4,082	4,127
Great-West LifeCo Finance (Delaware) LP, Fixed to Floating, Debentures, Subordinated, Callable, 5.691% Jun 21, 2067	6,000	6,630	6,611
Great-West Lifeco Inc., Senior, Unsecured, Notes, Unsubordinated, 4.650% Aug 13, 2020	3,250	3,547	3,608
H&R Real Estate Investment Trust, Series D, Senior, Unsecured, Notes, 4.778% Jul 27, 2016	1,300	1,357	1,367
Honda Canada Finance, Inc., Senior, Unsecured, Notes, 2.275% Dec 11, 2017	2,000	2,009	2,018
HSBC Bank of Canada, Deposit Notes, 2.572% Nov 23, 2015	2,600	2,633	2,635
HSBC Bank of Canada, Deposit Notes, Senior, 2.901% Jan 13, 2017	4,000	4,102	4,101
HSBC Bank of Canada, Deposit Notes, 3.558% Oct 4, 2017	6,300	6,549	6,602
HSBC Bank of Canada, Deposit Notes, Senior, Unsecured, 2.938% Jan 14, 2020	5,000	5,040	5,102
Husky Energy Inc., Medium Term Notes, Senior, Unsecured, Unsubordinated, 5.000% Mar 12, 2020	2,750	3,034	3,082
Hydro One Inc., Series 21, Medium Term Notes, Unsecured, 2.950% Sep 11, 2015	1,000	1,019	1,019
Hydro One Inc., Series 10, Medium Term Notes, Unsecured, 4.640% Mar 3, 2016	2,500	2,632	2,628
Hydro One Inc., Series 13, Medium Term Notes, Unsecured, 5.180% Oct 18, 2017	2,000	2,205	2,208
Hydro One Inc., Series 28, Medium Term Notes, Senior, Unsecured, 2.780% Oct 9, 2018	1,750	1,793	1,796
Hydro One Inc., Series 25, Medium Term Notes, Unsecured, 3.200% Jan 13, 2022	4,750	4,774	4,881
IGM Financial, Inc., Senior, Unsecured, Notes, Unsubordinated, 6.580% Mar 7, 2018	200	209	229
IGM Financial, Inc., Senior, Unsecured, Notes, Unsubordinated, 7.350% Apr 8, 2019	3,450	4,042	4,162
Intact Financial Corporation, Series 1, Medium Term Notes, Senior, Unsecured, Unsubordinated, 5.410% Sep 3, 2019	1,000	1,006	1,132
Inter Pipeline Ltd., Series 4, Medium Term Notes, Senior, Unsecured, 3.448% Jul 20, 2020	4,500	4,562	4,652
Inter Pipeline Ltd., Series 3, Medium Term Notes, Senior, Unsecured, 3.776% May 30, 2022	2,000	2,023	2,075

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

BMO Harris Canadian Corporate Bond Portfolio

(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2014 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
John Deere Canada Funding Inc., Series 12-01, Senior, Unsecured, 2.300% Jul 5, 2016	900	904	910
John Deere Canada Funding Inc., Series 14-01, Senior, Unsecured, 2.300% Jan 17, 2018	1,000	1,003	1,009
John Deere Canada Funding Inc., Series 13-03, Senior, Unsecured, 2.650% Jul 16, 2018	2,000	2,022	2,038
John Deere Credit Inc., Third Series Guaranteed Notes, Unsecured, 5.450% Sep 16, 2015	2,000	2,093	2,094
Laurentian Bank of Canada, Series 2010-1, Medium Term Notes, Fixed to Floating, Unsecured, Subordinated, Callable, 3.700% Nov 2, 2020	1,000	1,027	1,021
Loblaw Companies Limited, Series 2019, Senior, Unsecured, Notes, 3.748% Mar 12, 2019	5,250	5,484	5,514
Loblaw Companies Limited, Series 2-B, Medium Term Notes, Senior, Unsecured, 5.220% Jun 18, 2020	1,100	1,235	1,237
Loblaw Companies Limited, Series 2023, Senior, Unsecured, Notes, Callable, 4.860% Sep 12, 2023	5,500	5,791	5,978
Manitoba Telecom Services Inc., Series 8, Medium Term Notes, Unsecured, 5.625% Dec 16, 2019	750	802	853
Manufacturers Life Insurance Company, The, Notes, Subordinated, Callable, 4.210% Nov 18, 2021	1,000	1,055	1,052
Manufacturers Life Insurance Company, The, Notes, Subordinated, Callable, 4.165% Jun 1, 2022	1,000	1,049	1,059
Manufacturers Life Insurance Company, The, Fixed to Floating, Notes, Subordinated, Callable, 2.811% Feb 21, 2024	4,500	4,539	4,553
Manulife Finance (Delaware), L.P., Fixed to Floating, Notes, Subordinated, Callable, 4.448% Dec 15, 2026	1,000	1,056	1,058
Manulife Financial Capital Trust II, Fixed to Floating, Unsecured, Notes, Subordinated, Callable, 7.405% Dec 31, 2108	4,900	5,944	5,991
Manulife Financial Corporation, Medium Term Notes, Senior, Unsecured, 4.079% Aug 20, 2015	6,095	6,251	6,259
Manulife Financial Corporation, Medium Term Notes, Senior, Unsecured, 7.768% Apr 8, 2019	1,500	1,829	1,841
Molson Coors Capital Finance ULC, Senior, Unsecured, Notes, 5.000% Sep 22, 2015	3,200	3,322	3,327
National Bank of Canada, Deposit Notes, Unsecured, 2.050% Jan 11, 2016	2,000	2,012	2,014
National Bank of Canada, Unsecured, Notes, Unsubordinated, 3.580% Apr 26, 2016	2,489	2,550	2,573
National Bank of Canada, Deposit Notes, Unsecured, Unsubordinated, 2.702% Dec 15, 2016	3,000	3,060	3,063
National Bank of Canada, Deposit Notes, Senior, Unsecured, 2.689% Aug 21, 2017	3,000	3,054	3,064
National Bank of Canada, Medium Term Notes, Fixed to Floating, Unsecured, Subordinated, Callable, 3.261% Apr 11, 2022	9,000	9,276	9,293
NAV Canada, Series 2006-1, Medium Term Notes, Unsecured, Subordinated, 4.713% Feb 24, 2016	2,250	2,365	2,365
NAV Canada, Series 2009-1, Medium Term Notes, Senior, Unsecured, 5.304% Apr 17, 2019	1,500	1,701	1,710

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

BMO Harris Canadian Corporate Bond Portfolio

(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2014 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
NAV Canada, Series 2011-1, Medium Term Notes, Senior, Unsecured, 4.397% Feb 18, 2021	1,500	1,635	1,664
NBC Asset Trust, Trust Capital Securities, Series 2, Fixed to Floating Rate, Callable, Perpetual, Asset-Backed, 7.447% Jun 30, 2049	2,500	3,034	3,075
OMERS Realty Corporation, Medium Term Notes, Senior, Unsecured, 3.203% Jul 24, 2020	500	500	518
OMERS Realty Corporation, Series 4, Senior, Unsecured, Notes, 2.971% Apr 5, 2021	1,500	1,500	1,521
OMERS Realty Corporation, Series 2, Senior, Unsecured, Notes, 3.358% Jun 5, 2023	2,500	2,461	2,536
RBC Capital Trust, RBC TruCS, Series 2015, Junior, Notes, Subordinated, Perpetual, Callable, Exchangeable, 4.870% Dec 31, 2015	2,000	2,086	2,090
RBC Capital Trust, RBC TruCS, Series 2008-1, Fixed to Floating, Junior, Notes, Subordinated, Perpetual, Callable, 6.821% Dec 31, 2049	1,500	1,806	1,752
RioCan Real Estate Investment Trust, Series O, Senior, Unsecured, Notes, 4.499% Jan 21, 2016	2,000	2,080	2,079
RioCan Real Estate Investment Trust, Series S, Senior, Unsecured, Notes, 2.870% Mar 5, 2018	1,250	1,237	1,264
RioCan Real Estate Investment Trust, Series U, Senior, Unsecured, Notes, 3.620% Jun 1, 2020	2,000	2,022	2,053
RioCan Real Estate Investment Trust, Series R, Senior, Unsecured, Notes, 3.716% Dec 13, 2021	2,575	2,564	2,610
RioCan Real Estate Investment Trust, Series T, Senior, Unsecured, Notes, 3.725% Apr 18, 2023	1,700	1,694	1,684
Rogers Communications, Inc., Senior, Unsecured, Notes, Unsubordinated, 5.800% May 26, 2016	5,710	6,103	6,122
Rogers Communications, Inc., Senior, Unsecured, Notes, Unsubordinated, 5.380% Nov 4, 2019	2,600	2,902	2,933
Rogers Communications, Inc., Senior, Unsecured, Notes, Unsubordinated, 4.700% Sep 29, 2020	3,000	3,216	3,289
Rogers Communications, Inc., Senior, Unsecured, Notes, Unsubordinated, 5.340% Mar 22, 2021	6,250	6,948	7,066
Rogers Communications, Inc., Senior, Unsecured, Notes, 4.000% Jun 6, 2022	3,000	3,052	3,119
Royal Bank of Canada, Deposit Notes, Senior, Unsecured, Unsubordinated, 3.360% Jan 11, 2016	5,000	5,130	5,135
Royal Bank of Canada, Deposit Notes, Senior, Unsecured, Unsubordinated, 3.030% Jul 26, 2016	5,900	6,053	6,056
Royal Bank of Canada, Senior, Unsecured, Notes, Unsubordinated, 2.680% Dec 8, 2016	7,947	8,062	8,114
Royal Bank of Canada, Deposit Notes, Senior, Unsecured, Unsubordinated, 3.660% Jan 25, 2017	3,100	3,099	3,241
Royal Bank of Canada, Deposit Notes, Senior, Unsecured, Unsubordinated, 2.580% Apr 13, 2017	5,500	5,588	5,607
Royal Bank of Canada, Deposit Notes, Senior, Unsecured, 2.364% Sep 21, 2017	5,000	5,039	5,059
Royal Bank of Canada, Senior, Unsecured, Notes, 2.260% Mar 12, 2018	4,000	3,984	4,028

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

BMO Harris Canadian Corporate Bond Portfolio

(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2014 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Royal Bank of Canada, Series CB6, Covered Bonds, Secured, 3.770% Mar 30, 2018	5,000	5,287	5,328
Royal Bank of Canada, Deposit Notes, Senior, Unsecured, 2.820% Jul 12, 2018	2,000	2,032	2,049
Royal Bank of Canada, Deposit Notes, Unsecured, 2.890% Oct 11, 2018	2,000	2,024	2,054
Royal Bank of Canada, Deposit Notes, Senior, Unsecured, 2.770% Dec 11, 2018	4,750	4,785	4,851
Royal Bank of Canada, Deposit Notes, Senior, Unsecured, 2.980% May 7, 2019	6,000	6,166	6,185
Royal Bank of Canada, Series 14, Medium Term Notes, Fixed to Floating, Unsecured, Subordinated, Callable, 3.180% Nov 2, 2020	7,000	7,159	7,134
Royal Bank of Canada, Deposit Notes, Senior, Unsecured, 2.860% Mar 4, 2021	7,950	7,949	8,019
Royal Bank of Canada, Series 15, Medium Term Notes, Fixed to Floating, Subordinated, Callable, 2.990% Dec 6, 2024	6,150	6,195	6,277
Scotiabank Tier I Trust, Scotia BaTS III, Series 2009-1, Fixed to Floating, Senior, Unsecured, Notes, Callable, 7.802% Jun 30, 2108	4,250	5,236	5,223
Shaw Communications Inc., Senior, Unsecured, Notes, Callable, 5.700% Mar 2, 2017	1,500	1,635	1,640
Shaw Communications Inc., Senior, Unsecured, Notes, Unsubordinated, 5.650% Oct 1, 2019	5,300	5,857	6,025
Shaw Communications Inc., Senior, Unsecured, Notes, 5.500% Dec 7, 2020	150	168	171
Shaw Communications Inc., Senior, Unsecured, Notes, 4.350% Jan 31, 2024	2,800	2,841	2,911
Shoppers Drug Mart Corporation, Series 6, Medium Term Notes, Senior, Unsecured, 2.360% May 24, 2018	2,500	2,502	2,506
Sobeys Inc., Series 2013-1, Senior, Unsecured, Notes, 3.520% Aug 8, 2018	500	514	517
Sobeys Inc., Series 2013-2, Senior, Unsecured, Notes, Callable, 4.700% Aug 8, 2023	4,500	4,678	4,778
Standard Life Assurance Company of Canada, Fixed to Floating, Notes, Subordinated, Callable, 3.938% Sep 21, 2022	500	519	526
Sun Life Capital Trust II, Series 2009-1, SLEECs, Fixed to Floating, Senior, Notes, Subordinated, Callable, 5.863% Dec 31, 2108	4,550	5,192	5,231
Sun Life Financial Inc., Series E, Senior, Unsecured, Debentures, 4.570% Aug 23, 2021	1,500	1,640	1,653
Sun Life Financial Inc., Series 2012-1, Fixed to Floating, Unsecured, Debentures, Subordinated, Callable, 4.380% Mar 2, 2022	3,000	3,181	3,176
Sun Life Financial Inc., Series A, Medium Term Notes, Fixed to Floating, Senior, Unsecured, Callable, 4.800% Nov 23, 2035	2,909	3,008	3,027
Sun Life Financial Inc., Series B, Fixed to Floating, Senior, Unsecured, Notes, Callable, 4.950% Jun 1, 2036	3,420	3,507	3,606
Suncor Energy Inc., Series 4, Medium Term Notes, Unsecured, Callable, 5.800% May 22, 2018	1,000	1,040	1,132
TD Capital Trust III, Series 2008, CaTS, Fixed to Floating, Unsecured, Notes, Perpetual, Callable, 7.243% Dec 31, 2049	4,000	4,804	4,784
TD Capital Trust IV, Series 3, CaTS, Fixed to Floating, Unsecured, Notes, Subordinated, Callable, 6.631% Jun 30, 2108	3,500	4,278	4,230

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

BMO Harris Canadian Corporate Bond Portfolio

(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2014 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
TELUS Corporation, Medium Term Notes, 3.650% May 25, 2016	2,000	2,068	2,069
TELUS Corporation, Series CD, Senior, Unsecured, Unsubordinated, 4.950% Mar 15, 2017	2,750	2,948	2,966
TELUS Corporation, Series CG, Senior, Unsecured, Notes, Unsubordinated, 5.050% Dec 4, 2019	4,750	5,242	5,306
TELUS Corporation, Series CH, Senior, Unsecured, Notes, Unsubordinated, 5.050% Jul 23, 2020	8,028	8,879	9,008
TELUS Corporation, Series CJ, Unsecured, Notes, Callable, 3.350% Mar 15, 2023	2,650	2,554	2,636
TELUS Corporation, Medium Term Notes, Unsecured, Callable, 3.350% Apr 1, 2024	2,850	2,739	2,789
Teranet Holdings LP, Senior, Secured, Notes, 3.531% Dec 16, 2015	5,750	5,885	5,892
Teranet Holdings LP, Senior, Secured, Notes, 4.807% Dec 16, 2020	5,130	5,558	5,629
Thomson Reuters Corporation, Unsecured, Notes, Unsubordinated, 6.000% Mar 31, 2016	4,400	4,589	4,700
Thomson Reuters Corporation, Senior, Unsecured, Notes, 3.369% May 23, 2019	2,000	2,040	2,059
Thomson Reuters Corporation, Unsecured, Notes, Unsubordinated, 4.350% Sep 30, 2020	2,500	2,640	2,691
Toronto Hydro Corporation, Series 8, Senior, Unsecured, Debentures, 2.910% Apr 10, 2023	1,250	1,213	1,234
Toronto-Dominion Bank, The, Deposit Notes, 2.948% Aug 2, 2016	10,250	10,502	10,512
Toronto-Dominion Bank, The, Deposit Notes, Senior, Unsecured, 2.433% Aug 15, 2017	5,500	5,566	5,584
Toronto-Dominion Bank, The, Deposit Notes, Senior, Unsecured, 2.171% Apr 2, 2018	8,250	8,238	8,290
Toronto-Dominion Bank, The, Deposit Notes, Senior, Unsecured, 2.563% Jun 24, 2020	3,600	3,601	3,605
Toronto-Dominion Bank, The, Medium Term Notes, Fixed to Floating, Unsecured, Subordinated, Callable, 3.367% Nov 2, 2020	2,000	2,050	2,043
Toronto-Dominion Bank, The, Medium Term Notes, Fixed to Floating, Unsecured, Subordinated, Callable, 4.779% Dec 14, 2105	8,250	8,914	8,800
Toronto-Dominion Bank, The, Medium Term Notes, Fixed to Floating, Unsecured, Subordinated, Callable, 5.763% Dec 18, 2106	5,050	5,686	5,643
Toyota Credit Canada Inc., Medium Term Notes, Senior, Unsecured, 2.200% Oct 19, 2017	550	551	554
Toyota Credit Canada Inc., Medium Term Notes, Senior, Unsecured, 2.750% Jul 18, 2018	3,250	3,299	3,324
Toyota Credit Canada Inc., Medium Term Notes, Senior, Unsecured, 2.800% Nov 21, 2018	2,750	2,781	2,815
TransCanada PipeLines Limited, Medium Term Notes, Senior, Unsecured, Unsubordinated, 4.650% Oct 3, 2016	3,500	3,729	3,730
TransCanada PipeLines Limited, Medium Term Notes, Unsecured, Callable, 5.100% Jan 11, 2017	1,250	1,351	1,353
TransCanada PipeLines Limited, Medium Term Notes, Unsecured, 3.650% Nov 15, 2021	3,250	3,375	3,430
TransCanada PipeLines Limited, Medium Term Notes, Senior, Unsecured, Callable, 3.690% Jul 19, 2023	2,350	2,367	2,448
Union Gas Limited, Series 6, Medium Term Notes, Senior, Unsecured, Unsubordinated, 5.350% Apr 27, 2018	2,500	2,770	2,789

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

BMO Harris Canadian Corporate Bond Portfolio

(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2014 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Union Gas Limited, Medium Term Notes, Senior, Unsecured, Callable, 3.790% Jul 10, 2023	2,000	2,030	2,098
Veresen Inc., Medium Term Notes, Senior, Unsecured, 3.950% Mar 14, 2017	500	511	522
VW Credit Canada Inc., Unsecured, Notes, Unsubordinated, 3.600% Feb 1, 2016	1,500	1,499	1,545
VW Credit Canada Inc., Senior, Unsecured, Notes, 2.200% Oct 11, 2016	2,000	2,016	2,018
VW Credit Canada Inc., Senior, Unsecured, Notes, 2.450% Nov 14, 2017	1,500	1,512	1,520
Wells Fargo Financial Canada Corporation, Medium Term Notes, Senior, Unsecured, 2.774% Feb 9, 2017	5,500	5,596	5,628
Wells Fargo Financial Canada Corporation, Medium Term Notes, Senior, Unsecured, 2.780% Nov 15, 2018	3,700	3,728	3,774
Wells Fargo Financial Canada Corporation, Medium Term Notes, Senior, Unsecured, 2.944% Jul 25, 2019	5,400	5,453	5,531
Wells Fargo Financial Canada Corporation, Medium Term Notes, Senior, Unsecured, 3.040% Jan 29, 2021	5,100	5,094	5,169
Wells Fargo Financial Canada Corporation, Medium Term Notes, Senior, Unsecured, 3.460% Jan 24, 2023	2,000	1,994	2,037
Westcoast Energy Inc., Series U, Senior, Unsecured, Notes, Unsubordinated, 8.500% Nov 23, 2015	1,050	1,116	1,143
Westcoast Energy Inc., Series 9, Medium Term Notes, Senior, Unsecured, Unsubordinated, 5.600% Jan 16, 2019	2,750	3,075	3,100
Westcoast Energy Inc., Medium Term Notes, Senior, Unsecured, Unsubordinated, 4.570% Jul 2, 2020	2,250	2,419	2,462
Westcoast Energy Inc., Medium Term Notes, Senior, Unsecured, 3.120% Dec 5, 2022	2,000	1,923	1,980
Winnipeg Airports Authority, Series E, Secured, Notes, 3.039% Apr 13, 2023	2,000	1,962	1,955
		892,403	901,627
Asset-Backed Securities — 3.9%			
Canadian Credit Card Master Trust, Series 2010-1, Class A, Asset- Backed Notes, 3.444% Jul 24, 2015	5,000	5,100	5,103
CARDS II Trust, Series 2010-3, Credit Card Receivables-Backed, Class A Notes, 3.096% Sep 15, 2015	2,000	2,037	2,038
CARDS II Trust, Series 2013-1, Class A, Credit Card Receivables- Backed, 1.984% Jan 15, 2016	4,400	4,424	4,428
CARDS II Trust, Series 2011-4, Credit Card Receivables-Backed, Class A Notes, 3.333% May 15, 2016	1,000	1,025	1,031
Genesis Trust II, Series 2014-1, Class A, Real Estate Secured Line of Credit-Backed Notes, 2.433% May 15, 2019	3,250	3,282	3,273
Glacier Credit Card Trust, Series 2012-2, Asset-Backed Notes, Senior, 2.394% Oct 20, 2017	3,000	3,013	3,036
Golden Credit Card Trust, Series 2011-1, Credit Card Receivables- Backed Notes, Senior, Secured, 3.510% May 15, 2016	4,800	4,960	4,964
Hollis Receivables Term Trust II, Series 2013-1, Class A, Receivables- Backed Notes, 2.235% Sep 26, 2016	500	506	505

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

BMO Harris Canadian Corporate Bond Portfolio

(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2014 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Hollis Receivables Term Trust II, Series 2014-1, Class A, Receivables-Backed Notes, 2.434% Jun 26, 2019	2,500	2,504	2,509
Master Credit Card Trust, Series 2011-1, Class A, Credit Card Receivables-Backed Notes, Secured, 3.502% May 21, 2016	3,000	3,104	3,102
Master Credit Card Trust, Series 2012-1, Class A, Credit Card Receivables-Backed Notes, Secured, 2.626% Jan 21, 2017	3,500	3,559	3,570
Master Credit Card Trust II, Series 2013-4, Class A, Credit Card Receivables-Backed Notes, 2.723% Nov 21, 2018	2,500	2,533	2,555
NBC Asset Trust, Fixed to Floating, Secured, Subordinated, Perpetual, Callable, Asset-Backed, 7.235% Jun 30, 2049	1,000	1,207	1,179
		37,254	37,293
Total Investment Portfolio — 99.1%		929,657	938,920
Other Assets Less Liabilities — 0.9%			8,060
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS — 100.0%			946,980

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

BMO Harris Canadian Corporate Bond Portfolio

(unaudited)

NOTES TO FINANCIAL STATEMENTS

(All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2014

1. The Portfolio

BMO Harris Canadian Corporate Bond 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 address of the Portfolio’s registered office is 1 First Canadian Place, 41st Floor, Toronto, Ontario.

The information provided in these interim financial statements is for the periods ended June 30, 2014 and June 30, 2013, except for the comparative information in the Statement of Financial Position and the related notes, which are as at December 31, 2013 and January 1, 2013.

These financial statements were authorized for issue by BMO Trust Company, the trustee, on August 12, 2014.

2. Basis of preparation and presentation

These interim financial statements have been prepared in accordance with International Accounting Standards (“IAS”) IAS 34 Interim Financial Reporting. These are the Portfolio’s first interim financial statements during the first year of reporting in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

As required by Canadian securities legislation and the Canadian Accounting Standards Board, the Portfolio has adopted this basis of accounting effective January 1, 2014. The Portfolio’s financial statements were previously prepared in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”), as previously defined and as described in the notes to the Portfolio’s annual financial statements for the year ended December 31, 2013. Canadian GAAP, as previously defined, differs in some areas from IFRS. To comply with IFRS, the Portfolio has amended certain accounting policies, classification, measurement and disclosure previously applied in the Canadian GAAP financial statements.

As required under IFRS, the Portfolio has:

- provided comparative financial information including an opening Statement of Financial Position as at the transition date
- retroactively applied all IFRS, other than in respect of elections taken under IFRS 1; and
- applied all mandatory exceptions as applicable for the first-time adopters of IFRS.

The interim financial statements should be read in conjunction with the Portfolio’s Canadian GAAP annual financial statements for the year-ended December 31, 2013.

Note 8(h) contains reconciliations and descriptions of the effects of the transition to IFRS on the Portfolio’s reported financial position, financial performance and cash flows.

The policies applied in these interim financial statements are based on IFRS issued and outstanding as of August 12, 2014, the date the Manager approved the statements. Any subsequent changes to IFRS that are given effect in the Portfolio’s annual financial statements for the period ending December 31, 2014 could result in a restatement of these interim financial statements, including the transition adjustments.

3. Summary of significant accounting policies

Financial instruments

The Portfolio records financial instruments at fair value. Investment transactions are accounted for on the trade date. The Fund’s investments are either designated as fair value through profit or loss (“FVTPL”) at inception or classified as held for trading. The changes in the investment fair values and related transaction costs are recorded in the Portfolio’s Statement of Comprehensive Income.

Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purpose of selling or repurchasing in the near future, or on initial recognition, are part of a portfolio of identified financial instruments that the Portfolio manages together and that have a recent actual pattern of short-term profit taking. The Portfolio classifies all derivatives and short positions as held for trading. The Portfolio does not designate any derivatives as hedges in a hedging relationship.

The Portfolio designates all other investments as FVTPL, as they have reliably measurable fair values, are part of a group of financial assets or liabilities that are managed and have their performance evaluated on a fair value basis in accordance with the Fund’s investment strategy.

The Portfolio’s redeemable units contain multiple contractual obligations and consequently, do not meet the conditions to be classified as equity. As a result, the Fund’s obligations for net assets attributable to holders of redeemable units are presented at the redemption amounts.

BMO Harris Canadian Corporate Bond Portfolio

(unaudited)

NOTES TO FINANCIAL STATEMENTS (cont'd)

(All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2014

All other financial assets and liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount required to be received or paid or discounted, when appropriate, at the contract's effective interest rate.

Cost of investments

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

Fair value measurement

Investments are recorded at their fair value with the change between this amount and their average cost being recorded as change in unrealized appreciation (depreciation) in the Statement of Comprehensive Income.

For exchange traded securities, close prices are considered to be fair value if they fall within the bid-ask spread. In circumstances where the close price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

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 fair value is represented by bid prices provided by independent security pricing services. Short-term investments, if any, are amortized at cost which approximates fair value.

Exchange traded funds held as investments are valued at their respective Net Asset Value ("NAV") on each Valuation Date (the "Valuation Date" is each day on which the Toronto Stock Exchange is open for trading), as these values are the most readily and regularly available.

For securities where market quotes are not available, unreliable or not considered to reflect the current value, the Portfolio may determine another value which it considers to be fair and reasonable, 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. These estimation techniques include discounted

cash flows, internal models that utilize observable data, or comparisons with other securities that are substantially similar. In limited circumstances, the Fund uses internal models where the inputs are not based on observable market data.

Derivative instruments

Derivative instruments are financial contracts that derive their value from underlying changes in interest rates, foreign exchange rates, or other financial or commodity prices or indices.

Derivative instruments are either regulated exchange-traded contracts or negotiated over-the-counter contracts. The Portfolio may use these instruments for trading purposes, as well as to manage the Portfolio's risk exposures.

Derivatives are marked to fair value. Realized and unrealized gains and losses are recorded in the Statement of Comprehensive Income.

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 economic 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 shifting the 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.

Income recognition

Dividend income and distributions from investment trust units are recognized on the ex-dividend and ex-distribution date, respectively.

Interest income from interest bearing investments is recognized in the Statement of Comprehensive Income using the effective interest rate. Interest receivable shown in the Statement of Financial Position is accrued based on the interest bearing instruments' stated rates of interest.

Interest on inflation-indexed bonds is paid based on a principal value, which is adjusted for inflation.

BMO Harris Canadian Corporate Bond Portfolio

(unaudited)

NOTES TO FINANCIAL STATEMENTS (cont'd)

(All amounts in thousands of Canadian dollars, except per unit data)

June 30, 2014

The inflation adjustment of the principal value is recognized as part of interest income in the Statement of Comprehensive Income. 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 Date based on the inflation adjusted par value at that time and is included in "Interest income" in the Statement of Comprehensive Income.

Foreign currency translation

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 period-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 gains (losses)" and unrealized foreign exchange gains (losses) are included in "Change in unrealized appreciation (depreciation)" in the Statement of Comprehensive Income. Foreign exchange gains and losses relating to cash are included as "Foreign exchange gain (loss) on cash".

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 Comprehensive Income and is recognized when earned. The market value of the securities loaned and collateral held is determined daily. Aggregate values of securities held in trust as at June 30, 2014, and December 31, 2013 and January 1, 2013, where applicable, are disclosed in Note 8(e).

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 "Short-term penalty fees" in the Statement of Comprehensive Income.

Cash

Cash is comprised of cash and deposits with banks, which include banker acceptances and overnight demand deposits. Cash is recorded at amortized cost.

Other assets and other liabilities

Dividend receivable, interest receivable, distributions from investment trust units receivable, due from broker and subscriptions receivable, are initially measured at fair value and subsequently measured at amortized cost. Similarly, due to broker, redemptions payable and accrued expenses, are initially measured at amortized cost. Other assets and liabilities are short-term in nature, and are carried at cost or amortized cost, which approximates fair value.

Increase or decrease in net assets attributable to holders of redeemable units

"Increase (decrease) in net assets attributable to holders of redeemable units" in the Statement of Comprehensive Income represents, the increase (decrease) in net assets attributable to holders of redeemable units divided by the weighted average number of units outstanding during the period.

Taxation

The Portfolio qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada). Distributions of all net taxable income and sufficient amounts of net realized capital gains for each taxation year will be paid to unitholders so that the Portfolio will not be subject to income tax. As a result, the Portfolio has determined that it is in substance not taxable and therefore does not record income taxes in the Statement of Comprehensive Income and or recognize any deferred tax assets in the Statement of Financial Position.

The Portfolio may incur withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis with the related withholding taxes shown as a separate expense in the Statement of Comprehensive Income.

Investments in subsidiaries, joint ventures and associates

Subsidiaries are entities over which the Portfolio has control through its exposure or rights to variable returns from its investment, and has the ability to affect those returns through its power over the entity. The Portfolio has determined that it is an investment entity and as such, it accounts for subsidiaries at fair value. Joint ventures are those where the Portfolio exercises joint control through an agreement with other shareholders. Associates are investments in which the Portfolio exerts significant influence over operating, investing, and financing decisions (such as companies in which the

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Portfolio owns 20% - 50% of voting shares), all of which have been designated at FVTPL.

Accounting standards issued but not yet adopted

Below are accounting standards issued or amended but not yet effective and not yet adopted. The Manager does not expect the adoption of these standards or amendments to have a significant impact to the Portfolio's financial statements.

In July 2014, the IASB issued the most recent version of IFRS 9 Financial Instruments, which addresses classification and measurement, impairment and hedge accounting.

The new standard requires assets to be carried at amortised cost, fair value through profit and loss or fair value through

comprehensive income based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial asset. The classification and measurement of liabilities remains generally unchanged with the exception of liabilities recorded at fair value through profit and loss. For these liabilities, fair value changes attributable to changes in the entity's own credit risk are to be presented in other comprehensive income unless they affect amounts recorded in income.

The new standard also addresses impairment of financial assets. It also introduced a new hedge accounting model that expands the scope of eligible hedged items and risks eligible for hedge accounting, and aligns hedge accounting more closely with risk management.

The new standard is effective for the Portfolio for its fiscal year beginning January 1, 2018. The Portfolio is evaluating the impact of this standard on its financial statements.

4. Critical accounting estimates and judgments

The most significant accounting estimates and judgments that the Portfolio has made in preparing the financial statements relate to the fair value measurement and classification of investments.

The Portfolio has established policies and control procedures that are intended to ensure these judgments are well controlled, independently reviewed, and consistently applied from period to period. The estimates of the value of the Portfolio's assets and liabilities are believed to be appropriate as at the reporting date.

The Portfolio may hold financial instruments that are not quoted in active markets. Note 3 discusses the estimates used in determining fair value.

In classifying and measuring financial instruments held by the Portfolio, the Manager is required to make significant judgments about whether or not the business of the Portfolio is to invest on a total return basis for the purpose of applying the fair value options for financial assets.

5. Units and unit transactions

The redeemable units of the Portfolio are classified as liabilities.

The units have no par value and are entitled to distributions, if any. Upon redemption, a unit is entitled to a proportionate share of the Portfolio's NAV. The Portfolio is required to pay distributions in an amount not less than the amount necessary to ensure the Portfolio will not be liable for income taxes. The Portfolio has no restrictions or specific capital requirements on the subscriptions and redemptions of units except as disclosed in Note 8(a). The relevant movements in redeemable units are shown on the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units. In accordance with its investment objectives and strategies, and the risk management practices outlined in Note 7, the Portfolio endeavours to invest the subscriptions received in appropriate investments, while maintaining sufficient liquidity to meet redemptions, with such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

Redeemable 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 of a particular series. 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 the liabilities) by the total number of units of the Portfolio outstanding at such time.

6. 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

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NOTES TO FINANCIAL STATEMENTS (cont'd)

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June 30, 2014

servicing fees” in the Statement of Comprehensive Income.

The sub-advisors (including affiliates of the Manager, where applicable) engaged by the Manager provide investment advice and make investment decisions for the Portfolio. For these services, the sub-advisors receive sub-advisory fees that are paid monthly by the Manager. These expenses are included in “Sub-advisory fees” in the Statement of Comprehensive Income. 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 Comprehensive Income. Refer to Note 8(d) for related party fees charged to the Portfolio for the periods ended June 30, 2014 and June 30, 2013.

(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 subsidiaries or affiliates of Bank of Montreal group, 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 subsidiaries or affiliates of Bank of Montreal, 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., F&C Asset Management plc, or other investment funds offered by BMO, and may involve the purchase or sale of portfolio securities through or from a subsidiary or affiliate of Bank of Montreal, the purchase or sale of securities issued or guaranteed by a subsidiary or affiliate of Bank of Montreal, entering into forward contracts with a subsidiary or affiliate of Bank of Montreal acting as counterparty, the purchase or redemption of units of other BMO Harris Private Portfolios or the provision of services to the Manager.

7. Financial instrument risk

The Portfolio’s activities expose it to a variety of risks associated with the financial instruments, as follows: market risk (including currency risk, interest rate risk and other market risk), credit risk and liquidity risk. The concentration table groups securities by asset

type, geographic location and/or market segment. The Portfolio’s risk management practice outlines 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 financial instruments 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 disclosed in Note 8(e).

(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 8(e).

(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 or market segment. 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 8(e).

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(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 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 8(e).

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, as disclosed in Note 8(e).

(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. The proportion of illiquid securities to the 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.

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8. Portfolio specific information

(a) Portfolio information and change in units

The Portfolio's inception date was March 1, 2002.

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)	Jun. 30, 2014	Jun. 30, 2013
Units issued and outstanding, beginning of period	22,727	33,445
Issued for cash	71,777	3,272
Issued on reinvestment of distributions	1,117	645
Redeemed during the period	(5,071)	(7,923)
Units issued and outstanding, end of period	90,550	29,439

(b) Increase (decrease) in net assets attributable to holders of redeemable units per unit

The increase (decrease) in net assets attributable to holders of redeemable units per unit for the periods ended June 30, 2014 and June 30, 2013 is calculated as follows:

	Jun. 30, 2014	Jun. 30, 2013
Increase (decrease) in net assets attributable to holders of redeemable units	19,291	(2,225)
Weighted average units outstanding during the period	72,383	31,857
Increase (decrease) in net assets attributable to holders of redeemable units per unit	0.27	(0.07)

(c) Income taxes

As at the tax year-ended December 2013, the Portfolio had the following capital and non-capital losses for income tax purposes:

Total Capital Losses (\$)	Total Non- Capital Losses (\$)	Non-Capital Losses That Expire in		
		2014 (\$)	2015 (\$)	2026 and thereafter (\$)
2,159	—	—	—	—

(d) Related party transactions

Unitholder servicing

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

	Jun. 30, 2014	Jun. 30, 2013
Unitholder servicing (\$)	105	44

Brokerage commissions and soft dollars

There were no brokerage commissions charged to the Portfolio during the periods ended June 30, 2014 and June 30, 2013.

(e) Financial instrument risk

The Portfolio's objective is to produce superior returns through a combination of interest income and capital growth while also pursuing capital preservation. The Portfolio invests primarily in high quality fixed income securities such as bonds and debentures issued by governments and corporations that mature in more than one period.

Effective January 25, 2013, the Portfolio's investment strategies were changed to permit the Portfolio to invest in fixed income securities in reference to the characteristics of a widely recognized Canadian corporate bond index.

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

Currency risk

As at June 30, 2014, December 31, 2013, and January 1, 2013, the Portfolio did not have any significant exposure to currency risk as it invested fully in Canadian securities.

Interest rate risk

The following table summarizes the Portfolio's exposure to interest rate risk by remaining term to maturity.

Number of years	Interest Rate Exposure as at		
	Jun. 30, 2014	Dec. 31, 2013	Jan. 1, 2013
Less than one year	—	—	53,524
One to three years	308,605	58,810	65,547
Three to five years	288,227	66,845	75,224
Five to ten years	342,088	81,499	53,804
Greater than ten years	—	24,029	103,810
Total	938,920	231,183	351,909

As at the periods ended June 30, 2014, December 31, 2013, and January 1, 2013, if the prevailing interest rates had been strengthened or weakened by 1%, assuming a parallel shift in the yield curve, with all other factors remaining constant, Net Assets could possibly have increased or decreased, respectively, by approximately \$36,506 (December 31, 2013 – \$8,882; January 1, 2013 – \$20,413). The Portfolio's interest rate

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NOTES TO FINANCIAL STATEMENTS (cont'd)

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sensitivity was determined based on portfolio weighted duration. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Other market risk

The Portfolio was not significantly exposed to other market risk as at June 30, 2014, December 31, 2013 and January 1, 2013 as it was invested fully in fixed income securities.

Credit risk

The Portfolio's credit risk exposure grouped by credit ratings is listed in the following table:

Credit Rating	As a % of Net Assets as at		
	Jun. 30, 2014	Dec. 31, 2013	Jan. 1, 2013
R-1 High	-	-	2.8
AAA	4.7	3.8	14.7
AA	30.0	30.6	33.4
A	34.0	34.3	36.2
BBB	30.4	30.3	11.6
BB	-	-	-
Total	99.1	99.0	98.7

Securities lending

There were no assets involved in securities lending transactions as at June 30, 2014, December 31, 2013 and January 1, 2013.

Concentration risk

The following is a summary of the Portfolio's concentration risk:

	Jun. 30, 2014	Dec. 31, 2013	Jan. 1, 2013
Money Market Investments			
Federal	—%	—%	2.8%
Bonds & Debentures			
Federal Bonds	—%	—%	12.3%
Corporate Bonds & Debentures	95.2%	94.7%	82.7%
Asset-Backed Securities	3.9%	4.3%	0.9%
Other Assets Less Liabilities	0.9%	1.0%	1.3%
	100.0%	100.0%	100.0%

(f) Financial assets and financial liabilities

Categories of financial assets and financial liabilities

The table below shows the categories of financial assets and financial liabilities.

	Jun. 30, 2014	Dec. 31, 2013	Jan. 1, 2013
Financial assets designated at FVTPL	938,920	231,183	351,909
Loans and receivables	32,512	3,016	3,154
Financial liabilities measured at amortized cost	30,865	48	70

Net gains and losses on financial assets and financial liabilities at fair value

	Jun. 30, 2014	Jun. 30, 2013
Net realized gains on financial assets at FVTPL		
Designated at FVTPL	9,199	9,623
	9,199	9,623
Total net realized gains on financial assets and financial liabilities at FVTPL	9,199	9,623
Change in unrealized gains (losses) on financial assets at FVTPL		
Designated at FVTPL	10,302	(11,764)
	10,302	(11,764)
Total change in unrealized gains (losses) on financial assets and financial liabilities at FVTPL	10,302	(11,764)

(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 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 observable 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 tables below show the relevant disclosure.

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NOTES TO FINANCIAL STATEMENTS (cont'd)

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As at Jun. 30, 2014

Financial assets	Level 1	Level 2	Level 3	Total
Debt Securities	938,920	—	—	938,920

As at Dec. 31, 2013

Financial assets	Level 1	Level 2	Level 3	Total
Debt Securities	231,183	—	—	231,183

As at Jan. 1, 2013

Financial assets	Level 1	Level 2	Level 3	Total
Debt Securities	6,160	345,749	—	351,909

Transfers between levels

There were no transfers between levels during the periods.

(h) Transition to IFRS

The differences between the Portfolio's Canadian GAAP accounting policies and IFRS requirements resulted in measurement and classification differences on transition to IFRS. The net impact of these differences was recorded in opening Net Assets as of January 1, 2013.

The following information reflects the Portfolio's transition elections under IFRS 1, First-time Adoption of International Financial Reporting Standards ("IFRS 1"), the standard for first-time adoption and the significant accounting changes resulting from our adoption of IFRS. The general principle under IFRS 1 is retroactive application, such that the Portfolio's Statement of Financial Position as at January 1, 2013 was restated as though the Portfolio has always applied IFRS with the net impact shown as an adjustment to opening Net Assets.

Transition elections

The Portfolio had applied the voluntary exemption upon transition to designate financial assets or financial liabilities at FVTPL. All financial assets designated at FVTPL upon transition were previously recorded at fair value under Canadian GAAP as required by Accounting Guideline 18, Investment Companies.

Statement of cash flows

Under Canadian GAAP, the Portfolio was exempt from providing a Statement of Cash Flows. IAS 1, Presentation of Financial Statements ("IAS 1"), requires that a Statement of Cash Flows to be presented as part of a complete set of financial statements. As such, the Portfolio has presented a Statement of Cash Flows in the

interim financial statements for the periods ended June 30, 2014 and June 30, 2013.

Classification of redeemable units issued by the Portfolio

Under Canadian GAAP, redeemable units of the Portfolio were presented as Net Assets. IAS 32, Financial Instruments: Disclosure and Presentation ("IAS 32"), however, requires an assessment to determine whether the units issued to unitholders are puttable instruments that qualify for equity classification. The Portfolio's units do not meet the criteria in IAS 32 for equity classification and therefore, have been reclassified as financial liabilities on transition to IFRS and presented on the Statement of Financial Position as Net Assets.

Revaluation of investments at FVTPL

Canadian GAAP required the use of bid prices for long positions and ask prices for short positions in determining fair valuation of investments traded in an active market, rather than the use of close prices used for the purpose of determining NAV. IFRS 13, Fair Value Measurement ("IFRS 13"), requires that if an asset or a liability has a bid price and an ask price, then its fair value is to be based on a price within the bid-ask spread that is most representative of fair value. The standard also allows the use of mid-market pricing or other pricing conventions that are used by market participants as a practical expedient for fair value measurements within a bid-ask spread. Upon adoption of IFRS, the Portfolio has determined that for traded securities, close price on the reporting date are considered to be fair value, if they fall within the bid-ask spread. See Note 3 for the Portfolio's fair value measurement policy.

Reconciliation of Net Assets as reported under Canadian GAAP to IFRS

	Dec. 31, 2013	Jun. 30, 2013	Jan. 1, 2013
Net assets representing unitholders' equity under Canadian GAAP	233,409	304,895	356,605
Revaluation of investments at FVTPL	—	—	—
Net assets attributable to holders of redeemable units	233,409	304,895	356,605

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June 30, 2014

Reconciliation of increase (decrease) in net assets reported under Canadian GAAP to IFRS

	Dec. 31, 2013	Jun. 30, 2013
Increase (decrease) in net assets from operations under Canadian GAAP	1,161	(2,225)
Revaluation of investments at FVTPL	—	—
Increase (decrease) in net assets attributable to holders of redeemable units	1,161	(2,225)

Presentation of Interest Income

Under Canadian GAAP, the Portfolio presented interest income on debt instruments in the Statement of Operations calculated using the stated rate without amortization of discounts, premiums or transaction costs. IFRS requires interest income to be calculated using the effective interest method. As a result, \$1,601 was reclassified from “change in unrealized appreciation (depreciation)” to “Interest Income” in the Statement of Comprehensive Income for the period ended June 30, 2013 to conform to the IFRS presentation.

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