

Semi-Annual Management Report of Fund Performance

BMO Harris Canadian Money Market Portfolio

For the period ended June 30, 2012

This semi-annual management report of fund performance contains financial highlights but does not contain semi-annual financial statements of the Portfolio. If the semi-annual financial statements of the Portfolio do not accompany the mailing of this report, you may obtain a copy of the semi-annual financial statements at your request, and at no cost, by calling 1-800-361-1392, by e-mailing us at contactcentre@bmonb.com, by writing to us at BMO Harris Investment Management Inc., 1 First Canadian Place, 100 King St. W., 41st Floor, Toronto, Ontario, M5X 1H3 or by visiting our website at www.bmoharrisprivatebanking.com or SEDAR at www.sedar.com. You may also contact us using one of these methods to request a copy of the Portfolio's proxy voting policies and procedures, proxy voting disclosure record and/or quarterly portfolio disclosure.

Management Discussion of Fund Performance

BMO Harris Investment Management Inc. ("BHIMI"), the manager and portfolio manager, is responsible for the management of the overall business, investments and operations of BMO Harris Private Portfolios and has engaged BMO Asset Management Inc. ("BMO AM") as the sub-advisor (the "sub-advisor") of BMO Harris Canadian Money Market Portfolio (the "Portfolio").

Results of Operations

For the six-month period ended June 30, 2012, the Portfolio returned 0.6%, after expenses.

The Portfolio's benchmark is the DEX 91 Day T-Bill Index, which generated a 0.5% total return over the same six-month period.

Widespread turmoil in global economic conditions dominated the first half of 2012 as fears intensified about European sovereign debt and slowing growth in emerging markets. This fragile international economic backdrop was likely a significant factor in the Bank of Canada's ("BoC") decision to not increase its administered interest rate, which remained at 1% after the BoC's June policy meeting. The BoC has held the interest rate steady since September 2010. The sub-advisor believes the current overnight interest rate will remain constant until well into 2013 as the BoC awaits clearer signs that external pressures have eased.

The three-month Government of Canada Treasury bill ("T-bill") yield closed the first six months of 2012 at 0.89%, higher than the December 2011 close of 0.84%. At June 30, 2012, the bank prime rate held at 3.0%. The

Canadian dollar ended the review period at US\$0.984, which is approximately a cent stronger than the December 2011 closing value.

With external pressures still present, the Portfolio's sub-advisor maintained the high credit quality and liquidity of the Portfolio over the review period. The sub-advisor modestly reduced the Portfolio's holdings in government securities and slightly increased the high-quality holdings in the corporate sector. In order to take advantage of higher potential yield opportunities, the Portfolio's allocation to provincial bonds was higher than its Canada T-bill holdings.

Within the Portfolio's allocation to the corporate sector, there was a modestly higher sector weighting in bank notes and corporate paper and increased exposure in corporate bonds maturing in less than one year, all of which added yield to the Portfolio.

The Portfolio continues to be diversified in terms of maturities and issuers and remains focused on providing a high level of interest income and liquidity and preserving the capital invested.

For information on the Portfolio's longer-term performance and composition, please refer to the Past Performance section and Summary of Investment Portfolio section of this report.

Recent Developments

In the first half of 2012, the BoC maintained its stance that Canada's still-healthy domestic economy requires less policy accommodation (in other words, the economy does not need the BoC to lower its administered

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interest rate). The BoC constantly hints that it will eventually withdraw policy stimulus (meaning it would hike rates). Nevertheless, it is the sub-advisor's view that, because of global uncertainties, it is unlikely the BoC will raise the interest rate this year. In the interim, the sub-advisor believes the more restrictive lending guidelines introduced by the federal government and bank regulator, the Office of the Superintendent of Financial Institutions, will allow the BoC to monitor Canadian household debt levels. While the Canadian economy has navigated the global financial crisis well, the sub-advisor believes the Canadian economy is transitioning into a period of softer economic growth.

Overall, the BoC still has a bias toward higher rates and is unlikely to cut the overnight rate unless there is clear evidence that the economy is headed back into a recession. Barring that outcome, the sub-advisor believes the BoC will not change the interest rate until 2013. If risks diminish, the sub-advisor thinks that the BoC will eventually want to increase the overnight rate, but at a gradual and staggered pace. The U.S. Federal Reserve also left its funds target in the 0.00% to 0.25% range and indicated it will retain exceptionally low rates through at least late 2014. Accordingly, the sub-advisor expects to maintain the average term (maturity) of the Portfolio at close to maximum allowable levels in the near term in order to take advantage of higher yields offered in the current interest-rate environment.

The sub-advisor will continue to assess the economic outlook and watch for indications that interest rates might move up or down, and will adjust the term of the Portfolio accordingly. The Portfolio's emphasis will be on holding high-quality government and corporate securities to help enhance its performance.

Change to Expenses

The Portfolio is responsible for the payment of all expenses relating to the operation of the Portfolio and the carrying on of its business. Currently, these expenses are capped and the trustee absorbs any expenses above this capped amount.

Effective October 1, 2012, the existing cap on the expenses of the Portfolio will be removed. Also, commencing on that date, any fees payable to the sub-advisor of the Portfolio over 0.15% (plus any applicable HST) will become an expense of the Portfolio.

Transition to International Financial Reporting Standards

In March 2011, the Canadian Accounting Standards Board ("AcSB") amended its mandatory requirement for all Canadian publicly accountable enterprises to prepare their financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), permitting investment companies, which includes mutual funds, to defer the adoption of IFRS. On December 12, 2011, the AcSB decided to extend by one year the deferral from fiscal years beginning on or after January 1, 2013 to January 1, 2014.

The deferral of the mandatory IFRS changeover date to January 1, 2014 is to prevent Canadian investment companies and segregated accounts of life insurance enterprises from having to change their current accounting treatment for controlled investees while the IASB finalizes its proposed investment entities standard. Under IFRS 10 Consolidated Financial Statements, investment companies are required to consolidate their controlled investments. The IASB has issued an exposure draft that will exempt entities that qualify as investment entities from consolidating their controlled investments and requires such entities to record, with very limited exceptions, all of their investments at fair value through profit or loss account. This exposure draft is still under review. Canadian Generally Accepted Accounting Principles ("GAAP") permits investment companies to fair value their investments regardless of whether those investments are controlled. The AcSB will continue to monitor the need to revise the IFRS changeover date for these entities.

The Portfolio has not elected to early adopt IFRS, therefore it will adopt IFRS effective January 1, 2014. The Portfolio expects to report its financial results for the six-month period ending June 30, 2014 prepared on an IFRS basis. The Portfolio will also provide comparative data on an IFRS basis, including an opening balance sheet as at January 1, 2013. Further revisions by the AcSB to the IFRS adoption date for investment companies are possible.

BHIMI has not identified any changes that will impact net asset value per unit as a result of the changeover to IFRS. However, this determination is subject to change as BHIMI finalizes its assessment of potential IFRS differences and as new standards are issued by the IASB prior to the Portfolio's adoption of IFRS. The

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criteria contained within the IFRS Financial Instruments: Presentation Standard may require unit-holders' equity to be classified as a liability within the Portfolio's Statement of Net Assets, unless certain conditions are met. BHIMI is currently assessing the Portfolio's unitholder structure to confirm classification.

Related Party Transactions

BMO Trust Company, an indirect, wholly-owned subsidiary of Bank of Montreal, is the trustee (the "trustee") and BHIMI is the manager of the Portfolio. From time to time, BHIMI may, on behalf of the Portfolio, enter into transactions or arrangements with or involving other members of BMO Financial Group, or certain other persons or companies that are related or connected to the Portfolio (each, a "related party" and collectively, the "related parties").

Portfolio Manager

BHIMI has hired BMO AM, a related party, to provide investment advice and make investment decisions for the Portfolio's investment portfolio. BMO AM receives an investment advisory fee based on assets under management that is paid monthly. BMO AM is paid by BHIMI and not by the Portfolio.

Buying and Selling Securities

Trades in Debt Securities with a Related Entity, Trading as Principal

During the period, BHIMI relied on an approval and standing instruction provided by the Portfolio's Independent Review Committee ("IRC") to enable the Portfolio to trade in debt securities in the secondary market with BMO Nesbitt Burns Inc., an affiliate of BHIMI, who is trading with the Portfolio as principal (each trade, a "related party transaction"). In accordance with the IRC's approval and standing instruction, in making a decision to permit the Portfolio to make a related party transaction, BHIMI and BMO AM are required to comply with BHIMI's written policies and procedures governing the related party transaction and report periodically to the IRC, describing each instance that BHIMI relied on the approval and standing instruction and its compliance or noncompliance with the governing policies and procedures. The governing policies and procedures are designed to ensure the related party transaction (i) is made free from any influence of BMO Nesbitt Burns Inc. or an associate or affiliate of BMO Nesbitt Burns Inc. and without taking

into account any considerations relevant to BMO Nesbitt Burns Inc. or an associate or affiliate of BMO Nesbitt Burns Inc., (ii) represents the business judgment of BHIMI, uninfluenced by considerations other than the best interests of the Portfolio, and (iii) achieves a fair and reasonable result for the Portfolio.

Wealth Management Fee

Units of the Portfolio are only available through the wealth management service offered through BMO Financial Group. The trustee, a related party, receives an annual fee from each investor for the wealth management service offered through BMO Financial Group. A tiered schedule is applied to calculate the annual fee for this service; the fee schedule starts at 1.95% and declines to 0.20% (depending on the nature and size of the investor's investment portfolio), and is calculated as a percentage of the assets under management. The actual investment management fee payable by each investor is set out in the BHIMI Investment Management Fee Schedule that has been provided to the investor in conjunction with the investment management agreement between the investor, the trustee and BHIMI. This fee is paid directly by the investor to the trustee. The trustee may compensate financial institutions and securities registrants within BMO Financial Group for client referrals to the wealth management service.

Unitholder Services

The Portfolio is provided with certain facilities and services by related parties. BMO AM is the registrar of the Portfolio. The trustee and BMO AM are paid by the Portfolio for fees relating to the custodial and administrative services they provide, respectively. Administrative services include fund accounting, record keeping and purchases/redemption order processing. The fees charged to the Portfolio during the period were as follows:

	2012 (\$000s)	2011 (\$000s)
Unitholder Services	160	156

Management Fee

There is no management fee charged to the Portfolio. The trustee receives an annual fee from investors for the wealth management service offered through BMO Financial Group.

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Financial Highlights

The following tables show selected key financial information about the Portfolio and are intended to help you understand the Portfolio's financial performance for the periods indicated.

The Portfolio's Net Assets Per Unit ⁽¹⁾	Six months ended June 30, 2012	Years ended December 31					
		2011	2010	2009	2008	2007	
Net assets, beginning of period	\$ 10.00	10.00	10.00	10.00	10.00	10.00	10.00
Increase (decrease) from operations:							
Total revenue	\$ 0.06	0.12	0.07	0.13	0.33	0.44	
Total expenses	\$ (0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	
Realized gains (losses) for the period	\$ —	—	—	—	—	—	
Unrealized gains (losses) for the period	\$ —	—	—	—	—	—	
Total increase (decrease) from operations ⁽²⁾	\$ 0.06	0.12	0.07	0.13	0.33	0.44	
Distributions:							
From income (excluding dividends)	\$ 0.06	0.12	0.07	0.13	0.33	0.44	
From dividends	\$ —	—	—	—	—	—	
From capital gains	\$ —	—	—	—	—	—	
Return of capital	\$ —	—	—	—	—	—	
Total Annual Distributions ⁽³⁾	\$ 0.06	0.12	0.07	0.13	0.33	0.44	
Net assets, end of period	\$ 10.00	10.00	10.00	10.00	10.00	10.00	

⁽¹⁾ This information is derived from the Portfolio's audited annual financial statements and unaudited June 30, 2012, semi-annual financial statements. The net assets per unit presented in the financial statements differs from the net asset value calculated for Portfolio pricing purposes. An explanation of these differences can be found in the notes to the financial statements.

⁽²⁾ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

⁽³⁾ Distributions were paid in cash or reinvested in additional units of the Portfolio, or both.

Ratios and Supplemental Data	Six months ended June 30, 2012	Years ended December 31				
		2011	2010	2009	2008	2007
Total net asset value (000s) ⁽¹⁾	\$ 1,090,433	1,220,714	1,075,079	1,979,052	2,110,552	1,435,990
Number of units outstanding (000s) ⁽¹⁾	109,043	122,071	107,508	197,905	211,055	143,599
Management expense ratio ⁽²⁾	% 0.05	0.05	0.04	0.02	0.03	0.03
Management expense ratio before waivers or management absorptions	% 0.05	0.05	0.04	0.02	0.03	0.03
Trading expense ratio ⁽³⁾	% —	—	—	—	—	—
Portfolio turnover rate ⁽⁴⁾	% —	—	—	—	—	—
Net asset value per unit	\$ 10.00	10.00	10.00	10.00	10.00	10.00

⁽¹⁾ This information is provided as at June 30 or December 31 of the period shown.

⁽²⁾ Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

⁽³⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. For all the financial periods listed, no commissions or portfolio transaction costs were incurred by the Portfolio. As a result, the trading expense ratio for all the periods was zero.

⁽⁴⁾ The portfolio turnover rate indicates how actively the Portfolio's sub-advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Portfolio buying and selling all of the securities in its portfolio once in the course of the year. The higher a portfolio turnover rate in a year, the greater the trading costs payable by the Portfolio in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Portfolio. The portfolio turnover ratio is not applicable to money market funds.

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Past Performance

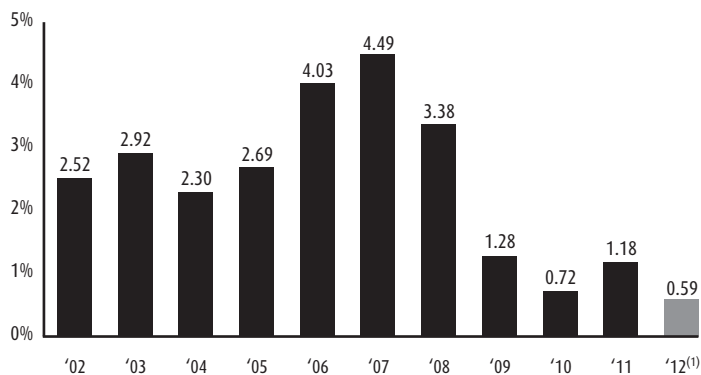
General

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

The performance information does not take into account sales, redemption, distribution or other optional charges that, if applicable, would have reduced returns or performance. Please remember, how the Portfolio has performed in the past does not indicate how it will perform in the future.

Year-by-Year Returns

The following bar chart(s) show the performance for each of the financial years and for the six-month period ended June 30, 2012 shown. The chart(s) show in percentage terms how an investment made on the first day of each financial year would have increased or decreased by the last day of the financial year.



⁽¹⁾ For the six-month period ended June 30, 2012.

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Summary of Investment Portfolio

as at June 30, 2012

Portfolio Allocation	% of Net Asset Value
Corporate Bonds	44.0
Treasury Bills – Provincial	20.1
Commercial Paper	15.4
Treasury Bills – Federal	6.3
Bankers Acceptances	3.8
Other	2.7
Money Market – Provincial	2.7
Government Bonds	1.8
Provincial Bonds	1.8
Cash/Receivables/Payables	1.4

Top 25 Holdings	% of Net Asset Value
Royal Bank of Canada, Deposit Notes, Senior, Unsecured, Unsubordinated, 5.200% Aug 15, 2012	5.6
Toyota Credit Canada Inc., Euro Medium Term Notes, Unsecured, 5.050% Jul 27, 2012	4.8
Government of Canada, Treasury Bills, Jul 5, 2012	4.6
GE Capital Canada Funding Company, Series A, Medium Term Notes, Unsecured, Unsubordinated, 5.290% Aug 17, 2012	3.6
BMW Canada Inc., Unsecured, Notes, Unsubordinated, 3.220% Mar 28, 2013	3.4
Canadian Imperial Bank of Commerce, Deposit Notes, Senior, 5.000% Sep 10, 2012	2.8
Hydro One Inc., Series 3, Medium Term Notes, Senior, Unsecured, 5.770% Nov 15, 2012	2.6
Honda Canada Finance Inc., Discounted Notes, Jul 6, 2012	2.6
Province of Ontario, Treasury Bills, Sep 19, 2012	2.5
Province of Ontario, Treasury Bills, Jul 11, 2012	1.8
Province of Newfoundland, Treasury Bills, Sep 20, 2012	1.8
Honda Canada Finance, Inc., Senior, Unsecured, Notes, 5.076% May 9, 2013	1.8
Bank of Nova Scotia, The, Bearer Deposit Notes, Jul 9, 2012	1.7
Province of Ontario, Treasury Bills, Aug 1, 2012	1.6
Wells Fargo Financial Canada Corporation, Medium Term Notes, Senior, Unsecured, Unsubordinated, 5.200% Sep 13, 2012	1.5

Top 25 Holdings	% of Net Asset Value
Metropolitan Life Global Funding I, Global Medium Term Notes, Senior, Secured, 2.625% Dec 3, 2012	1.5
Glacier Credit Card Trust, Series 2008-1, Credit Card Asset-Backed Notes, Senior, 5.027% Feb 20, 2013	1.4
Bank of Nova Scotia, Deposit Notes, Senior, Unsecured, 5.040% Apr 8, 2013	1.4
Cash/Receivables/Payables	1.4
Government of Canada, 2.000% Sep 1, 2012	1.4
Enbridge Inc., Discounted Notes, Jul 27, 2012	1.4
Province of Quebec, Treasury Bills, Aug 24, 2012	1.4
Daimler Canada Finance Inc., Discounted Notes, Sep 27, 2012	1.4
Province of New Brunswick, Treasury Bills, Jul 24, 2012	1.4
Greater Toronto Airports Authority, Series 2002-2, Medium Term Notes, Secured, Callable, 6.250% Dec 13, 2012	1.3
Top Holdings as a percentage of net asset value	56.7
Total Net Asset Value	\$1,090,433,301

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

Manager

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This document may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent our beliefs regarding future events. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking statements will not prove to be accurate. We caution readers of this document not to place undue reliance on our forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed or implied in the forward-looking statements. Actual results may differ materially from management expectations as projected in such forward-looking statements for a variety of reasons, including but not limited to market and general economic conditions, interest rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the Portfolio may invest and the risks detailed from time to time in BMO Harris Private Portfolios’ simplified prospectus. We caution that the foregoing list of factors is not exhaustive and that when relying on forward-looking statements to make decisions with respect to investing in the Portfolio, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Due to the potential impact of these factors, BMO Harris Investment Management Inc. does not undertake, and specifically disclaims, any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

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