

Semi-Annual Management Report of Fund Performance

BMO Harris Canadian Special Growth 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 contact.centre@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 Special Growth Portfolio (the "Portfolio").

Results of Operations

For the six-month period ended June 30, 2012, the Portfolio returned -1.2%, after expenses.

The Portfolio's benchmark is the BMO Capital Markets Small Cap Index, which generated a -6.0% total return over the same review period.

At the start of 2012, the prevailing mood among investors was optimism. A solution to the European debt problem seemed imminent and the North American economy showed signs of stabilizing. This optimism provided global stock markets with a lift. Before the end of the first quarter, however, fears over European fiscal and debt issues re-ignited, while economic indicators in emerging markets came in below expectations, causing equity markets to pull back significantly.

In the second quarter, market volatility continued, exacerbated by U.S. economic indicators that began to show signs of decelerating growth. These factors combined to impact equity markets globally, as stock

markets and assets such as commodities that are geared to global growth moved lower across much of the globe. Because many small-capitalization companies are commodity based, this made the correction more severe for these securities. The strong start to the year, combined with the sell-off in the second quarter, resulted in the Portfolio's negative absolute return for the first half of 2012, despite its strong outperformance relative to its benchmark.

Over the review period, the greatest impact on returns for the Portfolio's benchmark came from the Energy and Materials sectors, which together make up over 50% of the benchmark by weight. The fall in the prices of several commodities, coupled with the risk aversion created by the above-mentioned factors, caused investors to aggressively sell resource-company stocks, particularly toward the second half of the period. The Portfolio had a high exposure to these stocks on an absolute basis and was negatively impacted as a result.

Stock selection in the Portfolio was a factor in its outperformance relative to the benchmark. Helping the Portfolio to outperform its benchmark for the review period was stock selection in the Industrials, Consumer Discretionary, Information Technology, and Financials sectors. Sector allocation was also beneficial. Relative to the benchmark, the Portfolio held an overweight position in the Information Technology sector, which was the best-performing sector over the review period. The Portfolio held an underweight position in the Materials sector, which performed weakly for the

BMO Harris Canadian Special Growth Portfolio

review period. In this environment, exposure to the Materials sector had a negative impact; not surprisingly, the Materials sector had the greatest negative impact on overall returns. Negative contribution within the Materials space was fairly broad based, coming from both exploration and producing companies, and both base and precious metals stocks as investors sold the sector quite broadly.

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 sub-advisor's opinion, uncertainty and volatility in the equity market are likely to continue as long as the following three conditions exist: sovereign debt problems remain unresolved in Europe; the U.S. economy continues to show muted economic growth; and economic growth in emerging markets continues to disappoint.

The sub-advisor has continued decreasing the Portfolio's exposure to the Materials sector by reducing exposure to gold and base metals companies and the Energy sector. The sub-advisor has increased the Portfolio's weight in the Industrials, Consumer Discretionary, Financials, and Information Technology sectors because attractive growth investments that meet the sub-advisor's criteria for stock selection can be found in these groups.

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

BMO Harris Canadian Special Growth Portfolio

differences and as new standards are issued by the IASB prior to the Portfolio's adoption of IFRS. The 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

Related-Party Underwritings

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 make an investment in a class of equity and/or non-government debt securities of an issuer during the period of distribution of those securities to the public and/or the 60-day period following the distribution period where BMO Nesbitt Burns Inc., an affiliate of BHIMI, acted as an underwriter in the distribution (each investment, a "related party transaction"). In accordance with the IRC's approval and standing instruction, in making a decision to cause 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 their compliance

or non-compliance 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.

Brokerage Commissions

The Portfolio pays standard brokerage commissions at market rates to BMO Nesbitt Burns Inc., an affiliate of the manager, for executing a portion of its trades. The brokerage commissions charged to the Portfolio during the period were as follows:

	2012 (\$000s)	2011 (\$000s)
Total Brokerage Commissions	386	773
Brokerage Commissions paid to BMO Nesbitt Burns Inc.	11	24

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.

BMO Harris Canadian Special Growth Portfolio

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	85	105

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.

BMO Harris Canadian Special Growth Portfolio

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	\$ 40.96	49.58	35.96	22.97	44.76	39.58
Increase (decrease) from operations:						
Total revenue	\$ 0.27	0.66	0.32	0.25	0.42	0.57
Total expenses	\$ (0.13)	(0.30)	(0.31)	(0.26)	(0.43)	(0.39)
Realized gains (losses) for the period	\$ (0.41)	2.56	6.83	(1.38)	(13.72)	8.87
Unrealized gains (losses) for the period	\$ 0.01	(11.22)	7.48	15.00	(9.29)	2.54
Total increase (decrease) from operations ⁽²⁾	\$ (0.26)	(8.30)	14.32	13.61	(23.02)	11.59
Distributions:						
From income (excluding dividends)	\$ —	—	0.01	0.06	0.35	0.37
From dividends	\$ —	0.79	0.11	0.13	0.22	0.07
From capital gains	\$ —	—	—	—	—	6.36
Return of capital	\$ —	0.00	—	—	—	—
Total Annual Distributions ⁽³⁾	\$ —	0.79	0.12	0.19	0.57	6.80
Net assets, end of period	\$ 40.49	40.96	49.58	35.96	22.97	44.76

⁽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⁾	\$ 146,203	171,224	238,987	126,543	57,111	118,518
Number of units outstanding (000s) ⁽¹⁾	3,595	4,161	4,803	3,499	2,465	2,633
Management expense ratio ⁽²⁾	% 0.17	0.16	0.10	0.10	0.10	0.10
Management expense ratio before waivers or management absorptions	% 0.17	0.16	0.10	0.10	0.10	0.10
Trading expense ratio ⁽³⁾	% 0.46	0.50	0.67	0.81	1.06	0.72
Portfolio turnover rate ⁽⁴⁾	% 29.86	77.27	83.84	89.22	142.74	105.39
Net asset value per unit	\$ 40.67	41.15	49.75	36.17	23.17	45.01

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

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

⁽³⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

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

BMO Harris Canadian Special Growth Portfolio

Past Performance

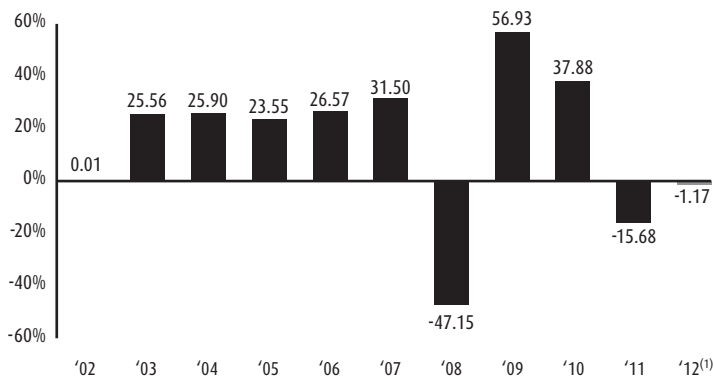
General

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.

BMO Harris Canadian Special Growth Portfolio

Summary of Investment Portfolio

as at June 30, 2012

Portfolio Allocation	% of Net Asset Value	Top 25 Holdings	% of Net Asset Value
Materials	18.7	MacDonald, Dettwiler and Associates Ltd.	4.6
Industrials	17.0	Descartes Systems Group Inc., The	3.6
Energy	15.9	Canadian Western Bank	3.6
Financials	14.5	TransForce Inc.	3.0
Information Technology	13.4	Province of Alberta, Promissory Notes, 1.029% Jul 16, 2012	2.7
Consumer Discretionary	8.8	Toromont Industries Ltd.	2.7
Money Market Investments	7.4	Allied Properties REIT	2.3
Health Care	3.4	WestJet Airlines Ltd.	2.3
Cash/Receivables/Payables	0.9	Allied Nevada Gold Corp.	2.2
		FirstService Corporation	2.2
		Linamar Corporation	2.1
		Paladin Labs Inc.	2.1
		Wajax Corporation	2.1
		Celtic Explorations Ltd.	2.0
		Perseus Mining Limited	2.0
		Computer Modelling Group Ltd.	2.0
		Bauer Performance Sports Ltd.	1.9
		Canadian Helicopters Group Inc.	1.9
		Aurora Oil & Gas Limited	1.9
		Softchoice Corporation	1.8
		ATS Automation Tooling Systems Inc.	1.7
		Chartwell Seniors Housing REIT	1.7
		Aecon Group Inc.	1.7
		Canfor Corporation	1.7
		Element Financial Corporation	1.6
		Top holdings as a percentage of net asset value	57.4
		Total Net Asset Value	\$146,203,190

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

Manager

BMO Harris Investment
Management Inc.
1 First Canadian Place
100 King St. W., 41st Floor
Toronto, Ontario M5X 1H3

Trustee

BMO Trust Company
1 First Canadian Place
100 King St. W., 41st Floor
Toronto, Ontario M5X 1H3

®“BMO (M-bar roundel symbol) Harris Private Banking” is a registered trade-mark of Bank of Montreal, used under licence. BMO Harris Private Banking is part of BMO Financial Group. Banking services are offered through Bank of Montreal. Investment management services are offered through BMO Harris Investment Management Inc., an indirect subsidiary of Bank of Montreal. Estate, trust, planning, administration, custodial and tax services are offered through BMO Trust Company, a wholly owned subsidiary of Bank of Montreal.

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.

www.bmoharrisprivatebanking.com

(06/12)