

Semi-Annual Financial Statements

BMO Private Portfolios

June 30, 2018

BMO Private Canadian Corporate Bond Portfolio

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

BMO Private Investment Counsel 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 Chartered Professional Accountants of Canada.

BMO Private Canadian Corporate Bond Portfolio

(unaudited)

STATEMENT OF FINANCIAL POSITION

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

As at	June 30 2018	December 31 2017
Assets		
Current Assets		
Cash	2,081	5,639
Investments		
Non-derivative financial assets	1,631,757	1,410,274
Receivable for investments sold	1,857	—
Subscriptions receivable	379	369
Interest receivable	12,691	11,324
Total assets	1,648,765	1,427,606
Liabilities		
Current Liabilities		
Payable for investments purchased	4,845	3,962
Redemptions payable	1,664	507
Distributions payable	178	—
Accrued expenses	102	101
Total liabilities	6,789	4,570
Net assets attributable to holders of redeemable units	1,641,976	1,423,036
Net assets attributable to holders of redeemable units per unit	\$ 10.13	\$ 10.23

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

BMO Private 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 2018	June 30 2017
Income		
Interest income	22,400	17,550
Other changes in fair value of investments and derivatives		
Net realized (loss) gain	(3,103)	3,728
Change in unrealized (depreciation) appreciation	(11,034)	82
Net gain in fair value of investments and derivatives	8,263	21,360
Securities lending (note 8)	9	6
Foreign exchange gain	0	0
Total other income	9	6
Total income	8,272	21,366
Expenses		
Sub-advisory fees	912	740
Audit fees	5	6
Independent review committee fees	2	2
Withholding taxes	0	1
Custodian fees	12	10
Legal and filing fees	40	33
Unitholder servicing fees	224	224
Printing and stationery fees	8	7
Operating expenses absorbed by the Manager	(912)	(740)
Total expenses	291	283
Increase in net assets attributable to holders of redeemable units	7,981	21,083
Increase in net assets attributable to holders of redeemable units per unit (note 8)	0.05	0.16

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BMO Private 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 2018	June 30 2017
Net assets attributable to holders of redeemable units at beginning of period	1,423,036	1,299,295
Increase in net assets attributable to holders of redeemable units	7,981	21,083
Distributions to holders of redeemable units		
From net investment income	(24,614)	(20,733)
Total distributions paid to holders of redeemable units	(24,614)	(20,733)
Redeemable unit transactions		
Proceeds from redeemable units issued	339,011	155,402
Reinvestments of distributions to holders of redeemable units	23,633	19,961
Redemption of redeemable units	(127,071)	(89,010)
Net increase from redeemable unit transactions	235,573	86,353
Net increase in net assets attributable to holders of redeemable units	218,940	86,703
Net assets attributable to holders of redeemable units at end of period	1,641,976	1,385,998

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BMO Private Canadian Corporate Bond Portfolio

(unaudited)

STATEMENT OF CASH FLOWS

(All amounts in thousands of Canadian dollars)

For the periods ended	June 30 2018	June 30 2017
Cash flows from operating activities		
Increase in net assets attributable to holders of redeemable units	7,981	21,083
Adjustments for:		
Net realized loss (gain) on sale of investments and derivatives	3,103	(3,728)
Change in unrealized depreciation (appreciation) of investments and derivatives	11,034	(82)
(Increase) decrease in interest receivable	(1,367)	635
Increase in accrued expenses	1	6
Amortization of premium and discount	2,927	3,636
Purchases of investments	(497,889)	(405,308)
Proceeds from sale and maturity of investments	258,368	318,261
Net cash from operating activities	(215,842)	(65,497)
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(803)	(635)
Proceeds from issuances of redeemable units	339,001	155,735
Amounts paid on redemption of redeemable units	(125,914)	(88,372)
Net cash from financing activities	212,284	66,728
Net (decrease) increase in cash	(3,558)	1,231
Cash at beginning of period	5,639	5,037
Cash at end of period	2,081	6,268
Supplementary Information		
Interest received, net of withholding taxes*	23,960	21,821

*These items are from operating activities

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BMO Private Canadian Corporate Bond Portfolio

(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Bonds & Debentures			
<i>Corporate Bonds & Debentures — 97.9%</i>			
407 International Inc., Series 10-A2, Medium Term Notes, Senior, Secured, 4.990% Jun 16, 2020	800	855	839
407 International Inc., Series 10-A3, Medium Term Notes, Senior, Secured, 4.300% May 26, 2021	1,237	1,297	1,291
407 International Inc., Series 17-D1, Medium Term Notes, Secured, Subordinated, Callable, 2.470% Sep 8, 2022	1,000	1,000	982
407 International Inc., Series 14-A1, Medium Term Notes, Senior, Secured, 3.350% May 16, 2024	3,000	3,178	3,078
407 International Inc., Series 16-A2, Medium Term Notes, Secured, Callable, 2.430% May 4, 2027	6,500	6,374	6,196
AIMCo Realty Investors LP, Series 1, Senior, Unsecured, Notes, Callable, 2.266% Jun 26, 2024	4,600	4,509	4,413
Alectra Inc., Series A, Senior, Unsecured, Debentures, Callable, 2.488% May 17, 2027	10,000	9,914	9,586
Algonquin Power Co., Senior, Unsecured, Notes, 4.650% Feb 15, 2022	1,500	1,567	1,573
Alimentation Couche-Tard Inc., Series 2, Senior, Unsecured, Notes, 3.319% Nov 1, 2019	2,000	1,999	2,022
Alimentation Couche-Tard Inc., Series 4, Senior, Unsecured, Notes, 4.214% Aug 21, 2020	1,000	1,049	1,030
Alimentation Couche-Tard Inc., Series 6, Senior, Unsecured, Notes, Callable, 3.056% Jul 26, 2024	6,580	6,522	6,444
Alimentation Couche-Tard Inc., Series 5, Senior, Unsecured, Notes, Callable, 3.600% Jun 2, 2025	15,200	15,464	15,254
Alliance Pipelines Limited Partnership, Senior, Unsecured, Notes, 4.928% Dec 16, 2019	894	914	915
Alliance Pipelines Limited Partnership, Sinking Funds, Senior, Secured, Notes, Callable, 7.217% Dec 31, 2025	189	216	217
Allied Properties Real Estate Investment Trust, Series A, Senior, Unsecured, Notes, 3.748% May 13, 2020	750	761	760
Allied Properties Real Estate Investment Trust, Series B, 3.934% Nov 14, 2022	2,300	2,363	2,328
Allied Properties Real Estate Investment Trust, Series C, Senior, Unsecured, Notes, Callable, 3.636% Apr 21, 2025	2,500	2,510	2,430
AltaGas Ltd., Series 8, Medium Term Notes, Unsecured, 3.720% Sep 28, 2021	4,100	4,169	4,179
AltaGas Ltd., Series 10, Medium Term Notes, Unsecured, Callable, 3.570% Jun 12, 2023	600	612	605
AltaGas Ltd., Series 11, Medium Term Notes, Senior, Unsecured, Callable, 4.400% Mar 15, 2024	4,000	4,259	4,174
AltaGas Ltd., Series 15, Medium Term Notes, Senior, Unsecured, Callable, 3.840% Jan 15, 2025	4,000	4,132	4,045
AltaGas Ltd., Series 17, Medium Term Notes, Senior, Unsecured, Callable, 4.120% Apr 7, 2026	2,000	2,034	2,048
AltaGas Ltd., Series 18, Medium Term Notes, Senior, Unsecured, Callable, 3.980% Oct 4, 2027	100	100	101
AltaLink, L.P., Series 2012-2, Medium Term Notes, Secured, 2.978% Nov 28, 2022	1,000	989	1,013

BMO Private Canadian Corporate Bond Portfolio

(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2018 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
AltaLink, L.P., Series 2013-4, Medium Term Notes, Secured, 3.668% Nov 6, 2023	6,800	7,186	7,096
AltaLink, L.P., Series 2014-1, Medium Term Notes, Secured, 3.399% Jun 6, 2024	2,100	2,172	2,159
AltaLink, L.P., Series 2016-1, Medium Term Notes, Secured, Callable, 2.747% May 29, 2026	2,800	2,873	2,754
Bank of Montreal, Deposit Notes, Senior, Unsecured, 2.840% Jun 4, 2020	11,990	12,183	12,055
Bank of Montreal, Deposit Notes, Senior, Unsecured, 2.100% Oct 6, 2020	4,400	4,422	4,349
Bank of Montreal, Senior, Unsecured, Notes, 1.880% Mar 31, 2021	4,300	4,329	4,207
Bank of Montreal, Deposit Notes, Senior, Unsecured, 3.400% Apr 23, 2021	3,450	3,531	3,513
Bank of Montreal, Senior, Unsecured, Notes, 1.610% Oct 28, 2021	9,750	9,671	9,396
Bank of Montreal, Deposit Notes, Senior, Unsecured, 2.120% Mar 16, 2022	10,100	10,125	9,858
Bank of Montreal, Deposit Notes, Senior, Unsecured, 2.270% Jul 11, 2022	3,000	2,974	2,935
Bank of Montreal, Deposit Notes, Senior, Unsecured, 2.890% Jun 20, 2023	3,450	3,456	3,442
Bank of Montreal, Deposit Notes, Senior, Unsecured, 2.700% Sep 11, 2024	12,000	11,947	11,783
Bank of Montreal, Medium Term Notes, Fixed to Floating, Subordinated, Callable, 3.120% Sep 19, 2024	2,250	2,272	2,261
Bank of Montreal, Deposit Notes, Senior, Unsecured, 4.609% Sep 10, 2025	8,750	9,875	9,623
Bank of Montreal, Fixed to Floating, Notes, Subordinated, Callable, 3.340% Dec 8, 2025	2,250	2,284	2,266
Bank of Montreal, Medium Term Notes, Fixed to Floating, Subordinated, Callable, 3.320% Jun 1, 2026	2,250	2,280	2,261
Bank of Montreal, Senior, Unsecured, Notes, 2.700% Dec 9, 2026	10,100	9,950	9,805
Bank of Montreal, Medium Term Notes, Fixed to Floating, Unsecured, Subordinated, Callable, 2.570% Jun 1, 2027	4,750	4,648	4,619
Bank of Montreal, Deposit Notes, Senior, Unsecured, 3.190% Mar 1, 2028	8,825	8,805	8,858
Bank of Nova Scotia, The, Deposit Notes, Senior, Unsecured, 2.400% Oct 28, 2019	10,200	10,301	10,202
Bank of Nova Scotia, The, Deposit Notes, Senior, Unsecured, 2.270% Jan 13, 2020	5,300	5,322	5,285
Bank of Nova Scotia, The, Deposit Notes, Senior, Unsecured, 2.130% Jun 15, 2020	5,000	4,994	4,957
Bank of Nova Scotia, The, Deposit Notes, Senior, Unsecured, 2.090% Sep 9, 2020	6,450	6,510	6,375
Bank of Nova Scotia, The, Deposit Notes, Senior, Unsecured, 3.270% Jan 11, 2021	5,950	6,137	6,033
Bank of Nova Scotia, The, Deposit Notes, Senior, Unsecured, 2.873% Jun 4, 2021	3,750	3,819	3,763
Bank of Nova Scotia, The, Deposit Notes, Senior, Unsecured, 1.900% Dec 2, 2021	4,900	4,883	4,756

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SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2018 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Bank of Nova Scotia, The, Deposit Notes, Senior, Unsecured, 1.830% Apr 27, 2022	8,100	7,959	7,803
Bank of Nova Scotia, The, Deposit Notes, Senior, Unsecured, 2.360% Nov 8, 2022	2,000	2,000	1,956
Bank of Nova Scotia, The, Deposit Notes, Senior, Unsecured, 2.980% Apr 17, 2023	3,850	3,846	3,855
Bank of Nova Scotia, The, Deposit Notes, Senior, Unsecured, 2.290% Jun 28, 2024	17,000	16,658	16,315
Bank of Nova Scotia, The, Fixed to Floating, Notes, Subordinated, Callable, 3.036% Oct 18, 2024	6,400	6,504	6,436
Bank of Nova Scotia, The, Fixed to Floating, Notes, Subordinated, Callable, 3.367% Dec 8, 2025	4,000	4,050	4,032
Bank of Nova Scotia, The, Deposit Notes, Senior, Unsecured, 2.620% Dec 2, 2026	17,850	17,730	17,224
Bank of Nova Scotia, The, Fixed to Floating, Notes, Subordinated, Callable, 2.580% Mar 30, 2027	4,000	3,911	3,895
Bank of Nova Scotia, The, Deposit Notes, Senior, Unsecured, 3.100% Feb 2, 2028	14,000	13,933	13,919
Bankers Hall LP, Sinking Funds, Secured, Notes, 4.377% Nov 20, 2023	460	460	462
bcIMC Realty Corp., Series 12, Unsecured, Notes, 2.100% Jun 3, 2021	700	698	688
bcIMC Realty Corp., Series 10, Unsecured, Notes, 3.510% Jun 29, 2022	1,850	1,919	1,897
bcIMC Realty Corp., Series A, Senior, Unsecured, Notes, Callable, 2.150% Aug 11, 2022	1,500	1,512	1,459
bcIMC Realty Corp., Medium Term Notes, Senior, Unsecured, Callable, 2.840% Jun 3, 2025	5,000	5,047	4,921
bcIMC Realty Corp., Senior, Unsecured, Notes, Callable, 3.000% Mar 31, 2027	4,500	4,493	4,434
Bell Canada, Series M-37, Medium Term Notes, Senior, Unsecured, 3.540% Jun 12, 2020	2,400	2,443	2,439
Bell Canada, Series M-27, Medium Term Notes, Senior, Unsecured, 3.250% Jun 17, 2020	2,375	2,417	2,401
Bell Canada, Series M-24, Medium Term Notes, Senior, Unsecured, 4.950% May 19, 2021	1,833	1,938	1,938
Bell Canada, Series M-30, Medium Term Notes, Senior, Unsecured, Callable, 3.150% Sep 29, 2021	2,400	2,441	2,418
Bell Canada, Series M-42, Medium Term Notes, Senior, Unsecured, 2.000% Oct 1, 2021	5,000	4,952	4,859
Bell Canada, Series M-40, Medium Term Notes, Senior, Unsecured, Callable, 3.000% Oct 3, 2022	5,000	5,063	4,990
Bell Canada, Series M-26, Medium Term Notes, Senior, Unsecured, 3.350% Mar 22, 2023	5,200	5,310	5,253
Bell Canada, Series M-29, Medium Term Notes, Senior, Unsecured, Callable, 4.700% Sep 11, 2023	4,000	4,225	4,276
Bell Canada, Series M-44, Medium Term Notes, Senior, Unsecured, Callable, 2.700% Feb 27, 2024	5,400	5,330	5,243
Bell Canada, Series M-47, Medium Term Notes, Senior, Unsecured, Callable, 3.350% Mar 12, 2025	2,250	2,247	2,248
Bell Canada, Series M-41, Medium Term Notes, Senior, Unsecured, Callable, 3.550% Mar 2, 2026	11,600	11,938	11,652

BMO Private Canadian Corporate Bond Portfolio

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SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2018 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Bell Canada, Series M-43, Medium Term Notes, Senior, Unsecured, Callable, 2.900% Aug 12, 2026	8,900	8,803	8,524
Bell Canada, Medium Term Notes, Senior, Unsecured, Callable, 3.600% Sep 29, 2027	5,500	5,511	5,492
BMW Canada Inc., Series Q, Senior, Unsecured, Notes, 1.880% Dec 11, 2020	1,500	1,490	1,471
BMW Canada Inc., Series O, Senior, Unsecured, Notes, 1.830% Jun 15, 2021	1,800	1,800	1,753
Bow Centre Street LP, Series C, Secured, Notes, 3.797% Jun 13, 2023	3,400	3,371	3,282
Brookfield Asset Management Inc., Medium Term Notes, Senior, Unsecured, 5.300% Mar 1, 2021	1,000	1,059	1,060
Brookfield Asset Management Inc., Medium Term Notes, Senior, Unsecured, 4.540% Mar 31, 2023	3,000	3,188	3,159
Brookfield Asset Management Inc., Medium Term Notes, Senior, Unsecured, Callable, 5.040% Mar 8, 2024	3,850	4,043	4,138
Brookfield Asset Management Inc., Medium Term Notes, Senior, Unsecured, Callable, 4.820% Jan 28, 2026	5,000	5,344	5,327
Brookfield Asset Management Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.800% Mar 16, 2027	6,500	6,540	6,457
Brookfield Infrastructure Finance ULC, Medium Term Notes, Senior, Unsecured, Callable, 3.452% Mar 11, 2022	2,700	2,721	2,725
Brookfield Infrastructure Finance ULC, Medium Term Notes, Senior, Unsecured, Callable, 3.315% Feb 22, 2024	6,204	6,247	6,134
Brookfield Property Finance ULC, Medium Term Notes, Senior, Unsecured, Callable, 4.346% Jul 3, 2023	2,500	2,500	2,500
Brookfield Renewable Energy Partners ULC, Medium Term Notes, Senior, Unsecured, Callable, 3.752% Jun 2, 2025	6,700	6,780	6,765
Brookfield Renewable Energy Partners ULC, Medium Term Notes, Unsecured, Callable, 3.630% Jan 15, 2027	2,000	1,996	1,971
BRP Finance ULC, Series 7, Medium Term Notes, Unsecured, 5.140% Oct 13, 2020	1,000	1,056	1,051
BRP Finance ULC, Series 8, Medium Term Notes, Unsecured, 4.790% Feb 7, 2022	1,600	1,704	1,691
Bruce Power L.P., Series 2017-1, Senior, Unsecured, Notes, Callable, 3.000% Jun 21, 2024	4,200	4,221	4,135
Bruce Power L.P., Senior, Unsecured, Notes, 3.969% Jun 23, 2026	7,000	7,271	7,218
Caisse centrale Desjardins, Medium Term Notes, Senior, Unsecured, 1.748% Mar 2, 2020	5,650	5,658	5,581
Cameco Corporation, Series D, Senior, Unsecured, Notes, 5.670% Sep 2, 2019	2,000	2,043	2,056
Cameco Corporation, Series E, Senior, Unsecured, Notes, 3.750% Nov 14, 2022	3,000	2,986	2,965
Cameco Corporation, Series G, Senior, Unsecured, Notes, Callable, 4.190% Jun 24, 2024	7,400	7,554	7,326
Canadian Imperial Bank of Commerce, Deposit Notes, Unsecured, 1.660% Jan 20, 2020	6,200	6,191	6,126
Canadian Imperial Bank of Commerce, Deposit Notes, Unsecured, 1.850% Jul 14, 2020	10,300	10,273	10,154
Canadian Imperial Bank of Commerce, Deposit Notes, Unsecured, 1.900% Apr 26, 2021	5,000	5,016	4,895

BMO Private Canadian Corporate Bond Portfolio

(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2018 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Canadian Imperial Bank of Commerce, Unsecured, Notes, 1.640% Jul 12, 2021	4,000	3,995	3,874
Canadian Imperial Bank of Commerce, Deposit Notes, Senior, Unsecured, 2.040% Mar 21, 2022	4,700	4,634	4,574
Canadian Imperial Bank of Commerce, Deposit Notes, Senior, Unsecured, 2.300% Jul 11, 2022	5,750	5,728	5,633
Canadian Imperial Bank of Commerce, Deposit Notes, Senior, Unsecured, 2.470% Dec 5, 2022	3,000	3,000	2,950
Canadian Imperial Bank of Commerce, Fixed to Floating, Notes, Subordinated, Callable, 3.000% Oct 28, 2024	4,000	4,028	4,015
Canadian Imperial Bank of Commerce, Deposit Notes, Unsecured, 3.300% May 26, 2025	11,603	11,656	11,768
Canadian Imperial Bank of Commerce, Fixed to Floating, Notes, Subordinated, Callable, 3.420% Jan 26, 2026	4,200	4,255	4,230
Canadian Imperial Bank of Commerce, Fixed to Floating, Unsecured, Debentures, Subordinated, Callable, 3.450% Apr 4, 2028	2,000	1,999	1,985
Canadian National Railway Company, Senior, Unsecured, Notes, Callable, 2.750% Feb 18, 2021	600	613	603
Canadian National Railway Company, Senior, Unsecured, Notes, Callable, 2.800% Sep 22, 2025	4,100	4,118	4,060
Canadian Natural Resources Limited, Medium Term Notes, Senior, Unsecured, 2.600% Dec 3, 2019	1,500	1,510	1,501
Canadian Natural Resources Limited, Medium Term Notes, Senior, Unsecured, 2.050% Jun 1, 2020	2,000	1,996	1,975
Canadian Natural Resources Limited, Medium Term Notes, Unsecured, 2.890% Aug 14, 2020	2,800	2,806	2,807
Canadian Natural Resources Limited, Medium Term Notes, Senior, Unsecured, 3.310% Feb 11, 2022	3,500	3,530	3,529
Canadian Natural Resources Limited, Medium Term Notes, Senior, Unsecured, Callable, 3.550% Jun 3, 2024	7,400	7,451	7,454
Canadian Natural Resources Limited, Medium Term Notes, Senior, Unsecured, Callable, 3.420% Dec 1, 2026	2,500	2,520	2,444
Canadian Tire Corporation, Limited, Medium Term Notes, Senior, Unsecured, 2.646% Jul 6, 2020	571	571	571
Canadian Tire Corporation, Limited, Medium Term Notes, Senior, Unsecured, 3.167% Jul 6, 2023	857	857	860
Canadian Utilities Limited, Senior, Unsecured, Debentures, 3.122% Nov 9, 2022	1,000	1,007	1,016
Canadian Western Bank, Deposit Notes, Senior, Unsecured, 2.751% Jun 29, 2020	2,000	2,002	1,997
Canadian Western Bank, Deposit Notes, Senior, Unsecured, 2.788% Sep 13, 2021	1,000	1,004	992
Canadian Western Bank, Deposit Notes, Senior, Unsecured, 2.737% Jun 16, 2022	2,000	1,994	1,971
Canadian Western Bank, Deposit Notes, Senior, Unsecured, 2.924% Dec 15, 2022	1,000	1,000	989
Canadian Western Bank, Fixed to Floating, Notes, Subordinated, Callable, 3.463% Dec 17, 2024	500	509	503
Capital Desjardins Inc., Series G, Senior, Secured, Notes, 5.187% May 5, 2020	6,600	6,981	6,895

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SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2018 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Capital Desjardins Inc., Series J, Fixed to Floating, Senior, Unsecured, Notes, Callable, 4.954% Dec 15, 2026	5,000	5,438	5,328
Capital Power Corporation, Series 2, Medium Term Notes, Senior, Unsecured, 5.276% Nov 16, 2020	1,000	1,034	1,047
Capital Power Corporation, Medium Term Notes, Senior, Unsecured, Callable, 4.284% Sep 18, 2024	7,000	7,112	7,074
CCL Industries Inc., Series 1, Senior, Unsecured, Notes, Callable, 3.864% Apr 13, 2028	750	750	759
Centre Street Trust, Series B, Sinking Funds, Secured, Notes, 3.693% Jun 14, 2022	187	186	183
Chartwell Retirement Residences, Series B, Senior, Unsecured, Debentures, Callable, 4.211% Apr 28, 2025	506	506	513
Choice Properties L.P., Series 8, Senior, Unsecured, Notes, 3.600% Apr 20, 2020	800	813	811
Choice Properties L.P., Series 10, Senior, Unsecured, Notes, Callable, 3.600% Sep 20, 2022	1,000	1,021	1,014
Choice Properties Real Estate Investment Trust, Series E, Senior, Unsecured, Notes, 2.297% Sep 14, 2020	1,000	996	988
Choice Properties Real Estate Investment Trust, Series C, Senior, Unsecured, Notes, 3.498% Feb 8, 2021	1,970	2,028	1,997
Choice Properties Real Estate Investment Trust, Series G, Senior, Unsecured, Notes, Callable, 3.196% Mar 7, 2023	2,200	2,254	2,187
Choice Properties Real Estate Investment Trust, Series B, Senior, Unsecured, Notes, Callable, 4.903% Jul 5, 2023	1,000	1,069	1,066
Choice Properties Real Estate Investment Trust, Series D, Senior, Unsecured, Notes, Callable, 4.293% Feb 8, 2024	1,000	1,041	1,037
Choice Properties Real Estate Investment Trust, Series K, Senior, Unsecured, Debentures, Callable, 3.556% Sep 9, 2024	1,660	1,660	1,652
Choice Properties Real Estate Investment Trust, Series J, Senior, Unsecured, Debentures, Callable, 3.546% Jan 10, 2025	3,500	3,528	3,478
Choice Properties Real Estate Investment Trust, Series F, Senior, Unsecured, Notes, Callable, 4.055% Nov 24, 2025	5,000	5,122	5,087
Choice Properties Real Estate Investment Trust, Series L, Senior, Unsecured, Debentures, Callable, 4.178% Mar 8, 2028	3,940	3,940	3,977
CI Financial Corp., Senior, Unsecured, Notes, Callable, 3.904% Sep 27, 2027	1,315	1,335	1,330
CIBC Capital Trust, Series A, Tier 1 Notes, Fixed to Floating, Unsecured, Subordinated, Callable, 9.976% Jun 30, 2108	2,000	2,624	2,136
Coast Capital Savings Credit Union, Fixed to Floating, Unsecured, Notes, Subordinated, Callable, 5.000% May 3, 2028	250	251	253
Cogeco Communications Inc., Series 4, Senior, Secured, Notes, Callable, 4.175% May 26, 2023	3,900	4,004	4,027
Consumers' Gas Company Ltd., The, Medium Term Notes, 6.050% Jul 5, 2023	2,500	2,818	2,845
Crombie Real Estate Investment Trust, Series D, Senior, Unsecured, Notes, Callable, 4.066% Nov 21, 2022	500	500	499
CT Real Estate Investment Trust, Series D, Senior, Unsecured, Notes, Callable, 3.289% Jun 1, 2026	2,500	2,485	2,419
CT Real Estate Investment Trust, Series E, Senior, Unsecured, Notes, Callable, 3.469% Jun 16, 2027	2,400	2,397	2,325

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SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2018 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
CT Real Estate Investment Trust, Series F, Senior, Unsecured, Notes, Callable, 3.865% Dec 7, 2027	3,550	3,571	3,521
CU Inc., Medium Term Notes, Senior, Unsecured, 6.800% Aug 13, 2019	500	525	524
CU Inc., Senior, Unsecured, Debentures, 4.801% Nov 22, 2021	1,500	1,643	1,607
Daimler Canada Finance Inc., Senior, Unsecured, Notes, 1.780% Aug 19, 2019	1,000	993	992
Daimler Canada Finance Inc., Senior, Unsecured, Notes, 1.910% Jul 8, 2021	4,500	4,498	4,369
Daimler Canada Finance Inc., Euro Medium Term Notes, Senior, Unsecured, 2.230% Dec 16, 2021	2,000	1,963	1,952
Daimler Canada Finance Inc., Medium Term Notes, Senior, Unsecured, 2.570% Nov 22, 2022	500	489	490
Dollarama Inc., Senior, Unsecured, Notes, 2.337% Jul 22, 2021	1,500	1,505	1,477
Dream Office REIT, Series C, Senior, Unsecured, Notes, 4.074% Jan 21, 2020	1,000	1,004	1,002
Emera Inc., Series G, Medium Term Notes, Senior, Unsecured, 4.830% Dec 2, 2019	1,000	1,013	1,030
Emera Inc., Series 2016-1, Senior, Unsecured, Notes, 2.900% Jun 16, 2023	4,485	4,513	4,420
Empire Life Insurance Company, The, Fixed to Floating, Unsecured, Debentures, Subordinated, Callable, 3.664% Mar 15, 2028	2,000	2,006	2,012
Enbridge Gas Distribution Inc., Medium Term Notes, Senior, Unsecured, 4.040% Nov 23, 2020	1,000	1,042	1,034
Enbridge Gas Distribution Inc., Medium Term Notes, Senior, Unsecured, 4.770% Dec 17, 2021	1,000	1,098	1,069
Enbridge Gas Distribution Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.150% Aug 22, 2024	3,400	3,479	3,437
Enbridge Gas Distribution Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.310% Sep 11, 2025	3,300	3,455	3,359
Enbridge Gas Distribution Inc., Medium Term Notes, Senior, Unsecured, Callable, 2.500% Aug 5, 2026	2,000	1,957	1,922
Enbridge Inc., Medium Term Notes, Unsecured, 4.530% Mar 9, 2020	1,000	1,035	1,030
Enbridge Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.160% Mar 11, 2021	1,500	1,512	1,508
Enbridge Inc., Medium Term Notes, Senior, Unsecured, 3.190% Dec 5, 2022	4,150	4,155	4,153
Enbridge Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.940% Jun 30, 2023	3,800	3,900	3,911
Enbridge Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.200% Jun 8, 2027	6,700	6,481	6,379
Enbridge Inc., Fixed to Floating, Notes, Subordinated, Callable, 5.375% Sep 27, 2077	8,850	8,796	8,387
Enbridge Inc., Series C, Fixed to Floating, Unsecured, Notes, Subordinated, Callable, 6.625% Apr 12, 2078	4,250	4,315	4,368
Enbridge Income Fund Holdings Inc., Series 10, Medium Term Notes, Senior, Unsecured, 3.940% Jan 13, 2023	2,000	2,064	2,052
Enbridge Income Fund Holdings Inc., Series 12, Medium Term Notes, Senior, Unsecured, Callable, 3.950% Nov 19, 2024	9,000	9,303	9,186

BMO Private Canadian Corporate Bond Portfolio

(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2018 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Enbridge Pipelines Inc., Medium Term Notes, Senior, Unsecured, 4.490% Nov 12, 2019	600	618	616
Enbridge Pipelines Inc., Medium Term Notes, Senior, Unsecured, 4.450% Apr 6, 2020	1,000	1,039	1,031
Enbridge Pipelines Inc., Medium Term Notes, Senior, Unsecured, 2.930% Nov 30, 2022	1,000	1,001	1,000
Enbridge Pipelines Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.450% Sep 29, 2025	7,750	7,967	7,824
Enbridge Pipelines Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.000% Aug 10, 2026	7,000	7,076	6,819
Energcare Solutions Inc., Series 2017-1, Senior, Unsecured, Notes, Callable, 3.380% Feb 21, 2022	2,000	2,029	2,007
Energcare Solutions Inc., Series 2017-2, Senior, Unsecured, Notes, Callable, 3.990% Feb 21, 2024	2,000	2,018	2,031
ENMAX Corporation, Series 4, Senior, Unsecured, Debentures, Callable, 3.836% Jun 5, 2028	812	812	819
Fairfax Financial Holdings Limited, Senior, Unsecured, Notes, 4.500% Mar 22, 2023	4,600	4,779	4,793
Fairfax Financial Holdings Limited, Senior, Unsecured, Notes, Callable, 4.700% Dec 16, 2026	9,600	9,891	9,867
Fairfax Financial Holdings Limited, Senior, Unsecured, Notes, Callable, 4.250% Dec 6, 2027	7,100	7,005	7,002
Federated Co-Operatives Limited, Senior, Unsecured, Notes, Callable, 3.917% Jun 17, 2025	1,350	1,373	1,335
Federation des caisses Desjardins du Quebec, Medium Term Notes, Senior, Unsecured, 2.091% Jan 17, 2022	1,000	1,010	975
Federation des caisses Desjardins du Quebec, Medium Term Notes, Senior, Unsecured, 2.394% Aug 25, 2022	2,000	2,000	1,961
Finning International Inc., Medium Term Notes, Unsecured, 3.232% Jul 3, 2020	1,000	1,016	1,011
First Capital Realty, Inc., Series L, Senior, Unsecured, Debentures, 5.480% Jul 30, 2019	1,000	1,038	1,031
First Capital Realty, Inc., Series M, Senior, Unsecured, Debentures, 5.600% Apr 30, 2020	800	845	839
First Capital Realty, Inc., Series O, Senior, Unsecured, Debentures, 4.430% Jan 31, 2022	500	526	520
First Capital Realty, Inc., Series P, Senior, Unsecured, Debentures, 3.950% Dec 5, 2022	2,750	2,762	2,815
First Capital Realty, Inc., Series Q, Senior, Unsecured, Debentures, 3.900% Oct 30, 2023	5,150	5,210	5,243
First Capital Realty, Inc., Series R, Senior, Unsecured, Debentures, 4.790% Aug 30, 2024	5,500	6,019	5,836
First Capital Realty, Inc., Series S, Senior, Unsecured, Debentures, 4.323% Jul 31, 2025	2,700	2,875	2,782
First Capital Realty, Inc., Series T, Senior, Unsecured, Debentures, Callable, 3.604% May 6, 2026	4,000	4,095	3,918
Ford Credit Canada Company, Senior, Unsecured, Notes, 2.450% May 7, 2020	3,800	3,787	3,766
Ford Credit Canada Company, Senior, Unsecured, Notes, 2.923% Sep 16, 2020	4,300	4,323	4,287

BMO Private Canadian Corporate Bond Portfolio

(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2018 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Ford Credit Canada Company, Senior, Unsecured, Notes, 2.580% May 10, 2021	2,000	2,006	1,966
Ford Credit Canada Company, Senior, Unsecured, Notes, 3.279% Jul 2, 2021	2,250	2,265	2,251
Ford Credit Canada Company, Senior, Unsecured, Notes, 2.710% Feb 23, 2022	4,100	4,052	4,005
Ford Credit Canada Company, Senior, Unsecured, Notes, 2.766% Jun 22, 2022	3,700	3,714	3,605
Fortified Trust, Series A, Secured, Notes, 2.161% Oct 23, 2020	900	903	890
FortisAlberta Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.300% Sep 30, 2024	4,000	4,245	4,083
FortisBC Energy Inc., Series 27, Medium Term Notes, Senior, Unsecured, Callable, 2.580% Apr 8, 2026	3,000	2,929	2,921
Gaz Metro inc., Series J, First Mortgage, Secured, 5.450% Jul 12, 2021	1,000	1,100	1,083
GE Capital Canada Funding Company, Series A, Medium Term Notes, Senior, Unsecured, 4.600% Jan 26, 2022	5,000	5,405	5,270
General Motors Financial of Canada, Ltd., Senior, Unsecured, Notes, 3.080% May 22, 2020	3,600	3,652	3,610
Granite REIT Holdings Limited Partnership, Series 3, Senior, Unsecured, Notes, Callable, 3.873% Nov 30, 2023	1,000	997	1,003
Greater Toronto Airports Authority, Series 2016-1, Medium Term Notes, Secured, 1.510% Feb 16, 2021	1,000	999	976
Greater Toronto Airports Authority, Series 2012-1, Medium Term Notes, Secured, Callable, 3.040% Sep 21, 2022	1,250	1,290	1,271
Greater Toronto Airports Authority, Series 1997-3, Revenue Bonds, 6.450% Dec 3, 2027	1,500	1,956	1,925
Great-West Lifeco Inc., Senior, Unsecured, Notes, 4.650% Aug 13, 2020	1,750	1,821	1,823
Great-West Lifeco Inc., Senior, Unsecured, Debentures, Callable, 3.337% Feb 28, 2028	3,000	3,008	3,022
H&R Real Estate Investment Trust, Series F, Senior, Unsecured, Notes, 4.450% Mar 2, 2020	750	770	769
H&R Real Estate Investment Trust, Series L, Senior, Unsecured, Notes, 2.923% May 6, 2022	1,550	1,542	1,522
H&R Real Estate Investment Trust, Series O, Senior, Unsecured, Notes, Callable, 3.416% Jan 23, 2023	1,500	1,490	1,493
H&R Real Estate Investment Trust, Series N, Senior, Unsecured, Notes, Callable, 3.369% Jan 30, 2024	2,700	2,699	2,651
Honda Canada Finance, Inc., Senior, Unsecured, Notes, 1.631% Aug 12, 2019	1,000	1,000	992
Honda Canada Finance, Inc., Series 2016-2, Senior, Unsecured, Notes, 2.155% Feb 18, 2021	2,000	2,020	1,971
Honda Canada Finance, Inc., Series 16-4, Senior, Unsecured, Notes, 1.823% Dec 7, 2021	2,000	2,005	1,935
Honda Canada Finance, Inc., Senior, Unsecured, Notes, 2.268% Jul 15, 2022	2,500	2,506	2,441
Honda Canada Finance, Inc., Senior, Unsecured, Notes, 2.537% Mar 1, 2023	2,000	1,989	1,962
Honda Canada Finance, Inc., Senior, Unsecured, Notes, 3.444% May 23, 2025	1,595	1,595	1,621

BMO Private Canadian Corporate Bond Portfolio

(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2018 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
HSBC Bank Canada, Deposit Notes, Senior, Unsecured, 3.245% Sep 15, 2023	7,103	7,123	7,131
HSBC Bank of Canada, Deposit Notes, Senior, Unsecured, 2.938% Jan 14, 2020	3,500	3,545	3,519
HSBC Bank of Canada, Deposit Notes, Senior, Unsecured, 1.816% Jul 7, 2020	2,850	2,826	2,800
HSBC Bank of Canada, Senior, Unsecured, Notes, 2.449% Jan 29, 2021	3,700	3,690	3,666
HSBC Bank of Canada, Deposit Notes, Senior, Unsecured, 2.908% Sep 29, 2021	6,500	6,625	6,499
HSBC Bank of Canada, Deposit Notes, Senior, Unsecured, 2.170% Jun 29, 2022	3,000	2,969	2,907
HSBC Bank of Canada, Senior, Unsecured, Notes, 2.542% Jan 31, 2023	3,000	3,005	2,932
Husky Energy Inc., Medium Term Notes, Senior, Unsecured, 5.000% Mar 12, 2020	800	835	831
Husky Energy Inc., Senior, Unsecured, Notes, Callable, 3.550% Mar 12, 2025	10,400	10,542	10,482
Husky Energy Inc., Senior, Unsecured, Notes, Callable, 3.600% Mar 10, 2027	1,500	1,497	1,486
Hydro One Inc., Series 37, Medium Term Notes, Senior, Unsecured, 1.480% Nov 18, 2019	500	501	494
Hydro One Inc., Series 33, Medium Term Notes, Unsecured, 1.620% Apr 30, 2020	750	748	739
Hydro One Inc., Series 20, Medium Term Notes, Senior, Unsecured, 4.400% Jun 1, 2020	1,000	1,046	1,035
Hydro One Inc., Series 34, Medium Term Notes, Senior, Unsecured, 1.840% Feb 24, 2021	1,200	1,199	1,176
Hydro One Inc., Medium Term Notes, Senior, Unsecured, 2.570% Jun 25, 2021	4,000	4,000	3,991
Hydro One Inc., Series 25, Medium Term Notes, Unsecured, 3.200% Jan 13, 2022	1,850	1,879	1,879
Hydro One Inc., Medium Term Notes, Senior, Unsecured, Callable, 2.970% Jun 26, 2025	5,250	5,248	5,233
Hydro One Inc., Series 35, Medium Term Notes, Senior, Unsecured, Callable, 2.770% Feb 24, 2026	1,850	1,890	1,813
Hydro Ottawa Holdings, Inc., Senior, Unsecured, Notes, Callable, 2.614% Feb 3, 2025	5,000	4,929	4,882
IGM Financial, Inc., Senior, Unsecured, Notes, Callable, 3.440% Jan 26, 2027	6,200	6,198	6,162
Industrial Alliance Insurance and Financial Services Inc., Fixed to Floating, Notes, Subordinated, Callable, 2.640% Feb 23, 2027	2,000	1,980	1,970
Industrial Alliance Insurance and Financial Services Inc., Fixed to Floating, Notes, Subordinated, Callable, 3.300% Sep 15, 2028	5,400	5,508	5,422
Intact Financial Corporation, Series 1, Medium Term Notes, Senior, Unsecured, 5.410% Sep 3, 2019	1,000	1,001	1,034
Intact Financial Corporation, Series 4, Medium Term Notes, Senior, Unsecured, 4.700% Aug 18, 2021	1,200	1,274	1,267
Intact Financial Corporation, Series 6, Medium Term Notes, Senior, Unsecured, Callable, 3.770% Mar 2, 2026	1,000	1,048	1,029
Intact Financial Corporation, Series 7, Medium Term Notes, Senior, Unsecured, Callable, 2.850% Jun 7, 2027	1,680	1,680	1,602

BMO Private Canadian Corporate Bond Portfolio

(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2018 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Inter Pipeline Ltd., Series 4, Medium Term Notes, Senior, Unsecured, 3.448% Jul 20, 2020	2,000	2,030	2,028
Inter Pipeline Ltd., Series 3, Medium Term Notes, Senior, Unsecured, 3.776% May 30, 2022	3,500	3,628	3,582
Inter Pipeline Ltd., Series 10, Medium Term Notes, Senior, Unsecured, Callable, 2.734% Apr 18, 2024	1,900	1,849	1,830
Inter Pipeline Ltd., Series 7, Medium Term Notes, Senior, Unsecured, Callable, 3.173% Mar 24, 2025	3,000	3,037	2,927
Inter Pipeline Ltd., Series 9, Medium Term Notes, Senior, Unsecured, Callable, 3.484% Dec 16, 2026	13,750	13,736	13,478
Ivanhoe Cambridge II Inc, Series 1, Senior, Unsecured, Debentures, Callable, 2.909% Jun 27, 2023	1,500	1,500	1,495
John Deere Canada Funding Inc., Series 15-02, Senior, Unsecured, Notes, 2.050% Sep 17, 2020	2,000	1,997	1,975
John Deere Canada Funding Inc., Series 17-01 Senior, Unsecured, Notes, 1.850% Mar 24, 2021	2,550	2,540	2,492
John Deere Canada Funding Inc., Series 18-01 Senior, Unsecured, Notes, 2.700% Jan 17, 2023	600	600	595
Keyera Corp., Medium Term Notes, Senior, Unsecured, Callable, 3.934% Jun 21, 2028	889	889	891
Kraft Canada Inc., Senior, Unsecured, Notes, Callable, 2.700% Jul 6, 2020	1,500	1,503	1,498
Laurentian Bank of Canada, Deposit Notes, Senior, Unsecured, 2.750% Apr 22, 2021	1,300	1,305	1,285
Laurentian Bank of Canada, Deposit Notes, Senior, Unsecured, 3.000% Sep 12, 2022	2,000	1,982	1,967
Loblaw Companies Limited, Series 2-B, Medium Term Notes, Senior, Unsecured, 5.220% Jun 18, 2020	2,450	2,587	2,567
Loblaw Companies Limited, Series 2023, Senior, Unsecured, Notes, Callable, 4.860% Sep 12, 2023	9,300	10,091	9,988
Lower Mattagami Energy LP, Series 2014-1, Secured, Notes, 3.416% Jun 20, 2024	3,525	3,751	3,632
Magna International Inc., Senior, Unsecured, Notes, Callable, 3.100% Dec 15, 2022	3,100	3,144	3,105
Manitoba Telecom Services Inc., Series 8, Medium Term Notes, Unsecured, 5.625% Dec 16, 2019	750	765	783
Manitoba Telecom Services Inc., Series 10, Medium Term Notes, Senior, Unsecured, Callable, 4.000% May 27, 2024	2,650	2,838	2,735
Manufacturers Life Insurance Company, The, Fixed to Floating, Notes, Subordinated, Callable, 2.640% Jan 15, 2025	2,900	2,921	2,903
Manufacturers Life Insurance Company, The, Fixed to Floating, Notes, Subordinated, Callable, 2.100% Jun 1, 2025	3,750	3,737	3,707
Manufacturers Life Insurance Company, The, Fixed to Floating, Notes, Subordinated, Callable, 2.389% Jan 5, 2026	3,000	3,011	2,969
Manufacturers Life Insurance Company, The, Fixed to Floating, Notes, Subordinated, Callable, 3.181% Nov 22, 2027	1,600	1,627	1,611
Manulife Bank of Canada, Deposit Notes, Senior, Unsecured, 2.082% May 26, 2022	2,000	1,957	1,940
Manulife Financial Capital Trust II, Fixed to Floating, Unsecured, Notes, Subordinated, Callable, 7.405% Dec 31, 2108	1,900	2,309	2,026

BMO Private Canadian Corporate Bond Portfolio

(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2018 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Manulife Financial Corporation, Fixed to Floating, Unsecured, Debentures, Subordinated, Callable, 3.317% May 9, 2028	1,680	1,680	1,686
Manulife Financial Corporation, Fixed to Floating, Unsecured, Debentures, Subordinated, Callable, 3.049% Aug 20, 2029	4,600	4,570	4,506
MCAP Commercial LP, Senior, Secured, Notes, 5.000% Dec 14, 2022	1,500	1,500	1,486
Metro Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.200% Dec 1, 2021	1,350	1,367	1,361
Metro Inc., Medium Term Notes, Senior, Unsecured, Callable, 2.680% Dec 5, 2022	1,000	1,000	983
Metro Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.390% Dec 6, 2027	4,550	4,547	4,449
Morguard Corporation, Series D, Senior, Unsecured, Debentures, 4.085% May 14, 2021	1,134	1,134	1,141
Morguard Corporation, Series C, Senior, Unsecured, Debentures, Callable, 4.333% Sep 15, 2022	1,000	1,000	1,009
National Bank of Canada, Deposit Notes, Senior, Unsecured, 2.404% Oct 28, 2019	1,900	1,917	1,901
National Bank of Canada, Deposit Notes, Senior, Unsecured, 1.742% Mar 3, 2020	4,000	3,989	3,951
National Bank of Canada, Deposit Notes, Senior, Unsecured, 1.809% Jul 26, 2021	3,000	2,944	2,918
National Bank of Canada, Deposit Notes, Senior, Unsecured, 2.105% Mar 18, 2022	3,800	3,803	3,705
National Bank of Canada, Deposit Notes, Senior, Unsecured, 1.957% Jun 30, 2022	1,000	1,000	966
National Bank of Canada, Fixed to Floating, Medium Term Notes, Unsecured, Subordinated, Callable, 3.183% Feb 1, 2028	5,000	5,000	4,896
NAV Canada, Series 2011-1, Medium Term Notes, Senior, Unsecured, 4.397% Feb 18, 2021	1,500	1,556	1,569
Nissan Canada Financial Services, Inc., Series A, Senior, Unsecured, Notes, 1.584% Oct 7, 2019	2,000	2,002	1,977
Nissan Canada Financial Services, Inc., Series C, Senior, Unsecured, Notes, 1.750% Apr 9, 2020	2,000	1,974	1,968
Nissan Canada Financial Services, Inc., Series D, Senior, Unsecured, Notes, 2.420% Oct 19, 2020	1,250	1,250	1,239
Nissan Canada Financial Services, Inc., Series E, Senior, Unsecured, Notes, 2.606% Mar 5, 2021	833	833	828
North West Redwater Partnership/NWR Financing Co., Ltd., Series C, Secured, Notes, Callable, 2.100% Feb 23, 2022	2,750	2,761	2,679
North West Redwater Partnership/NWR Financing Co., Ltd., Series A, Secured, Notes, Callable, 3.200% Jul 22, 2024	4,750	4,830	4,770
North West Redwater Partnership/NWR Financing Co., Ltd., Series A, Secured, Notes, Callable, 3.200% Apr 24, 2026	5,000	5,078	4,969
North West Redwater Partnership/NWR Financing Co., Ltd., Series J, Senior, Secured, Notes, Callable, 2.800% Jun 1, 2027	6,670	6,560	6,383
Nova Scotia Power Inc., Medium Term Notes, Senior, Unsecured, 8.850% May 19, 2025	2,600	3,521	3,436
OMERS Realty Corporation, Series 5, Senior, Unsecured, Notes, 2.473% Nov 12, 2019	1,000	1,011	1,001

BMO Private Canadian Corporate Bond Portfolio

(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2018 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
OMERS Realty Corporation, Series 4, Senior, Unsecured, Notes, 2.971% Apr 5, 2021	2,000	2,031	2,014
OMERS Realty Corporation, Series 8, Senior, Unsecured, Notes, Callable, 1.823% May 9, 2022	1,000	991	964
OMERS Realty Corporation, Series 2, Senior, Unsecured, Notes, 3.358% Jun 5, 2023	2,400	2,492	2,446
OMERS Realty Corporation, Series 7, Senior, Unsecured, Notes, Callable, 2.858% Feb 23, 2024	5,400	5,428	5,358
OMERS Realty Corporation, Series 6, Unsecured, Notes, 3.328% Nov 12, 2024	5,200	5,417	5,275
OMERS Realty Corporation, Series 10, Senior, Unsecured, Debentures, Callable, 3.331% Jun 5, 2025	814	814	825
OMERS Realty Corporation, Series 9, Senior, Unsecured, Notes, Callable, 3.244% Oct 4, 2027	4,725	4,769	4,732
Ontario Power Generation Inc., Medium Term Notes, Senior, Unsecured, Callable, 3.315% Oct 4, 2027	4,000	4,026	4,013
Pembina Pipeline Corporation, Series 1, Medium Term Notes, Unsecured, 4.890% Mar 29, 2021	1,250	1,305	1,314
Pembina Pipeline Corporation, Series 2, Medium Term Notes, Unsecured, 3.770% Oct 24, 2022	3,950	4,058	4,042
Pembina Pipeline Corporation, Series 8, Medium Term Notes, Senior, Unsecured, Callable, 2.990% Jan 22, 2024	6,000	6,026	5,886
Pembina Pipeline Corporation, Series 5, Medium Term Notes, Unsecured, Callable, 3.540% Feb 3, 2025	9,500	9,684	9,509
Pembina Pipeline Corporation, Series 7, Medium Term Notes, Senior, Unsecured, Callable, 3.710% Aug 11, 2026	1,600	1,600	1,603
Pembina Pipeline Corporation, Series 6, Medium Term Notes, Unsecured, Callable, 4.240% Jun 15, 2027	4,900	5,060	5,065
Penske Truck Leasing Canada Inc., Senior, Unsecured, Notes, Callable, 2.850% Dec 7, 2022	1,000	1,000	985
Reliance LP, Secured, Notes, 3.813% Sep 15, 2020	700	700	711
Reliance LP, Senior, Secured, Notes, Callable, 3.836% Mar 15, 2025	1,000	1,000	991
RioCan Real Estate Investment Trust, Series U, Senior, Unsecured, Notes, 3.620% Jun 1, 2020	1,100	1,120	1,117
RioCan Real Estate Investment Trust, Series X, Senior, Unsecured, Notes, 2.185% Aug 26, 2020	1,600	1,588	1,578
RioCan Real Estate Investment Trust, Series R, Senior, Unsecured, Notes, 3.716% Dec 13, 2021	1,200	1,225	1,224
RioCan Real Estate Investment Trust, Series V, Senior, Unsecured, Notes, 3.746% May 30, 2022	1,000	1,047	1,021
RioCan Real Estate Investment Trust, Series T, Senior, Unsecured, Notes, 3.725% Apr 18, 2023	1,350	1,362	1,373
RioCan Real Estate Investment Trust, Series AA, Senior, Unsecured, Debentures, Callable, 3.209% Sep 29, 2023	350	350	347
RioCan Real Estate Investment Trust, Series W, Senior, Unsecured, Notes, 3.287% Feb 12, 2024	3,000	3,028	2,970
Rogers Communications, Inc., Senior, Unsecured, Notes, 5.380% Nov 4, 2019	1,000	1,041	1,038
Rogers Communications, Inc., Senior, Unsecured, Notes, 4.700% Sep 29, 2020	1,000	1,034	1,043

BMO Private Canadian Corporate Bond Portfolio

(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2018 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Rogers Communications, Inc., Senior, Unsecured, Notes, 5.340% Mar 22, 2021	3,000	3,159	3,198
Rogers Communications, Inc., Senior, Unsecured, Notes, 4.000% Jun 6, 2022	3,250	3,498	3,375
Rogers Communications, Inc., Medium Term Notes, Senior, Unsecured, Callable, 4.000% Mar 13, 2024	4,200	4,438	4,377
Royal Bank of Canada, Deposit Notes, Senior, Unsecured, 2.350% Dec 9, 2019	6,250	6,271	6,246
Royal Bank of Canada, Secured, Notes, 1.590% Mar 23, 2020	2,000	2,001	1,973
Royal Bank of Canada, Deposit Notes, Senior, Unsecured, 1.920% Jul 17, 2020	2,000	2,002	1,974
Royal Bank of Canada, Deposit Notes, Senior, Unsecured, 2.860% Mar 4, 2021	5,250	5,304	5,273
Royal Bank of Canada, Deposit Notes, Senior, Unsecured, 2.030% Mar 15, 2021	7,400	7,424	7,272
Royal Bank of Canada, Deposit Notes, Senior, Unsecured, 1.650% Jul 15, 2021	7,000	6,886	6,780
Royal Bank of Canada, Senior, Unsecured, Notes, 1.583% Sep 13, 2021	3,600	3,538	3,473
Royal Bank of Canada, Deposit Notes, Senior, Unsecured, 1.968% Mar 2, 2022	25,870	25,807	25,129
Royal Bank of Canada, Deposit Notes, Senior, Unsecured, 2.000% Mar 21, 2022	6,400	6,304	6,220
Royal Bank of Canada, Deposit Notes, Senior, Unsecured, 2.360% Dec 5, 2022	5,200	5,165	5,090
Royal Bank of Canada, Deposit Notes, Senior, Unsecured, 2.333% Dec 5, 2023	11,900	11,761	11,524
Royal Bank of Canada, Fixed to Floating, Unsecured, Notes, Subordinated, Callable, 3.040% Jul 17, 2024	2,500	2,521	2,511
Royal Bank of Canada, Series 15, Medium Term Notes, Fixed to Floating, Subordinated, Callable, 2.990% Dec 6, 2024	2,150	2,181	2,162
Royal Bank of Canada, Fixed to Floating, Notes, Subordinated, Callable, 2.480% Jun 4, 2025	4,500	4,483	4,465
Royal Bank of Canada, Deposit Notes, Senior, Unsecured, 4.930% Jul 16, 2025	7,950	9,152	8,889
Royal Bank of Canada, Fixed to Floating, Notes, Subordinated, Callable, 3.310% Jan 20, 2026	4,500	4,555	4,527
Royal Bank of Canada, Fixed to Floating, Unsecured, Notes, Subordinated, Callable, 3.450% Sep 29, 2026	2,500	2,542	2,519
Saputo Inc., Medium Term Notes, Senior, Unsecured, 2.654% Nov 26, 2019	2,600	2,623	2,606
Saputo Inc., Medium Term Notes, Senior, Unsecured, Callable, 2.827% Nov 21, 2023	6,250	6,238	6,149
Scotiabank Tier I Trust, Scotia BaTS III, Series 2009-1, Fixed to Floating, Senior, Unsecured, Notes, Callable, 7.802% Jun 30, 2108	1,250	1,540	1,311
Shaw Communications Inc., Senior, Unsecured, Notes, 5.650% Oct 1, 2019	2,400	2,484	2,492
Shaw Communications Inc., Senior, Unsecured, Notes, 5.500% Dec 7, 2020	1,650	1,764	1,753
Shaw Communications Inc., Medium Term Notes, Senior, Unsecured, 3.150% Feb 19, 2021	1,000	1,020	1,007

BMO Private Canadian Corporate Bond Portfolio

(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2018 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Shaw Communications Inc., Senior, Unsecured, Notes, 4.350% Jan 31, 2024	5,300	5,482	5,542
Shaw Communications Inc., Senior, Unsecured, Notes, Callable, 3.800% Mar 1, 2027	1,500	1,502	1,508
SmartCentres Real Estate Investment Trust, Series H, Senior, Unsecured, Debentures, 4.050% Jul 27, 2020	1,400	1,447	1,433
SmartCentres Real Estate Investment Trust, Series L, Senior, Unsecured, Notes, 3.749% Feb 11, 2021	1,165	1,211	1,186
SmartCentres Real Estate Investment Trust, Series O, Senior, Unsecured, Notes, Callable, 2.987% Aug 28, 2024	3,750	3,682	3,594
SmartCentres Real Estate Investment Trust, Series N, Senior, Unsecured, Notes, 3.556% Feb 6, 2025	3,000	2,992	2,948
SmartCentres Real Estate Investment Trust, Series P, Senior, Unsecured, Notes, Callable, 3.444% Aug 28, 2026	1,700	1,701	1,634
SmartCentres Real Estate Investment Trust, Series S, Senior, Unsecured, Debentures, Callable, 3.834% Dec 21, 2027	3,000	2,976	2,923
SNC-Lavalin Group Inc., Series 1, Senior, Unsecured, Debentures, 2.689% Nov 24, 2020	200	200	199
SNC-Lavalin Group Inc., Series 4, Senior, Unsecured, Debentures, Callable, 3.235% Mar 2, 2023	333	333	332
Sun Life Capital Trust II, Series 2009-1, SLEECs, Fixed to Floating, Senior, Notes, Subordinated, Callable, 5.863% Dec 31, 2108	1,550	1,768	1,618
Sun Life Financial Inc., Series E, Senior, Unsecured, Debentures, 4.570% Aug 23, 2021	2,000	2,119	2,107
Sun Life Financial Inc., Series 2015-1, Fixed to Floating, Unsecured, Debentures, Subordinated, Callable, 2.600% Sep 25, 2025	1,500	1,491	1,492
Sun Life Financial Inc., Series 2016-1, Fixed to Floating, Unsecured, Debentures, Subordinated, Callable, 3.100% Feb 19, 2026	2,000	2,028	2,011
Sun Life Financial Inc., Fixed to Floating, Medium Term Notes, Unsecured, Subordinated, Callable, 2.750% Nov 23, 2027	1,000	1,000	985
Sun Life Financial Inc., Series 2016-2, Fixed to Floating, Unsecured, Debentures, Subordinated, Callable, 3.050% Sep 19, 2028	11,600	11,699	11,526
Suncor Energy, Inc., Series 5, Medium Term Notes, Unsecured, Callable, 3.100% Nov 26, 2021	3,500	3,615	3,542
Suncor Energy, Inc., Series 5, Medium Term Notes, Senior, Unsecured, Callable, 3.000% Sep 14, 2026	7,000	6,926	6,838
TD Capital Trust IV, Series 3, CaTS, Fixed to Floating, Unsecured, Notes, Subordinated, Callable, 6.631% Jun 30, 2108	4,500	5,396	4,945
TELUS Corporation, Series CG, Senior, Unsecured, Notes, 5.050% Dec 4, 2019	2,600	2,712	2,700
TELUS Corporation, Series CH, Senior, Unsecured, Notes, 5.050% Jul 23, 2020	2,000	2,113	2,095
TELUS Corporation, Series CM, Senior, Unsecured, Notes, 3.600% Jan 26, 2021	1,500	1,542	1,530
TELUS Corporation, Series CO, Unsecured, Notes, Callable, 3.200% Apr 5, 2021	3,000	3,050	3,031
TELUS Corporation, Series CT, Unsecured, Notes, Callable, 2.350% Mar 28, 2022	3,850	3,816	3,767
TELUS Corporation, Series CJ, Unsecured, Notes, Callable, 3.350% Mar 15, 2023	3,750	3,799	3,790

BMO Private Canadian Corporate Bond Portfolio

(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2018 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
TELUS Corporation, Series CK, Unsecured, Notes, Callable, 3.350% Apr 1, 2024	11,500	11,719	11,551
TELUS Corporation, Series CQ, Unsecured, Notes, Callable, 3.750% Jan 17, 2025	7,450	7,795	7,610
TELUS Corporation, Series CV, Senior, Unsecured, Notes, Callable, 3.750% Mar 10, 2026	9,450	9,756	9,601
TELUS Corporation, Senior, Unsecured, Notes, Callable, 3.625% Mar 1, 2028	2,035	2,021	2,029
Teranet Holdings L.P., Senior, Secured, Notes, 4.807% Dec 16, 2020	2,400	2,504	2,488
Teranet Holdings L.P., Secured, Notes, Callable, 3.646% Nov 18, 2022	2,000	2,031	1,995
Thomson Reuters Corporation, Unsecured, Notes, 4.350% Sep 30, 2020	2,000	2,062	2,071
Thomson Reuters Corporation, Senior, Unsecured, Notes, Callable, 3.309% Nov 12, 2021	2,500	2,583	2,531
TMX Group Limited, Series D, Senior, Unsecured, Debentures, Callable, 2.997% Dec 11, 2024	5,500	5,456	5,446
TMX Group Limited, Series E, Senior, Unsecured, Debentures, Callable, 3.779% Jun 5, 2028	1,155	1,155	1,180
Toromont Industries Ltd., Senior, Unsecured, Notes, Callable, 3.710% Sep 30, 2025	1,000	1,007	1,013
Toromont Industries Ltd., Senior, Unsecured, Notes, Callable, 3.842% Oct 27, 2027	2,450	2,483	2,479
Toronto Hydro Corporation, Series 3, Senior, Unsecured, Notes, 4.490% Nov 12, 2019	950	982	977
Toronto Hydro Corporation, Series 7, Senior, Unsecured, Debentures, 3.540% Nov 18, 2021	1,150	1,211	1,187
Toronto Hydro Corporation, Series 8, Senior, Unsecured, Debentures, Callable, 2.910% Apr 10, 2023	1,250	1,273	1,260
Toronto Hydro Corporation, Series 12, Senior, Unsecured, Notes, Callable, 2.520% Aug 25, 2026	1,300	1,279	1,257
Toronto-Dominion Bank, The, Deposit Notes, Senior, Unsecured, 1.693% Apr 2, 2020	7,700	7,722	7,600
Toronto-Dominion Bank, The, Deposit Notes, Senior, Unsecured, 2.563% Jun 24, 2020	8,500	8,600	8,505
Toronto-Dominion Bank, The, Deposit Notes, Senior, Unsecured, 2.045% Mar 8, 2021	9,000	9,089	8,859
Toronto-Dominion Bank, The, Series CBL14, Secured, Notes, 1.680% Jun 8, 2021	4,000	3,970	3,900
Toronto-Dominion Bank, The, Deposit Notes, Senior, Unsecured, 2.621% Dec 22, 2021	6,000	6,121	5,978
Toronto-Dominion Bank, The, Deposit Notes, Senior, Unsecured, 1.994% Mar 23, 2022	9,550	9,325	9,286
Toronto-Dominion Bank, The, Deposit Notes, Unsecured, 3.005% May 30, 2023	5,909	5,920	5,938
Toronto-Dominion Bank, The, Deposit Notes, Senior, Unsecured, 1.909% Jul 18, 2023	17,550	17,482	16,737
Toronto-Dominion Bank, The, Deposit Notes, Senior, Unsecured, 3.226% Jul 24, 2024	21,250	22,086	21,542
Toronto-Dominion Bank, The, Medium Term Notes, Fixed to Floating, Subordinated, Callable, 2.692% Jun 24, 2025	5,000	4,997	4,981

BMO Private Canadian Corporate Bond Portfolio

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SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2018 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
Toronto-Dominion Bank, The, Medium Term Notes, Fixed to Floating, Subordinated, Callable, 2.982% Sep 30, 2025	4,000	4,029	4,004
Toronto-Dominion Bank, The, Medium Term Notes, Fixed to Floating, Subordinated, Callable, 3.224% Jul 25, 2029	12,900	12,840	12,603
Toronto-Dominion Bank, The, Fixed to Floating, Medium Term Notes, Unsecured, Subordinated, Callable, 4.859% Mar 4, 2031	5,500	5,972	5,911
Toyota Credit Canada Inc., Medium Term Notes, Senior, Unsecured, 2.480% Nov 19, 2019	1,500	1,508	1,501
Toyota Credit Canada Inc., Senior, Unsecured, Notes, 1.800% Feb 19, 2020	4,000	4,003	3,954
Toyota Credit Canada Inc., Euro Medium Term Notes, Senior, Unsecured, 2.050% May 20, 2020	1,000	1,001	990
Toyota Credit Canada Inc., Medium Term Notes, Senior, Unsecured, 1.750% Jul 21, 2021	2,500	2,466	2,426
Toyota Credit Canada Inc., Medium Term Notes, Senior, Unsecured, 2.350% Jul 18, 2022	1,200	1,200	1,176
Toyota Credit Canada Inc., Medium Term Notes, Senior, Unsecured, 2.620% Oct 11, 2022	2,000	1,969	1,978
Toyota Credit Canada Inc., Medium Term Notes, Senior, Unsecured, 2.700% Jan 25, 2023	1,000	996	991
TransAlta Corporation, Medium Term Notes, Senior, Unsecured, 5.000% Nov 25, 2020	2,000	2,021	2,071
TransCanada PipeLines Limited, Medium Term Notes, Unsecured, 3.650% Nov 15, 2021	3,000	3,169	3,084
TransCanada PipeLines Limited, Medium Term Notes, Senior, Unsecured, Callable, 3.690% Jul 19, 2023	7,000	7,325	7,203
TransCanada PipeLines Limited, Medium Term Notes, Senior, Unsecured, Callable, 3.300% Jul 17, 2025	11,550	11,812	11,595
TransCanada PipeLines Limited, Medium Term Notes, Senior, Unsecured, 8.290% Feb 5, 2026	1,000	1,271	1,316
TransCanada PipeLines Limited, Medium Term Notes, Senior, Unsecured, 7.900% Apr 15, 2027	680	911	893
TransCanada PipeLines Limited, Medium Term Notes, Senior, Unsecured, Callable, 3.390% Mar 15, 2028	909	907	904
TransCanada Trust, Series 2017-A, Fixed to Floating, Junior, Notes, Subordinated, Callable, 4.650% May 18, 2077	15,000	15,187	14,365
Union Gas Limited, Series 11, Medium Term Notes, Senior, Unsecured, Callable, 2.760% Jun 2, 2021	1,000	1,028	1,004
Union Gas Limited, Series 10, Medium Term Notes, Unsecured, Callable, 3.790% Jul 10, 2023	1,000	1,013	1,043
Union Gas Limited, Series 13, Medium Term Notes, Senior, Unsecured, Callable, 3.190% Sep 17, 2025	4,700	4,842	4,753
Union Gas Limited, Medium Term Notes, Senior, Unsecured, Callable, 2.880% Nov 22, 2027	5,400	5,400	5,300
Ventas Canada Finance Ltd., Series A, Senior, Unsecured, Notes, 3.000% Sep 30, 2019	2,000	2,023	2,012
Ventas Canada Finance Ltd., Series D, Senior, Unsecured, Notes, Callable, 2.550% Mar 15, 2023	1,000	973	973
Ventas Canada Finance Ltd., Series B, Senior, Unsecured, Notes, Callable, 4.125% Sep 30, 2024	4,775	4,871	4,952

BMO Private Canadian Corporate Bond Portfolio

(unaudited)

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at June 30, 2018 (All amounts in thousands of Canadian dollars, unless otherwise noted)

Security	Par Value (in thousands)	Cost (\$)	Fair Value (\$)
VW Credit Canada Inc., Senior, Unsecured, Notes, 2.500% Oct 1, 2019	1,900	1,916	1,898
VW Credit Canada Inc., Senior, Unsecured, Notes, 2.150% Jun 24, 2020	1,500	1,514	1,481
VW Credit Canada Inc., Senior, Unsecured, Notes, 2.900% Mar 29, 2021	2,000	1,993	1,997
VW Credit Canada Inc., Senior, Unsecured, Notes, 3.250% Mar 29, 2023	1,000	999	1,000
Wells Fargo Canada Corporation, Medium Term Notes, Unsecured, 2.944% Jul 25, 2019	4,980	5,027	5,011
Wells Fargo Canada Corporation, Medium Term Notes, Unsecured, 3.040% Jan 29, 2021	10,200	10,463	10,269
West Edmonton Mall Property Inc., Series B1, Secured, Notes, 4.309% Feb 13, 2024	2,500	2,615	2,534
Westcoast Energy Inc., Series 10, Medium Term Notes, Senior, Unsecured, 4.570% Jul 2, 2020	1,250	1,289	1,295
Westcoast Energy Inc., Series 15, Medium Term Notes, Senior, Unsecured, Callable, 3.430% Sep 12, 2024	9,000	9,207	9,099
Westcoast Energy Inc., Series 16, Medium Term Notes, Senior, Unsecured, Callable, 3.770% Dec 8, 2025	1,700	1,764	1,747
WestJet Airlines Ltd., Senior, Unsecured, Notes, 3.287% Jul 23, 2019	2,970	2,996	2,991
Winnipeg Airports Authority Inc., Series E, Secured, Notes, 3.039% Apr 14, 2023	2,000	1,978	2,016
		1,631,720	1,607,834
<i>Asset-Backed Securities — 1.5%</i>			
Canadian Credit Card Trust II, Series 2015-1, Class A, Credit Card Receivables-Backed Notes, 1.829% Mar 24, 2020	3,000	2,997	2,964
CARDS II Trust, Series 2015-3, Class A, Credit Card Receivables-Backed Notes, Sinkable, 2.155% Oct 15, 2020	3,750	3,780	3,708
Ford Floorplan Auto Securitization Trust, Series 2017-F1, Class A, Asset-Backed Notes, 2.197% Jul 15, 2020	1,500	1,503	1,485
Fortified Trust, Series 2016-1, Class A, Real Estate Secured Line of Credit-Backed Notes, 1.670% Jul 23, 2021	2,500	2,481	2,420
Genesis Trust II, Series 2015-1, Class A, Real Estate Secured Line of Credit-Backed Notes, 1.699% Apr 15, 2020	4,900	4,862	4,831
Glacier Credit Card Trust, Series 2015-1, Credit Card Asset-Backed Notes, Senior, 2.237% Sep 20, 2020	2,050	2,062	2,030
Glacier Credit Card Trust, Series 2017-1, Credit Card Asset-Backed Notes, Senior, Secured, 2.048% Sep 20, 2022	3,000	2,986	2,898
Hollis Receivables Term Trust II, Series 2015-1, Class A, Receivables-Backed Notes, 1.788% Feb 26, 2020	2,000	1,997	1,975
NBC Asset Trust, Trust Capital Securities, Series 2, Fixed to Floating, Asset-Backed, Perpetual, Callable, 7.447% Jun 30, 2049	1,500	1,825	1,612
		24,493	23,923
Total Investment Portfolio — 99.4%		1,656,213	1,631,757
Other Assets Less Liabilities — 0.6%			10,219
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS — 100.0%			1,641,976

BMO Private Canadian Corporate Bond Portfolio

(unaudited)

NOTES TO FINANCIAL STATEMENTS

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

June 30, 2018

1. The Portfolio

BMO Private 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 July 8, 2016. BMO Private Investment Counsel 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, M5X 1A1.

The Statement of Financial Position and related notes of each of the Portfolios are as at June 30, 2018 and December 30, 2017. The Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Holders of Redeemable Units, Statement of Cash Flows and related notes are for the periods ended June 30, 2018 and June 30, 2017.

These financial statements were authorized for issuance by the Board of Directors of the Manager on August 14, 2018.

These financial statements should be read in conjunction with the annual financial statements for the period ended December 31, 2017, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

2. Basis of preparation and presentation

These unaudited interim financial statements have been prepared in accordance with IFRS and in accordance with International Accounting Standard (“IAS”) 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”).

3. Summary of significant accounting policies

Financial instruments

Investments include financial assets and financial liabilities such as equity and debt securities, investment funds and derivatives. These financial instruments are part of a group of financial instruments that are managed and their performance is evaluated on a fair value basis in accordance with the Portfolio’s investment strategy.

The Portfolio classifies and measures financial instruments in accordance with IFRS 9 Financial Instruments (“IFRS 9”). Upon initial recognition, financial instruments are recorded at fair value through profit or loss (“FVTPL”). A financial instrument is recognized when the Portfolio becomes a party to the contractual requirements of the instrument and is derecognized when the right to receive cash flows from the instrument has expired or the Portfolio has

transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. Financial instruments are subsequently measured as FVTPL with changes in fair value recognized in the Statement of Comprehensive Income as “Change in unrealized appreciation (depreciation)”.

All financial assets and financial liabilities are recognized in the Statement of Financial Position.

The Portfolio’s outstanding redeemable units, which are puttable instruments, are entitled to a contractual obligation of annual distribution of any net income and net realized capital gains by the Portfolio. This annual distribution can be in cash at the option of the unitholders, and therefore the ongoing redemption feature is not the redeemable units’ only contractual obligation. Consequently, the units of the Portfolio do not meet the conditions to be classified as equity and therefore are classified as financial liabilities and presented at the redemption amounts.

Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis and excludes commissions and other portfolio transaction costs, which are reported separately in the Statement of Comprehensive Income. Realized gains and losses on disposition are determined based on the cost of the investment.

Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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 equities 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

BMO Private Canadian Corporate Bond Portfolio

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NOTES TO FINANCIAL STATEMENTS (cont'd)

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

June 30, 2018

services. Short-term investments, if any, are held at amortized cost which approximates fair value.

Mutual fund units 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.

The Portfolio may enter into forward currency contracts for hedging purposes, either directly or indirectly or for non-hedging purposes. The fair value of forward currency contracts entered into by the Portfolio is recorded as the difference between the fair value of the contract on the Valuation Date and the fair value on the date the contract originated.

Unlisted warrants, if any, are valued based on a pricing model which considers factors such as the market value of the underlying security, strike price and terms of the warrant.

For securities where market quotes are not available, unreliable or not considered to reflect the current value, the Manager may determine another value which it considers to be fair and reasonable, or use a valuation technique that, to the extent possible, makes maximum use of inputs and assumptions based on observable market data including volatility, comparable companies, NAV (for exchange-traded funds) 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 Manager may use internal models where the inputs are not based on observable market data.

Cash

Cash is comprised of cash and deposits with banks which include bankers' acceptances and overnight demand deposits. Cash is recorded at fair value. The carrying amount of cash approximates its fair value because it is short-term in nature.

Other assets and other liabilities

Other assets and other liabilities generally include receivables and payables relating to investment transactions, unitholder subscriptions and redemptions, and other assets and other liabilities that are initially recorded at fair value. These financial assets and financial liabilities are short-term in nature and are

subsequently measured at amortized cost, which approximates their fair value.

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 Manager has determined that the Portfolio is an investment entity and as such, it accounts for subsidiaries, if any, at fair value. Joint ventures are those where the Portfolio exercises joint control through an agreement with other shareholders, and associates are investments in which the Portfolio exerts significant influence over operating, investing, and financing decisions (such as entities in which the Portfolio owns 20% - 50% of voting shares), all of which, if any, have been classified at FVTPL.

Unconsolidated structured entities

During the periods, the Portfolio had no sponsored unconsolidated structured entities. The Manager has determined that the underlying funds in which the Portfolio may invest are unconsolidated structured entities. This determination is based on the fact that decision making about the underlying funds is not governed by the voting right or other similar right held by the Portfolio. Similarly, investments in securitizations, asset-backed securities and mortgage-backed securities are determined to be interests in unconsolidated structured entities.

The Portfolio may invest in underlying funds whose investment objectives range from achieving short-term to long-term income and capital growth potential. Underlying funds may use leverage in a manner consistent with their respective investment objectives and as permitted by Canadian securities regulatory authorities. Underlying funds finance their operations by issuing redeemable units which are puttable at the holders' option and entitles the holder to a proportionate stake in the respective fund's Net Assets. The change in fair value of each of the underlying funds during the periods is included in "Change in unrealized appreciation (depreciation)" in the Statement of Comprehensive Income.

Mortgage-related securities are created from pools of residential or commercial mortgage loans, including mortgage loans made by savings and loan institutions, mortgage bankers, commercial banks and others. Asset-backed securities created from many types of assets, including auto loans, credit card receivables, home equity loans, and student loans.

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NOTES TO FINANCIAL STATEMENTS (cont'd)

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

June 30, 2018

The Portfolio does not provide and has not committed to providing any additional significant financial or other support to the unconsolidated structured entities other than its investment in the unconsolidated structured entities.

Additional information on the Portfolio's interest in unconsolidated structured entities, where applicable, is provided in Note 8.

Offsetting of financial assets and financial liabilities

Financial instruments are presented at net or gross amounts on the Statement of Financial Position depending on the existence of intention and legal right to offset opposite positions of such instruments held with the same counterparties. Amounts offset in the Statement of Financial Position are transactions for which the Portfolio has legally enforceable rights to offset and intends to settle the positions on a net basis. Amounts not offset in the Statement of Financial Position relate to transactions where a master netting arrangement or similar agreement is in place with a right to offset only in the event of default, insolvency or bankruptcy, or where the Portfolio has no intention of settling on a net basis. There were no master netting agreements during the periods.

Income recognition

Dividend income and distributions received from investment trusts 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 investments' stated rates of interest.

Interest on inflation-indexed bonds is paid based on a principal value, which is adjusted for inflation. The inflation adjustment of the principal value is recognized as part of interest income in the Statement of 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 "Net realized gain (loss)" in the Statement of Comprehensive Income and unrealized foreign exchange gains (losses) are included in "Change in unrealized appreciation (depreciation)" in the Statement of Comprehensive Income. Foreign exchange gains (losses) relating to cash, receivables and payables are included in "Foreign exchange gain (loss)" in the Statement of Comprehensive Income.

Securities lending

A Portfolio may engage in securities lending pursuant to the terms of an agreement with BNY Mellon (the "security lending agent"). The aggregate market value of all securities loaned by the Portfolio cannot exceed 50% of the NAV of the Portfolio. The Portfolio will receive collateral of at least 102% of the value of securities on loan. Collateral will generally be comprised of obligations of or guarantee by the Government of Canada or a province thereof, or by the United States government or its agencies, but it may include obligations of other governments with appropriate credit ratings. Further, the program entered into provides for 100% indemnification by the securities lending agent and parties related to the Portfolio's custodian, to the Portfolio for the defaults by borrowers.

For those Portfolios participating in the program, aggregate values of securities on loan and the collateral held as at June 30, 2018 and December 31, 2017, are disclosed in Note 8.

Income from securities lending, where applicable, is included in the Statement of Comprehensive Income and is recognized when earned. The breakdown of the securities lending income is disclosed in Note 8, where applicable.

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 trading penalty fees" in the Statement of Comprehensive Income.

BMO Private Canadian Corporate Bond Portfolio

(unaudited)

NOTES TO FINANCIAL STATEMENTS (cont'd)

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

June 30, 2018

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

“Increase (decrease) in net assets attributable to holders of redeemable units per unit” in the Statement of Comprehensive Income represents the increase (decrease) in net assets attributable to holders of redeemable units (“Net Assets”) divided by the weighted average number of units outstanding during the period.

Taxation

The Portfolio qualifies as a unit 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 nor does it recognize any deferred tax assets or liabilities 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 capital gains are recorded on a gross basis with the related withholding taxes shown as a separate expense in the Statement of Comprehensive Income.

4. Critical accounting judgements and estimates

The preparation of financial statements requires the use of judgement in applying the Portfolio’s accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgements and estimates that the Portfolio has made in preparing its financial statements.

Accounting judgements:

Functional and presentation currency

The Portfolio’s unitholders are mainly Canadian residents, with the subscriptions and redemptions of the redeemable units denominated in Canadian dollars. The Portfolio invests in Canadian and U.S. dollars and other foreign denominated securities, as applicable. The performance of the Portfolio is measured and reported to the investors in Canadian dollars. The Manager considers the Canadian dollar as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Canadian dollars,

which is the Portfolio’s functional and presentation currency.

Classification and measurement of financial instruments

Effective January 1, 2018, the Portfolio retrospectively adopted IFRS 9. The new standard requires assets to be carried at either amortized cost, FVTPL, or fair value through other comprehensive income (“FVOCI”), based on an assessment of the Portfolio’s business model for managing financial assets and the contractual cash flow characteristic of the financial assets. In classifying and measuring financial instruments held by the Portfolio, the Manager is required to make significant judgements in determining the most appropriate classification in accordance with IFRS 9. The Manager has assessed the Portfolio’s business model with respect to the manner in which financial assets and financial liabilities are managed as a group and performance is evaluated on a fair value basis, and has concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Portfolio’s investment portfolio. Further information related to the Portfolio’s transition to IFRS 9 is detailed in Note 9.

Accounting estimates:

Fair value measurement of securities not quoted in an active market

The Portfolio has established policies and control procedures that are intended to ensure these estimates 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 policies used by the Portfolio for the estimates used in determining fair value.

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 on realized capital gains, dividends and interest. The Portfolio has no restrictions or specific capital requirements on the subscriptions and redemptions of units except

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as disclosed in Note 8. 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. 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 on each Valuation Date, in accordance with Part 14 of National Instruments (“NI”) 81-106 Investment Fund Continuous Disclosure for the purpose of unitholder transactions. Net Assets are determined in accordance with IFRS and may differ to the Portfolio’s NAV. Where the Portfolio’s NAV is not equal to its Net Assets, a reconciliation is shown in Note 8.

6. Related party transactions

(a) Management fees

The Manager is responsible for the day-to-day management of the Portfolio, including managing or arranging for the management of the Portfolio’s investment portfolio as well as providing and arranging for the provision of administrative services to the Portfolio such as valuation services, fund accounting and unitholder records. The Manager does not receive a fee from the Portfolio for its services. Instead, unitholders pay an investment management fee directly to BMO Trust Company and the Manager as arranged between the unitholder, BMO Trust Company and the Manager.

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

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

servicing fees” in the Statement of 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’s investment portfolio. For these services the sub-advisors receive sub-advisory fees. These fees are paid monthly by the Manager on behalf of the Portfolio. 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 NAV of the Portfolio are absorbed by the Manager.

(c) Portfolio expenses

The Portfolio also pays certain operating expenses directly, including compensation and expenses payable to Independent Review Committee (“IRC”) members and any independent counsel or other advisors employed by the IRC, the costs of the orientation and continuing education of IRC members and the costs and expenses associated with IRC meetings.

(d) Commissions and other portfolio transaction costs

The Portfolio may execute trades with and through BMO Nesbitt 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 for related party fees charged to the Portfolio during the periods ended June 30, 2018 and June 30, 2017.

(e) 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 and affiliates of Bank of Montreal, 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 and affiliates of Bank of Montreal, BMO Asset Management Inc., BMO Trust Company, BMO Nesbitt Burns Inc., BMO InvestorLine Inc., BMO Private Investment Counsel Inc., BMO Asset Management Corp., Pyrford International Limited, or other investment funds offered by Bank of Montreal, and may involve the purchase or sale of portfolio securities through or from a subsidiary or affiliates of Bank of Montreal, the purchase or sale of securities issued or guaranteed by subsidiaries or affiliates of Bank of Montreal, entering into forward contracts with subsidiaries or affiliates of Bank of Montreal acting as

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counterparty, the purchase or redemption of units of other Bank of Montreal affiliated investment funds or the provision of services to the Manager.

7. Financial instruments risks

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 fair 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.

(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 investments, 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.

(c) Other market risk

Other market risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are

caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market. Other assets and liabilities are monetary items that are short-term in nature, 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.

(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.

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, where applicable.

(e) Liquidity risk

The Portfolio's exposure to liquidity risk is concentrated in the daily cash redemptions of units. The Portfolio primarily invests in securities that are traded in active markets and can be readily disposed. In addition, the Portfolio retains sufficient cash and cash equivalent positions to maintain liquidity. The Portfolio may, from time to time, enter into over-the-counter derivative contracts or invest in unlisted securities, which are not traded in an organized market and may be illiquid. Securities for which a market quotation could not be obtained and may be illiquid are identified on the Schedule of Investment Portfolio. 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, 2018	Jun. 30, 2017
Units issued and outstanding, beginning of period	139,054	125,328
Issued for cash	33,297	14,836
Issued on reinvestment of distributions	2,330	1,906
Redeemed during the period	(12,514)	(8,492)
Units issued and outstanding, end of period	162,167	133,578

(b) Reconciliation of NAV to Net Assets

As at June 30, 2018 and December 31, 2017, there were no differences between the Portfolio's NAV per unit and its Net Assets per unit calculated in accordance with IFRS.

(c) 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, 2018 and June 30, 2017 is calculated as follows:

For the periods ended	Jun. 30, 2018	Jun. 30, 2017
Increase in net assets attributable to holders of redeemable units	7,981	21,083
Weighted average units outstanding during the period (in thousands of units)	158,426	129,701
Increase in net assets attributable to holders of redeemable units per unit	0.05	0.16

(d) Income taxes

As at the tax year-ended December 2017, the Portfolio had the following capital and non-capital losses available for income tax purposes:

Total Capital Losses (\$)	Total Non-Capital Losses (\$)	Non-Capital Losses That Expire in		
		2028 (\$)	2029 (\$)	2030 and thereafter (\$)
3,997	—	—	—	—

(e) Related party transactions

Unitholder servicing

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

For the periods ended	Jun. 30, 2018	Jun. 30, 2017
Unitholder servicing (\$)	134	126

Brokerage commissions and soft dollars

There were no brokerage commissions charged to the Portfolio during the periods ended June 30, 2018 and June 30, 2017.

(f) Financial instruments risks

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

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

Currency risk

As at June 30, 2018 and December 31, 2017, the Portfolio did not have any significant exposure to currency risk as it invested fully in Canadian securities.

Interest rate risk

The Portfolio's exposure to interest rate risk, by remaining term to maturity, is summarized in the following table:

Number of years	Interest Rate Exposure as at	
	Jun. 30, 2018	Dec. 31, 2017
Less than one year	—	—
One to three years	353,241	308,394
Three to five years	351,384	343,557
Five to ten years	846,395	687,758
Greater than ten years	80,737	70,565
Total	1,631,757	1,410,274

All amounts in Canadian dollars

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As at June 30, 2018 and December 31, 2017, if the prevailing interest rates had been strengthened or weakened by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, the Net Assets of the Portfolio could possibly have decreased or increased, respectively, by approximately \$72,055 (December 31, 2017— \$62,533). The Portfolio's interest rate 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, 2018 and December 31, 2017, as it was invested fully in fixed income securities.

Credit risk

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

Credit Rating	As a % of Net Assets as at	
	Jun. 30, 2018	Dec. 31, 2017
AAA	1.6	2.5
AA	15.7	15.5
A	37.1	36.6
BBB	44.8	44.5
Unrated	0.2	-
Total	99.4	99.1

Securities lending

The Portfolio had assets involved in securities lending transactions outstanding as at June 30, 2018 and December 31, 2017 as follows:

	Aggregate Value of Securities on Loan (\$)	Aggregate Value of Collateral Received for the Loan (\$)
June 30, 2018	11,857	12,510
December 31, 2017	22,194	23,478

The table below is a reconciliation of the gross amount generated from securities lending transactions to the security lending revenue for the periods ended June 30, 2018 and June 30, 2017:

For the periods ended	Jun. 30, 2018		Jun. 30, 2017	
	Amount	% of Gross Securities Lending Revenue	Amount	% of Gross Securities Lending Revenue
Gross securities lending revenue	13	100.0	8	100.0
Withholding taxes	0	0.5	1	15.7
	13	99.5	7	84.3
Payment to securities lending agents	4	29.8	2	25.3
Net securities lending revenue*	9	69.7	5	59.0

* Amount shown on the Statement of Comprehensive Income is gross of withholding taxes of \$0 (June 30, 2017 — \$1).

Concentration risk

The Portfolio's concentration risk is summarized in the following table:

As at	Jun. 30, 2018	Dec. 31, 2017
Bonds & Debentures		
Corporate Bonds & Debentures	97.9%	97.2%
Asset-Backed Securities	1.5%	1.9%
Other Assets Less Liabilities	0.6%	0.9%
	100.0%	100.0%

(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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As at Jun. 30, 2018

Financial assets	Level 1	Level 2	Level 3	Total
Debt Securities	1,631,757	—	—	1,631,757

As at Dec. 31, 2017

Financial assets	Level 1	Level 2	Level 3	Total
Debt Securities	1,410,274	—	—	1,410,274

Transfers between levels

There were no transfers between the levels during the periods.

(h) Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities is shown in the following table:

As at	Carrying amount	
	Jun. 30, 2018	Dec. 31, 2017
Canadian Credit Card Trust II, Series 2015-1, Class A, Credit Card Receivables-Backed Notes, 1.829% Mar 24, 2020	2,964	2,970
CARDS II Trust, Series 2015-3, Class A, Credit Card Receivables-Backed Notes, Sinkable, 2.155% Oct 15, 2020	3,708	3,733
Ford Floorplan Auto Securitization Trust, Series 2017-F1, Class A, Asset-Backed Notes, 2.197% Jul 15, 2020	1,485	1,491
Fortified Trust, Series 2016-1, Class A, Real Estate Secured Line of Credit-Backed Notes, 1.670% Jul 23, 2021	2,420	1,948
Genesis Trust II, Series 2014-1, Class A, Real Estate Secured Line of Credit-Backed Notes, 2.433% May 15, 2019	—	3,919
Genesis Trust II, Series 2015-1, Class A, Real Estate Secured Line of Credit-Backed Notes, 1.699% Apr 15, 2020	4,831	2,073
Glacier Credit Card Trust, Series 2015-1, Credit Card Asset-Backed Notes, Senior, 2.237% Sep 20, 2020	2,030	4,033
Glacier Credit Card Trust, Series 2017-1, Credit Card Asset-Backed Notes, Senior, Secured, 2.048% Sep 20, 2022	2,898	2,916
Hollis Receivables Term Trust II, Series 2014-1, Class A, Receivables-Backed Notes, 2.434% Jun 26, 2019	—	1,005
Hollis Receivables Term Trust II, Series 2015-1, Class A, Receivables-Backed Notes, 1.788% Feb 26, 2020	1,975	1,979
NBC Asset Trust, Trust Capital Securities, Series 2, Fixed to Floating, Asset-Backed, Perpetual, Callable, 7.447% Jun 30, 2049	1,612	1,644
Total	23,923	27,711

The carrying value of mortgage related and other asset-backed securities are included in “Investments – Non-derivative financial assets” in the Statement of Financial Position. This amount also represents the maximum exposure to losses at that date.

The change in fair value of mortgage related and other asset-backed securities are included in the Statement of Comprehensive Income in “Change in unrealized appreciation (depreciation)”.

9. IFRS 9 transition

Upon transition to IFRS 9, financial assets and financial liabilities in the Portfolio’s investment portfolio were classified as FVTPL. The classification differs from the classification under the previous IAS 39 for the financial assets and financial liabilities that were previously classified as held for trading; therefore there were changes in the categorization of financial assets and financial liabilities upon transition to IFRS 9. However, there were no changes in the measurement attributes for any of the financial assets and financial liabilities upon transition to IFRS 9. The tables below show the reconciliation of the financial assets and financial liabilities balances as at January 1, 2018, the IFRS 9 transition date.

As at Jan. 1, 2018	Held for Trading	Designated as FVTPL	Loans and Receivables**	FVTPL
Financial Assets				
Opening balance - under IAS 39	—	1,410,274	11,693	—
On the basis of change from IAS 39 to IFRS 9:				
- reclassification of investments to FVTPL*	—	(1,410,274)	—	1,410,274
Total change on transition to IFRS 9	—	(1,410,274)	—	1,410,274
Opening balance - under IFRS 9	—	—	11,693	1,410,274

* These are financial instruments (derivatives) classified as held for trading and others designated as FVTPL under IAS 39.

** These are other financial assets classified as loans and receivables under IAS 39, now classified as amortized cost under IFRS 9.

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As at Jan. 1, 2018

Financial Liabilities	Held for Trading	Amortized Cost**	FVTPL
Opening balance - under IAS 39	—	4,570	—
On the basis of change from IAS 39 to IFRS 9:			
- reclassification of shorts and other derivatives*	—	—	—
Total change on transition to IFRS 9	—	—	—
Opening balance - under IFRS 9	—	4,570	—

* These are other financial liabilities (such as shorts and derivatives) classified as held for trading under IAS 39.

** These are other financial liabilities that continue to be classified as amortized cost.

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