Semi-Annual Management Report of Fund Performance

BMO Private U.S. Growth Equity Portfolio

For the period ended June 30, 2018

This semi-annual management report of fund performance contains financial highlights, but does not contain the semi-annual or annual financial statements of the Portfolio. If the semi-annual or annual financial statements of the Portfolio do not accompany the mailing of this report, you may obtain a copy of the semi-annual or annual financial statements at your request, and at no cost, by calling 1-855-852-1026, by e-mailing us at **contact.centre@bmo.com**, by writing to us at BMO Private Investment Counsel Inc., 1 First Canadian Place, 100 King St. W., 41st Floor, Toronto, Ontario, M5X 1A1 or by visiting our website at **www.bmoprivatebanking.com** or SEDAR at **www.sedar.com**. You may also contact us using one of these methods to request a copy of the Portfolio's proxy voting policies and procedures, proxy voting disclosure record and/or quarterly portfolio disclosure.

Management Discussion of Fund Performance

BMO Private Investment Counsel Inc. ("BPIC" or the "Manager"), the manager and portfolio manager, is responsible for the management of the overall business, investments and operations of the BMO Private Portfolios and has engaged Sands Capital Management, LLC ("Sands" or the "sub-advisor") as the sub-advisor of BMO Private U.S. Growth Equity Portfolio (the "Portfolio").

Results of Operations

Over the six-month period ended June 30, 2018, the Portfolio returned 27.27% in C$ (21.72% in US$), after expenses. The Portfolio's benchmark is the Russell 1000 Growth Index, which generated a 12.62% total return in C$ (7.25% in US$) over the same six-month period.

For the six-month period ended June 30, 2018, the U.S. economy continued to provide a positive backdrop for long-term growth investors. Business fundamentals were healthy, supported by stable employment levels, consumer confidence and a boost from tax reform and supportive fiscal policies. As a result, business investments are expected to strengthen over the next several quarters both in the United States and globally, driven by companies' robust business fundamentals and quarterly earnings results.

Allocation to the Consumer Discretionary and Information Technology sectors contributed most to the Portfolio's performance from a sector perspective, particularly internet-based companies. One of the top individual contributors to performance was Netflix Inc., the global leader in on-demand streaming video. With more than 125 million subscribers worldwide as of its first-quarter report, Netflix Inc. continued to demonstrate the strength of its customer-content strategy for increasing subscription revenues and funding content creation. This has led to remarkable scale, with the company spending more on content development than almost any non-sport entertainment buyer in the world. The sub-advisor believes that the company's 2018 content will continue to drive strong engagement and further subscription. Additionally, almost all of the key international markets remain underpenetrated and have room to accelerate, Germany and France in particular. Other notable contributors to the Portfolio's performance were Amazon.com Inc., Salesforce.com Inc., ServiceNow Inc. and Adobe Systems Inc.

Exposure to the Energy and Utilities sectors contributed the least to performance. The Portfolio's underweight allocation to both of these sectors was a slight contributor to performance. One of the largest individual detractors from performance was Monster Beverage Corp., which reported fourth-quarter 2017 results that were substantially below expectations. Most of the shortfall in sales came down to bottler de-stocking across several international markets, particularly in Europe, Middle East, Africa and Asia. This is a transient issue that the sub-advisor believes has already begun to reverse, as evidenced by January sales growth exceeding 28% year-over-year. Moreover, the energy drink category continued to grow at healthy rates globally, a category in which Monster Beverage Corp. has gained market share. Other individual detractors included holdings in Incyte Corp., Regeneron Pharmaceuticals Inc., Biogen Inc. and Workday Inc.

The sub-advisor added several new holdings to the Portfolio. Floor & Decor Holdings Inc. is an emerging leader in the hard surface flooring industry. The sub-advisor believes that the company offers customers best-in-class product assortment, deep in-stock inventory and lower pricing. With a target of more than tripling its store count to 300 over the next few years, the company is still in the early phase of its growth. Workday Inc. was introduced to the Portfolio for its long-term growth potential. Over the next decade, the sub-advisor believes that enterprises will adopt software-as-a-service enterprise resource planning solutions, which the company should benefit from. Align Technology Inc. was purchased on the basis of its expanding market and ability to drive higher margins. Existing holdings in Alibaba Group Holding Ltd., Monster Beverage Corp., Edwards Lifesciences Corp., Alphabet Inc. and CoStar Group Inc. were increased.

Biogen Inc. was eliminated from the Portfolio as the business has become more mature, particularly its larger multiple sclerosis franchise that may dilute the impact of future pipeline success. Incyte Corp. was sold after the company announced that its cancer drug epacadostat failed to meet expectations in its Phase 3 trials for melanoma. Baidu Inc. was sold following the resignation of the company's chief executive officer, who had orchestrated its positive strategy, product and execution changes over the past 18 months. Positions in Alexion Pharmaceuticals Inc., Facebook Inc., Salesforce.com Inc. and Netflix Inc. were trimmed in the Portfolio.

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

Recent Developments

The sub-advisor believes the Portfolio holds companies that are positioned to deliver strong business results and earnings growth over the five- to 10-year investment horizon. The focus on the sustainability of a business's future earnings growth typically steers the sub-advisor toward companies they believe are benefiting from trends that should provide growth throughout economic cycles. The sub-advisor is optimistic about the long−term growth prospects for the Portfolio's companies and believes that they can deliver the growth necessary to support above-average relative and absolute returns over the next several years.

International Financial Reporting Standard 9 (IFRS 9) Implementation:

Effective January 1, 2018, the Portfolio retrospectively adopted IFRS 9. The new standard requires assets to be carried at either amortized cost, fair value through profit and loss ("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 judgments 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.

Upon transition to IFRS 9, financial assets and financial liabilities in the Portfolio's investment portfolio were classified as FVTPL. This 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.

Related Party Transactions

BMO Trust Company, an indirect, wholly-owned subsidiary of Bank of Montreal, is the trustee (the "trustee") and BPIC is the manager of the Portfolio. From time to time, BPIC may, on behalf of the Portfolio, enter into transactions or arrangements with or involving other members of BMO Financial Group, or certain other persons or companies that are related or connected to the Portfolio (each, a "related party" and collectively, the "related parties"). The purpose of this section is to provide a brief description of any transaction involving the Portfolio and a related party. In each instance where a conflict of interest is identified, it will be referred to the Portfolio's independent review committee (the "IRC"). The primary focus of the IRC is to determine whether the proposed action of the Manager in respect of the conflict of interest matter achieves a fair and reasonable result for the Portfolio. The IRC has reviewed the related party relationships described below and has provided a positive recommendation that each relationship achieves a fair and reasonable result for the Portfolio.

Sub-advisor

BPIC has hired Sands to provide investment advice and make investment decisions for the Portfolio's investment portfolio. Sands receives a sub-advisory fee based on assets under management, which is paid quarterly. Sands is paid by BPIC, and BPIC charges a portion of the sub-advisory fee as an expense to the Portfolio.

Wealth Management Fee

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

Unitholder Services

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

The fees charged to the Portfolio during the periods were as follows:

	Period ended June 30, 2018 ($000s)	**Period ended June 30, 2017 ($000s)**
Unitholder Services	69	48

Management Fee

There is no management fee charged to the Portfolio. The trustee and the Manager receive an annual wealth management fee from investors for the wealth management service offered by BMO Financial Group.

Financial Highlights

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

The Portfolio's Net Assets Per Unit (1)		Six months ended June 30, 2018	Years ended December 31 2017	2016	2015	2014	2013
Net assets, beginning of period	$	14.01	11.09	12.29	9.87	8.30	5.50
Increase (decrease) from operations:							
Total revenue	$	0.01	0.03	0.03	0.04	0.06	0.03
Total expenses (2)	$	(0.03)	(0.06)	(0.05)	(0.05)	(0.04)	(0.04)
Realized gains (losses) for the period	$	1.38	1.37	0.86	0.88	0.73	0.70
Unrealized gains (losses) for the period	$	2.51	1.74	(2.09)	1.54	0.83	2.12
Total increase (decrease) from operations (3)	$	3.87	3.08	(1.25)	2.41	1.58	2.81
Distributions:							
From income (excluding dividends)	$	—	—	—	—	—	—
From dividends	$	—	—	—	—	0.02	0.00
From capital gains	$	—	—	—	—	—	—
Return of capital	$	—	—	—	—	—	0.00
Total Annual Distributions (4)	$	—	—	—	—	0.02	0.00
Net assets, end of period	$	17.83	14.01	11.09	12.29	9.87	8.30

(1) This information is derived from the Portfolio's unaudited and audited financial statements.

(2) Includes commissions and other portfolio transaction costs and withholding taxes.

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

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

Ratios and Supplemental Data		Six months ended June 30, 2018	Years ended December 31 2017	2016	2015	2014	2013
Total net asset value (000s) (1)	$	419,872	310,938	294,554	379,996	270,834	204,195
Number of units outstanding (000s) (1)		23,550	22,199	26,550	30,907	27,430	24,591
Management expense ratio (2)	%	0.37	0.38	0.41	0.36	0.41	0.48
Management expense ratio before waivers or management absorptions (2)	%	0.56	0.53	0.57	0.53	0.59	0.66
Trading expense ratio (3)	%	0.02	0.03	0.02	0.02	0.02	0.04
Portfolio turnover rate (4)	%	26.48	28.22	18.81	31.06	25.35	48.00
Net asset value per unit	$	17.83	14.01	11.09	12.29	9.87	8.30

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

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

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

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

Past Performance

General

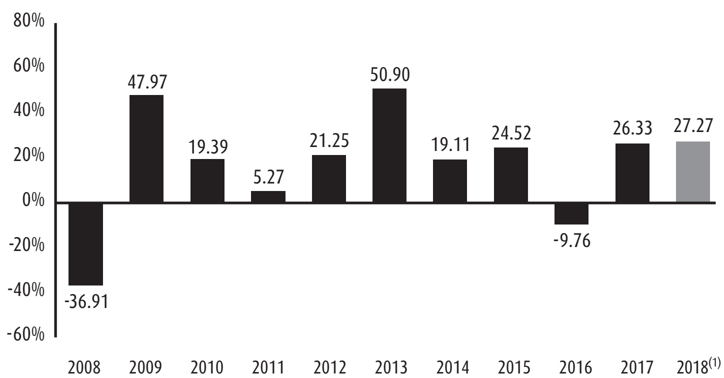
The Portfolio's performance information assumes that all distributions made by the Portfolio in the periods shown were reinvested in additional units of the Portfolio and is based on the net asset value of the Portfolio.

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

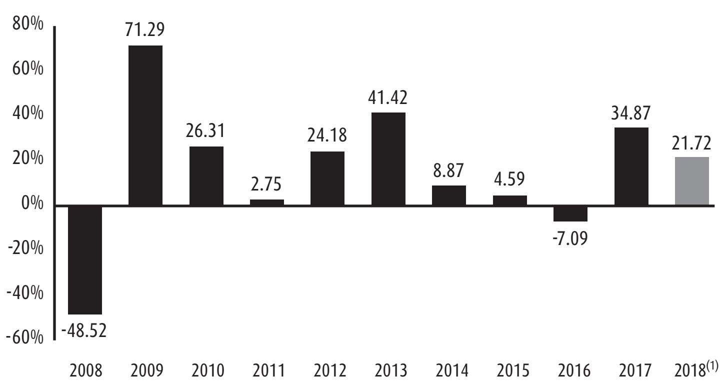
Year-by-Year Returns

The following bar charts show the performance for each of the financial years and for the six-month period ended June 30, 2018 shown and illustrate how the performance has changed from year to year. The bar charts show in percentage terms how an investment made on the first day of each financial year would have increased or decreased by the last day of each financial year.

BMO Private U.S. Growth Equity Portfolio (C$)



BMO Private U.S. Growth Equity Portfolio (US$)



(1) For the six-month period ended June 30, 2018.

Summary of Investment Portfolio

as at June 30, 2018

Portfolio Allocation	% of Net Asset Value
Information Technology	48.7
Consumer Discretionary	22.6
Health Care	16.0
Cash/Receivables/Payables	4.4
Consumer Staples	3.0
Industrials	2.7
Financials	2.6
Total portfolio allocation	**100.0**

Top 25 Holdings

Issuer	% of Net Asset Value
Amazon.com, Inc.	9.9
Visa Inc., Class A	7.3
Netflix, Inc.	7.0
Alphabet Inc.	6.2
Salesforce.com, Inc.	5.7
Alibaba Group Holding Limited, ADR	5.5
ServiceNow, Inc.	5.5
Adobe Systems Incorporated	4.9
Facebook, Inc.	4.7
Cash/Receivables/Payables	4.4
Booking Holdings Inc.	3.4
Palo Alto Networks, Inc.	3.2
Align Technology, Inc.	3.2
Illumina, Inc.	3.1
Monster Beverage Corporation	3.0
CoStar Group, Inc.	2.7
Edwards Lifesciences Corporation	2.6
Charles Schwab Corporation, The,	2.6
Splunk Inc.	2.4
Regeneron Pharmaceuticals, Inc.	1.9
Activision Blizzard, Inc.	1.9
Alexion Pharmaceuticals, Inc.	1.8
BioMarin Pharmaceutical Inc.	1.7
Loxo Oncology, Inc.	1.6
Workday, Inc., Class A	1.3
Top holdings as a percentage of total net asset value	**97.5**
Total Net Asset Value	**$419,871,875**

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

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